



Forging a
BRIGHT
NEW FUTURE
继往开来 锐意进取

Annual Report 2016 年度报告

Forging a BRIGHT NEW FUTURE

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DESIGN CONCEPT 设计概念



This annual report's concept focuses on the theme of building on past achievements and forging ahead for the future.

The water droplet design represents Everbright Water's business and also symbolises the Company's vision for a promising future with business progress.

This implies that while Everbright Water forges ahead for business development, it constantly bears in mind and adheres to the doctrinal ideal of corporate sustainability.

本年报以继往开来，锐意进取为主题。

在设计上以水滴图案代表光大水务的业务，而在水滴图案中，包含着更美好未来与公司业务发展相辅相成的愿景。寓意光大水务在锐意发展业务的同时，亦不忘继续秉承可持续发展企业的理念。

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Embracing a
Green Future
拥抱绿色未来



CORPORATE PROFILE

公司简介

China Everbright Water Limited (“**Everbright Water**” or the “**Company**”, together with its subsidiaries, the “**Group**”) is an investment and operation company focusing on integrated environmental water services. The Company is listed on the Mainboard of Singapore Exchange Securities Trading Limited (stock code: U9E) with its controlling shareholder being China Everbright International Limited (stock code: 00257.HK, “**Everbright International**”). The Company is the sole water business platform of China Everbright Group Ltd. (“**Everbright Group**”).

The Company is principally engaged in integrated environmental water services, sponge city construction, waste water treatment, reusable water, waste water source heat pump, sludge treatment, river-basin ecological restoration, research and development of water technologies, and engineering and construction. The Company’s geographical footprint spans across East, Central, North, Northeast and Northwest China, including Beijing, Jiangsu Province, Shandong Province, Shaanxi Province, Henan Province, Hubei Province, Liaoning Province and Inner Mongolia Autonomous Region, etc. As at 31 December 2016, the Company invested in and operated water treatment projects with a designed daily water treatment capacity of approximately 5 million m³.

With the experienced management team and strong support from Everbright Group and Everbright International, the Company will seize opportunities and strive to emerge as a leader in China’s integrated environmental water services sector.

中国光大水务有限公司（以下简称“**光大水务**”或“**本公司**”，连同其附属公司合称“**本集团**”）是以水环境综合治理业务为主业的投资运营公司，为新加坡证券交易有限公司主板上市公司（上市编号：U9E），控股股东为中国光大国际有限公司（上市编号：00257.HK，以下简称“**光大国际**”）。本公司亦为中国光大集团股份公司（以下简称“**光大集团**”）旗下唯一的水务业务运营平台。

本公司主营业务包括水环境综合治理、海绵城市建设、污水处理、中水回用、污水源热泵、污泥处理、流域治理、环保水务技术研发和工程建设等，业务遍及中国华东、华中、华北、东北及西北地区，包括北京市、江苏省、山东省、陕西省、河南省、湖北省、辽宁省、内蒙古自治区等地。截至二零一六年十二月三十一日，本公司投资建设及运营管理的水处理项目设计规模约为500万立方米/日。

在光大集团和光大国际的全力支持及经验丰富的管理团队的带领下，光大水务将紧抓行业机遇，全力以赴，致力推动本公司成为中国水环境综合治理领域的翘楚。



CHAIRMAN'S STATEMENT

董事长致辞



Dear valued shareholders,

As we look back on 2016, global economic development was hampered by many uncertainties and clashes. Recovery was hence slow and uneven. However, with the *Paris Agreement* entering into force, we saw countries all over the world transcend their differences to reach consensus and work together to improve the earth's ecological environment. In China, the year 2016 marked the start of China's 13th Five-Year Plan. While focusing on leading the transformation to a "New Normal" economy, the plan also incorporated "green development" as one of its five development principles. In addition, the country's environmental protection industry also saw the introduction of many important policies such as the *13th Five-Year Plan for Eco-Environmental Protection, Water Pollution Prevention and Control Law (Draft Amendment)* and *13th Five-Year Plan for the Development of Emerging Sectors of Strategic Importance*. These policies have elevated the development of ecological conservation, environmental management and sustainable development to an unprecedented level of importance. This demonstrates that the concerns related to environmental management and protection have become urgent issues that need to be addressed by China and the world, and this translates to immense growth opportunities for the environmental protection industry.

Despite the uncertainties in the domestic and international economic environment, the Group benefits from favorable environmental protection policies and embraced a new round of development in this pivotal year under review. Following the integration of a series of acquisitions in 2015, the Group's operational and management scales were boosted to a new level in 2016, and the acquired projects were successfully restructured.

尊敬的各位股东，

回首二零一六年，全球经济发展受诸多不确定因素裹挟，分歧不断，复苏进程缓慢不均。然而，随着《巴黎气候协议》正式生效，我们看到世界各国正超越分歧，达成共识，携手推动改善地球生态环境。回望国内，二零一六年是中国第十三个五年规划的开局之年。在强调引领经济发展新常态的同时，规划纲要亦将“绿色发展”纳入五大发展理念。此外，环保领域还迎来《“十三五”生态环境保护规划》、《水污染防治法（修订草案）》、《“十三五”国家战略性新兴产业发展规划》等多项重大政策，将生态文明建设、环境治理和可持续发展置于前所未有的重要地位。可见环境治理与保护已成为中国乃至世界各国亟需解决的议题，这亦为包括水环境治理在内的环保行业带来了空前的发展良机。

面对国内外经济环境曲折发展，受益于环保行业的政策支持，本集团迎来新一轮发展启航的关键之年。随着二零一五年一系列的收购整合，二零一六年本集团经营管理规模再上台阶，已收购项目实现成功转型。面对激烈的

The Group will continue to seize opportunities to capitalise on our strengths in investment and construction, operation and management, and technology R&D in order to reinforce its market position, expand into new business areas and enhance its core competitiveness.

本集团将抓住机会，继续夯实在投资建设、运营管理和技术研发等方面的一贯优势，巩固现有市场、开拓新机遇，提升核心竞争力。

In light of intense industry competition and ever-changing market environment, the Group pursued organic growth through a “prudent, active and practical” development approach, and steadily pushed forward its sustainable development strategy featured with “business diversification, technology-driven development and structural optimisation for efficiency enhancement”. During the year under review, the Group enhanced its market development model, which is based on the locations of existing projects. On this basis, the Group expanded into new business areas such as river basin ecological restoration and sponge city construction, thereby creating new growth drivers through a multi-pronged strategy. In addition, the Group established a water environment technology research platform that mainly focuses on application-based technology research. The research platform not only strengthens the Group’s core technical competitiveness, but also facilitates the Group to seek out new business opportunities in the field of integrated environmental water services. Furthermore, the Group also focused on implementing a regional management model in order to optimise finance cost and financing structure. This complements the Group’s long-term business development strategy to realise long-term enhancements to scale and efficiency.

Over the past year, the public-private partnership (“PPP”) model has gained significant traction and was progressing at a rapid rate. The central and local government departments have introduced a number of policies to encourage the development of the PPP model, including the establishment of PPP project catalogs, and thus sent positive signals to the environmental water services industry. Amidst accelerating implementation of various PPP projects, the Group, has developed several quality PPP flagship projects based on its exploration and execution of

行业竞争及多变的市场环境，本集团以“稳、进、实”为发展方针推进内涵式增长，稳步推进“业务多元化、以技术为引领、优化结构提升效益”的可持续发展战略。回顾年内，在深化以现有项目所在地为依托的市场开发模式的基础上，本集团成功将业务拓展至流域治理、海绵城市建设等新领域，通过多元化策略创造业务增长点。另外，本集团成立水环境技术研究平台，以应用型技术研究为主，不断加强集团的技术核心竞争力，助力旗下水环境综合治理领域斩获新的业务机会。此外，本集团亦注重通过推行区域化管理模式，优化财务成本和融资结构，紧密配合长期的业务发展策略，实现规模和效益长效提升。

过去一年政府和社会资本合作（“PPP”）模式快速推进。中央及各地政府部门推出多项政策鼓励PPP模式的发展，建立PPP项目库，向水环境治理行业亮出利好信号。在各类PPP项目呈现加速落地之时，本集团基于对PPP模式的摸索和实践经验，打造了多个PPP项目精品。其中，本集团旗下的济南污水处理项目在“二

CHAIRMAN'S STATEMENT

董事长致辞

PPP models. In particular, the Ji'nan Waste Water Treatment Project was selected as one of the 12 successful PPP case studies worldwide and showcased during the "2016 International United Nations Economic Commission for Europe PPP Forum". More significantly, it is the only shortlisted project from China among the 12 case studies. This does not only reflect the Group's successful execution of PPP projects, but also underscores the recognition of the development progress of China's PPP model by the international community.

Following the inclusion into the FTSE ST Mid-Cap Index in 2015, the Company was also included as a constituent stock of the MSCI China Small Cap Index, one of the most commonly followed indexes by institutional investors, during the year under review. The latest inclusion is yet another endorsement of the Group's growth potential, which is well-recognised by the investment community and industry players. This further reinforces the Group's confidence in its next level of growth.

As an environmental protection enterprise and corporate citizen, the Group proactively takes the responsibility of protecting the environment while being concerned about the public welfare. During the year under review, the Group participated in various charitable activities in communities where its existing projects are located and opened project sites for public visits. The Group received approximately 800 batches of visitors around the world in the year, totaling more than 17,000 visitors. The Group tapped these visits as a platform to promote and exchange information about environmental technology and to raise public awareness on environmental protection.

零一六年联合国欧洲经济委员会国际PPP论坛”中成功入选全球12个PPP成功案例，成为此次入选案例中唯一的中国项目。这不仅展示了本集团在PPP项目方面的成功实践，亦向国际社会证明了中国PPP模式的良好发展成果。

继二零一五年被列入富时海峡时报中型股指数成份股之后，本公司于回顾年度内获纳入机构投资者最常采用的指数之一“MSCI明晟中国小型股指数成份股”，显示出本集团的发展潜力再次获得市场和业界的认可，为本集团下一轮发展夯实信心。

作为环保企业和企业公民，本集团心系环境保护和公益民生，积极承担环保责任。回顾年度内，本集团不仅多次参与项目所在地的公益慈善活动，亦打开项目大门，接待社会各界人士近800批次逾17,000人前来参观考察，借此推广、交流先进的环保技术，提升公众的环保意识。



Looking ahead, the environmental water protection still faces immense pressure, with more opportunities in the field of public-private partnerships. The Group believes that the environmental water services industry will maintain its rapid pace of growth, with huge developmental potential. The Group will continue to seize opportunities to capitalise on its strengths in investment and construction, operation and management, and technology R&D in order to reinforce its market position, expand into new business areas and enhance our core competitiveness.

In view of the Group's stable operational performance and financial position over the year under review, and in line with our belief of sharing the Company's fruitful results with shareholders, the board of directors of the Company (the "**Board**") has recommended a final dividend of S\$0.0037 per share to shareholders for the financial year ended 31 December 2016 (final dividend for 2015: S\$0.0035 per share).

Lastly, on behalf of the Board, I would like to express my heartfelt gratitude to the Company's shareholders, the Board members, the management team and employees, peers and all our business partners. I firmly believe that with the backing of Everbright Group, and the strong support from Everbright International, the Group is well-poised to overcome all challenges, stride ahead to keep pace with the market and achieve more breakthroughs to deliver sustainable returns to our shareholders. The Group will continue to work towards becoming a leading player in China's water industry, and actively push forward the sustainable development of the environmental water industry.

Wang Tianyi

Non-Executive Director and Chairman

展望新的一年，水环境保护依然面临巨大压力，社会资本参与公共服务的良机也愈发显现。本集团相信，水环境治理行业将会保持较快的增长步伐，发展空间和潜力依然巨大。本集团将抓住机会，继续夯实在投资建设、运营管理和技术研发等方面的一贯优势，巩固现有市场、开拓新机遇，提升核心竞争力。

基于本集团过去一年稳健的经营业绩以及财务状况，秉承本公司“与股东共享企业发展成果”的理念，本公司董事会推荐向本公司股东派发二零一六年末期每股股息0.0037新加坡元（二零一五年：末期每股股息0.0035新加坡元）。

最后，本人谨代表董事会向本公司各位股东、董事会成员、管理层及员工、各地业界人士和合作伙伴的支持致以衷心的感谢。本人坚信，背靠光大集团这一坚实后盾、借助控股股东光大国际的强大支持，本集团必将排除万难，扎实前行，紧跟市场，力求突破，为股东带来持续的回报，致力成为中国水务行业的翘楚，推动水环境的可持续发展。

王天义

非执行董事兼董事长

CEO'S STATEMENT & BUSINESS REVIEW

总裁致辞及业务回顾



Dear valued shareholders,

Over the past year, we endured a challenging and complex macro environment, with persistent weakness in the global economy. China's economy continued to face downward pressures and underwent profound structural adjustments. Simultaneously, the increasingly pressing needs for the improvement of ecological environment could no longer be ignored by countries around the world, and that had to be addressed collectively. Under these circumstances, China, during the beginning year of the 13th Five-Year Plan, continued to step up the push for a sound ecological environment, and intensively introduced many environmental protection policy measures, calling out to people from all walks of life to join hands and fight the long-term battle for eco-environmental pollution prevention and treatment. After China issued the *Water Pollution Prevention and Control Plan* to fight the battle pushing for water pollution prevention and treatment, the government, in 2016, continued to progressively issued a series of policy measures that focus on specific areas in the water environment restoration sector, such as the *13th Five-Year Plan on National Urban Waste Water Treatment and Recycling Facilities Construction*. These policies not only demonstrate the positive attitude and determination that the Chinese government has towards managing the water environment problems, but also opened up broader development opportunities for the entire environmental water services sector.

As an investment and operation company specialised in integrated environmental water services, the Group adhered closely to the national policies and set its business objectives around them in 2016. At the same time, the Group adopted its "prudent, active and practical" development approach to push forward organic growth as well as M&A integration,

尊敬的各位股东，

过去一年，我们经历了严峻复杂的宏观环境，全球经济持续疲弱，中国经济依然面临下行压力，进入深度结构调整。与此同时，改善生态环境的需求日渐紧迫，成为全球各国不可忽视、亟需共同面对的问题。在这样的大环境下，中国在“十三五”规划的开局之年继续加快推动生态文明建设，密集出台多项环保政策措施，号召各界携手打好生态环境污染防治的持久战。继国家以“水十条”（《水污染防治行动计划》）打响水污染防治战役后，政府于二零一六年陆续推出《“十三五”全国城镇污水处理及再生利用设施建设规划》等一系列水环境专项治理的政策措施，不仅彰显政府积极应对水环境问题的决心，亦为水环境治理行业带来更加广阔的发展空间。

作为专注于水环境综合治理的投资运营公司，本集团于二零一六年继续紧跟国家政策，围绕经营目标，以“稳、进、实”的发展方针推进内生发展及并购资产整合，提升项目运营及管理水平，实现业务的平稳发展。于回顾年度内，

to further enhance its project operation and management skills, and to achieve stable business growth. During the year under review, led by higher construction revenue, operation services revenue and finance income, the Group's revenue rose from HK\$1.82 billion in 2015 to HK\$2.49 billion, representing an increase of 37%. Gross profit of HK\$905.65 million represents a 10% increase from the preceding year. Net profit attributable to shareholders of the Company amounted to HK\$349.34 million, basic/diluted earnings per share was HK\$0.134. The Group's gearing level remained stable and healthy, with a gearing ratio of 49%, which was similar to that of 2015.

As at 31 December 2016, the Group held 60 projects in operation, 4 projects completing construction, 5 projects under construction and 1 project in preparatory stage in the area of waste water treatment, with a total designed daily waste water treatment capacity of 3,940,000 m³; 1 sponge city construction project under construction, which involves a series of ecological restoration works and waste water treatment projects with a daily waste water treatment capacity of 275,000 m³; 1 river training project under construction; 4 projects in operation and 1 project completing construction in the area of reusable water, with a total designed daily reusable water supply capacity of 81,600 m³; 2 waste water source heat pump projects; 59 kilometers of pipeline network and 10 pump stations; and 1 Build-Transfer surface water project. During the year under review, the Group treated an aggregate of 1,148,279,000 m³ waste water, representing an increase of 28% over the previous year.

During the year under review, to accommodate the evolving market conditions of environmental water industry, the Group transformed from a centralised management model into a regional management model, and further optimised its management structure. It set up four regional management centres, namely East Shandong, West Shandong, Jiangsu and Liaoning, resulting in economies of scale and facilitating resource integration and synergy within the regions. While improving operation and management efficiency, the Group further enhanced the implementation of the Environmental, Safety, Health and Social Responsibility ("ESHS") management system and risk management system, to improve its management skills and optimise management approach.

During the year under review, the Group continued to consolidate its leading position in its existing markets, such as Jiangsu and Shandong provinces. As the business expanded steadily, the Group secured 12 new projects during the year, including the Jiangsu Zhenjiang Sponge City Construction PPP Project, Jiangsu Nanjing Pukou Industrial Waste Water Treatment Project Phase I, Jiangsu Nanjing Municipal Water PPP Project, Jiangsu Xinyi City Waste Water Treatment Project and Upgrading Project, Jiangsu Xinyi Economic Development Zone Waste Water Treatment Project Phase I and Expansion Project, Shandong Zhangqiu Waste Water Treatment Project (Plant 1), Shandong Zhangqiu Waste Water Treatment Project (Plant 2), Shandong Qingdao Waste Water Treatment Project (Maidao Plant)

得益于建造收入、运营服务及财务收入的增加，本集团收入由二零一五年的港币18.2亿元增至港币24.9亿元，增长37%。毛利为港币9.0565亿元，较二零一五年上升10%。本公司股东应占净利润为港币3.4934亿元，每股基本/摊薄盈利为港币0.134元。本集团负债水平稳定健康，资产负债比率为49%，与二零一五年水平基本持平。

截至二零一六年十二月三十一日，本集团共持有60个运营、4个建成完工、5个在建以及1个筹建的污水处理项目，设计日污水处理量达3,940,000立方米；1个在建的海绵城市建设项目，涉及一系列生态修复工程及275,000立方米/日的污水处理项目；1个在建的河道治理项目；4个运营及1个建成完工的中水回用项目，设计日供中水81,600立方米；2个污水源热泵项目、59公里管网及10个泵站以及1个建造-转移的地表水项目。回顾年度内，本集团共处理污水1,148,279,000立方米，比二零一五年增加28%。

于回顾年度内，为适应水环境治理市场的整体环境和客观形势的变化，本集团由集中管理向区域化管理模式转变，进一步优化管理结构，设立了鲁东、鲁西、江苏、辽宁四个区域管理中心，形成规模效应，促进各区域的资源整合与联动。在提升管理运营效率的同时，本集团进一步全面实施环境、安全、健康及社会责任（ESHS）管理及风险管理两大体系，提升管理水平，优化管理方针。

回顾年度内，本集团继续巩固于江苏、山东等现有项目所在地为依托的市场领先地位，业务拓展稳步推进，全年共取得12个新项目，包括江苏镇江海绵城市建设PPP项目、江苏南京浦口开发区工业污水处理项目一期、江苏南京涉水市政工程PPP项目、江苏新沂城市污水处理项目及提标改造项目、江苏新沂经济开发区污水处理项目一期及扩建项目、山东章丘污水处理项目（一厂）、山东章丘污水处理项目（二厂）、山东青岛污水处理项目（麦岛厂）升

CEO'S STATEMENT & BUSINESS REVIEW

总裁致辞及业务回顾



Upgrading, Shandong Ju County Shudong Waste Water Treatment Project and Henan Sanmenxia Waste Water Treatment Project Phase I Upgrading. In addition, the Group also extended its business reach to industrial waste water treatment, sponge city construction, river-basin ecological restoration and other new business areas. This fully demonstrates the pro-activeness of the Group's business team in seeking breakthroughs, which will create a good momentum to strengthen the Group's market position in the future and enhance its business diversification. In addition, the Group secured multiple PPP projects during the year under review and accumulated a wealth of experience that will help the Group better capture project opportunities brought about by the growth of the PPP model.

In terms of project construction, the Group remained focused on its philosophy of "developing quality projects, establishing a quality brand" to steadily push forward the project construction. During the year under review, 8 projects completed construction. Among them, Shandong Ji'nan Waste Water Treatment Project (Plant 1) Expansion, Shandong Ji'nan Xike Waste Water Treatment Project (Plant 4) Phase II, Jiangsu Wuzhong Chengnan Waste Water Treatment Project Phase II and Upgrading have already commenced operations; Liaoning Dalian Liangjiadian Waste Water Treatment Project Phase I completed construction; Beijing Daxing Tiantanghe Waste Water Treatment Project Phase II and Upgrading, Liaoning Pulandian Waste Water Treatment Project Phase I Expansion and Henan Sanmenxia Waste Water Treatment Project Phase I Upgrading completed construction and are now running in compliance with discharge standards; Jiangsu Nanjing Pukou Reusable Water Project Phase I also completed construction and is now undergoing a trial run. As at 31 December 2016, the Group had a total of 7 projects under construction, creating a sound basis for its stable development going forward. During the year under review, multiple projects of the Group effected water tariff hike, including an increase of tariff by 55.8% for Nanjing Liuhe Waste Water Treatment Project, an increase of tariff by 39.5% for Suzhou Wuzhong Chengnan Waste Water Treatment Project, and an increase of tariff by 9% for Yangzhou Jiangdu Development Zone Waste Water Treatment Project.

级改造项目、山东莒县沐东污水处理项目及河南三门峡污水处理项目一期提标改造。除此之外，业务模式亦延伸至工业污水处理、海绵城市建设、流域治理等新领域，充分显示出本集团业务团队积极进取、寻求突破的作风，为本集团在未来巩固市场、提升业务多元化水平创造良好势头。此外，本集团亦于年内拓展多个PPP项目，积累了丰富经验，有助于在未来更好地抓住PPP模式发展所带来的项目机会。

工程建设方面，本集团坚持“建精品、创品牌”的工程建设理念，扎实推进项目建设。于回顾年度内，共有8个项目建成完工：其中，山东济南污水处理项目（一厂）扩建项目、山东济南西客污水处理项目（四厂）二期、江苏吴中城南污水处理项目二期及提标改造建成并投入运营；辽宁大连亮甲店污水处理项目一期建成完工；北京大兴区天堂河污水处理项目二期及提标改造项目、辽宁普兰店污水处理项目一期扩建、河南三门峡项目一期提标改造建成完工，通水达标排放；江苏南京浦口中水一期建成完工并进入调试阶段。截至二零一六年十二月三十一日，在建项目共7个，为本集团未来的稳步发展奠定扎实基础。回顾年度内，本集团多个项目获上调水价，其中江苏南京六合污水处理项目上调55.8%、江苏吴中城南污水处理项目上调39.5%及江苏扬州江都开发区污水处理项目上调9%。



The year 2016 marked the first complete year after the Group's acquisition of Dalian Dongda Water Co., Ltd. The Group increased waste water treatment capacity and profitability of the acquired projects through internal integration and upgrading works. It also enhanced efforts in water tariff collection and tariff adjustment. As a result, the acquired projects were restructured successfully. In the meantime, the Group also incorporated its business ethos and corporate culture into those projects, which facilitated the smooth restructuring and upgrading of the projects, and thereby strengthened the Group's market position in the local markets.

The Group remains committed to technology-driven development and has positioned it as the core growth driver for the next round of development. The Group's Water Environment Technology Research Centre was established as a technology R&D institute and technological innovation platform. The centre focuses on application-based technology research. Through in-house R&D, technology import and academic-industry collaborations, the Group will continuously enhance its core competitiveness in river-basin ecological restoration, sponge city construction, waste water treatment and other fields in the environmental water services industry.

The Group has also been actively exploring flexible and diversified financing channels, to optimise its finance structure and lower its finance costs. During the year under review, the Company proactively pushed forward multiple financing channels, such as "Panda Bond" issuance and asset securitisation. The funds raised will be used to supplement the Group's working capital and support the Group for its next phase of business planning and development.

Thanks to our employees' hard work and contributions, as well as the support and recognition from the market and the society, the Group achieved a steady performance over the past year. On behalf of the Group, I would like to take this chance to express my heartfelt gratitude to all management and staff, as well as people from all social circles who have been supportive of the Group's development. In the upcoming year, the Group's management team will work hand in hand with all employees to continue seeking development opportunities, actively respond to changes in the marketplace, look for breakthroughs in technology and business expansion and strive to further step up in the integrated environmental water services sector.

An Xuesong

Executive Director and Chief Executive Officer

二零一六年是本集团收购大连东达水务有限公司后的第一个完整年度，通过内部整合以及提标改造等工程，提升项目的污水处理能力和盈利能力，并加强水费清收和调价工作，实现各项目的转型升级。同时，注入本集团的业务作风和企业文化，从而实现各项目的顺利对接、升级转型，巩固于当地的市场地位。

本集团始终坚持以科技引领发展，将其定位为下一轮发展的核心动力。旗下的水环境技术研究中心作为技术研发机构和技术创新平台，以应用技术研究为主，通过自主研发、技术引进、产学研合作等方式，不断提升本集团在流域治理、海绵城市建设、污水处理等多个水环境治理领域的核心竞争力。

本集团亦积极探索灵活多样的融资渠道，优化融资结构，降低财务成本。于回顾年度内，本公司积极推动“熊猫债”、资产证券化等多个融资方式，筹措的资金将用以补充营运资金，支持本集团下一轮的业务部署和发展。

本集团过去一年的稳健成绩有赖于全体员工的辛劳付出，亦离不开市场和社会各界的关注和支持。借此机会，本人谨代表本集团，由衷地向全体管理层及员工、支持本集团发展的各界人士表示感谢。在新的一年里，本集团管理团队将与全体员工上下一心，携手共进，继续寻求发展契机，积极应对市场形势变化，在技术和业务拓展方面寻找突破，力争在水环境综合治理行业更上一层楼。

安雪松

执行董事兼总裁

CORPORATE INFORMATION

公司资料

BOARD OF DIRECTORS

NON-EXECUTIVE DIRECTOR

Mr. Wang Tianyi
(*Non-Executive Director and Chairman*)

EXECUTIVE DIRECTORS

Mr. An Xuesong
(*Executive Director and CEO*)

Mr. Cai Shuguang
Ms. Xu Nailing

INDEPENDENT DIRECTORS

Mr. Zhai Haitao
Mr. Lim Yu Neng Paul
Ms. Cheng Fong Yee

COMPANY SECRETARY

Ms. Peng Pei

AUDIT COMMITTEE

Mr. Lim Yu Neng Paul (*Chairman*)
Mr. Zhai Haitao
Ms. Cheng Fong Yee

NOMINATING COMMITTEE

Mr. Zhai Haitao (*Chairman*)
Mr. Wang Tianyi
Mr. Lim Yu Neng Paul

REMUNERATION COMMITTEE

Ms. Cheng Fong Yee (*Chairman*)
Mr. Zhai Haitao
Mr. Lim Yu Neng Paul

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董事会

非执行董事

王天义先生
(*非执行董事兼董事长*)

执行董事

安雪松先生
(*执行董事兼总裁*)

蔡曙光先生
徐乃玲女士

独立董事

翟海涛先生
林御能先生
郑凤仪女士

公司秘书

彭珮女士

审计委员会

林御能先生 (*主席*)
翟海涛先生
郑凤仪女士

提名委员会

翟海涛先生 (*主席*)
王天义先生
林御能先生

薪酬委员会

郑凤仪女士 (*主席*)
翟海涛先生
林御能先生

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Partner-in-charge: Mr. Low Gin Cheng, Gerald
(Appointed in Financial Year 2015)

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Agricultural Bank of China Limited
Bank of China Limited
Industrial and Commercial Bank of China Limited
China Construction Bank Corporation
Wing Lung Bank Limited
DBS Bank Limited
Mizuho Bank, Ltd.
Far Eastern International Bank

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邮编：049910

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审计师

KPMG LLP
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主管合伙人：刘仁清先生
(于二零一五财政年度获聘)

主要银行

中国农业银行
中国银行
中国工商银行
中国建设银行
永隆银行
星展银行
瑞穗银行
远东国际商业银行

CORPORATE OUTLOOK

公司展望

INDUSTRY OUTLOOK


Given the macro-level guidelines on eco-environment restoration and sustainable development, the Chinese government has recently introduced a number of important policies to continually emphasise the national strategic importance of a sound ecological environment, bringing many benefits to the environmental protection industry. The launch of the *13th Five-Year Plan for Eco-Environmental Protection* at the end of 2016 clearly indicates that the eco-environmental protection field will face significant strategic opportunities during the five-year plan period. The task at hand is arduous, and therefore needs proper management of various risks and challenges; at the same time, we have to fully capitalise on new business opportunities and conditions, and strive to improve the overall quality of eco-environment by 2020. Under the guidance and encouragement by the central government's policies, local governments in the country have also started to introduce environmental protection policies and measures aimed at meeting local ecological needs. This demonstrates the strong level of convening power and call for action from authorities at all levels, which will provide an important force for the future development of the environmental protection industry.

Benefiting from the overall positive momentum of the industry, the environmental water services sector will continue its strong growth in the next phase. In the *13th Five-Year Plan for Eco-Environmental Protection*, the government focuses on targeted efforts to raise water environment quality. With that being the core task, the government targets integrated management of water resources, water environment and water ecosystems, and aims to achieve a substantial improvement in the quality of surface water, groundwater, and water in the functional areas of major rivers and lakes by 2020. Moreover, the *Water Pollution Prevention and Control Law (Draft Amendment)*, which is currently being reviewed by the National People's Congress of the PRC, with improving water environment quality as its core objective, aims to fully promote water pollution prevention and control, water ecological environment protection and to guarantee drinking water safety. Based on the overall planning policy, the country also launched its *13th Five-Year Plan on National Urban Waste Water Treatment and Recycling Facilities Construction* and the *Opinions on Comprehensive Adoption of River Chief Mechanism*, along with many other policies, to have a more tailored approach in addressing different

行业前瞻

在加大生态环境治理力度、遵循可持续发展的宏观定调基础之上，中国政府近期出台多项重大政策，不断强调生态文明建设的国家战略地位，给环保行业带来重重利好。二零一六年年底，《“十三五”生态环境保护规划》出台，明确指出生态环境保护在“十三五”期间面临重要的战略机遇，任务艰巨，需妥善应对各种风险挑战，同时要充分利用新机遇、新条件，力争在二零二零年总体改善生态环境质量。在中央政策的指引和号召之下，各地政府亦纷纷出台针对当地生态需求的环保政策措施，展现出各级政府的强大号召力和行动力，为未来环保行业的发展提供重要推力。

得益于环保行业整体的良好发展势头，水环境治理行业亦继续迎来蓬勃发展阶段。在《“十三五”生态环境保护规划》中，政府着重强调精准发力提升水环境质量，明确以改善水环境质量为核心，对水资源、水环境、水生态进行综合施治，目标在二零二零年，令地表水质、地下水水质、重要江河湖泊功能区水质等均实现大幅提升。此外，全国人大目前正在审议的《水污染防治法（修订草案）》，以水环境质量改善为核心，全面推进水污染防治、水生态环境保护和饮用水安全保障。基于总体性规划政策，国家亦推出《“十三五”全国城镇污水处理及再生利用设施建设规划》、《关于全面推行河长制的意见》等多项政策，更有针对性地应对不同地域、不同类型的水环境问题，为水环境治理行业打开了农村污水处理、海绵城市建设等更多的发展空间，亦勾勒出该行业产业



types of water environment problems in different locations. These policies open up room for the future development of the environmental water services sector, such as in the areas of rural waste water treatment and sponge city construction, and outline a major trend that the environmental water services industry chain will continue to extend upstream and downstream, and go through integrations. Those policies have injected more vibrancy and huge potential to the industry. In addition, with clearer government policies and guidelines, the environmental water services sector will see higher levels of professionalism and industry standards, therefore the weak market participants will be eliminated while the capable ones will stay, boosting the long-term growth of the industry.

As a public service sector, the environmental water services sector has introduced the PPP model in recent years. The PPP model has been widely used in the waste water treatment field. This has driven interest in the exploration and adoption of this model by other fields within the sector, thereby furthering the development trend of the PPP model. With the introduction of a series of policies by the government to encourage and support the social capital to get involved in the investment, construction and operation in the public service and the infrastructure areas, the level of marketisation of the environmental water services sector is expected to continue to improve. In addition, the social capital will, through the PPP model, be able to participate in the investment, construction and operation of larger scale and more integrated environmental water services projects, thereby continuously strengthening the comprehensive capabilities of industry players. This will further direct the entire industry towards the trend of providing integrated treatment services.

FUTURE OUTLOOK

While the macro environment remains unpredictable, the environmental protection sector, as a defensive industry, will continuously benefit from the country's persistent concerns over eco-environmental issues, the growing public demand for environmental improvement, as well as the environmental protection policies, and thus it will maintain rapid growth momentum.

链不断向上下游延伸、整合的发展大势，向行业注入了更多活力和巨大潜力。此外，随着政府的相关政策规范愈发清晰，水环境治理行业将在专业程度和标准日渐提升的环境下汰弱留强，进而实现长足发展。

作为公共服务领域，水环境治理领域于近年来引入PPP模式。在污水处理领域，PPP模式运用已较为广泛，并逐渐带动水环境治理的其他领域探索和采用该模式，令PPP模式的发展势头越来越盛。随着政府一系列政策的出台，鼓励、支持社会资本参与公共服务、基础设施领域的投资、建设和运营，水环境治理行业的市场化程度将有望持续提升。此外，社会资本通过PPP模式，得以参与投资、建设和运营规模更大、综合化程度更高的水环境治理项目，令自身的综合业务水平不断加强，亦为整个行业朝向综合治理的方向提供助力。

前景展望

尽管未来宏观环境依然变化莫测，作为抗周期行业的环保领域将继续受益于国家对生态环境议题的持续关注、民众对环境质素要求的不断提升以及接连出台的环保政策支持，保持快速增长的势头。

CORPORATE OUTLOOK

公司展望

From the policy perspective, the environmental protection industry will see the intensive implementation of related policies in 2017. With the environmental protection policies being further tested and developed, the regulations and related standards for the industry will become more stringent. It will in turn enable well-established companies, which have a long track record and are focused on long-term sustainable development, to stand out from their peers in the sector, thereby allowing the entire industry to move towards a more stable development path. In addition, the country's "One Belt, One Road" initiative has laid the path for the environmental protection industry to explore overseas markets, and by leveraging on the technology and experience from these markets, to further enhance the overall standards of the domestic environmental water services sector.

As an investment and operation enterprise focused on integrated environmental water services, the Group will remain focused on technology-driven developments and will continuously enhance its core technology competitiveness to establish its brand in the environmental water services technology field. The Group will also continue to strengthen its well-regarded brand name, rich operating experience and its constant strive towards excellence. This will allow the Group to capture business opportunities in various fields, expand its value chain and broaden its space for development. In addition, the Group will further optimise its regional management model through synergies and integration methods, as well as effective risk control, to improve business operation efficiency. Looking to the future, the Group's management and staff at all levels will overcome all challenges and strive ahead, and based on the "prudent, active and practical" development approach, seek stable and groundbreaking developments and remain committed to becoming the leader in China's environmental water services sector.

从政策方面看，环保行业将在二零一七年迎来相关政策密集落地推行的一年。随着各类环保政策在未来一年中不断经受检验和进一步深化，环保行业规范和相关标准必将日趋严格，令那些多年来深耕环保市场，专注于长期、良性发展的环保企业同业中脱颖而出，带动整个行业格局朝向更加稳健的方向发展。此外，“一带一路”国家战略亦为环保行业指明了一条探索海外市场的路径，借助海外市场的技术和经验，进一步提升国内水环境治理行业的整体水平。

作为专注于水环境综合治理的投资运营企业，本集团将坚持以技术引领发展，不断提升核心技术竞争力，打造自身在水环境治理技术领域的品牌；本集团还将继续巩固自身的良好品牌、丰富的业务经验以及精益求精的业务作风，取得更多不同领域的业务机会，拓宽业务链，进一步打开发展空间；此外，本集团亦会深入优化区域管理模式，通过协同、整合等方式，有效管控风险，提升业务运营效率。展望未来，本集团各级管理层及员工，将砥砺奋进、铿锵前行，继续以“稳、进、实”的发展方针为指引，寻求稳健、开创性的发展，致力于成为中国水环境治理行业的翘楚。

Towards a
Better Environment
迈向更美好环境



FINANCIAL HIGHLIGHTS

财务摘要

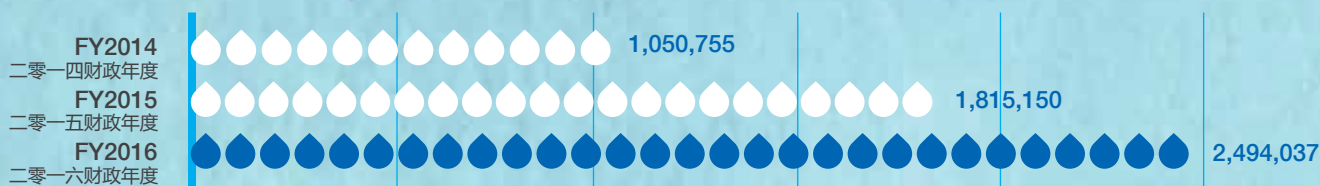
RESULTS 业绩	FY2016 二零一六财政年度 HK\$'000 港币千元	FY2015 二零一五财政年度 HK\$'000 港币千元	Percentage change FY2016 vs FY2015 二零一六财政年度对 二零一五财政年度 变动百分比
Revenue 收入	2,494,037	1,815,150	37%
Gross Profit 毛利	905,652	824,224	10%
Net Profit for the Financial Year 财政年度净利润	372,615	423,668	-12%
Net Profit Attributable to Shareholders 股东应占净盈利	349,343	406,242	-14%
Earnings per Share (HK\$) 每股盈利 (港币元)	0.134	0.158	-15%
Dividend per Share (S\$) 每股股息 (新加坡元)	0.0037	0.0035	6%
FINANCIAL POSITION 财务状况			
Total Assets 总资产	14,081,232	13,938,948	1%
Total Liabilities 总负债	6,889,530	6,641,928	4%
Net Asset Value per Share (HK\$) 每股资产净值 (港币元)	2.60	2.71	-4%
Gearing Ratio (Total Liabilities / Total Assets) 资产负债比率 (总负债 / 总资产)	48.9%	47.7%	1.2ppt

ppt: percentage point
百分点



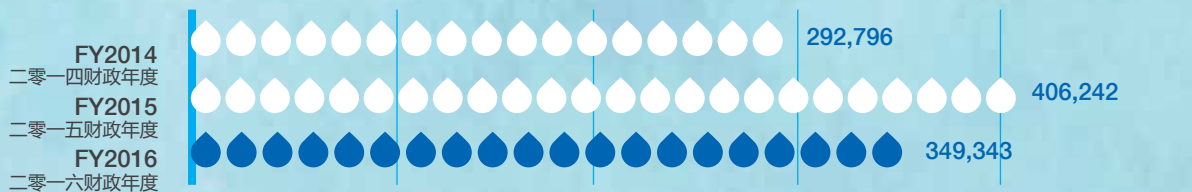
REVENUE 收入

HK\$000 港币千元



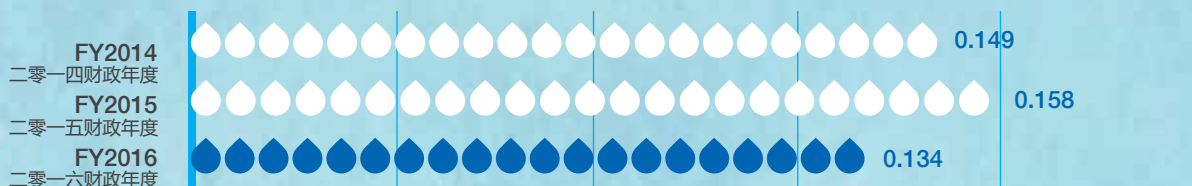
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS 股东应占净盈利

HK\$000 港币千元



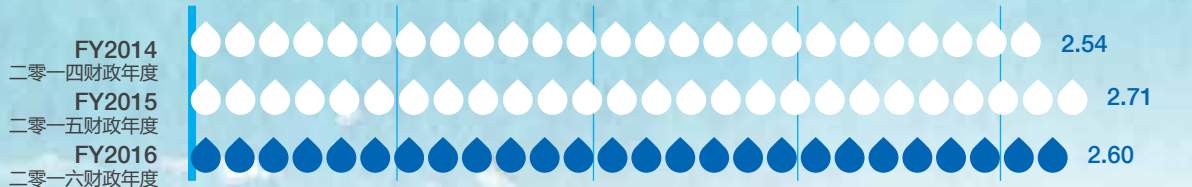
EARNINGS PER SHARE 每股盈利

HK\$ 港币元



NET ASSET VALUE PER SHARE 每股资产净值

HK\$ 港币元



BOARD OF DIRECTORS

董事会成员



Mr. Wang Tianyi

Non-Executive Director
and Chairman

王天义先生

非执行董事兼董事长

Mr. Wang is the Non-Executive Director and Chairman of the Company as well as a member of the Nominating Committee. Mr. Wang is also the Executive Director and General Manager of China Everbright International Limited.

Mr. Wang was formerly the President 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 in Shandong Province, and the Dean and Professor of Economic Management Faculty of Yantai University.

Mr. Wang is currently a part-time professor and a doctoral tutor of Shandong University and a member of Advisory Committee of China Business Research Center of National University of Singapore. He is also a member of Hong Kong Trade Development Council Mainland Business Advisory Committee, a member of PPP Business Advisory Board and the Chief Representative of China in PPP Center of United Nations Economic Commission for Europe.

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.

王先生为本公司非执行董事兼董事长，提名委员会委员。王先生亦为中国光大国际有限公司执行董事兼总经理。

王先生曾任山东省科学院院长，山东省济南市副市长。并曾任山东省烟台大学副校长、经管学院院长及教授。

王先生现任山东大学兼职教授和博士生导师，新加坡国立大学中国商务研究中心专家委员会成员。彼亦为香港贸发局内地商贸咨询委员会会员，联合国欧洲经济委员会PPP专家委员会成员和PPP中心中国首席代表。

王先生持有清华大学经济学博士、管理学硕士及电子学学士衔。彼亦曾在美国哈佛大学和加州大学学习深造。



Mr. An Xuesong

Executive Director
and CEO

安雪松先生

执行董事兼总裁

Mr. An is the Executive Director and CEO of the Company. He joined the Company as the Executive Director and Standing Vice President in December 2014 and was re-designated as Executive Director and CEO on 14 August 2015. Mr. An is also the Deputy General Manager of China Everbright International Limited.

Mr. An has comprehensive experience and knowledge in mergers and acquisitions, project investment and management, accounting management and risk management. Prior to joining the Company, Mr. An worked at The Municipal General Office of Jingzhou, Hubei Province, China Everbright Bank Ltd. 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 the PRC and also a Certified International Internal Auditor.

安先生为本公司执行董事兼总裁。安先生于二零一四年十二月加入本公司担任执行董事兼常务副总裁，并于二零一五年八月十四日被任命为执行董事兼总裁。安先生亦为中国光大国际有限公司副总经理。

安先生在兼并收购、项目投资与管理、财务管理及风险管理方面具有丰富的经验。在加入本公司之前，彼曾在湖北省荆州市委办公室、中国光大银行、广东省粤科风险投资集团任职。

安先生持有暨南大学工商管理硕士衔，彼亦为中国注册会计师及国际注册内部审计师。

BOARD OF DIRECTORS

董事会成员



Mr. Cai Shuguang

Executive Director

蔡曙光先生

执行董事

Mr. Cai is the Executive Director of the Company. He is also the Executive Director and the Deputy General Manager of China Everbright International Limited.

Mr. Cai was formerly the Deputy General Manager of Shenzhen Kingway Brewery Limited. He graduated from the Department of Computer Science of Fudan University and holds a Master of Business Administration degree from the University of Ballarat in Australia. He holds the title of Senior Engineer. Mr. Cai has rich experience and extensive knowledge in corporate management and project planning.

蔡先生为本公司执行董事，彼亦为中国光大国际有限公司执行董事兼副总经理。

蔡先生曾任职深圳金威啤酒有限公司副总经理。彼毕业于复旦大学计算机科学系，并持有澳大利亚巴拉瑞特大学工商管理硕士学位。彼具有高级工程师职称。蔡先生在企业管理与项目策划方面拥有丰富经验及广泛知识。



Ms. Xu Nailing

Executive Director

徐乃玲女士

执行董事

Ms. Xu is the Executive Director of the Company. She is also the Deputy Chief Financial Officer of China Everbright International Limited.

Ms. Xu was formerly the Deputy General Manager of Operational Risk Management Department of Ping An Bank Co., Ltd (Head Office) and the Assistant Governor of Ping An Bank Co., Ltd. (Guangzhou Branch). She also worked in China Everbright Bank Co., Ltd. (Guangzhou Branch) as the General Manager of Operation Planning Management Department, Legal and Compliance Department and Operational Risk Management Department. Ms. Xu graduated from the Department of Finance, Southwestern University of Finance and Economics, China. She holds the Master of Business Administration degree from Xiamen University. Ms. Xu holds the title of Economist in China.

徐女士为本公司执行董事，彼亦为中国光大国际有限公司副财务总监。

徐女士曾任平安银行总行操作风险管理部副总经理、平安银行广州分行行长助理；在光大银行广州分行曾历任运营管理部、法律合规部、稽核监督部总经理等。徐女士毕业于西南财经大学金融学专业，并获得厦门大学工商管理硕士学位。徐女士持有中国经济师职称。

BOARD OF DIRECTORS

董事会成员



Mr. Zhai Haitao

Independent Director

翟海涛先生

独立董事

Mr. Zhai is the Independent Director of the Company, the Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee. Mr. Zhai is also the Independent Non-Executive Director of China Everbright International Limited and the President and Partner of Primavera Capital Group.

Mr. Zhai has extensive experience and knowledge in banking, capital market and management. He was formerly Managing Director of Goldman Sachs Asia LLC and 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 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 Relations from Columbia University, a Master of Business Administration degree from New York University and a Bachelor of Arts degree in Economics from Peking University.

翟先生为本公司独立董事，提名委员会主席、审计委员会及薪酬委员会委员。彼亦为中国光大国际有限公司之独立非执行董事及春华资本集团的总裁兼合伙人。

翟先生于银行、资本市场及企业管理方面拥有丰富的经验及知识。翟先生曾任职高盛亚洲有限责任公司董事总经理及高盛集团北京代表处首席代表。在任职高盛之前，翟先生曾在北京任职于中国人民银行总行国际司，并曾担任中国人民银行驻美洲代表处（纽约）副代表。

翟先生持有哥伦比亚大学国际关系硕士，纽约大学工商管理硕士，以及北京大学经济学学士学位。



Mr. Lim Yu Neng Paul

Independent Director

林御能先生

独立董事

Mr. Lim is the Independent Director of the Company, the Chairman of the Audit Committee and also a member of the Nominating Committee and the Remuneration Committee. Mr. Lim was the Independent Director from July 2007 to June 2010, and was appointed as the Executive Director and Interim Acting Chief Executive Officer of the Company from June 2010 to May 2011. He was then re-designated as the Non-Executive Director of the Company from May 2011 to February 2013 and subsequently was appointed as Lead Independent Director of the Company from February 2013 to December 2014.

Mr. Lim has over 25 years of banking experience with international investment banks including Morgan Stanley, Deutsche Bank, Solomon 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 obtained his Master of Business Administration in Finance and Bachelor of Science in Computer Science from the University of Wisconsin, Madison, USA. He is also a Chartered Financial Analyst (CFA).

