INTERIM REPORT

昆明滇池水務股份有限公司

Kunming Dianchi Water Treatment Co., Ltd.

（於中華人民共和國註冊成立的股份有限公司）

(a joint stock company incorporated in
the People's Republic of China with limited liability)

股份代號STOCK CODE: 3768

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CHAPTER ONE CORPORATE INFORMATION
第一章 公司資料

REGISTERED NAME OF THE COMPANY **公司法定名稱**	Kunming Dianchi Water Treatment Co., Ltd.	昆明滇池水務股份有限公司
REGISTERED OFFICE AND HEADQUARTERS IN THE PRC **中國註冊地址及總部**	Wastewater Treatment Plant No. 7 Kunming Dianchi Tourist Resort Yunnan Province PRC	中國雲南省昆明市 滇池旅遊度假區 第七污水處理廠
PRINCIPAL PLACE OF BUSINESS IN HONG KONG **香港主要營業點**	Room 1901, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong	香港 銅鑼灣 希慎道33號 利園一期19樓1901室
WEBSITE OF THE COMPANY **公司網站**	www.kmdcwt.com	www.kmdcwt.com
STOCK CODE **股份代號**	03768	03768
LEGAL REPRESENTATIVE OF THE COMPANY **公司法定代表人**	Ms. Guo Yumei	郭玉梅女士
AUTHORIZED REPRESENTATIVES **授權代表**	Mr. Chiu Ming King *FCIS, FCS* Mr. Luo Yun	趙明璟先生*FCIS, FCS* 羅雲先生
JOINT COMPANY SECRETARIES **聯席公司秘書**		

PRC LEGAL ADVISER TO THE COMPANY **公司中國法律顧問**	Yunnan Lanmei Law Firm A25 Floor, Duchangxinjieyuan, 185 Haicheng Road Xishan District Kunming, Yunnan Province PRC	雲南瀾湄律師事務所 中國雲南省昆明市 西山區 海埂路185號 都昌欣界苑A25樓
H SHARE REGISTRAR **H股股份登記處**	Tricor Investor Services Limited Level 54 Hopewell Centre 183 Queen's Road East Hong Kong	卓佳證券登記有限公司 香港皇后大道東183號 合和中心54樓

BOARD OF DIRECTORS
董事會

Executive Directors **執行董事**	Ms. Guo Yumei *(Chairperson)* Mr. Chen Changyong (appointed on 19 June 2020) *(General manager)* Mr. Luo Yun	郭玉梅女士*(董事長)* 陳昌勇先生 (於2020年6月19日獲委任) *(總經理)* 羅雲先生
Non-executive Directors **非執行董事**	Ms. Song Hong Ms. Zhao Zhu Ms. Yu Yanbo (appointed on 19 June 2020)	宋紅女士 趙竹女士 余燕波女士 (於2020年6月19日獲委任)
Independent Non-executive Directors **獨立非執行董事**	Mr. Yin Xiaobing Mr. He Xifeng Mr. Sin Lik Man	尹曉冰先生 何錫鋒先生 冼力文先生

BOARD COMMITTEES
董事會轄下委員會

Audit Committee **審計委員會**	Mr. Yin Xiaobing *(Chairperson)* Mr. He Xifeng Mr. Sin Lik Man	尹曉冰先生*(主任委員)* 何錫鋒先生 冼力文先生
Remuneration and Appraisal Committee **薪酬與考核委員會**	Mr. He Xifeng *(Chairperson)* Ms. Guo Yumei Mr. Yin Xiaobing	何錫鋒先生*(主任委員)* 郭玉梅女士 尹曉冰先生
Nomination Committee **提名委員會**	Mr. Yin Xiaobing *(Chairperson)* Ms. Guo Yumei Mr. He Xifeng	尹曉冰先生*(主任委員)* 郭玉梅女士 何錫鋒先生

Strategy and Investment Decision Committee **戰略與投資決策委員會**	Ms. Guo Yumei *(Chairperson)* Mr. Luo Yun Mr. Yin Xiaobing	郭玉梅女士*(主任委員)* 羅雲先生 尹曉冰先生
BOARD OF SUPERVISORS **監事會**	Mr. Na Zhiqiang *(Chairperson)* Mr. Yao Jianhua Mr. Shao Wei	那志強先生*(主席)* 姚建華先生 邵偉先生

PRINCIPAL BANKS
主要往來銀行

China Everbright Bank **中國光大銀行**	Kunming Dianchi Road Sub-branch Project & Design Unit Building No. 1177 Dianchi Road Xishan District, Kunming Yunnan Province PRC	昆明滇池路支行 中國 雲南省 昆明市西山區滇池路1177號 規劃設計聯合機構大樓
Industrial Bank **興業銀行**	Kunming Branch 2nd Floor, Yuntong Times Square Jinbi Road Kunming, Yunnan Province PRC	昆明分行 中國 雲南省昆明市 金碧路雲銅時代廣場2樓
China Minsheng Bank **中國民生銀行**	Kunming Dianchi Road Sub-branch No. 331 Huancheng South Road Kunming Yunnan Province PRC	昆明滇池路支行 中國 雲南省 昆明市 環城南路331號
Agricultural Bank of China **中國農業銀行**	Kunming Resort Sub-branch Qianfu Road No. 1 Xishan District, Kunming Yunnan Province PRC	昆明度假區支行 中國 雲南省 昆明市 西山區前福路1號
Bank of Communications **交通銀行**	Yunnan Branch 1st Floor Counter Bank of Communications Building No. 397 Baita Road Panlong District, Kunming Yunnan Province PRC	雲南省分行 中國 雲南省 昆明市盤龍區白塔路397號 交通銀行大廈1樓大堂

Bank of China **中國銀行**	Kunming Guandu Sub-branch No. 432 Minhang Road Kunming

Dear Shareholders,

In the first half of 2020, due to the superimposed effects of unfavorable factors such as the novel coronavirus pneumonia epidemic and the oil price war, the domestic and international economic environment was facing severe challenges. Kunming Dianchi Water Treatment Co., Ltd. ("**the Company**") explored its own potential, integrated internal resources and took the Five-Year Strategic Plan as a guide to push forward its "second venture" to a new stage. The Company strived to promote the innovation of management system and technology and fully relied on the two capital markets in Hong Kong and Mainland China to steadily promote project investment around its main business. Meanwhile, the Company further extended the entire industry chain to comprehensive watershed management, sludge resource utilization, mine rehabilitation and the derived solid waste fields. The Company was also committed to developing into a "first-class domestically and internationally advanced comprehensive service provider of ecological environmental protection and management" for the benefit of our Shareholders, customers and society.

PERFORMANCE REVIEW

Faced with the sudden impact of the novel coronavirus pneumonia epidemic, the Company took a series of active measures to resume work and production by adhering to the development philosophy of "developing the Company by science and technology, developing the Company with talents, and developing the Company through culture". Focusing on the core business of wastewater treatment, the Company responded to changes in external environment with reforms in the Company itself and promoted the steady development of its main business and strategic emerging businesses.

For the six months ended 30 June 2020, revenue of the Company was RMB794.5 million, representing an increase of 11.6% as compared to the corresponding period in 2019; net profit attributable to Shareholders of the Company was RMB159.6 million, representing an increase of 6.8% as compared to the corresponding period in 2019. The Company was committed to enhancing the enterprise value and generating sustainable and stable investment returns for its Shareholders. Based on the Company's future development strategy and taking full account of the need for subsequent business development, the Company intended to pay an interim dividend of RMB0.054 (tax included) per share to all Shareholders for the six months ended 30 June 2020 (corresponding period in 2019: Nil).

尊敬的各位股東：

2020年上半年，受新冠肺炎疫情、石油價格戰等不利因素疊加影響，國內外經濟環境面臨嚴峻考驗。昆明滇池水務股份有限公司(「**公司**」)深挖自身潛力、整合內部資源，以五年戰略規劃為引領，全力推動「二次創業」邁上新台階，公司著力推進管理體制創新與科技技術創新，充分依託香港和內地兩個資本市場，圍繞主業穩步推進項目投資，同時進一步向流域綜合治理、污泥資源化利用、礦山修復及衍生的固廢領域等全產業鏈延伸，致力發展成為「國內一流、國際先進的生態環境保護治理綜合服務商」，回饋股東、客戶及社會。

業績回顧

面對突如其來的新冠肺炎疫情衝擊，公司採取一系列積極措施復工復產，秉承「科技興司、人才興司、文化興司」發展理念，圍繞污水處理核心業務，以企業自身變革應對外圍環境變化，推動主營業務與戰略新興業務的穩健發展。

截至2020年6月30日止六個月，公司收入為人民幣794.5百萬元，較2019年同期增長11.6%；本公司股東應佔淨利潤為人民幣159.6百萬元，較2019年同期增長6.8%。公司致力於企業價值的提升及為股東創造持續、穩定的投資回報，在結合公司未來發展戰略及充分考量後續業務發展需求的基礎上，本公司擬向所有股東派發截至2020年6月30日止六個月的中期股息每股人民幣0.054元(含稅)(2019年同期：無)。

With respect to the main business, in the first half of 2020, the Company's wastewater treatment, reclaimed water supply and running water supply continued to maintain steady development, with the volume of wastewater treatment, reclaimed water and running water supply remaining basically the same as the corresponding period last year, of which the quality of the effluent from the wastewater treatment plants led the country and other major effluent indicators such as ammonia nitrogen, chemical oxygen demand (COD), total phosphorus (T-P) and total nitrogen (T-N) in the main city of Kunming and the water purification plants of the lagoon were superior to the national "urban wastewater treatment plant pollutant discharge standards" Class A standards. During the Reporting Period, the Company's per capita wastewater treatment capacity was approximately 3.29 times the industry average and the number of reclaimed water users increased by approximately 9.0% compared with the same period of the previous year. Through promoting scientific and technological innovation leadership and the application of scientific and technological achievement transformation, the Company further enhanced the level of refinement, standardization and informatization of production and operation management. The operation management and wastewater treatment technology have always remained advanced in the industry. During the Reporting Period, the Company obtained two utility model patents and won the first prize of the "2019 Huaxia Construction Science and Technology Award".

主營業務方面，2020年上半年，公司污水處理、再生水供應及自來水供應繼續保持穩步發展，污水處理量、再生水及自來水供應量與上年同期基本持平。其中，污水處理廠出水水質全國領先，昆明主城區及環湖水質淨化廠氨氮、化學需氧量(COD)、總磷(T-P)和總氮(T-N)等主要出水指標均優於國家《城鎮污水處理廠污染物排放標準》一級A標，報告期內，公司人均污水處理量約為行業平均水平的3.29倍，再生水用戶數較上年同期增長約9.0%。通過推動科技創新引領和科技成果轉化應用，進一步提升生產經營管理的精細化、標準化、信息化水平，運營管理及污水處理技術始終保持行業先進。報告期內，獲得2項實用新型專利，榮獲「2019年度華夏建設科學技術獎」一等獎。

PROSPECTS

The year 2020 is the closing year of building a well-off society in an all-round way and the 13th Five-Year Plan. As the country attaches greater importance to ecological and environmental protection and emphasizes the need to fight against pollution, "green water and green mountains are golden mountains and silver mountains" has become a national consensus. In particular, after the current round of the novel coronavirus pneumonia epidemic, the environmental protection industry will usher in new development opportunities.

As a leader in the municipal wastewater treatment and reclaimed water supply industry in Yunnan Province, China, with the prevention and control of the novel coronavirus pneumonia epidemic of the country being further consolidated in a positive trend, the government has successively introduced a series of policies to develop the environmental protection industry and stimulate economic recovery which will bring about new development opportunities for environmental protection enterprises to create a broader market. The Company will actively integrate into the national ecological and environmental protection development strategies and position itself as an " internationally-operated comprehensive service provider of ecological and environmental protection and management" by further integrating resources, actively seeking "changes" and digging deep into the Company's internal dynamics to accelerate technological innovation and the application of technological achievements, expand project investment and carry out industrial mergers and acquisitions around the main business. At the same time, the Company will further extend the entire industry chain to the upstream water source protection, running water supply, downstream high-quality reclaimed water supply, comprehensive watershed management, sludge resources utilization, mine rehabilitation and the derived solid waste field, etc.

未來展望

2020年是全面建成小康社會和十三五規劃的收官之年，隨著國家更加重視生態環保，強調打好污染防治攻堅戰，「綠水青山就是金山銀山」已成為全國人民共識，特別是本輪新冠肺炎疫情過後，環保行業將迎來新的發展機遇。

本公司作為中國雲南省市政污水處理及再生水供應行業的領導者，隨著國內新冠肺炎疫情的防控向好態勢的進一步鞏固，政府相繼出台的環保產業發展及刺激經濟復甦的一系列政策為環保企業帶來新的發展機遇，亦將催生更廣大的市場。公司將積極融入國家生態環保發展戰略，以「國際化經營的生態環境保護治理綜合服務商」為定位，進一步整合資源、主動求「變」，深挖企業內生動力，加快科技創新和科技成果應用轉化，圍繞主業擴大項目投資和開展產業併購，同時進一步向上游水源地保護、自來水供應及下游高品質再生水供給、流域綜合治理、污泥資源化利用、礦山修復及衍生的固廢領域等全產業鏈延伸。

In the second half of 2020, with the continuous optimization of normalized preventive and control measures of the novel coronavirus pneumonia epidemic and the gradual release of macro policy effects, the current domestic economy will be accelerating to hedge the impact of the epidemic and the national economy will show resilient growth. The Company will seize its own advantages to actively respond to change and seek change, further strengthen the leading role of scientific and technological innovation, enhance financial management and control, improve the comprehensive risk control system and further extend the investment industry chain to establish a large environmental protection investment pattern, promote quality and efficiency in management and operation based on standardized management, accelerate talent reserves and performance assessment, optimize the organizational structure and business processes and accelerate continuous improvement of the Company's industrial competitiveness and operating performance, thereby bringing stable and sustainable returns to the Shareholders.

2020年下半年，隨著新冠肺炎疫情常態化防控措施不斷優化、宏觀政策效應逐步釋放，當前國內經濟正在加快對沖疫情影響，國民經濟呈現恢復性增長態勢，公司將把握自身優勢，主動應變、主動求變，進一步強化科技創新引領作用，強化財務管控力度、健全全面風險管控體系，進一步延伸投資產業鏈，構建大環保投資格局，以標準化管理為基礎推動管理運行提質增效，加快人才儲備和效能考核，優化組織架構和業務流程，加速公司產業競爭力和經營業績的持續提升，為股東帶來穩定、可持續回報。

Finally, on behalf of the Board, I would like to express my sincere gratitude to all Shareholders, customers, business partners and stakeholders for their long-term trust and support to the Company over the years. At the same time, I would like to express my sincere gratitude to all employees and management team for their hard work and dedication.