林先生为本公司独立董事，审计委员会主席、提名委员会和薪酬委员会委员。林先生自二零零七年七月至二零一零年六月期间担任独立董事，二零一零年六月至二零一一年五月期间担任执行董事兼代理总裁，二零一一年五月至二零一三年二月期间担任非执行董事，并于二零一三年二月至二零一四年十二月期间担任首席独立董事。

林先生具有超过二十五年的银行业经验，彼在多家国际投资银行包括摩根士丹利、德意志银行、所罗门美邦及美国信孚银行任职。林先生现在为SBI Ven Capital Pte Ltd.董事总经理及SBI Ven Capital Pte Ltd.下属私募基金主管，Golden Energy and Resources Limited（新加坡交易所上市）和Nippecraft Limited（新加坡交易所上市）独立董事。

林先生持有美国威斯康星大学金融工商管理硕士及计算机科学学士衔，彼亦为特许金融分析师（CFA）。

BOARD OF DIRECTORS

董事会成员



Ms. Cheng is the Independent Director of the Company. She joined the Company since July 2007. Ms. Cheng 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, and is actively involved in utilising insurance as a financial tool for project development in Asia Pacific. Ms. Cheng is 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.

郑女士为本公司独立董事，薪酬委员会主席及审计委员会委员。郑女士二零零七年七月加入本公司担任独立董事。

郑女士有超过二十年的保险行业从业经验，是澳大利亚保险协会会员。彼曾参与重大跨国尤其是东南亚地区的保险项目并将保险作为金融工具用以支持项目发展。郑女士现为AsiaOne Insurance Agency Pte. Ltd.新加坡区保险部主管及柬埔寨区执行董事。

彼亦为亚洲最大保险经纪Aon Insurance Brokers业务发展部主管及Singapore Technologies Group保险部主管。

郑女士曾于澳大利亚保险学院完成保险课程学习。

KEY MANAGEMENT

管理层成员

Mr. Luo Junling

Chief Financial Officer

Mr. Luo is the Chief Financial Officer of the Company.

Mr. Luo has rich experience in accounting management and operation management. Mr. Luo was formerly the Vice President of the Company. Prior to joining the Company, Mr. Luo worked with China Construction Bank (Fujian Branch), Fujian Guang Min Road Bridge Construction 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 also a Certified Tax Agent in the PRC.

罗俊岭先生

首席财务官

罗先生为本公司首席财务官。

罗先生具有丰富之财务管理、运营管理经验。彼曾任本公司副总裁，亦曾任职于中国建设银行福建省分行、福建光闽路桥建设有限公司、福建闽兴会计师事务所。

罗先生毕业于陕西财经学院国际会计专业，具有中国注册会计师和中国注册税务师资格。

Mr. Yu Yiping

Vice President

Mr. Yu is the Vice President of the Company.

Mr. Yu has rich experience in project management and team development. Mr. Yu was formerly the Vice President of Everbright Environmental Protection (China) Limited, the General Manager of Sichuan Everbright Environmental Investment Company Limited and the General Manager of Everbright Environmental Energy (Ji'nan) Co., Ltd. Mr. Yu also worked with the People's Bank of China (Zigong Branch) and Huaxi Securities Co., Ltd.

Mr. Yu graduated from the Department of Ideological and Political Education of Henan Normal University, China.

余一平先生

副总裁

余先生为本公司团副总裁。

余先生具有丰富之项目管理、团队建设经验。彼曾任光大环保（中国）有限公司副总裁、四川光大节能环保投资有限公司总经理、光大环保能源（济南）有限公司总经理，彼亦曾任职于中国人民银行自贡支行、华西证券。

余先生毕业于河南师范大学政教专业。

KEY MANAGEMENT

管理层成员

Mr. Tao Junjie

Vice President

Mr. Tao is the Vice President of the Company.

Mr. Tao has rich experience in engineering construction and operation management. Mr. Tao was formerly the General Manager of China Everbright Water Investments Limited and the Plant Manager of Ji'nan Waste Water Treatment Project (Plant 2). Mr. Tao also worked with Shandong University of Architecture and Engineering.

Mr. Tao holds a Doctorate degree in Environmental Engineering from Wuhan University of Technology and a Master's degree in Architecture and Civil Engineering from Xi'an University of Architecture and Technology. He also holds the certificate of Certified Supervision Engineer and the title of Engineering Technology Researcher.

陶俊杰先生

副总裁

陶先生为本公司副总裁。

陶先生具有丰富之工程建设、运营管理经验。彼曾任中国光大水务投资有限公司总经理、济南市污水处理二厂厂长。彼亦曾任职于山东建筑工程学院。

陶先生持有武汉理工大学环境工程工学博士学位、西安建筑科技大学建筑与土木工程硕士学位，彼亦取得国家注册监理工程师执业证书及工程技术研究员职称。

Mr. Wang Yuexing

Engineering Director

Mr. Wang is the Engineering Director of the Company.

Mr. Wang has rich experience in engineering construction and operation 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, 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 also Certified Senior Engineer.

王悦兴先生

工程总监

王先生为本公司工程总监。

王先生具有丰富之工程建设、运营管理经验。彼曾任光大环保科技发展（北京）有限公司副总经理、光大环保工程技术（深圳）有限公司副总经理、济南市污水处理一厂厂长。

王先生持有清华大学环境工程硕士、山东大学工商管理硕士及华南理工大学工民建学士学位，彼亦取得国家注册造价师执业证书及高级工程师职称。

Mr. Wang Guanping

Technical Director

Mr. Wang is the Technical Director of the Company.

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

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. Zhang Guofeng

CEO Assistant

Mr. Zhang is the CEO Assistant of the Company.

Mr. Zhang has rich experience in project investment, operation 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) Ltd.

Mr. Zhang graduated from Qingdao University of Science & Technology. He is a Certified Management Accountant and a member of the Association of International Accountants.

王冠平先生

技术总监

王先生为本公司技术总监。

王先生具有丰富科技管理、技术研发经验，并获得多项发明及实用新型专利。彼曾任光大环保技术研究院院长助理，中国环保科技控股有限公司技术总监，深圳市利源水务设计咨询有限公司副总工程师，武汉凯迪水务有限公司运营分公司总工程师。

王先生持有清华大学环境工程博士、同济大学市政工程硕士及华中科技大学给排水工程学士学位，彼亦取得高级工程师职称。

张国锋先生

总裁助理

张先生为本公司总裁助理。

张先生具有丰富之项目投资、运营管理、收并购经验。彼曾任光大环保（中国）有限公司投资发展部总经理、光大水务（淄博）有限公司副总经理及光大环保能源（新泰）有限公司监事。

张先生毕业于青岛科技大学，持有美国注册管理会计师、注册国际会计师资格认证。

KEY MANAGEMENT

管理层成员

Mr. Sun Linbo

CEO Assistant

Mr. Sun is the CEO Assistant of the Company.

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

Mr. Sun holds a Master's degree in Environmental Engineering from Shandong University. He holds the titles of Certified Cost Engineer in China and also Engineering Technology Application Researcher.

孙林波先生

总裁助理

孙先生为本公司总裁助理。

孙先生具有丰富之环保行业基础设施建设、项目运营管理经验。彼亦为光大水务（济南）有限公司总经理。

孙先生持有山东大学环境工程硕士衔，彼亦取得国家注册造价工程师执业证书及工程技术应用研究员职称。

Ms. Peng Pei

Legal Counsel and Company Secretary

Ms. Peng is the Legal Counsel and Company Secretary 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 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. Report of the research project became a book entitled *Rules, Theories and Practices of Disregarding the Corporate Entity* published by People's Court Press in April 2009.

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

彭珮女士

法律顾问兼公司秘书

彭女士为本公司法律顾问兼公司秘书。

在加入本公司前，彭女士为艾伦格禧律师事务所新加坡办公室的执业律师，执业领域涵盖兼并收购与衍生产品。彼曾作为核心成员参与中国最高人民法院的公司法人格否认研究项目，为相关制度提供司法解释建议，项目报告于二零零九年四月由人民法院出版社出版成书《公司法人格否认制度理论与实践》。

彭女士持有纽约大学法学硕士、新加坡国立大学法学硕士、清华大学法学硕士和天津大学法学学士衔。彭女士拥有中国法律职业资格证书和美国加利福尼亚州律师资格证。彼亦为新加坡特许秘书公会和英国特许秘书及行政人员公会之会士。

A Path to
Sustainable
Development

可持续发展之路



SUSTAINABILITY REPORT

可持续发展报告

Everbright Water is committed to maintaining “stable operations, compliance with discharge standards”, to ensure a harmonious coexistence of its environmental water projects and the neighbouring communities as well as the sustainable development of our society, through technological and operational advancements, assurance of emission compliance and environmental performance.

China’s emphasis on green development, ecological management and ecological civilisation construction created tremendous development opportunities for enterprises in the environmental protection industry. Through innovative business strategies, Everbright Water corresponds to the national policies and regulations on environmental protection such as the *13th Five-Year Plan for Eco-environmental Protection* and the *Water Pollution Prevention and Control Law (Draft Amendment)*, striving to grasp the policy direction in time and seize for development opportunities. During the year, the government strongly promoted the PPP model, providing positive signals to the environmental water services industry in areas including waste water treatment, river basin ecological restoration, sponge city construction, etc.

The Group has implemented the ESHS Management System and Risk Management System in 2016. The two-pronged approaches, oriented to disclose information, have strengthened management capabilities during day-to-day operations and controlled risks at source by setting up a complete system that integrates pre-identification and assessment processes with inspections and reviews, as well as post-appraisals and evaluation, providing a healthy platform for the sustainable development of Everbright Water.

We believe that the voices of our stakeholders provide valuable insights for our business developments, which support us in making ongoing and long-term strategic decisions. Therefore, we pursue effective engagement and ongoing dialogue with our stakeholders through collaborative, transparent and responsive processes. From our stakeholder participation plan which involves all project companies, the views of stakeholders are actively listened throughout the project lifecycle from the initial planning stage to the operation stage, which helps us to identify high priority issues within all our project operations and the associated sustainability concerns. The effectiveness of our stakeholder engagement activities is also evaluated throughout different project stages to ensure higher operation efficiency.

本集团始终坚持以“稳定运行、达标排放”为天职，透过先进的科研技术和优越的运营管理，保障项目的排放标准和环保绩效，确保水务项目与周边环境和谐共存集可持续发展。

中国对于绿色发展、生态治理和生态文明建设的高度重视为众多环保企业带来了前所未有的发展机遇，光大水务亦以创新的业务战略配合国家《“十三五”生态环境保护规划》、《水污染防治法（修订草案）》等多项环保政策和法规，务求紧贴最新政策方向和抓住发展机遇。年内，政府大力推广PPP模式，为水环境治理行业，包括污水处理、流域治理、海绵城市建设等领域带来积极信号。

本集团于二零一六年全面推行环境、安全、健康及社会责任管理体系以及风险管理体系。两大管理体系双管齐下，以信息披露为导向，建立了一套由事前识别评估、事中检查审核、事后考核评价的完整体系，强化日常管理水平，从源头上控制风险，为光大水务的可持续发展提供了一个健康的平台。

我们相信持份者的声音能为公司的业务发展带来真知卓见，有助于持续和长期的策略性决定。因此，我们通过具有协作性、透明度和反应度的渠道以达到有效的持份者参与和持续沟通。在涉及所有项目公司的持份者参与计划中，我们从初始的规划阶段及至运营阶段均积极聆听持份者的意见，以识别所有运营项目中的优先议题及备受关注的相关可持续性事项。我们亦于不同的项目阶段评估持份者参与活动的有效性，务求达至更高运营效率。

ENVIRONMENTAL PERFORMANCE

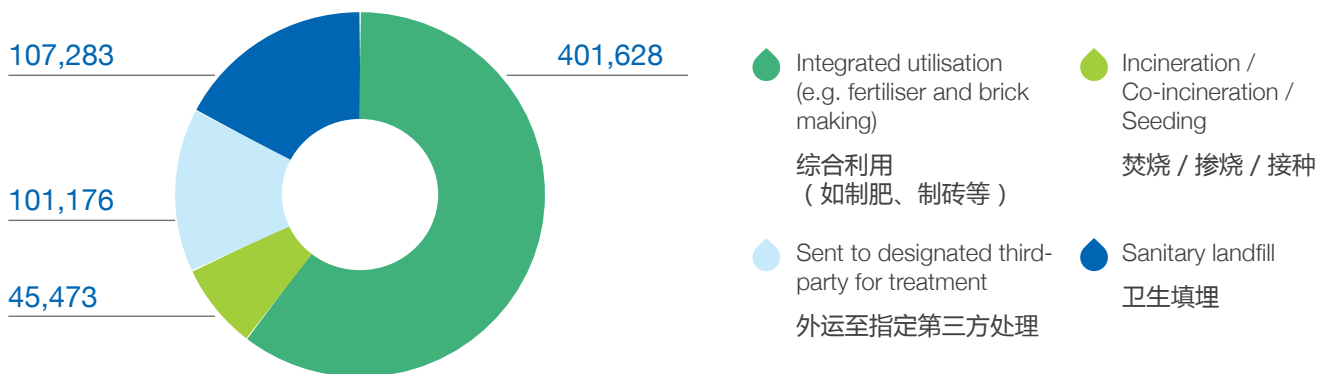
As an environmental protection enterprise, we adopt advanced technologies and maintain high industry standards to improve the efficiency in resource utilisation and environmental performance, also to pioneer in green production process and lifestyle.

环保表现

作为一家以环保为己任的企业，我们采用先进的科技和坚持高行业标准，从而提升资源运用效率和环保表现，更勇当生产方式和生活方式的先行者。

Volume Breakdown by Sludge Disposal Methods in 2016 (Tonnes)

二零一六年污水处理项目的污泥处置方式 (吨)



We have been continuously striving to conserve and recycle water resources to ensure that the recycled water can meet the *Reuse of Urban Recycling Water – Water Quality Standard for Industrial Uses* (GB/T19923-2005) and the *Reuse of Urban Recycling Water – Water Quality Standard for Landscape Uses* (GB/T18921-2002) or relevant standards.

我们持续竭力节约和循环再用水资源，并遵照“城市污水再生利用工业用水水质”（GB/T19923-2005）以及“城市污水再生利用景观环境用水水质”（GB/T18921-2002）或相关标准将污水循环再用。

As for the Group, a great emphasis is laid upon proper treatment of sludge arising from the operation of waste water treatment plants. We treat our sludge in accordance with International Finance Corporation’s General Environmental, Health and Safety Guidelines and other applicable laws, regulations and guidelines. In 2016, more than 81% of the total sludge generated from our projects was recycled. For sludge which eventually needs to be disposed of at the landfill, we will reduce its water content and volume by dewatering to alleviate burden to landfills and mitigate the associated environmental impacts.

妥善处理污水处理厂运营中产生的污泥是本集团管理上的重点。我们根据国际金融公司的“通用环境、健康和安全指南”及其他适用法律和规定处理污泥。在二零一六年，超过81%从项目中产生的污泥被循环再用。至于最终需作填埋处理的污泥，我们会事先进行脱水处理，以减少其含水量和体积，从而减轻堆填区的负担及舒缓对环境的影响。

SUSTAINABILITY REPORT

可持续发展报告

We actively explore in turning waste water into useful resources such as developing the advanced waste water source heat pump technology, which extracts abundant low grade thermal energy sources from waste water to supply heat and air conditioning for buildings.

The Group has proactively upgraded its management standard on several occasions, applying “quality, environment and occupational health and safety” management system certification for all operating project companies and ensuring its treatments of all waste categories would not lead to secondary pollution. We are confident that we will continue to uphold a strong sense of social and environmental responsibility and strengthen our market leadership position in the environmental water services industry by ensuring high standard construction, safe and stable operations and the compliance with environmental discharge standards, to bring greater contributions to ecological environmental protection.

我们积极探索污水资源化利用，如开发先进的污水源热泵技术，利用污水内丰富的低品位热能为建筑物供暖和制冷。

本集团多次主动提升管理标准，所有投运项目公司均申请“质量、环境、职业健康安全”三项管理体系认证，确保各项目公司在处理各类废弃物的同时不会造成二次污染。我们有信心继续肩负高度的社会、环境责任感，通过高标准建设、安全稳定运行、环保达标排放，巩固公司在水环境治理领域的市场领导地位，为生态环境保护作出更多贡献。

HEALTH AND SAFETY

We uphold the principle that occupational health and safety is not only one of our core corporate cultures, but also our solemn commitment to every employee. During the year, we officially launched and implemented the ESHS Management System, setting an important milestone for the Group in promoting health and safety. This system allows us to manage health and safety related issues in a structured manner, extending our culture of valuing safety to our supply chain by incorporating environmental, social, health and safety considerations into our selection criteria for contractors and suppliers.

Furthermore, we have ingrained safety management beliefs in our operation through setting up clear production safety guidelines for our employees, providing up-to-standard tools and personal protective equipment, and conducting regular safety inspections. To increase the awareness on production safety from our employees, we offer regular health and safety training such as video training on *Production Safety Law* and the new *Environmental Protection Law*, as well as lectures and competitions during the “Production Safety Month” in each year.

健康与安全

确保职业健康与安全是我们企业文化的核心之一，亦是我们对每位员工的庄严承诺。我们在本年度正式开展和实施环境、社会、健康与安全管理体系，树立了本集团促进健康与安全的重要里程碑。此体系使我们可以有条理地管理有关健康与安全的议题，并将这些环境、社会、健康及安全的考虑加入选择承包商和供货商的条件下，把我们重视安全的文化延伸到供应链中。

此外，我们亦为员工设立了清晰的安全生产指引、提供合格的工具和个人防护装备并定时举行安全检查，加强我们在生产线中安全管理的信念。我们更定期举办安全训练如《安全生产法》和新《环境保护法》的视像带训练，并在每年的“安全生产月”中举办课堂和比赛，希望透过活动提升员工对安全生产的意识。



All project companies have formed a safety management team comprising the general manager and other management officers, to supervise and manage all health and safety issues arising from various stages of the project. The team is also responsible for organising emergency drills and exercises to enhance their crisis management skills. In addition, we provide annual medical check-ups and occupational disease checks to safeguard our employees' health conditions.

我们各项目公司均设有安全管理团队，包括总经理和其他管理层主管，职责为监管及管理所有从生产过程中有机会遇到的健康与安全事项。团队亦负责组织紧急事件操练，强化员工的危机应变能力。另外，我们每年为员工提供健康检查和职业病检查，保障他们的健康。

EMPLOYEES DEVELOPMENT

员工发展

We firmly uphold our people-oriented development strategy and pay high attention to our employee's training and development. In terms of talent retention, we have established the "future executive database" in Everbright Water, created a tiered talent development framework with a replacement mechanism. Innovative training methods and approaches were implemented, such as the exploration of apprenticeship system, where "masters" can pass knowledge and provide guidance to "apprentices".

我们始终坚持以人为本的发展战略及高度重视对现有人才的培养和发展。在人才储备方面，我们建立了光大水务未来干部人才库，形成阶梯式、递补式的人才发展格局。我们推行创新的培训方式和途径，探索推行“师徒”制，通过师傅传、帮、带徒弟，培养人才。

We firmly believe that providing diversified and practical training opportunities for our employees is the cornerstone of our business development, as well as an important element in improving job satisfaction and ensuring fair opportunities among employees. Therefore, we tailored our training content based on staff positions, skills and management requirement. We also actively promote overseas exchange events with industry peers, allowing our employees to grasp the latest developments of the industry. "Seminar on Everbright Water's Waste Water Treatment Technology" and "Training on General Health and Safety Standards" were held during the year, where external professional parties were invited to conduct training sessions for senior management of our projects and the technical staff, nurturing our staff into competitive and high quality professional teams.

我们坚信为员工提供多元化和实用的训练机会是企业发展的基石，亦是提升工作满意度和确保公平机会的重要元素。因此，我们就员工的岗位、技能和管理要求设计训练内容，并积极推广与国外的同类型企业进行交流活动，让员工了解到行业的最新发展。年内召开“光大水务污水处理技术培训讲座”、“安全健康通用标准培训”；邀请外部专业团队对项目管理层及技术人员进行培训，打造具有竞争力的高素质专业团队。

SUSTAINABILITY REPORT

可持续发展报告

PHILANTHROPY

We always encourage and support our employees to participate in charitable activities in fulfilling our corporate social responsibility. Our staff actively support activities organised by community groups, for example, employees of our Suzhou Project Company participated in “The Walking Sims Azalea” during the year, a charitable activity which supports students from poor regions in Qinghai and Tibet to broaden their horizons by walking out of their hometown; the Ji’nan Project Company has been volunteering in the “Love the City, Drive in a Civilised Way” initiative, regulating the city’s traffic and persuading drivers to drive responsibly. Also, our employees from Shaanxi Xianyang Project Company has cooperated with a local special child rehabilitation centre and organised “Filling Childhood with Love and Warmth”, spreading laughter and warmth to the children in the rehabilitation centre. The staff from Shenzhen and Hong Kong volunteered as helpers to participate in weeding and assisting to protect the eco-environment of Mai Po Nature Reserve in Hong Kong.

In addition, our employees have always been enthusiastic in organising charitable activities such as donations, visits, and campaigns in promoting environmental protection. For instance, in order to support the annual Earth Hour event organised by the World Wide Fund for Nature, many project companies of Everbright Water participated by riding bicycles instead of driving, switching off non-essential office equipment and maintaining greeneries surrounding the plants, implementing and promoting the concept of low carbon and energy saving lifestyle. Local visits during holidays were arranged as well, sending festival greetings and providing financial supports to the poor families. In our “Holding Hands with Care and Love” activity, our staff from Ji’nan Project Company donated daily necessities, books, and offered tuition subsidies to the children in need, improving their living and learning environment; our employees from Zibo Project Company supported blood donation which pay respects toward life; our employees from Shaanxi Project Company organised book exchange activities with themes such as “Safeguarding the Environment through Green Lifestyle” and “Enlighten your Life through Reading” in local primary schools, encouraging the students to experience the joy of reading, to explore the world and widen their horizons.

公益活动

我们一直鼓励并支持员工参与公益活动，以实践企业社会责任。我们的员工踊跃参与由社区团体举办的活动，例如，我们的苏州项目公司员工于年内参加了“行走的格桑花”徒步公益活动，以支持青海西藏贫困地区的学生走出家乡开阔眼界；济南项目公司的员工长期参与支持“我爱泉城，文明出行”的倡议，作为志愿者，劝导不文明交通行为，维护城市交通秩序；此外，我们于陕西咸阳的项目公司员工联合当地特殊儿童康复中心开展“爱心接力·温暖童年”公益活动，为康复中心的儿童带去笑声和温暖。我们于深圳及香港的员工亦组成义工团队参与香港米埔自然保护区的除草活动，协助保护自然生态环境。

此外，我们的员工亦积极自发组织捐款、探访、环保宣传等慈善公益活动。例如，为响应一年一度由世界自然基金会主办的“地球一小时”，光大水务旗下多个项目公司以单车骑行、关闭非核心办公设备并维护厂区环境等方式，身体力行支持并宣传“低碳节能”的理念；我们的员工亦主动于节假日慰问当地的困难家庭，给予节日问候及资金支持。在“牵手关爱行动”过程中，我们的济南项目公司员工为贫困留守儿童提供生活必需品、书本及教育补助等爱心慰问物资，改善他们的生活和教育环境；在山东淄博，我们的项目员工积极参与无偿献血，以表达对生命的尊重；我们的陕西项目公司员工亦多次与当地小学开展以“保护环境，绿色生活”、“读书点亮智慧人生”等主题的图书互赠活动，鼓励学生体验阅读的快乐，通过读书探索世界，开阔眼界。





CARING FOR THE COMMUNITY

We persist in utilising our resources, talents, and technologies to educate the public on environmental protection issues. During the year under review, our project companies in various provinces such as Liaoning and Shandong participated in different national environmental science and technology activities, for example, the National Science Popularisation Day and the World Water Day. Some project companies even sent technical experts to conduct lectures on waste water treatment process to students and teachers, aiming to promote advanced environmental technology and enhance public awareness on environmental protection. During the year under review, we supported the IAS Summit HongKong - Inventing Today Imagining Tomorrow for Water Pollution Control, organised by Hong Kong University of Science and Technology Jockey Club Institute for Advanced Study, which attracted industrial experts around the world to discuss and share ideas in depth on water industry topics such as water pollution prevention and control.

Our project companies also serve as the National Base for Science Popularisation and Education and National Social Practice Base for Environmental Education in Secondary and Primary Schools. We welcome visitors from the overseas, teachers and students of various educational institutions as well as the general public to conduct site visit tours, and to share our professional skills and experiences with them in every year.

We wish these activities can serve as a bridge of communication between us and the society. Not only in fostering communication, but we hope to nurture the new generation's sense of responsibility towards environmental conservation. For example, our Shandong Zibo Project Waste Water Treatment Project organised "The Purification Journey of One Drop of Water" during the year under review, welcoming local charity organisations in visiting the project, introducing them the waste water purification process in details, and promoting the awareness of water conservation. Many of our project companies located in Liaoning also regularly receive visiting tours comprising teachers and students from local tertiary, secondary and primary educational institutions. Through classes on environmental protection and visits on waste water treatment process, we wish to promote waste water treatment knowledge and to encourage students to develop water conservation habits since their youth; our Shaanxi Xianyang Project Company welcomed special children from local rehabilitation centres. To allow the children to have a better understanding on the concepts of waste water treatment, our project company's staff explained the concepts with patience and in laymen terms, and also distributed specific reading materials to the children for free, so as to allow these young visitors to understand the concepts of waste water treatment with interest and to implement water saving measures. In 2016 alone, there were over 17,000 visitors visiting our environmental water projects.

关心社区

我们一直善用我们的资源、人才与科技去教育大众有关环保议题的知识。于回顾年度内，我们位于辽宁、山东等多个省份的项目公司均积极参与了不同全国性的环保科技活动，如“全国科普日”和“世界水日”。部分项目公司亦派出专业技术人员为学校的师生们讲解污水处理的科学知识，以推广先进环保科技和提升大众的环保意识为目标。回顾年度内，我们大力支持香港科技大学赛马会高等研究院举办的主题为“Inventing Today Imagining Tomorrow for Water Pollution”的水污染控制高峰会，汇集全球行业专家，就水污染防治等行业话题进行深入探讨和交流。

我们的项目公司亦是“全国科普教育基地”和“全国中小学环境教育社会实践基地”。我们每年会接待国外访客、院校师生等社会各界人士到我们的项目进行参观考察，交流专业知识和经验。

我们希望这些活动可以作为我们与社会沟通的桥梁。不仅如此，我们更希望可以培育新一代对环境保育的责任心。例如，我们的山东淄博污水处理项目于回顾年度内举办了“一滴水的净化之旅”活动，接待当地公益活动机构参观该项目，详细介绍污水净化过程及宣传环保节水意识；我们于辽宁的多个项目亦定期安排当地大、中、小学师生前来参观，通过环保课堂、参观污水处理过程等多种形式，我们希望普及污水处理知识和鼓励学生从小养成节约用水的良好习惯；在陕西咸阳污水处理项目，为了能够令当地特殊儿童康复中心的来访儿童更好地了解污水处理的过程，我们的项目员工耐心用浅显易懂的语言进行讲解，并特意选取了适合孩子们阅读的书籍免费发放，令这些小来访者更有兴趣了解污水处理知识，践行节水措施。仅二零一六年全年，我们的环保水务项目就接待了逾17,000名社会各界人士。

CORPORATE GOVERNANCE REPORT

公司治理报告

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

The Company is committed to achieving high standards of corporate governance to ensure investor confidence in the Company as a trusted business enterprise. The Board and the Management will continue to uphold good corporate governance practices to enhance long-term value and returns for shareholders and protect shareholders' interests.

This report outlines the Company's corporate governance practices for FY2016 with specific reference made to the principles and guidelines of the Code of Corporate Governance 2012 (the "Code"), which forms part of the continuing obligations of the Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST").

(A) BOARD MATTERS

The Board's conduct of its affairs

The Board's key responsibilities include providing leadership and supervision to the Management of the Group with a view to protecting shareholders' interests and enhancing long-term shareholders' value.

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 framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Group's assets;
- (4) establishing goals for management and monitoring the achievement of these goals;
- (5) ensuring management leadership of high quality, effectiveness and integrity;
- (6) reviewing management 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 group and recognising that their perceptions affect the Company's reputation;

本公司致力于实现高标准的公司治理，确保投资者对本公司是一家值得信赖的企业充满信心。公司的董事会和管理层将继续维持良好的公司治理实践，以提高本公司的长期价值和股东回报，保护股东的权益。

本报告概述了本公司在二零一六财政年度的公司治理实践，具体参考了二零一二年公司治理守则（“**公司治理守则**”）的原则和指引，该守则也是新加坡交易所有限公司（“**新交所**”）上市规则中的持续义务的组成部分。

(A) 董事会事项

董事会的运作

董事会的主要职责是领导和监督本集团的管理层，以保护股东权益和提升股东的长期价值。

董事会的主要职能包括以下内容：

- (1) 提供企业领导，制定战略目标，确保本集团拥有实现其目标所必要的财力和人力资源；
- (2) 审查和批准本集团的企业战略、财务目标和发展方向；
- (3) 建立审慎有效的风险评估和风险管理的控制机制，包括保障股东权益和本集团资产的机制；
- (4) 为管理层设定目标，监督目标的实现；
- (5) 确保管理层的领导优质、有效和诚信廉洁；
- (6) 审查管理层的绩效；
- (7) 批准年度预算和投资撤资提案；
- (8) 审查内部控制、风险管理、财务业绩和报告的合规性；
- (9) 发现关键的持份者群体，承认他们的看法会对本公司声誉产生影响；

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

公司治理报告

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| <p>(10) setting the Group's value and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met;</p> <p>(11) considering the sustainability issues, such as environmental and social factors, as part of its strategic formulation; and</p> <p>(12) assuming responsibility for corporate governance.</p> | <p>(10) 制定本集团的价值和标准（包括道德标准），确保本集团理解并履行了对股东和其他持份者的义务；</p> <p>(11) 在制定战略时考虑可持续性议题（如环境和社会因素）；和</p> <p>(12) 承担公司治理的责任。</p> |
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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.

所有的董事均勤勉尽责，保持独立的判断，且必须诚信行事并始终以本公司的利益为出发点。

To execute its responsibilities, the Board has delegated specific functions to various sub-committees, namely, the Nominating Committee, the Remuneration Committee and the Audit Committee. These sub-committees function within written terms of reference and operating procedures, which are reviewed on a regular basis. Each of these committees reports its activities regularly to the Board.

董事会下设几个专门委员会来行使董事会的具体职能，这些专门委员会包括提名委员会、薪酬委员会和审计委员会。各委员会按照书面规定的职能和程序运作，并接受定期审查；各委员会也会定期向董事会报告工作。

The Board meets regularly, at least on a quarterly basis. Ad-hoc meetings are held at such times, as and when required, to address any specific significant matters that may arise. At meetings of the Board, the Directors are free to discuss and openly challenge the views presented by the Management and other Directors. The decision-making process is an objective one.

董事会定期召开会议，每个季度至少召开一次。如有需要，董事会也可随时召开特别会议，讨论可能出现的具体重大问题。董事在董事会会议上可自由发言，对管理层和其他董事的意见公开发表自己的看法。决策过程是客观的。

The number of meetings and the Directors' attendance at the Board meetings and Board Committees meetings, held during the year, are as follows:

本年度召开的董事会和各专门委员会会议的次数和董事的出席情况如下表所示：

Directors/ Board Members 董事/董事会成员	Board 董事会		Audit 审计委员会		Remuneration 薪酬委员会		Nominating 提名委员会	
	Held 会议次数	Attended 出席次数	Held 会议次数	Attended 出席次数	Held 会议次数	Attended 出席次数	Held 会议次数	Attended 出席次数
Mr. Wang Tianyi ⁽¹⁾ 王天义先生 ⁽¹⁾	7	7	N.A.	N.A.	N.A.	N.A.	2	2
Mr. An Xuesong 安雪松先生	7	7	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Cai Shuguang ⁽²⁾ 蔡曙光先生 ⁽²⁾	*-	*-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Ms. Xu Nailing ⁽³⁾ 徐乃玲女士 ⁽³⁾	*-	*-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Zhai Haitao 翟海涛先生	7	6	5	5	2	2	2	2
Mr. Lim Yu Neng Paul 林御能先生	7	7	5	5	2	2	2	2
Ms. Cheng Fong Yee 郑凤仪女士	7	7	5	5	2	2	N.A.	N.A.
Mr. Chen Tao ⁽⁴⁾ 陈涛先生 ⁽⁴⁾	7	4	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Yang Zhiqiang ⁽⁵⁾ 杨志强先生 ⁽⁵⁾	7	6	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Note:

N.A. – Not a Member of the Committee
*- Meeting was held prior to appointment and therefore not in attendance

注：

N.A. – 不是该委员会的委员
*- 会议召开时尚未被任命，因此没有出席

(1) Mr. Wang Tianyi was the Executive Director and Chairman of the Company, and has been re-designated as Non-Executive Director and Chairman of the Company with effect from 23 February 2017.

(1) 王天义先生曾是本公司的执行董事兼董事长，自二零一七年二月二十三日起已被重新聘任为本公司的非执行董事兼董事长。

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- (2) Mr. Cai Shuguang was appointed as Executive Director of the Company with effect from 23 February 2017.
- (3) Ms. Xu Nailing was appointed as Executive Director of the Company with effect from 23 February 2017.
- (4) Mr. Chen Tao resigned as Non-Executive Director of the Company with effect from 23 February 2017.
- (5) Mr. Yang Zhiqiang resigned as Non-Executive Director of the Company with effect from 23 February 2017.

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

Matters specifically reserved to the full Board for decision is via a structured Board Authority Matrix which is reviewed on a regular basis and accordingly revised when necessary, involving a conflict of interest for a substantial shareholder or a Director, material acquisitions and disposal of assets, corporate or financial restructuring, share issuance and dividends, financial results, annual budget and corporate strategies. The Board will provide directions to the management team of the Group's business divisions through presentations at Board and Board Committee meetings.

There were two incoming Executive Directors, who are Mr. Cai Shuguang and Ms. Xu Nailing, being appointed at the Board meeting held on 23 February 2017.

The new Directors received relevant trainings on the roles and responsibilities of a director of a listed company on the SGX-ST prior to their appointment to help them familiarise with the business and governance practices of the Company.

The current members of the Board are familiar with the Group's business operations and corporate governance practices. The Nominating Committee ("NC") ensures that new Board appointees are provided with information to familiarise themselves with the Group's business, strategic goals and directions and corporate governance practices.

The Company provides ongoing education on Board processes, corporate governance practices and industry developments to all Directors. The Management further provides regular updates on changes in the relevant laws, regulations and changing commercial risks to enable the Directors to make well-informed decisions and to ensure that the Directors are competent in carrying out their expected roles and responsibilities. At the same time, the Directors are encouraged to keep themselves abreast of the latest developments relevant to the business of the Group.

Besides that, the Directors also have the opportunity to visit the Group's operational facilities and meet with the Management to gain a better understanding of the Group's business operations.

- (2) 蔡曙光先生自二零一七年二月二十三日起被聘任为本公司的执行董事。
- (3) 徐乃玲女士自二零一七年二月二十三日起被聘任为本公司的执行董事。
- (4) 陈涛先生自二零一七年二月二十三日起辞去本公司的非执行董事职务。
- (5) 杨志强先生自二零一七年二月二十三日起辞去本公司的非执行董事职务。

董事会也通过向各董事分发书面决议供其批准的方式取代现场召开的董事会会议。公司章程也规定了董事会会议可以电话、电子传讯或其他通讯方式召开。

特定的事项通过一份结构化的董事会权限清单被保留给全体董事会决定，该董事会权限清单被定期审阅和修改（如有必要），其中涉及的事项包括重要股东或董事的利益冲突、重大的资产收购和处置、企业或财务重组、发行股份和派发股息、财务业绩、年度预算和企业战略等。董事会通过在董事会会议和董事会各专门委员会会议上发表讲话的方式指导本集团各业务部门管理团队的工作。

董事会在二零一七年二月二十三日的董事会会议上聘任了两位新的执行董事，即蔡曙光先生和徐乃玲女士。

新董事在任命前已接受了关于新交所上市公司董事的角色和职责的培训，以帮助他们了解本公司的业务和公司治理实践。

董事会的现任董事均了解本集团的业务运营和公司治理实践。提名委员会确保向新董事提供信息，使之了解本集团的业务、战略目标和方向以及公司治理实践。

本公司持续地向全体董事提供有关董事会程序、公司治理实践和行业发展的培训。管理层还定期提供相关法律、法规的最新修改以及不断变化的商业风险，使董事们得以在充分掌握信息的基础上做出决定，确保董事们能够履行其各自的角色和职责。同时，本公司也鼓励董事们随时跟进与本集团业务有关的最新发展。

除此之外，董事们也有机会参观本集团的运营设施并和管理层见面接洽，以便更好地了解本集团的业务经营情况。

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Board Composition and Balance

The Board currently comprises seven Directors, three of whom are Independent Directors. The Directors of the Company as at the date of this report are:

- (i) Mr. Wang Tianyi (Non-Executive Director & Chairman)
- (ii) Mr. An Xuesong (Executive Director & CEO)
- (iii) Mr. Cai Shuguang (Executive Director)
- (iv) Ms. Xu Nailing (Executive Director)
- (v) Mr. Zhai Haitao (Independent Director)
- (vi) Mr. Lim Yu Neng Paul (Independent Director)
- (vii) Ms. Cheng Fong Yee (Independent Director)

The independence of each Director is assessed and reviewed annually by the NC. The NC adopts the Code's definition of what constitutes an independent director in its review. The Board considers an independent director as one who has no relationship with the Group, its related companies, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interest of the Company and the Group's affairs.

Each Independent 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 Code. For FY2016, the NC has determined that all the three Independent Directors are independent. In particular, Mr. Zhai Haitao is also an independent director of the Company's controlling shareholder Everbright International, but he is not involved in the daily management and operation of Everbright International. The NC determined that Mr. Zhai Haitao is independent in character and judgment and his role as independent director of Everbright International will not affect his judgment as Independent Director of the Company. Mr. Lim Yu Neng Paul and Ms. Cheng Fong Yee were appointed as Independent Directors of the Company in July 2007. Since then, the Company experienced changes in controlling shareholders and the management teams twice. The current controlling shareholder, Everbright International, only gained control of the Company in December 2014 and the current Management team and executive officers joined the Company following that change. Thus, although Mr. Lim Yu Neng Paul and Ms. Cheng Fong Yee served the Board beyond nine years from the date of their appointment, both the NC and the Board held the view that they remain independent in both character and judgement. 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 experience, taking into account the size and scope of Company's operations.

董事会的组成和平衡

董事会目前由七名董事组成，其中三名为独立董事。截至本报告日，公司董事会的董事由下列人员组成：

- (i) 王天义先生(非执行董事兼董事长)
- (ii) 安雪松先生(执行董事兼总裁)
- (iii) 蔡曙光先生(执行董事)
- (iv) 徐乃玲女士(执行董事)
- (v) 翟海涛先生(独立董事)
- (vi) 林御能先生(独立董事)
- (vii) 郑凤仪女士(独立董事)

提名委员会每年评估和审查各名董事的独立性。在审查过程中，提名委员会采用公司治理守则中关于独立董事的定义。若一名董事与本集团、或与本集团的关联公司、拥有本集团10%股份的股东或其管理人员之间的关系不会干扰到，或被合理认为不会干扰到，该董事为本公司和本集团的最佳利益行使独立商业判断，则董事会即视该董事为独立董事。

每名独立董事须每年填写董事独立调查清单，以确认其按照公司治理守则的要求具备独立性。在二零一六财政年度，提名委员会认为所有三名独立董事均是独立的。其中，翟海涛先生也是本公司的控股股东光大国际的独立董事，但他并不参与光大国际的日常经营管理。提名委员会认为，翟海涛先生在品格和判断方面具有独立性，他作为光大国际独立董事的角色不会影响他作为本公司独立董事的判断。林御能先生和郑凤仪女士在二零零七年七月被任命为本公司的独立董事。自那时起，本公司经历了两次控股股东和管理团队的变化。目前的控股股东光大国际在二零一四年十二月才取得本公司的控制权，目前的管理团队和执行人员也是继该次变更之后才加入本公司。因此，虽然林御能先生和郑凤仪女士在董事会的任期自委任之日起已超过九年，但提名委员会和董事会认为他们在品格和判断方面仍具有独立性。董事会认为，考虑到本公司经营的规模和范围，独立董事的人数是适当的，这有利于董事会做出有效的决策并在各领域拥有平衡兼顾的技能和经验。

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The current Board comprises business leaders and professionals with industry, accounting, financial, business and management backgrounds. This composition enables 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, experience and his/her potential to contribute to the Group and its businesses. Profiles of the Directors are set out on pages 20 to 26 of this Annual Report.

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. The Board is of the view that, given its current structure, there is sufficiently strong independent element on the Board to enable independent exercise of objective judgment on corporate affairs of the Group by members of the Board, taking into account factors such as the number of Independent Directors on the Board, as well as the size and scope of the affairs and operations of the Group.

Non-Executive Directors constructively challenge and assist develop proposals on strategy, and review the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance.

Chairman and Chief Executive Officer (“CEO”)

The Board recognises the Code's recommendation that the Chairman and 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 operation 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 of meetings and sets the agenda of the Board meetings.

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

目前的董事会成员由商界领袖以及具有行业、会计、财务、业务和管理背景的专业人士组成。这种组成结构使得管理层得以从多元客观的外部视角审视提交到董事会的议题，并从中受益。每位董事均是依照其能力、经验及其对本集团和本集团的业务可能做出的贡献而获得聘任。各董事的情况介绍见本年度报告第20页至第26页。

董事会对企业事务能够行使独立于管理层的客观判断。任何个人或一组人均不可支配董事会的决策。董事会认为，鉴于独立董事在董事会中的人数以及本集团业务经营的规模和范围，董事会目前的构成使董事会具有足够的独立性，并让董事会的成员得以对本集团事务做出独立客观的判断。

非执行董事对战略决策提出具有建设性的意见并协助拟定战略方案，审查管理层的表现是否达到预先设定的目标，并对其绩效报告进行监督。

董事长和总裁

董事会认可公司治理守则中的建议，即董事长和总裁应由不同的人员担任，以确保本公司内部在权力和授权方面达到适当平衡。

本公司的非执行董事长是王天义先生，总裁是安雪松先生。董事长负责董事会的有效运作，总裁负责本集团业务的具体经营。董事长和总裁彼此没有关联关系。

董事长负责控制管理层和董事会之间信息流通的质量和及时性，确保本集团遵守了其公司治理准则。董事长确保董事会按照拟定的会议时间表定期召开会议，并确定董事会会议的议程。

董事长也负责在董事会内部以及董事会与管理层之间形成建设性的关系，通过坦率的沟通和董事会辩论来鼓励非执行董事有效参与。董事长还会确保本公司与股东之间进行了有效沟通，并促进高水平的公司治理。

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The CEO is responsible for the day-to-day management of the Group and work 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. Furthermore, the Audit Committee (“AC”), the Remuneration Committee (“RC”) and the NC are chaired by Independent Directors.

All the Board Committees are chaired by Independent Directors and at least one-third of the Board consist of Independent Directors. There is no appointed Lead Independent Director after the change of Board members on 12 December 2014. Considering the Company’s current business operations and Board size of seven members with three being Independent Directors, 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.

Board Membership

The NC comprises:

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

Majority of the NC, including the Chairman are Independent Directors.

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

- (1) establishing procedures and making recommendations to the Board on all Board appointments and re-nominations with regards to each Director’s contribution and performance, his/her attendance at meetings of the Board or the Board Committees (where applicable), participation, candour and any special contributions;
- (2) reviewing and determining annually whether a Director is independent, bearing in mind the considerations set out in the Code;
- (3) deciding whether or not each Director is able to and has adequately carried out his duties as a Director of the Company, taking into consideration the Director’s number of listed company board representations and other principal commitments;
- (4) developing a process for evaluation of the performance of the Board, the Board Committees and the Directors; and
- (5) reviewing of training and professional development programmes for the Board.

总裁负责本集团的日常管理，并与董事会一起制定本集团的战略规划、业务拓展方向和发展蓝图。

董事会认为，本公司具有充分的保障和检查措施，以确保董事会的决策过程是独立的，且其决策是经过集体讨论而做出的，不受任何个人的严重干预或影响。此外，审计委员会、薪酬委员会和提名委员会均由独立董事担任主席。

董事会的所有专门委员会均由独立董事担任主席，且独立董事占董事会成员的三分之一以上。在二零一四年十二月十二日董事会成员变更后，本公司没有聘任首席独立董事。鉴于本公司目前的业务以及董事会七名成员中有三名是独立董事，本公司在回顾年内并无必要聘任首席独立董事。但董事会将每年审查是否有需要做出该等聘任。

董事会成员

提名委员会由下列董事组成：

- (i) 翟海涛先生(提名委员会主席兼独立董事)；
- (ii) 王天义先生(非执行董事兼董事长)；
- (iii) 林御能先生(独立董事)。

包括委员会主席在内的大多数提名委员会委员是独立董事。

提名委员会的主要职权范围如下：

- (1) 根据每名董事的贡献和表现及其在董事会会议或各董事会专门委员会会议(如适用)上的出席率、参与度、坦率程度以及任何特殊贡献，制定所有董事聘任和再提名的程序，并向董事会作出推荐；
- (2) 按照公司治理守则中的标准每年审查并确定董事是否独立；
- (3) 根据董事在其他上市公司董事会任职的数量和其他主要职责，决定每名董事是否能够并已充分履行了作为本公司董事的职责；
- (4) 制定评估董事会、董事会各专门委员会和董事们的绩效表现的程序；和
- (5) 审查董事会的培训和职业发展方案。

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Where a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the NC, in consultation with the Board, determines the selection criteria and selects candidates with the appropriate expertise and experience for the position. Besides the qualification and experience of each candidate, the NC takes into consideration the candidate's ability to increase the effectiveness of the Board and to add value to the Company's business in line with its strategic objectives.

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.

All Directors are subject to the provisions of the Company's Bye-laws whereby:

- (a) each Director shall retire at least once every three years and shall be eligible for re-election. For FY2016, Mr. Wang Tianyi and Mr. An Xuesong are subject to retirement pursuant to the Company's Bye-law 86(1) at the forthcoming annual general meeting ("AGM"). The NC recommended that all of them be nominated for re-election at the forthcoming AGM; and
- (b) any Directors appointed by the Board shall retire at the next annual general meeting of the Company and shall be eligible for re-election. Mr. Cai Shuguang and Ms. Xu Nailing were appointed by the Board in February 2017 and therefore, they will retire pursuant to the Company's Bye-law 85(6) at the forthcoming AGM. The NC recommended that all of them be nominated for re-election at the forthcoming AGM.

The NC conducts an annual review of the Directors' independence and is of the view that Mr. Zhai Haitao, Mr. Lim Yu Neng Paul and Ms. Cheng Fong Yee are independent and that, no individual or small group of individual dominates the Board's decision-making process.

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

The NC has reviewed and is satisfied that all Directors, who sit on multiple boards, have been able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as Directors of the Company, notwithstanding their multiple board appointments. The NC did not recommend setting of limit as to the number of listed board representative that every Director can hold. The Board will determine the maximum number of listed company board representations which any Director may hold as and when required.

在董事会的席位出现空缺时、或当引进具有某方面特长的新董事将有益于董事会时，提名委员会在与董事会协商后，制定遴选标准并挑选具有适当专门知识和经验的候选人。除了各候选人的资质和经验以外，提名委员会也考虑候选人是否能提高董事会的有效性以及按照本公司战略目标为本公司业务创造价值。

在考虑重新聘任一名董事时，提名委员会评估该名董事的贡献和表现，比如其在董事会会议或各董事会专门委员会会议(如适用)的出席率、参与度、坦率程度以及任何特殊贡献。

所有董事均遵守了本公司章程的下列规定：

- (a) 每名董事每三年应至少告退一次，可连选连任。在二零一六财政年度，王天义先生和安雪松先生将按照本公司章程第86(1)条的规定在即将召开的年度股东大会上告退。提名委员会建议提名他们两位在即将召开的年度股东大会上连任。
- (b) 董事会聘任的任何董事应在本公司下一次年度股东大会上告退，可连选连任。董事会二零一七年二月聘任了蔡曙光先生和徐乃玲女士，因此，他们将根据按照本公司章程第85(6)条在即将召开的年度股东大会上告退。提名委员会建议提名他们两位在即将召开的年度股东大会上连任。

提名委员会对董事的独立性进行了年度审查，并认为翟海涛先生、林御能先生和郑凤仪女士是独立的，不存在个人或一小部分人支配董事会决策过程的情况。

所有董事均需申报其在本公司其他董事会的任职情况。如果一名董事在多家公司的董事会任职，提名委员会将根据董事在其他上市公司董事会任职的数量和其他主要职责来认定该董事是否能够充分履行自己作为本公司董事的职责。

经审查，提名委员会认为，在上市公司董事会任职的董事尽管身兼多职，但均能对本公司的职务贡献足够的时间和精力以充分履行其董事职责。提名委员会并未建议为每名董事在其他上市公司董事会任职的数量设定上限。董事会可随时视需要规定每名董事可担任的上市公司董事的数量上限。

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There is no Alternate Director on the Board.

董事会没有候补董事。

The dates of initial appointment, last re-election/re-appointment and other directorship of each of the Directors of the current Board are set out below:

各现任董事的初次聘任、上一次改选/再聘任以及担任其他公司董事职务的详情如下：

Director 董事	Position 职务	Date of Initial Appointment 初次聘任日期	Date of Last Re-Election 上一次连任日期	Membership of Board Committee 董事会专门委员会委员	Directorship/ Chairmanship both present and those held over the preceding three years in other listed company 目前和前三任担任董事/董事长的其他上市公司
Mr. Wang Tianyi 王天义先生	Non-Executive Director and Chairman 非执行董事兼董事长	12 Dec 2014 二零一四年十二月十二日	N.A. 不适用	NC Member 提名委员会委员	Present: China Everbright International Limited (listed on HKSE) 现任： 中国光大国际有限公司(在香港联交所上市)
Mr. An Xuesong 安雪松先生	Executive Director and CEO 执行董事兼总裁	12 Dec 2014 二零一四年十二月十二日	N.A. 不适用	-	None 无
Mr. Cai Shuguang 蔡曙光先生	Executive Director 执行董事	23 Feb 2017 二零一七年二月二十三日	N.A. 不适用	-	Present: China Everbright International Limited (listed on HKSE) 现任： 中国光大国际有限公司(在香港联交所上市)
Ms. Xu Nailing 徐乃玲女士	Executive Director 执行董事	23 Feb 2017 二零一七年二月二十三日	N.A. 不适用	-	None 无
Mr. Zhai Haitao 翟海涛先生	Independent Director 独立董事	14 Aug 2015 二零一五年八月十四日	25 Apr 2016 二零一六年四月二十五日	NC Chairman AC Member RC Member 提名委员会主席 审计委员会委员 薪酬委员会委员	Present: China Everbright International Limited (listed on HKSE) 现任： 中国光大国际有限公司(在香港联交所上市)

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Director 董事	Position 职务	Date of Initial Appointment 初次聘任日期	Date of Last Re-Election 上一次连任日期	Membership of Board Committee 董事会专门委员会委员	Directorship/ Chairmanship both present and those held over the preceding three years in other listed company 目前和前三任担任董事/董事长的其他上市公司
Mr. Lim Yu Neng Paul 林御能先生	Independent Director 独立董事	31 July 2007 二零零七年七月三十一日	25 Apr 2016 二零一六年四月二十五日	AC Chairman NC Member RC Member 审计委员会主席 提名委员会委员 薪酬委员会委员	<u>Present:</u> 1. Golden Energy and Resources Limited (listed on SGX) 2. Nippercraft Limited (listed on SGX) <u>现任:</u> 1. 金光能源与资源有限公司(在新交所上市) 2. 利百有限公司(在新交所上市) <u>Over the preceding 3 years:</u> Intrepid Mines Limited (listed on ASX) <u>前三年的任职:</u> Intrepid Mines Limited (在澳洲交易所上市)
Ms. Cheng Fong Yee 郑凤仪女士	Independent Director 独立董事	31 July 2007 二零零七年七月三十一日	25 Apr 2016 二零一六年四月二十五日	RC Chairman AC Member 薪酬委员会主席 审计委员会委员	None 无

Board Performance

The NC has adopted a formal process for the evaluation of the performance of the Board as a whole and the contribution by each individual Director to the effectiveness of the Board. The performance criteria include, amongst others, an evaluation of the size and composition of the Board, the Board's access to information, accountability, Board processes and Board performance in relation to discharging its principal responsibilities in terms of the financial indicators as set out in the Code. The findings were analysed and discussed with a view to implementing certain recommendations to further enhance the effectiveness of the Board. No external facilitator was used in FY2016.

During the financial year, all Directors are requested to complete a Board Evaluation Questionnaire and Individual Director Self Appraisal Form designed to seek their view on the various aspects of the Board performance and the contribution by individual Directors respectively so as to assess the overall effectiveness of the Board. The assessment process involves and includes input from the Board members before submitting to the Board for discussing and determining areas for improvement and enhancement of the Board's effectiveness as well as its implementation.

Following the review, the NC assessed the Board's performance as a whole and the contribution by individual Directors in FY2016 and is of the view that the Board's performance as a whole and the contribution by individual directors are satisfactory.

董事会的表现

提名委员会采用正式的程序来评估董事会整体的表现以及每名董事对董事会有效性的贡献。评估董事会表现的标准主要包括：公司治理守则中所规定的董事会的人数和构成、董事会对信息的获取、责任制、董事会程序以及董事会在完成财务指标方面的表现等。评估结果经过了分析讨论，以此落实进一步加强董事会有效性的改进措施。在二零一六财政年度没有使用外部服务。

在本财政年度，所有董事都需要填写一份董事会评估问卷和每名董事的自评表格，以此征求他们对董事会各方面的表现以及对各名董事表现的意见，从而对董事会整体的有效性进行评估。评估程序涉及和包括董事会成员先提供意见，然后提交到董事会讨论，并找出董事会有效性需要改进和加强的方面及其落实措施。

经过对二零一六财政年度董事会整体表现和每名董事表现的评估，提名委员会认为董事会的整体表现和每名董事的表现令人满意。

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Access to Information

To enable the Board to function effectively and to fulfill its responsibilities, the Management strives to provide the Board members with adequate information for Board meetings and on an ongoing basis.

The Board is furnished with Board papers prior to any Board meeting. These papers are issued in sufficient time to enable the Directors to obtain additional information or explanations from the Management, if necessary.

The Board is also informed of any significant developments or events relating to the Company timely.

The Directors are given separate and independent access to the Management team to address any enquiries and also have separate and independent access to the Company Secretary. The Company Secretary attends all Board meetings and ensures that they are conducted in accordance with the Bye-laws of the Company and the applicable rules and regulations are complied with. When necessary, the Directors can seek independent professional advice at the Company's expense.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

The RC comprises:

- (i) Ms. Cheng Fong Yee (RC Chairman & Independent Director);
- (ii) Mr. Zhai Haitao (Independent Director); and
- (iii) Mr. Lim Yu Neng Paul (Independent Director).

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

- (1) recommending to the Board, in consultation with the Chairman of the Board, for endorsement, a remuneration policy framework and guidelines for remuneration of the Directors and senior management of the Group;
- (2) recommending specific remuneration packages for each of the Directors and the senior management (including, but not limited to, Directors' and senior management's fees, salaries, allowances, bonuses and benefits-in-kind);
- (3) reviewing the obligations of the Group arising in the event of termination of the service contracts of the Directors and key management personnel; and
- (4) administering the share incentive plans of the Group, if any.

董事会获取信息

为使董事会有效运作并履行其职责，管理层尽力在董事会开会以前向董事会成员提供充分的信息，并持续地向董事会进行汇报。

董事会在开会以前已经取得会议材料，并拥有充足的时间向管理层索取额外的信息或解释(如有必要)。

与本公司有关的任何重大进展和事件也及时向董事会汇报。

董事们可各自独立地向管理团队征询，也可各自独立地联系公司秘书。公司秘书出席所有的董事会会议，确保会议按照本公司章程的规定召开并符合所适用的法规和规定。在必要时，董事们可寻求独立的专业意见，相关费用由本公司承担。

(B) 薪酬事项

制定薪酬政策的程序

薪酬委员会由下列董事组成：

- (i) 郑凤仪女士(薪酬委员会主席兼独立董事)；
- (ii) 翟海涛先生(独立董事)；和
- (iii) 林御能先生(独立董事)。

薪酬委员会的主要职权范围如下：

- (1) 在征询董事长的意见后，向董事会建议本集团董事和高级管理人员的薪酬政策框架和指引供董事会审批；
- (2) 建议每名董事和高级管理人员的具体薪酬配套(包括但不限于董事和高级管理人员的费用、薪金、津贴、奖金和实物福利)；
- (3) 审查本集团在终止董事和主要管理人员的服务合同时产生的责任；以及
- (4) 管理本集团的股权激励计划(如有)。

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The RC is responsible for ensuring that 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 individual Directors and key executives. The RC recommends for the Board's endorsement, a framework of remuneration, including but not limited to, Director's fees, salaries, allowances, bonuses, options and benefits-in-kind for each Director and key executives. No Director shall be involved in any decision-making in respect of any compensation to be offered or granted to him/her.

No remuneration consultants were engaged by the Company in FY2016.

The RC reviews the Company's obligations arising in the event of termination of Executive Directors and key executives' contracts of services to ensure that such contracts of service contain fair and reasonable termination clause.

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 Directors, the general level of fees earned by each 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 to vary in direct proportion to the extent of involvement and participation in and contribution to the business of the Company;
- (7) the level of commitment and the ability to devote sufficient time and attention to the business of the Company; and
- (8) where special circumstances justify, the payment of additional remuneration.

Annual reviews are carried out by the RC to ensure that key executives are appropriately rewarded, giving due regard to the financial health and business needs of the Group without being excessive and thereby maximise shareholders' value.

薪酬委员会负责确保本公司采用了正式透明的程序来制定适当的管理人员薪酬政策，并采用了具有竞争力的框架来决定董事和主要管理人员的薪酬配套。薪酬委员会对每名董事和主要管理人员的薪酬框架向董事会作出推荐供其审批，其中包括但不限于董事和高级管理人员的费用、薪金、津贴、奖金和实物福利。任何董事均未参与决定其本人的任何补偿。

本公司在二零一六财政年度没有聘请薪酬顾问。

薪酬委员会审查本公司在终止执行董事和主要管理人员的服务合同时产生的责任，以确保该等服务合同包含了公平合理的终止条款。

薪酬水平和薪酬组合

按照薪酬委员会制定的框架，薪酬委员会根据下列因素来决定董事的薪酬：

- (1) 本公司要求的董事资质及经验；
- (2) 对于独立董事而言，各董事按其专业能力可赚取的，或按其领域的专业人士可收取的一般水平的费用；
- (3) 为准备会议和实际出席会议所花的时间；
- (4) 董事产生的间接费用和开支；
- (5) 按照本公司业务的性质和规模可视为公平的薪酬；
- (6) 按照对本公司业务参与和贡献程度的不同而有不同的薪酬水平；
- (7) 对本公司业务投入足够的时间和精力所需要花费的付出和具备的能力；和
- (8) 在特殊情况下需要支付的额外报酬。

薪酬委员会进行年度审查，在保证本集团的健康财务状况和正当业务需求的前提下，给予主要管理人员适当的回报，从而实现股东价值的最大化。

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The Executive Directors have entered into service agreements with the Company. Their compensation consists of salary, fixed fee and incentive bonus that are dependent on the Group's performance.

执行董事与本公司签订了服务协议。他们的报酬包括工资、固定费用和与本集团业绩表现挂钩的奖励花红。

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

本集团的薪酬政策是提供适当的薪酬配套以吸引、保留和激励董事和主要管理人员。

The Independent Directors receive directors' fees in accordance with their level of contributions, taking into account 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.

独立董事按照他们的贡献程度和其他因素（如任职董事会和董事会专门委员会所投入的精力和时间以及董事的责任和义务）来收取董事袍金。本公司认可有必要支付具有竞争力的董事袍金，以吸引、激励和保留董事，但不会支付过高的董事袍金而影响他们的独立性。

Directors' fees are recommended by the Board for approval by the shareholders at the AGMs of the Company.

董事袍金由董事会建议并经本公司年度股东大会批准。

Disclosure on Remuneration

薪酬的披露

A breakdown of the remuneration of the Directors and the top five key executives (who are not Directors) for the financial year ended 31 December 2016 is set out below:

截至二零一六年十二月三十一日止的财政年度的董事和前五名主要管理人员（未担任董事）的薪酬明细表如下：

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

a) 每名董事的薪酬水平和组合如下：

Remuneration Band and Name of Director 薪酬幅度和董事姓名	Directors' Fee% 董事袍金%	Salary % 工资%	Bonus % 奖金%	Benefits in kind % 实物福利%	Total % 总计%
S\$500,000 to below S\$750,000 500,000新加坡元至750,000新加坡元以下					
Mr. Wang Tianyi 王天义先生	-	51	48	1	100
Mr. An Xuesong 安雪松先生	-	48	49	3	100
S\$250,000 to below S\$500,000 250,000新加坡元至500,000新加坡元以下					
—	—	—	—	—	—
Below S\$250,000 250,000新加坡元以下					
Mr. Cai Shuguang* 蔡曙光先生*	-	-	-	-	-
Ms. Xu Nailing* 徐乃玲女士*	-	-	-	-	-
Mr. Chen Tao# 陈涛先生#	-	-	-	-	-
Mr. Yang Zhiqiang# 杨志强先生#	-	-	-	100	100
Mr. Zhai Haitao 翟海涛先生	94	-	-	6	100
Mr. Lim Yu Neng Paul 林御能先生	88	-	-	12	100
Ms. Cheng Fong Yee 郑凤仪女士	85	-	-	15	100

* Appointed as Executive Director with effect from 23 February 2017.

* 自二零一七年二月二十三日起被聘任为执行董事。

Resigned as Non-Executive Director with effect with from 23 February 2017.

自二零一七年二月二十三日起辞任非执行董事。

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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 the Peoples' Republic of China.

董事会相信，鉴于环保水务行业，尤其是在中国的环保水务行业的激烈竞争情况，充分披露具体的薪酬不符合本公司的最大利益。

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

b) 各主要管理人员（未担任董事职位）的薪酬水平和组合的幅度如下：

Remuneration Band and Name of Key Executive 薪酬幅度和主要管理人员姓名	Salary	Bonus	Benefits	Total
	% 工资%	% 奖金%	in kind % 实物福利%	% 总计%
Below S\$250,000 250,000新加坡元以下				
Mr. Luo Junling ⁽¹⁾ 罗俊岭先生 ⁽¹⁾	51	40	9	100
Mr. Tao Junjie 陶俊杰先生	54	38	8	100
Mr. Wang Yuexing 王悦兴先生	56	35	9	100
Mr. Wang Guangping 王冠平先生	55	32	13	100
Mr. Cheung Lap Kei ⁽²⁾ 张立基先生 ⁽²⁾	98	—	2	100

(1) Appointed as Chief Financial Officer ("CFO") with effect from 23 February 2017, and prior to that, he was a Vice President.

(2) Resigned as Chief Financial Officer with effect from 3 January 2017.

(1) 自二零一七年二月二十三日起被聘任为首席财务官。此前，其曾为副总裁。

(2) 自二零一七年一月三日起辞任首席财务官。

The aggregate amount of the total remuneration paid to the abovementioned top key executive is S\$1,000,000.

支付给上述主要高级管理人员的薪酬总额为1,000,000新加坡元。

There are no employees of the Group who are immediate family members of a Director and whose remuneration exceeds S\$50,000 during the financial year ended 31 December 2016.

在截至二零一六年十二月三十一日止的财政年度内，不存在董事直系亲属担任本集团员工并领取超过50,000新加坡元薪酬的情形。

The China Everbright Water Limited Employee Share Option Scheme (the "Scheme") was approved by shareholders at the Company's special general meeting ("SGM") held on 27 October 2011. The Group has granted options to the Directors and the key executives under the Scheme on 15 November 2013 and the options granted have been fully exercised by the employees of the Company and the Executive and Non-Executive Directors.

中国光大水务有限公司员工股份期权计划("期权计划")由股东在二零一一年十月二十七日召开的本公司特别股东大会上批准。本集团按此计划在二零一三年十一月十五日向董事和主要管理人员授予了期权，该等已发行的期权已由本公司雇员以及执行和非执行董事全部行权完毕。

The Scheme will continue to be in force for a period of 10 years commencing from the date of adoption till 27 October 2021.

期权计划将继续生效，为期十年，从期权计划被采纳之日起到二零二一年十月二十七日止。

As at 31 December 2016, there is no outstanding share option granted under the Scheme.

截至二零一六年十二月三十一日，不存在按照该期权计划已授予但尚未行权的期权。

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(C) ACCOUNTABILITY AND AUDIT

Accountability

The Board's primary role is to protect and enhance long-term value and returns for shareholders. In the discharge of its duties to shareholders, the Board, when reporting the Group's financial performance via SGXNET announcements and the Annual Report, has a responsibility to present a fair assessment of the Group's financial performance, position and prospects. The Management currently provides the Board with detailed management accounts of the Group's performance, position and prospects on a quarterly basis and/or when requested. Such reports provide highlight of key business indicators and major issues relevant to the Group's performance, position and prospects. Directors have access to the Management at all times.

In line with the Listing Rules of the SGX-ST, the Board provides a negative assurance statement to the shareholders in its quarterly financial statements announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

Risk Management and Internal Controls

The Group's internal controls and 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 of the Group's internal controls and 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 are preserved.

The internal auditors conduct annual review of the effectiveness of the Group's key internal controls including financial, operational, compliance, information technology and sustainability risks management. 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.

(C) 责任制和审计

责任制

董事会的主要作用是保护和增加股东的长期价值和回报。在履行本公司对股东的职责方面，董事会通过新交所上市公司信息披露网站（“SGXNET”）发布的公告和年度报告来宣布本集团的财务业绩时，有责任对本集团的财务表现、现状和前景做出公正的评估。管理层目前按季度和/或按要求随时向董事会提供详细的管理账目，其中包含了本集团的财务表现、现状和前景。这些报告列出了主要经营指标以及与本集团财务表现、现状和前景有关的主要事项。董事会始终和管理层保持沟通。

根据新交所的上市规则，董事会在其季度业绩公告中向股东做出消极保证，即董事会确认，尽其所知，董事会没有发现任何情况会导致财务报表在任何重要方面是虚假或具有误导性的。

风险管理和内部控制

本集团的内部控制和体系旨在对财务信息的公正可靠性提供合理但并非绝对的保证，并保障和维护资产的责任制。尽管没有任何一个具有性价比的内控体系可以针对亏损或不当报表做出绝对保证，但审计委员会在董事会的参与下审查了本集团内部控制和体系的充分性，认为它们在保障资产、控制运营、适度管理商业风险、适当进行会计记录、保持业务用途的财务信息和予以发布的财务信息准确完整等方面都提供了合理的保证。

内部审计师对本集团的关键内部控制(包括财务、运营、合规、信息技术和持续性风险管理)的有效性进行年度审查。外部审计师在正常审计工作中也可以对与内部控制相关的事项作出报告。重大的不合规事项和改进建议向审计委员会报告。审计委员会也审查和继续监督管理层针对内部和外部审计师提出的建议所采取的行动。

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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 Board, with the concurrence of the AC, is satisfied with the adequacy of the Group's risk management and internal control systems, addressing financial, operational, compliance and information technology controls and sustainability risks as at 31 December 2016 and that Management has taken efforts to minimise the risk of recurrence of such lapses.

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 effectiveness of the Company's risk management and internal control systems.

The risk management is subject to the AC and no other dedicated committee is set up. The risk management department is responsible for summarising the risk management results of each department and assessing the potential material risks confronting the Group according to the risk management program of the Group, formulating and implementing the risk management plan for the next year.

Audit Committee

The AC comprises:

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

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

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

The AC met five times in the financial year ended 31 December 2016 and relevant Directors and Management members were invited to attend the meetings.

基于内部和外部审计师的工作，审计委员会审查内部和外部审计师对本集团内部控制的审计结果、管理层对审计师改善本集团内部控制之建议的回应、以及其与审计师和管理层进行的讨论。董事会和审计委员会对本集团截至二零一六年十二月三十一日在财务、运营、合规及信息技术控制措施和应对可持续性风险方面的风险管理和内部控制体系的充分性以及管理层为尽量减少重复失误所做出的努力表示满意。

董事会收到了总裁和首席财务官的保证，即本公司的财务记录得到了适当保管、财务报表真实公平地反映了本公司的经营和财务状况，以及本公司的风险管理和内部控制体系具有效力和效果。

风险管理由审计委员会负责，本公司没有为此另行设立委员会。风险管理部负责总结各部门的风险管理结果，按照本集团的风险管理计划评估本集团面临的潜在重大风险，制定和实施下一年的风险管理计划。

审计委员会

审计委员会由下列董事组成：

- (i) 林御能先生(审计委员会主席兼独立董事)；
- (ii) 翟海涛先生(独立董事)；和
- (iii) 郑凤仪女士(独立董事)。

董事会认为林御能先生具有丰富实用的财务管理知识和经验，完全有资格担任审计委员会主席。

审计委员会委员总体上具有履行审计委员会职责所需的会计或相关财务管理方面的新近知识或经验。

审计委员会具有明确的授权来调查其职责范围内的任何事项，能全面接触管理层并得到管理层的配合，可自行决定邀请任何董事或主要管理人员出席委员会的会议。审计委员会拥有足够的资源(包括聘请外部审计师)使之适当地履行职责。

审计委员会在截至二零一六年十二月三十一日止的财政年度里召开了五次次会议，相关董事和管理人员应邀出席了会议。

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The functions of the AC include:

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- (b) reviewing and reporting to the Board the adequacy and effectiveness of the Group's internal controls, comprising financial, operational, compliance and information technology controls, including procedures for entering into hedging transactions (such review can be carried out internally or with the assistance of any competent third parties);
- (c) reviewing the effectiveness of the Group's internal audit function;
- (d) reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors;
- (e) 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;
- (f) reviewing any interested person transactions as defined in the SGX-ST Listing Rules;
- (g) reviewing potential conflicts of interest, if any, including reviewing and considering transactions in which there may be potential conflicts of interests between the Group and interested persons 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 of the Shareholders in relation to such transactions as well as to ensure that proper measures to mitigate such conflicts of interest have been put in place;
- (h) reviewing the rectification measures and internal control measures relating to regulatory issues involving the Group's licences, permits or certificates etc;
- (i) reviewing the investments in our 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;

审计委员会的职能包括：

- (a) 审查重大的财务报告问题和结论，以确保本集团的财务报表以及与本集团财务业绩有关的任何公告都健全完整；
- (b) 审查并向董事会报告本集团在财务、运营、合规和信息技术控制(包括进行对冲交易的程序)等方面的内部控制的充分性和有效性(该等审查可内部进行或借助有关第三方的协助)；
- (c) 审查本集团内部审计职能的有效性；
- (d) 审查外部审计的范围和结果，以及外部审计的独立性和客观性；
- (e) 关于外部审计师的聘任、续聘和罢免，向董事会推荐提交股东大会审议的议案，批准外部审计师的薪酬和聘任条款；
- (f) 审查新交所上市规则中定义的关联人士交易；
- (g) 审查潜在的利益冲突(如有)，包括审查和考虑本集团和关联人士之间可能存在的潜在利益冲突，并建议有利益冲突的人士回避董事会的相关讨论或相关股东的董事会对该等交易的表决，以确保采取了适当措施减少该等利益冲突；
- (h) 审查本集团牌照、资质或证书等监管问题有关的整改措施和内部控制措施；
- (i) 对于参与本集团管理或在本集团类似或相关业务中持有股权的董事、控股股东及其各自的关联人士而言，审查其在我们的客户、供应商和竞争对手中的投资，评估其是否存在潜在利益冲突，以便确保本集团采取了适当措施来减少这种利益冲突；

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| (j) reviewing the statements to be included in the annual report concerning the adequacy of internal controls, including financial, operational and compliance controls, and risk management systems; | (j) 审查需要包含在年度报告中的有关内部控制(包括财务、运营和合规控制以及风险管理系统)充分性的声明； |
| (k) 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; | (k) 监测尚未落实的内部控制建议和/或外部审计师在审计财务报表过程中提出的问题的落实情况； |
| (l) reviewing whistle-blowing investigations within the Group and ensuring appropriate follow-up action, if required; | (l) 审查本集团内部的举报调查，本集团确保采取了适当的后续行动(如需)； |
| (m) planning and overseeing the implementation of the measures in respect of the legal representatives of the PRC subsidiaries; | (m) 规划和监督中国各子公司法定代表人相关的落实措施； |
| (n) undertaking such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and | (n) 按照董事会的要求实施其他审查和事项，向董事会报告审计委员会对各类事项的审查结果；和 |
| (o) generally undertaking such other functions and duties as may be required by statute or the SGX-ST Listing Rules, or by such amendments as may be made thereto from time to time on a quarterly basis. | (o) 依法或按照新交所上市规则（或其不时的修订）的要求，按季度履行其他职能和职责。 |

The AC meets with the internal auditors and external auditors separately, at least once a year, without the presence of the Management to review any matter that might be raised.

审计委员会每年至少一次分别与内部审计师和外部审计师单独会面（在管理层不在场的情况下），审查可能会提出的问题。

The AC and the external auditor have discussed the significant issues in financial reporting throughout the year at the AC meetings. As set out in the Independent Auditors' Report on pages 69 to 74, the following significant issues were discussed with the management and the external auditors and were reviewed by the AC:

审计委员会及外部审计师已于审计委员会会议上就整个年度财务报告的重大事项进行了讨论。诚如第69页至第74页之独立审计师报告所载，以下重大事项已经由审计委员会与管理层及外部审计师进行了讨论，并已经过审计委员会复核：

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Significant issues 重大事项	How the issue was addressed by the AC 审计委员会在有关事项上的解决方法
Revenue recognition – service concession arrangements 收益确认—服务特许经营权安排	<p>The key area reviewed by the AC on revenue recognition was the service concession arrangements of water treatment plants 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>审计委员会根据国际财务报告诠释委员会诠释第12号就收益确认复核的主要范围为污水处理厂的服务特许经营权安排。审计委员会已获管理层确认，其已于本个完整会计年度根据国际财务报告诠释委员会诠释第12号就确认收益采用一致的会计政策。审计委员会也评估了本集团独立财务模型顾问的资格、能力及客观性。审计委员会还考虑了确定建造服务的公允价值所采用的方式、方法及主要假设。审计委员会对所采用方法之合适程度及所作出主要假设之合理程度表示满意。</p>
Recoverability of trade and other receivables 应收账款及其他应收款项的可收回程度	<p>The AC and the Board receive regular updates from the Management on the progress of debt collection and repayment negotiation with customers in the year. The AC is satisfied with the attention and effort taken by the Management on the outstanding debt issues. Besides taking into account the opinion and findings from the Management and the external auditors, the AC also considered the appropriateness of the provision held against the carrying values of trade and other receivables in relation to the creditworthiness of customers. The AC is satisfied that no provision for doubtful debts was considered necessary as at 31 December 2016.</p> <p>审计委员会及董事会自管理层定期获得有关本集团债务追收的情况及就还款与客户进行协商的进度。审计委员会满意管理层对尚未偿还债务事项的关注及所付出的努力。除考虑了管理层及外部审计师的意见及发现外，审计委员会也根据客户的信用程度考虑了应收帐款及其他应收款项账面价值所作拨备的合适程度。审计委员会认为无须就于二零一六年十二月三十一日之应收款项计提拨备。</p>

Following the review and discussions, the AC recommended to the Board to approve the full year financial statements for FY2016.

经复核及讨论后，审计委员会建议董事会批准二零一六财政年度的全年财务报表。

During the financial year under review, the AC has reviewed and noted that there were no non-audit services provided to the Group by the external auditors, KPMG LLP, and thus is satisfied that the independence and objectivity of the external auditors will not be prejudiced.

在本财政年度，审计委员会经审查后知悉外部审计师KPMG LLP未向本集团提供任何非审计服务，因此认为该外部审计师的独立性和客观性未受任何影响。

The fees paid or payable to the external auditors is set out on page 151 of this Annual Report.

向外部审计师已付或应付的费用请详见本年度报告第151页。

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As part of ongoing good corporate governance initiatives, the AC is of the view that it would be timely to effect a change of external auditors with effect from the financial year commencing 1 January 2017. KPMG LLP, the retiring external auditors, will accordingly not be seeking re-appointment at the forthcoming AGM. The AC has recommended the appointment of Ernst & Young LLP as external auditors in place of the retiring auditors KPMG LLP.

Further details about the proposed appointment of Ernst & Young LLP as the external auditors are set out in the Company's letter to shareholders dated 6 April 2017.

The AC is satisfied that the Company has complied with Rules 712, 715 and 716 of the SGX-ST Listing Rules in relation to the appointment of its external auditors for FY2016 and in making the above-mentioned appointment recommendation.

The Company has put in place a whistle blowing policy (the "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.

During the financial year, there was no material whistle blowing report received by the AC regarding the above-mentioned concerns.

An e-mail address and a special telephone number are established to allow whistle blowers to contact of the AC Chairman directly. 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.

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

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 an effective system of control is maintained in the Group.

On a quarterly basis, the AC also reviews the interested person transactions and the financial results announcements before their submission to the Board for approval.

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

No former partners or director of the Company's existing audit firm or audit corporation is a member of the AC.

作为持续的良好公司治理倡议的一部分，审计委员会认为是时候就自二零一七年一月一日开始的财政年度变更外部审计师。即将告退的外部审计师KPMG LLP因此将不再寻求在即将召开的年度股东大会上连任。审计委员会推荐聘任Ernst & Young LLP担任本公司的外部审计师，以此代替即将告退的外部审计师KPMG LLP。

拟聘任Ernst & Young LLP担任外部审计师的更多详情请参见二零一七年四月六日公司致股东的信函。

审计委员会确认，本公司在二零一六财政年度中及作出上述聘任推荐时遵守了新交所上市规则第712条、第715条和第716条有关聘任外部审计师的规定。

本公司制定了举报政策(“政策”)，为所有董事及员工提供渠道，举报任何其所关注的问题或有关财务报告和可疑会计行为、刑事犯罪、非法和/或不道德行为、欺诈、贪污、贿赂和勒索或未能遵守法定义务以及针对前述问题的掩盖行为。

在本财政年度，审计委员会没有收到有关上述事项的重大举报。

本公司设立了接收举报的电子邮箱和专线电话，举报人可以此直接联系审计委员会主席。所提出的所有关注事项或违规行为都将被视为是保密信息，本公司将尽一切努力确保整个举报过程也是保密的。

审计委员会按其职权范围履行职责。

审计委员会定期会见管理层和外部审计师，审查审计和风险管理的事项，讨论任何重大交易(包括重大财务报告事项)的会计影响。它还审查内部审计职能，确保本集团保持充分有效的控制机制。

审计委员会还在报董事会审批以前先行审查每个季度的关联人士交易和财务业绩公告。

管理层和外部审计师向审计委员会及时通报可能会对本集团的业务和财务报表产生影响的会计准则、新交所上市规则和其他规则的变更。

本公司目前的审计师事务所或审计公司的任何前合伙人或董事均不是审计委员会的委员。

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Internal Audit

The objective of the internal audit function is to provide an independent review of the effectiveness of the Group's internal controls and provide reasonable assurance to the AC and the Management that the Group's risk management, controls and governance processes are adequate and effective.

The AC approves the hiring, removal, evaluation and compensation of the internal auditors.

The Company has its internal audit team ("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 IA reports primarily to the AC Chairman and has full access to the documents, records properties and personnel of the Company and of the Group.

The Board recognises that it is responsible for maintaining a system of internal control to safeguard 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 Management in enhancing existing risk management initiatives and carry 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.

The AC is satisfied that the internal audit function has adequate resources to perform its functions effectively.

Material non-compliance and internal control weaknesses noted during reviews are reported together with recommended corrective actions to the AC on a regular basis. In particular, the Company had certain outstanding licenses and/or permits in relation to its business and operations as at November 2014 ("**Licenses and/or Permits**") as disclosed in the Company's circular dated 12 November 2014. The IA followed up on the status of such Licenses and/or Permits and noted that the Company obtained the following Licenses and/or Permits during the year under review:

内部审计

内部审计职能的目的是对本集团内部控制的有效性进行独立审查，并向审计委员会和管理层针对本集团的风险管理、控制和治理程序的充分性和有效性提供合理保证。

审计委员会批准内部审计师的任免、评估和薪酬。

本公司设有内部审计团队，以加强内部审计职能，提高健全的风险管理(包括财务、运营、合规、信息技术控制、可持续性和良好的公司治理)。

内部审计团队主要向审计委员会主席报告工作，并可全面接触到本公司和本集团的所有文件、记录、物业和人员。

董事会负责维护内部控制机制，以保障股东的投资和本集团的业务和资产；管理层负责及时地并以适当的方式建立和实施内部控制程序。

内部审计团队的主要工作范围包括审查和评估所关注事项的程序和范围。内部审计团队协助管理层改善现有的风险管理措施，对关键控制和程序进行定期独立监测。有关内部控制和程序改善是否充分有效的调查结果和建议将提交给审计委员会和管理层。

审计委员会对认为内部审计团队具有足够的资源来有效履行其职能。

内部审计团队定期向审计委员会汇报在审查过程中发现的重大不合规和内部控制的薄弱环节、以及纠正措施的建议。本公司曾在二零一四年十一月十二日的通函中披露了本公司截至二零一四年十一月尚有某些与其业务相关的许可证和/或批准("许可证和/或批准")未能取得。内部审计团队了解了该等许可证和/或批准的现状，并注意本公司在回顾年内取得了以下许可证和/或批准：

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Project Company (plant/project) 项目公司 (工厂/项目)	Licenses and/or Permits obtained 取得的许可证和/或批准
Everbright Water (Zibo Zhoucun) Water Purification Limited (Zibo Zhoucun Waste Water Treatment Project) 光大水务(淄博周村)净水有限公司 (淄博周村污水处理项目)	Construction Project Planning Certificate, Construction Work Permit and Construction Completion Acceptance Filing 建设工程规划许可证、建设工程施工许可证、 竣工验收备案
Everbright Water (Nanjing) Limited (formerly known as Nanjing Golden Idea Water Development Co., Ltd.) (Nanjing Pukou Waste Water Treatment Project Phase I Upgrading) 光大水务(南京)有限公司(曾用名:南京金迪水务发展有限公司) (南京浦口污水处理项目一期提标改造)	Construction Project Planning Certificate and Construction Work Permit 建设工程规划许可证、建筑工程施工许可证
Everbright Water (Nanjing) Limited (formerly known as Nanjing Golden Idea Water Development Co., Ltd.) (Nanjing Pukou Waste Water Treatment Project Phase II) 光大水务(南京)有限公司(曾用名:南京金迪水务发展有限公司) (南京浦口污水处理项目二期)	Construction Project Planning Certificate 建设工程规划许可证
Sanmenxia Everbright Water Limited (formerly known as Sanmenxia HanKore Co., Ltd.) (Sanmenxia Waste Water Treatment Project Phase I) 三门峡光大水务有限公司(曾用名:三门峡汉科水务有限公司) (三门峡污水处理项目一期)	Construction Project Planning Certificate 建设工程规划许可证
Everbright Water (Boxing) Limited (Binzhou Waste Water Treatment Project Phase II Expansion) 光大水务(博兴)有限公司 (滨州污水处理项目二期扩建工程)	Construction Completion Acceptance Filing 竣工验收备案
Everbright Water (Ji'nan Licheng) Limited (Ji'nan Licheng Waste Water Treatment Project (Plant 3) Phase I and Phase II Expansion) 光大水务(济南历城)有限公司 (济南历城污水处理项目(三厂)一期、(三厂)二期扩建工程)	Construction Completion Acceptance Filing 竣工验收备案
Everbright Water (Ji'nan) Limited (Ji'nan Xike Waste Water Treatment Project (Plant 4)) 光大水务(济南)有限公司 (济南西客污水处理项目(四厂))	Construction Completion Acceptance Filing 竣工验收备案
Everbright Water (Lianyungang) Limited (Xugou Waste Water Treatment Project) 光大水务(连云港)有限公司 (连云港墟沟污水处理项目)	Pollutant Discharge Permit 排污许可证

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

内部审计结果也通知了外部审计师,以此协助他们制定审计计划并进一步检查所发现的薄弱环节。

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(D) COMMUNICATION WITH SHAREHOLDERS

Shareholder Rights

To facilitate shareholders' ownership rights, the Company ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNET, 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 shareholders to make informed decisions in respect of their investment in the Company.

The Management supported the Code's principle to encourage shareholder participation. Shareholders are encouraged to attend the shareholders' meeting to ensure a high level of accountability and to stay informed of the Company's strategy and goals. Notices are despatched to shareholders, published in the Business Times as well as posted onto the SGXNET. The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at the shareholders' meeting.

The Company will be conducting poll voting for all resolutions to be passed in this forthcoming AGM. The rules, including voting procedures will be explained by the scrutineers in this meeting. If any shareholder is unable to attend general meetings, the Company's Bye-laws allow each shareholder to appoint up to two proxies to attend and vote at all general meetings on his/her behalf.

In line with continuous disclosure obligations of the Company, and pursuant to the SGX-ST Listing Rules and the Bermuda Companies Act, the Board ensures that 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 and press releases;
- (ii) Annual Reports prepared and issued to all shareholders; and
- (iii) Company's website at www.ebwater.com at which shareholders can access information on the Group.

The Company does not practise selective disclosure of material information. All materials on the quarterly, half-yearly and full year results briefing for media and analysts are available on the Company's website – www.ebwater.com.

The respective Chairman of the Board Committees will be available at the forthcoming AGM to answer questions relating to the work of those sub-committees. The external auditors and the Legal Counsel and Company Secretary will also be present to assist the Directors in addressing any relevant queries from the shareholders.

(D) 与股东的沟通

股东权利

为了便于股东行使所有权，本公司确保所有的重要信息（尤其是对本公司股价有重大影响的业务发展和业绩信息）均全面、准确、及时地披露在SGXNET上，使股东可在充分掌握信息的基础上做出投资本公司的相关决定。

管理层支持公司治理守则中关于鼓励股东参与的原则。本公司鼓励股东出席股东大会，以确保高水平的问责制并使其及时了解本公司的战略和目标。股东大会的通知会派发给股东、刊登在商业时报上并在SGXNET上予以公布。股东有机会在股东大会召开前或会议中正式或非正式地提出问题，董事会欢迎股东提问。

本公司将会在即将举行的年度股东大会上以累积投票制的方式表决通过所有决议。监票人将在大会上解释表决的规则（包括投票程序）。若任何股东不能出席股东大会，则本公司章程允许每名股东委派最多两名代理人代其出席所有的股东大会并表决。

为履行本公司的持续披露义务并符合新交所上市规则和百慕大公司法的规定，董事会确保股东及平等地充分获知对本集团有影响的所有重要情况。

信息通过以下方式向股东进行及时发布：

- (i) SGXNET公告和新闻稿；
- (ii) 本公司编制年度报告并分发给所有股东；和
- (iii) 股东可访问公司网站www.ebwater.com 获取本集团的信息。

本公司未采取选择性的信息披露政策。向媒体和分析师发布的所有季度、半年及全年业绩均刊登在公司网站上（www.ebwater.com）。

董事会各专门委员会的主席将出席即将举行的年度股东大会，回答有关这些委员会工作的问题。外部审计师、法律顾问兼公司秘书也将到场协助董事回答股东的任何问题。

CORPORATE GOVERNANCE REPORT

公司治理报告

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Our Management acknowledges that effective communication with investors is of paramount importance to the Group. In order to reinforce mutual understanding between shareholders and the Company, we have established and maintained a number of ways to strengthen our communication with investors.

Measures that the Company has taken are as follows:

- (a) organising analyst briefings to explain our latest published financial information as well as to provide our business update when necessary;
- (b) attending meetings or telephone conferences requested by investors, or 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 our investors or potential investors. This may be done solely by ourselves or coordinated with investment bankers;
- (d) organising plant visits by investors or potential investors to our facilities; and
- (e) ensuring important information of the Group will be announced in a timely manner without delay.

The Group does not have a policy on payment of dividends at present. However, the Company has proposed to distribute final dividend for FY2016 subject to shareholders' approval. The shareholders may elect to receive dividends in the form of scrip in lieu of cash for the final dividend for FY2016. Details of such dividend payments would be disclosed via SGXNET when available.

(E) CONDUCT OF SHAREHOLDERS MEETINGS

Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in the Business Times and posted onto the SGXNET.

If shareholders are unable to attend the meetings, the Bye-laws allow a shareholder of the Company to appoint not more than two proxies to attend and vote on his/her behalf.

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

The respective Chairman of the Board Committees are in attendance at the Company's AGM to address shareholders' questions relating to the work of these Committees.

管理层承认，与投资者的有效沟通对本集团至关重要。为加强股东与本公司之间的相互理解，我们建立并保持了多种沟通方式以加强与投资者的沟通。

本公司采取的措施如下：

- (a) 举办分析师简介会，解释我们最新公布的财务信息，在必要时提供我们业务的最新动态；
- (b) 应投资者、股东或分析师的要求，全年经常性地参加会议或电话会议，帮助他们了解公司的最新动态；
- (c) 为投资者或潜在投资者举办路演。路演由我们自己举办或与投资银行合办；
- (d) 组织投资者或潜在投资者到我们的工厂参观；和
- (e) 确保本集团没有拖延地及时公告重要信息。

本集团目前没有关于派发股息的具体政策。但是，本公司建议在股东大会批准后派发二零一六财政年度的末期股息。股东可选择以股票取代现金的方式收取二零一六财政年度的末期股息。股息支付的详情将会通过SGXNET披露。

(E) 召开股东会议

年度报告或通函中会载明股东大会的通知，股东可以此了解股东大会的细节。通知也会刊登在商业时报和SGXNET上。

如果股东无法出席会议，本公司章程允许本公司的每名股东委任不超过两名代理人代表其出席会议并进行投票表决。

股东大会上的决议都是针对各个单独议题的决议。股东大会上的所有决议均为单项决议。

董事会各专门委员会的主席将出席本公司的年度股东大会，并回答股东提出的有关这些专门委员会工作的问题。

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The Company's external auditors are also invited to attend the AGM 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 Board views the AGMs as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the resolutions tabled for approval and/or ask the Directors or the Management questions regarding the Company and its operations.

To have greater transparency in the voting process, with effect from the 2014 AGM, the Company has conducted the voting of all its resolutions by poll at all its AGMs and SGMs. The detailed voting results of each of the resolutions tabled are announced immediately at the meeting. The total numbers of votes cast for or against the resolutions are also announced after the meeting via SGXNET.

(F) DEALINGS IN SECURITIES

In line with Rule 1207(19) of the SGX-ST Listing Rules, the Group prohibits its Directors and employees from trading in the Company's securities on short-term considerations. In addition, the Group prohibits its Directors and employees from dealing in the Company's securities during the periods commencing two weeks before the announcement of the Group's first three quarters results and one month before the announcement of the Group's full year results and ending on the date of the announcement of such results; and when they are in possession of price-sensitive and confidential information relating to the Group.

In addition, Directors, employees and connected persons are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

(G) MATERIAL CONTRACTS

There are no material contracts of the Group involving the interests of any Directors or controlling shareholders subsisting at the end of the financial year ended 31 December 2016, or entered into since the end of the previous financial year.

(H) INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that transactions are conducted on arm's length basis and not prejudicial to the interests of the shareholders.

本公司的外部审计师也应邀参加年度股东大会，并协助董事回答股东提出的有关审计的开展、审计报告的编制及其内容等方面的询问。

董事会认为，年度股东大会是与股东对话的主要平台，也是股东对提交审议的各项决议提出问题、和/或针对本公司及其经营向董事或管理层提问的机会。

为使表决过程更加透明，从二零一四年年度股东大会起，本公司的所有年度股东大会和特别股东大会的所有决议均采用累积投票制的表决方式。提交表决的每项决议的表决结果详情均在会上立即宣布。赞成或反对决议的总票数也在会后通过 SGXNET 公告。

(F) 证券交易

根据新交所上市规则第1207(19)条的规定，本集团禁止其董事和雇员短线交易本公司的证券。此外，本集团也禁止其董事和雇员在本集团首三个季度的业绩发布前的两个星期起或从本集团全年业绩发布前的一个月起至该等业绩发布之日这段期间交易本公司的证券；在其掌握与本集团有关的价格敏感信息和保密信息时也不得交易本公司的证券。

此外，董事、雇员及关联方即使是在被允许交易的期间也应始终遵守证券的内幕交易方面的法律。

(G) 重大合同

在截至二零一六年十二月三十一日止的财政年度中，本集团并未存续涉及任何董事或控股股东权益的重大合同；自上个财政年度截止日以来本集团也未签署任何依然存续的涉及董事或控股股东权益的重大合同。

(H) 关联人士交易

本公司制定了关联人士交易的程序，确保与关联人士进行的所有交易都及时上报审计委员会并确保该等交易都是公平交易且没有损害股东权益。

CORPORATE GOVERNANCE REPORT

公司治理报告

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The Company does not have a general shareholders' mandate for recurrent interested person transactions. The aggregate value of the interested person transactions entered into during the financial year ended 31 December 2016 in excess of S\$100,000 is set out as follows:

本公司并未针对经常性的关联人士交易取得股东的一般性授权。在截至二零一六年十二月三十一日止的财政年度中金额超过100,000新加坡元的关联人士交易的累计交易价值如下表所列：

Name of interested person 关联人士名称	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S\$) 在回顾财政年度内所有关联人士交易的累计金额（金额少于100,000新加坡元或根据上市规则第920条项下股东一般性授权所进行的交易除外）（新加坡元）	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000 (S\$)) 根据上市规则第920条项下股东一般性授权所进行的关联人士交易的累计金额（但金额少于100,000新加坡元的除外）（新加坡元）
Everbright Environmental Protection (China) Limited 光大环保（中国）有限公司	1,728,911	N.A. 不适用
China Everbright Protection Holdings Limited 中国光大环保控股有限公司	555,899	N.A. 不适用
China Everbright Bank 中国光大银行	443,717	N.A. 不适用
China Everbright Environmental Group Limited 中国光大环境集团有限公司	392,674	N.A. 不适用

DIRECTORS' STATEMENT

For the financial year ended 31 December 2016
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董事会声明

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2016.