最後，本人謹代表董事會衷心感謝各位股東、客戶、商業夥伴及持份者長期以來對本公司的信任與支持，同時也向全體員工及管理團隊的辛勤奉獻致以誠摯謝意。

Guo Yumei
Chairperson

郭玉梅
董事長

"Board" or "Board of Directors"		the board of Directors of the Company
「董事會」	指	本公司董事會
"China" or "PRC"		the People's Republic of China
「中國」	指	中華人民共和國
"Company"		Kunming Dianchi Water Treatment Co., Ltd. (昆明滇池水務股份有限公司), a joint stock company established in Yunnan Province, PRC, with limited liability on 23 December 2010 in accordance with PRC laws, and, if the context requires, including its predecessors and subsidiaries
「本公司」或「公司」	指	昆明滇池水務股份有限公司，一家根據中國法律於2010年12月23日在中國雲南省成立的股份有限公司，如文義所需，包括其前身及附屬公司
"Controlling Shareholder"		has the meaning ascribed to it under the Listing Rules and represents Kunming Dianchi Investment Co., Ltd., a limited liability company established in Yunnan Province, China on 13 October 2004
「控股股東」	指	具有上市規則所賦予之涵義，指昆明滇池投資有限責任公司，一家於2004年10月13日在中國雲南省成立的有限責任公司
"Corporate Governance Code"		the Corporate Governance Code as set out in Appendix 14 of the Listing Rules
「企業管治守則」	指	上市規則附錄十四所載的《企業管治守則》
"Director(s)"		director(s) of the Company
「董事」	指	本公司董事
"Domestic Share(s)"		ordinary shares in the Company's share capital with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi by citizens of PRC and/or entities incorporated in PRC
「內資股」	指	本公司股本中每股面值人民幣1.00元的普通股，由中國公民及／或於中國註冊成立之實體以人民幣認購並繳足
"Group" or "we" or "our" or "us"		the Company and its subsidiaries
「本集團」或「我們」	指	本公司及其附屬公司
"Hang Seng Bank"		Hang Seng Bank (China) Limited (恒生銀行(中國)有限公司), a third party independent of the Company and its connected person(s) as of the date of this interim report
「恒生銀行」	指	恒生銀行(中國)有限公司，於本中期報告日期為獨立於本公司及其關連人士的第三方
"Bank of Communications"		Yunnan Branch of Bank of Communications Co.,Ltd. (交通銀行股份有限公司雲南省分行), a third party independent from the Company and its connected person(s)
「交通銀行」	指	交通銀行股份有限公司雲南省分行，為獨立於本公司及其關連人士的第三方

"H Share(s)"		overseas listed foreign shares in the share capital of the Company with nominal value of RMB1.00 each, which are subscribed for and traded in HK dollars and are listed on the Hong Kong Stock Exchange
「H股」	指	本公司股本中每股面值人民幣1.00元的境外上市外資股，將以港元認購及買賣並於香港聯交所上市
"HK$", "Hong Kong dollars", "HK dollars" or "HKD"		Hong Kong dollars, the lawful currency of Hong Kong
「港元」	指	香港法定貨幣港元
"Hongyu Thermal Power"		Liuyang Hongyu Thermal Power Co., Ltd.* (瀏陽市宏宇熱電有限公司), a limited liability company incorporated in the PRC and a subsidiary directly owned by the Company
「宏宇熱電」	指	瀏陽市宏宇熱電有限公司，於中國註冊成立之有限責任公司為本公司直接擁有的附屬公司
"Hong Kong Stock Exchange" or "Stock Exchange"		The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
「香港聯交所」或「聯交所」	指	香港聯合交易所有限公司，為香港交易及結算所有限公司的全資附屬公司
"KDI"		Kunming Dianchi Investment Co. Ltd. (昆明滇池投資有限責任公司), a company established in Yunnan Province, PRC with limited liability on 13 October 2004, which is a Controlling Shareholder of the Company
「昆明滇池投資」	指	昆明滇池投資有限責任公司，一家於2004年10月13日在中國雲南省成立的有限責任公司，為本公司的控股股東
"Kunming Bus"		Kunming Bus Group Co., Ltd. (昆明公交集團有限責任公司), formerly known as the Kunming Bus Corporation, a state-owned sole proprietorship company incorporated in the PRC, which is a third party independent of the Company and its connected person(s) as of the date of this interim report
「昆明公交」	指	昆明公交集團有限責任公司，前稱昆明市公共汽車總公司，一家在中國註冊成立的國有獨資有限責任公司，於本中期報告日期為獨立於本公司及其關連人士的第三方
"Kunming DIG"		Kunming Development Investment Group Co., Ltd. (昆明發展投資集團有限公司), a state-owned sole proprietorship company incorporated in the PRC on 27 January 2010, which is a third party independent of the Company and its connected person(s) as of the date of this interim report
「昆明發展」	指	昆明發展投資集團有限公司，一家於2010年1月27日在中國註冊成立的國有獨資有限責任公司，於本中期報告日期為獨立於本公司及其關連人士的第三方

"Kunming SASAC"		the State-owned Assets Supervision and Administration Commission of the Kunming People's Government (昆明市人民政府國有資產監督管理委員會)
「昆明市國資委」	指	昆明市人民政府國有資產監督管理委員會
"Latest Practicable Date"		24 August 2020, the latest practicable date for the inclusion of certain information and data prior to the printing of this report
「最後實際可行日期」	指	2020年8月24日，即本報告付印前於其中納入若干資料及數據的最後實際可行日期
"Listing Rules"		the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
「上市規則」	指	香港聯交所證券上市規則(經不時修訂、補充或以其他方式修改)
"Model Code"		the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
「標準守則」	指	上市規則附錄十所載的《上市發行人董事進行證券交易的標準守則》
"Prospectus"		the prospectus of the Company dated 24 March 2017 in relation to the initial public offering and the Listing of H Shares on the Stock Exchange
「招股說明書」	指	日期為2017年3月24日有關首次公開發售及H股於聯交所上市的本公司招股章程
"Reporting Period"		from 1 January 2020 to 30 June 2020
「報告期」	指	2020年1月1日至2020年6月30日止
"RMB" or "Renminbi"		the lawful currency of the PRC. Unless otherwise specified, the values contained in this interim report are denominated in RMB
「人民幣」	指	中國法定貨幣。本中期報告除特別說明外，金額幣種為人民幣
"SFO"		the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
「證券及期貨條例」	指	《證券及期貨條例》(香港法例第571章)(經不時修訂、補充或以其他方式修改)
"Shareholder(s)"		holder(s) of the shares of the Company
「股東」	指	本公司股份持有人

"BOO"		Build-Own-Operate, a project model under which an enterprise undertakes the financing, design, construction of wastewater treatment or water supply facilities. Such facilities are owned by the enterprise, and the enterprise has the right to operate such facilities in the concession period during which the enterprise can charge service fees based on the supplied treated wastewater or running water to cover its costs of investment, operation and maintenance and obtain reasonable returns, according to the concession agreement entered into by the enterprise and the government
「BOO」	指	建設－擁有－經營，一種項目模式，由一家企業承擔融資、設計、建設污水處理或供水設施，有關設施由該企業擁有，該企業有權在特許期間營運有關設施。在特許期間，該企業可根據其與政府所訂立的特許經營權協議按所供應已處理的污水或自來水收取服務費，以收回其投資、營運及維護成本並取得合理回報
"BOT"		Build-Operate-Transfer, a project model whereby, pursuant to a concession agreement entered into by an enterprise and the government, the government grants to the enterprise the rights to undertake the financing, design, construction, operation and maintenance of wastewater treatment or water supply facilities in the concession period, during which the enterprise can charge service fees based on the supplied treated wastewater or water to cover its costs of investment, operation and maintenance and obtain reasonable returns, while upon the expiration of the concession period, the relevant facilities will be transferred back to the government at nil consideration
「BOT」	指	建設－經營－移交，一種項目模式，據此，根據企業與政府訂立的特許經營權協議，政府授權一家企業於特許期間承擔污水處理或供水設施的融資、設計、建設、營運及維護，該企業可於特許期間按所供應已處理污水或水收取服務費以收回其投資、營運及維護成本並取得合理回報，而在特許期間屆滿後，相關設施將無償交回政府
"BT"		Build and Transfer, a project model whereby an enterprise undertakes the financing, design and construction of a facility on behalf of the proprietor(s) for relevant fees to be paid by the proprietor(s) during and upon the completion of the construction
「BT」	指	建設及移交，一種項目模式，一家企業代所有人承擔某項設施的融資、設計及建設，相關費用會於建設時及完成時由所有人支付

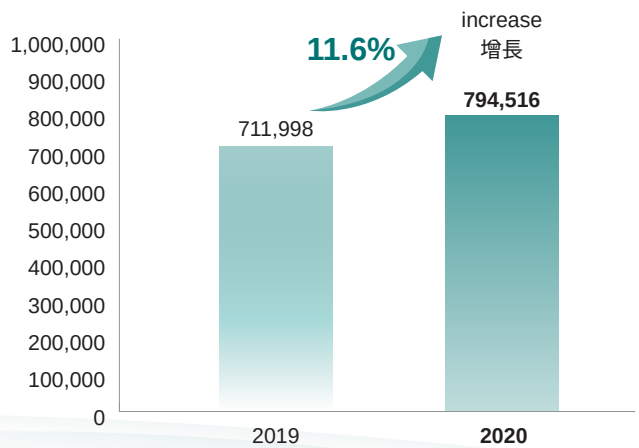
"TOO"		Transfer-Own-Operate, a project model whereby an enterprise purchases completed wastewater treatment or water supply facilities from the government and undertakes the operation of such facilities owned by the enterprise in the concession period, during which the enterprise can charge service fees based on the supplied treated wastewater or running water to cover its costs of investment, operation and maintenance and obtain reasonable returns, according to the concession agreement entered into by the enterprise and the government
「TOO」	指	移交－擁有－經營，一種項目模式，據此，企業向政府購買已建成的污水處理或供水設施，並於特許期間承擔其所擁有的設施的營運。在特許期間，該企業可根據其與政府所訂立特許經營權協議按所供應已處理的污水或自來水收取服務費，以收回其投資、營運及維護成本並取得合理回報
"TOT"		Transfer-Operate-Transfer, a project model whereby, pursuant to a concession agreement entered into by an enterprise and the government, the government grants to the enterprise the property rights or operation rights of constructed wastewater treatment or water supply facilities in the concession period, during which the enterprise can charge service fees based on the supplied treated wastewater or running water to cover its costs of investment, operation and maintenance and obtain reasonable returns, while upon the expiration of the concession period, the relevant facilities will be transferred back to the government at nil consideration
「TOT」	指	移交－經營－移交，一種項目模式，據此，根據企業與政府訂立的特許經營權協議，政府將已建成的污水處理或供水設施在特許期間的產權或經營權轉讓給企業。在特許期間，該企業可按所供應已處理的污水或自來水收取服務費，以收回其投資、營運及維護成本並取得合理回報，而在特許期間屆滿後，相關設施將無償交回有關政府
"utilization rate"		the actual volume of water supplied or wastewater treated divided by the designed volume of water supplied or wastewater treated for a given period
「利用率」	指	指定期間的實際供水或污水處理量除以設計供水或污水處理量
"wastewater treatment"		use of physical, chemical and biological methods to remove pollutants from wastewater or to turn pollutants into innoxious substances so that wastewater can reach the standards allowing for it to be discharged into a water body or reused
「污水處理」	指	為使污水達到排入某一水體或再次使用的水質要求，對其採用物理、化學及生物等方法去除污水中的污染物或將污染物化為無毒物質

I. FINANCIAL SUMMARY

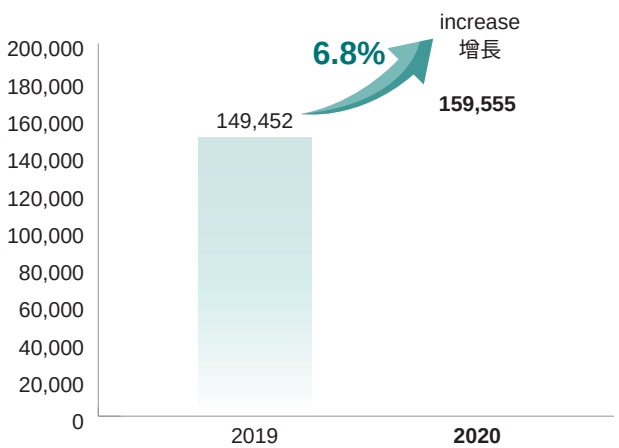
一、 財務摘要

		For the six months ended 30 June 截至6月30日止六個月期間	
		2020 2020年	2019 2019年
		RMB'000 人民幣千元	*RMB'000 人民幣千元*
		(Unaudited) (未經審計)	(Unaudited) (未經審計)
Revenue	**收入**	**794,516**	711,998
Profit before income tax	所得稅前利潤	**196,887**	182,890
Income tax expense	所得稅費用	**(36,298)**	(32,623)
Profit for the period	期間利潤	**160,589**	150,267
Attributable to:	**歸屬於：**		
The equity holders of the Company	本公司權益持有人	**159,555**	149,452
Non-controlling interests	非控制性權益	**1,034**	815
Other comprehensive income for the period	**期間其他綜合收益**	**796**	89
Total comprehensive income for the period	**期間綜合收益總額**	**161,385**	150,356
Earnings per share for profit attributable to the equity holders of the Company during the period *(expressed in RMB per share)*	**歸屬於本公司權益持有人的期間利潤的每股收益** *(以每股人民幣計)*		
Basic and diluted earnings per share	基本及稀釋每股收益	**0.16**	0.15

Revenue (RMB'000)
收入（人民幣千元）
For the six months ended 30 June
截至6月30日止六個月期間



Attributable to the equity holders of the Company (RMB'000)
歸屬於本公司權益持有人利潤（人民幣千元）
For the six months ended 30 June
截至6月30日止六個月期間



二、經營數據摘要

		As at 30 June 於6月30日	
		2020	2019
		2020年	2019年
Capacity *('000 m³ per day)*	**產能**(千立方米／日)		
Wastewater treatment	污水處理	**1,910**	1,827
Reclaimed water supply	再生水供應	**63**	52
Running water supply	自來水供應	**126**	116

		For the six months ended 30 June 截至6月30日止六個月期間	
		2020	2019
		2020年	2019年
Volume *('000 m³ per period indicated)*	**產量**(千立方米／所示期間)		
Wastewater treatment	污水處理	**296,170**	299,173
Reclaimed water supply	再生水供應	**6,834**	6,898
Running water supply	自來水供應	**6,963**	7,416

I. OPERATING ENVIRONMENT

In the first half of 2020, under the influence of the global outbreak of the novel coronavirus pneumonia epidemic, de-globalization and trade protectionism, the world economy was in recession. In the face of complicated development environment and the prevention and control of the epidemic domestically, the country adopted a series of policies to stimulate economic development, such as increasing fiscal deficit, issuing special treasury bonds, increasing the scale of local government special bonds, guiding down interest rates of the loan market and reducing taxes and fees for smoothing domestic circulation which played a positive role in the stable development of the industry. Since the 18th National Congress of the Communist Party of the People's Republic of China, the construction of ecological civilization has been elevated to a national strategic level and the concept of ecological and environmental management has also transition from passive, extensive and fragmented end-of-site facilities emissions compliance management to an active, refined and systematic "mountains, rivers, forests, fields, lakes and grasses life co-governance". The governance approach has been shifting from relying on individual technologies and engineering to solve individual pollution problems to whole life cycle management, whole chain design, whole system optimization and cross-media pollution control. The year of 2020 is the closing year to achieve the "Water Ten Measures" phased work goals and the "13th Five-Year Plan". The new trend of the integration of the whole river basin-wide protection and management, the accelerated development of the wastewater treatment industry, the integration and innovation of biotechnology, information control and other industries, the formation of a large-scale pattern of environmental monitoring and surveillance, the "three water co-management" of water pollution control, water ecological restoration and water resources protection will further broaden the room of high-quality development of the industry. Following the introduction of the " Master Plan of National Significant Ecosystem Protection and Restoration of Major Projects (2021-2035)" (《全國重要生態系統保護和修復重大工程總體規劃(2021-2035年)》) and speeding up improvement of the Yangtze River Economic Zone wastewater treatment charging mechanism and other policies, they will inject new vitality into the healthy, sustainable and high-quality development of the industry.

一、 經營環境

2020年上半年，受新冠肺炎疫情在全球的蔓延及逆全球化、貿易保護主義等影響，世界經濟陷入衰退，面對複雜的發展環境以及國內疫情防控形勢，國家採取了增加財政赤字、發行特別國債、增加地方政府專項債規模、引導貸款市場利率下行及減稅降費等一系列的刺激經濟發展的政策，暢通國內大循環，為行業的穩定發展起到了積極的作用。十八大以來，生態文明建設上升至國家戰略高度，生態環境治理理念也正在從被動式、粗放型、碎片化的末端設施達標排放管理向主動式、精細化、系統化的「山水林田湖草」生命共同治理轉變，治理方式正從依賴單項技術和工程、解決單類污染問題向全生命週期管理、全鏈條設計、全系統優化、跨介質污染控制轉變。2020年是實現「水十條」階段性工作目標及「十三五」規劃的收官之年，大保護大治理全流域一體化一盤棋的新趨勢以及污水處理行業與生物技術、信息控制等行業融合創新加速發展、環保監測監察大格局的形成以及水污染治理、水生態修復、水資源保護「三水共治」將進一步拓寬行業高質量發展空間，隨著《全國重要生態系統保護和修復重大工程總體規劃(2021-2035年)》及加快完善長江經濟帶污水處理收費機制等政策的出台，將為行業的健康可持續高質量發展注入新的活力。

The Company is positioned as an internationally-operated comprehensive service provider of ecological and environmental protection and management and is a leading enterprise in the municipal wastewater treatment and reclaimed water supply service industry in Yunnan Province, PRC, enjoying exclusive rights to provide wastewater treatment services to Kunming and other regions of China. We will seize the policy dividends of marketization of the environmental protection industry and continue to adhere to the development concept of "unitary domination with diversified development" to expand our core business of wastewater treatment and actively carry out industrial mergers and acquisitions to further extend the entire industry chain in the upstream water source protection, running water supply, downstream high quality reclaimed water supply, comprehensive river basin management, utilization of sludge resources, mine restoration and derived solid waste disposal. At the same time, we will continue to explore the endogenous power and stimulate the Company's potential in technological innovation, talent team building and improvement of quality and efficiency of the management, etc., so as to make positive contributions to the development of the national ecological environment and continue to inject energy into the sustainable and high quality development of the Company.