我们欣然向本公司股东提呈本年报，连同截至二零一六年十二月三十一日止财政年度之经审计财务报表。

In our opinion:

我们认为：

- (a) the financial statements set out on pages 75 to 175 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 2016 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.

- (a) 载于第75页至第175页之财务报表已根据国际财务报表准则于所有重大方面公平呈述本集团及本公司截至二零一六年十二月三十一日之财务状况，以及本集团截至该日止年度之财务表现、权益变动及现金流量；和
- (b) 于本声明签署之日，我们有合理理由相信本公司将有能力于债项到期时进行偿还。

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

于本声明签署之日，董事会已批准刊发财务报表。

Directors

董事

The directors in office at the date of this statement are as follows:

于本声明签署之日在职董事如下：

Wang Tianyi
An Xuesong
Cai Shuguang (appointed on 23 February 2017)
Xu Nailing (appointed on 23 February 2017)
Zhai Haitao
Lim Yu Neng Paul
Cheng Fong Yee

王天义
安雪松
蔡曙光 (于二零一七年二月二十三日获聘任)
徐乃玲 (于二零一七年二月二十三日获聘任)
翟海涛
林御能
郑凤仪

DIRECTORS' STATEMENT

董事会声明

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

Directors' interests

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

董事权益

根据董事股权登记册，于财政年度结束时，概无在职董事于本公司或其相关公司之股份或债券中拥有任何权益，惟以下者除外：

Name of director and corporation in which interests are held	持有权益之董事姓名及公司名称	Holdings registered in the name of directors 以董事名义登记之股权		Holdings in which directors are deemed to have an interest 董事被视为拥有权益之股权	
		As at 1/1/2016 截至二零一六年一月一日	As at 31/12/2016 截至二零一六年十二月三十一日	As at 1/1/2016 截至二零一六年一月一日	As at 31/12/2016 截至二零一六年十二月三十一日
The Company	本公司				
<i>Ordinary shares</i>	<i>普通股</i>				
Lim Yu Neng Paul	林御能	—	—	1,558,400	1,608,909
Cheng Fong Yee	郑凤仪	622,266	622,266	—	—
Chen Dawei	陈大伟	49,524,955	N.A.	—	N.A.
(resigned with effect from 1 February 2016)	(自二零一六年二月一日起辞任)		不适用		不适用

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company or of related corporations, either at the beginning or at the end of the financial year.

除本声明所披露者外，于财政年度结束时在职之董事概无于财政年度开始或结束时于本公司或相关公司之股份、期权、认股权证或债券中拥有权益。

		Holdings registered in the name of directors 以董事名义登记之股权	
		As at 1/1/2016 于二零一六年一月一日	As at 31/12/2016 于二零一六年十二月三十一日
Medium Term Note-Corporate Bond	中期票据—公司债券		
Chen Dawei (resigned with effect from 1 February 2016)	陈大伟 (自二零一六年二月一日起辞任)	—	N.A. 不适用

There were no changes in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2017.

于财政年度结束之日至二零一七年一月二十一日期间，上述于本公司之权益概无任何变动。

DIRECTORS' STATEMENT

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

董事会声明

Share options

Employee share option scheme

On 27 October 2011, the Company established an employee share option scheme (the “**Scheme**”) that entitles key management personnel and controlling shareholders to purchase shares in the Company at an exercise price determined by the committee established to administer this share option programme (“**ESOS Committee**”), comprising of independent directors and two other directors (may be nominated by the board) of the Company.

Other information regarding the Scheme is as follows:

Options granted on 15 November 2013

- The exercise price of each option after shares consolidation is fixed at SGD0.64.
- The share option shall be exercised, in whole or in part, from 16 November 2014 to 15 November 2023.
- All options are settled by physical delivery of shares.
- The options expire after 10 years.

At the end of the financial year, details of the options granted under the Scheme on unissued ordinary shares of the Company are as follows:

Date of grant of options 授出期权日期	Exercise price per share 每股行权价	Options outstanding at 1/1/2016 于二零一六年一月一日尚未行使之期权	Options granted 已授出期权	Options exercised 已行使期权	Options outstanding at 31/12/2016 于二零一六年十二月三十一日尚未行使之期权
15/11/2013 二零一三年十一月十五日	SGD0.64 0.64新加坡元	-	-	-	-

Details of options granted to the directors of the Company and key management personnel are as follows:

There were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

期权

员工期权计划

于二零一一年十月二十七日，本公司制定员工期权计划（“**计划**”），赋予主要管理人员及控股股东权利，按照就管理期权计划而成立之委员会（“**员工期权计划委员会**”）所厘定之行使价购买本公司股份，员工期权计划委员会包括本公司之独立董事及另外两名董事（可由董事会提名）。

以下为与计划有关之其他资料：

于二零一三年十一月十五日授出之期权

- 于股份合并后每个期权之行权价定为0.64新加坡元。
- 须自二零一四年十一月十六日起至二零二三年十一月十五日止全数或部分行使期权。
- 所有期权均以实际交付股份的方式结算。
- 期权于十年后到期。

于财政年度结束时，有关根据计划就本公司未发行普通股所授出期权之详情如下：

有关向本公司董事及主要管理人员所授出期权之详情如下：

根据本公司或其附属公司于财政年度结束时所授出之期权，本公司或其附属公司概无未发行股份。

本公司授出之期权并未赋予其持有人权利，可凭借持有期权而有权参与任何其他公司之任何股份发行。

DIRECTORS' STATEMENT

董事会声明

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

Warrants

At the end of the financial year, details of the unissued ordinary shares of the Company under warrants are as follows:

Date of issue 发行日期	Exercise price 行使价	Warrants outstanding at 1/1/2016 于二零一六年一月一日尚未行使之认股权证	Warrants exercised 已行使认股权证	Warrants expired 已到期认股权证	Warrants outstanding at 31/12/2016 于二零一六年十二月三十一日尚未行使之认股权证
26/4/2010 二零一零年四月二十六日	SGD0.25 0.25新加坡元	-	-	-	-

Each warrant entitles the warrant holder to subscribe for one ordinary share in the Company. The warrants do not entitle the holders of the warrants, by virtue of such holdings, to any rights to participate in any share issue of any other company.

As at the end of the financial year, except as reported above, no other warrants to take up unissued shares of the Company were granted and no shares were issued by virtue of the exercise of warrants to take up unissued shares of the Company.

Audit Committee

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

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

All members of the Audit Committee are independent and non-executive directors. The Audit Committee carried out its functions as required by the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual and the Code of Corporate Governance.

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 management, the Audit Committee and 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 forthcoming Annual General Meeting ("AGM") of the Company.

认股权证

于财政年度结束时，有关认股权证项下本公司未发行普通股之详情如下：

每份认股权证赋予其持有人认购一股本公司普通股之权利。认股权证并无赋予其持有人权利可凭借持有认股权证而有权参与任何其他公司之任何股份发行。

于财政年度结束时，除上文报告者外，并无授出可承购本公司未发行股份之任何其他认股权证，亦无任何股份因可承购本公司未发行股份之认股权证获行使而获发行。

审计委员会

于本声明签署之日，审计委员会之委员如下：

林御能（主席）
翟海涛（委员）
郑凤仪（委员）

审计委员会全体委员均为独立及非执行董事。审计委员会履行新加坡证券交易有限公司（“新交所”）上市手册及公司治理守则所规定之职能。

根据本集团所设立及维持之内部监控、内部及外部审计师进行之工作（须按其要求就财务报表提出意见），及管理层进行之审查，于本公司之即将召开的年度股东大会（“年度股东大会”）上，审计委员会及董事会（经审计委员会同意）认为，本集团已就处理财务、运营及合规风险设立足够之内部监控。

DIRECTORS' STATEMENT

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

董事会声明

The Audit Committee has held four 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:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to 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.

As part of ongoing good corporate governance initiatives, the Audit Committee is of the view that it would be timely to effect a change of auditors with effect from the financial year commencing 1 January 2017. KPMG LLP, the retiring auditors, will accordingly not be seeking re-appointment at the AGM. Ernst & Young LLP was selected for the proposed appointment after the Audit Committee deliberated on the background and credentials of Ernst & Young LLP and taking into consideration that Ernst & Young is the existing auditor for China Everbright International Limited, being the parent of the Company which is listed on the Hong Kong Stock Exchange, and its subsidiaries (other than the Group) (together with the Group, the "Everbright International Group"). In recommending the appointment of Ernst & Young LLP, the Audit Committee also took into consideration various factors, such as Ernst & Young LLP has adequate resources and experience to handle the audit, the audit engagement partner assigned to the audit has the appropriate level of experience and there will be an adequate number of experienced professional staff to be assigned to the audit, having regard to the size and complexity of the Company and its subsidiaries. The Audit Committee also took into account the Audit Quality Indicators Framework as recommended by the Accounting and Corporate Regulatory Authority when considering Ernst & Young LLP for appointment. After evaluation, the Audit Committee was satisfied with the experience and credentials of Ernst & Young LLP and recommended that Ernst & Young LLP be selected for the proposed appointment, which would also enable the Everbright International Group to effectively streamline and rationalise its audit process within the group.

自上一份董事声明签署日以来，审计委员会曾召开四次会议。就履行其职能而言，审计委员会与本公司之外部及内部审计师会面，以讨论其工作范围、审查结果及对本公司内部会计控制系统之评估。

审计委员会亦已审阅以下各项：

- 本公司行政人员向内部及外部审计师提供之协助；
- 提请本公司董事采纳前，审阅本集团及本公司之季度财务资料及年度财务报表；及
- 关联人士交易（定义见新交所上市手册第九章）。

审计委员会可全面接洽管理层并获提供履行职责所需之资源。审计委员会可全权酌情邀请任何董事及高级管理人员出席其会议。审计委员会亦推荐委任外部审计师，并审查审计及非审计服务之费用水平。

审计委员会认为，作为持续良好公司治理的一部分，自二零一七年一月一日开始之财政年度起更换审计师乃适时之举。因此，告退审计师KPMG LLP将不会于年度股东大会上寻求重选连任。审计委员会经审慎考虑Ernst & Young LLP之背景及资历，以及鉴于Ernst & Young现担任本公司之母公司中国光大国际有限公司（于香港联交所上市）及其附属公司（统称“光大国际集团”）之现任审计师（但其不是本集团的现任审计师）后，Ernst & Young LLP获选为建议被聘任审计师。在建议聘任Ernst & Young LLP之过程中，鉴于本公司及附属公司之规模及复杂程度，审计委员会亦曾考虑多项因素，包括Ernst & Young LLP具有充足资源及经验处理审计工作、被聘任负责审计之审计事务合作伙伴具有适当经验、以及将会有足够数量的经验丰富专业人员获指派负责有关审计工作。在考虑聘任Ernst & Young LLP之过程中，审计委员会亦考虑了会计与企业管制局之审计质量指标架构。经评估后，审计委员会会对Ernst & Young LLP之背景及资历感到满意，并建议聘任Ernst & Young LLP为审计师，此举亦有助光大国际集团有效精简地管理及理顺其集团内之审计程序。

DIRECTORS' STATEMENT

董事会声明

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

KPMG LLP has been the auditors of the Company and its subsidiaries since 15 May 2014. The directors wish to express their appreciation for the past services rendered by KPMG LLP.

Auditors

KPMG LLP will retire at the forthcoming AGM and will not seek for re-appointment.

The Board has resolved to recommend the appointment of Ernst & Young LLP as the new auditors of the Company following the retirement of KPMG LLP and such proposed appointment is subject to the approval of the shareholders of the Company 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

24 March 2017

KPMG LLP自二零一四年五月十五日起出任本公司及其附属公司之审计师。董事会对KPMG LLP过往所提供之服务深表感谢。

审计师

KPMG LLP将于即将召开的年度股东大会上告退，且不会寻求续聘。

董事会议决提议于KPMG LLP告退后，聘任Ernst & Young LLP为本公司新任审计师，而有关建议聘任建议须待本公司股东于年度股东大会上批准后，方告作实。

代表董事会

王天义

非执行董事兼董事长

安雪松

执行董事兼总裁

二零一七年三月二十四日

INDEPENDENT AUDITORS' REPORTS

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

独立审计师报告

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 (**'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 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity 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 as set out on pages 75 to 175.

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 the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016 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 *Auditors' 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 *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (**'ACRA Code'**) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our 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.

独立审计师报告

意见

我们已审计列载于第75页至第175页的中国光大水务有限公司(以下简称**'贵公司'**)及其子公司(以下统称**'贵集团'**)的综合财务报表,此财务报表包括于二零一六年十二月三十一日的综合财务状况表与截至该日止年度的综合损益表,综合权益变动表和综合现金流量表,以及综合财务报表附注,包括主要会计政策概要。

我们认为,该等综合财务报表已根据国际财务报告准则在所有重大方面真实地反映了贵集团于二零一六年十二月三十一日的综合财务状况及截至该日止年度的综合财务表现及综合现金流量。

意见的基础

我们已根据国际审计准则进行审计。我们在该等准则下承担的责任已在本报告**'审计师就审计财务报表承担的责任'**部分中作进一步阐述。根据新加坡会计与企业管理局颁布的**会计师及会计企业专业道德守则**(以下简称**'守则'**)连同我们审计新加坡财务报表相关之道德要求,我们独立于贵集团,并已履行该等要求及守则中的其他专业道德责任。我们相信,我们所获得的审计凭证能充足及适当地为我们的审计意见提供基础。

关键审计事项

关键审计事项是根据我们的专业判断,认为对本期综合财务报表的审计最为重要的事项。这些事项是在我们审计整体综合财务报表及出具意见时进行处理的。我们不会对这些事项提供单独的意见。

INDEPENDENT AUDITORS' REPORTS

独立审计师报告

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

IFRIC 12 - Service Concession Arrangements

国际财务报告财务诠释委员会诠释第12号 - 服务特许权安排

Revenue from service concession arrangements (HK\$2,494,037,000) (Refer to Notes 3.12 and 20 to the financial statements).

服务特许权产生之收入 (港币 2,494,037,000元) (请参阅综合财务报表附注3.12及附注20的会计政策)。

The key audit matter

关键审计事项

The Group enters into service concession arrangements with municipals to build and/or operate waste water treatment plants.

贵集团与地方政府部门就污水处理厂的建设及/或运营订立服务特许权安排。

Accounting for revenue from long-term service concession arrangements under IFRIC12 requires revenue to be recognised on construction, during service delivery and as a capital return on the asset.

根据国际财务报告财务诠释委员会诠释第12号所要求,由长期服务特许权衍生之收入,需于资产建造,提供服务以及收取资本回报时确认。

The amount of revenue recognised is dependent on the Group's estimate 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 construction services which involves making estimates of the total construction costs and the margin for each contract. The Group engages an independent financial model consultant to assist in the estimation of the fair value of construction services.

年内确认的收入金额乃基于贵集团对建造服务的公允价值及完工进度的评估。在厘定建造服务的公允价值时,须估计每个合同的建造成本及利润率,而该估计涉及重大判断。贵集团聘请独立财务模型顾问协助评估建造服务的公允价值。

The percentage of construction completed during the year is estimated based on the survey of work performed by independent surveyor with relevant qualification and industry experience. Judgement is required in estimating the percentage of work done.

年内工程完工进度的估计是以有相关资质及行业经验的独立测量师的测量工作为基础。在估计完工进度时须作出判断。

How the matter was addressed in our audit

我们的审计如何处理该事项

We assessed whether the revenue recognition policies adopted by the Group complied with IFRSs, in particular the requirements of IFRIC 12.

我们评估贵集团有关收益确认的政策是否符合国际财务报告准则,特别是国际财务报告财务诠释委员会诠释第12号的要求;

We assessed the competency, capability and objectivity of the Group's independent financial model consultant and surveyor.

我们评估贵集团聘任的独立财务模型顾问及测量师的资质,能力及客观性;

We involved our valuation and model specialists in the review of the financial model prepared by the independent consultant. This included making enquiries with management and discussing with the independent consultant to assess:

我们聘任内部估值专家,重新复核贵集团独立顾问设立的财务模型。其中包括询问贵集团管理层和与贵集团聘任的独立顾问商讨以下事项:

- The appropriateness of the methodology used.
计算方法的恰当性
- The reasonableness of key assumptions such as margins used in determination of the fair value of construction services.
就评估作出的假设(如厘定建造服务公允价值所采纳的利润率)的合理性
- The reasonableness of the construction costs used in the model against the Group's other completed projects which have similar operating capacities.
用于估值的建造成本对比贵集团其他拥有同等处理量并已完成项目的建造成本的合理性

We reviewed the Group's estimation process, including approval of project budget and monitoring of project costs and activities. We also discussed with the project managers and the independent surveyor to get an understanding of the activities completed to date and checked that construction revenue was recognised according to the stage of completion for each contract. We reviewed the Group's estimation process, including project budget approval and project cost and flow monitoring. We also discussed with project managers and independent surveyors on construction progress to understand the completion progress of the projects as at the reporting date. At the same time, we reviewed the construction revenue for each contract against the completion progress.

We also considered the adequacy of the Group's disclosures in this area.

我们评估贵集团就此审计项目作出的披露是否足够。

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Findings

对服务特许权的评估

We have no concern over the competency, capability and objectivity of the independent consultant and surveyor. We found the methodology to be appropriate and that the key assumptions such as margins used in the determination of the fair value of construction services in the financial model were within an acceptable range. We found that the measurement of percentage of completion used by the Group for construction revenue recognition appropriately reflects the progress of the contracts. We also found the disclosures over revenue recognition to be appropriate.

我们对于独立顾问及测量师的资质、能力及客观性没有质疑。我们认为其计算方法和重大假设，例如用于财务模型中厘定建造服务公允价值的利润率适当且在可接受范围。我们发现贵集团用于确认建造收入的完工百分比如实反映了合同进度。与此同时，我们认为有关确认收入的披露适当。

Recoverability of trade and other receivables

应收账款及其他应收款项可收回金额

Trade and other receivables (HK\$588,739,000) (Refer to Notes 3.3, 4 and 12 to the financial statements).

应收账款及其他应收账款(港币 588,739,000元) (请参阅综合财务报表附注3.3, 附注4及附注12)。

The key audit matter

关键审计事项

The Group has outstanding billed receivables of HK\$588,739,000. The recoverability assessment of these receivables requires the Group to exercise judgement after taking into consideration latest developments arising from on-going negotiations with the customers.

贵集团有待偿还应收账款余额为港币588,739,000元。应收账款的可收回金额评估需要贵集团考虑与客户谈判的最新进度而确定。

How the matter was addressed in our audit

我们的审计如何处理该事项

We tested the effectiveness of the Group's controls over the monitoring of receivables and over the collection process. We compared the amount of cash received after the year end against the year end ledger balances, as well as assessed the ageing of the trade receivables. We also tested the adequacy of the Group's provisions against trade receivables by assessing management's assumptions in respect of customers' ability to pay based on the historical experience with the relevant customers. We considered the adequacy of the Group's disclosures about the degree of estimation involved in arriving at the provision.

我们测试了贵集团应收款项监控及回收程序的有效性。我们比较了本财政年度的应收款项余额及期后收款的情况，并评估应收账款的账龄状况。我们同时根据贵集团客户的历史情况，审计管理层就坏账拨备所作的假设，并评估贵集团就应收账款所作的坏账拨备是否足够。我们亦评估了贵集团就坏账拨备所作的假设的披露是否充分。

Findings

对应收账款及其他应收款项的评估

We found that the assumptions used by management in the recoverability assessment to be balanced. We also found the disclosures over trade and other receivables to be appropriate.

我们认为管理层就可回收评估之假设中肯。我们亦发现有关应收帐款及其他应收款项之披露适当。

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Other information

Management is responsible for the other information. The other information comprises the Corporate Profile, Chairman's Statement, CEO's Statement & Business Review, Corporate Information, Corporate Outlook, Financial Highlights, Board of Directors and Key Management Profile, Sustainability Report, Corporate Governance Report, Directors' Statement and Statistics of Shareholdings.

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

管理层对其他信息负责。其他包括公司简介、董事长致辞、总裁致辞及业务回顾、公司资料、公司展望、财务摘要、董事会及管理层简介、可持续发展报告、公司治理报告、董事会声明及股权结构统计资料。

我们对财务报表的意见并不涵盖其他信息，我们亦不对该等其他信息发表任何形式的鉴证结论。

结合我们对财务报表的审计，我们的责任是阅读其他信息，在此过程中，考虑其他信息是否与财务报表或我们在审计过程中所了解的情况存在重大抵触或者似乎存在重大错误陈述的情况。基于我们已履行的工作，如果我们认为其他信息存在重大错误陈述，我们需要报告该事实。在这方面，我们没有任何报告。

管理层及董事就综合财务报表须承担的责任

管理层须负责根据国际财务报告准则制备真实而中肯的财务报表，并为足以就保障资产不会因未获授权之使用或处置而产生的损失，正确授权及记录交易以容许制备真实而中肯的财务报表及确立资产责任提供合理保证而设计及维持内部会计控制系统。

在制备财务报表时，管理层负责评估贵集团持续经营的能力，并在适用情况下披露与持续经营有关的事项，以及使用持续经营为会计基础，除非管理层有意将贵集团清盘或停止经营，或别无其他实际的替代方案。

董事的责任包括监督贵集团的财务报告过程。

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Auditors' 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 scepticism throughout the audit. We also:

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

审计师就审计财务报表承担的责任

我们的目标，是对财务报表整体是否不存在由于欺诈或错误而导致的重大错误陈述取得合理保证，并出具包括我们意见的审计报告。合理保证是高水平的保证，但不能保证按照国际审计准则被进行的审计，在某一重大错误陈述存在时总能发现。错误陈述可以由欺诈或错误引起，如果合理预期它们单独或汇总起来可能影响综合财务报表使用者依赖财务报表所作出的经济决定，则有关的错误陈述可被视作重大。

在根据国际审计准则进行审计的过程中，我们运用了专业判断，保持了专业怀疑态度。我们亦：

- 识别和评估由于欺诈或错误而导致综合财务报表存在重大错误陈述的风险，设计及执行审计程序以应对这些风险，以及获取充足和适当的审计凭证，作为我们意见的基础。由于欺诈可能涉及串谋、伪造、蓄意遗漏、虚假陈述，或凌驾于内部控制之上，因此未能发现因欺诈而导致的重大错误陈述的风险高于未能发现因错误而导致的重大错误陈述的风险。
- 了解与审计相关的内部控制，以设计适当的审计程序，但目的并非对贵集团内部控制的有效性发表意见。
- 评价管理层所采用会计政策的恰当性及作出会计估计和相关披露的合理性。
- 对管理层采用持续经营会计基础的恰当性作出结论。根据所获取的审计凭证，确定是否存在与事项或情况有关的重大不确定性，从而可能导致对贵集团的持续经营能力产生重大疑虑。如果我们认为存在重大不确定性，则有必要在审计报告中提请使用者注意综合财务报表中的相关披露。假若有关的披露不足，则我们应当发表非无保留意见。我们的结论是基于审计报告日止所取得的审计凭证。然而，未来事项或情况可能导致贵集团不能持续经营。

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partner on the audit resulting in this independent auditor's report is Low Gin Cheng, Gerald.

KPMG LLP

Public Accountants and
Chartered Accountants

Singapore

24 March 2017

- 评价财务报表的整体列报方式、结构和内容，包括披露，以及财务报表是否中肯反映交易和事项。

- 就贵集团内实体或业务活动的财务信息获取充足、适当的审计凭证，以便对综合财务报表发表意见。我们负责贵集团审计的方向、监督和执行。我们为审计意见承担全部责任。

除其他事项外，我们与董事沟通了计划的审计范围、时间安排、重大审计发现等，包括我们在审计中识别出内部控制的任何重大缺陷。

我们还向董事提交声明，说明我们已符合有关独立性的相关专业道德要求，并与他们沟通有可能合理地被认为会影响我们独立性的所有关系和其他事项，以及在适用的情况下，相关的防范措施。

从与董事沟通的事项中，我们确定哪些事项对本期综合财务报表的审计最为重要，因而构成关键审计事项。我们在审计报告中描述这些事项，除非法律法规不允许公开披露这些事项，或在极端罕见的情况下，如果合理预期在我们报告中沟通某事项造成的负面后果超过产生的公众利益，我们决定不应在报告中沟通该事项。

出具本独立审计师报告的审计项目合伙人是刘仁清。

KPMG LLP

公共会计师及特许会计师

新加坡

二零一七年三月二十四日

STATEMENTS OF FINANCIAL POSITION

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

财务状况表

		Group 本集团		Company 本公司		
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元	31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元	
Note 附注						
Assets	资产					
Property, plant and equipment	物业、厂房及设备	5	147,971	162,587	31	3
Intangible assets	无形资产	6	1,259,449	1,440,075	–	–
Goodwill	商誉	7	1,185,478	1,268,925	–	–
Interests in subsidiaries	附属公司权益	8	–	–	9,190,573	9,533,310
Interest in an associate	联营公司权益	9	1,327	–	–	–
Other receivables	其他应收款项	12	9,863	39,525	–	21,120
Service concession financial receivables	与服务特许经营权相关的金融应收款项	10	8,179,732	7,713,209	–	–
Non-current assets	非流动资产		10,783,820	10,624,321	9,190,604	9,554,433
Inventories	存货	11	14,323	10,689	–	–
Trade and other receivables	应收账款及其他应收款项	12	588,739	641,525	2,096,933	1,672,655
Service concession financial receivables	与服务特许经营权相关的金融应收款项	10	791,609	893,423	–	–
Cash and cash equivalents	现金及现金等价物	13	1,902,741	1,768,990	30,716	7,248
Current assets	流动资产		3,297,412	3,314,627	2,127,649	1,679,903
Total assets	总资产		14,081,232	13,938,948	11,318,253	11,234,336
Equity	权益					
Share capital	股本	14	2,609,908	2,608,014	2,609,908	2,608,014
Reserves	储备	15	4,188,279	4,452,929	6,727,106	7,406,986
Equity attributable to shareholders of the Company	本公司股东应占权益		6,798,187	7,060,943	9,337,014	10,015,000
Non-controlling interests	非控股权益		393,515	236,077	–	–
Total equity	总权益		7,191,702	7,297,020	9,337,014	10,015,000

The accompanying notes form an integral part of these financial statements.
随附附注为本财务报表的组成部分。

STATEMENTS OF FINANCIAL POSITION

财务状况表

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

		Group 本集团		Company 本公司		
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元	31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元	
Note 附注						
Liabilities	负债					
Borrowings	贷款	16	3,366,091	2,423,663	1,203,692	193,813
Deferred tax liabilities	递延税项负债	17	1,051,692	1,055,223	–	–
Other payables	其他应付款项	18	–	240,760	–	–
Non-current liabilities	非流动负债		4,417,783	3,719,646	1,203,692	193,813
Borrowings	贷款	16	1,521,407	2,394,574	756,892	1,000,073
Trade and other payables	应付账款及其他应付款项	18	937,238	475,430	20,655	25,450
Current tax liabilities	即期税项负债		13,102	52,278	–	–
Current liabilities	流动负债		2,471,747	2,922,282	777,547	1,025,523
Total liabilities	总负债		6,889,530	6,641,928	1,981,239	1,219,336
Total equity and liabilities	权益及负债总额		14,081,232	13,938,948	11,318,253	11,234,336

The accompanying notes form an integral part of these financial statements.
随附附注为本财务报表的组成部分。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

综合全面收益表

		Note	31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
		附注		
Revenue	收入	20	2,494,037	1,815,150
Cost of sales	销售成本		(1,588,385)	(990,926)
Gross profit	毛利		905,652	824,224
Other income	其他收入	21	127,666	103,651
Administrative and other operating expenses	行政及其他经营费用		(298,250)	(213,546)
Results from operating activities	经营活动业绩		735,068	714,329
Finance income	财务收入		7,631	9,799
Finance costs	财务费用		(205,223)	(127,998)
Net finance costs	净财务费用	22	(197,592)	(118,199)
Profit before tax	除税前盈利	23	537,476	596,130
Tax expense	所得税	24	(164,861)	(172,462)
Profit for the year	本年度盈利		372,615	423,668
Other comprehensive income for the year	本年度其他全面收益			
Items that may be reclassified subsequently to profit or loss:	其后可能重新分类至损益表的项目：			
- foreign currency translation differences	- 外币换算差额		(598,600)	(337,571)
Total comprehensive income for the year	年度全面收益总额		(225,985)	86,097
Profit attributable to:	应占盈利：			
Shareholders of the Company	本公司股东		349,343	406,242
Non-controlling interests	非控股权益		23,272	17,426
Profit for the year	本年度盈利		372,615	423,668
Total comprehensive income attributable to:	应占全面收益总额：			
Shareholders of the Company	本公司股东		(228,390)	75,700
Non-controlling interests	非控股权益		2,405	10,397
Total comprehensive income for the year	本年度全面收益总额		(225,985)	86,097
Earnings per share	每股盈利			
Basic earnings per share (HK\$)	每股基本盈利 (港币)	25	0.134	0.158
Diluted earnings per share (HK\$)	每股摊薄盈利 (港币)	25	0.134	0.158

The accompanying notes form an integral part of these financial statements.
随附附注为本财务报表的组成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

综合权益变动表

For the financial year ended 31 December 2016
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	Attributable to shareholders of the Company 本公司股东应占											
	Note 附注	Share capital 股本 HK\$'000 港币千元	Share premium 股份溢价 HK\$'000 港币千元	Foreign currency translation reserve 外币折算储备 HK\$'000 港币千元	Statutory reserve 法定储备 HK\$'000 港币千元	Contributed surplus reserve 缴入盈余储备 HK\$'000 港币千元		Other reserves 其他储备 HK\$'000 港币千元	Retained earnings 保留盈利 HK\$'000 港币千元	Total 总计 HK\$'000 港币千元	Non- controlling interests 非控股权益 HK\$'000 港币千元	Total equity 总权益 HK\$'000 港币千元
						Statutory reserve 法定储备 HK\$'000 港币千元	Contributed surplus reserve 缴入盈余储备 HK\$'000 港币千元					
At 1 January 2015		2,487,261	1,914,548	328,655	94,999	-	(2,181)	1,502,198	6,325,480	225,680	6,551,160	
Total comprehensive income for the year		-	-	-	-	-	-	406,242	406,242	17,426	423,668	
Profit for the year		-	-	-	-	-	-	406,242	406,242	17,426	423,668	
Other comprehensive income for the year		-	-	(330,542)	-	-	-	-	(330,542)	(7,029)	(337,571)	
Foreign currency translation differences		-	-	(330,542)	-	-	-	-	(330,542)	(7,029)	(337,571)	
Total comprehensive income for the year		-	-	(330,542)	-	-	-	406,242	75,700	10,397	86,097	

于二零一五年
一月一日

**本年度全面
收益总额**
本年度盈利

**本年度其他
全面收益**
外币折算
差额

**本年度全面
收益总额**

The accompanying notes form an integral part of these financial statements.
随附附注为本财务报表的组成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

综合权益变动表

		Attributable to shareholders of the Company 本公司股东应占											
Note 附注	Share capital 股本 HK\$'000 港币千元	Share premium 股份溢价 HK\$'000 港币千元	Foreign currency translation reserve 外币折算储备		Statutory reserve 法定储备 HK\$'000 港币千元	Contributed surplus reserve 缴入盈余储备		Other reserves 其他储备 HK\$'000 港币千元	Retained earnings 保留盈利 HK\$'000 港币千元	Total 总计 HK\$'000 港币千元	Non-controlling interests 非控股权益 HK\$'000 港币千元		Total equity 总权益 HK\$'000 港币千元
			HK\$'000 港币千元	HK\$'000 港币千元		HK\$'000 港币千元	HK\$'000 港币千元				HK\$'000 港币千元	HK\$'000 港币千元	
Transactions with shareholders, recognised directly in equity 与股东之间的交易 (直接于权益中确认)													
Contributions by and distributions to shareholders 股东注资及向股东分派													
Issue of ordinary shares 发行普通股		120,691	538,340	-	-	-	-	-	-	659,031	-	-	659,031
Exercise of warrants 行使认股权证		62	670	-	-	-	-	-	-	732	-	-	732
Share premium reduction 股份溢价削减		-	(1,243,508)	-	-	-	1,243,508	-	-	-	-	-	-
Total transactions with shareholders 与股东之间的交易的总额	15(a)	120,753	(704,498)	-	-	-	1,243,508	-	-	659,763	-	-	659,763
Transfer to statutory reserve 转拨至法定储备		-	-	-	26,318	-	-	-	(26,318)	-	-	-	-
At 31 December 2015 二零一五年十二月三十一日		2,608,014	1,210,050	(1,887)	121,317	1,243,508	(2,181)	1,882,122	7,060,943	236,077	7,297,020		

The accompanying notes form an integral part of these financial statements.
随附附注为本财务报表的组成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

综合权益变动表

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

	Attributable to shareholders of the Company 本公司股东应占										
	Note 附注	Share capital 股本	Share premium 股份溢价	Foreign currency translation reserve 外币折算储备	Statutory reserve 法定储备	Contributed surplus reserve 缴入盈余储备	Other reserves 其他储备	Retained earnings 保留盈利	Total 总计	Non- controlling interests 非控股权益	Total equity 总权益
	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元
At 1 January 2016		2,608,014	1,210,050	(1,887)	121,317	1,243,508	(2,181)	1,882,122	7,060,943	236,077	7,297,020
Total comprehensive income for the year											
Profit for the year								349,343	349,343	23,272	372,615
Other comprehensive income for the year											
Foreign currency translation differences				(577,733)					(577,733)	(20,867)	(598,600)
Total comprehensive income for the year								349,343	(228,390)	2,405	(225,985)

The accompanying notes form an integral part of these financial statements.
随附附注为本财务报表的组成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

综合权益变动表

		Attributable to shareholders of the Company 本公司股东应占									
Note 附注	Share capital 股本	Share premium 股份溢价	Foreign currency translation reserve 外币汇兑储备	Statutory reserve 法定储备	Contributed surplus reserve 缴入盈余储备	Other reserves 其他储备	Retained earnings 保留盈利	Total 总计	Non- controlling interests 非控股权益	Total equity 总权益	
											HK\$'000 港币千元
	10,177	30,250	-	-	-	-	(40,427)	-	-	-	
	-	-	-	-	-	-	(11,877)	(11,877)	-	(11,877)	
	(8,283)	-	-	-	(14,206)	-	-	(22,489)	-	(22,489)	
	-	-	-	-	-	-	-	-	169,583	169,583	
	-	-	-	-	-	-	-	-	(14,550)	(14,550)	
	1,894	30,250	-	-	(14,206)	-	(52,304)	(34,366)	155,033	120,667	
	-	-	-	34,318	-	-	(34,318)	-	-	-	
	2,609,908	1,240,300	(579,620)	155,635	1,229,302	(2,181)	2,144,843	6,798,187	393,515	7,191,702	

Transactions with
shareholders,
recognised directly
in equity
与股东之间的交
易(直接于权
益确认)

Contributions by
and distributions
to shareholders
股东注资及向
股东分派

Issue of shares
pursuant to scrip
dividend scheme
根据以股代息
计划发行股份

Dividends paid to
shareholders
支付予股东
之股息

Shares buy-back
Contribution from
non-controlling
shareholders
股份回购
非控股股东
注资

Dividends paid to
a non-controlling
shareholder
支付予一名非
控股股东之
股息

Total transactions
with shareholders
与股东之间的交
易的总额

Transfer to statutory
reserve
转拨至法定
储备

At 31 December
2016
于二零一六年
十二月三十一日

The accompanying notes form an integral part of these financial statements.
随附附注为本财务报表的组成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

综合现金流量表

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Cash flows from operating activities	经营活动现金流量		
Profit before tax	除税前盈利	537,476	596,130
Adjustments for:	经调整：		
Depreciation of property, plant and equipment	物业、厂房及设备 折旧	14,986	13,826
Amortisation of intangible assets	无形资产摊销	86,290	58,001
Gain on disposal of equity interest in a subsidiary	出售一间附属公司权益 之收益	(402)	-
Loss on disposal of property, plant and equipment	出售物业、厂房及设备 之亏损	369	510
Fair value loss on cross-currency swap	货币互换掉期公允价值 亏损	-	9,555
Effect of foreign exchange rates changes	汇率变动的影响	(40,658)	(33,662)
Net finance costs	净财务费用	197,592	118,199
Operating cash flows before working capital changes	营运资金变动前的经营 现金流量	795,653	762,559
Changes in working capital:	营运资金变动：		
Inventories	存货	(5,465)	17,065
Service concession financial receivables	与服务特许经营权相关的 金融应收款项	(934,982)	(481,781)
Trade and other receivables	应收账款及其他应收款项	9,868	(131,371)
Trade and other payables	应付账款及其他应付款项	288,913	(38,892)
Cash generated from operations	经营活动所产生的现金	153,987	127,580
Income tax paid	已付所得税	(133,792)	(94,975)
Net cash generated from operating activities	经营活动所产生的现金 净额	20,195	32,605
Cash flows from investing activities	投资活动现金流量		
Disposal of equity interest in a subsidiary, net of cash disposed	出售一间附属公司权益所得 之现金净额	(1,195)	-
Payment made for the acquisition of subsidiaries, net of cash acquired	支付有关收购附属公司的款 项所得之现金净额	-	(2,163,337)
Interest received	已收利息	7,631	9,799
Purchase of property, plant and equipment	购买物业、厂房及 设备	(11,864)	(10,227)
Proceed from sale of property, plant and equipment	出售物业、厂房及设备所得 款项	87	314
Payment for addition of intangible assets	支付有关添置无形资产的 款项	(988)	(14,020)
Net cash used in investing activities	投资活动所动用的现金净额	(6,329)	(2,177,471)

The accompanying notes form an integral part of these financial statements.
随附附注为本财务报表的组成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

综合现金流量表

		Note 附注	31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Cash flows from financing activities	融资活动现金流量			
Proceeds from issue of shares	发行股份所得款项		–	659,031
Proceeds from exercise of warrants	行使认股权证所得款项		–	732
Proceeds from bank borrowings	银行贷款所得款项		4,431,374	4,218,794
Repayment of bank borrowings and notes payables	偿还银行贷款及应付票据		(4,121,687)	(1,310,224)
Interest paid	已付利息		(205,223)	(127,998)
Increase/(decrease) in amounts due to fellow subsidiaries	应付同系附属公司款项增加/(减少)		8,256	(1,177)
Increase/(decrease) in amounts due to intermediate holding companies	应付中间控股公司款项增加/(减少)		3,711	(148,481)
Increase in restricted bank deposits	受限制银行存款增加		(94,734)	(305,950)
Settlement of cross-currency swap	货币互换掉期结算所付款项		–	(30,644)
Payments for shares buy-back	支付股份回购款项		(22,489)	–
Dividends paid to shareholders	已付股东股息		(11,877)	–
Dividends paid to a non-controlling shareholder	已付一名非控股股东股息		(14,550)	–
Contributions from non-controlling shareholders	非控股股东注资		169,583	–
Net cash generated from financing activities	融资活动所产生的现金净额		142,364	2,954,083
Net increase in cash and cash equivalents	现金及现金等价物增加净额		156,230	809,217
Cash and cash equivalents at beginning of the year	年初之现金及现金等价物		1,288,550	499,331
Effect of exchange rate fluctuations on cash and cash equivalents	汇率波动对现金及现金等价物的影响		(85,379)	(19,998)
Cash and cash equivalents at end of the year	年末之现金及现金等价物	13	1,359,401	1,288,550

Significant non-cash transactions 重大非现金交易

- 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 share premium of the Company was reduced to nil and transferred to the contributed surplus reserve. Accordingly, the Group's share premium of HK\$1,243,508,000 attributed to the Company was transferred to the contributed surplus reserve (see note 15(a)).
根据本公司于二零一五年十二月十五日举行的特别股东大会通过的特别议案，本公司股份溢价的全部金额削减至零，并转拨至缴入盈余储备。因此，本集团应占本公司的股份溢价港币1,243,508,000元转拨至缴入盈余储备（参阅附注15(a)）。
- During the year ended 31 December 2016, the Company has allotted and issued 10,177,139 new ordinary shares to ordinary shareholders who had elected to participate in the scrip dividend scheme.
截至二零一六年十二月三十一日止年度，本公司向选择参与以股代息计划的普通股股东配发及发行10,177,139股新普通股。

The accompanying notes form an integral part of these financial statements.
随附附注为本财务报表的组成部分。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

These notes form an integral part of the financial statements. The financial statements were authorised for issue by the Board of Directors on 24 March 2017.

本附注为财务报表的组成部分。董事会已于二零一七年三月二十四日授权刊发财务报表。

1. Domicile and activities

The Company is incorporated in Bermuda as an exempt company with limited liability and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The registered address of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is at 26th FL, Block A, Oriental Xintiandi Plaza, No. 1003 Shennan Avenue, Futian District, Shenzhen, People’s Republic of China (“**PRC**”) (中国广东省深圳市福田区深南大道1003号东方新天地广场A座26楼).

The financial statements of the Group as at and for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the “**Group**” and individually as “**Group entities**”).

The Group is primarily involved in the water treatment business in the PRC. The principal activity of the Company is that of an investment holding company. The principal activities of its subsidiaries are set out in note 8.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (“**IFRS**”).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

The functional currency of the Company is Chinese Renminbi (“**RMB**”). Items included in the financial statements of each of the Group entities are measured using the currency of the primarily economic environment in which the entity operates (“**functional currency**”). The financial statements are presented in Hong Kong Dollars (“**HK\$**”), which is the Company’s presentation currency. All financial information presented in HK\$ has been rounded to the nearest thousand, unless otherwise stated.

1. 注册营业及业务

本公司于百慕大注册成立为一间获豁免有限责任公司，并在新加坡证券交易所有限公司(“**新加坡交易所**”)主板上市。本公司的注册地址为Clarendon House, 2 Church Street, Hamilton HM11, Bermuda，主要经营地点为中华人民共和国(“**中国**”)深圳市福田区深南大道1003号东方新天地广场A座26楼。

本集团于二零一六年十二月三十一日及截至该日止的财政年度包括本公司及其附属公司(统称“**本集团**”，单独称为“**集团实体**”)。

本集团主要在中国从事水处理业务。本公司的主要业务是投资控股公司的业务。旗下附属公司的主要业务载列于附注8。

2. 编制基础

2.1 合规声明

本财务报表是按照国际财务报告准则(“**国际财务报告准则**”)编制。

2.2 计量基础

除下文附注另行说明者外，本财务报表是按历史成本法编制。

2.3 功能及列报货币

本公司的功能货币为人民币(“**人民币**”)。本集团包含的各集团实体的财务报表项目是按该集团实体经营所在的主要经济环境的货币(“**功能货币**”)计量。财务报表以港币列报，而港币为本公司的列报货币。除另有说明外，所有以港币列报的财务信息均已按四舍五入原则凑整至最近的千位。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

财务报表附注

2. Basis of preparation (cont'd)

2.4 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements and information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in note 4.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

3.1 Basis of consolidation

(i) *Business combinations*

Business combinations are accounted for using the acquisition method in accordance with IFRS 3 *Business Combination* as at the date of acquisition, which is the date on which control is transferred to the Group (see note 3.1(ii)). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see note 3.9(ii)). Any gain or bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities (see note 3.3).

2. 编制基础(续)

2.4 使用判断及估计

管理层在编制本财务报表时曾作出会对本集团的会计政策的应用,以及资产、负债、收入及支出的报告数额构成影响的判断、估计及假设。实际结果可能有别于估计数额。

管理层会不断审阅各项估计及相关假设。会计估计会于有关估计作出修订之期间及未来任何受影响之期间确认。

附注4载列了对综合财务报表产生重大影响的会计政策应用的判断信息,以及在未来一年内假设及估计的不确定性可能产生重大调整的信息。

3. 主要会计政策

下列会计政策在本财务报表呈报的所有期间贯彻应用,并由集团公司贯彻应用。

3.1 合并基础

(i) *业务合并*

业务合并是根据国际财务报告准则第3号“业务合并”于收购日期(即控制权转让予本集团之日)使用收购法入账(参阅附注3.1(ii))。收购交易转让的对价一般按公允价值计量任何收购所得的可辨认净资产亦如是。任何由此产生的商誉会每年进行减值测试(参阅附注3.9(ii))。任何收益或议价收购即时在损益中确认。交易成本在产生时列作开支,但如与债务或股本证券的发行相关则除外(参阅附注3.3)。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

3. Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

3. 主要会计政策 (续)

3.1 合并基础 (续)

(i) 业务合并 (续)

于收购日期, 本集团按如下方式计量商誉:

- 已转让对价的公允价值; 加
- 被收购方的任何非控股权益的已确认金额; 加
- 如业务合并阶段完成, 被收购方既有权益的公允价值

减已收购可辨认资产及所承担负债的已确认金额净额 (一般为公允价值)。

当差额为负数, 则即时在损益中确认议价收购的收益。

已转让对价并不包括与结算既有关系相关的款项。该等款项一般在损益中确认。

任何应付之或有对价于收购日期按公允价值计量。如或有对价被分类为权益, 则无需重新计量, 而结算乃于权益入账。否则, 或有对价的公允价值随后的变动在损益中确认。

如需要将收购方的雇员所持有的奖励 (被收购方的奖励) 交换为以股份为基础的付款奖励 (替代奖励), 则在计量业务合并的转让对价时, 会计入收购方的替换奖励的全部或部分金额。此项决定以替代奖励的市场价值为基础, 与被收购方之奖励的市场价值作比较, 并以替代奖励与未合并前的相关服务的程度为限。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
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财务报表附注

3. Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iii) Associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Interests in associates is accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

3. 主要会计政策 (续)

3.1 合并基础 (续)

(ii) 附属公司

附属公司是指受本集团控制的实体。当本集团因参与实体业务而承担可变动回报的风险或因此享有可变动回报,且有能力透过向实体施加权力而影响该等回报时,则本集团控制该实体。附属公司的财务报表由控制开始当日起,直至控制终止当日止计入综合财务报表。

附属公司的会计政策在有必要时会作出变动,以与本集团所采纳的会计政策保持一致。附属公司的非控股权益应占的亏损会分配至非控股权益,即使如此处理会导致非控股权益出现亏损亦然。

(iii) 联营公司

联营公司是指本集团可重大影响(而非控制或共同控制)其财务及经营政策的实体。如本集团持有另一个实体20%或以上的投票权,即假定存在重大影响。

联营公司投资以权益法入账。初始按成本确认,成本包括交易成本。初始确认后,综合财务报表包括自重大影响开始当日至重大影响终止之日止本集团的应占按权益入账被投资方的损益及其他全面收入(经调整以使会计政策与本集团的会计政策一致)。

当本集团于按权益入账的被投资方应占的亏损超过应占权益时,则投资的账面价值(连同构成账面价值的任何长期权益)减计至零,并且不再确认进一步亏损;但如本集团有义务为被投资方提供营运资金或已代表被投资方付款则除外。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

3. Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(iv) Non-controlling interests

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(v) Loss of control

When the Group loses control over a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(vii) Subsidiaries in the separate financial statements

Interests in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3. 主要会计政策 (续)

3.1 合并基础 (续)

(iv) 非控股权益

就各业务合并而言, 本集团选择以下列其中一个方式计量被收购方的任何非控股权益:

- 公允价值; 或
- 应占被收购方的可辨认净资产的比例。

并无导致本集团失去附属公司控制权的权益变动, 按以拥有人身份进行的拥有人交易入账, 因此无须对商誉进行调整, 且并无在损益中确认收益或亏损。并不涉及失去控制权的交易产生的非控股权益的调整是基于应占附属公司净资产比例而作出。

(v) 失去控制权

当本集团对附属公司失去控制权, 本集团便会终止确认该附属公司的资产及负债, 以及任何相关的非控股权益及权益的其他部分。所得收益或亏损在损益中确认。在于该前附属公司保留的任何利益按失去控制权当日公允价值计量。

(vi) 并表时抵销的交易

在编制综合财务报表的过程中, 集团内部余额及交易与集团内部交易产生的任何未变现收入及支出抵销。

(vii) 独立财务报表中的附属公司

附属公司权益按成本减去累计减值损失在本公司的财务状况表中列示。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

财务报表附注

3. Significant accounting policies (cont'd)

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into HK\$ at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into HK\$ at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3. 主要会计政策 (续)

3.2 外币

(i) 外币交易

使用外币进行的交易按交易日的汇率换算为本集团各实体各自的功能货币。

以外币计价的货币资产及负债按报告日期的汇率换算为功能货币。以公允价值计量之以外币计价的非货币性资产及负债按厘定公允价值当日的汇率换算为功能货币。以历史成本计价以外币计价的非货币性项目采用交易日期的汇率进行换算。外币差额一般在损益中确认。

(ii) 海外业务

海外业务的资产及负债(包括收购时产生的商誉及公允价值调整)采用报告日期的汇率换算为港币。海外业务的收入及支出按交易日期的汇率换算为港币。

外币差额在其他全面收入中确认，并在外币换算储备中累计，但如交易差额分配至非控股权益则除外。

若全部或部分出售海外业务而丧失控制权、重大影响或共同控制权时，则与该海外业务相关的外币换算储备累计金额重新分类至损益，作为出售收益或亏损的一部分。若本集团仅出售附属公司的部分权益并保留控制权，则累计金额的相关部分重新归属于非控股权益。若本集团仅出售联营公司或合营企业部分权益并保留重大影响或共同控制权，则累计金额的相关部分重新分类至损益。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

3. Significant accounting policies (cont'd)

3.2 Foreign currency (cont'd)

(ii) Foreign operations (cont'd)

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign exchange differences arising from such item form part of a net investment in the foreign operation. Accordingly, such differences are recognised in other comprehensive income, accumulated in the foreign currency translation reserve.