本公司定位為國際化經營的生態環境保護治理綜合服務商，是中國雲南省市政污水處理及再生水供應服務行業的領導者，享有向昆明市及中國其他若幹地區提供污水處理服務的獨家權利。我們將搶抓環保產業市場化的政策紅利，繼續秉承「一元為主、相關多元」發展理念，繼續拓展污水處理核心業務，積極開展產業併購，進一步向上游水源地保護、自來水供應及下游高品質再生水供給、流域綜合治理、污泥資源化利用、礦山修復及衍生的固廢處置領域等全產業鏈延伸，同時，我們將繼續深挖內生動力，不斷激發公司在科技創新、人才隊伍建設、管理提質增效等方面的潛能，為國家生態環境發展作出積極貢獻，為企業可持續高質量發展持續注能。

1. Overview of Wastewater Treatment Industry

Water resources of China are characterized by a shortage of per capita resources, uneven distribution and serious water pollution. According to the national target of the "13th Five-Year Plan of the National Urban Wastewater Treatment and Recycling Facilities Construction Plan" (《"十三五"全國城鎮污水處理及再生利用設施建設規劃》), by the end of 2020, complete coverage of urban wastewater treatment facilities will be achieved, of which urban wastewater treatment rate will reach 95% and the scale of newly added wastewater treatment facilities will be 50.22 million m^3/day. The formation of a large-scale environmental protection regulatory framework and the future upgrade and transformation of stock assets in the wastewater treatment industry will continue to release market space. As an important part of the environmental protection industry, the wastewater treatment industry is one of the key tasks of the national, provincial and municipal governments in pollution control. In 2019, Yunnan Province issued the " Implementation of the Three-year Action Plan for Improving the Quality and Efficiency of Urban Wastewater Treatment in Yunnan Province (2019-2021)" (《雲南省城鎮污水處理提質增效三年行動實施方案(2019-2021年)》) which pointed out that the improvement of water environment quality acted as the core to implement systematic restoration and protection of the Yangtze River's ecological environment. The protection and management of nine plateau lakes acted as the focus and as the main target to systematically enhance the efficiency of urban domestic wastewater collection and strive to make up for the shortcomings in wastewater pipe networks and other facilities construction in urban villages, old urban areas and urban-rural junctions in order to expeditiously achieve the goal of full coverage of wastewater pipe network, full collection and full treatment to lay a solid foundation. Under the guidance of the national strategies, supporting policies and the promotion of safeguard measures by local governments, the rapid and high-quality development of the wastewater treatment industry will become the trend of future development.

1. 污水處理行業概況

中國水資源具有人均資源量短缺、分佈不均勻、水質污染嚴重等特點。根據國家《「十三五」全國城鎮污水處理及再生利用設施建設規劃》目標，到2020年底實現城鎮污水處理設施全覆蓋，城市污水處理率達到95%，新增污水處理設施規模5,022萬立方米／日，隨著環保監管大格局的形成，未來污水處理行業存量資產提標改造也將持續釋放市場空間。污水處理行業作為環保行業的重要組成部分，是國家、省市各地政府污染治理的重點工作之一。2019年雲南省出台了《雲南省城鎮污水處理提質增效三年行動實施方案(2019-2021年)》，指出，以改善水環境質量為核心，以實施長江生態環境系統性修復保護、九大高原湖泊保護治理為重點，以系統提升城市生活污水收集效能為主要目標任務，著力補齊城中村、老舊城區和城鄉結合部污水管網等設施建設短板，為盡快實現污水管網全覆蓋、全收集、全處理目標打下堅實基礎。在國家戰略及配套政策指引下，在各地政府保障措施推動下，污水處理行業的快速高質量發展將成為未來發展的趨勢。

2. Overview of Reclaimed Water Industry

Reclaimed water is the city's second source of water. Nowadays, when water demand continues to increase but water resources are gradually decreasing, reclaimed water plays an increasingly important role in improving the comprehensive utilization of water resources, improving the quality of urban residential water environment and supporting the sustainable and healthy development of social economy. Promoting the use of reclaimed water is an important measure to implement the requirements of the 19th National Congress of the Communist Party of China to "promote comprehensive resources conservation and recycling and implement national water conservation actions", as well as to implement the policy of "prioritizing water conservation, spatial balance, systematic management and two-handed effort" put forward by General Secretary Xi Jinping. The important measures of water control policies are major ways to promote urban water conservation and emission reduction to ensure sustainable use of water resources. It is expected that China's total production capacity of reclaimed water will reach 41.6 million m^3/day by 2020.

3. Overview of Municipal Water Supply Industry

Following the continuous development of urbanization and industrialization, the municipal water supply business in first-tier cities of China will be inclined to develop steadily. For the central and western provinces where developments are relatively delayed, the shift of manufacturing industries to the central and western provinces and the acceleration of urbanization in these areas are expected to drive the growth of urban population and gross domestic product (GDP), which will in turn increase the demand for municipal water supply. The government attaches great importance to the development of running water supply in western China. The progress of urbanization in China and the promotion of environmental protection industry policies are expected to bring huge market opportunities and development potential for the municipal water supply industry in the future.

II. DEVELOPMENT STRATEGY AND PROSPECTS

Since the 18th National Congress of the Communist Party of China incorporated the construction of ecological civilization into the five-in-one national overall layout, "Green Water and Green Mountains are Golden and Silver mountains" has become the consensus among the people of China. In recent years, the development of the Yangtze River Economic Zone, the ecological protection and high-quality development of the Yellow River Basin have become major national strategies, driving further development of the environmental protection industry and related industry chains. Meanwhile, with an in-depth advancement of the Belt and Road Initiative, more room for international cooperation has been released for the development of countries along the route and sustainable growth of the environmental protection industry will remain a development trend in the future.

2. 再生水行業概況

再生水是城市的第二水源，在用水需求不斷增加、水資源卻逐漸減少的今天，再生水對提高水資源綜合利用率、改善提升城市人居水環境質量、支持社會經濟持續健康發展等方面發揮出越來越重要的作用。推進再生水利用，是落實黨的十九大關於「推進資源全面節約和循環利用，實施國家節水行動」的要求，是踐行習近平總書記提出的「節水優先、空間均衡、系統治理、兩手發力」治水方針的重要舉措，是推動城鎮節水減排、保障水資源可持續利用的重要途徑。預計2020年，中國的再生水總產能將達41.6百萬立方米／日。

3. 市政供水行業概況

隨著城市化及工業化的持續發展，中國一線城市市政供水業務將趨於穩步發展態勢，而對於發展相對延後的中西部省份而言，隨著製造業向中西部省份的轉移和這些地區城市化的加速，預計將推動城鎮人口和國內生產總值(GDP)的增長，從而增加對市政自來水供應的需求。政府高度重視中國西部自來水供應的發展。中國城鎮化進程以及環保行業政策的推動，預期將為市政供水行業的未來帶來龐大市場機遇和發展潛力。

二、 發展策略及未來展望

自黨的十八大將生態文明建設納入五位一體的國家總體佈局以來，「綠水青山就是金山銀山」已成為全國人民共識。近年來，長江經濟帶發展、黃河流域生態保護和高質量發展已上升為重大國家戰略，帶動了環保行業及相關產業鏈的進一步發展，同時，隨著一帶一路倡議的深入推進，沿線國家的發展也釋放出了更多的國際合作發展空間，未來環保行業的持續增長仍是發展趨勢。

For the TOO and TOT models, we acquire concessions to operate existing facilities at agreed prices from the relevant local governments. For the BOT models, we finance, construct and operate our own facilities. After the expiration of the relevant concessions, we either obtain new concessions from or transfer the relevant facilities back to the relevant local governments, depending on project types. As of 30 June 2020, we had a total of 48 plants under concession agreements, of which 41 plants were in operation and 7 plants were under construction. Among such 41 plants in operation, 14 were TOO projects, 21 were TOT projects, 4 were BOT projects and 2 were BOO projects.

Wastewater Treatment Projects

As of 30 June 2020, we had a total of 35 wastewater treatment plants in operation (including 14 in Kunming and 21 in other areas of China), with a total wastewater treatment capacity of 1.9 million m^3. We also had 5 wastewater treatment plants under construction in Yunnan Province, PRC and in Laos. Additionally, our management services facilities have a total designed wastewater treatment capacity of 0.5 million m^3. With our technologically advanced facilities, independently developed patents and strong management skills, we have been able to maintain low costs while provide high quality wastewater treatment services. As of 30 June 2020, 93% of our designed wastewater treatment capacity reached the National Class I Category A standard.

During the Reporting Period, we continued to promote the development and expansion of our business. On 2 June 2020, the Company signed an agreement in relation to the acquisition of 100% equity interest in Kunming Dongchuan Guozhen Sewage Treatment Co., Ltd. (昆明市東川區國禎污水處理有限公司) and a project agreement was signed

In recent years, with the construction of sponge cities in China, the construction of sponge cities has also commenced in Kunming City, Yunnan Province. Closely following the national policy and the demand of urban development, we actively entered into the rainwater resources utilization market on the basis of stepping up the expansion of the original reclaimed water business, and gradually formed a new pattern of coordinated development of reclaimed water and rainwater resources. At present, we have entered into a "Kunming Reclaimed Water Concession Service Agreement" (《昆明市再生水特許經營服務協議》) with the Kunming Municipal Water Affairs Bureau and have been granted the right to carry out reclaimed water utilization concession services within the urban planning areas of Wuhua,

The following table sets out our consolidated results of operations for the periods indicated:

下表載列所示期間我們的合併經營業績：

		For the six months ended 30 June (Unaudited) 截至6月30日止的六個月期間（未經審核）	
		2020	2019
		2020年	2019年
		RMB'000	*RMB'000*
		人民幣千元	*人民幣千元*
Revenue	**收入**	**794,516**	711,998
Cost of sales	銷售成本	**(489,386)**	(431,510)
Gross profit	**毛利**	**305,130**	280,488
Selling expenses	銷售費用	**(6,515)**	(5,542)
Administrative expenses	行政費用	**(59,062)**	(42,138)
Research and development expenses	研發費用	**(2,449)**	(45)
Net impairment losses on financial and contract assets	金融資產和合同資產減值損失淨額	**(8,948)**	(6,212)
Other income	其他收入	**80,590**	23,338
Other losses – net	其他虧損－淨額	**(13)**	(82)
Operating profit	**經營利潤**	**308,733**	249,807
Finance income	財務收入	**22,541**	28,526
Finance costs	財務成本	**(134,331)**	(95,438)
Finance costs – net	財務成本－淨額	**(111,790)**	(66,912)
Share of results of associates	聯營公司經營成果份額	**(56)**	(5)
Profit before income tax	**所得稅前利潤**	**196,887**	182,890
Income tax expense	所得稅費用	**(36,298)**	(32,623)
Profit for the period	**期內利潤**	**160,589**	150,267
Other comprehensive income/(loss) for the period	**本期間其他綜合收益／(虧損)**	**796**	89
Total comprehensive income for the period	**本期間綜合收益總額**	**161,385**	150,356

(a) Revenue

During the Reporting Period, our revenue amounted to approximately RMB794.5 million, an increase of RMB82.5 million or 11.6% as compared to approximately RMB712.0 million for the same period last year, primarily because:

Our revenue from wastewater treatment business increased by RMB49.4 million or 10.1% from RMB487.9 million for the six months ended 30 June 2019 to RMB537.3 million for the six months ended 30 June 2020. Construction revenue increased by approximately RMB29.4 million due to the continuous construction of the Zhaotong Central City No. 2 Wastewater Treatment Plant Project, Fanchang County No. 2 Wastewater Treatment Plant Project and the Phase II reconstruction and expansion of Shidian County Wastewater Treatment Plant. During the Reporting Period, finance income from concessions increased by RMB26.4 million due to the addition of the Luquan Wastewater Treatment Plant Project, the commencement of commercial operation of the Zhaotong Central City No. 1 Wastewater Treatment Plant Project and the normal progress of the existing projects.

Our revenue from other water service segments decreased by RMB38.4 million or 38.6% from RMB99.4 million for the six months ended 30 June 2019 to RMB61.0 million for the six months ended 30 June 2020, primarily due to, during the Reporting Period, the decrease in construction investment for the projects of reclaimed water utilization and greening improvement of Xundian County Park and part of the roads and pipeline network supporting project of Shuangjiang Second Water Treatment Plant, etc., the construction revenue decreased by approximately RMB48.0 million. Due to the normal progress of the original projects of Yiliang Shuanghe Reservoir and the projects of reclaimed water utilization and greening improvement of Xundian County Park and part of the roads, etc., the concession finance income increased by approximately RMB15.1 million.

(a) 收入

報告期內，我們的收入約為人民幣794.5百萬元，與上年同期約人民幣712.0百萬元相比，增加人民幣82.5百萬元或11.6%，主要原因為：

我們污水處理分部的收入從截至2019年6月30日止六個月期間的人民幣487.9百萬元增加至截至2020年6月30日止六個月期間的人民幣537.3百萬元，增幅為人民幣49.4百萬元或10.1%；由於昭通中心城市第二污水處理廠項目、繁昌縣第二污水處理廠項目、施甸縣縣城污水處理廠二期改擴建等項目持續建設，建造收入增加約人民幣29.4百萬元；由於報告期內新增祿勸污水處理廠項目、昭通中心城市第一污水處理廠項目進入商業運行，以及原有項目的正常進行，特許經營權財務收入增加人民幣26.4百萬元。

我們其他水務服務分部的收入從截至2019年6月30日止六個月期間的人民幣99.4百萬元減少至截至2020年6月30日止六個月期間的人民幣61.0百萬元，減幅為人民幣38.4百萬元或38.6%，主要由於報告期內尋甸縣公園和部分道路再生水利用及綠化提升改造項目、雙江第二水廠配套管網工程項目等建造投入減少，建造收入減少約人民幣48.0百萬元；由於彝良雙河水庫特許經營權項目、尋甸縣公園和部分道路再生水利用及綠化提升改造項目等原有項目的正常進行，特許經營權財務收入增加人民幣15.1百萬元。

Our revenue from other segments increased by RMB71.5 million or 57.3% from RMB124.7 million for the six months ended 30 June 2019 to RMB196.2 million for the six months ended 30 June 2020, primarily because during the Reporting Period, the Yiliang Jiuxiang Tourism Yijiu Road Reconstruction and Expansion Project and other projects continued to be constructed, so that construction revenue increased to RMB50.8 million. During the Reporting Period, due to the addition of the No. 3 water purification plant super-restricted phosphorus removal, the No. 13 water purification plant commissioned management service business, the original super-restricted phosphorus removal commissioned operation business, and the increase in business volume such as commissioned construction business of the subsidiary Yunnan Reclaimed Water Industry Co., Ltd.* (雲南中水工業有限公司) ("**Yunnan Reclaimed Water**"), management service income increased by approximately RMB40.4 million. Since the business volume of the subsidiary Liuyang Hongyu Thermal Power decreased, thermal power service revenue decreased by RMB20.7 million.

我們的其他分部的收入從截至2019年6月30日止六個月期間的人民幣124.7百萬元增加至截至2020年6月30日止六個月期間的人民幣196.2百萬元，增幅為人民幣71.5百萬元或57.3%，主要由於報告期內宜良九鄉旅遊宜九路改擴建工程等項目持續建設，建造收入增加至人民幣50.8百萬元；報告期內新增第三水質淨化廠超級限除磷與第十三水質淨化廠委託代管的管理服務業務，以及原有超極与日止六個月期間的人民幣

(b) Cost of sales

During the Reporting Period, our cost of sales amounted to approximately RMB489.4 million, representing an increase of 13.4% as compared to approximately RMB431.5 million for the same period last year, primarily due to an increase in operating costs, construction costs and other segment construction costs for the wastewater treatment segment during the Reporting Period. Details are as follows:

Our cost of sales of the wastewater treatment segment increased by RMB35.2 million or 13.9% from RMB252.4 million for the six months ended 30 June 2019 to RMB287.6 million for the six months ended 30 June 2020, primarily due to the continuous construction of the Fanchang County No. 2 Wastewater Treatment Plant Project and the second phase of the renovation and expansion project of the Shidian County Wastewater Treatment Plant, construction cost increased approximately RMB22.1 million while the cost of electricity and sludge disposal costs increased during the current period.

The cost of sales of our other water services segment decreased from RMB96.9 million for the six months ended 30 June 2019 to RMB37.7 million for the six months ended 30 June 2020, representing a decrease of RMB59.2 million, or 61.1%, primarily due to the decrease in the construction cost of the Company's running water business. Based on the percentage of completion method, the construction costs of the reclaimed water utilization and greening improvement project of the Xundian County Park and some of the roads and the supporting pipeline network project of the Shuangjiang Second Water Treatment Plant decreased by approximately RMB46.0 million.

Our cost of sales from other segments increased by RMB81.9 million or 99.6% from RMB82.2 million for the six months ended 30 June 2019 to RMB164.1 million for the six months ended 30 June 2020, primarily due to, during the Reporting Period, there was an increase of RMB53.0 million in construction costs due to the continued construction of the Yiliang Jiuxiang Tourism Yijiu Road Reconstruction and Expansion Project, an increase of RMB7.6 million in management service costs due to the addition of the super-restricted phosphorus removal of the No.3 Water Purification Plant and the entrustment of the No.13 Water Purification Plant during the Reporting Period, the growth in business volume of the existing management services and an increase in the cost of management services.

我們其他分部的銷售成本從截至2019年6月30日止六個月期間的人民幣82.2百萬元增加至截至2020年6月30日止六個月期間的人民幣164.1百萬元，增幅為人民幣81.9百萬元或99.6%，主要由於報告期內宜良九鄉旅遊宜九路改擴建工程項目持續建設，建造成本增加人民幣53.0百萬元，及報告期內新增第三水質淨化廠超級限除磷、第十三水質淨化廠委託代管的管理服務成本增加人民幣7.6百萬元，以及原有管理服務的業務量增長，管理服務成本有所增長。

(c) Gross Margin

(c) 毛利率

During the Reporting Period, our gross margin was approximately 38.4%, representing a decrease of 1.0% as compared to 39.4% for the same period last year, primarily due to an increase in the gross profit margin of other water services segments which was offset by the decrease in the gross profit margin of the wastewater service segment and other segments.

報告期內，我們的毛利率約為38.4%，與上年同期39.4%相比，下降1.0%，主要原因為其他水務服務分部毛利率上升，被污水服務分部毛利率、其他分部的毛利率下降所抵銷。

Our gross profit of the wastewater treatment segment increased by RMB14.2 million or 6.0% from RMB235.5 million for the six months ended 30 June 2019 to RMB249.7 million for the six months ended 30 June 2020. Our wastewater treatment segment gross margin decreased from 48.3% for the six months ended 30 June 2019 to 46.5% for the six months ended 30 June 2020, primarily due to, during the current period, an increase in construction investment of the wastewater treatment projects and the lower construction gross profit during the construction phase.

我們污水處理分部的毛利從截至2019年6月30日止六個月期間的人民幣235.5百萬元增加至截至2020年6月30日止六個月期間的人民幣249.7百萬元，增幅為人民幣14.2百萬元或6.0%。我們的污水處理分部毛利率從截至2019年6月30日止六個月期間的48.3%降低至截至2020年6月30日止六個月期間的46.5%，主要由於本期污水處理項目建造投入增加，而建造階段的建造毛利較低所導致。

Our gross profit from other water service segments increased by RMB20.7 million or 828.0% from RMB2.5 million for the six months ended 30 June 2019 to RMB23.2 million for the six months ended 30 June 2020. Our other water service segment gross margin increased from 2.5% for the six months ended 30 June 2019 to 38.1% for the six months ended 30 June 2020, primarily because since the Yiliang Shuanghe Reservoir concession project, reclaimed water utilization and greening upgrading projects of the Xundian County parks and some of the roads have entered the buy-back period, and the settlement price of Shidian No. 2 Running Water Plant has increased.

我們其他水務服務分部的毛利從截至2019年6月30日止六個月期間的人民幣2.5百萬元增加至截至2020年6月30日止六個月期間的人民幣23.2百萬元，增幅為人民幣20.7百萬元或828.0%。我們的其他水務服務分部毛利率從截至2019年6月30日止六個月期間的2.5%上升至截至2020年6月30日止六個月期間的38.1%，主要由於自彝良雙河水庫特許經營項目、尋甸縣公園和部分道路再生水利用及綠化提升改造項目進入回購期，以及施甸第二自來水廠結算價格增加所致。

Our gross profit from other segments decreased by RMB10.2 million or 24.1% from RMB42.4 million for the six months ended 30 June 2019 to RMB32.2 million for the six months ended 30 June 2020. Our gross margin of other segments decreased from 34.0% for the six months ended 30 June 2019 to 16.4% for the six months ended 30 June 2020 primarily because during the Reporting Period, newly added projects such as the reconstruction and expansion project of Yijiu Road, Jiuxiang Tourist Town, Yiliang County increased construction investment, while the construction margin at the construction stage was lower. Hongyu Thermal Power was affected by the epidemic and the gross profit margin of thermal power supply service was low, resulting in a decrease in overall gross profit margin and a decrease in gross profit margin of thermal power supply service. Due to the decrease in business volume of steam supply of Zhuji Dongda Ciwu Water Treatment Co., Ltd. (諸暨市東大次塢污水處理有限公司), the gross profit margin of steam supply services decreased.

我們其他分部的毛利從截至2019年6月30日止六個月期間的人民幣42.4百萬元減少至截至2020年6月30日止六個月期間的人民幣32.2百萬元，降幅為人民幣10.2百萬元或24.1%。我們的其他分部毛利率從截至2019年6月30日止六個月期間的34.0%下降至截至2020年6月30日止六個月期間的16.4%，主要由於報告期內新增宜良縣九鄉旅遊小鎮宜九路改擴建工程項目等項目增加建設投入，而建造階段的建造毛利較低；宏宇熱電受疫情影響，其熱電供應服務毛利率較低，導致整體毛利率下降導致熱電供應服務毛利率降低；由於諸暨市東大次塢污水處理有限公司的蒸汽供應業務量減少，導致蒸汽供應服務毛利率降低。

(d) Selling expenses

During the Reporting Period, our selling expenses amounted to approximately RMB6.5 million, an increase of RMB1.0 million or 18.2% as compared to approximately RMB5.5 million for the same period last year, primarily due to an increase in commission charge and transportation cost.

(d) 銷售費用

報告期內，我們的銷售費用約為人民幣6.5百萬元，與上年同期約人民幣5.5百萬元相比，增加人民幣1.0百萬元或18.2%，主要原因為手續費和運輸費增加。

(e) Administrative expenses

During the Reporting Period, our administrative expenses amounted to approximately RMB59.1 million, an increase of 40.4% as compared to approximately RMB42.1 million for the same period last year, mainly because employee benefit expenses increased by RMB8.0 million over the previous period.

(e) 行政費用

報告期內，我們的行政費用約為人民幣59.1百萬元，與上年同期約人民幣42.1百萬元相比，增加40.4%，主要由於僱員福利開支較上期增加人民幣8.0百萬元。

(f) Other losses – net

During the Reporting Period, our other losses – net amounted to RMB0.01 million, a decrease of RMB0.09 million as compared with approximately RMB0.1 million for the same period last year, mainly due to a decrease of compensation for flooding losses by RMB0.04 million and a decrease of RMB0.01 million in public welfare donations.

(f) 其他虧損－淨額

報告期內，我們的其他虧損－淨額為人民幣0.01百萬元，與上年同期約人民幣0.1百萬元相比，減少人民幣0.09百萬元。主要原因為淹水損失賠款減少0.04百萬元，公益性捐贈減少人民幣0.01百萬元。

(g) Operating profit

As a result of the foregoing factors, during the Reporting Period, our operating profit amounted to approximately RMB308.7 million, an increase of RMB58.9 million or 23.6% as compared to approximately RMB249.8 million for the same period last year. Our operating margin during the Reporting Period was 38.9%.

(g) 經營利潤

由於上述原因，報告期內，我們的經營利潤約為人民幣308.7百萬元，與上年同期約人民幣249.8百萬元相比，增加人民幣58.9百萬元或23.6%。我們於報告期內的經營利潤率為38.9%。

(h) Finance income

During the Reporting Period, our finance income amounted to approximately RMB22.5 million, a decrease of 21.1% as compared to approximately RMB28.5 million for the same period last year. The main reason was that the interest income of related party loans decreased by RMB0.8 million during the current period and the interest income generated from construction contracts decreased by RMB5.4 million.

(h) 財務收入

報告期內，我們的財務收入約為人民幣22.5百萬元，與上年同期約人民幣28.5百萬元相比減少21.1%。主要原因為本期關聯方貸款利息收入減少人民幣0.8百萬元，以及建造合同產生的利息收入減少人民幣5.4百萬元。

(i) Finance costs

During the Reporting Period, our finance costs amounted to approximately RMB134.3 million, an increase of 40.8% as compared to approximately RMB95.4 million for the same period last year, primarily because of an increase in borrowings during the period and interest expenses on borrowings increased by RMB37.2 million due to the increase in average interest rates. At the same time, exchange losses increased by RMB10.5 million due to the depreciation of Renminbi.

(i) 財務成本

報告期內，我們的財務成本約為人民幣134.3百萬元，與上年同期約人民幣95.4百萬元相比，增加40.8%。主要原因為本期借款增多，及平均利率上升致借款利息支出增加37.2百萬元，同時由於人民幣貶值致匯兌損失增加人民幣10.5百萬元。

(j) Profit before income tax

During the Reporting Period, our profit before income tax amounted to approximately RMB196.9 million, as compared to approximately RMB182.9 million for the same period last year, representing an increase of RMB14.0 million or 7.7%.

(j) 所得稅前利潤

報告期內，我們的所得稅前利潤約為人民幣196.9百萬元，與上年同期約人民幣182.9百萬元相比，增加人民幣14.0百萬元或7.7%。

(k) Income tax

During the Reporting Period, our net income tax expense amounted to approximately RMB36.3 million, an increase of 11.3% as compared to RMB32.6 million for the same period last year. The effective tax rate was18.4%, an increase of 0.6 percentage point as compared with the same period last year, primarily because our effective tax rate was in line with that of last year, which was due to the fact that our tax beneficial treatments for some of our wastewater treatment facilities expired and certain of our subsidiaries were not qualified for the preferential income tax rate of 15% under the "West Region Development Policy" and were required to pay full corporate income tax at the tax rate of 25%, therefore the effective tax rate was slightly higher than 15%.

(k) 所得稅

報告期內，我們的所得稅開支淨額約為人民幣36.3百萬元，與上年同期的人民幣32.6百萬元相比，增加11.3%。實際稅率為18.4%，較上年同期增加0.6個百分點。主要原因為我們的實際稅率與去年基本一致，由於我們的一些污水處理設施的稅收優惠待遇到期及我們部分子公司不享受「西部大開發政策」15%的優惠企業所得稅稅率並需全額繳納25%的企業所得稅，因此實際稅率略高於15%。

(l) Total comprehensive income

As a result of the foregoing factors, during the Reporting Period, our total comprehensive income for the period amounted to approximately RMB161.4 million, increased by 7.3% as compared to RMB150.4 million for the same period last year.

(l) 綜合收益總額

由於上述原因，報告期內，我們的綜合收益總額約為人民幣161.4百萬元，與上年同期約人民幣150.4百萬元相比，增加7.3%。

2. Liquidity and Capital Resources

Our cash is primarily used for investing in, constructing, operating and maintaining our wastewater treatment and water supply facilities. To date, we have funded our investments and operations principally with bank loans, cash generated from operations, equity contributions and issuance of debt instruments.

2. 流動資金及資本資源

我們的現金主要用於投資、建設、經營及維護我們的污水處理及供水設施。迄今為止，我們的投資及經營所需資金主要通過銀行貸款、經營產生的現金、股權出資及發行債務籌集。

The following table sets out our cash flows for the periods indicated:

下表載列我們於所示期間的現金流量：

		For the six months ended 30 June (Unaudited) 截至6月30日止六個月期間（未經審核）	
		2020	2019
		2020年	2019年
		RMB'000	*RMB'000*
		人民幣千元	*人民幣千元*
Net cash (used in)/generated from operating activities	經營活動(使用)／產生的現金淨額	**(686,332)**	169,924
Net cash generated from/(used in) investing activities	投資活動產生／(使用)的現金淨額	**315,278**	(892,175)
Net cash generated from financing activities	融資活動產生的現金淨額	**444,079**	1,598,158
Net increase in cash and cash equivalents	現金及現金等價物淨增加	**73,025**	875,907
Foreign exchange gains/(losses)	匯兌收益／(虧損)	**17,560**	(17,988)
Cash and cash equivalents at beginning of the period	期初現金及現金等價物	**1,290,199**	1,079,714
Cash and cash equivalents at end of the period	期終現金及現金等價物	**1,380,784**	1,937,633

(a) Net cash (used in)/generated from operating activities

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

(a) 經營活動(使用)／產生的現金淨額

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

During the Reporting Period, our net cash used in operating activities was RMB-686.3 million, decreased by RMB856.2 million as compared to RMB169.9 million for the same period last year, which was primarily due to the decrease in cash received from customers for the provision of services and products during the current period compared to the same period in 2019 and the increase in cash invested to obtain concession projects compared to the same period in 2019.

報告期內，我們的經營活動使用的現金淨額為人民幣-686.3百萬元，較去年同期人民幣169.9百萬元減少人民幣856.2百萬元，主要由於本期就提供服務及產品向客戶收取的現金較2019年同期減少，以及為獲取特許經營項目投入的現金較2019年同期增加。

(b) Net cash generated from/(used in) investing activities

(b) 投資活動產生／(使用)的現金淨額

Our net cash used in investing activities has been primarily used to purchase property, plant and equipment, equity interests in subsidiaries and associates, and to provide loans to related parties.

我們的投資活動使用現金淨額主要用於購買不動產、工廠及設備、子公司及聯營公司的股權以及向關聯方提供借款。

Our net cash used in investing activities increased from RMB-892.2 million for the six months ended 30 June 2019 to RMB315.3 million for the six months ended 30 June 2020, primarily because RMB350.0 million of entrusted loans provided to related parties were recovered during the current period.

我們的投資活動使用現金淨額由截至2019年6月30日止六個月期間的人民幣-892.2百萬元上升至截至2020年6月30日止六個月期間的人民幣315.3百萬元，主要由於本期收回向關聯方提供的委託貸款人民幣350.0百萬元。

(c) Net cash generated from financing activities

(c) 融資活動產生的現金淨額

Our net cash generated from financing activities primarily represents proceeds raised through listing and borrowings.

我們的融資活動產生的現金淨額主要為上市募集的資金及借款。

Our net cash generated from financing activities was RMB1,598.2 million for the six months ended 30 June 2019 and net cash generated from financing activities of RMB444.1 million for the six months ended 30 June 2020, primarily comprising loans of approximately RMB1,015.0 million which were partially offset by the repayments of borrowings of RMB628.7 million. The difference between net cash from financing activities for the six months ended 30 June 2020 and the six months ended 30 June 2019 was mainly due to the decrease in borrowings obtained during the Reporting Period as compared to the same period last year.

截至2019年6月30日止六個月期間，我們的融資活動產生的現金淨額為人民幣1,598.2百萬元。截至2020年6月30日止六個月期間，融資活動產生的現金淨額為人民幣444.1百萬元，主要包括取得借款約人民幣1,015.0百萬元，部分因償還借款人民幣628.7百萬元而有所抵銷。截至2020年6月30日止六個月期間融資活動的現金淨額與截至2019年6月30日止六個月期間的差異，主要由於報告期內取得借款較上年同期減少導致。

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

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

As of 30 June 2020, approximately RMB789.0 million, accounting for 73.6% of RMB1,072.3 million of net proceeds from the Initial Public Offering, has been used in accordance with the use as stated in the paragraph headed "Future Plans and Use of Proceeds" in the Prospectus. The use of proceeds is as follows:

截至2020年6月30日，全球發售所得款項現金淨額人民幣1,072.3百萬元中約人民幣789.0百萬元(佔首次公開發售所得款項淨額的73.6%)已經按照招股說明書中未來計劃及所得款項用途一段所述用途使用。募集資金用途使用如下：

Business strategies as stated in the Prospectus 招股說明書所述的業務策略	Percentage of total net proceeds from the Initial Public Offering (as set out in the Prospectus) 佔全部首次公開發售淨額百分比(載於招股說明書)	Planned use of net proceeds from the Initial Public Offering (as set out in the Prospectus) 首次公開發售所得款項淨額計劃用途(載於招股說明書) *RMB million* *人民幣百萬元*	Actual use of net proceeds from the Initial Public Offering from 1 January 2020 to the period ended 30 June 2020 自2020年1月1日起至2020年6月30日止期間首次公開發售所得款項淨額實際支出 *RMB million* *人民幣百萬元*	Actual use of net proceeds from the Initial Public Offering from the Listing Date to the period ended 30 June 2020 自上市之日起至2020年6月30日止期間首次公開發售所得款項淨額實際支出 *RMB million* *人民幣百萬元*	Unused net proceeds from the Initial Public Offering 尚未動用首次公開發售所得額款項淨額 *RMB million* *人民幣百萬元*
Investments in BOT/BOO wastewater treatment and running water supply projects BOT/BOO污水處理廠及自來水供應項目的投資	35%	375.3	–	235.0	140.3
To acquire TOT/TOO wastewater treatment plants and running water supply projects 收購TOT/TOO污水處理廠及自來水供應項目	35%	375.3	–	289.7	85.6
Repayment of bank borrowings 償還銀行借款	20%	214.5	–	212.9	1.6
To supplement working capital and for general corporate purposes 補充營運資金及作一般公司用途	10%	107.2	–	51.4	55.8
Total 總計	100%	1072.3	–	789.0	283.3

As of 30 June 2020, the unused net proceeds from the Initial Public Offering for each of the business strategies as stated in the above table have been placed as deposits in licensed banks of the PRC which will be used in accordance with the progress of the Company's investment projects and are expected to be used up within 1 year (i.e. before June 2021). The business objectives, future plans and planned use of the proceeds as stated in the Prospectus were based on the best estimation and assumptions of future market conditions and industry developments made by the Company at the time of preparing the Prospectus, while the proceeds from the Initial Public Offering were used in accordance with the business of the Group and the actual development of the relevant industry.

截至2020年6月30日，上表所述每項業務策略的尚未動用首次公開發售所得額款項淨額已作為存款存放於中國持牌銀行，並將按照本公司投資項目的進度使用，預計在1年內(即2021年6月之前)使用完畢。招股說明書所述業務目標、未來計劃及所得款項規劃用途乃根據本公司於編製招股說明書當時對未來市場狀況及行業發展進行最貼切估計及假設而得出，首次公開發售所得款項則根據本集團的業務及有關行業的實際發展而予以使用。

The net proceeds from the Initial Public Offering were used and expected to be used according to the intentions previously disclosed in the Prospectus.

首次公開發售所得款項淨額已經及預期按之前於招股說明書所披露的用途予以使用。

As of 30 June 2020, there was no material change or material delay in the use of proceeds of the Company.

截至2020年6月30日，本公司所得款項淨額的用途或使用並無重大變動或重大延誤。

3. Working Capital

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

3. 營運資本

下表載列於所示日期我們的流動資產及流動負債的詳情：

Unaudited	Audited
未經審核	經審核
As at	As at
30 June 2020	31 December 2019
於6月30日	於12月31日
2020年	2019年
RMB'000	*RMB'000*
人民幣千元	*人民幣千元*

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Our net current assets decreased from net current assets of RMB2,613.2 million as of 31 December 2019 to net current assets of RMB2,241.9 million for the six months ended 30 June 2020, primarily due to an increase in unsecured short-term loans and long-term loans due within one year during the current period.