3.3 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables on the date when they are originated. All other financial assets are initially recognised on the trade date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the loans and receivables category.

3. 主要会计政策 (续)

3.2 外币 (续)

(ii) 海外业务 (续)

若于可见未来并无计划亦不大可能结清海外业务产生的应收或应付货币项目, 则该项目产生的汇兑差额构成海外业务净投资的一部分。因此, 该差额在其他全面收入中确认, 并在外币换算储备中累计。

3.3 金融工具

(i) 非衍生金融资产

本集团在贷款及应收款项产生当日初始确认该等贷款及应收款项。所有其他金融资产于交易日期初始确认。

当自资产收取现金流量的合约权利到期, 或由于交易中转让收取合约现金流量的权利而转让于金融资产拥有权的绝大部分风险及回报, 或其既无转让亦无保留拥有权的绝大部分风险及回报, 以及并未无保留已转让资产的控制权, 则本集团终止确认有关金融资产。本集团终止确认金融资产而产生或保留的任何权益会独立确认为一项资产或负债。

当且仅当本集团有合法权利可抵销相关金额且拟按净额结算或同时变现资产及清偿负债时, 金融资产及负债相互抵销, 有关净额于财务状况表内列示。

本集团将非衍生金融资产归类为贷款及应收款项类别。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
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财务报表附注

3. Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(i) Non-derivative financial assets (cont'd)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables, and financial receivables arising from service concession arrangements.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits 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 deposits 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.

Service concession arrangements

The Group recognises a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction or upgrade services provided. Such financial assets are measured at fair value upon initial recognition. Subsequent to initial recognition, the financial assets are measured at amortised cost.

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 (see also note 3.5(ii)).

3. 主要会计政策 (续)

3.3 金融工具 (续)

(i) 非衍生金融资产 (续)

贷款及应收款项

贷款及应收款项是指具有固定或可议定付款金额，但在交投活跃市场并无报价的金融资产。这些资产初始按公允价值加任何直接应占交易成本确认。在初始确认后，贷款及应收款项使用有效利率法按摊销成本减任何减值损失计量。

贷款及应收款项包括现金及现金等价物、应收账款及其他应收款项、与服务特许经营权安排相关的应收金融款项。

现金及现金等价物

现金及现金等价物包括现金余额及到期日为自购入日期起计三个月或以下的短期存款，其可能面临公允价值变动的风险不重大，且本集团动用有关现金及现金等价物管理其短期承担。就综合现金流量表而言，受限制存款并不包括在内，而银行透支须按要求偿还，并构成本集团现金管理必不可少的一部分，须纳入现金及现金等价物。

服务特许经营安排

本集团具有无条件合约权利可就所提供的建造或改造服务向授权人或按其指示收取现金或其他金融资产时，本集团便会确认服务特许经营权安排产生的金融资产。该等金融资产初始确认时按公允价值计量。初始确认后，金融资产按摊销成本计量。

若本集团就建造服务收取的费用部分以金融资产支付及部分以无形资产支付，则该代价的各部分独立入账，并初始按代价的公允价值确认(参阅附注3.5(ii))。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

3. Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(ii) *Non-derivative financial liabilities*

The Group initially recognises debt securities issued on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the acquisition date. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial liabilities for contingent consideration payable in a business combination are initially recognised at fair value. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise borrowings and trade and other payables.

(iii) *Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(iv) *Derivative financial instruments*

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

3. 主要会计政策 (续)

3.3 金融工具 (续)

(ii) *非衍生金融负债*

本集团在债务证券发行当日初始确认债务证券。涉及业务合并中应付或有代价的金融负债于收购日期确认。所有其他金融负债 (包括按公允价值计入损益的负债) 初始于交易日期 (即本集团根据合约条文成为金融工具拨备的订约方当日) 确认。

本集团于合约责任已解除、取消或届满时终止确认金融负债。

涉及业务合并中应付或有代价的金融负债初始按公允价值确认。或有代价公允价值其后的变动在损益中确认。

本集团将非衍生金融负债归类为其他金融负债类别。有关金融负债初始按公允价值减任何直接应占交易成本确认。初始确认后, 有关金融负债使用有效利率法按摊销成本计量。

其他金融负债包括贷款及应付账款及其他应付款项。

(iii) *股本*

普通股分类为权益。与发行普通股有关的增量成本确认为权益扣减项目 (扣除任何税务影响)。

(iv) *衍生金融工具*

衍生工具初始按公允价值确认; 应占交易成本于产生时在损益中确认。初始确认后, 衍生工具按公允价值计量, 而其变动一般在损益中确认。

NOTES TO THE FINANCIAL STATEMENTS

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财务报表附注

3. Significant accounting policies (cont'd)

3.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Construction in progress is not depreciated.

3. 主要会计政策 (续)

3.4 物业、厂房及设备

(i) 确认及计量

物业、厂房及设备项目按成本减累计折旧及累计减值损失计量。

成本包括与收购资产直接相关开支。购买对相关设备的功能必不可少的软件，会拨充资本作为该设备的一部分。

如物业、厂房及设备项目各部分的使用年限不同，则有关部分须作为物业、厂房及设备的独立项目（主要部件）入账。

出售物业、厂房及设备项目产生的收益或亏损（按出售所得款项净额与各项目的账面价值之间的差额计算）在损益中确认。

(ii) 后续成本

若置换部分物业、厂房及设备可能于日后为本集团带来经济利益，而其成本亦能可靠计量，则其成本按有关项目的账面价值确认。而被置换部分的账面价值会终止确认。物业、厂房及设备的日常服务成本于产生时在损益中确认。

(iii) 折旧

折旧是按资产的成本减其剩余价值计算。本集团会评估个别资产的重要部分，如资产某一部分的使用年限与其余部分不同，则该部分会单独计提折旧。

折旧按物业、厂房及设备各部分的估计可使用年限以直线法于损益中确认开支，但如有关项目被纳入为另一项资产的账面价值则除外。除非可合理确定本集团将于租期末获得拥有权，否则租赁资产按租期及其可使用年限两者之较短者予以折旧。在建工程并不计提折旧。

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3. Significant accounting policies (cont'd)

3.4 Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

Buildings	25 years
Plant and machinery	5 to 10 years
Leasehold improvements, furniture and fixtures	4 to 5 years
Motor vehicles and office equipment	4 to 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Intangible assets and goodwill

(i) Goodwill

Goodwill is 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 net identifiable 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. 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 (CGUs), or groups of CGUs, 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.

3. 主要会计政策 (续)

3.4 物业、厂房及设备 (续)

(iii) 折旧 (续)

折旧是于物业、厂房及设备已安装且可供使用日期开始确认。

本年度及比较年度之估计可使用年限如下：

楼宇	二十五年
厂房及机械	五至十年
租赁物业装修、家私及装置	四至五年
汽车及办公室设备	四至五年

折旧方法、可使用年限及剩余价值于各报告期末复核及调整 (如适当)。

3.5 无形资产及商誉

(i) 商誉

商誉为转让对价、非控股权益的已确认金额及本集团之前于被收购方持有的股权的任何公允价值三者之总和超过收购所得的可辨认净资产及所承担的负债之数。如此对价及其他项目的总额低于收购所得净资产的公允价值，则有关差额经重新评估后在损益中确认为廉价收购的收益。

初始确认后，商誉按成本减任何累计减值损失计量。商誉每年进行减值测试，或于发生事件或情况有变显示账面价值可能出现减值时，作更频密的减值测试。就减值测试而言，本集团从业务合并收购所得的商誉自收购日期起分配至预期可从合并协同效益中获益的各个现金产出单元或现金产出单元组别，并不论本集团的其他资产或负债是否分配至该等单元或单元组别。

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财务报表附注

3. Significant accounting policies (cont'd)

3.5 Intangible assets and goodwill (cont'd)

(i) Goodwill (cont'd)

Impairment is determined by assessing the recoverable amount of the CGU (group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (group of CGUs) 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 CGU (or group of CGUs) 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 values of the disposed operation and the portion of the CGU retained.

(ii) Service concession arrangements

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value upon initial recognition by reference to the fair value of the services provided. Subsequent to initial recognition, the intangible asset is measured at cost, less accumulated amortisation and accumulated impairment losses.

(iii) Computer software

Acquired computer software licences are initially capitalised at cost which includes the purchase price and other directly attributable cost of preparing the asset for its intended use. Capitalised computer software licenses are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

(iv) Patents and trademarks

Patents and trademarks are measured at cost less any accumulated amortisation and impairment losses.

3. 主要会计政策 (续)

3.5 无形资产及商誉 (续)

(i) 商誉 (续)

减值是通过评估商誉相关的现金产出单元 (现金产出单元组别) 的可收回金额而厘定。如现金产出单元 (现金产出单元组别) 的可收回金额低于账面价值, 便会确认减值损失。就商誉确认的减值损失不会于其后期间拨回。

如商誉已分配至现金产出单元 (或现金产出单元组别) 而该单位的部分业务被出售, 则在厘定出售收益或亏损时, 已出售业务的相关商誉计入业务的账面价值。在该等情况下出售的商誉按已出售业务的相对价值及被保留的现金产出单元部分予以计量。

(ii) 服务特许经营权安排

当本集团有权就使用特许经营权基础设施而收费时, 便会确认服务特许经营权安排产生的无形资产。根据服务特许经营权安排提供建造或改造服务而收取所得作为代价的无形资产, 在初始确认时经参考所提供服务的公允价值, 按公允价值计量。初始确认后, 无形资产按成本减累计摊销及累计减值损失计量。

(iii) 电脑软件

购入的电脑软件许可证初始按成本 (包括购买价及使资产达致拟定用途的其他直接相关成本) 资本化。已资本化的电脑软件许可证其后按成本减累计摊销及累计减值损失计量。

(iv) 专利及商标

专利及商标按成本减任何累计摊销及减值损失计量。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

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3. Significant accounting policies (cont'd)

3.5 Intangible assets and goodwill (cont'd)

(v) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(vi) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for the current and comparative years are as follows:

Concession rights	Over the service concession period of 20 to 32 years of the water/ waste water treatment plants
Patents and trademarks	10 to 20 years
Computer software	5 years
Backlog contracts	3 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

3.6 Land use rights

Land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line method over the respective lease period of the land use rights, which range from 25 to 50 years.

3.7 Leased assets

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

3. 主要会计政策 (续)

3.5 无形资产及商誉 (续)

(v) 后续支出

后续支出只有在其令相关特定资产所产生的未来经济利益增加时方可拨充资本。所有其他支出(包括内部产生商誉及品牌的支出), 于产生时在损益中确认。

(vi) 摊销

摊销是以直线法按无形资产的估计使用年限摊销其成本值减估计剩余价计算, 并一般于损益中确认。商誉并不作摊销。

本年度及比较年度的估计可使用年限如下:

特许经营权	水/污水处理厂为期二十至三十二年的服务特许经营权期间
专利及商标	十至二十年
电脑软件	五年
储备合同	三年

摊销方法、使用年限及剩余价值于各报告期末复核及调整(如适用)。

3.6 土地使用权

土地使用权按成本减累计摊销及累计减值损失计量。摊销在土地使用权的相关租期(介于二十五至五十年)以直线法在损益中确认。

3.7 租赁资产

本集团承担拥有权的绝大部分风险及回报的租赁分类为融资租赁。初始确认时, 租赁资产按其公允价值与最低租赁付款的现值的较低者入账。初始确认后, 资产按照适用于该资产的会计政策入账。

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财务报表附注

3. Significant accounting policies (cont'd)

3.7 Leased assets (cont'd)

Other leases are operating leases and are not recognised in the Group's statement of financial position.

3.8 Inventories

Inventories, mainly comprise raw materials and consumables used in the repairs and maintenance of the waste water treatment plants, are carried at cost less provision for obsolescence (if any). Cost is calculated based on the first-in-first-out principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. When inventories are consumed, the carrying amount of those inventories is recognised as an expense to profit or loss.

3.9 Impairment

(i) *Non-derivative financial assets*

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor will enter bankruptcy, and adverse changes in the payment status of borrowers in the Group.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

3. 主要会计政策 (续)

3.7 租赁资产 (续)

其他租赁为经营租赁，并不会在本集团的财务状况表内确认。

3.8 存货

存货主要包括用于维修及维护污水处理厂的原材料及消耗件，其按成本减陈旧拨备(如有)列账。成本按先进先出的原则计量，包括收购存货产生的支出及将存货运往现有位置及使其达致现有状况所产生的其他成本。在消耗存货后，有关存货的账面价值会在损益中确认为开支。

3.9 减值

(i) *非衍生金融资产*

并非按公允价值计入损益列账的金融资产于各报告期末进行评估，以确定是否存在客观的减值证据。如有客观证据显示在资产初始确认后发生亏损事件，以及亏损事件对该资产的估计未来现金流量的影响能可靠地计量时，则金融资产便属出现减值。

金融资产出现减值的客观证据包括债务人欠缴或拖欠还款、按照本集团不会另行考虑的条款重组应付本集团的款项、债务人将会破产的迹象，以及集团内借款人的付款状况出现不利变动。

贷款及应收款

本集团按特定资产与整体资产层面考虑贷款及应收款的减值证据。所有个别重大的贷款及应收款项均进行特定减值评估。未发现存在明确减值的所有个别重大应收款项会进行整体评估。个别不属重大的贷款及应收款项在具有类似风险特征组合中进行减值评估。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

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3. Significant accounting policies (cont'd)

3.9 Impairment (cont'd)

(i) *Non-derivative financial assets (cont'd)*

Loans and receivables (cont'd)

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Associates

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 3.9(ii). An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(ii) *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

3. 主要会计政策 (续)

3.9 减值 (续)

(i) *非衍生金融资产 (续)*

贷款及应收款 (续)

在评估整体减值的过程中, 本集团使用拖欠概率的历史趋势、收回款项的时间表及产生损失的金额, 根据管理层就目前经济及信用状况会否令实际损失可能高于或低于历史趋势表明的金额之判断作出调整。

按摊销成本计量的金融资产的减值损失, 是以其账面价值与估计未来现金流量 (按该资产的原实际利率折现) 两者的差额计量。损失在损益中确认, 并在贷款及应收款项的拨备账中反映。已减值资产的利息将继续确认。若期后事件导致减值损失的金额减少时, 减值损失减少之数通过损益转回。

联营公司

联营公司的减值损失乃根据附注 3.9(ii) 通过比较投资的可收回金额及其账面价值予以计量。减值损失于损益中确认。如用以厘定可收回金额的估计出现有利变动, 则减值损失会予以转回。

(ii) *非金融资产*

本集团非金融资产 (存货除外) 的账面价值于各报告期末检讨, 以确定是否出现任何减值迹象。如出现任何有关迹象, 便会估计资产的可收回金额。就商誉及具有无限使用年限或尚未可供使用的无形资产而言, 会每年同一时间估计可收回金额。若资产或其相关的现金产出单元的账面价值超过其估计可收回金额时, 便会确认减值损失。

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财务报表附注

3. Significant accounting policies (cont'd)

3.9 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. 主要会计政策 (续)

3.9 减值 (续)

(ii) 非金融资产 (续)

资产或现金产出单元的可收回金额为其使用价值与公允价值减销售成本两者中的较高者。在评估使用价值时，估计未来现金流量会采用反映当前市场评估货币的时间价值及该资产或现金产出单元特定风险的税前折现率折现至其现值。就减值测试而言，无法个别测试的资产将集合为透过持续使用产生现金流量的最小资产组别，基本上独立于其他资产或现金产出单元的现金流入。根据经营分部的上限测试，就商誉的减值测试而言，获分配商誉的现金产出单元会合并，以使进行的减值测试层级反映就内部报告而言监察商誉的最低水平。于业务合并所得的商誉会分配至预期可从合并协同效益中获益的现金产出单元组别。

本集团的公司资产不会产生独立的现金流入，并由超过一个现金产出单元共同使用。公司资产按合理及一致的基准分配至现金产出单元，并进行减值测试，作为测试公司资产获分配的现金产出单元的一部分。

减值损失在损益中确认。就现金产出单元确认的减值损失会进行分配，首先用以减少分配至现金产出单元（或现金产出单元组别）的任何商誉的账面价值，其后按比例减少现金产出单元（或现金产出单元组别）内其他资产的账面价值。

商誉的减值损失不会转回。就其他资产而言，于过往期间确认的减值损失会于各报告日期评估是否有任何迹象显示有关损失已经减少或不再存在。若用于厘定可收回金额的估计出现变动，便会拨回减值损失。减值损失拨回之数以该资产没有确认任何减值损失而应已厘定之账面价值（已扣除折旧及摊销）为限。

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3. Significant accounting policies (cont'd)

3.10 Employee benefits

(i) **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) **Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) **Share-based payment transactions**

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

3. 主要会计政策 (续)

3.10 雇员福利

(i) **定额供款计划**

定额供款计划为离职福利计划。据此，实体向另一独立实体支付固定供款，且无法定或推定责任须作出进一步供款。定额供款退休金计划的供款责任在雇员提供相关服务的期间在损益中确认为雇员福利开支。

(ii) **短期雇员福利**

短期雇员福利责任按未折现基准计量，并在提供相关服务时支销。若本集团因雇员以往提供的服务而须承担法定或推定的付款责任，且责任金额能可靠地计量，便会就根据短期现金分红或分享盈利计划的估计支付金额确认责任。

(iii) **以股份为基础的付款交易**

向雇员授出的以股份为基础的奖励按授出日期的公允价值，在雇员无条件享有该等奖励的期间确认为雇员开支，并于权益中作出相应增加。已确认为开支的金额将作调整，以反映预期符合相关服务及非市场表现条件的相关奖励数目。因此，最终确认为开支的金额按归属日期符合相关服务及非市场表现条件的奖励数目计算。带对于无归属条件的以股份为基础支付的奖励，会计量以股份为基础的付款于授出日期的公允价值以反映有关条件，且不会补足预期数目及实际数目之间的差额。

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For the financial year ended 31 December 2016
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财务报表附注

3. Significant accounting policies (cont'd)

3.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.12 Revenue

(i) Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. When the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

The stage of completion is assessed by reference to survey of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

(ii) Service concession arrangements

Revenue relating to construction or upgrade services under a service concession arrangement is recognised based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognising revenue on construction contract (see above). Operation or service revenue is recognised in the period in which the services are provided by the Group. When the Group provides more than one service in a service concession arrangement, the consideration received is allocated by reference to the relative fair values of the services delivered when the amounts are separately identifiable.

3. 主要会计政策 (续)

3.11 拨备

若本集团须就已发生的事件承担法定或推定责任, 因该责任能可靠地估计, 且预期履行该责任有可能导致经济利益流出, 便会确认准备。拨备透过采用能反映当前市场评估货币的时间价值及该责任特定风险的税前折现率折现未来现金流量而厘定该折现的解除确认为财务费用。

3.12 收入

(i) 建造合同

合同收入包括合同协定的初始金额, 另加任何合同工程变更、申索及奖励付款, 但条件是其可能带来收入, 且其可以可靠地计量。当建造合同的结果能可靠地估计时, 合同收入按合同完成阶段在损益中确认。合同开支在产生时予以确认, 但如有关开支产生与未来合同活动有关的资产则除外。

完成的阶段是参照对已进行工程的调查作评估。当建造合同的结果无法可靠地计量时, 合同收入仅以有可能收回的已产生合同成本确认。合同的预期亏损直接在损益中确认。

(ii) 服务特许经营权安排

在服务特许经营权安排下与施工或改造服务有关的收入根据已进行工程的完成阶段予以确认, 其与本集团确认建造合同收入的会计政策 (见上文) 一致。运营或服务收入在本集团提供服务的期间确认。当本集团在某个服务特许经营权安排下提供超过一项服务, 则在相关金额可单独辨别时, 已收代价参照所交付的服务的相对公允价值进行分配。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

3. Significant accounting policies (cont'd)

3.12 Revenue (cont'd)

(iii) *Operation income from service concession arrangement*

Revenue from operation services are recognised when the related services are rendered.

(iv) *Finance income from service concession arrangement*

Finance income from service concession arrangement represents the interest income on the financial receivable arising from a service concession arrangement, and is recognised in profit or loss using the effective interest method.

3.13 Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant, and are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised.

3.14 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.15 Finance income and finance costs

Finance income comprises interest income on cash and cash equivalents held in banks. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

3. 主要会计政策 (续)

3.12 收入 (续)

(iii) *服务特许经营权安排的运营收入*

运营服务收入在提供相关服务时确认。

(iv) *服务特许经营权安排的财务收入*

服务特许经营权安排的财务收入是指服务特许经营权安排产生的金融应收款项的利息收入，其使用有效利率法在损益中确认。

3.13 政府补助

当可以合理确定本集团将会收到政府补助以及本集团将履行该补助金的附带条件时，政府补助便会首先确认为递延收入，随后有系统地在资产的使用年限内在损益中确认为其他收入。

用于弥偿本集团已产生开支的补助，会在开支确认的期间有系统地在损益中确认为其他收入。

3.14 租赁付款

根据经营租赁作出的付款在有关租期内按直线法在损益中确认。已收租赁奖励在租期内确认为总租赁开支总额的组成部分。

根据融资租赁作出的最低租赁付款在财务费用与扣减尚未偿还负债之间分配。财务费用分配至租期内各以得出负债余下结余的定期固定比率。

3.15 财务收入及财务费用

财务收入包括在银行持有的现金及现金等价物的利息收入。利息收入按有效利率法在其于损益中累计时确认。

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财务报表附注

3. Significant accounting policies (cont'd)

3.15 Finance income and finance costs (cont'd)

Finance costs comprise interest expense on borrowings that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.16 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

3. 主要会计政策 (续)

3.15 财务收入及财务费用 (续)

财务费用包括在损益中确认的贷款利息支出。直接来自收购、建造或生产合格资产的贷款成本使用有效利率法在损益中确认。

3.16 税项

税项包括即期税项及递延税项。即期税项及递延税项在损益中确认，但如税项与业务合并或直接在权益或其他全面收入中确认的项目有关则除外。

即期税项为就年内应课税收入或亏损按于报告日期已实施或大致上实施的税率计算的预期应付或应收税项，并就任何过往年度的应付税项作出调整。

递延税项就财务报告用途的资产与负债账面金额与作税务用途金额之间的暂时差异确认。

概不会就下列各项确认递延税项：

- 因初始确认非业务合并交易中的资产或负债而产生，且不会影响会计及应课税损益的暂时差异；
- 有关附属公司投资的暂时差异，但前提是本集团有能力控制转回该暂时差异的时间，且在可预见的未来有关差异将不会转回；及
- 初始确认商誉产生的应课税暂时差异。

递延税项的计量反映按照本集团所预期之方式，于报告日期收回或结算资产及负债账面价值将出现税务后果。递延税项以拨回暂时差异时预期应用的税率，并根据于报告日期已实施或大致上已实施的税法计量。

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财务报表附注

For the financial year ended 31 December 2016
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3. Significant accounting policies (cont'd)

3.16 Tax (cont'd)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.17 Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise warrants issued by the Company and share options granted to employees and directors.

3. 主要会计政策 (续)

3.16 税项 (续)

若有抵销即期税项负债及资产的法定可强制执行的权利，以及彼等关于相同税务机关对同一应税实体所征收的税项，或对不同税务实体所征收但该等实体拟按净值基准结算即期税项负债及资产或彼等的税项资产或负债将同时变现，则抵销递延税项资产及负债。

递延税项资产只有在未来有应纳税盈利可用以抵扣未动用税项亏损、税项抵免及可扣税暂时差异方会确认。递延税项资产将于各报告日期评估，并在相关利益不再可能变现时减计。

在厘定即期税项及递延税项的金额时，本集团已考虑不确定税务状况的影响，以及是否将有额外税项及利息到期支付。本集团经评估多项因素（包括对税法的解释及过往经验）后认为，其就未评定税务年度所预提的税项负债属足够。上述评估依据估计及假设，并牵涉一系列关于未来事件的判断。本集团可能取得新资讯并因而导致本集团改变其现有税项负债是否足够的判断。有关税项负债变动将影响作出上述决定的期间的税项支出。

3.17 每股收益

本集团列报普通股的每股基本及摊薄盈利资料。每股基本盈利乃按本公司普通股股东应占损益除以年内已发行普通股加权平均数计算。每股摊薄盈利是根据调整后普通股股东应占的盈利或亏损及根据自持股份调整而计算的所有潜在摊薄普通股影响的加权平均股数（其中包括本公司发行的认股权证及授予雇员及董事的期权）而厘定。

NOTES TO THE FINANCIAL STATEMENTS

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财务报表附注

3. Significant accounting policies (cont'd)

3.18 Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of the Group's various lines of business and geographical locations.

The Group operates in a single business segment which engages in the water and waste water treatment plant construction and operation services in the PRC.

3.19 Financial Guarantee Contracts

Financial guarantee contracts are accounted for as insurance contracts and treated as contingent liabilities until such time as they become probable that the Company will be required to make a payment under the guarantee. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the balance sheet date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

3.20 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2016 and earlier application is permitted; however, the Group has not early applied the following new or amended standards in preparing these statements.

3. 主要会计政策 (续)

3.18 分部报告

经营分部及综合财务报表所报告的分部项目的数额是从定期提供予本集团最高层管理人员的财务资料中确定。本集团最高层管理人员获提供有关资料，以对本集团各项业务及经营地域进行资源分配及表现评估。

本集团运营单一业务分部，即在中国从事水及污水处理厂的建造及运营服务。

3.19 财务担保合同

财务担保合同入账为保险合同，并会当作或然负债处理，直至本公司可能须依据该担保作出付款为止。拨备是基于本集团就结算日已产生但尚未支付的所有申索的最终清偿成本的估计而确认。本集团通过比较已确认金额及清偿担保合同所需的金额，审计个别申索的拨备及测试拨备是否足够。

3.20 尚未被采纳的新准则及诠释

数项新准则及准则修订于二零一六年一月一日之后开始的年度期间生效，并可提前应用。然而，本集团在编制本财务报表时，并无提前应用下列新准则或经修订的准则。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

3. Significant accounting policies (cont'd)

3.20 New standards and interpretations not adopted (cont'd)

Applicable to 2018 financial statements

New standards

Summary of the requirements

有关规定之概要

IFRS 15 Revenue from Contracts with Customers

国际财务报告准则第15号「客户合约收入」

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

国际财务报告准则第15号建立用以厘定确认收入之方法、数额及时间之全面架构。其亦引入新的成本指引，规定当符合特定准则时，有关取得及完成合同的若干成本须确认为单独资产。

When effective, IFRS 15 replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue - Barter Transactions Involving Advertising Services.

当生效时，国际财务报告准则第15号取代现有收入确认指引，包括国际会计准则第18号「收入」、国际会计准则第11号「建造合同」、国际财务报告准则委员会解释第13号「客户忠诚计划」、国际财务报告准则委员会解释第15号「房地产建造协议」、国际财务报告准则委员会解释第18号「从客户转移资产」及解释常务委员会第31号「收入 - 涉及广告服务的易货交易」。

3. 主要会计政策 (续)

3.20 尚未被采纳的新准则及诠释 (续)

适用于二零一八年财务报表

新准则

Potential impact on the financial statements

对财务报表之潜在影响

The Group is finalising its impact assessment of the new standard. 本集团现正在评估新准则的影响。

Based on its initial assessment, the Group expects the following key changes:

根据初步评估，本集团预期会有下列主要变动：

Timing of revenue recognition – Over time versus point-in-time recognition

收入确认的时间—随时间确认与指定时间点确认

Currently, revenue relating to construction or upgrade services under service concession arrangements are recognised based on the stage of completion of the work performed.

目前，与服务特许经营权安排下之建造或升级改造服务有关之收入按工程完工情况进行确认。

Under IFRS 15, where the Group does not have an alternative use for the asset (i.e. cannot sell the same asset to another customer) and has the right to payment for construction completed to date, revenue may be recognised over time during the construction phase.

根据国际财务报告准则第15号，若本集团并不可将资产用作其他用途(即不可出售同一资产予另一客户)及有权就迄今已完成工程收取款项，则可于工程施工阶段内随时间确认收入。

NOTES TO THE FINANCIAL STATEMENTS

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财务报表附注

3. Significant accounting policies (cont'd)

3.20 New standards and interpretations not adopted (cont'd)

Applicable to 2018 financial statements (cont'd)

New standards (cont'd)

Summary of the requirements 有关规定之概要

IFRS 15 Revenue from Contracts with Customers (continued) 国际财务报告准则第15号「客户合约收入」(续)

IFRS 15 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. IFRS 15 offers a range of transition options including full retrospective adoption where an entity can choose to apply the standard to its historical transactions and retrospectively adjust each comparative period presented in its 2018 financial statements. When applying the full retrospective method, an entity may also elect to use a series of practical expedients to ease transition.

国际财务报告准则第15号自二零一八年一月一日或之后开始之年度期间生效，并可提前采用。国际财务报告准则第15号提供一系列过渡选择权，包括全面追溯采纳，据此，实体可选择对其过往交易应用此准则，并对其二零一八年财务报表所呈报之各个比较期间作出追溯调整。若应用全面追溯方法，实体亦可选择使用一系列实际权宜做法，以减轻过渡安排。

3. 主要会计政策 (续)

3.20 尚未被采纳的新准则及诠释 (续)

适用于二零一八年财务报表 (续)

新准则 (续)

Potential impact on the financial statements 对财务报表之潜在影响

Contracts entered into by the Group usually restrict selling the identified asset to another buyer (i.e. no alternative use to the Group) thus meeting the first criteria. In respect of the second criteria, contract obligations which determine the right to payment for work completed are usually specified in the contract. (However, in the situation where a contract is potentially cancelled by the parties for reasons not stated in the contracts, the group will need to determine and assess whether the right to payment for work completed to date exists based on the relevant laws and regulations including customary business practices in the respective legal jurisdiction).

本集团所订立之合同一般限制出售可辨别资产予另一买家(即对本集团并无其他用途)，因而符合第一项准则。第二项准则涉及收取迄今已完成工程款项之权利通常在合同中注明。然而，在合约有可能被订约方以合约并无列明之理由予以取消之情况下，本集团有需要根据有关法律及法规(包括相关司法权限之业务惯例)，厘定及评估是否拥有权利可收取迄今已完成工程费用。

Accordingly, for the construction or upgrade revenue under service concession arrangement, the Group will continue to assess the impact of the second criteria on the Group expects to continue to recognise revenue over time it is revenue recognition.

因此，就服务特许经营权安排下之建造或升级改造工程收入而言，本集团将继续评估第二项准则对其收入确认之影响。

Transition 过渡安排

The Group plans to adopt the standard when it becomes effective in 2018 using the cumulative approach. The Group is currently performing a detailed analysis under IFRS 15 to determine its election of the practical expedients and to quantify the transition adjustments on its financial statements.

本集团计划于二零一八年当此准则生效后采纳此准则，并使用累计方法。本集团现正根据国际财务报告准则第15号进行详细分析，以确定其所选择之实际权宜做法，以及量化对其财务报表所作之过渡调整。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

3. Significant accounting policies (cont'd)

3.20 New standards and interpretations not adopted (cont'd)

Applicable to 2018 financial statements (cont'd)

New standards (cont'd)

IFRS 9 *Financial Instruments*

国际财务报告准则第9号 [金融工具]

Summary of the requirements

有关规定之概要

IFRS 9 *Financial Instruments*

国际财务报告准则第9号 [金融工具]

IFRS 9 replaces the existing guidance in IAS 39 *Financial instruments: Recognition and measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

国际财务报告准则第9号取代国际会计准则第39号 [金融工具：确认及计量]。国际财务报告准则第9号涵盖金融工具分类及计量之经修订指引、计算金融资产减值之预期信贷亏损新模式及新的一般对冲会计要求。其亦继续采用国际会计准则第39号的金融工具确认及终止确认指引。

3. 主要会计政策 (续)

3.20 尚未被采纳的新准则及诠释 (续)

适用于二零一八年财务报表 (续)

新准则 (续)

Potential impact on the financial statements

对财务报表之潜在影响

Based on the assessment thus far, the Group considers the initial application of IFRS 9 will not have a significant impact on the Group's results and financial position.

根据至目前为止之评估，本集团认为首次应用国际财务报告准则第9号不会对本集团之业绩及财务状况构成重大影响。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

财务报表附注

3. Significant accounting policies (cont'd)

3.20 New standards and interpretations not adopted (cont'd)

Applicable to 2019 financial statements

Summary of the requirements

有关规定之概要

3. 主要会计政策 (续)

3.20 尚未被采纳的新准则及诠释 (续)

适用于二零一九年财务报表

Potential impact on the financial statements

对财务报表之潜在影响

IFRS 9 *Financial Instruments*

国际财务报告准则第9号「金融工具」(续)

IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied retrospectively with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 January 2018. 国际财务报告准则第9号自二零一八年一月一日或之后开始之年度期间生效，并可提前采用。基本上须采用追溯法，但对冲会计除外。就对冲会计而言，一般须采用追溯法，但有若干情况除外。比较信息并非强制采用追溯法。如比较信息并未重新列报，则有关累计影响于二零一八年一月一日之期初权益列报。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

3. Significant accounting policies (cont'd)

3.20 New standards and interpretations not adopted (cont'd)

Applicable to 2019 financial statements (cont'd)

IFRS 16 Leases

Summary of the requirements 有关规定之概要

IFRS 16 leases

国际财务报告准则第16号「租赁」

IFRS 16 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

国际财务报告准则第16号取消了承租人将租赁分类为经营租赁或融资租赁之做法，并引入单一承租人会计处理模式。在应用新模式后，承租人须就为期超过12个月的所有租赁确认使用权资产及租赁负债，除非相关资产为低价值资产。

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the IAS 17 operating lease and finance lease accounting models respectively. However, IFRS 16 requires more extensive disclosures to be provided by a lessor.

国际财务报告准则第16号实质上沿用了国际会计准则第17号「租赁」之出租人会计规定。因此，出租人继续将其租赁分类为经营租赁或融资租赁，并使用国际会计准则第17号经营租赁及融资租赁会计模式分别入账该两种类型之租赁。然而，国际财务报告准则第16号规定出租人须提供更广泛的披露资料。

3. 主要会计政策 (续)

3.20 尚未被采纳的新准则及诠释 (续)

适用于二零一九年财务报表 (续)

国际财务报告准则第16号「租赁」

Potential impact on the financial statements 对财务报表之潜在影响

The Group has performed a preliminary high-level assessment of the new standard on its existing operating lease arrangements as a lessee (refer to note 27(b)). Based on the preliminary assessment, the Group expects the application of the new accounting model to lead to an increase in ROU assets with corresponding lease liabilities. The operating lease commitments on an undiscounted basis amount to approximately 0.09% of the consolidated total assets and 0.2% of consolidated total liabilities as at 31 December 2016.

本集团已根据新准则对其现有经营租赁安排(作为承租人)(参阅附注27(b))进行初步粗略评估。根据初步评估，本集团预期应用新会计模式会导致使用权资产连同相应租赁负债增加。于二零一六年十二月三十一日，经营租赁承担之未折现金额约为综合总资产的0.09%及综合总负债的0.2%。

The Group plans to adopt the standard when it becomes effective in 2019. The Group will perform a more detailed analysis to determine the amount of ROU assets and liabilities arising from adoption of IFRS 16, after taking into account the applicability of practical expedients and transition options in 2017.

本集团计划于二零一九年当此准则生效后采用此准则。二零一七年，本集团将根据实际权宜做法及过度选择权的考量，进行更详细的分析，以厘定采纳国际财务报告准则第16号所产生之使用权资产与负债金额。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

财务报表附注

3. Significant accounting policies (cont'd)	3. 主要会计政策 (续)
3.20 New standards and interpretations not adopted (cont'd)	3.20 尚未被采纳的新准则及诠释 (续)
Applicable to 2019 financial statements (cont'd)	适用于二零一九年财务报表 (续)

Summary of the requirements 有关规定之概要

Potential impact on the financial statements 对财务报表之潜在影响

IFRS 16 leases (cont'd)

国际财务报告准则第16号「租赁」(续)

When effective, IFRS 16 replaces existing lease accounting guidance, including IAS 17, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases - Incentives*, and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

当生效时，国际财务报告准则第16号取代现有租赁会计指引，包括国际会计准则第17号、国际财务报告诠释委员会诠释第4号「厘定一项安排是否包含租赁」、诠释常务委员会第15号「经营租赁-奖励」及诠释常务委员会第27号「评估牵涉租赁的法律形式的交易的内容」。

IFRS 16 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if IFRS 15 is also applied.

国际财务报告准则第16号自二零一九年一月一日或之后开始之年度期间生效，并可提前采用(如国际财务报告准则第15号亦同时应用)。

4. Critical judgements, accounting estimates, and assumptions

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

The Group makes judgements, estimates and assumptions concerning the future. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual results may ultimately differ from these estimates.

4. 重大判断、会计估计及假设

本集团持续根据过往经验及其他因素(包括在有关情况下被视为对未来事件之合理预期)评估已作出之估计、假设及判断。

本集团作出有关未来的判断、估计及假设。该等判断、估计及假设影响本集团会计政策的应用，以及资产、负债、收入及费用的呈报金额以及作出的披露。该等判断、估计及假设是根据过往经验及其他因素(包括在有关情况下相信是对未来事件的合理预期)持续被进行评估。然而，实际结果可能有别于该等估计。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

4. Critical judgements, accounting estimates, and assumptions (cont'd)

Key sources of estimation uncertainty

The following are 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.

Financial receivables 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 financial receivable and/or an intangible asset under a service concession arrangement. However, if the Group is paid for the construction services partly by a financial asset and partly by an intangible asset, it is necessary to account separately for each component of the operator's consideration. The consideration received or receivable for both components shall be recognised initially at the fair value.

The segregation of the consideration for a service concession arrangement between the financial 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 financial 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 service concession financial receivables at the end of the financial year are disclosed in notes 6 and 10 respectively.

Impairment of non-financial assets other than interests in subsidiaries and goodwill

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

4. 重大判断、会计估计及假设 (续)

估计不确定性的主要来源

以下为有关未来之主要假设，以及于报告期末估计不确定性之其他主要来源，其有可能对未来一年资产及负债作出重大调整产生重大风险。

在国际财务报告诠释委员会诠释第12号“服务特许经营权安排”下的金融应收款项及/或无形资产

本集团将提供建造服务而获取及将获取的代价确认为在服务特许经营权安排下的金融应收款项及/或无形资产。然而，若本集团就提供建造服务而收取的费用部分以金融资产支付及部分以无形资产支付，则运营者必须将各个部分单独入账。两个部分的已收或应收对价须按公允价值初始计量。

如将服务特许经营权安排的对价拆分为金融资产部分及无形资产部分(如有)，本集团需要对多项因素作出估计，包括建造服务的公允价值、相关水处理厂在其服务特许经营权期间的预期未来水处理量、未来保证收入及不保证收入，并需选择适当的折现率以便计算该等现金流量的现值。该等估计(包括金融资产及无形资产的收入确认)是由本集团管理层根据彼等的经验及对目前及未来市场情况的评估而厘定。于财政年度末，无形资产(“**特许经营权**”)及与服务特许经营权相关的金融应收款项的账面价值分别于附注6及附注10披露。

非金融资产减值(附属公司权益及商誉除外)

本集团会于每个报告日评估所有非金融资产是否出现任何减值迹象。当有迹象显示非金融资产账面价值可能无法收回时，便会进行减值测试。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

财务报表附注

4. Critical judgements, accounting estimates, and assumptions (cont'd)

Key sources of estimation uncertainty (cont'd)

Impairment of non-financial assets other than interests in subsidiaries and goodwill (cont'd)

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 intangibles assets (other than goodwill and concession rights) are disclosed in notes 5 and 6.

Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's loans and receivables are disclosed in notes 10, 12 and 13.

Impairment of interests in subsidiaries

The Company assesses at each reporting date whether there is any objective evidence that the interest in a subsidiary is 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 conditions 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 8.

Percentage of completion of construction work

The Group recognises the contract revenue by reference to the stage of completion of the contract activity at the end of reporting period. Significant assumptions are required to estimate the recoverable variation works that will affect the stage of completion. The Group reviews and revises the estimates in each construction contract as the contract progresses.

4. 重大判断、会计估计及假设 (续)

估计不确定性的主要来源 (续)

非金融资产减值(附属公司权益及商誉除外) (续)

在估计使用价值时，管理层需估计有现金产生单元的预期未来现金流量，并需选用合适的折现率以计算该等现金流量的现值。物业、厂房及设备以及无形资产（商誉及特许经营权除外）的账面价值于附注5及附注6披露。

贷款及应收款项的减值

本集团会于每个报告日评估是否存在金融资产减值的任何客观证据。为了确定是否存在客观的减值证据，本集团会考虑多项因素，例如：债务人破产或有重大财务困难，以及拖欠或严重逾期还款的可能性。如存在减值的客观证据，便会根据具有类似信贷风险特征的资产的过往减值情况，估计未来现金流量的金额及时间。本集团的贷款及应收款项的账面价值于附注10、附注12及附注13披露。

附属公司权益的减值

本公司会于每个报告日评估是否存在附属公司权益减值的任何客观证据。为了确定是否存在客观的减值证据，本公司会考虑多项因素，例如：行业表现、技术变化、运营及融资现金流量。管理层亦会考虑附属公司的财务状况及业务前景。

如存在客观的减值证据，便会根据附属公司的预期业绩估计未来现金流量的金额及时间。本公司于报告日期的附属公司权益账面价值在附注8披露。

建造工程的完工百分比

本集团根据报告日工程完工进度而确认建造收入。在估计影响完工进度的可回收变动工作量时，须引入重大假设。本集团会随着合同工程的进展，复核并修改每份建造合同的估计。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
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5. Property, plant and equipment

5. 物业、厂房及设备

Group	本集团	Buildings	Plant and machinery	Leasehold improvements, furniture and fixtures	Motor vehicles and office equipment	Construction in progress	Sub-total	Interest in leasehold land held for own use under operating leases	Total
		楼宇	厂房及机器	租赁物业装修、家私及装置	汽车及办公室设备	在建工程	小计	根据经营租赁持作自用的租赁土地权益	总额
		HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元
Cost	成本								
At 1 January 2015	于二零一五年一月一日	101,933	49,826	4,296	54,628	9,395	220,078	8,153	228,231
Exchange adjustments	汇兑调整	(4,092)	(2,002)	(193)	(2,679)	(605)	(9,571)	(327)	(9,898)
Additions from acquisition of subsidiaries	收购附属公司而增置	-	-	-	380	-	380	-	380
Additions	增置	-	-	761	5,300	4,166	10,227	-	10,227
Disposals	处置	-	(34)	(62)	(5,027)	-	(5,123)	-	(5,123)
At 31 December 2015 and 1 January 2016	于二零一五年十二月三十一日及二零一六年一月一日	97,841	47,790	4,802	52,602	12,956	215,991	7,826	223,817
Exchange adjustments	汇兑调整	(6,613)	(3,353)	(410)	(4,027)	(316)	(14,719)	(528)	(15,247)
Additions	增置	-	4	3,044	7,816	785	11,649	215	11,864
Disposal of interest in a subsidiary	出售一间附属公司权益	-	(18)	(64)	(389)	-	(471)	-	(471)
Disposals	处置	-	-	(441)	(5,231)	-	(5,672)	-	(5,672)
Transferred from construction in progress	自在建工程转入	2,778	4,269	-	6,300	(13,347)	-	-	-
At 31 December 2016	于二零一六年十二月三十一日	94,006	48,692	6,931	57,071	78	206,778	7,513	214,291

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

财务报表附注

5. Property, plant and equipment (cont'd)

5. 物业、厂房及设备 (续)

Group	本集团	Buildings	Plant and machinery	Leasehold improvements, furniture and fixtures	Motor vehicles and office equipment	Construction in progress	Sub-total	Interest in leasehold land held for own use under operating leases	Total
		楼宇	厂房及机器	租赁物业装修、家私及装置	汽车及办公室设备	在建工程	小计	根据经营租赁持作自用的租赁土地权益	总额
		HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元
Accumulated depreciation and amortisation	累计折旧及摊销								
At 1 January 2015	于二零一五年一月一日	10,910	7,651	2,714	32,308	-	53,583	1,089	54,672
Exchange adjustments	汇兑调整	(489)	(430)	(195)	(1,802)	-	(2,916)	(53)	(2,969)
Disposals	处置	-	-	(61)	(4,238)	-	(4,299)	-	(4,299)
Charge for the year	本年度折旧及摊销	4,314	2,241	721	6,227	-	13,503	323	13,826
At 31 December 2015 and 1 January 2016	于二零一五年十二月三十一日及二零一六年一月一日	14,735	9,462	3,179	32,495	-	59,871	1,359	61,230
Exchange adjustments	汇兑调整	(1,157)	(716)	(226)	(2,292)	-	(4,391)	(106)	(4,497)
Disposal of interest in a subsidiary	出售一间附属公司权益	-	(17)	(20)	(146)	-	(183)	-	(183)
Disposals	处置	-	-	(424)	(4,792)	-	(5,216)	-	(5,216)
Charge for the year	本年度折旧及摊销	4,685	2,055	803	7,137	-	14,680	306	14,986
At 31 December 2016	于二零一六年十二月三十一日	18,263	10,784	3,312	32,402	-	64,761	1,559	66,320
Carrying amounts	账面净值								
At 31 December 2015	于二零一五年十二月三十一日	83,106	38,328	1,623	20,107	12,956	156,120	6,467	162,587
At 31 December 2016	于二零一六年十二月三十一日	75,743	37,908	3,619	24,669	78	142,017	5,954	147,971

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财务报表附注

For the financial year ended 31 December 2016
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5. Property, plant and equipment (cont'd)

5. 物业、厂房及设备 (续)

Company	本公司	Motor vehicles and office equipment 汽车及办公室设备 HK\$'000 港币千元
Cost	成本	
At 1 January 2015, 31 December 2015 and 1 January 2016	于二零一五年一月一日、二零一五年十二月三十一日及二零一六年一月一日	24
Additions	增置	34
Exchange adjustments	汇兑调整	(2)
At 31 December 2016	于二零一六年十二月三十一日	56
Accumulated depreciation	累计折旧	
At 1 January 2015	于二零一五年一月一日	14
Charge for the year	本年度折旧	7
At 31 December 2015 and 1 January 2016	于二零一五年十二月三十一日及二零一六年一月一日	21
Charge for the year	本年度折旧	5
Exchange adjustments	汇兑调整	(1)
At 31 December 2016	于二零一六年十二月三十一日	25
Carrying amounts	账面净值	
At 31 December 2015	于二零一五年十二月三十一日	3
At 31 December 2016	于二零一六年十二月三十一日	31

The analysis of carrying amounts of properties is as follows:

物业的账面价值分析如下：

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
In the PRC (outside Hong Kong):	在中国 (香港以外地方) :		
- medium-term leases	- 中期租赁	81,697	89,573
Representing:	代表 :		
Buildings	楼宇	75,743	83,106
Interest in leasehold land held for own use under operating leases	根据经营租赁持作自用的租赁土地权益	5,954	6,467
		81,697	89,573

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For the financial year ended 31 December 2016
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财务报表附注

6. Intangible assets

6. 无形资产

Group	本集团	Patents and trademarks				Total
		Concession rights	Patents and trademarks	Computer software	Backlog contracts	
		特许经营权	专利及商标	电脑软件	储备合同	总额
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港币千元	港币千元	港币千元	港币千元	港币千元
Cost	成本					
At 1 January 2015	于二零一五年一月一日	905,440	27,521	1,100	31,896	965,957
Exchange adjustments	汇兑调整	(40,803)	(1,102)	(98)	(1,277)	(43,280)
Additions	增置	12,604	–	1,416	–	14,020
Acquisition of subsidiaries	收购附属公司	574,252	–	–	–	574,252
At 31 December 2015 and 1 January 2016	于二零一五年十二月三十一日及二零一六年一月一日	1,451,493	26,419	2,418	30,619	1,510,949
Exchange adjustments	汇兑调整	(96,046)	(2,098)	(203)	(2,029)	(100,376)
Additions	增置	–	–	988	–	988
Disposal of a subsidiary	出售一间附属公司	(3,385)	–	–	–	(3,385)
At 31 December 2016	于二零一六年十二月三十一日	1,352,062	24,321	3,203	28,590	1,408,176
Accumulated amortisation	累计摊销					
At 1 January 2015	于二零一五年一月一日	14,025	376	78	884	15,363
Exchange adjustments	汇兑调整	(1,989)	(149)	(4)	(348)	(2,490)
Amortisation for the year	本年度摊销	41,789	4,460	1,231	10,521	58,001
At 31 December 2015 and 1 January 2016	于二零一五年十二月三十一日及二零一六年一月一日	53,825	4,687	1,305	11,057	70,874
Exchange adjustments	汇兑调整	(6,675)	(494)	(102)	(1,166)	(8,437)
Amortisation for the year	本年度摊销	71,750	4,224	353	9,963	86,290
At 31 December 2016	于二零一六年十二月三十一日	118,900	8,417	1,556	19,854	148,727
Carrying amounts	账面净值					
At 31 December 2015	于二零一五年十二月三十一日	1,397,668	21,732	1,113	19,562	1,440,075
At 31 December 2016	于二零一六年十二月三十一日	1,233,162	15,904	1,647	8,736	1,259,449

Service concession arrangements

Concession rights relate to the Group's service concession arrangements. The significant aspects of the service concession arrangements are summarised as follows:

- (a) The arrangements are concession arrangements for waste water treatment plants with various local government authorities in the PRC under IFRIC 12 *Service Concession Arrangements*.

服务特许经营权安排

特许经营权是关于本集团的服务特许经营权安排。服务特许经营权安排的重大方面概述如下：

- (a) 有关安排是根据国际财务报告诠释委员会诠释第12号「服务特许经营权安排」与多个中国当地政府机关订立的污水处理厂特许经营权安排。

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财务报表附注

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6. Intangible assets (cont'd)

Service concession arrangements (cont'd)

- (b) The intangible assets of concession rights arose from waste water treatment plants located in different cities in the PRC. For these arrangements with concession periods ranging between 20 years to 32 years, the Group (the operator) receives the right to charge users a fee for using the services which the grantor collects and pays to the operator.
- (c) All the water/waste water treatment arrangements state the rights and obligations for the grantor and operator as follows:
- (i) The operator has the obligation to treat the required amount of water/waste water and also to ensure the treated water fulfills the standard quality requirements of the grantor.
- (ii) The infrastructure including the plant and equipment, "know-how", operations manual, hand-over report, design of infrastructure and related documents, for the waste water treatment plant will be transferred to the grantor or any grantor appointed agencies at the end of the concession period.
- (iii) The arrangement is terminated only when a party breaches the contract or due to unforeseeable circumstances.
- (iv) The operator has the obligation to maintain and restore the water/waste water plant to its operational condition upon transferring to the grantor at the end of the concession period.
- (d) Waste water treatment plants with intangible assets amounting to nil (2015: HK\$312,223,000) as at 31 December 2016 were pledged to secure the loans taken up by the Group (note 16).

6. 无形资产

服务特许经营权安排 (续)

- (b) 特许经营权的无形资产来自位于中国不同城市的污水处理厂。就上述特许经营期限介于二十年至三十二年的安排而言，本集团（运营者）获授权可就使用有关服务而向使用者计收费用，该等费用由授权人收取并支付予运营者。
- (c) 所有水/污水处理安排均述明授权人及运营者的权利及责任如下：
- (i) 运营者有责任处理规定的水/污水量，以及确保经过处理的水符合授权人的质量标准要求。
- (ii) 污水处理厂的基础设施（包括厂房及设备、专业知识、操作说明、交接报告、基础设施的设计及相关文件）将于特许经营期结束时转交予授权人或授权人指定的任何代理人。
- (iii) 有关安排只有在一方违约之情况下或由于不可预见之情况，方会被终止。
- (iv) 在特许经营期结束时向授权人转移水/污水处理厂时，运营者有责任维护及恢复水/污水处理厂至其运营状况。
- (d) 于二零一六年十二月三十一日，拥有为数港币零元的无形资产(二零一五年：港币312,223,000元)的污水处理厂已质押作为本集团获取贷款的抵押（附注16）。

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财务报表附注

7. Goodwill

7. 商誉

Group	本集团	HK\$'000 港币千元
Cost	成本	
At 1 January 2015	于二零一五年一月一日	1,043,545
Exchange adjustments	汇兑调整	(46,442)
Acquisition of subsidiaries	收购附属公司	271,822
At 31 December 2015	于二零一五年十二月三十一日	<u>1,268,925</u>
At 1 January 2016	于二零一六年一月一日	1,268,925
Exchange adjustments	汇兑调整	(83,447)
At 31 December 2016	于二零一六年十二月三十一日	<u>1,185,478</u>

The Group completed the acquisition of Dalian Dongda (as defined in note 31) on 4 November 2015. Goodwill arising from the acquisition has been recognised as follows:

本集团于二零一五年十一月四日完成大连东达(定义见附注31)的收购交易。此收购交易产生的商誉已确认如下:

		HK\$'000 港币千元
Total cash consideration	现金对价总额	2,238,866
Fair value of identifiable net assets	可辨认净资产的公允价值	<u>(1,967,044)</u>
Goodwill	商誉	<u>271,822</u>

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.

收购交易产生的商誉主要源于被收购方及收购方合并业务的预期协同效益。预期收购所得的商誉概不可抵税。

Impairment testing of goodwill

For the purpose of impairment testing, goodwill has been allocated to the waste water treatment segment.

The recoverable amount of the waste water treatment segment was based on fair value less costs of disposal which was determined using share price of the Company quoted on the Singapore Exchange Limited. Based on the inputs used in the valuation, the fair value measurement was categorised as level 1. No impairment was necessary as at reporting date. The recoverable amount could change significantly as a result of changes in market conditions in the future.

商誉减值测试

就减值测试而言,商誉已分配至污水处理分部。

污水处理分部的可收回金额是基于公允价值减出售成本而计算,其使用新加坡交易所有限公司所报本公司股票价格而厘定。根据估值所使用的输入数据,公允价值计量归类为第一层级。截至报告日,无须确认减值。未来因市场环境的变化可收金额可能出现重大变动。

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财务报表附注

For the financial year ended 31 December 2016
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8. Interests in subsidiaries

Unquoted equity instruments, at cost	非上市股本工具， 按成本
Impairment losses	减值损失
Amounts due from subsidiaries	应收附属公司款项

The amounts due from subsidiaries are unsecured, interest-free and for which settlement is neither planned nor likely to occur in the foreseeable future. As the amounts are in substance a part of the Company's net investments in subsidiaries, they are stated at cost less accumulated impairment losses.

The changes in impairment losses in respect of interests in subsidiaries during the year are as follows:

8. 附属公司权益

Company 本公司		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
		10,985,487	11,455,593
		(4,220,965)	(4,520,491)
		6,764,522	6,935,102
		2,426,051	2,598,208
		9,190,573	9,533,310

应收附属公司款项无抵押、免息且于可见未来并无计划亦不大可能结算。由于有关金额实质上是本公司于附属公司的净投资额一部分，故此按成本减去累计减值损失列示。

附属公司权益减值损失于年内之变动如下：

Company 本公司		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
At the beginning of the year	年初	4,520,491	4,709,092
Exchange adjustments	汇兑调整	(299,526)	(188,601)
At the end of the year	年末	4,220,965	4,520,491

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财务报表附注

8. Interests in subsidiaries (cont'd)

Details of the significant subsidiaries at the end of the financial year are as follows:

8. 附属公司权益 (续)

于财政年度末，重大附属公司的详情如下：

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion of ownership interest held by the Group 本集团所持所有权比例	
			31 December 2016 二零一六年十二月三十一日	31 December 2015 二零一五年十二月三十一日
			%	%
Held by the Company 由本公司控股				
China Everbright Water Investments Limited (“CEWIL”) 中国光大水务投资有限公司 (“水务投资”)	Investment holding 投资控股	British Virgin Islands (“BVI”) 英属维尔京群岛	100	100
Ocean Force International Limited	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
Joyer International Limited	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
Aqua Shine Group Limited	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
China Everbright Water International Pte. Ltd. (former name: HanKore International Pte. Ltd.) 中国光大水务国际私人有限公司 (曾用名：汉科国际私人有限公司)	Investment holding, technology R&D, business development and management services 投资控股、科技研发、业务发展及管理服务	Singapore 新加坡	100	100
Everbright Sponge City Development (Zhenjiang) Limited # 光大海绵城市发展(镇江)有限公司#	Sponge City construction, operation and R&D 海绵城市建设、运营及研发	PRC 中国	70	—

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财务报表附注

For the financial year ended 31 December 2016
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8. Interests in subsidiaries (cont'd)

8. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion of ownership interest held by the Group 本集团所持所有权比例	
			31 December 2016 二零一六年十二月三十一日	31 December 2015 二零一五年十二月三十一日
			%	%
Held by China Everbright Water Investments Limited 由中国光大水务投资有限公司控股				
Everbright Water (Qingdao) Holdings Limited (“ EW Qingdao Holdings ”) (former name: EB-VW HK Holding Company Limited (“ EB-VW ”)) 光大水务(青岛)控股有限公司 (“ 光大水务青岛控股 ”)(曾用名: 光大威立雅水务香港有限公司 (“ 光大威立雅水务 ”))	Investment holding 投资控股	Hong Kong 香港	100	100
Everbright Water (Zibo) Holdings Limited 光大水务(淄博)控股有限公司	Investment holding 投资控股	Hong Kong 香港	100	100
Everbright Water (Ji'nan) Holdings Limited 光大水务(济南)控股有限公司	Investment holding 投资控股	Hong Kong 香港	100	100
Everbright Water (Wuxi) Holdings Limited 光大水务(无锡)控股有限公司	Investment holding 投资控股	Hong Kong 香港	100	100
Everbright Water (Dezhou) Holdings Limited 光大水务(德州)控股有限公司	Investment holding 投资控股	Hong Kong 香港	100	100
Everbright Water (Xuzhou) Holdings Limited 光大水务(徐州)控股有限公司	Investment holding 投资控股	Hong Kong 香港	100	100

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财务报表附注

8. Interests in subsidiaries (cont'd)

8. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion of ownership interest held by the Group 本集团所持所有权比例	
			31 December 2016 二零一六年十二月三十一日	31 December 2015 二零一五年十二月三十一日
			%	%
Held by China Everbright Water Investments Limited (cont'd) 由中国光大水务投资有限公司控股 (续)				
China Everbright Water Management Limited 中国光大水务管理有限公司	Investment holding 投资控股	Hong Kong 香港	100	100
CEW Corporate Services Limited 中国光大水务服务有限公司	Corporate Services 秘书服务	Hong Kong 香港	100	—
Held by Everbright Water (Qingdao) Holdings Limited 由光大水务(青岛)控股有限公司控股				
Everbright Water (Qingdao) Limited (“EB Water Qingdao”) (former name: Qingdao EB-VW Waste Water Treatment Co. Ltd.) # 光大水务(青岛)有限公司 (“光大水务青岛”) (曾用名: 青岛光威污水处理有限公司) #	Waste water treatment 污水处理	PRC 中国	60	60
Held by Everbright Water (Zibo) Holdings Limited 由光大水务(淄博)控股有限公司控股				
Everbright Water (Zibo) Limited * 光大水务(淄博)有限公司*	Waste water treatment 污水处理	PRC 中国	100	100
Everbright Water (Zibo Zhoucun) Water Purification Co., Ltd. * 光大水务(淄博周村)净水有限公司*	Waste water treatment 污水处理	PRC 中国	100	100
Everbright Water (Boxing) Limited * 光大水务(博兴)有限公司*	Waste water treatment 污水处理	PRC 中国	100	100

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8. Interests in subsidiaries (cont'd)

8. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion of ownership interest held by the Group 本集团所持所有权比例	
			31 December 2016 二零一六年十二月三十一日	31 December 2015 二零一五年十二月三十一日
			%	%
Held by Everbright Water (Zibo) Limited (cont'd) 由光大水务(淄博)有限公司控股(续)				
Zibo Everbright Water Energy Development Company Limited 淄博光大水务能源开发有限公司	Waste water source heat pump 污水源热泵	PRC 中国	100	100
Held by Everbright Water (Ji'nan) Holdings Limited 由光大水务(济南)控股有限公司控股				
Everbright Water (Zhangqiu) Operating Limited # 光大水务(章丘)运营有限公司#	Waste water treatment and operation services 污水处理及运营服务	PRC 中国	95	—
Everbright Water (Ji'nan Licheng) Limited * 光大水务(济南历城)有限公司*	Waste water treatment 污水处理	PRC 中国	100	100
Everbright Water (Ji'nan) Limited * 光大水务(济南)有限公司*	Waste water treatment 污水处理	PRC 中国	100	100
Everbright Water (Zhangqiu) Limited * 光大水务(章丘)有限公司*	Waste water treatment 污水处理	PRC 中国	100	100
Everbright Water (Juxian) Limited * 光大水务(莒县)有限公司*	Waste water treatment 污水处理	PRC 中国	100	100

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财务报表附注

8. Interests in subsidiaries (cont'd)

8. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion of ownership interest held by the Group 本集团所持拥有权比例	
			31 December 2016 二零一六年十二月三十一日	31 December 2015 二零一五年十二月三十一日
			%	%
Held by Everbright Water (Wuxi) Holdings Limited 由光大水务(无锡)控股有限公司控股				
Everbright Water (Jiangyin) Limited ("EB Water Jianyin") # 光大水务(江阴)有限公司 (“光大水务江阴”) #	Waste water treatment 污水处理	PRC 中国	70	70
Everbright Reusable Water (Jiangyin) Limited * 光大中水利用(江阴)有限公司 *	Reusable water 中水再利用	PRC 中国	100	100
Held by Everbright Water (Dezhou) Holdings Limited 由光大水务(德州)控股有限公司控股				
Everbright Water (Dezhou) Limited * 光大水务(德州)有限公司 *	Waste water treatment 污水处理	PRC 中国	100	100
Everbright Water (Lingxian) Limited * 光大水务(陵县)有限公司 *	Waste water treatment 污水处理	PRC 中国	100	100
Held by Everbright Water (Xuzhou) Holdings Limited 由光大水务(徐州)控股有限公司控股				
Everbright Water (Xinyi) Limited * 光大水务(新沂)有限公司 *	Waste water treatment 污水处理	PRC 中国	100	100
Everbright Water Operating (Xinyi) Limited # 光大水务运营(新沂)有限公司 #	Waste water treatment and reusable water 污水处理及中水再利用	PRC 中国	51	—

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For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

8. Interests in subsidiaries (cont'd)

8. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion of ownership interest held by the Group 本集团所持所有权比例	
			31 December 2016 二零一六年十二月三十一日	31 December 2015 二零一五年十二月三十一日
			%	%
Held by China Everbright Water Management Limited 由中国光大水务管理有限公司控股				
Everbright Reusable Water (Nanjing) Limited * 光大中水利用(南京)有限公司 *	Reusable water 中水再利用	PRC 中国	100	—
Everbright Water (Shenzhen) Limited * 光大水务(深圳)有限公司 *	R&D and consultation on water treatment technology 水处理技术研发及咨询服务	PRC 中国	100	100
Held by Everbright Water (Shenzhen) Limited 由光大水务(深圳)有限公司控股				
Beijing Hankesen Environmental Technology Co., Ltd. * 北京汉柯森环境科技有限公司 *	R&D and consultation on water treatment technology 水处理技术研发及咨询服务	PRC 中国	100	100
Held by Beijing Hankesen Environmental Technology Co., Ltd 由北京汉柯森环境科技有限公司控股				
Beijing Everbright Water Investment Management Co., Ltd. (former name: Beijing Hankelin Environmental Technology Co., Ltd) 北京光大水务投资管理有限公司 (曾用名: 北京汉柯林环境科技有限公司)	Investment and investment management 投资及投资管理	PRC 中国	100	100

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For the financial year ended 31 December 2016
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财务报表附注

8. Interests in subsidiaries (cont'd)

8. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion of ownership interest held by the Group 本集团所持所有权比例	
			31 December 2016 二零一六年十二月三十一日	31 December 2015 二零一五年十二月三十一日
			%	%
Held by Beijing Everbright Water Investment Management Co., Ltd.				
由北京光大水务投资管理有限公司控股				
Everbright Water (Beijing) Limited (former name: Beijing Bio-Treat Water Co., Ltd.) # 光大水务(北京)有限公司 (曾用名:北京金迪水务有限公司) #	Waste water treatment 污水处理	PRC 中国	100	100
Everbright Water Purification Nanjing Limited (former name: Nanjing Jin Huan Water Development Co., Ltd.) 光大水质净化南京有限公司 (曾用名:南京金环水务发展有限公司)	Waste water treatment 污水处理	PRC 中国	100	100
Everbright Water (Binzhou) Limited (former name: Binzhou Jin Di Co., Ltd.) 光大水务(滨州)有限公司 (曾用名:滨州金迪水务有限公司)	Waste water treatment 污水处理	PRC 中国	100	100
Sanmenxia Everbright Water Limited (former name: Sanmenxia HanKore Co., Ltd.) 三门峡光大水务有限公司 (曾用名:三门峡汉科水务有限公司)	Waste water treatment 污水处理	PRC 中国	100	100
Dalian Dongda Water Co., Ltd 大连东达水务有限公司	Waste water treatment 污水处理	PRC 中国	90	90

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For the financial year ended 31 December 2016
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8. Interests in subsidiaries (cont'd)

8. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion of ownership interest held by the Group 本集团所持所有权比例	
			31 December 2016 二零一六年十二月三十一日	31 December 2015 二零一五年十二月三十一日
			%	%
Held by Dalian Dongda Water Co., Ltd 由大连东达水务有限公司控股				
Dalian Dongda Environment Group Malanhe Waste Water Treatment Co., Ltd 大连东达环境集团马栏河污水处理有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Dalian Dongda Environment Group Chunliuhe Waste Water Treatment Co., Ltd 大连东达环境集团春柳河污水处理有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Dalian Siergou Water Co., Ltd 大连寺儿沟水务有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Dalian Lvshun City Waste Water Treatment Co., Ltd 大连旅顺城市污水处理有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Dalian Lvshun Sanjianpu Waste Water Treatment Co., Ltd 大连旅顺三涧堡污水处理有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Dalian Dongda Environment Group Pulandian Water Co., Ltd 大连东达环境集团普兰店水务有限公司	Waste water treatment 污水处理	PRC 中国	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

财务报表附注

8. Interests in subsidiaries (cont'd)

8. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion of ownership interest held by the Group 本集团所持所有权比例	
			31 December 2016 二零一六年十二月三十一日	31 December 2015 二零一五年十二月三十一日
			%	%
Held by Dalian Dongda Water Co., Ltd (cont'd) 由大连东达有限公司控股 (续)				
Dongda Group Zhuanghe Water Co., Ltd 东达集团庄河水务有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Panjin City Waste Water Treatment Co., Ltd 盘锦城市污水处理有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Anshan City Water Operating Co., Ltd 鞍山城市水务运营有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Dongda Group (Shenyang) Hunnan Water Co., Ltd 东达集团(沈阳)浑南水务有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Dandong Dongda Waste Water Treatment Co., Ltd 丹东东达污水处理有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Dongda Group Tongliao Water Co., Ltd 东达集团通辽水务有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Dalian Puwan New District Dongda Waste Water Treatment Co., Ltd 大连普湾新区东达污水处理有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Dalian Bonded Area Dongda Waste Water Treatment Co., Ltd 大连保税区东达污水处理有限公司	Waste water treatment 污水处理	PRC 中国	100	100

NOTES TO THE FINANCIAL STATEMENTS

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For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

8. Interests in subsidiaries (cont'd)

8. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion of ownership interest held by the Group 本集团所持所有权比例	
			31 December 2016 二零一六年十二月三十一日	31 December 2015 二零一五年十二月三十一日
			%	%
Held by Ocean Force International Limited 由Ocean Force International Limited控股				
Newsussex International Limited 新萨西克斯国际有限公司	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
Biopower International Limited 生物动能国际有限公司	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
New Efficient Limited 新环境有限公司	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
Bio-Treat Resources Limited	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
Sky Billion Limited 天亿有限公司	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
Ocean Master International Limited	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
Bio-Treat International Limited 金迪国际有限公司	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
Held by Newsussex International Limited 由新萨西克斯国际有限公司控股				
Suqian City Cheng Bei Water Treatment Co., Ltd. * 宿迁市城北水务发展有限公司*	Industrial waste water treatment 工业污水处理	PRC 中国	100	100
Held by Biopower International Limited 由生物动能国际有限公司控股				
Suqian City Cheng Bei Wastewater Treatment Co., Ltd. * 宿迁市城北污水处理发展有限公司*	Waste water treatment 污水处理	PRC 中国	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

财务报表附注

8. Interests in subsidiaries (cont'd)

8. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion of ownership interest held by the Group 本集团所持所有权比例	
			31 December 2016 二零一六年十二月三十一日	31 December 2015 二零一五年十二月三十一日
			%	%
Held by New Efficient Limited 由新环境有限公司控股				
Everbright Water (Yangzhou) Limited (former name: Yangzhou HanKore Water Development Co., Ltd) * 光大水务(扬州)有限公司 (曾用名:扬州汉科水处理发展有限公司) *	Waste water treatment 污水处理	PRC 中国	100	100
Held by Bio-Treat Resources Limited 由Bio-Treat Resources Limited控股				
True Global Limited 万达集团有限公司	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
Held by True Global Limited 由万达集团有限公司控股				
Everbright Water (Xianyang) Limited (former name: Xianyang Bai Sheng Shui Purifying Co., Ltd.) * 光大水务(咸阳)有限公司 (曾用名:咸阳百晟水净化有限公司) *	Waste water treatment 污水处理	PRC 中国	100	100
Held by Sky Billion Limited 由天亿有限公司控股				
Everbright River Basin Remediation (Nanjing) Limited * 光大河道整治(南京)有限公司*	River basin ecological repair 河道整治	PRC 中国	100	-
Everbright Water (Nanjing) Limited (former name: Nanjing Golden Idea Water Development Co., Ltd.)* 光大水务(南京)有限公司 (曾用名:南京金迪水务发展有限公司)*	Waste water treatment 污水处理	PRC 中国	100	100

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

8. Interests in subsidiaries (cont'd)

8. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion of ownership interest held by the Group 本集团所持所有权比例	
			31 December 2016 二零一六年十二月三十一日	31 December 2015 二零一五年十二月三十一日
			%	%
Held by Everbright Water (Nanjing) Limited 由光大水务(南京)有限公司控股				
Everbright Industrial Waste Water Treatment Nanjing Limited 光大工业废水处理南京有限公司	Waste water treatment 污水处理	PRC 中国	60	-
Held by Ocean Master International Limited 由Ocean Master International Limited控股				
Oriental Fortune International Limited 东兆国际有限公司	Investment holding 投资控股	Hong Kong 香港	100	100
Held by Bio-Treat International Limited 由金迪国际有限公司控股				
World Pioneer Investments Limited	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
Everbright Water (Lianyungang) Limited (former name: Lianyungang King Fortune Water Co., Ltd.) * 光大水务(连云港)有限公司 (曾用名:连云港金兆水务有限公司)*	Waste water treatment 污水处理	PRC 中国	100	100
Everbright Water (Suzhou) Limited (former name: Suzhou Jin Di Water Co., Ltd.) # 光大水务(苏州)有限公司 (曾用名:苏州金迪水务有限公司)#	Waste water treatment 污水处理	PRC 中国	100	100

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For the financial year ended 31 December 2016
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财务报表附注

8. Interests in subsidiaries (cont'd)

8. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion of ownership interest held by the Group 本集团所持所有权比例	
			31 December 2016 二零一六年十二月三十一日	31 December 2015 二零一五年十二月三十一日
			%	%
Held by World Pioneer Investments Limited 由World Pioneer Investments Limited控股				
Everbright Water (Kunshan) Limited (former name: Kunshan Gang Dong Wastewater Treatment Co., Ltd.) * 光大水务(昆山)有限公司 (曾用名: 昆山港东污水处理有限公司) *	Waste water treatment 污水处理	PRC 中国	100	100
Held by Aqua Shine Group Limited 由Aqua Shine Group Limited 控股				
Victor Best Holdings Limited	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
Held by Victor Best Holdings Limited 由Victor Best Holdings Limited控股				
Tianjin Hanquan Environment Technology Limited * 天津汉泉环保科技有限公司*	R&D and consultation on water treatment technology 水处理技术研发及咨询服务	PRC 中国	100	100
Held by Tianjin Hanquan Environment Technology Limited 由天津汉泉环保科技有限公司控股				
Jiangsu Tongyong Environment Engineering Co., Ltd 江苏通用环境工程有限公司	Construction engineering 建造工程	PRC 中国	100	100

* Registered under the laws of the PRC as foreign investment enterprise.

Registered under the laws of the PRC as Sino-foreign co-operation joint ventures.

* 根据中国法律注册成立为外商投资企业。

根据中国法律注册成立为中外合作经营企业。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

8. Interests in subsidiaries (cont'd)

Notes:

- (a) All significant subsidiaries are audited by KPMG Hong Kong for group consolidation purpose. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual 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.
- (b) EW (Qingdao), a wholly-owned subsidiary of the Company is committed to contribute 60% of EB Water Qingdao's registered capital. The remaining 40% registered capital is contributed by the PRC non-controlling interest stakeholder. 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 non-controlling interest stakeholder on a 98:2 basis.

9. Interest in an associate

Interest in an associate

联营公司权益

During the year ended 31 December 2016, the Group has disposed of its partial equity interest in Qingdao Haibohe Water Operating Limited (formerly named as Qingdao Everbright Water Operating Limited) ("Qingdao Haibohe") to Qingdao Water Group Co., Ltd (the "Transfer"). Upon completion of the Transfer, the Group's equity interest in Qingdao Haibohe was reduced from 99% to 49%. After the Transfer, the Group has significant influence, but not control or joint control, over Qingdao Haibohe's management, including participation in the financial and operating policy decisions, pursuant to the Articles of Association of Qingdao Haibohe. Accordingly, Qingdao Haibohe is classified as an associate of the Group after the Transfer. The Group recognised a gain of HK\$402,000 in other income.

Qingdao Haibohe provides services to the Maidao Waste Water Treatment Plant and Haibohe Waste Water Treatment Plant in Qingdao.

As at 31 December 2016, the above investment is held by the Company's subsidiary.

8. 附属公司权益 (续)

附注：

- (a) 所有主要附属公司均由毕马威香港就集团合并的目的而进行审计。就此而言，诚如新加坡交易所上市手册所界定，如果附属公司的有形资产净额占本集团综合有形资产净额的20%或以上，或如附属公司除税前盈利占本集团综合除税前盈利的20%或以上，则该附属公司会被视为重大。
- (b) 光大水务（青岛）控股承诺注入光大水务青岛60%注册资本。其余40%的注册资本由中国非控股权益股东出资。光大水务（青岛）控股于合营期首十四年可全数享有光大水务青岛之净盈利。而由第十五年起，光大水务青岛之净盈利将由光大水务（青岛）控股及中国非控股权益股东按98:2之比例分享。

9. 联营公司权益

Group 本集团	
31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
1,327	-

截至二零一六年十二月三十一日止年度，本集团出售其于青岛海泊河水务运营有限公司（前称为青岛光大水务运营有限公司）（“青岛海泊河”）的部分权益予青岛水务集团有限公司（“转让交易”）。在转让交易完成后，本集团于青岛海泊河的权益由99%减少至49%。在完成转让交易后，根据青岛海泊河之公司章程，本集团可对青岛海泊河的管理（包括参与财务及运营决策的制订）产生重大影响，而非控制或共同控制。因此，在完成转让交易后，青岛海泊河被分类为本集团之联营公司。本集团在其他收入项下确认了收益港币402,000元。

青岛海泊河为位于青岛的麦岛污水处理厂及海泊河污水处理厂提供服务。

于二零一六年十二月三十一日，上述投资由本公司之附属公司持有。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

财务报表附注

9. Interest in an associate (cont'd)

Details of the associate at the end of the financial year is as follows:

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion of ownership interest held by the Group 本集团所持所有权比例	
			31 December 2016 二零一六年十二月三十一日	31 December 2015 二零一五年十二月三十一日
			%	%
Qingdao Haibohe Water Operating Limited 青岛海泊河水务运营有限公司	Waste water treatment 污水处理	PRC 中国	49	99

9. 联营公司权益 (续)

于财政年度末，联营公司之详情如下：

10. Service concession financial receivables

		Group 本集团	
		31 December 2016 二零一六年十二月三十一日	31 December 2015 二零一五年十二月三十一日
		HK\$'000 港币千元	HK\$'000 港币千元
Non-current	非流动	8,179,732	7,713,209
Current	流动	791,609	893,423
		8,971,341	8,606,632

The significant aspects of the service concession arrangements are summarised as follows:

- (a) The subsidiaries of the Group entered into service concession arrangements with the local government authorities (the “grantors”) for water/waste water treatment plants which are located in the PRC for concession periods ranging between 16 years to 32 years. Pursuant to the service concession arrangements, the Group has to design, construct and/or upgrade, operate and maintain water/waste water treatment plants in the PRC. The Group has the obligation to maintain the waste water treatment plants 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 water/waste water treatment plants and the related facilities will be transferred to the grantors.

10. 与服务特许经营权相关的金融应收款项

服务特许经营权安排的重要方面概述如下：

- (a) 本集团之附属公司与当地政府机构 (“授权人”) 就位于中国的若干水/污水处理厂订立特许经营权安排，特许经营期介于十六年至三十二年。根据该等服务特许经营权安排，本集团须设计、建造及/或升级改造、运营及维护位于中国的水/污水处理厂。本集团有责任维持污水处理厂的良好状况。授权人保证，就有关安排而言，本集团将可每年收取最低保证款项。待特许经营期届满后，水/污水处理厂及相关设施将转归授权人所有。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

10. Service concession financial receivables (cont'd)

(a) (cont'd)

The service concession arrangements do not contain renewal options. The standard rights of the grantors to terminate include failure of the Group to construct, upgrade or operate the waste water treatment plants and in the event of a material breach of the terms of the agreements. The standards rights of the Group to terminate the agreements include failure to receive payments for water/waste water treatment service from the grantors and in the event of a material breach of the terms of the agreements.

- (b) Water/waste water treatment plants with service concession financial receivables amounting to HK\$2,979,921,000 (2015: HK\$3,997,606,000) as at 31 December 2016 are pledged to secure loans taken up by the Group (note 16).

Service concession financial receivables totalling HK\$8,971,341,000 (2015: HK\$8,606,632,000) bear interest at rates ranging from 4.90% to 7.83% (2015: 5.65% to 7.83%) per annum, of which HK\$402,996,000 (2015: HK\$363,816,000) are due from a non-controlling shareholder and HK\$593,009,000 (2015: HK\$647,007,000) are due from a related company as at 31 December 2016. The amounts are not yet due for payment and will be settled by proceeds of water treatment to be generated during the operating periods of the service concession arrangements. Amounts billed will be transferred to trade receivables (note 12). No impairment loss was recognised by the Group at 31 December 2016 and 2015 in respect of the service concession financial receivables.

11. Inventories

At cost:

Raw materials and consumables

成本:

原材料及易耗品

10. 与服务特许经营权相关的金融应收款项 (续)

(a) (续)

服务特许经营权安排不包含续期选择。授权人终止特许经营权安排的标准权利包括：本集团未能建造、升级改造或运营污水处理厂，以及协议条款遭严重违反。本集团终止特许经营权安排协议的标准权利包括：未能从授权人收取水/污水处理服务费，以及协议条款遭严重违反。

- (b) 于二零一六年十二月三十一日，拥有与服务特许经营权相关的金融应收款项港币2,979,921,000元（二零一五年：港币3,997,606,000元）的水/污水处理厂已作质押为本集团获取贷款的抵押（附注16）。

于二零一六年十二月三十一日，与服务特许经营权相关的金融应收款项总额为港币8,971,341,000元（二零一五年：港币8,606,632,000元），其按年息率4.90%至7.83%（二零一五年：5.65%至7.83%）计息，当中港币402,996,000元（二零一五年：港币363,816,000元）为应收非控股股东款项及港币593,009,000元（二零一五年：港币647,007,000元）为应收关联公司款项。该等款项尚未到期支付，并将以服务特许经营权安排的运营期间所产生的水处理收入支付。已发生金额将转至应收账款（附注12）。于二零一六年及二零一五年十二月三十一日，本集团并无就与服务特许经营权相关的金融应收款项确认减值损失。

11. 存货

Group 本集团

31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
14,323	10,689

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For the financial year ended 31 December 2016
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财务报表附注

12. Trade and other receivables

12. 应收账款及其他应收款项

		Group 本集团		Company 本公司	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元	31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Non-current	非流动				
Other receivables	其他应收款项	9,863	18,405	-	-
Prepayments	预付款项	-	21,120	-	21,120
		9,863	39,525	-	21,120
Current	流动				
Trade receivables	应收账款	429,595	464,440	-	-
Amounts due from subsidiaries	应收附属公司款项	-	-	2,096,933	1,672,655
Other receivables and sundry deposits	其他应收款项及杂项按金	84,301	122,552	-	-
Prepayments	预付款项	74,843	54,533	-	-
		588,739	641,525	2,096,933	1,672,655
Total	总额	598,602	681,050	2,096,933	1,693,775

Trade receivables represent revenue from operation services and the billed amounts of the service concession financial receivables. Trade receivables are non-interest bearing and are generally on 30 to 90 days credit terms. Included in trade receivables of the Group, HK\$19,600,000 (2015: HK\$13,312,000) are due from a non-controlling shareholder and HK\$10,546,000 (2015: HK\$8,628,000) are due from a related company as at 31 December 2016.

The amounts due from subsidiaries of the Company are unsecured, interest-free and recoverable on demand.

All of the current portion of the above balances are expected to be recovered or realised within one year.

As at 31 December 2016, included in other receivables of the Group is a consideration receivable of HK\$29,790,000 (2015: HK\$33,609,000) due from third parties arising from disposals of service concession rights held by the Suqian plants and included in prepayments are a prepayment of HK\$33,504,000 (2015: HK\$7,644,000) to a non-controlling shareholder for construction works.

The Group and the Company's exposure to credit risk are disclosed in note 29(c).

应收账款是指来自运营服务之收入及与服务特许经营权相关的金融应收款项的已发生款项。应收账款不计利息，其信用期限一般为30至90日。截至二零一六年十二月三十一日，在计入本集团应收账款的款项中，港币19,600,000元（二零一五年：港币13,312,000元）为应收非控股股东款项及港币10,546,000元（二零一五年：港币8,628,000元）为应收关联公司款项。

本公司之应收附属公司款项为无抵押、免息及须按要求随时可收回。

上述余额中所有流动部分预计可于一年内收回或变现。

于二零一六年十二月三十一日，本集团其他应收款项包括应收第三方由于出售宿迁水厂所持服务特许经营权而产生的对价港币29,790,000元（二零一五年：港币33,609,000元），以及预付款项包括因建造工程而支付予非控股股东之预付款项港币33,504,000元（二零一五年：港币7,644,000元）。

本集团及本公司所承担之信用风险于附注29(c)披露。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

13. Cash and cash equivalents

13. 现金及现金等价物

		Group 本集团		Company 本公司	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元	31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Cash on hand and bank balances	手持现金及银行余额	1,359,401	1,288,550	30,716	7,248
Short-term deposits	短期存款	543,340	480,440	-	-
		1,902,741	1,768,990	30,716	7,248

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprised:

就综合现金流量表而言，现金及现金等价物包括：

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Cash and cash equivalents	现金及现金等价物	1,902,741	1,768,990
Less: Restricted bank deposits	减：受限制银行存款	(543,340)	(480,440)
		1,359,401	1,288,550

The restricted bank deposits are pledged to banks for borrowings (note 16).

受限制银行存款已质押予银行作为贷款抵押 (附注16)。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
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财务报表附注

14. Share capital

14. 股本

		Group and Company 本集团及本公司			
		2016 二零一六年		2015 二零一五年	
		No. of ordinary shares (‘000)	HK\$’000	No. of ordinary shares (‘000)	HK\$’000
		普通股数目 (千股)	港币千元	普通股数目 (千股)	港币千元
Authorised share capital:	法定股本:				
At the beginning of the year	年初	10,000,000	10,000,000	1,500,000	1,500,000
Increase in authorised share capital	法定股本增加	–	–	8,500,000	8,500,000
At the end of the year	年末	10,000,000	10,000,000	10,000,000	10,000,000
Ordinary shares of HK\$1.00 each, issued and fully paid:	每股面值港币 1.00元，已发行及缴足：				
At the beginning of the year	年初	2,608,014	2,608,014	2,487,261	2,487,261
Issue of ordinary shares	发行普通股	–	–	120,691	120,691
Issue of ordinary shares for exercise of warrants	因行使认股权证而发行普通股	–	–	62	62
Issue of shares pursuant to scrip dividend scheme	根据以股代息计划发行股份	10,177	10,177	–	–
Shares buy-back	股份回购	(8,283)	(8,283)	–	–
At the end of the year	年末	2,609,908	2,609,908	2,608,014	2,608,014

On 21 April 2015, the Company allotted and issued 49,696,276 shares to International Finance Corporation and 70,994,681 shares to Dalvey Asset Holding Ltd, at an issue price of SGD0.94 per share pursuant to subscriptions agreements entered into on 19 February 2015. Proceeds from such issue of ordinary shares amounted to HK\$659,031,000, out of which HK\$120,691,000 and HK\$538,340,000 were recorded in share capital and share premium of the Company respectively.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at meetings. All shares rank equally with regard to the Company’s residual assets.

于二零一五年四月二十一日，本公司根据于二零一五年二月十九日订立的认购协议，向国际金融公司 (International Finance Corporation) 配发及发行 49,696,276 股股份及向 Dalvey Asset Holding Ltd 配发及发行 70,994,681 股股份，每股发行价为 0.94 新加坡元。发行上述普通股所得款项为港币 659,031,000 元，其中港币 120,691,000 元及港币 538,340,000 元已分别记入本公司的股本及股份溢价。

普通股股东有权收取不时宣派的股息，并且有权在股东大会上按照每持有一股可投一票的比例参与投票。所有股份在分占本公司剩余资产方面享有同等权益。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

15. Reserves

15. 储备

		Group 本集团		Company 本公司	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元	31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Share premium	股份溢价	1,240,300	1,210,050	30,250	–
Foreign currency translation reserve	外币汇兑储备	(579,620)	(1,887)	(1,084,703)	(424,795)
Statutory reserve	法定储备	155,635	121,317	–	–
Contributed surplus reserve	缴入盈余储备	1,229,302	1,243,508	7,639,082	7,653,288
Other reserves	其他储备	(2,181)	(2,181)	64,953	64,953
Retained earnings	保留盈利	2,144,843	1,882,122	77,524	113,540
		4,188,279	4,452,929	6,727,106	7,406,986

(a) Share premium

The share premium account may be applied only for the purposes specified in the Companies Act 1981 of Bermuda.

During the year, the Company allotted and issued 10,177,139 new ordinary shares to ordinary shareholders who had elected to participate in the scrip dividend scheme. The total scrip dividend paid was HK\$40,427,000. Accordingly, the Company recognised a share premium of HK\$30,250,000 arising from the issuance of such shares.

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. On the same date, contributed surplus reserve of HK\$4,470,556,000 was utilised to offset against the accumulated losses of the Company as of that date.

Accordingly, the Group's share premium of HK\$1,243,508,000 attributed to the Company was transferred to the contributed surplus reserve. The share premium of the Group includes CEWIL's share premium of HK\$1,210,050,000 arising from the issue of share for the capitalisation of the CEWIL's indebtedness of HK\$1,210,050,000 owing to the intermediate holding company in June 2014.

(a) 股份溢价

股份溢价账户仅可用于《百慕大一九八一年公司法》的指定用途。

本公司于年内向选择参与以股代息计划之普通股股东配发及发行10,177,139股新普通股。已支付的股票股利合计港币40,427,000元。因此，本公司已确认发行上述股份所产生之股份溢价港币30,250,000元。

根据二零一五年十二月十五日举行的本公司特别股东大会所通过的特别决议案，本公司股份溢价的全部进账金额减至零及转拨至缴入盈余储备。同日，为数港币4,470,556,000元的缴入盈余储备被用于抵销本公司截至该日的累计亏损。

因此，本公司应占本集团的股份溢价港币1,243,508,000元已转拨至缴入盈余储备。本集团的股份溢价包括于二零一四年六月因资本化水务投资欠付中间控股公司之债务港币1,210,050,000元而发行股份所产生的水务投资股份溢价港币1,210,050,000元。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
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财务报表附注

15. Reserves (cont'd)

(b) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

(c) Statutory reserve

In accordance with the Foreign Enterprise Law applicable to the subsidiaries in the PRC, wholly-owned subsidiaries are required to make appropriation to a statutory reserve. At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated 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.

(d) Contributed surplus reserve

Contributed surplus reserve arose from the reduction of share premium as disclosed in note 15(a).

(e) Other reserves

Other reserves comprise share option reserve, capital reserve and other reserves.

15. 储备 (续)

(b) 外币汇兑储备

外币汇兑储备包括换算国外业务财务报表所产生的所有汇兑差额。

(c) 法定储备

根据适用于中国附属公司的《外国企业法》，全资附属公司须对法定储备作出拨备。根据适用的中国会计准则及规定，至少10%的法定除税后盈利须分配至法定储备，直至累计储备总额达至附属公司注册资本的50%为止。待相关中国机关审批后，法定储备可用于抵销任何累计亏损或增加附属公司的注册资本。法定储备不得用于向中国附属公司股东派付股息。

(d) 缴入盈余储备

缴入盈余储备因附注15(a)所披露之削减股份溢价事项而产生。

(e) 其他储备

其他储备包括期权储备、资本储备及其他储备。

16. Borrowings

16. 贷款

		Group 本集团		Company 本公司	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元	31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Non-current	非流动				
Bank borrowings	银行贷款	3,366,091	2,423,663	1,203,692	193,813
Current	流动				
Bank borrowings	银行贷款	1,521,407	2,394,574	756,892	1,000,073
Total	总额	4,887,498	4,818,237	1,960,584	1,193,886

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

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16. Borrowings (cont'd)

16. 贷款 (续)

		Group 本集团		Company 本公司	
		31 December 2016 二零一六年 十二月三十一日	31 December 2015 二零一五年 十二月三十一日	31 December 2016 二零一六年 十二月三十一日	31 December 2015 二零一五年 十二月三十一日
		HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元
Repayable:	应付金额:				
- within 1 year	- 一年以内	1,521,407	2,394,574	756,892	1,000,073
- after 1 year but within 5 years	- 一年以后但 五年以内	2,736,178	2,273,953	674,421	193,813
- after 5 years	- 五年以后	629,913	149,710	529,271	-
		4,887,498	4,818,237	1,960,584	1,193,886

Terms and debt repayment schedule

条款及债务偿还时间表

Terms and conditions of outstanding borrowings are as follows:

未偿还贷款的条款及条件如下:

		Currency 货币	Year of maturity 到期年份	Nominal interest rate per annum 名义年利率	Face value 面值 HK\$'000 港币千元	Carrying amount 账面金额 HK\$'000 港币千元
Group	本集团					
31 December 2016	二零一六年十二月三十一日					
Secured bank borrowings	有抵押银行贷款					
- floating interest rate	- 浮动利率	USD 美元	2025	2.50% + LIBOR	1,086,680	1,068,827
- floating interest rate	- 浮动利率	RMB 人民币	2019-2023	90% to 100% of PBOC rate* 中国人民银行利率的90%至100%*	834,994	830,034
- fixed interest rate	- 固定利率	RMB 人民币	2019	2.88% to 2.90% 2.88%至2.90%	498,920	498,920
Unsecured bank borrowings	无抵押银行贷款					
- floating interest rate	- 浮动利率	RMB 人民币	2017-2026	90% to 120% of PBOC rate* 中国人民银行利率的90%至120%*	1,597,960	1,597,960
- floating interest rate	- 浮动利率	USD 美元	2017-2018	1.20% + LIBOR to 1.90% + LIBOR 1.20% + LIBOR至1.90% + LIBOR	892,630	891,757
					4,911,184	4,887,498

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财务报表附注

16. Borrowings (cont'd)

16. 借贷 (续)

Terms and debt repayment schedule (cont'd)

条款及债务偿还时间表 (续)

		Currency 货币	Year of maturity 到期年份	Nominal interest rate per annum 名义年利率	Face value 面值 HK\$'000 港币千元	Carrying amount 账面金额 HK\$'000 港币千元
Group	本集团					
31 December 2015	二零一五年十二月三十一日					
Secured bank borrowings	有抵押银行贷款					
- floating interest rate	- 浮动利率	RMB 人民币	2016-2023	90% to 120% of PBOC rate* 中国人民银行利率的90%至120%*	724,609	709,414
- fixed interest rate	- 固定利率	RMB 人民币	2016-2017	1.58% to 5.02% 1.58%至5.02%	1,529,864	1,529,864
Unsecured bank borrowings	无抵押银行贷款					
- floating interest rate	- 浮动利率	RMB 人民币	2016-2023	95% to 120% of PBOC rate* 中国人民银行利率的95%至120%*	733,226	733,226
- floating interest rate	- 浮动利率	USD 美元	2016-2018	1.55% + LIBOR to 1.90% + LIBOR 1.55% + LIBOR至1.90% + LIBOR	814,013	814,013
- floating interest rate	- 浮动利率	HK\$ 港币	2016	1.65% + HIBOR	379,873	379,873
- fixed interest rate	- 固定利率	RMB 人民币	2016-2017	4.60% to 5.37% 4.60%至5.37%	651,847	651,847
					<u>4,833,432</u>	<u>4,818,237</u>

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

16. Borrowings (cont'd)

Terms and debt repayment schedule (cont'd)

16. 借贷 (续)

条款及债务偿还时间表 (续)

		Currency 货币	Year of maturity 到期年份	Nominal interest rate per annum 名义年利率	Face value 面值 HK\$'000 港币千元	Carrying amount 账面金额 HK\$'000 港币千元
Company	本公司					
31 December 2016	二零一六年十二月三十一日					
Secured bank borrowing	有抵押银行贷款					
- floating interest rate	- 浮动利率	USD 美元	2025	2.50% + LIBOR	1,086,680	1,068,827
Unsecured bank borrowings	无抵押银行贷款					
- floating interest rate	- 浮动利率	USD 美元	2017-2018	1.20% + LIBOR to 1.90% + LIBOR 1.20% + LIBOR 至 1.90% + LIBOR	892,630	891,757
					<u>1,979,310</u>	<u>1,960,584</u>
31 December 2015	二零一五年十二月三十一日					
Unsecured bank borrowings	无抵押银行贷款					
- floating interest rate	- 浮动利率	USD 美元	2016-2018	1.55% + LIBOR to 1.90% + LIBOR 1.55% + LIBOR 至 1.90% + LIBOR	814,013	814,013
- floating interest rate	- 浮动利率	HK\$ 港币	2016	1.65% + HIBOR	379,873	379,873
					<u>1,193,886</u>	<u>1,193,886</u>

* PBOC rate denotes the People's Bank of China base lending rates.
HIBOR denotes the Hong Kong Interbank Offered Rate.
LIBOR denotes the London Interbank Offered Rate.