我們流動資產淨額由截至2019年12月31日的淨流動資產人民幣2,613.2百萬元下降至截至2020年6月30日止六個月期間的淨流動資產人民幣2,241.9百萬元，主要因為本期未擔保的短期借款及將於一年內到期的長期借款增加。

(a) Receivables under service concession arrangements

(a) 特許經營權協議下的應收款項

We accrue receivables under service concession arrangements throughout a concession period. Our receivables under service concession arrangements refer to the outstanding receivables arising from our construction services (for BOT projects) or acquisition considerations (for TOT projects), adjusted by operation services and finance income after deducting the tariff payments accrued throughout a concession period. Under our BOT and TOT agreements, the amount of receivables under service concession arrangements will be settled by tariff payments to be received during the operation phases of our BOT and TOT projects. The portion of the receivables under service concession arrangements due within 12 months from a particular balance sheet date are classified as current assets as at that balance sheet date and the remainder is classified as non-current assets.

我們於整個特許期間內累計特許經營權協議下應收款項。我們的特許經營權協議下應收款項指於整個特許期間內，扣減應計的費用款項後我們的建造服務所產生的未結算應收款項(就BOT項目而言)或收購對價(就TOT項目而言)(經運營服務以及融資收入調整)。根據我們的BOT及TOT協議，特許經營權協議下的應收款項將以我們於BOT及TOT項目運營階段中收取的費用款項結算。自特定資產負債表日期起計十二個月內到期的特許經營權協議下的應收款項部分被分類為截至該資產負債表日期的流動資產，而剩餘部分被分類為非流動資產。

Our receivables under service concession arrangements that were classified as current assets amounted to RMB12.7 million as at 30 June 2020, representing an increase of 69.3% from RMB7.5 million as at 31 December 2019, mainly due to an increase in the amount to be recovered in the coming year as per the progress of contract collection.

於2020年6月30日，分類為流動資產的特許經營權協議下的應收款項為人民幣12.7百萬元，較2019年12月31日的人民幣7.5百萬元增加69.3%，主要由於按合同收款進度未來一年將收回的款項增加。

Our receivables under service concession arrangements that were classified as non-current assets amounted to RMB1,786.6 million as at 30 June 2020, representing an increase of 29.3% from RMB1,382.0 million as at 31 December 2019, mainly because Zhaotong Central City No. 1 and No. 2 Wastewater Treatment Plant Projects and Kunming Jinning District Water Environment Comprehensive Treatment and Reclaimed Water Ecological Replenishment Project increased construction investment and the original projects were proceeding normally.

於2020年6月30日，分類為非流動資產的特許經營權協議下的應收款項為人民幣1,786.6百萬元，較2019年12月31日的人民幣1,382.0百萬元增長29.3%，主要由於昭通中心城市第一、二污水處理廠項目、昆明市晉寧區水環境綜合治理及再生水

(b) Inventories

Our total inventory balance decreased from RMB22.6 million as of 31 December 2019 to RMB13.1 million as of 30 June 2020, representing a decrease of RMB9.5 million or 42.0%, primarily due to a decrease in inventory of Hongyu Thermal Power amounted to RMB8.5 million.

For the six months ended 30 June 2020, our inventory turnover days were 6.6 days, an increase of 1.2 days as compared to the year ended 31 December 2019. The calculation for inventory turnover days was based on the average annual inventory divided by the sales cost recognized as the cost of sales during the relevant period and multiplied by 180 days. The change in inventory turnover days was mainly due to the increase in total average inventory.

截至2020年6月30日止六個月期間，我們的存貨週轉天數為6.6天，較截至2019年12月31日止年度期間增加1.2天。存貨週轉天數的計算乃按有關年間

(c) Amounts due from customers for construction contracts

As of 30 June 2020, our amounts due from customers for construction contracts were approximately RMB622.6 million, increased by RMB78.8 million as compared to RMB543.8 million as of 31 December 2019, primarily due to the demonstration city construction project for treatment of urban black and odorous water quality in Zhaotong City, new construction investment of reconstruction and expansion project of Luyou Yijiu Road, Jiuxiang, Yiliang and original projects were carried out normally.

(d) Trade and other receivables

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

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

下表載列於所示日期我們的合併應收賬款及其他應收款明細：

		Unaudited 未經審核 As at 30 June 2020 於6月30日 2020年 *RMB'000 人民幣千元*	Audited 經審核 As at 31 December 2019 於12月31日 2019年 *RMB'000 人民幣千元*
Trade receivables:	**應收賬款：**		
– Third parties	一第三方	**65,933**	80,165
– Related parties	一關聯方	**184,866**	123,168
– Local government	一地方政府	**1,118,764**	780,419
– Loss allowance	一虧損撥備	**(22,218)**	(16,294)
Trade receivables – net	**應收賬款淨額**	**1,347,345**	967,458
Other receivables:	**其他應收款項：**		
– Third parties	一第三方	**66,203**	57,597
– Related parties	一關聯方	**675,949**	1,026,202
– Local government	一地方政府	**71,593**	47,057
– Loss allowance	一虧損撥備	**(5,506)**	(3,472)
Other receivables – net	**其他應收款項淨額**	**808,239**	1,127,384
Prepayments:	**預付款：**		
– Local government	一地方政府	**–**	3,587
– Others	一其他	**122,743**	126,990
– Impairment of assets	一資產減值	**(4)**	(4)
Prepayments – net	**淨預付款**	**122,739**	130,573
Trade and other receivables – net	**應收賬款及其他應收款淨額**	**2,278,323**	2,225,415

(2) Calculated as the average net trade and other receivables for the relevant period divided by the revenue for the relevant period, and multiplied by 365 days (for six months, multiplied by 180 days). The arithmetic mean of the opening and closing balances of trade and other receivables is used for the six months ended 30 June 2020 and the year ended 31 December 2019.

(2) 按有關期間平均應收賬款及其他應收款淨額除以有關期間收入再乘以365天(六個月期間按照180天)計算。截至2020年6月30日止六個月期間和截至2019年12月31日止年度採用應收賬款及其他應收款期初及期末結餘的算術平均值。

4. Trade and Other Payables

4. 應付賬款及其他應付款

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

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

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

下表載列於所示日期我們的應付賬款及其他應付款明細：

		Unaudited 未經審核 As at 30 June 2020 於6月30日 2020年 *RMB'000 人民幣千元*	Audited 經審核 As at 31 December 2019 於12月31日 2019年 *RMB'000 人民幣千元*
Trade payables	應付賬款	**187,311**	150,971
Other payables	其他應付款	**124,023**	146,012
Consideration unpaid for acquisition of subsidiaries	購買子公司未支付的對價	**20,958**	21,209
Staff salaries and welfare payables	應付職工工資和福利	**24,103**	42,285
Payables on acquisition of property, plant and equipment	購置不動產、工廠及設備的應付款	**32,907**	46,207
Payables on acquisition of land use rights from related parties	向關聯方收購土地使用權的應付款	**58,194**	58,194
Interest payables	應付利息	**3,570**	4,586
Accrued taxes other than income tax	除所得稅外的應計稅款	**11,588**	17,384
Dividend payables	應付股息	**128,639**	–
		591,293	486,848

As of 30 June 2020, our trade and other payables amounted to approximately RMB591.3 million, representing an increase of RMB104.5 million or 21.5% as compared to approximately RMB486.8 million as of 31 December 2019. The increase was primarily due to: (i) the provision of dividend payables of RMB128.6 million as of 30 June 2020;

截至2020年6月30日，我們的應付帳款及其他應付款約為人民幣591.3百萬元，較截至2019年12月31日約人民幣486.8百萬元，增加人民幣104.5百萬元或21.5%。主要由於(i)截至2020年6月30日計提了應付股息人民幣128.6百萬元；

The ageing analysis of accounts payables of the Group based on the date of receipt is as follows:

按照收據日期，本集團應付賬款賬齡分析如下：

		Unaudited 未經審核 As at 30 June 2020 於6月30日 2020年 *RMB'000* *人民幣千元*	Audited 經審核 As at 31 December 2019 於12月31日 2019年 *RMB'000* *人民幣千元*
– Within one year	–1年以內	**174,337**	137,309
– Over one year and within two years	–1至2年	**12,974**	13,662
		187,311	150,971

As at 30 June 2020 and 31 December 2019, all trade and other payables of our Group were non-interest bearing, and their fair values approximate to their carrying amounts due to their short maturities.

於2020年6月30日及2019年12月31日，本集團所有應付賬款及其他應付款均免息。並且，應付賬款及其他應付款系因短期內到期，其公允價值與其賬面價值相近。

The following table sets out our payable turnover days for the periods indicated:

下表載列於所示期間我們的應付款項週轉天數：

		Unaudited 未經審核 As at 30 June 2020 於6月30日 2020年 *Days* *天*	Audited 經審核 As at 31 December 2019 於12月31日 2019年 *Days* *天*
Trade payables turnover days [1]	應付賬款週轉天數[1]	**98.1**	106.8
Trade and other payables turnover days [2]	應付賬款及其他應付款週轉天數[2]	**198.3**	132.2

Notes:

(1) Calculated as the average trade payables for the relevant period divided by the selling cost for the relevant period, and multiplied by 365 days (for six months, multiplied by 180 days). The arithmetic mean of the opening and closing balances of trade payables is used for the six months ended 30 June 2020 and the year ended 31 December 2019.

(2) Calculated as the average trade and other payables for the relevant period divided by the expenditure for procurement for the relevant period, and multiplied by 365 days (for six months, multiplied by 180 days). The arithmetic mean of the opening and closing balances of trade and other payables is used for the six months ended 30 June 2020 and the year ended 31 December 2019.

附註：

(1) 按有關期間平均應付賬款除以有關期間銷售成本再乘以365天(六個月期間按照180天)計算，截至2020年6月30日止六個月期間和截至2019年12月31日止年度採用應付賬款期初及期末結餘的算術平均值。

(2) 按有關期間平均應付賬款及其他應付款除以有關期間採購支出再乘以365天(六個月期間按照180天)計算。截至2020年6月30日止六個月期間和截至2019年12月31日止年度採用應付賬款及其他應付款期初及期末結餘的算術平均值。

Our Directors confirm that up to 30 June 2020, there was no material default in payment of trade payables.

我們的董事確認，截至2020年6月30日，應付賬款的支付並無出現重大違約。

5. Indebtedness

(a) Borrowings

All our borrowings are denominated in RMB, and some are secured by our property, plants and equipment. The table below sets out our borrowings as of the dates indicated:

5. 債項

(a) 借款

我們的借款均以人民幣計值，部分借款以我們的物業、廠房及設備作抵押。下表載列所示日期我們的借款：

		Unaudited 未經審核 As at 30 June 2020 於6月30日 2020年 *RMB'000 人民幣千元*	Audited 經審核 As at 31 December 2019 於12月31日 2019年 *RMB'000 人民幣千元*
Non-current:	**非流動：**		
Unsecured long-term borrowings	未擔保的長期借款	**405,000**	340,000
Secured long-term borrowings	擔保的長期借款	**2,809,004**	2,828,418
Corporate bonds	公司債券	**712,227**	696,629
Total non-current borrowings	**非流動借款總額**	**3,926,231**	3,865,047
Current:	**流動：**		
Unsecured short-term borrowings	未擔保的短期借款	**985,000**	615,000
Secured short-term borrowings	擔保的短期借款	**99,446**	86,320
Total current borrowings	**流動借款總額**	**1,084,446**	701,320
Total borrowings	**借款總額**	**5,010,677**	4,566,367
Average effective interest rates	平均實際利率	**6.21%**	4.83%

As at 31 December 2019 and 30 June 2020, our total borrowings amounted to RMB4,566.4 million and RMB5,010.7 million, respectively. Among the indebtedness, RMB461.2 million and RMB412.4 million of borrowings as at 31 December 2019 and 30 June 2020 were secured by property, plant and equipment and RMB2,453.5 million and RMB2,496.0 million of borrowings were guaranteed by the Company. In addition to bank borrowings, our total borrowings also include corporate bonds of approximately RMB700.0 million we issued on 25 December 2015 in the PRC for a term of seven years with an annual interest rate at 4.35%. At the end of the fifth year, the Company can adjust the interest rate for the remaining 2-year period, and the investors have an option to request early redemption of the outstanding corporate bond if they do not agree to the adjusted interest rate.

As of 30 June 2020, there was no delay or default in the repayment of our borrowings, and no bank had withdrawn any of the banking

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

下表載列所示日期我們借款的到期情況：

		Unaudited 未經審核 As at 30 June 2020 於6月30日 2020年 *RMB'000 人民幣千元*	Audited 經審核 As at 31 December 2019 於12月31日 2019年 *RMB'000 人民幣千元*
On demand or within 1 year	即期或1年以內	**1,084,446**	701,320
Between 1 and 2 years	1至2年	**2,233,637**	241,670
Between 2 and 5 years	2至5年	**1,692,594**	3,623,377
More than 5 years	5年以上	**–**	–
		5,010,677	4,566,367

As of 30 June 2020, our net gearing ratio (calculated as net debt divided by total capital at the end of the period, of which net debt is calculated as total borrowings less cash and cash equivalents at the end of the period; total capital is calculated as total equity plus net debt) was 46.7%, representing an increase of 2.8 percentage points from that as of 31 December 2019, primarily due to the increase in borrowings during the period.

截至2020年6月30日，我們的淨資產負債比率(按債務淨額除以期末資本總額計算。其中，債務淨額按借款總額減期末現金及現金等價物計算；資本總額按權益總額加債務淨額計算)為46.7%，較於截至2019年12月31日增加2.8個百分點，主要原因是本期借款增加。

Except as disclosed above, as of 30 June 2020, we did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

除上文所披露者外，截至2020年6月30日，我們並無任何已發行及尚未償還或同意發行的借貸資本、銀行透支、貸款或其他類似債務、承兌負債或承兌信用證、債權證、按揭、質押、租購承擔、擔保或其他重大或有負債。

(b) Commitments

Our capital commitments contracted for at each balance sheet date, but not yet incurred are as follows:

(b) 承諾

我們於各資產負債表日期已訂約但未產生的資本性承諾如下：

		Unaudited 未經審核 As at 30 June 2020 於6月30日 2020年 RMB'000 人民幣千元	Audited 經審核 As at 31 December 2019 於12月31日 2019年 RMB'000 人民幣千元
Property, plant and equipment	不動產、工廠及設備	**26,478**	28,609

(c) Capital Expenditure

Our capital expenditure mainly comprises purchases of land use rights, property, plant and equipment and intangible assets. Our capital expenditure was RMB85.4 million for the six months ended 30 June 2020, representing an increase of 1.07% as compared to RMB84.5 million for the six months ended 30 June 2019.

(c) 資本開支

我們的資本開支主要包括購買土地使用權、物業、廠房及設備及無形資產。截至2020年6月30日止六個月期間，我們的資本開支為人民幣85.4百萬元，較2019年6月30日止六個月期間的人民幣84.5百萬元，增加1.07%。

Our capital expenditure for each of our segments as at the dates indicated below is as follows:

於下列所示日期我們各分部的資本開支如下：

		Unaudited Six months ended 30 June 未經審核 截至6月30日止六個月 2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Wastewater treatment	污水處理	**83,289**	82,847
Water supply	水供給	**1,529**	–
Others	其他	**548**	1,700
		85,366	84,547

Based on our current business plan, we expect to incur capital expenditure amounting to RMB141.1 million for the year ending 31 December 2020. Our anticipated capital expenditure is subject to change from time to time based on the reassessment of our business plan, prevailing market conditions, regulatory environment and outlook of our future operational results.

根據我們的當前業務計劃，我們預期將於截至2020年12月31日止年度產生資本開支人民幣141.1百萬元。我們的預期資本開支可能根據我們業務計劃、目前市況、監管環境及未來經營業績展望的重估不時變化。

6. Employees and Remuneration Policies

6. 僱員及薪酬政策

As at 30 June 2020, we had 1,278 full-time employees, 2 of whom were in Hong Kong and the rest were in China and most of whom were based in Yunnan. The following table sets forth the breakdown of our employees by function as of 30 June 2020:

於2020年6月30日，我們有1,278名全職僱員，其中2名在中國香港，其餘全部在中國，大部分在雲南。下表載列我們截至2020年6月30日按職能劃分的僱員明細：

Function	職能	Number 人數
Management and Administration	管理及行政	144
Finance	財務	37
R&D	研發	85
Quality Monitoring	質量監測	209
Marketing	營銷	17
Operations	運營	748
Construction and Maintenance	建設及維護	38
Total	總計	1,278

We recruit our employees from the open market. The compensation for our employees includes basic wages, variable wages, bonuses and other staff benefits. Our employee benefits and labor expenses from January to June in 2019 amounted to RMB60.2 million, and our employee benefits and labor expenses from January to June in 2020 amounted to RMB77.1 million, representing an increase of approximately RMB16.9 million or 28.1% as compared to the same period of 2019.