* 中国人民银行利率是指中国人民银行的基准贷款利率。
HIBOR是指香港银行同业拆借利率。
LIBOR是指伦敦银行同业拆借利率。

Secured banking facilities of the Group are secured by certain revenue, receivables and intangible assets in connection with the Group's service concession arrangements, bank deposits and property, plant and equipment of the Group. Such banking facilities, amounting to HK\$2,554,133,000 (2015: HK\$2,358,883,000), were utilised to the extent of HK\$2,397,781,000 (2015: HK\$2,239,278,000). Among the secured banking facilities, HK\$522,662,000 (2015: HK\$1,034,580,000) are guaranteed by the Company with such facilities of HK\$522,662,000 (2015: HK\$1,034,580,000) were utilised at 31 December 2016.

本集团之有抵押银行授信是以若干与本集团服务特许经营权安排相关的收入、应收款项及无形资产、银行存款以及物业、厂房及设备作抵押。该等银行授信为港币2,554,133,000元(二零一五年:港币2,358,883,000元),当中已动用港币2,397,781,000元(二零一五年:港币2,239,278,000元)。在有抵押银行授信中,其中港币522,662,000元(二零一五年:港币1,034,580,000元)由本公司提供担保。于二零一六年十二月三十一日,上述授信中已动用金额为港币522,662,000元(二零一五年:港币1,034,580,000元)。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
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财务报表附注

16. Borrowings (cont'd)

At 31 December 2016, the unsecured banking facilities, amounting to HK\$4,398,347,000 (2015: HK\$2,776,612,000), were utilised to the extent of HK\$2,489,717,000 (2015: HK\$2,578,959,000). All of the non-current interest-bearing borrowings are carried at amortised costs. None of the non-current interest-bearing borrowings is expected to be settled within one year. Among the unsecured banking facilities, HK\$1,536,736,000 (2015: HK\$478,420,000) are guaranteed by the Company and such facilities of HK\$915,776,000 (2015: HK\$478,420,000) were utilised at 31 December 2016.

Banking facilities of HK\$3,237,392,000 (2015: HK\$1,540,248,000) are subject to the fulfilment of covenants relating to certain of the Group's financial ratios as at 31 December 2016. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. At 31 December 2016, such facilities were utilised to the extent of HK\$2,616,432,000 (2015: HK\$1,342,596,000). The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 29(d). As at 31 December 2016, none of the covenants relating to drawn down facilities had been breached (2015: nil). Certain banking facilities also restrict some of the Company's subsidiaries from declaring or paying dividends to shareholders without obtaining the banks prior written approval or require the Group to process waste water treatment operating fees via respective financial institutions.

Included in "Bank borrowings" are the following loans from a related party bank:

Loans from a related party bank 关联银行提供的贷款

The loans from a related party bank as at 31 December 2016 and 2015 are unsecured, bear interest at rate announced by the People's Bank of China and will be settled by annual equal instalment until 2018.

16. 贷款 (续)

于二零一六年十二月三十一日，无抵押银行授信为港币4,398,347,000元（二零一五年：港币2,776,612,000元），当中已动用港币2,489,717,000元（二零一五年：港币2,578,959,000元）。所有非流动计息贷款按摊余成本入账。预计非流动计息贷款皆不会于一年内清偿。在无抵押银行授信中，其中港币1,536,736,000元（二零一五年：港币478,420,000元）由本公司提供担保。于二零一六年十二月三十一日，上述授信中已动用金额为港币915,776,000元（二零一五年：港币478,420,000元）。

于二零一六年十二月三十一日，金额为港币3,237,392,000元（二零一五年：港币1,540,248,000元）的银行授信须符合若干有关本集团财务比率的制约条款。若本集团违反有关制约条款，则已提取的授信额须应要求偿还。于二零一六年十二月三十一日，有关授信已动用港币2,616,432,000元（二零一五年：港币1,342,596,000元）。本集团会定期监控有关制约条款的遵循情况。本集团管理流动风险的进一步详情载于附注29(d)。于二零一六年十二月三十一日，本集团并无违反有关提取授信的制约条款（二零一五年：无）。若干银行授信亦限制本公司若干附属公司不得在未获银行事前书面批准下，向股东宣派或支付股息，或要求本集团通过指定的财务机构来处理污水处理运营费。

银行贷款包括下列由关联银行提供的贷款：

Group 本集团	
31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
32,499	57,769

于二零一六年及二零一五年十二月三十一日，关联银行提供的贷款为无抵押贷款，按中国人民银行宣布的利率计息，并将每年等额分期偿还，直至二零一八年为止。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

16. Borrowings (cont'd)

Company

The Company provided guarantees to banks to secure banking facilities provided to certain of the Company's subsidiaries. These financial guarantee contracts are accounted for as insurance contracts.

Intra-group financial guarantees comprise guarantees granted by the Company to banks in respect of banking facilities amounting to HK\$2,059,398,000 (2015: HK\$1,513,000,000), which include HK\$1,438,438,000 (2015: HK\$1,513,000,000) drawn down as at 31 December 2016. The periods in which the financial guarantees expire are as follows:

- | | |
|-----------------------------------|-------------|
| - within 1 year | - 一年以内 |
| - after 1 year but within 5 years | - 一年以后但五年以内 |

16. 借贷 (续)

本公司

本公司向银行提供担保，作为若干附属公司获得银行授信的担保。上述财务担保合同按保险合同入账。

集团内公司间的财务担保包括由本公司就金额为港币2,059,398,000元（二零一五年：港币1,513,000,000元）的银行授信而向银行提供的担保其中包括截至二零一六年十二月三十一日已提取的港币1,438,438,000元（二零一五年：港币1,513,000,000元）。财务担保的届满期如下：

Company 本公司	
31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
490,275	488,193
948,163	1,024,807
1,438,438	1,513,000

17. Deferred tax liabilities

Deferred tax liabilities 递延税项负债

17. 递延税项负债

Group 本集团	
31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
1,051,692	1,055,223

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

财务报表附注

17. Deferred tax liabilities (cont'd)

17. 递延税项负债 (续)

Movements in deferred tax liabilities during the year

年内递延税项负债的变动如下

Group 本集团	Note 附注	Service concession arrangements and intangible assets	Undistributed profits of subsidiaries	Others	Total
		服务特许经营权 安排及无形资产 HK\$'000 港币千元	附属公司未 分派盈利 HK\$'000 港币千元	其他 HK\$'000 港币千元	总额 HK\$'000 港币千元
At 1 January 2015	于二零一五年 一月一日	753,946	75,031	–	828,977
Exchange adjustments	汇兑调整	(35,455)	(4,150)	269	(39,336)
Recognised in profit or loss	于损益中确认	24 52,522	18,352	–	70,874
Acquisition of subsidiaries	收购附属公司	31 185,105	24,131	(14,528)	194,708
At 31 December 2015 and 1 January 2016	于二零一五年十二 月三十一日及二零 一六年一月一日	956,118	113,364	(14,259)	1,055,223
Exchange adjustments	汇兑调整	(66,053)	(8,782)	1,275	(73,560)
Recognised in profit or loss	于损益中确认	24 48,376	21,653	–	70,029
At 31 December 2016	于二零一六年 十二月三十一日	938,441	126,235	(12,984)	1,051,692

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

未确认递延税项资产

本集团并未就下列项目确认递延税项资产，原因对于未来不大可能获得应纳税盈利而令本集团得以运用当中之抵扣税项利益。

		Group 本集团	31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Tax losses expiring within 1 year	将于一年内到期的税务亏损		13,396	7,686
Tax losses expiring after 1 year but within 5 years	将于一年后但五年内到期的 税务亏损		52,149	47,164
			65,545	54,850

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

18 Trade and other payables

18 应付账款及其他应付款项

		Group 本集团		Company 本公司	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元	31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Non-current	非流动				
Amounts due to fellow subsidiaries	应付同系附属公司款项	—	160,839	—	—
Amounts due to intermediate holding companies	应付中间控股公司款项	—	79,921	—	—
		—	240,760	—	—
Current	流动				
Trade payables	应付帐款	499,315	276,555	—	—
Amounts due to fellow subsidiaries	应付同系附属公司款项	150,182	—	—	—
Amounts due to subsidiaries	应付附属公司款项	—	—	345	16,967
Amounts due to intermediate holding companies	应付中间控股公司款项	78,336	—	—	—
Amount due to an associate	应付一间联营公司款项	1,555	—	—	—
Other creditors and accrued expenses	其他应付款项及预提费用	207,850	198,875	20,310	8,483
		937,238	475,430	20,655	25,450
		937,238	716,190	20,655	25,450

As at 31 December 2016, other creditors include a guarantee deposit of HK\$14,249,000 (2015: HK\$21,034,000) by a former director of a subsidiary.

Trade payables totalling HK\$411,797,000 (2015: HK\$240,110,000) represent construction payables for the Group's Build-Transfer, Build-Operate-Transfer and certain Build-Own-Operate arrangements as at 31 December 2016.

Included in the amounts due to the intermediate holding companies are balances of HK\$56,000,000 (2015: HK\$56,000,000) and HK\$22,336,000 (2015: HK\$23,921,000) which are repayable by 2017 and bear interest at HIBOR+2.5%, which is equivalent to 3.52% (2015: 2.89%), and 93% of the rates announced by the People's Bank of China, which is equivalent to 4.56% (2015: 4.56%), respectively as at 31 December 2016.

于二零一六年十二月三十一日，其他应付款项包括由附属公司一名前董事提供的担保按金港币14,249,000元（二零一五年：港币21,034,000元）。

于二零一六年十二月三十一日，共计港币411,797,000元（二零一五年：港币240,110,000元）的应付帐款为本集团建造-转移、建造-运营-转移及若干建造-拥有-运营安排下之建程工程应付款项。

于二零一六年十二月三十一日，应付中间控股公司款项包括金额为港币56,000,000元（二零一五年：港币56,000,000元）及港币22,336,000元（二零一五年：港币23,921,000元）的余额，有关余额须于二零一七年前偿还，并分别按HIBOR加2.5%（即3.52%（二零一五年：2.89%））计息及按中国人民银行宣布的利率的93%（即4.56%（二零一五年：4.56%））计息。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

财务报表附注

18 Trade and other payables (cont'd)

As at 31 December 2016 and 31 December 2015, the amounts due to fellow subsidiaries are unsecured, interest bearing at 100% of the rates announced by the People's Bank of China which is equivalent to 4.90% (2015: 4.90%) and repayable by 2017.

The amount due to an associate of the Group and the amounts due to subsidiaries of the Company are unsecured, interest-free and repayable on demand.

19 Share-based payment arrangements

Employee share option scheme

On 27 October 2011, the Company established an employee share option scheme (the "Scheme") that entitles key management personnel and controlling shareholders to purchase shares in the Company at an exercise price determined by the committee established to administer this share option scheme ("ESOS Committee").

No share options were granted or outstanding during the year ended 31 December 2016 and 2015.

20 Revenue

18 应付帐款及其他应付款项 (续)

于二零一六年十二月三十一日及二零一五年十二月三十一日, 应付同系附属公司款项为无抵押, 按中国人民银行公布的利率的100%(即4.90%(二零一五年: 4.90%))计息, 并须于二零一七年前偿还。

本集团应付一间联营公司的款项及本公司应付附属公司的款项为无抵押、免息, 并须按要求随时偿还。

19 以股份为基础的付款安排

员工期权计划

于二零一一年十月二十七日, 本公司设立了一项员工期权计划("该计划"), 授权主要管理人员及控股股东按照为了管理此期权计划而成立的委员会("期权计划委员会")所厘定的行使价购买本公司股份。

截至二零一六年及二零一五年十二月三十一日止年度, 概无授出或尚未行使的期权。

20 收入

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Construction services from service concession arrangement	服务特许经营权安排的建造服务	1,133,784	586,788
Finance income from service concession arrangement	服务特许经营权安排的财务收入	538,775	467,895
Operation income from service concession arrangement	服务特许经营权安排的运营收入	811,830	755,365
Construction contract revenue and technical services income	建造合同收入及技术服务收入	9,648	5,102
		2,494,037	1,815,150

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

21 Other income

21 其他收入

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Government grant*	政府补助*	6,491	31,868
VAT refund	增值税退税	106,834	60,296
Gain on disposal of equity interest in a subsidiary (note 9)	出售一间附属公司的权益的 收益 (附注 9)	402	-
Sundry income	杂项收入	13,939	11,487
		127,666	103,651

* Government grant of HK\$6,491,000 (2015: HK\$31,868,000) was granted during the year ended 31 December 2016 to subsidise certain water/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 grant in the future.

* 截至二零一六年十二月三十一日止年度，本集团获发放政府补助港币6,491,000元（二零一五年：港币31,868,000元），以补贴本集团在中国的若干水/污水处理厂。概无有关收取该等补助之未达成条件或其他或有事项。目前不能保证本集团于日后将继续获发该等补助。

22 Net finance costs

22 财务费用净额

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Finance income	财务收入		
Interest income on bank deposits	银行存款的利息收入	(7,631)	(3,400)
Other interest income	其他利息收入	-	(6,399)
		(7,631)	(9,799)
Finance costs	财务费用		
Interest expense on:	利息支出：		
- bank borrowings	- 银行贷款	194,689	102,591
- notes payable	- 应付票据	-	12,299
- amounts due to intermediate holding company	- 应付中间控股公司款项	2,977	3,836
- amounts due to fellow subsidiary	- 应付同系附属公司款项	7,557	9,272
		205,223	127,998
Net finance costs	财务费用净额	197,592	118,199

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

财务报表附注

23 Profit before tax

23 除税前盈利

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Included in cost of sales:	计入销售成本：		
- amortisation of intangible assets	- 无形资产摊销	85,937	56,770
Included in administrative expenses:	计入行政费用：		
- amortisation of intangible assets	无形资产摊销	353	1,231
- depreciation on property, plant and equipment	- 物业、厂房及设备 折旧	14,986	13,826
- loss on disposal of property, plant and equipment	- 处置物业、厂房及设备 之亏损	369	510
- operating lease charges: minimum lease payments – hire of premises	- 经营租赁支出： 最低租赁付款 – 租用物业	8,340	2,746
Included in other operating expenses:	计入其他经营费用：		
- fair value loss on cross-currency swap	- 货币互换掉期的公允 价值损失	–	9,555
- foreign exchange loss/(gain), net	- 汇兑损失/（收益）净额	55,887	(340)
Staff costs:	员工成本：		
- wages and salaries	- 工资及薪金	175,807	161,027
- defined contribution plans	- 定额供款计划	46,219	34,741
- welfare and other benefits	- 福利及其他利益	21,451	17,066
Fees paid to auditor of the Company	已付本公司审计师的 费用		
- audit fees	- 审计费用	696	822
- non-audit fees	- 非审计费用	–	339
Fees paid to other auditors	已付其他审计师的 费用		
- audit fees	- 审计费用	2,763	2,628
- non-audit fees	- 非审计费用	–	220

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

24 Tax expense

24 税项支出

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Current tax expense:	即期税项支出：		
Current year	本年度	96,212	99,095
(Over)/under-provision in prior years	过往年度（超额拨备）/ 拨备不足	(1,380)	2,493
		94,832	101,588
Deferred tax expense:	递延税项支出：		
Movements in temporary differences	暂时性差异变动	61,304	70,874
Under-provision in prior years	过往年度拨备不足	8,725	-
Total tax expense	税项支出总额	164,861	172,462

The Group's tax assessable profits were entirely derived from the operations of the Group's subsidiaries in the PRC.

No provision for Singapore and Hong Kong income tax were made as the Group did not earn any income subject to Singapore and Hong Kong income tax during 2016 and 2015.

Taxation for the PRC operations is charged at the statutory rate of 25% of the assessable profits under taxation ruling of the PRC. During 2016 and 2015, certain PRC subsidiaries are subject to tax at 50% of the standard rates or fully exempt from income tax under the relevant tax rules and regulations.

本集团的应纳税盈利全部源于本集团中国附属公司的业务。

于二零一六年及二零一五年，由于本集团并无赚取任何须缴纳新加坡所得税及香港利得税的收入，故并无就新加坡所得税及香港利得税作出拨备。

根据中国的税务规定，中国业务的税项乃根据应纳税盈利按25%的法定税率计算。于二零一六年及二零一五年，根据相关的税务规则及法规，若干中国附属公司按照标准税率的50%计缴所得税，或获豁免缴纳所得税。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

财务报表附注

24 Tax expense (cont'd)

24 税项支出 (续)

Reconciliation of effective tax rate

有效税率的调节：

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Profit before tax	除税前盈利	537,476	596,130
Tax calculated at tax rate of 25% (2015: 25%)	按25%税率计算的税项 (二零一五年：25%)	134,369	149,033
Effect of tax rates in foreign jurisdictions	外国司法权区的税率 影响	5,466	13,877
Tax concession	税项宽免	(14,124)	(7,108)
Non-taxable income	非应纳税收入	(12,559)	(8,540)
Non-deductible expenses	不可抵扣支出	17,090	7,571
Current year losses for which no deferred tax is recognised	并无确认递延税项的本年度 亏损	6,564	1,645
Utilisation of tax losses not recognised in prior years	动用过往年度未确认的税项 亏损	(943)	(4,861)
Under-provision in prior years	过往年度拨备不足	7,345	2,493
Withholding tax on undistributed profits of PRC subsidiaries	中国附属公司未分配盈利的 预扣税	21,653	18,352
		164,861	172,462

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

25 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated on the Group's profit for the year attributable to shareholders of the Company divided by the weighted average number of ordinary shares outstanding during the financial year.

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Profit for the year attributable to shareholders of the Company	年度本公司股东应占盈利	349,343	406,242
Weighted average number of ordinary shares outstanding during the year (million shares)	年内已发行普通股的加权平均数(百万股)	2,606	2,571
Basic earnings per share (HK\$)	每股基本盈利 (港币)	0.134	0.158

(b) Diluted earnings per share

The calculation of diluted earnings per share is the same as the basic earnings per share for the years ended 31 December 2016 and 31 December 2015 as the Company did not have any dilutive potential ordinary shares which were outstanding for both financial years.

25 每股盈利

(a) 每股基本盈利

每股基本盈利按年度本公司股东应占本集团盈利除以财政年度内已发行普通股的加权平均数计算。

(b) 每股摊薄盈利

截至二零一六年十二月三十一日及二零一五年十二月三十一日止年度，由于本公司并无已发行具潜在摊薄影响的普通股，因此上述两个财政年度的每股摊薄盈利的计算方法与每股基本盈利的计算方法相同。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

财务报表附注

26 Related party transactions

During the financial year, other than those disclosed elsewhere in the financial statements, the Group had significant transactions with related parties on terms agreed between the parties as follows:

Compensation of directors and key management personnel

26 关联方交易

于本财政年度，除了本财务报表其他部分所披露的交易外，本集团曾与关联方按双方协定的条款进行下列重大交易：

董事及主要管理人员报酬

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Salaries, bonus and related benefits	薪金、花红及相关福利	12,420	14,962
Directors' fees	董事袍金	1,071	1,143
Defined contribution plans	定额供款计划	175	187
		13,666	16,292
Comprised amounts paid/payable to:		包括已付/应付下列各方金额：	
Directors of the Company	本公司董事	8,313	10,377
Other key management personnel	其他主要管理人员	5,353	5,915
		13,666	16,292

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions:

- (a) The Group entered into the following related party transactions with a related party bank which is under the common control of its ultimate controlling party:

除了本财务报表其他部分所披露的交易及余额外，本集团订立了下列重大关联方交易：

- (a) 本集团与同受最终控股方控制的关联银行进行了下列关联方交易：

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Interest expense	利息支出	2,362	3,984

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

26 Related party transactions (cont'd)

- (b) The Group entered into the following related party transactions with a non-controlling shareholder of the Group:

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Revenue from operation services	运营服务收入	47,668	70,271
Finance income	财务收入	24,809	25,197

- (c) The Group entered into the following related party transactions with a related company of the Group:

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Revenue from operating services	运营服务收入	39,773	52,400
Finance income	财务收入	47,157	50,687

- (d) The Group entered into the following related party transactions with a fellow subsidiary and an intermediate holding company:

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Rental expenses	租金支出	3,804	1,111

26 关联方交易 (续)

- (b) 本集团与其非控股股东进行了下列关联方交易：

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Revenue from operation services	运营服务收入	47,668	70,271
Finance income	财务收入	24,809	25,197

- (c) 本集团与其关联公司进行了下列关联方交易：

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Revenue from operating services	运营服务收入	39,773	52,400
Finance income	财务收入	47,157	50,687

- (d) 本集团与一间同系附属公司及一间中间控股公司进行了下列关联方交易：

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Rental expenses	租金支出	3,804	1,111

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

财务报表附注

26 Related party transactions (cont'd)

- (e) The ultimate controlling party of the Group is a PRC state-owned entity. The Group operates in an economic regime currently dominated by entities directly or indirectly controlled by the PRC government through its government authorities, agencies, affiliations and other organisations (collectively "other government-related entities"). The Group engages in a wide variety of transactions with the other government-related entities including, but not limited to the provision of water/waste water treatment and construction services, bank deposits and borrowings, and utilities consumptions. Such transactions are conducted in the ordinary course of the Group's business and having due regard to the substance of the relationships, the directors are of the opinion that there are no other material related party transactions that require separate disclosure other than the transactions and balances disclosed in these financial statements.

27 Commitments

(a) Capital commitments

The Group has the following commitments as at the reporting date:

26 关联方交易 (续)

- (e) 本集团最终控股方为中国国企。本集团目前在一个以国家政府控制实体占主导地位的经济体系下运营，有关国家控制实体由中国政府通过辖下政府机构、代理机构、附属机构或其他机构直接或间接控制（统称“其他政府相关实体”）。本集团与其他政府相关实体进行类别广泛的交易，包括(但不限于)提供水/污水处理及建造服务、银行存款及贷款、公用事业消费。该等交易是在本集团的日常业务过程中进行。经充分考虑本集团与该等实体的关系后，董事认为，除了本财务报表所披露的交易及余额外，并无其他需要单独披露的重大关联方交易。

27 承担

(a) 资本承担

于报告日期，本集团的承担如下：

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Capital expenditure on purchase of property, plant and equipment and construction of plants:	购买物业、厂房及设备与建造厂房的资本开支：		
- contracted but not provided for in the financial statements	- 已订约但尚未在财务报表内拨备	857,124	202,987

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

27 Commitments (cont'd)

(b) Operating lease commitments

At the reporting date, the Group had entered into several operating lease commitments for office premises and staff accommodation. These leases do not contain renewal options and there were no restrictions placed upon the Group by entering into these leases. At the reporting date, the future minimum lease payables under these non-cancellable operating leases are as follows:

		Group 本集团	
		31 December 2016 2016年12月 31日 HK\$'000 港币千元	31 December 2015 2015年12月 31日 HK\$'000 港币千元
Within 1 year	一年以内	6,807	3,688
After 1 year but within 5 years	一年以后但五年以内	5,239	1,984
After 5 years	五年以后	544	–
		12,590	5,672

28 Segment information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Executive Committee and the Board of Directors for the purpose of resource allocation and performance assessment.

The accounting policies of the reportable segments are disclosed in note 3.18. 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. No operating segments have been aggregated to form the following reportable operating segments.

Business segments

There is only one reportable segment as the Group's operations relate to water treatment business for the years ended 31 December 2016 and 2015:

- Waste water treatment – Design, engineering, construction, operation and maintenance of local government authorities' water and waste water treatment plants.

27 承担 (续)

(b) 经营租赁承担

于报告日期，本集团已就办公室物业及员工宿舍订立数项经营租赁承担。有关租赁不包含续租选择权，亦没有透过订立有关租赁而对本集团施加任何限制。于报告日期，根据不可解除的经营租赁在日后应付的最低租赁应付款项总额如下：

		Group 本集团	
		31 December 2016 2016年12月 31日 HK\$'000 港币千元	31 December 2015 2015年12月 31日 HK\$'000 港币千元
Within 1 year	一年以内	6,807	3,688
After 1 year but within 5 years	一年以后但五年以内	5,239	1,984
After 5 years	五年以后	544	–
		12,590	5,672

28 分部信息

经营分部是根据本集团组成部分的内部报告确定。执行委员会及董事会会定期审阅该等报告，以便分配资源及评估表现。

须予报告分部的会计政策载于附注3.18。分部业绩、资产及负债包括直接归属于某一分部的项目，以及能够在合理基础上进行分配的项目。未分配的项目主要包括企业资产及费用、计息贷款与相关的支出、收入及递延税项。并无合并任何经营分部以组成下列须予报告之经营分部。

业务分部

截至二零一六年及二零一五年十二月三十一日止年度，本集团的业务涉及水处理并只有一个须予报告分部：

- 污水处理 – 设计、工程设计、建造、运营及维护地方政府机构的水及污水处理厂。

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For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

财务报表附注

28 Segment information (cont'd)

Geographical segments

All of the Group's revenue are derived from the Group's operations in the PRC. All non-current assets are located in the PRC.

Major customers

For the year ended 31 December 2016, the Group had transactions with two local government authorities in the PRC (2015: three) which individually exceeded 10% of the Group's revenue. The revenue from these customers during the year ended 31 December 2016 amounted to a total of HK\$966,103,000 (2015: HK\$769,140,000).

The aggregated revenue from construction services, finance income and operation income derived from local government authorities in the PRC amounted to HK\$2,387,031,000 (2015: HK\$1,731,260,000) for the year ended 31 December 2016. Details of concentrations of credit risk arising from these customers are set out in note 29(c).

29 Financial management

The Group's and the Company's activities exposed to a variety of financial risks such as market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Group's and the Company's overall risk management strategy, which remain unchanged from prior year, seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group and the Company continually monitor the risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's and Company's activities.

The Board is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company. The Board will review and agree on policies for managing each of these risks as summarised below.

28 分部信息 (续)

地区分部

本集团的所有收入均源自本集团的中国业务。所有非流动资产均位于中国境内。

主要客户

截至二零一六年十二月三十一日止年度，本集团曾与两个（二零一五年：三个）中国当地政府机构进行交易，各个地方政府的交易额均占本集团收入的10%以上。截至二零一六年十二月三十一日止年度，来自上述客户的收入总额为港币966,103,000元（二零一五年：港币769,140,000元）。

截至二零一六年十二月三十一日止年度，来自中国当地政府机构的建造服务收入、财务收入及运营收入合计为港币2,387,031,000元（二零一五年：港币1,731,260,000元）。有关客户的信用集中风险详情载于附注29(c)。

29 财务管理

本集团及本公司的业务涉及多项财务风险，例如市场风险（包括利率风险及货币风险）、信用风险及流动风险。本集团及本公司的整体风险管理策略于过往年度并无差异，并务求尽量减少金融市场的不可预见性对本集团财务表现的不利影响。本集团及本公司持续监察风险管理程序，以确保在风险与监控之间取得适当的平衡。本集团及本公司定期复核风险管理政策及系统，以反映市场状况及本集团及本公司业务的变动。

董事会负责为本集团及本公司设定财务风险管理目标及基本原则。董事会将审阅及认同各项风险管理政策，而该等政策概述如下。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
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29 Financial management

(a) Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposures to interest rate risk relates primarily to the Group's interest-bearing assets and liabilities. The Group does not enter into interest rate swaps to manage its interest rate risk.

The table below sets out the Group's and Company's exposure to interest rate risks at the reporting date.

29 财务管理 (续)

(a) 利率风险

利率风险是指金融工具的公允价值或未来现金流量因市场利率变动而波动的风险。本集团及本公司的利率风险主要与本集团的计息资产及负债有关。本集团并未采用利率掉期以管理其利率风险。

下表载列了本集团及本公司于报告日期所承受的利率风险。

		The Group 本集团		Company 本公司	
		2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年
		HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元
Fixed rate instruments	固定利率工具				
Cash and cash equivalents	现金及现金等价物	543,340	480,440	-	-
Borrowings	贷款	(498,920)	(2,181,711)	-	-
		44,420	(1,701,271)	-	-
Variable rate instruments	浮动利率工具				
Cash and cash equivalents	现金及现金等价物	1,359,401	1,288,550	30,716	7,248
Borrowings	贷款	(4,388,578)	(2,636,526)	(1,960,584)	(1,193,886)
Trade and other payables	应付账款及其他应付款项	(228,518)	(240,760)	-	-
		(3,257,695)	(1,588,736)	(1,929,868)	(1,186,638)

Sensitivity analysis

A change of 100 basis points in interest rate for the Group's and the Company's variable borrowings rate would (decrease)/increase the Group's and the Company's profit before tax by the amounts as shown below. This analysis assumes that all other variables, in particular foreign currency and tax rates, remain constant.

敏感性分析

如本集团及本公司浮息贷款的利率出现一百个基点的变动，本集团及本公司的除税前盈利将因此（减少）/增加下列金额。此敏感性分析假设所有其他变量（特别是外币及税率）保持不变。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
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财务报表附注

29 Financial management (cont'd)

29 财务管理 (续)

(a) Interest rate risk (cont'd)

(a) 利率风险 (续)

Sensitivity analysis (cont'd)

敏感性分析 (续)

		Group 本集团		Company 本公司	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元	31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Floating rate instruments:	浮息工具：				
- 100 basis points increase	- 上升一百个基点	(32,578)	(15,887)	(19,299)	(11,866)
- 100 basis points decrease	- 下降一百个基点	32,578	15,887	19,299	11,866

(b) Foreign currency risk

(b) 外币风险

Foreign currency risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group and the Company is exposed to foreign currency risk when transactions such as expenses and borrowings are denominated in currencies other than the functional currency of the Group entities. The currencies giving rise to this risk are primarily Singapore dollar ("SGD"), Hong Kong dollar ("HK\$") and United States dollar ("USD").

外币风险是指金融工具的公允价值或未来现金流量因汇率变动而波动的风险。当交易（如费用及贷款）以集团实体的功能货币以外的货币计价时，本集团及本公司便须承受外币风险。导致该风险的有关货币主要为新加坡元、港币及美元。

Exposure to currency risk

须承担之货币风险

The following tables indicate 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 USD would be materially unaffected by any changes in movement in value of the USD against other currencies. The impact of foreign exchange rate fluctuations with respect to the assets and liabilities denominated in USD is insignificant as HKD is pegged to the USD.

下表显示假设于报告期末对本集团有重大影响之汇率于当日出现变动，而所有其他风险不定因素维持不变，届时本集团之除税前盈利可能产生之即时变动。就此而言，本集团假设美元兑其他货币之币值变动将不会对港元与美元之间的联动汇率构成重大影响。就以美元计价之资产及负债而言，由于港元与美元挂钩，故此汇率波动之影响甚微。

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财务报表附注

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截至二零一六年十二月三十一日止的财政年度

29 Financial management (cont'd)

29 财务管理 (续)

(b) Foreign currency risk (cont'd)

(b) 外币风险 (续)

Exposure to currency risk (cont'd)

须承担之货币风险 (续)

Group	本集团	RMB 人民币 HK\$'000 港币千元	SGD 新加坡元 HK\$'000 港币千元	HK\$ 港币 HK\$'000 港币千元	USD 美元 HK\$'000 港币千元
31 December 2016	二零一六年十二月三十一日				
Financial assets	金融资产				
Cash and cash equivalents	现金及现金等价物	91,969	2,511	149	127,106
Amounts due from group companies (net)	应收集团公司款项 (净额)	226,724	10,267	35,703	2,202,240
		318,693	12,778	35,852	2,329,346
Financial liabilities	金融负债				
Borrowings	贷款	-	-	-	(1,960,584)
Trade and other payables	应付帐款及其他应付款项	(6,981)	(1,675)	(10,924)	(7,710)
		(6,981)	(1,675)	(10,924)	(1,968,294)
Net exposure	风险净额	311,712	11,103	24,928	361,052
31 December 2015	二零一五年十二月三十一日				
Financial assets	金融资产				
Cash and cash equivalents	现金及现金等价物	553,974	2,649	7,409	36,601
Amounts due from group companies (net)	应收集团公司款项 (净额)	(147,883)	(52)	(15,544)	1,508,442
		406,091	2,597	(8,135)	1,545,043
Financial liabilities	金融负债				
Borrowings	贷款	-	-	(379,873)	(814,013)
Trade and other payables	应付帐款及其他应付款项	(23,921)	-	-	-
		(23,921)	-	(379,873)	(814,013)
Net exposure	风险净额	382,170	2,597	(388,008)	731,030

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For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

财务报表附注

29 Financial management (cont'd)

29 财务管理 (续)

(b) Foreign currency risk (cont'd)

(b) 外币风险 (续)

Exposure to currency risk (cont'd)

须承担之货币风险 (续)

Company	本公司	RMB 人民币 HK\$'000 港币千元	SGD 新加坡元 HK\$'000 港币千元	HK\$ 港币 HK\$'000 港币千元	USD 美元 HK\$'000 港币千元
31 December 2016	二零一六年十二月三十一日				
Financial assets	金融资产				
Cash and cash equivalents	现金及现金等价物	–	1,299	149	23,038
Amounts due from group companies (net)	应收集团公司款项 (净额)	–	32,692	185,350	2,202,240
		–	33,991	185,499	2,225,278
Financial liabilities	金融负债				
Borrowings	贷款	–	–	–	(1,960,584)
Trade and other payables	应付帐款及其他应付款项	–	(1,675)	(10,924)	(7,710)
		–	(1,675)	(10,924)	(1,968,294)
Net exposure	风险净额	–	32,316	174,575	256,984
31 December 2015	二零一五年十二月三十一日				
Financial assets	金融资产				
Cash and cash equivalents	现金及现金等价物	–	992	1,074	5,182
Amounts due from group companies (net)	应收集团公司款项 (净额)	–	38,438	138,756	1,422,614
		–	39,430	139,830	1,427,796
Financial liabilities	金融负债				
Borrowings	贷款	–	–	(379,873)	(814,013)
		–	–	(379,873)	(814,013)
Net exposure	风险净额	–	39,430	(240,043)	613,783

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注 For the financial year ended 31 December 2016
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29 Financial management (cont'd)

(b) Foreign currency risk (cont'd)

Sensitivity analysis

A reasonably possible strengthening (weakening) of RMB, SGD, HK\$ and USD against the respective entity's functional currency at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and increased/(decreased) profit before taxation by the amounts shown below. This analysis assumes that all other variables, in particular interest and tax rates, remain constant.

		Group 本集团		Company 本公司	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元	31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
RMB against HK\$	人民币兑港币				
- strengthened 10%	- 升值10%	31,171	38,217	-	-
- weakened 10%	- 贬值10%	(31,171)	(38,217)	-	-
SGD against HK\$	新加坡元兑港币				
- strengthened 10%	- 升值10%	1,110	260	3,232	3,943
- weakened 10%	- 贬值10%	(1,110)	(260)	(3,232)	(3,943)
HK\$ against RMB	港币兑人民币				
- strengthened 10%	- 升值10%	2,493	(38,801)	17,458	(24,004)
- weakened 10%	- 贬值10%	(2,493)	38,801	(17,458)	24,004
USD against RMB	美元兑人民币				
- strengthened 10%	- 升值10%	36,105	73,103	25,698	61,378
- weakened 10%	- 贬值10%	(36,105)	(73,103)	(25,698)	(61,378)

(c) Credit risk

Credit risk refers to the risk that the customer or counterparty failed to discharge an obligation and resulted in a financial loss to the Group and the Company.

As the Group does not hold any collateral, the maximum exposure to credit risk is the carrying amounts of the related financial assets presented on the statement of financial position.

29 财务管理 (续)

(b) 外币风险 (续)

敏感性分析

于十二月三十一日，人民币、新加坡元、港币及美元兑相关实体功能货币的可能合理升值(贬值)将会影响以外币计价的金融工具的计量，并增加/(减少)除税前盈利的金额如下。此敏感性分析假设所有其他变量(特别是利率及税率)保持不变。

(c) 信用风险

信用风险是指客户或对手方未能履行责任并对本集团及本公司造成财务损失的风险。

由于本集团并无持有任何抵押品，本集团面临的最高信用风险为财务状况表所列报各项相关金融资产的账面价值。

NOTES TO THE FINANCIAL STATEMENTS

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财务报表附注

29 Financial management (cont'd)

(c) Credit risk (cont'd)

The Group's credit risk is primarily attributable to its service concession financial receivables and trade and other receivables. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of service concession financial receivables and trade and other receivables. This allowance account in respect of service concession financial receivables and trade and other receivables is used to record impairment losses unless the Group are satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

For service concession financial receivables, the counterparties are local government authorities in different provinces in the PRC. The service concession financial receivables are monitored on an ongoing basis.

Trade and other receivables balances are monitored on an ongoing basis and whether the trade and other receivables are recoverable are estimated by the Group's management based on prior experience and the current economic environment.

Cash and fixed deposits are placed with banks and financial institutions which are regulated. For other financial assets, the Group minimise credit risk by dealing exclusively with high credit rating counterparties.

Significant concentration of credit risk

Concentration of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's credit exposure is concentrated mainly in the PRC, where its operations are based.

29 财务管理 (续)

(c) 信用风险 (续)

本集团的信用风险主要来自与服务特许经营权相关的金融应收款项及应收帐款及其他应收款项。本集团设立了减值拨备，其为与服务特许经营权相关的金融应收款项及应收帐款及其他应收款项产生的损失而使用。与服务特许经营权相关的金融应收款项及应收帐款及其他应收款项相关的拨备账户用以记录减值损失，但如本集团认为不大可能收回结欠金额则除外。在此情况下，金融资产会被视为不可收回，而计入拨备账户的金额将抵销已减值金融资产的账面价值。

就与服务特许经营权相关的金融应收款项而言，对手方为中国不同省份的当地政府机构。本集团持续监控与服务特许经营权相关的金融应收款项。

本集团的管理层会持续监控应收帐款及其他应收款项的余额，以及根据过往经验及当前的经济环境估计应收帐款及其他应收款项是否可以收回。

现金及定期存款乃存放于受监控的银行及金融机构。就其他金融资产而言，本集团只与高信用评级的对手方合作，借以把信用风险减至最低。

重大信用集中风险

如经济、行业或地域因素的转变对不同类别的交易对手方产生类似影响，而结合该等交易对手方的信用风险对本集团的整体信用风险而言属重大时，便为出现信用风险集中。本集团的信用风险集中在中国，即其运营地点。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

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29 Financial management (cont'd)

(c) Credit risk (cont'd)

Significant concentration of credit risk (cont'd)

The ageing of trade receivables that were past due at the reporting date is as follows:

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Not past due	未逾期	183,956	212,845
Past due:	已逾期：		
- 1 to 30 days	- 一至三十日	54,864	36,099
- 31 to 90 days	- 三十一至九十日	35,520	45,895
- 91 days to 180 days	- 九十一至一百八十日	43,749	43,807
- 181 days to 365 days	- 一百八十一至三百六十五日	54,314	76,598
- more than 1 year but within 2 years	- 一年以上但二年以内	48,800	49,196
- over 2 years	- 二年以上	8,392	-
		429,595	464,440

As disclosed in note 12, the Group has a consideration receivable of HK\$29,790,000 (2015: HK\$33,609,000) due from third parties arising from disposal of service concession rights, the ageing of which is as follows:

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Current	流动	21,637	20,333
Past due:	已逾期：		
- within 1 year	- 一年以内	2,010	6,219
- more than 1 year but within 2 years	- 一年以上但二年以内	2,010	5,143
- over 2 years	- 二年以上	4,133	1,914
		29,790	33,609

29 财务管理 (续)

(c) 信用风险 (续)

重大信用集中风险 (续)

于报告日期已逾期的应收帐款的账龄如下：

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Not past due	未逾期	183,956	212,845
Past due:	已逾期：		
- 1 to 30 days	- 一至三十日	54,864	36,099
- 31 to 90 days	- 三十一至九十日	35,520	45,895
- 91 days to 180 days	- 九十一至一百八十日	43,749	43,807
- 181 days to 365 days	- 一百八十一至三百六十五日	54,314	76,598
- more than 1 year but within 2 years	- 一年以上但二年以内	48,800	49,196
- over 2 years	- 二年以上	8,392	-
		429,595	464,440

诚如附注12所披露，本集团具有第三方所结欠因出售服务特许经营权而产生的应收对价港币29,790,000元（二零一五年：港币33,609,000元），其账龄分析如下：

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Current	流动	21,637	20,333
Past due:	已逾期：		
- within 1 year	- 一年以内	2,010	6,219
- more than 1 year but within 2 years	- 一年以上但二年以内	2,010	5,143
- over 2 years	- 二年以上	4,133	1,914
		29,790	33,609

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财务报表附注

29 Financial management (cont'd)

(c) Credit risk (cont'd)

Significant concentration of credit risk (cont'd)

Based on historical default rates and customers' credit quality, the Group believes that no impairment allowance is necessary in respect of trade receivables, including those which are past due, as the counterparties are local government authorities with insignificant credit risk.

(d) Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group monitors its liquidity risk and maintains a level of cash and cash equivalents and credit facilities deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows.

29 财务管理 (续)

(c) 信用风险 (续)

重大信用集中风险 (续)

根据过往违约率及客户的信用质量, 本集团认为无须就应收账款 (包括已逾期的应收账款) 计提减值拨备, 原因为对手方为信用风险并不重大的当地政府机关。

(d) 流动风险

流动风险是指本集团及本公司未能履行其到期财务义务的风险。本集团监控本身的流动风险, 并维持管理层认为足够的现金及现金等价物及信贷额度, 以便为本集团运营提供资金及降低现金流量波动影响。

下表载列按订约未折现现金流量分析本集团及本公司的金融负债到期情况。

		Cash flows 现金流量				
		Carrying amount 账面金额	Contractual cash flows 订约现金流量	Within 1 year 一年以内	Between 2 to 5 years 二至五年	After 5 years 五年以上
		HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元
Group	本集团					
31 December 2016	二零一六年十二月三十一日					
Borrowings	贷款	4,887,498	5,527,833	1,722,863	3,102,516	702,454
Trade and other payables	应付账款及其他应付款项	937,238	947,468	947,468	—	—
		<u>5,824,736</u>	<u>6,475,301</u>	<u>2,670,331</u>	<u>3,102,516</u>	<u>702,454</u>
31 December 2015	二零一五年十二月三十一日					
Borrowings	贷款	4,818,237	5,248,456	2,595,316	2,488,068	165,072
Trade and other payables	应付账款及其他应付款项	716,190	742,999	488,028	254,971	—
		<u>5,534,427</u>	<u>5,991,455</u>	<u>3,083,344</u>	<u>2,743,039</u>	<u>165,072</u>

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29 Financial management (cont'd)

29 财务管理 (续)

(d) Liquidity risk (cont'd)

(d) 流动风险 (续)

		Cash flows 现金流量				
		Carrying amount 账面金额	Contractual cash flows 订约现金流量	Within 1 year 一年以内	Between 2 to 5 years 二至五年	After 5 years 五年以上
		HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元
Company	本公司					
31 December 2016	二零一六年十二月三十一日					
Borrowings	贷款	1,960,584	2,232,417	824,031	817,906	590,480
Trade and other payables	应付账款及其他应付款项	20,655	20,655	20,655	—	—
		<u>1,981,239</u>	<u>2,253,072</u>	<u>844,686</u>	<u>817,906</u>	<u>590,480</u>
31 December 2015	二零一五年十二月三十一日					
Borrowings	贷款	1,193,886	1,235,915	1,029,001	206,914	—
Trade and other payables	应付账款及其他应付款项	25,450	25,450	25,450	—	—
		<u>1,219,336</u>	<u>1,261,365</u>	<u>1,054,451</u>	<u>206,914</u>	<u>—</u>

(e) Capital management

(e) 资本管理

The Group's 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. There is no change in capital management policies during the year.

本集团管理资本的主要目的是保障本集团可持续经营的能力及维持理想的资本结构，力求为股东创造最大的价值。为维持或实现理想的资本结构，本集团可能调整股息分派金额、发行新股份或取得新贷款。年内，资本管理政策并无变动。

The Group's and Company'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 are possible with greater leverage.

本集团及本公司的策略是在稳健资本状况所提供之好处及灵活性与杠杆较大而可能获得较高股东回报两者之间维持审慎平衡。

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财务报表附注

29 Financial management (cont'd)

(e) Capital management (cont'd)

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 statement of financial position, excluding current tax liabilities and deferred tax liabilities) less cash and cash equivalents. Total equity comprises share capital, reserves and non-controlling interests.

Net debt	净债务
Total equity	权益总额
Net debt against equity ratio	净债务对权益比率

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 December 2016 and 31 December 2015.

The Group's subsidiaries in the PRC are required to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This has been complied with by the relevant subsidiaries for the financial years ended 31 December 2016 and 31 December 2015.