我們在公開市場上招募僱員。我們僱員的報酬包括基本工資、績效工資、獎金及其他僱員福利。2019年1至6月公司僱員福利及勞務開支為人民幣60.2百萬元，2020年1至6月公司僱員福利及勞務開支為人民幣77.1百萬元，與2019年同期比較增加28.1%，約人民幣16.9百萬元。

We believe our employees are the most valuable resources to achieve our success. To ensure the quality of our employees at all levels, we adopt a new employee internship management mechanism, a blended learning mechanism that combines centralized training and online training, on-the-job training, exchanges and rotations, follow-up learning and other talent team building systems that coexist in various talent business training methods. With the talent circulation training mechanism and other methods that take "production, learning, research and use" as the core, we take multiple measures to improve the comprehensive quality and professional ability of employees and provide talent guarantee for the Company's business development. At the same time, we own Kunming Dianchi Water Treatment Occupation Training School (昆明滇池水處理職業培訓學校) to provide more training for our employees.

我們認為僱員是我們獲得成功的最寶貴資源。為確保各級僱員的素質，我們通過新員工見習管理機制、集中式培訓與線上培訓相結合的混合式學習機制、掛職鍛煉、交流輪崗、跟班學習等多種人才業務培養方式並存的人才隊伍建設體系、「產、學、研、用」為核心的人才循環培養機制等方式，多措並舉的提升員工的綜合素質與專業能力，為公司業務發展提供人才保障。同時，我們擁有昆明滇池水處理職業培訓學校，為我們的員工提供更多培訓。

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

我們的工會代表員工的利益，就有關勞工事宜與我們的管理層密切溝通。報告期內，我們並無因重大勞動糾紛引致的運營中斷，亦無對我們的業務嚴重不利的員工投訴與索償。我們的董事認為我們與僱員的關係良好，報告期內，本集團並無任何重大勞務糾紛對本集團正常業務營運產生重大影響。

7. Contingent Liabilities

As of 30 June 2020, the Group did not have any material contingent liability.

7. 或有負債

截至2020年6月30日，本集團並無任何重大或有負債。

8. 重大投資及收購

於2019年12月27

9. Material Litigation

As of 30 June 2020, the Group is not involved in any material or potential litigation.

10. Exchange Rate Volatility Risk and Any Related Hedging

The Group still retains some foreign currency funds, mainly Hong Kong dollars and US dollars. The Group borrowed foreign currency loans with international syndicates from March to June 2019, with principals of USD170,000,000 and HKD1,015,000,000 respectively. Exchange rate fluctuations have a certain impact on the retention of foreign currency funds and the return of principal and interest on borrowings. In December 2019, the Group entered into a confirmation of RMB foreign exchange currency swap transactions with Hang Seng Bank and the agreement fixed the exchange rate at the time of loan repayment and interest payment which was used to hedge the risk of foreign exchange fluctuations when repaying foreign currency borrowings and foreign currency interest. Details are as follows:

Hang Seng Bank pays floating interest on swap agreements and the

11. Loans to Certain Entities

The Company entered into the Entrusted Loan Contracts with Kunming Bus and Yunnan Branch of Bank of Communications Co., Ltd. (交通銀行股份有限公雲南省分行) ("**Bank of Communications**") on 23 January 2020 and 13 February 2020 respectively, pursuant to which the Company entrusted the Bank of Communications to grant loans of RMB60 million and RMB240 million respectively to Kunming Bus with an annual interest rate of 8.5%. As one or more of percentage ratios applicable to the transaction are more than 5% but less than 25%, it constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 13 February 2020. In addition, the Company provided an entrusted loan of RMB300 million to Kunming Bus in April 2019 which was repaid in January 2020.

The Company entered into an entrusted loan contract with Kunming DIG and the Bank of Communications on 2 June 2020, pursuant to which the Company entrusted the Bank of Communications to provide a RMB350 million loan to Kunming DIG, with an annual interest rate of 7.5%. As one or more of percentage ratios applicable to the transaction are more than 5% but less than 25%, it constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 2 June 2020. In addition, the Company provided an entrusted loan of RMB300 million to Kunming DIG in April 2019 which was repaid in April 2020.

According to the knowledge of the Company, Kunming Bus and Kunming DIG are all controlled or held by Kunming SASAC. In addition, Kunming Bus and Kunming DIG are not related to each other. These companies are independent of the Group or the connected persons of the Group.

11. 給予某實體的貸款

本公司分別於2020年1月23日及2020年2月13日與昆明公交及交通銀行股份有限公雲南省分行(「**交通銀行**」)簽訂委託貸款合同，由本公司委託交通銀行向昆明公交分別提供人民幣6千萬元及人民幣2億4千萬元的委託貸款，年利率為8.5%。由於該交易適用的一個或多個百分比率超過5%但低於25%，其構成本公司在上市規則第14章下的一項須予披露交易。詳情請見本公司日期為2020年2月13日的公告。另外，本公司曾於2019年4月向昆明公交提供人民幣3億元委託貸款，該筆貸款已於2020年1月償還。

本公司於2020年6月2日與昆明發展及交通銀行簽訂委託貸款合同，由本公司委託交通銀行向昆明發展提供人民幣3.5億元的委託貸款，年利率為7.5%。由於該交易適用的一個或多個百分比率超過5%但低於25%，其構成本公司在上市規則第14章下的一項須予披露交易。詳情請見本公司日期為2020年6月2日的公告。另外，本公司曾於2019年4月向昆明發展提供人民幣3億元委託貸款，該筆貸款已於2020年4月償還。

據本公司所知，昆明公交、昆明發展均由昆明市國資委實際控制或持有，除此以外，昆明公交、昆明發展相互並無關連，該等公司亦獨立於本集團或本集團的關連人士。

一、 遵守企業管治守則

本公司注重維持高水準之企業管治，以提升股東價值及保障股東之權益。本公司已採納上市規則附錄十四所載的企業管治守則內的守則條文，作為其本身的企業管治守則。本公司已根據上市規則及守則的要求建設和完善企業管治架構，建立一系列企業管治制度。董事認為，於報告期內，除守則條文A.4.2外，其已遵守企業管治守則所載的

II. THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1. Changes of Directors, Supervisors and Senior Management

During the Reporting Period and as at the Latest Practicable Date, pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the information of Directors, supervisors and senior management of the Company are as follows:

1) Mr. Chen Changyong was elected as an executive Director at the 2019 annual general meeting of the Company on 19 June 2020.

2) Ms. Yu Yanbo was elected as a non-executive Director at the 2019 annual general meeting of the Company on 19 June 2020.

Except as disclosed above, as at the Latest Practicable Date, the Company is not aware of any change in particulars of Directors and supervisors that needs to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

二、 董事、監事、高級管理人員

1. 董事、監事、高級管理人員變動情況

於報告期內及截至最後實際可行日期，根據香港上市規則第13.51B(1)條規定，本公司的董事、監事和高級管理人員資料變更如下：

1) 陳昌勇先生於2020年6月19日獲本公司2019年股東週年大會選舉為執行董事。

2) 余燕波女士於2020年6月19日獲本公司2019年股東週年大會選舉為非執行董事。

除上文所披露外，截至最後實際可行日期，本公司並未知悉任何根據香港上市規則第13.51B(1)條規定有關董事或監事資料變更而須作出的披露。

2. The Interest and Short Positions of the Directors, Supervisors and Senior Management in the Shares, Underlying Shares and Debentures

As of 30 June 2020, none of the Directors, supervisors and senior management of the Company had any interest or short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

As of 30 June 2020, none of the Directors, supervisors or their respective spouses or children below 18 was granted any right to subscribe for the shares of the Company or any of its associated corporations or to have exercised any such rights.

3. Compliance with the Model Code for Securities Dealings by the Directors and Supervisors

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

2. 董事、監事及高級管理人員於股份、相關股份及債券的權益及淡倉

截至2020年6月30日，本公司董事、監事及高級管理人員概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中，擁有證券及期貨條例第XV部第7及8分部須知會本公司及香港聯交所的任何權益或淡倉(包括根據證券及期貨條例的該等條文彼被當作或視為擁有的權益或淡倉)，或根據證券及期貨條例第352條須計入該條所指的登記冊內的任何權益或淡倉，或根據標準守則須知會本公司及香港聯交所的任何權益或淡倉。

截至2020年6月30日，概無董事或監事或彼等各自的配偶或18歲以下的子女獲本公司授予任何權利以認購本公司或其任何相聯法團的股份或已行使任何該等權利。

3. 遵守董事及監事進行證券交易之標準守則

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

III. INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SHARES

三、 主要股東於股份之權益

As of 30 June 2020 and to the best knowledge of the Company's Directors, the following persons (except for the Company's Directors, the chief executives or supervisors) had some interest or short positions in the Shares or underlying Shares of the Company which will have to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or to be recorded in the register to be kept by the Company pursuant to Section 336 of the SFO:

截至2020年6月30日，就本公司董事所知，下列人士(本公司董事、最高行政人員或監事除外)於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3部分須向本公司披露或根據證券及期貨條例第336條在本公司所存置的登記冊中記錄之權益或淡倉：

Name of Shareholder 股東名稱	Capacity/Nature of interest 身份／權益性質	Class of Shares 股份類別	Number of Shares 股份數目 *(share)* *(股)*	Approximate percentage of the total issued share capital of the Company 佔本公司已發行股本總額的概約百分比 *(%)*	Approximate percentage of the relevant class of Shares of the Company 佔本公司相關類別股份的概約百分比 *(%)*
KDI 昆明滇池投資	Beneficial owner 實益擁有人	Domestic Shares 內資股	660,318,635 (long position) (好倉)	64.16%	95.82%
Kunming Industrial Development & Investment Co., Ltd. 昆明產業開發投資有限責任公司	Interest of controlled corporation 受控法團權益	H Shares H股	59,000,000 (long position) (好倉)	5.73%	17.35%
Kunming State-owned Assets Management and Operations Co. Ltd. 昆明市國有資產管理營運有限責任公司	Beneficial owner 實益擁有人	H Shares H股	39,790,000 (long position) (好倉)	3.87%	11.70%
Yunnan Provincial Investment Holdings Group Co., Ltd. 雲南省投資控股集團有限公司	Beneficial owner 實益擁有人	H Shares H股	64,770,000 (long position) (好倉)	6.29%	19.05%
Modern Orient Limited	Interest of controlled corporation 受控法團權益	H Shares H股	47,754,000 (long position) (好倉)	4.64%	14.04%
Beijing Enterprises Water Group Limited	Beneficial owner 實益擁有人	H Shares H股	47,754,000 (long position) (好倉)	4.64%	14.04%

Name of Shareholder 股東名稱	Capacity/Nature of interest 身份／權益性質	Class of Shares 股份類別	Number of Shares 股份數目 *(share)* *(股)*	Approximate percentage of the total issued share capital of the Company 佔本公司已發行股本總額的概約百分比 *(%)*	Approximate percentage of the relevant class of Shares of the Company 佔本公司相關類別股份的概約百分比 *(%)*
Beijing Enterprises Investments Limited	Interest of controlled corporation 受控法團權益	H Shares H股	47,754,000 (long position) (好倉)	4.64%	14.04%
Beijing Enterprises Holdings Limited	Interest of controlled corporation 受控法團權益	H Shares H股	47,754,000 (long position) (好倉)	4.64%	14.04%
Beijing Enterprises Group Company Limited	Interest of controlled corporation 受控法團權益	H Shares H股	47,754,000 (long position) (好倉)	4.64%	14.04%
Beijing Enterprises Group (BVI) Company Limited	Interest of controlled corporation 受控法團權益	H Shares H股	47,754,000 (long position) (好倉)	4.64%	14.04%
Beijing Enterprises Environmental Construction Limited	Interest of controlled corporation 受控法團權益	H Shares H股	47,754,000 (long position) (好倉)	4.64%	14.04%

Notes:

(1) The data disclosed above are mainly based on information provided on the website of Hong Kong Stock Exchange (http://www.hkexnews.hk) and records of the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance.

(2) Pursuant to Section 336 of the SFO, if certain conditions are met, the Shareholders of the Company are required to submit a disclosure of interest notice. In the event of changes in the shareholding of the Shareholders in the Company, the Shareholders will not be required to notify the Company and the Hong Kong Stock Exchange unless certain conditions are met. Therefore, the latest shareholding of the Shareholders in the Company may be different from the shareholding submitted to the Hong Kong Stock Exchange.

註：

(1) 以上所披露數據主要基於香港聯交所網站(http://www.hkexnews.hk)所提供的信息作出及本公司根據《證券及期貨條例》第336條規定存置的登記冊之記錄作出。

(2) 根據證券及期貨條例第336條，倘若干條件達成，則本公司股東須呈交披露權益表格。倘股東於本公司的持股量變更，除非若干條件已達成，否則股東毋須知會本公司及香港聯交所，故股東於本公司之最新持股量可能與呈交予香港聯交所的持股量不同。

(3) Such 47,754,000 shares belong to the same batch of shares.

(4) Save for the disclosed above, as of 30 June 2020, the Company is not aware of any other persons (other than the Directors, supervisors and chief executives of the Company) who have interest or short positions in the Shares or Underlying Shares of the Company which are required to be recorded in the register under Section 336 of the SFO.

(3) 該47,754,000股股份屬同一批股份。

(4) 除上述披露外，截至2020年6月30日，本公司並不知悉任何其他人士(本公司董事、監事及最高行政人員除外)於本公司股份或相關股份中擁有根據證券及期貨條例第336條規定須記錄於登記冊內之權益或淡倉。

IV. PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2020.

四、 購買、出售或贖回本公司上市證券

截至2020年6月30日止六個月內，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

V. AUDIT COMMITTEE

The Audit Committee of the Company consists of three independent Directors, namely Yin Xiaobing, He Xifeng and Sin Lik Man. The Audit Committee of the Company is mainly responsible for reviewing and supervising the procedures for financial reporting and internal control of the Company to ensure the effective supervision of management by the Board and further improve corporate governance structure. The Audit Committee has reviewed the unaudited interim results for the six months ended 30 June 2020 and considered that the Group has adopted applicable accounting policies and made adequate disclosures in relation to preparation of relevant results.

五、 審計委員會

本公司審計委員會由尹曉冰、何錫鋒、冼力文三名獨立董事組成，主要負責審閱及監察本公司之財政匯報程序及內部監控，以確保董事會對經理層的有效監督，進一步完善公司治理結構。審計委員會已審閱截至2020年6月30日止六個月的未經審核中期業績，並認為編製有關業績已採用適合的會計政策及已作出足夠的披露。

VI. 2019 FINAL DIVIDEND AND 2020 INTERIM DIVIDEND

As approved by the 2019 annual general meeting of the Company held on 19 June 2020, the Company can distribute the final dividend for the year ended 31 December 2019 to all Shareholders of RMB0.125 (tax inclusive) per share, amounting to approximately RMB128,638,875.00 (tax included). The declaration of the final dividend is not reflected in the dividend payable in the consolidated financial statements for the year ended 31 December 2019 but will be disclosed in the dividend distribution of the consolidated financial statements for the six months period ended 30 June 2020. The final dividend has been distributed to Shareholders on 6 August 2020 in cash dividends.

六、 2019年末期股息及2020年中期股息

於2020年6月19日召開的本公司2019年股東週年大會批准，本公司可向全體股東派發截至2019年12月31日止年度末期股息，每股現金人民幣0.125元(含稅)，合計約人民幣128,638,875.00元(含稅)。該末期股息的宣告未在截至2019年12月31止年度期間合併財務報表的應付股息中體現，但會披露在截至2020年6月30日止六個月期間內合併財務報表的股息分配中。該末期股息已於2020年8月6日以現金股利的方式分配給股東。

The Board proposes to distribute an interim cash dividend for the six months ended 30 June 2020 (the "**2020 Interim Dividend**") of RMB0.054 per share (tax inclusive), totaling RMB55,571,994.00 (tax inclusive) to all Shareholders whose names appear on the Company's registers of Shareholders of Domestic Shares and H Shares as at Tuesday, 17 November 2020. The dividend of domestic shareholders shall be declared and paid in RMB while the dividend of H shareholders shall be declared in RMB but paid in Hong Kong dollars, with the exchange rate being subject to the average exchange rate published by the People's Bank of China within one week prior to the 2020 first extraordinary general meeting (the "**2020 First Extraordinary General Meeting**") to be held by the Company. The expected dividend distribution date is Thursday, 24 December 2020 (for the six months period ended 30 June 2019: Nil).

董事會建議向於2020年11月17日(星期二)名列本公司內資股及H股股東名冊的所有股東派發截至2020年6月30日止六個月之中期現金股息(「**2020年中期股息**」)每股人民幣0.054元(含稅),合計人民幣55,571,994.00元(含稅)。內資股股東的股息以人民幣宣派和支付,而H股股東的股息將以人民幣宣派,以港幣支付,匯率按照本公司將舉行之2020年第一次臨時股東大會(「**2020年第一次臨時股東大會**」)前一個星期內中國人民銀行公佈的平均匯率計算。預計派發日期為2020年12月24日(星期四)(截至2019年6月30日止六個月期間:無)。

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

分派2020年中期股息建議須待股東於2020年第一

According to the provisions of the "Circular on Questions Concerning Withholding and Remitting Enterprise Income Tax for Dividends Received by Overseas H-share Holders (Non-resident Enterprise Shareholders) from Chinese Resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》)" (Guo Shui Han [2008] No. 897) issued by the State Administration of Taxation, an enterprise income tax at the rate of 10% shall be levied on dividends paid in or after 2008 by Chinese resident enterprises to overseas H shareholders that are non-resident enterprises.Any shares registered in the name of the non-individual registered Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations, will be treated as being held by nonresident enterprise Shareholders and therefore will be subject to the withholding of the enterprise income tax. If H shareholders intend to change its Shareholder status, please enquire about the relevant procedures with your agents or transferee agent. The Company will strictly comply with the law or the requirements of the relevant government authority to withhold and pay enterprise income tax and individual income tax on behalf of the relevant Shareholders based on the register of members for H Shares of the Company as at the dividend registration date. The Company assumes no responsibility and will not entertain any claims arising from any failure to timely determine, or inaccurate determination of, the status of the Shareholders or any dispute over the arrangement of withholding and paying enterprise tax and individual income tax on behalf of such Shareholders. Shareholders should consult their tax advisers regarding the PRC, Hong Kong and other tax implications of owning and disposing of the H Shares of the Company.

If the individual H shareholders who are Hong Kong or Macau residents or residents of the countries which had an agreed tax rate of 10% for dividend with China under the relevant tax treaties, the Company should withhold and pay individual income tax on behalf of the relevant H shareholders at a rate of 10%. Should the individual H shareholders are residents of the countries which had an agreed tax rate of less than 10% with China under the relevant tax treaties, the Company shall withhold and pay individual income tax on behalf of the relevant H shareholders at a rate of 10%. If the relevant individual H shareholders wish to apply for a refund of the additional amount of tax withheld and paid, the Company can assist the relevant H shareholders to handle the application for the underlying preferential tax benefits pursuant to tax treaties. If the individual H shareholders who are residents of the countries which had an agreed tax rate of higher than 10% but lower than 20% for dividend with China under the relevant tax treaties, the Company should withhold and pay individual income tax on behalf of the relevant H shareholders at the actual rate specified under relevant tax treaties. In the case that the individual holders of H Shares are residents of the countries which had an agreed tax rate of 20% with China under the tax treaties, or which has not entered into any tax treaties with China, or otherwise, the Company shall withhold and pay the individual income tax on behalf of the relevant H shareholders at a rate of 20%.

H股個人股東為香港或澳門居民以及其他與中國簽訂10%股息稅率的稅收協議的國家的居民，本公司將按10%的稅率代扣代繳個人所得稅。H股個人股東為與中國簽訂低於10%股息稅率的稅收協議的國家的居民，本公司將按10%的稅率代扣代繳股息的個人所得稅。如相關H股股東欲申請退還多扣繳的稅款，本公司可根據稅收協議代為辦理享有稅收協議待遇的申請。H股個人股東為與中國簽訂高於10%但低於20%股息稅率的稅收協議的國家的居民，本公司將按相關稅收協議實際稅率代扣代繳個人所得稅。H股個人股東為與中國簽訂20%股息稅率的稅收協議的國家的居民、與中國並沒有簽訂任何稅收協議的國家的居民以及在任何其他情況下本公司將最終按20%稅率代扣代繳個人所得稅。

VII. CLOSURE OF REGISTER OF MEMBERS

In order to ascertain Shareholders who are entitled to attend the 2020 First Extraordinary General Meeting and to receive the 2020 Interim Dividend (if approved by Shareholders), the register of members for H shares will be closed by the Company during the following periods:

(i) To determine the list of H Shareholders who are qualified to attend the 2020 First Extraordinary General Meeting:

Latest time for lodging the H shares transfer documents:	4:30 pm on 6 October 2020 (Tuesday)
Date of closure of register of members for H Shares:	From 7 October 2020 (Wednesday) to and until 6 November 2020 (Friday) (both days inclusive)
Record Date:	6 November 2020 (Friday)
Date for convening the 2020 First Extraordinary General Meeting:	6 November 2020 (Friday)

七、 暫停辦理股份過戶登記

為釐定有權出席2020年第一次臨時股東大會及獲派發2020年中期股息(如獲股東批准)的股東，本公司將於以下日期暫停辦理H股股份過戶登記手續：

(i) 為確定有權出席2020年第一次臨時股東大會之H股股東名單：

遞交H股過戶文件最後期限：	2020年

(ii) Subject to the passing of the proposal of distribution of the 2020 Interim Dividend at the 2020 First Extraordinary General Meeting, for determining the list of H Shareholders who are entitled to the 2020 Interim Dividend:

Latest time for lodging the H shares transfer documents:	4:30 pm on 11 November 2020 (Wednesday)
Date of closure of register of members for H Shares:	From 12 November 2020 (Thursday) to and until 17 November 2020 (Tuesday) (both days inclusive)
Dividend Entitlement Date:	17 November 2020 (Tuesday)

For purposes mentioned above, all properly completed share transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's H Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than the aforementioned latest time.

(ii) 若分派2020年中期股息之建議於2020年第一次臨時股東大會審議通過，為確定有權收取2020年中期股息的H股股東名單：

遞交H股過戶文件最後期限：	2020年11月11日(星期三)下午4時30分
暫停辦理H股股份過戶登記日期：	2020年11月12日(星期四)至2020年11月17日(星期二)(包括首尾兩天)
股息登記日期：	2020年11月17日(星期二)

為上述目的，所有填妥的股份過戶文件連同有關股票須於上述的最後時限前一併送交本公司H股股份過戶登記處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓，辦理過戶登記手續。

For the six months ended 30 June 2020 截至2020年6月30日止六個月

			Unaudited Six months ended 30 June 未經審核 截至6月30日止六個月	
		Notes 附註	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Continuing operations	**持續經營**			
Revenue	**收入**	6	**794,516**	711,998
Cost of sales	銷售成本	26	**(489,386)**	(431,510)
Gross profit	**毛利**		**305,130**	280,488
Selling expenses	銷售費用	26	**(6,515)**	(5,542)
Administrative expenses	行政費用	26	**(59,062)**	(42,138)
Research and development expenses	研發費用	26	**(2,449)**	(45)
Net impairment losses on financial and contract assets	金融資產和合同資產減值損失淨額		**(8,948)**	(6,212)
Other income	其他收入	24	**80,590**	23,338
Other losses – net	其他虧損－淨額	25	**(13)**	(82)
Operating profit	**經營利潤**		**308,733**	249,807
Finance income	財務收入	27	**22,541**	28,526
Finance costs	財務成本	27	**(134,331)**	(95,438)
Finance costs – net	財務成本－淨額	27	**(111,790)**	(66,912)
Share of results of associates	分佔聯營公司業績		**(56)**	(5)
Profit before income tax	**所得稅前利潤**		**196,887**	182,890
Income tax expense	所得稅費用	28	**(36,298)**	(32,623)
Profit for the period	**淨利潤**		**160,589**	150,267
Profit attributable to:	**利潤歸屬：**			
– The equity holders of the Company	－本公司權益持有人		**159,555**	149,452
– Non-controlling interests	－非控制性權益		**1,034**	815
			160,589	150,267

For the six months ended 30 June 2020 截至2020年6月30日止六個月

			Unaudited Six months ended 30 June 未經審核 截至6月30日止六個月	
			2020	2019
			2020年	2019年
		Notes	***RMB'000***	*RMB'000*
		附註	***人民幣千元***	*人民幣千元*
Other comprehensive income	**其他綜合收益**			
Items that may be reclassified to profit or loss	*或重分類至損益的項目*			
Exchange differences on consolidation	匯兌差額		**796**	89

As at 30 June 2020 於2020年6月30日

		Notes 附註	Unaudited 未經審核 30 June 2020 2020年 6月30日 RMB'000 人民幣千元	Audited 經審核 31 December 2019 2019年 12月31日 RMB'000 人民幣千元
ASSETS	**資產**			
Non-current assets	**非流動資產**			
Investment properties	投資物業	7	**81,000**	–
Right-of-use assets	使用權資產	8	**460,313**	464,182
Property, plant and equipment	不動產、工廠及設備	9	**2,950,679**	3,058,900
Receivables under service concession arrangements	特許經營權協議下的應收款項	10	**1,786,640**	1,381,995
Amounts due from customers for construction contracts	應收客戶建造合同款	16	**600,770**	516,266
Intangible assets	無形資產	11	**211,817**	199,420
Investments in associates	聯營投資	12	**14,777**	14,833
Deferred tax assets	遞延所得稅資產	13	**55,121**	52,990
			6,161,117	5,688,586
Current assets	**流動資產**			
Receivables under service concession arrangements	特許經營權協議下的應收款項	10	**12,658**	7,548
Inventories	存貨		**13,080**	22,636
Amounts due from customers for construction contracts	應收客戶建造合同款	16	**21,780**	27,578
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益的金融資產	14	**286,107**	246,327
Trade and other receivables	應收賬款及其他應收款	15	**2,278,323**	2,225,415
Cash and cash equivalents	現金及現金等價物	17	**1,380,784**	1,290,199
Restricted cash	受限制現金	17	**7,972**	67,966
			4,000,704	3,887,669
Total assets	**資產總額**		**10,161,821**	9,576,255

As at 30 June 2020 於2020年6月30日

		Notes 附註	Unaudited 未經審核 30 June 2020 2020年 6月30日 RMB'000 人民幣千元	Audited 經審核 31 December 2019 2019年 12月31日 RMB'000 人民幣千元
LIABILITIES	**負債**			
Non-current liabilities	**非流動負債**			
Deferred revenue	遞延收益	*21*	**261,559**	266,354
Borrowings	借款	*20*	**3,926,231**	3,865,047
Lease liabilities	租賃負債	*23*	**3,282**	1,495
Deferred tax liabilities	遞延所得稅負債	*13*	**84,793**	74,473
			4,275,865	4,207,369
Current liabilities	**流動負債**			
Trade and other payables	應付賬款及其他應付款	*22*	**591,293**	486,848
Income tax payables	應付所得稅		**68,237**	75,273
Borrowings	借款	*20*	**1,084,446**	701,320
Lease liabilities	租賃負債	*23*	**3,287**	3,786
Contract liabilities	合同負債	*22*	**11,526**	7,238
			1,758,789	1,274,465
Total liabilities	**負債總額**		**6,034,654**	5,481,834
Net assets	**淨資產**		**4,127,167**	4,094,421
CAPITAL AND RESERVES	**資本及儲備**			
Share capital	股本	*18*	**1,029,111**	1,029,111
Other reserves	其他儲備	*19*	**1,489,975**	1,489,179
Retained earnings	留存收益		**1,600,291**	1,569,375
Equity attributable to owners of the Company	**本公司擁有人應佔權益**		**4,119,377**	4,087,665
Non-controlling interests	**非控制性權益**		**7,790**	6,756
Total equity	**權益總額**		**4,127,167**	4,094,421

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

上述簡明合併資產負債表應與隨附附註一併閱讀。

For the six months ended 30 June 2020 截至2020年6月30日止六個月

			Unaudited 未經審核					
			Capital and reserves attributable to equity holders of the Company 歸屬於本公司權益持有人的股本和儲備					
		Note 附註	Share capital 股本 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元	Retained earnings 留存收益 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元	Non-controlling interests 非控制性權益 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元
As at 1 January 2019	**於2019年1月1日**		1,029,111	1,452,284	1,413,378	3,894,773	6,148	3,900,921
Comprehensive income:	**綜合收益：**							
Profit for the period	期內利潤		–	–	149,452	149,452	815	150,267
Other comprehensive income	其他綜合收益		–	–	–	–	–	–
Items that may be reclassified subsequently to profit or loss	*其後可能重新分類至損益之項目*		–	–	–	–	–	–
Exchange differences on consolidation	滙兌差額		–	89	–	89	–	89
Total comprehensive income for the period	期內全面收益總額		–	89	149,452	149,541	815	150,356
Transactions with owners:	**與所有者的交易：**							
Dividends	分派股息		–	–	(176,390)	(176,390)	(1,060)	(177,450)
As at 30 June 2019	**於2019年6月30日**		1,029,111	1,452,373	1,386,440	3,867,924	5,903	3,873,827
As at 1 January 2020	**於2020年1月1日**		1,029,111	1,489,179	1,569,375	4,087,665	6,756	4,094,421
Comprehensive income:	**綜合收益：**							
Profit for the period	期內利潤		–	–	159,555	159,555	1,034	160,589
Other comprehensive income	其他綜合收益		–	–	–	–	–	–
Items that may be reclassified subsequently to profit or loss	*其後可能重新分類至損益之項目*		–	–	–	–	–	–
Exchange differences on consolidation	滙兌差額		–	796	–	796	–	796
Total comprehensive income for the period	期內全面收益總額		–	796	159,555	160,351	1,034	161,385
Transactions with owners:	**與所有者的交易：**							
Dividends	分派股息	*30*	–	–	(128,639)	(128,639)	–	(128,639)
As at 30 June 2020	**於2020年6月30日**		1,029,111	1,489,975	1,600,291	4,119,377	7,790	4,127,167

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

上述簡明合併權益變動表應與隨附附註一併閱讀。

For the six months ended 30 June 2020 截至2020年6月30日止六個月

			Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月	
			2020 2020年	2019 2019年
		Notes 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
OPERATING ACTIVITIES	**經營活動**			
Cash (used in)/generated from operations	經營(使用)／產生的現金	31	**(544,109)**	273,346
Interest paid	已付利息		**(107,078)**	(58,640)
Income tax paid	已付所得稅		**(35,145)**	(44,782)
Net cash (used in)/generated from operating activities	**經營活動(使用)／產生的現金淨額**		**(686,332)**	169,924
INVESTING ACTIVITIES	**投資活動**			
Purchase of property, plant and equipment	購買不動產、工廠及設備		**(64,505)**	(119,041)
Purchase of intangible assets	購買無形資產		**–**	(1,660)
Advances to related parties	預付關聯方款項	33(b)(i)	**(650,000)**	(1,000,000)
Repayments from related parties	關聯方還款	33(b)(ii)	**1,000,000**	–
Interest received	已收利息		**29,694**	28,526
Government grants received relating to purchase of property, plant and equipment	收到與購買不動產、工廠和設備有關之政府補助		**–**	30,000
Proceeds from disposals of investments in financial assets at fair value through profit or loss	出售以公允價值計量且其變動計入損益之金融資產的投資之所得款項		**–**	170,000
Proceeds from disposal of property, plant and equipment	出售不動產、工廠和設備所得		**89**	–
Net cash generated from/(used in) investing activities	**投資活動產生／(使用)的現金淨額**		**315,278**	(892,175)

For the six months ended 30 June 2020 截至2020年6月30日止六個月

			Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月	
			2020	2019
			2020年	2019年
		Notes	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
FINANCING ACTIVITIES	**融資活動**			
Proceeds from borrowings	借款所得款		**1,015,000**	2,831,447
Recovery of restricted bank deposits	收回受限制銀行存款		**59,994**	–
Repayments of borrowings	償還借款		**(628,719)**	(1,233,289)
Repayments of lease liabilities	償還租賃負債		**(2,196)**	–
Net cash from financing activities	**融資活動產生的現金淨額**		**444,079**	1,598,158
Net increase in cash and cash equivalents	**現金及現金等價物淨增加**		**73,025**	875,907
Cash and cash equivalents at beginning of the period	期初現金及現金等價物		**1,290,199**	1,079,714
Exchange gains/(loss)	匯兌收益／(虧損)		**17,560**	(17,988)
Cash and cash equivalents at end of the period	**期末現金及現金等價物**		**1,380,784**	1,937,633

The above condensed consolidated cash flow statement should be read in conjunction with the accompanying notes.

上述簡明合併現金流量表應與隨附附註一併閱讀。

1. GENERAL INFORMATION

Kunming Dianchi Water Treatment Co., Ltd. (the "**Company**") was incorporated in Yunnan Province of the PRC on 23 December 2010 as a joint stock Company with limited liabilities under the Company Law of the People's Republic of China (the "**PRC**"). The registered office of the Company is located at Kunming Dianchi No. 7 Water Treatment Plant. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**HKEX**") on 6 April 2017.

The Group is principally engaged in the development, design, construction, operation and maintenance of water supply and wastewater treatment facilities in the PRC.

This condensed consolidated interim financial information is presented in RMB, unless otherwise stated.

This condensed consolidated interim financial information on pages 60 to 132 were approved for issue by the Board on 21 August 2020.

This condensed consolidated interim financial information has not been audited.

Significant changes in the current Reporting Period

For a detailed discussion about the Group's performance and financial position, please refer to Chapter Six "Management discussion and analysis" as set out on page 16 to 50 of this report.