29 财务管理 (续)

(e) 资本管理 (续)

同样，本集团利用净债务对权益比率监控资本。净债务对权益比率是按净债务除以总权益计算。净债务按总负债（如财务状况表所示，不包括即期税项负债及递延税项负债）减现金及现金等价物计算。总权益包括股本、储备及非控股权益。

		Group 本集团	
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 港币千元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 港币千元
Net debt	净债务	3,921,995	3,765,437
Total equity	权益总额	7,191,702	7,297,020
Net debt against equity ratio	净债务对权益比率	0.55	0.52

截至二零一六年十二月三十一日及二零一五年十二月三十一日止财政年度，本集团符合所有外界施加的资本要求。

本集团于中国的附属公司须注资及维持一个不可分派的法定储备。该法定储备的使用须获中国有关当局批准。截至二零一六年十二月三十一日及二零一五年十二月三十一日止财政年度，各有关附属公司均遵行了该项规定。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

30 Fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following method. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Determination of fair values

(a) Non-current borrowings

Fair value is calculated based on discounted expected future principal and interest cash flows. The discount rates used are based on market rates for similar instruments at the reporting date.

(b) Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted at the market rate to determine their fair values.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument at the reporting date.

Accounting classifications and fair values

Fair values versus carrying amounts

The carrying amount of the non-current portion of loans and receivables, interest-bearing borrowings and other payables approximate their fair values as the interest rates approximate the market rate of interest at the reporting date.

30 公允价值

本集团的多项会计政策及披露须确定金融及非金融资产及负债的公允价值。公允价值出于计量及/或披露之目的，按以下方法厘定。若适用公允价值，则其所作假设的进一步资料于相关资产或负债的特定附注中披露。

确定公允价值

(a) 非流动贷款

公允价值是根据预期未来本金及利息的现金流量折现计算而来。所使用的折现率是基于报告日期类似工具的市场利率。

(b) 其他金融资产及负债

到期日不足一年的金融资产及负债(包括应收账款及其他应收款项、现金及现金等价物以及应付账款及其他应付款项) 因到期期限短，因此其账面价值被假定为与其公允价值相若。所有其他金融资产及负债以市场利率折现，以确定其公允价值。

当使用折现现金流量方法时，估计未来现金流量是以管理层的最佳估计为基础，而折现率则为于报告日期类似工具的市场相关利率。

会计分类及公允价值

公允价值对账面价值

于报告日期，由于利率与市场利率相若，故非流动的贷款及应收款项、计息贷款及其他应付款项的账面价值与其公允价值相若。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

财务报表附注

30 Fair values (cont'd)

30 公允价值 (续)

Accounting classifications and fair values (cont'd)

会计分类及公允价值 (续)

Fair values versus carrying amounts (cont'd)

公允价值对账面价值 (续)

		Note	Loans and receivables	Other financial liabilities within the scope of IAS 39	Carrying amount	Fair value
		附注	贷款及应收款项	属国际会计准则第39号范围内的其他金融负债	账面价值	公允价值
			HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元
Group	本集团					
31 December 2016	二零一六年十二月三十一日					
Assets	资产					
Service concession financial receivables	与服务特许经营权相关的金融应收款项	10	8,971,341	–	8,971,341	8,971,341
Trade and other receivables*	应收账款及其他应收款项*	12	523,759	–	523,759	523,759
Cash and cash equivalents	现金及现金等价物	13	1,902,741	–	1,902,741	1,902,741
			<u>11,397,841</u>	<u>–</u>	<u>11,397,841</u>	<u>11,397,841</u>
Liabilities	负债					
Borrowings	贷款	16	–	4,887,498	4,887,498	4,887,498
Trade and other payables	应付账款及其他应付款项	18	–	937,238	937,238	937,238
			<u>–</u>	<u>5,824,736</u>	<u>5,824,736</u>	<u>5,824,736</u>
31 December 2015	二零一五年十二月三十一日					
Assets	资产					
Service concession financial receivables	与服务特许经营权相关的金融应收款项	10	8,606,632	–	8,606,632	8,606,632
Trade and other receivables*	应收账款及其他应收款项*	12	605,397	–	605,397	605,397
Cash and cash equivalents	现金及现金等价物	13	1,768,990	–	1,768,990	1,768,990
			<u>10,981,019</u>	<u>–</u>	<u>10,981,019</u>	<u>10,981,019</u>
Liabilities	负债					
Borrowings	贷款	16	–	4,818,237	4,818,237	4,818,237
Trade and other payables	应付账款及其他应付款项	18	–	716,190	716,190	716,190
			<u>–</u>	<u>5,534,427</u>	<u>5,534,427</u>	<u>5,534,427</u>

* Excludes prepayments 不包括预付款项

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注 For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

30 Fair values (cont'd)

30 公允价值 (续)

Accounting classifications and fair values (cont'd)

会计分类及公允价值 (续)

Fair values versus carrying amounts (cont'd)

公允价值对账面价值 (续)

				Other financial liabilities within the scope of IAS 39 属国际会计准则第39号范围内的其他金融负债	Carrying amount 账面价值	Fair value 公允价值
	Note 附注	Loans and receivables 贷款及应收款项		HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元
Company		本公司				
31 December 2016		二零一六年十二月三十一日				
Assets		资产				
Trade and other receivables*	12	应收账款及其他应收款项*	2,096,933	–	2,096,933	2,096,933
Cash and cash equivalents	13	现金及现金等价物	30,716	–	30,716	30,716
			<u>2,127,649</u>	<u>–</u>	<u>2,127,649</u>	<u>2,127,649</u>
Liabilities		负债				
Borrowings	16	贷款	–	1,960,584	1,960,584	1,960,584
Trade and other payables	18	应付帐款及其他应付款项	–	20,655	20,655	20,655
			<u>–</u>	<u>1,981,239</u>	<u>1,981,239</u>	<u>1,981,239</u>
31 December 2015		二零一五年十二月三十一日				
Assets		资产				
Trade and other receivables*	12	应收账款及其他应收款项*	1,672,655	–	1,672,655	1,672,655
Cash and cash equivalents	13	现金及现金等价物	7,248	–	7,248	7,248
			<u>1,679,903</u>	<u>–</u>	<u>1,679,903</u>	<u>1,679,903</u>
Liabilities		负债				
Borrowings	16	贷款	–	1,193,886	1,193,886	1,193,886
Trade and other payables	18	应付账款及其他应付款项	–	25,450	25,450	25,450
			<u>–</u>	<u>1,219,336</u>	<u>1,219,336</u>	<u>1,219,336</u>

* Excludes prepayments 不包括预付款项

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

财务报表附注

31 Acquisition of subsidiaries

Acquisition of Dalian Dongda Water Co., Ltd (“Dalian Dongda”)

On 28 August 2015, the Company and Beijing Everbright Water Investment Management Co., Ltd (“BEWI”), a wholly-owned subsidiary of the Company, entered into an equity transfer agreement (“the Agreement”) with Dongda Group Co., Ltd (“Dongda Group”) and Mr. Liu Yubao (together “the Sellers”), pursuant to which BEWI agreed to acquire the entire equity interest in Dalian Dongda and provide new shareholder’s loan to Dalian Dongda as it retires all outstanding debts due by the Dalian Dongda Group to one of the Sellers, Dongda Group, at a total consideration of RMB1,843,978,000 (approximately equivalent to HK\$2,238,866,000).

At the date of acquisition, the Dalian Dongda Group and certain of its subsidiaries had claims against relevant PRC government authorities for RMB203 million (HK\$246 million or SGD45 million) under certain SCAs. Any claim amounts recovered from the relevant PRC government authorities within three years from completion of acquisition of 90% equity interest in Dalian Dongda Group by BEWI on 4 November 2015 will be payable to Dongda Group. Dalian Dongda Group will also bear taxes, if any, arising from the actual receipt of these claims. Having considered all currently available information, the directors are of the view that the recovery of the claims is not probable and that any tax liability in relation to the receipt of these claims is remote.

The remaining 10% equity interest (“Remaining Interest”) will be transferred to BEWI over a three-year period based on the proportion of the claims recovered. All of the Remaining Interest will be transferred to BEWI regardless of how much these claims are recovered at the end of the three-year period.

Pursuant to the Agreement, upon the completion of acquisition of the 90% equity interest in Dalian Dongda, BEWI is entitled to the share of profits or loss, assets and liabilities of Dalian Dongda in respect of the Remaining Interest, even though the Remaining Interest will be transferred to BEWI over the three-year period.

31 收购附属公司

收购大连东达水务有限公司 (“大连东达”)

于二零一五年八月二十八日，本公司及北京光大水务投资管理有限公司 (“北京光大水务”，光大水务之全资附属公司)与东达集团有限公司 (“东达集团”)及刘玉宝先生 (合称“卖方”)订立股权转让协议 (“该协议”)。据此，北京光大水务同意收购大连东达全部股权，并提供新股东贷款予大连东达，以让其偿还其中一名卖方东达集团之所有未偿还债项，总代价为人民币1,843,978,000元 (相当于约港币2,238,866,000元)。

于收购日期，大连东达集团及其若干附属公司根据若干服务特许经营权安排向有关中国政府申索人民币203,000,000元 (港币246,000,000元或45,000,000新加坡元)。在北京光大水务于二零一五年十一月四日完成收购大连东达集团90%股权起共计三年内，从有关中国政府收回之任何申索款项将支付予东达集团。大连东达集团亦须承担因实际收悉有关申索款项而产生之税项 (如有)。经考虑目前所得之所有资料后，董事认为不大可能收回有关申索款项，而因收取上述申索款项而产生税项负债之机率极低。

剩余10%之股权 (“剩余权益”)将于三年期间内根据申索款项之收回比例转让予北京光大水务。全部剩余权益将于三年期间结束时转让予北京光大水务，而不论收回多少申索款项。

根据该协议，在完成收购大连东达90%股权后，尽管剩余权益将于三年期间内转让予北京光大水务，但北京光大水务有权就剩余权益分享大连东达之盈亏、资产及负债。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

31 Acquisition of subsidiaries (cont'd)

Acquisition of Dalian Donga Water Co., Ltd (“Dalian Dongda”) (cont'd)

The net assets acquired and the goodwill arising from the acquisition are as follows:

		Fair value on date of acquisition 于收购日的 公允价值 HK\$'000 港币千元
Property, plant and equipment	物业、厂房及设备	380
Intangible assets	无形资产	574,252
Service concession financial receivables	与服务特许经营权相关的金融应收款项	1,558,620
Trade and other receivables	应收账款及其他应收款项	216,318
Cash and cash equivalents	现金及现金等价物	75,529
Borrowings	贷款	(161,282)
Deferred tax liabilities	递延税项负债	(194,708)
Trade and other payables	应付账款及其他应付款项	(75,182)
Current tax liabilities	即期税项负债	(26,883)
Net assets acquired	收购所得的净资产	1,967,044
Goodwill on consolidation	合并产生的商誉	271,822
Purchase consideration	收购对价	<u>2,238,866</u>
Cash consideration	现金对价	2,238,866
Cash acquired	收购所得的现金	(75,529)
Net cash outflow	现金流出净额	<u>2,163,337</u>

From the date of acquisition to 31 December 2015, Dalian Dongda contributed revenue of HK\$34,264,000 and profit of HK\$7,534,000 to the Group's net profit for the year ended 31 December 2015. Had the acquisition taken place on 1 January 2015, the consolidated revenue and profit for the year of the Group would have been HK\$2,055,125,000 and HK\$462,014,000 respectively. In determining these amounts, management assumed that the fair value adjustments to the acquired assets and liabilities that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2015.

31 收购附属公司 (续)

收购大连东达水务有限公司 (“大连东达”) (续)

收购所取得的净资产及收购交易产生的商誉如下：

自收购日期至二零一五年十二月三十一日，大连东达为本集团截至二零一五年十二月三十一日止年度的净盈利贡献收入港币34,264,000元及盈利港币7,534,000元。如收购交易于二零一五年一月一日发生，本集团年内综合收入及盈利应分别为港币2,055,125,000元及港币462,014,000元。在确定该等金额时，管理层假设，若收购交易于二零一五年一月一日发生，收购所得资产及负债于收购日期产生的公允价值仍然相同。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

财务报表附注

31 Acquisition of subsidiaries (cont'd)

Acquisition of Dalian Donga Water Co., Ltd (“Dalian Dongda”) (cont'd)

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets and liabilities acquired are as follows:

Assets required 收购所得资产	Valuation technique 估值技术
Property, plant and equipment 物业、厂房及设备	Fair value less cost of disposal using discount cash flow analysis 按公允价值减出售成本，并使用现金流量折现分析
Intangible assets 无形资产	Fair value less cost of disposal using discount cash flow analysis 按公允价值减出售成本，并使用现金流量折现分析
Service concession financial receivables 与服务特许权相关的金融应收款项	Fair value less cost of disposal using discount cash flow analysis 按公允价值减出售成本，并使用现金流量折现分析

32 Immediate and ultimate controlling party

The directors consider the immediate parent and ultimate controlling party of the Group to be China Everbright Water Holdings Limited and China Investment Corporation, which are incorporated in the British Virgin Islands and the PRC respectively. China Everbright International Limited, the intermediate holding company, produces consolidated financial statements available for public use.

33 Subsequent events

Dividends

After the reporting date, the following exempt (one-tier) dividends were proposed by the directors. These exempt (one-tier) dividends have not been provided for.

For the year ended 31 December

SGD0.0037 (2015: SGD0.0035) per ordinary share
每股普通股0.0037新加坡元
(二零一五年：0.0035新加坡元)

31 收购附属公司 (续)

收购大连东达水务有限公司 (“大连东达”) (续)

公允价值的计量

计量收购所得重大资产及负债所使用的估值技术如下：

32 直接及最终控股方

董事认为本集团的直接母公司及最终控股方分别为在英属维尔京群岛注册成立的中国光大水务控股有限公司及在中国注册成立的中国投资有限责任公司。直接控股公司中国光大国际有限公司编制了可供公众取阅的综合财务报表。

33 期后事项

股息

于报告日期后，董事建议派发下列豁免(一级)股息。该等豁免(一级)股息尚未拨备。

截至十二月三十一日止年度

Group and Company 本集团及本公司	
2016 二零一六年 HK\$'000 港币千元	2015 二零一五年 HK\$'000 港币千元
52,344	52,304

STATISTICS OF SHAREHOLDINGS

股权统计资料

As at 21 March 2017
截至二零一七年三月二十一日

Authorised share capital 法定股本	:	HKD 10,000,000,000 港币10,000,000,000元
Issued and fully paid-up capital 已发行并已全额缴足的股本	:	HKD 2,609,908,001 港币2,609,908,001元
Class of shares 股票种类	:	Ordinary shares of HKD 1.00 each 普通股，每股票面价值港币1.00元
Number of shares 股份数量	:	2,609,908,001
Voting rights 投票权	:	One vote per ordinary share 每股一权

DISTRIBUTION OF SHAREHOLDINGS

股权分配

SIZE OF SHAREHOLDINGS 股权规模	NO. OF SHAREHOLDERS 股东数量	% 百分比	NO. OF SHARES 股份数量	% 百分比
1 ~ 99	415	7.19	10,590	0.00
100 ~ 1,000	1,257	21.77	644,488	0.03
1,001 ~ 10,000	2,427	42.04	11,804,151	0.45
10,001 ~ 1,000,000	1,649	28.57	102,266,750	3.92
1,000,001 AND ABOVE	25	0.43	2,495,182,022	95.60
TOTAL	5,773	100.00	2,609,908,001	100.00

As at 21 March 2017, no shares issued in the share capital of the Company (“Shares”) were held as treasury shares or by any of the Company’s subsidiary.

截至二零一七年三月二十一日，在本公司股本中发行的股份（“**本公司股份**”）未被作为库存股持有，也未被本公司的任何附属公司所持有。

Based on the information available to the Company, approximately 25.19% of the equity securities of the Company are held in the hands of the public. This is in compliance with Rule 723 of the Listing Rules of the SGX-ST, which requires at least 10% of a listed issuer’s equity securities to be held by the public.

基于本公司所掌握的数据，本公司约25.19%的股份由公众持有。该数据符合新交所上市规则第723条的要求，即公众至少须持有上市公司权益性证券的10%以上。

STATISTICS OF SHAREHOLDINGS

As at 21 March 2017
截至二零一七年三月二十一日

股权统计资料

TWENTY LARGEST SHAREHOLDERS 前二十大股东

	NAME 名称	NO. OF SHARES 持股数量	% 百分比
1.	CHINA EVERBRIGHT WATER HOLDINGS LIMITED 中国光大水务控股有限公司	1,950,154,229	74.72
2.	CITIBANK NOMINEES SINGAPORE PTE LTD	197,473,579	7.57
3.	RAFFLES NOMINEES (PTE) LIMITED	127,406,485	4.88
4.	DBS NOMINEES (PRIVATE) LIMITED	108,334,887	4.15
5.	PHILLIP SECURITIES PTE LTD	21,604,061	0.83
6.	OCBC SECURITIES PRIVATE LIMITED	20,469,443	0.78
7.	HSBC (SINGAPORE) NOMINEES PTE LTD	16,577,036	0.64
8.	MAYBANK KIM ENG SECURITIES PTE. LTD.	9,286,008	0.36
9.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	5,511,286	0.21
10.	DB NOMINEES (SINGAPORE) PTE LTD	5,459,810	0.21
11.	CIMB SECURITIES (SINGAPORE) PTE. LTD.	4,559,414	0.17
12.	ABN AMRO CLEARING BANK N.V.	4,454,945	0.17
13.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	3,600,605	0.14
14.	DBSN SERVICES PTE. LTD.	3,263,226	0.13
15.	CHIEW CARLTON	2,800,000	0.11
16.	PU WEIDONG	2,751,500	0.11
17.	UOB KAY HIAN PRIVATE LIMITED	1,675,922	0.06
18.	CITIBANK CONSUMER NOMINEES PTE LTD	1,548,000	0.06
19.	CHEONG SAE PENG	1,500,000	0.06
20.	LIN CHING-FENG	1,210,700	0.05
	TOTAL 总计	2,489,641,136	95.41

STATISTICS OF SHAREHOLDINGS

股权统计资料

As at 21 March 2017
截至二零一七年三月二十一日

SUBSTANTIAL SHAREHOLDERS

主要股东

NAME OF SUBSTANTIAL SHAREHOLDER 主要股东名称	DIRECT INTEREST 直接权益		DEEMED INTEREST 间接权益	
	NO. OF SHARES HELD 持股数量	% 百分比	NO. OF SHARES HELD 持股数量	% 百分比
China Everbright Water Holdings Limited 中国光大水务控股有限公司	1,950,154,229	74.72	–	–
China Everbright Environmental Protection Holdings Limited ⁽¹⁾ 中国光大环保控股有限公司	–	–	1,950,154,229	74.72
China Everbright International Limited ⁽²⁾ 中国光大国际有限公司	–	–	1,950,154,229	74.72
Guildford Limited ⁽³⁾	–	–	1,950,154,229	74.72
Datten Investments Limited ⁽⁴⁾	–	–	1,950,154,229	74.72
China Everbright Holdings Company Limited ⁽⁵⁾ 中国光大集团有限公司	–	–	1,950,154,229	74.72
China Everbright Group Ltd. ⁽⁶⁾ 中国光大集团股份公司	–	–	1,950,154,229	74.72
Central Huijin Investment Ltd. ⁽⁷⁾ 中央汇金投资有限责任公司	–	–	1,950,154,229	74.72

Notes:

注释:

- 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.
中国光大环保控股有限公司为中国光大水务控股有限公司之控股公司，并对中国光大水务控股有限公司持有的本公司股份享有间接权益。
- China Everbright International Limited is the holding company of China Everbright Environmental Protection Holdings Limited and is deemed to have an interest in the Shares in which China Everbright Environmental Protection Holdings Limited has an interest.
中国光大国际有限公司为中国光大环保控股有限公司的控股公司，并对中国光大环保控股有限公司持有的本公司股份享有间接权益。
- Guildford Limited holds more than 20 per cent. but not more than 50 per cent. of the total issued shares of China Everbright International Limited and is deemed to have an interest in the Shares in which China Everbright International Limited has an interest.
Guildford Limited 持有中国光大国际有限公司总股份数的20%以上（但不超过50%）的总股份，并对中国光大国际有限公司持有的本公司股份享有间接权益。
- 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 为Guildford Limited的控股公司，并对Guildford Limited持有的本公司股份享有间接权益。
- 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.
中国光大集团有限公司为Datten Investments Limited 的控股公司，并对Datten Investments Limited持有的本公司股份享有间接权益。
- China Everbright Group Ltd. 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.
中国光大集团股份公司为中国光大集团有限公司的控股公司，并对中国光大集团有限公司持有的本公司股份享有间接权益。
- Central Huijin Investment Ltd. holds 55.67 per cent. of the shares in China Everbright Group Ltd. and is deemed to have an interest in the Shares in which China Everbright Group Ltd. has an interest.
中央汇金投资有限责任公司持有中国光大集团股份公司总股份数的55.67%，并对中国光大集团股份公司持有的本公司股份享有间接权益。

STATISTICS OF SHAREHOLDINGS

As at 21 March 2017
截至二零一七年三月二十一日

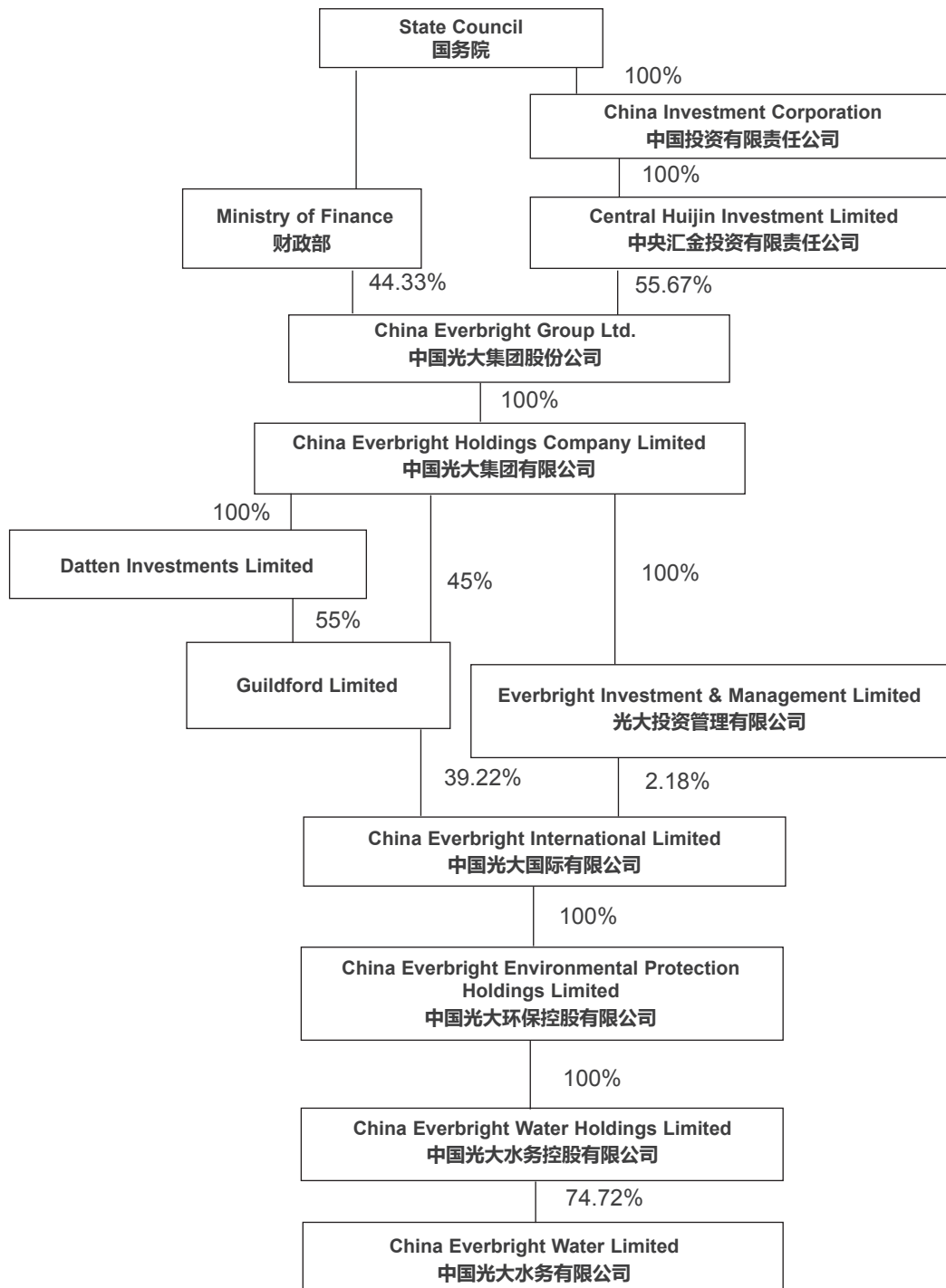
股权统计资料

(i) Relationship between the Company and each of China Investment Corporation and Central Huijin Investment Limited

(i) 本公司与中国投资有限责任公司和中央汇金投资有限责任公司的关系

Each of China Investment Corporation (“CIC”) and Central Huijin Investment Ltd. (“Huijin”), which are each ultimately owned by the State Council of the People’s Republic of China (“State Council”), is deemed to have a controlling interest (via Everbright International) in the issued share capital of the Company.

中国投资有限责任公司（以下简称“中投”）和中央汇金投资有限责任公司（以下简称“汇金”）均最终均由中华人民共和国国务院（以下简称“国务院”）持有，中投和汇金通过光大国际对本公司的已发行股本具有间接控股权益。



STATISTICS OF SHAREHOLDINGS

股权统计资料

As at 21 March 2017
截至二零一七年三月二十一日

Management Philosophy of Huijin and CIC

Article 11 of the *Law on State-Owned Assets* provides that the State Council and the local people's governments may, if necessary, authorise other departments or bodies ("**Authorised Bodies**") to perform the function of an investor in respect of state-owned enterprises on behalf of such government. Article 14 of the *Law on State-Owned Assets* further provides that such authorised bodies shall not intervene in the business activities of the enterprises in which it invests except to legally perform the function of an investor.

Huijin

Huijin was established in December 2003. The members of Huijin's Board of Directors and Board of Supervisors are appointed by and are accountable to the State Council. 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 State in accordance with applicable laws, to achieve the goal of preserving and enhancing the value of state-owned financial assets. It does not conduct any other business or commercial activity, except for its equity investments in the state-owned enterprises, and does not intervene in the day-to-day business operations of the firms in which it invests.

CIC

CIC holds the shares of Huijin in accordance with a directive issued by the State Council. However, the investment business of CIC and the share management function conducted on behalf of the State Council by Huijin are completely separated. CIC is a financial investor and does not seek control of the companies in its portfolio.

Laws setting out the duties of Huijin and CIC in relation to their portfolio companies

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".

Under Article 11 of the *Company Law of the People's Republic of China*, the articles of association of a company are binding on the company and its shareholders, directors, supervisors and senior management. Accordingly, the provisions of the articles of association of each of Huijin and CIC as set out above are binding on each of Huijin and CIC and their respective shareholders, directors, supervisors and senior management.

汇金和中投的经营理念

中国《企业国有资产法》第十一条规定，国务院和地方人民政府根据需要，可以授权其他部门、机构（以下简称“**被授权机构**”）代表本级人民政府对国家出资企业履行出资人职责。《企业国有资产法》第十四条进一步规定，被授权机构除依法履行出资人职责外不得干预企业经营活动。

汇金

汇金于二零零三年十二月成立，其董事会和监事会成员由国务院任命，对国务院负责。汇金根据国务院授权，对国有重点金融企业进行股权投资，以出资额为限代表国家依法对国有重点金融企业行使出资人权利和履行出资人义务，实现国有金融资产保值增值。除对国有企业进行股权投资外，汇金不开展其他任何商业性经营活动，不干预其投资的企业的日常经营活动。

中投

中投根据国务院指令持有汇金的股份。然而，中投的投资业务和汇金代表国务院行使的股权管理职能完全分离。中投作为金融投资者，并不寻求对其间接投资之公司的控制。

关于规定汇金和中投对其所投资公司之义务的法律规范

汇金和中投的公司章程均规定汇金和中投“不得干预其控股的国有重点金融企业的日常经营活动”。中投的章程进一步规定“【中投】原则上不主动参股境内非金融企业，但购买境外上市股票、被动持股或经国家有关部门批准的除外”。

根据《中华人民共和国公司法》第十一条的规定，公司章程对该公司及其股东、董事、监事和高级管理人员具有约束力。因此，汇金和中投章程中的规定对其自身及其股东、董事、监事和高级管理人员均具有约束力。

STATISTICS OF SHAREHOLDINGS

As at 21 March 2017
截至二零一七年三月二十一日

股权统计资料

Board of Directors of Everbright International and the Company

In addition, neither CIC nor Huijin has any nominees sitting on the board of Everbright International. Similarly, neither CIC nor Huijin has any nominees sitting on the board of the Company.

(ii) Not regarded as “controlling shareholders”

On the basis that each of Huijin and CIC does not in fact, and is unable, under the laws of PRC, to, exercise control over the Company, the SGX-ST has confirmed that each of Huijin and CIC will not be regarded as “controlling shareholders” of the Company for the purposes of the Listing Rules of the SGX-ST (the “**Listing Rules**”).

Accordingly, each of the State Council, Huijin and CIC and their respective associates (other than Everbright Group and its associates) will not be regarded as “interested persons” of the Company and consequently, will not be subject to the rules and requirements under Chapter 9 of the Listing Rules governing interested person transactions. For the avoidance of doubt, Everbright Group is regarded as a “controlling shareholder” of the Company for the purposes of the Listing Rules and accordingly, Everbright Group and its associates are subject to the rules and requirements under Chapter 9 of the Listing Rules governing interested person transactions.

光大国际及本公司的董事会

此外，中投和汇金均未提名董事参与光大国际的董事会。同样，中投和汇金均未提名董事参与本公司的董事会。

(ii) 汇金和中投不属于“控股股东”

根据中国法律的规定，汇金和中投不得对本公司实施控制，且事实上汇金和中投未能对本公司实施控制，因此新交所已依据其上市规则确认，汇金和中投不属于本公司的“控股股东”。

因此，汇金和中投及其各自的关联方（不包括光大集团及其关联方）均不属于本公司的“关联人士”，因此均不受新交所上市规则第九章关于关联人士交易规范和要求的规制。为免疑义，就新交所上市规则而言，光大集团将被视为本公司的“控股股东”，因此，光大集团及其关联方均将受新交所上市规则第九章关于关联人士交易规范和要求的规制。

NOTICE OF ANNUAL GENERAL MEETING

年度股东大会通知

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of China Everbright Water Limited will be held at The Ritz-Carlton, Millenia Singapore, Chihuly Room, Level 3, 7 Raffles Avenue, Singapore 039799 on Tuesday, 25 April 2017 at 9.30 am to transact the following businesses:

兹通知，中国光大水务有限公司年度股东大会将于二零一七年四月二十五日星期二上午九时三十分在新加坡莱佛士大道7号新加坡丽思卡尔顿美年酒店三楼Chihuly Room (邮编：039799) 召开，以讨论通过以下事项：

AS ORDINARY BUSINESS

普通事项

1. To receive and consider the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2016 and the Auditors' Report thereon. (Resolution 1)
(第1项决议)
接收并审议董事会报告以及截至二零一六年十二月三十一日止的财政年度经审计公司财务报表及其审计师报告。
2. To declare a final tax exempt 1-Tier dividend of S\$0.0037 per ordinary share for the financial year ended 31 December 2016 as recommended by the Directors. (Resolution 2)
(第2项决议)
根据董事会建议，宣布派发截至二零一六年十二月三十一日止的财政年度的每股普通股0.0037新加坡元的单一免税股息。
3. To approve the payment of Directors' fees of S\$200,000/- for the financial year ended 31 December 2016. (2015 : S\$207,500/-) (Resolution 3)
(第3项决议)
批准支付截至二零一六年十二月三十一日止的财政年度的董事袍金200,000新加坡元整。
(二零一五年：207,500新加坡元整)
4. To re-elect the following Directors retiring pursuant to the following Company's Bye-laws, and who, being eligible, will offer themselves for re-election:
改选以下根据公司章程规定即将告退的董事，且适格者将竞选连任：
 - (a) Mr. Wang Tianyi [Bye-law 86(1)]; (Resolution 4a)
王天义先生【公司章程第86(1)条】； (第4a项决议)
 - (b) Mr. An Xuesong [Bye-law 86(1)]; (Resolution 4b)
安雪松先生【公司章程第86(1)条】； (第4b项决议)
 - (c) Mr. Cai Shuguang [Bye-law 85(6)]; and (Resolution 4c)
蔡曙光先生【公司章程第85(6)条】；和 (第4c项决议)
 - (d) Ms. Xu Nailing [Bye-law 85(6)]. (Resolution 4d)
徐乃玲女士【公司章程第85(6)条】。 (第4d项决议)
5. To appoint Ernst & Young LLP as Auditor of the Company in place of the retiring Auditor, KPMG LLP, to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. (Resolution 5)
(第5项决议)
委任Ernst & Young LLP为本公司审计师以代替即将告退的审计师KPMG LLP，任期直至下个年度股东大会结束为止，并授权董事确定其薪酬。

AS SPECIAL BUSINESS

特别事项

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:

考虑并通过(如认为恰当)以下普通决议(经修改或不经修改)：

6. Authority to allot and issue shares
(a) That, pursuant to the Company's Bye-laws, and the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:
(a) 根据本公司章程和新加坡交易所证券交易有限公司(以下简称“新交所”)上市规则，授权本公司董事随时向其全权酌情认为适合的人士以合适目的按其认为适合的条款：

NOTICE OF ANNUAL GENERAL MEETING

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

年度股东大会通知

- | | |
|---|--|
| <p>(i) issue shares in the capital of the Company (“Shares”) whether by way of right, bonus or otherwise;</p> <p>(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;</p> <p>(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</p> <p>(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 Directors while the authority was in force.</p> | <p>(i) 通过供股、红利或其他方式发行公司股份（以下简称“公司股份”）；</p> <p>(ii) 作出或授予可能或将会要求发行股份的要约、协议或期权，或其他可转让的认购或购买公司股份的权利（合称“文据”），包括但不限于创设并发行权证、债券或其他可转换成公司股份的文据；</p> <p>(iii) 关于供股、红利或资本化发行，因调整之前发行的文据数目而发行额外的文据；和</p> <p>(b) （尽管股东授权可能已不再有效）当授权有效时，根据董事所作出或授予的文据发行公司股份。</p> |
|---|--|

provided always that:

须符合下列事项：

- | | |
|--|--|
| <p>(i) the aggregate number of Shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed fifty per cent. (50%) of the total number of issued Shares excluding treasury shares of the Company, of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to existing shareholders of the Company 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;</p> <p>a) new Shares arising from the conversion or exercise of any convertible securities, or</p> | <p>(i) 根据本决议将予发行的公司股份总数（包括根据本决议所作出或授予的文据将予发行的股份）不超过已发行公司股份总数（不含公司库存股）的50%，其中非按比例向本公司现有股东发行的公司股份总数（包括根据本决议所作出或授予的文据将予发行的股份）不超过已发行公司股份总数（不含公司库存股）的20%，且就本决议而言，已发行公司股本应为通过本决议案时、经以下各项调整后的已发行公司股份总数（不含库存股）：</p> <p>a) 转换或行使任何可转换证券产生的新公司股份，或</p> |
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NOTICE OF ANNUAL GENERAL MEETING

年度股东大会通知

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

- 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 Listing Manual of the SGX-ST (the “**Listing Manual**”); and
- c) any subsequent bonus issue, consolidation or subdivision of Shares, and
- (ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. **(Resolution 6)**
- b) 如果期权或股份奖励是遵照新交所《上市手册》（以下简称“**上市手册**”）第八章VIII部分授予的，在本决议通过时尚未行权的期权或被授予且仍存续的股份奖励由于被行权产生的新公司股份；及
- c) 任何后续的红利股份发行、公司股份合并或拆分，以及
- (ii) 除非被本公司在股东大会上撤回或更改，该等授权持续有效直至下个年度股东大会结束或法律规定最晚举行下个年度股东大会之日（以其中较早者为准）为止。**（第6项决议）**

(See Explanatory Note i)

(见附注说明i)

7. Authority to allot and issue shares under the China Everbright Water Limited Scrip Dividend Scheme (the “**Scrip Dividend Scheme**”).

That authority be and is hereby given to the Directors to allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to the Scrip Dividend Scheme. **(Resolution 7)**

(See Explanatory Note ii)

7. 在中国光大水务有限公司以股代息计划（以下简称“**以股代息计划**”）项下分配和发行股份的权力。

授权董事不时地分配和发行根据以股代息计划可能需要分配和发行的相应数量的公司股份。**（第7项决议）**

(见附注说明ii)

8. Authority to grant options and issue Shares under the China Everbright Water Limited Employee Share Option Scheme (the “**ESOS**”).

That, the Directors of the Company be and are hereby empowered to offer and grant options, and to allot and issue from time to time such number of Shares as may be required to be issued or transferred pursuant to the exercise of options granted under the ESOS provided always that the aggregate number of Shares in respect of which such options may be granted and which may be issued pursuant to the Scheme shall not exceed fifteen per cent. (15%) of the total number of issued Shares excluding treasury shares of the Company from time to time. **(Resolution 8)**

(See Explanatory Note iii)

8. 在中国光大水务有限公司员工股份认购计划（以下简称“**员工认股计划**”）项下授予期权和发行公司股份的权力。

授权公司董事提供和授予期权、以及不时地根据行使员工认股计划下授予的期权可能需要发行和转让的公司股份数量来分配和发行该等数量的公司股份（前提是可与被授予的期权相关的公司股份和根据员工认股计划可发行的公司股份总数不应超过公司已发行股份总数（不含库存股）的15%）。

（第8项决议）

(见附注说明iii)

NOTICE OF ANNUAL GENERAL MEETING

For the financial year ended 31 December 2016
截至二零一六年十二月三十一日止的财政年度

年度股东大会通知

9. 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
- (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) 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 Listing Manual, satisfy all the conditions prescribed by section 76C of the Companies Act, Chapter 50 of Singapore,

in accordance with the Companies Act 1981 of Bermuda (as amended) and all other laws and regulations and rules of the SGX-ST as may for the time being be applicable (the “Share Buy-back Mandate”);

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-back Mandate may be exercised by the Directors at any time and from time to time during the period commencing 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;

9. 股份回购授权续期

即：

(a) 授权董事行使本公司通过下列方式、以董事不时决定的不超过最高限价（定义见下文）的价格购买或以其它方式收购总计不超过最高限额（定义见下文）的已发行公司股份的全部权力：

- (i) 在新交所市场上购买；和/或
- (ii) 按照董事认为适当而可能决定或制定的任何平等购买计划在市场外购买（如果购买不是在新交所市场上实施，该等计划应如《上市手册》所要求、满足新加坡法律第50章《公司法》第76C条规定的所有条件。

需遵守百慕大一九八一年《公司法》（修订版）和所有其他法律法规以及届时适用的新交所规则（以下简称“股份回购授权”）；

(b) 除非被本公司在股东大会上更改或撤回，根据股份回购授权授予董事会的权力可由董事会在本项决议时起至以下日期中较早者为止的期间内随时行使：

- (i) 本公司下个年度股东大会举行之日；
- (ii) 法律规定的最晚举行本公司下个年度股东大会之日；和
- (iii) 根据股份回购授权购买和收购的公司股份达到所授权的最大限度之日；

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(c) in this Resolution:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five market days on which the Shares were transacted on the SGX-ST, 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 after the relevant five-day period;

“**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 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. of the total number of issued Shares as at the date of the passing of this Resolution (excluding any treasury shares); and

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses), which shall not exceed:

- (i) in the case of a market purchase of a Share, five per cent. above the Average Closing Price; and
- (ii) in the case of an off-market purchase of a Share, five per cent. above the Average Closing Price; and

(d) the Directors and each of them be hereby authorised to complete and do all such acts and things (including, but not limited to, executing all such agreements and documents as may be required in connection with this Resolution and the Share Buy-back Mandate) as they or he/she may consider necessary, desirable or expedient or in the interests of the Company to give effect to this Resolution and the Share Buy-back Mandate. **(Resolution 9)**

(See Explanatory Note iv)

(c) 在本项决议中：

“**平均收盘价**”是指在本公司进行市场购买之日前，或视情况而定，根据市场外购买作出要约之日前，公司股份在新交所交易的近五个交易日的平均收盘市场价，且该等平均收盘价视为已经根据新交所上市规则和相关五日期间之后发生的公司行动进行了调整；

“**作出要约之日**”是指本公司作出要约向股东购买或收购公司股份之日，该等要约中需说明每股购买价格（不应超过最高限价）以及实施市场外购买的平等购买计划的相关条款；

“**最高限额**”是指代表了通过本决议之日已发行公司股份总数的10%的公司股份数量（不含任何库存股）；和

关于购买或收购公司股份的“**最高限价**”，是指每股购买价格（不含经纪人佣金、手续费、适用的商品和服务税以及其他相关费用），该价格不得超出：

- (i) 在市场上购买公司股份的情况下，平均收盘价的105%；和
- (ii) 在市场外购买股份的情况下，平均收盘价的105%；以及

(d) 授权董事完成和作出所有其认为必要、合适或有效或有利于本公司的使本决议和股份回购授权生效的行为（包括但不限于签署可能需要的关于本决议和股份回购授权的全部协议和文件）。 **(第9项决议)**

(见附注说明iv)

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10. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

10. 处理任何其他可在年度股东大会妥善处理的普通事项。

BY ORDER OF THE BOARD

承董事会命令

WANG TIANYI
Non-Executive Director and Chairman

王天义
非执行董事兼董事长

6 April 2017
Singapore

二零一七年四月六日
新加坡

Notes:

1. A member of the Company (other than The Central Depository (Pte) Limited) entitled to attend and vote at the Annual General Meeting and who holds two or more Shares shall be entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. Where a member appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy respectively.
3. The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
4. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the Share Registrar's office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 48 hours before the time set for the Annual General Meeting.

附注:

1. 有权出席年度股东大会并投票的公司成员（中央托收私人有限公司除外），若持有两股或两股以上的公司股份，应有权委托不超过两名代理人代替其出席并投票。代理人无需为公司成员。
2. 如果成员委托两名代理人，则该成员应列明各代理人分别代表的其所持股份的分摊比例（以总数的百分比表示）。
3. 委托代理人的文书须由委托人或经其书面妥为授权的人签发。如果委托代理人的文书由公司签署，则须加盖公司公章或由经其妥为授权的人员签署。
4. 委托代理人的文书和作为其签署依据的授权委托书或其他授权书（如有），或公证人签署证明之副本，必须于不晚于年度股东大会计划召开前48小时存放于位于新加坡莱佛士坊50号新置地大厦#32-01室（邮编：048623）的股份过户登记处。

Explanatory Notes:

- i. The ordinary resolution 5 proposed in item 5 is to approve the appointment of Ernst & Young LLP as the Company's Auditor in place of the retiring Auditor, KPMG LLP, to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors of the Company to fix their remuneration. Please refer to the Company's Letter to Shareholders dated 6 April 2017 (the "Letter") for more details.
- ii. The ordinary resolution 6 proposed in item 6 is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue Shares and convertible securities in the Company up to an amount not exceeding in aggregate 50 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.

附注说明:

- i. 第五条中所提议的第5项普通决议是为批准委任Ernst & Young LLP代替即将告退的审计师KPMG LLP担任公司审计师，任期直至下个年度股东大会结束为止，并授权本公司董事确定其薪酬。更多详情请参见本公司于二零一七年四月六日发出的致股东的信函（以下简称“信函”）。
- ii. 第六条中所提议的第6项普通决议是为授权本公司董事会根据其认为对本公司有利之目的，自上述会议日期开始至下个年度股东大会为止发行公司股份和可转换证券，发行总数不超过已发行公司股份总数（不含公司库存股）的50%，其中非按比例向本公司现有股东发行的总数不超过该决议通过时已发行公司股份总数（不含公司库存股）的20%。该项授权除非在股东大会上被撤回或更改，将于本公司下个年度股东大会时期满终止。

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- iii. Pursuant to the Special General Meeting of the Company held on 28 October 2005, the shareholders of the Company approved the passing of the ordinary resolution relating to the Scrip Dividend Scheme. In the circular dated 11 October 2005, the Scrip Dividend Scheme provides members with the option to elect to receive Shares in lieu of the cash amount of any dividend declared on their holding of Shares. The Ordinary Resolution 7 proposed in item 7, if passed, will empower the Directors of the Company to allot and issue Shares in the Company pursuant to the terms and conditions of the Scrip Dividend Scheme.
- iii. 根据二零零五年十月二十八日举行的本公司特别股东大会，本公司股东批准通过了关于以股代息计划的普通决议。在二零零五年十月十一日的通函中，以股代息计划为成员提供选择以收取公司股份的方式代以收取其根据持有公司股份可获分配的股息现金。第七条中所提议的第7项普通决议如果获通过，将授权本公司董事会根据以股代息计划的条款和条件分配和发行公司股份。
- iv. The ordinary resolution 8 proposed in item 8 above, if passed, will empower the Directors of the Company, to offer and grant options and to allot and issue or transfer Shares upon the exercise of such options in accordance with the Scheme not exceeding 15% of the total number of issued Shares excluding treasury shares of the Company from time to time.
- iv. 第八条中所提议的第8项普通决议如果获通过，将授权本公司董事会提供和授予期权以及当该等期权根据员工认股计划得以行权而时不分配和发行不超过已发行公司股份总数（不含公司库存股）15%的公司股份。
- v. The Company intends to use internal sources of funds, external borrowings or a combination of internal resources and external borrowings, to finance the purchases or acquisitions of its Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on, *inter alia*, the manner in which the purchase or acquisition is funded, the aggregate number of Shares purchased or acquired, and the consideration paid at the relevant time. For illustrative purposes only, the financial effects of an assumed purchase or acquisition by the Company of 10 per cent. of its issued Shares as at 22 March 2017, 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 2016 and certain assumptions, are set out in paragraph 3.8 of the Company's Letter.
- v. 本公司打算使用内部资金来源、外部借款或二者兼而有之的方式作为购买或收购公司股份的资金。本公司购买或收购其股份所需要的资金数额以及对本公司财务状况的影响在本通知之日尚不能确定，因为该等数额和影响尤其取决于购买或收购资金来源取得方式、购买或收购的公司股份总数以及在相关时间支付的对价。仅为说明之目的，公司信函第3.8段列示了，假设以等同于每股最高限价的购买价格购买或收购本公司截至二零一七年三月二十二日已发行股份的10%，基于本公司及其子公司截至二零一六年十二月三十一日的财政年度的已审计财务报表和特定假设，该等购买或收购对本公司的财务影响。

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

个人资料隐私权：

通过提交代理人表格委托一名或多名代理人和/或代表出席年度股东大会和/或其任何续会并发言和投票，本公司成员 (i) 同意让本公司 (或其代理) 收集、使用及披露股东的个人资料，以让本公司 (或其代理) 能够就因年度股东大会 (包括其任何续会) 而受委托的代理人和代表事宜进行处理和管理，并准备和整理出席名单、会议记录和其他有关年度股东大会 (包括其任何续会) 的文件，以及让本公司 (或其代理) 能够遵循适用法律、上市规则、规定和/或指导原则 (统称 "目的")，(ii) 就上述目的，保证当本公司股东向本公司 (或其代理) 披露其代理人和/或代表的个人资料时，股东已获得该等代理人和/或代表的事先同意，允许本公司 (或其代理) 收集、使用和披露该等代理人和/或代表的个人资料，并且 (iii) 同意将就因股东违反承诺而引致的任何处罚、责任、索赔、要求、损失及损害对本公司作出赔偿。

In the event of any conflict between the English and Chinese versions in this Annual Report, the English version shall prevail
若此年度报告的中英文版本出现不一致时，以英文版本为准



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