2. BASIS OF PREPARATION

Statement of compliance

1. 一般資料

昆明滇池水務股份有限公司(以下簡稱「**本公司**」)是按照《中華人民共和國(「**中國**」)公司法》於2010年12月23日在中國雲南省註冊成立的股份有限責任公司。本公司的註冊辦事處位於昆明市滇池第七污水處理廠內。本公司的股票於2017年4月6日在香港聯合交易所有限公司(「**香港聯交所**」)主板上市。

本集團在中國主要從事水供給和污水處理設施的開發、設計、施工、運營和維護。

本簡明合併中期財務資料以人民幣列報(除非另有說明)。

本簡明合併中期財務資料第60頁至第132頁由董事會於2020年8月21日批准發行。

本簡明合併中期財務資料尚未經過審核。

本報告期內重大變更

有關本集團業績及財務狀況的詳細討論,請參閱本報告第16至50頁所載第六章「管理層討論與分析」。

2. 編製基準

合規聲明

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

For the six months ended 30 June 2020 截至2020年6月30日止六個月

2. BASIS OF PREPARATION *(continued)*

Statement of compliance *(continued)*

Annual Improvements to IFRSs	2018-2020 Cycle
Amendments to IAS 37	Costs of contract performance
Amendments to IAS 1	Classification of liabilities as current or non-current
IFRS 17	Insurance contracts
Amendments to IFRS 10 and IAS 28	Asset sales or capital contributions between investors and their

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2019 of the Group.

There have been no changes in the risk management policies since last year end.

5.2 Foreign exchange risk

The Group is exposed to foreign exchange risk primarily arising from currency exposure with respect to Hong Kong dollars ("**HKD**") and United States dollars ("

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(continued)*

5.3 Credit risk

The carrying amounts of cash and cash equivalents, restricted cash, term deposits with initial term of over three months, trade and other receivables, receivables under service concession arrangements and amounts due from customers for construction contracts included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets. The objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problem.

All the cash and cash equivalents and term deposits with initial term of over three months were deposited in the major financial institutions in Hong Kong and the PRC, which the Directors of the Company believe are of high credit quality.

For receivables, the Group assessed the credit quality of the counterparties by taking into account their financial position, credit history and other factors. Management also regularly reviews the recoverability of these receivables and follow up the disputes or amounts overdue, if any. As at 30 June 2020, the ageing analysis of trade receivables is set out in Note 15.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each Reporting Period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

5. 財務風險管理及金融工具*(續)*

5.3 信用風險

合併財務狀況表中包含的現金及現金等價物、受限制現金、原期限為3個月以上的定期存款、應收賬款及其他應收款、特許經營權協議下的應收款項及應收客戶建造合同款的賬面價值表明了本集團所承受的金融資產相關的最大信用風險。本集團的信用風險管理措施的目標是控制潛在可收回風險。

所有的現金及現金等價物及原期限為3個月以上的定期存款都存放於香港及中國的主要金融機構，本公司董事認為其信用質量高。

對於應收款項，本集團透過評估債務人的財務狀況、信貸記錄及其他因素評估其信貸質素。管理層亦會定期檢討該等應收款項的可收回性及跟進糾紛或逾期款項(如有)。於2020年6月30日，應收款項的賬齡分析載於附註15。

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

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(continued)*

5.3 Credit risk *(continued)*

(i) Trade receivables

For trade receivables, the customers are primarily local governments and PRC state-owned entities. The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

The expected loss rates are based on the payment profiles of sales over a period of 12 month before 1 January 2019 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables. There was no change in the estimation techniques or significant assumptions made during the period.

5. 財務風險管理及金融工具*(續)*

5.3 信用風險*(續)*

(i) 貿易應收款項

就貿易應收款項而言，客戶主要為地方政府及中國國有企業。本集團根據國際財務報告準則第9號的規定應用簡易方法為預期信貸虧損計提撥備，該準則允許就所有貿易應收款項採用整個存續期的預期虧損撥備。

預期虧損率基於2019年1月1日前12個月期間銷售的付款情況及本期間內出現的相應過往信貸虧損。過往虧損率作出調整以反映影響客戶結算應收款項能力的宏觀經濟因素的當前及前瞻性資料。本期間內，估計技術或作出的重大假設並無變動。

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(continued)*

5.3 Credit risk *(continued)*

(i) Trade receivables (continued)

On that basis, loss allowance provision for trade receivables amounted to RMB22,218,317 was recognised as at 30 June 2020 (2019: RMB16,294,264). The expected loss rate for trade receivables and the loss allowance provision as at 30 June 2020 and 31 December 2019 are illustrated as follows:

5. 財務風險管理及金融工具*(續)*

5.3 信用風險*(續)*

(i) 貿易應收款項(續)

按此基準，於2020年6月30日(採納國際財務報告準則第9號)確認貿易應收款項虧損撥備人民幣22,218,317元(2019年：人民幣16,294,264元)。於2020年6月30日及2019年12月31日，應收款項的預期虧損率及虧損撥備如下：

		Up to 1 year 長達一年	1 to 2 years 1至2年	2 to 3 years 2至3年	Total 合計
Trade receivables	**貿易應收款項**				
As at 30 June 2020	於2020年6月30日				
Expected loss rate	預期虧損率	1.00%	2.12%	29.34%	
Gross carrying amount *(RMB'000)*	總賬面值*(人民幣千元)*	964,696	390,148	14,719	1,369,563
Loss allowance provision *(RMB'000)*	虧損撥備*(人民幣千元)*	(9,638)	(8,262)	(4,318)	(22,218)
		955,058	381,886	10,401	1,347,345
Credit-impaired	信貸損失	No 否	No 否	No 否	

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(continued)*

5. 財務風險管理及金融工具*(續)*

5.3 Credit risk *(continued)*

5.3 信用風險*(續)*

(i) Trade receivables (continued)

(i) 貿易應收款項(續)

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

As at 30 June 2020, the Group recognised loss allowance of RMB5,924,053 (2019: RMB6,640,268) on the trade receivables. The movement in the loss allowance for trade receivables is summarised below.

於2020年6月30日，本集團就貿易應收款項確認虧損撥備人民幣5,924,053元(2019年：人民幣6,640,268元)。貿易應收款項虧損撥備的變動總結如下。

		2020 2020年 6月30日 *RMB'000 人民幣千元*	2019 2019年 12月31日 *RMB'000 人民幣千元*
At the beginning of period	期初	**16,294**	9,654
Increase of allowance	撥備增加	**5,924**	6,640
At the end of period	期末	**22,218**	16,294

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(continued)*

5.3 Credit risk *(continued)*

(ii) Receivables under service concession arrangements/ amounts due from customers for construction contracts/ other receivables

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each Reporting Period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It also considers available reasonable and supportive forwarding-looking information.

The Group does not hold any collateral over receivables under service concession arrangements or amounts due from customers for construction contracts as at 30 June 2020 (2019: Nil).

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

5. 財務風險管理及金融工具*(續)*

5.3 信用風險*(續)*

(ii) 特許服務協議下的應收款項／應收客戶建造合同款／或其他應收款項

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

於2020年6月30日，本集團並無就特許服務協議下的應收款項或建築合同應收客戶款項持有任何抵押品(2019年：無)。

本集團將該等應收款項分為四類，反映各類別的信用風險及如何釐定虧損撥備。

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(continued)*

5. 財務風險管理及金融工具*(續)*

5.3 Credit risk *(continued)*

5.3 信用風險*(續)*

(ii) Receivables under service concession arrangements/ amounts due from customers for construction contracts/ other receivables (continued)

(ii) 特許服務協議下的應收款項／應收客戶建造合同款／或其他應收款項(續)

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

本集團預期信貸損失模型基於的假設總結如下：

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

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(continued)*

5.3 Credit risk *(continued)*

(ii) Receivables under service concession arrangements/ amounts due from customers for construction contracts/ other receivables (continued)

On the basis as stated, a total loss allowance provision for receivables under service concession arrangements, amounts due from customers for construction contracts and other receivables (except for the tax rebate which are not financial assets) amounted to RMB13,079,114 (2019: RMB10,092,947) was recognised at 30 June 2020 as follows:

5. 財務風險管理及金融工具*(續)*

5.3 信用風險*(續)*

(ii) 特許服務協議下的應收款項／應收客戶建造合同款／或其他應收款項(續)

在所述的基礎上，特許服務協議下的應收款項的總虧損撥備、建築合約的客戶應收款項及其他應收款項(除不屬於金融資產的退稅外)的金額為人民幣13,079,114元(2019年：人民幣10,092,947元)，並於2020年6月30日確認如下。

		Receivables under service concession arrangements 特許服務協議下的應收款項	Amounts due from customers for construction contracts 應收客戶建造合同款	Other receivables 其他應收款項	Total 合計
As at 30 June 2020	於2020年6月30日				
Expected loss rate	預期虧損率	0.01%-0.1%	0.5%-1.2%	0.3%-1%	
Gross carrying amount *(RMB'000)*	總賬面金額*(人民幣千元)*	1,800,146	629,275	750,991	3,180,412
Loss allowance provision *(RMB'000)*	虧損撥備*(人民幣千元)*	(848)	(6,725)	(5,506)	(13,079)
		1,799,298	622,550	745,485	3,167,333
Credit-impaired	信貸損失	No 否	No 否	No 否	

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(continued)*

5. 財務風險管理及金融工具*(續)*

5.3 Credit risk *(continued)*

5.3 信用風險*(續)*

(ii) Receivables under service concession arrangements/ amounts due from customers for construction contracts/ other receivables (continued)

(ii) 特許服務協議下的應收款項／應收客戶建造合同款／或其他應收款項(續)

		Receivables under service concession arrangements 特許服務協議下的應收款項	Amounts due from customers for construction contracts 建築合同應收客戶款項	Other receivables 其他應收款項	Total 合計
As at 31 December 2019	於2019年12月31日				
Expected loss rate	預期虧損率	0.01%-0.1%	0.5%-1.2%	0.3%-1%	
Gross carrying amount *(RMB'000)*	總賬面值*(人民幣千元)*	1,390,030	549,978	1,091,268	3,031,276
Loss allowance provision *(RMB'000)*	虧損撥備*(人民幣千元)*	(487)	(6,134)	(3,472)	(10,093)
		1,389,543	543,844	1,087,796	3,021,183
Credit-impaired	信貸損失	No 否	No 否	No 否	

As at 30 June 2020, the Group recognised loss allowance of RMB2,986,167 (2019: RMB2,185,344) on the trade receivables. The movement in the loss allowance for trade receivables is summarised below.

於2020年6月30日，本集團就貿易應收款項確認虧損撥備人民幣2,986,167元(2019年：人民幣2,185,344元)。貿易應收款項虧損撥備的變動總結如下。

		30 June 2020 2020年 6月30日 *RMB'000 人民幣千元*	31 December 2019 2019年 12月31日 *RMB'000 人民幣千元*
At the beginning of period	期初	**10,093**	7,908
Increase of allowance	撥備增加	**2,986**	2,185
At the end of period	期末	**13,079**	10,093

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(continued)*

5. 財務風險管理及金融工具*(續)*

5.4 Liquidity risk

5.4 流動資金風險

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

下表對本集團根據於資產負債表日至合約到期日的剩餘期限相關的以到期組合淨額基準結算的金融負債進行分析。在表內披露的金額為未經貼現的合同現金流量。

		Less than 1 year 1年以內 *RMB'000 人民幣千元*	Between 1 and 2 years 1至2年 *RMB'000 人民幣千元*	Between 2 and 5 years 2至5年 *RMB'000 人民幣千元*	Over 5 years 5年以上 *RMB'000 人民幣千元*	Total 合計 *RMB'000 人民幣千元*
As at 30 June 2020 (Unaudited)	**於2020年6月30日（未經審核）**					
Borrowings	借款	1,529,330	2,101,257	1,718,278	–	5,348,865
Financial liabilities included in trade and other payables	包含在應付賬款及其他應付款中的金融負債	552,032	–	–	–	552,032
Lease liabilities	租賃負債	3,287	102	422	2,758	6,569
		2,084,649	2,101,359	1,718,700	2,758	5,907,466

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(continued)*

5. 財務風險管理及金融工具*(續)*

5.4 Liquidity risk *(continued)*

5.4 流動資金風險*(續)*

	Less than 1 year 1年以內 *RMB'000* *人民幣千元*	Between 1 and 2 years 1至2年 *RMB'000* *人民幣千元*	Between 2 and 5 years 2至5年 *RMB'000* *人民幣千元*	Over 5 years 5年以上 *RMB'000* *人民幣千元*	Total 合計 *RMB'000* *人民幣千元*
As at 31 December 2019					

5.5 Fair value estimation

(a) The table below presents financial instruments carried at fair value, by different measurement methods. The measurement levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(continued)*

5.5 Fair value estimation *(continued)*

(a) The table below presents financial instruments carried at fair value, by different measurement methods. The measurement levels are defined as follows: *(continued)*

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

- The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2019 on a recurring basis:

5. 財務風險管理及金融工具*(續)*

5.5 公允價值估計*(續)*

(a) 下表呈列不同計量方法的公允價值計量的金融工具。各計量等級定義如下:*(續)*

- 資產或負債並非依據可觀察市場數據之輸入值(即不可觀察輸入值)(第3層)。

- 下表列示本集團於2019年12月31日按公允價值定期計量的資產及負債:

At 31 December 2019 (Audited)	**於2019年12月31日 (經審核)**	Level 1 第1層 *RMB'000 人民幣千元*	Level 2 第2層 *RMB'000 人民幣千元*	Level 3 第3層 *RMB'000 人民幣千元*	Total 合計 *RMB'000 人民幣千元*
Financial assets	**金融資產**				
Cross Currency swap classified as financial assets at FVPL	交叉貨幣掉期分類為以公允價值計量且其變動計入當期損益的金融資產	–	46,327	–	46,327
Investment in Single Asset Management Plan classified as financial assets at FVPL	單一資產管理計劃投資分類為以公允價值計量且其變動計入當期損益的金融資產	–	–	200,000	200,000

The following table shows the Group's assets and liabilities that are regularly measured at fair value as at 30 June 2020:

下表列示本集團於2020年6月30日按公允價值定期計量的資產及負債:

At 30 June 2020 (Unaudited)	**於2020年6月30日 (未經審核)**	**Level 1 第1層 *RMB'000 人民幣千元***	**Level 2 第2層 *RMB'000 人民幣千元***	**Level 3 第3層 *RMB'000 人民幣千元***	**Total 合計 *RMB'000 人民幣千元***
Financial assets	**金融資產**				
Cross Currency swap classified as financial assets at FVPL	交叉貨幣掉期分類為以公允價值計量且其變動計入當期損益的金融資產	**–**	**86,107**	**–**	**86,107**
Investment in Single Asset Management Plan classified as financial assets at FVPL	單一資產管理計劃投資分類為以公允價值計量且其變動計入當期損益的金融資產	**–**	**–**	**200,000**	**200,000**

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(continued)*

5.5 Fair value estimation *(continued)*

(b) Fair value of financial assets and liabilities measured at amortised cost

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

- Trade and other receivables (except for prepayments);
- Receivables under service concession arrangements;
- Cash and cash equivalents;
- Trade and other payables (except for advance from customers, staff salaries and welfare payables and accrued taxes other than income tax); and
- Borrowings.

The fair value of non-current receivable under service concession arrangements, non-current amounts due from customers for construction contracts and non-current borrowings is estimated by discounting the future cash flows at the current market rate available to the Group and the Company for similar financial instruments.

5. 財務風險管理及金融工具*(續)*

5.5 公允價值估計*(續)*

(b) 按攤銷成本計量的金融資產和負債的公允價值

以下金融資產和負債的公允價值近似於其賬面價值：

- 應收賬款及其他應收款(預付款除外)；
- 特許經營權協議下的應收款項；
- 現金及現金等價物；
- 應付賬款及其他應付款(預收款項、應付職工工資和福利以及除所得稅外的應計稅款除外)；及
- 借款。

特許經營權安排下的非流動應收款項、應收客戶建造合同款的非流動金額及非流動借款的公允價值依據本集團和本公司可獲取的類似金融工具的現行市場利率對未來現金流量進行折現估計。

6. SEGMENT AND REVENUE INFORMATION

The chief operating decision-maker has been identified as executive Directors of the Company. Management has determined the operating segments based on reports reviewed by the executive Directors of the Company for the purpose of allocating resources and assessing performance.

The executive Directors of the Company consider the business from product and service perspective. The Group's reportable segments are as follows:

- Wastewater treatment;
- Water supply; and
- Others, including management service, holding of investment properties and transportation business.

The executive Directors of the Company assess the performance of the operating segments based on the measurement of revenue and operating profit.

Unallocated assets consist of deferred tax assets and investments in associates. Unallocated liabilities consist of deferred tax liabilities and income tax payables.

Capital expenditure comprises mainly additions to land use rights, property, plant and equipment and intangible assets.

6. 分部及收入資料

首席經營決策者被認定為本公司執行董事。管理層已根據本公司執行董事審議的、用於分配資源和評估表現的報告釐定經營分部。

本公司執行董事從產品和服務的角度確定業務。本集團的報告分部如下：

- 污水處理；
- 水供給；及
- 其他，包括管理業務，持有投資物業及運輸業務。

本公司執行董事根據收入計量和營業利潤評估經營分部的表現。

未分配資產包括遞延所得稅資產和聯營投資。未分配負債包括遞延所得稅負債和應付所得稅。

資本開支主要包括土地使用權、不動產、工廠及設備和無形資產的增加。

For the six months ended 30 June 2020 截至2020年6月30日止六個月

6. SEGMENT AND REVENUE INFORMATION *(continued)* 6. 分部及收入資料*(續)*

(a) Revenue (a) 收入

The revenue of the Group for the six months ended 30 June 2020 and 2019 are set out as follows:

截至2020年及2019年6月30日止六個月，本集團的營業收入如下：

		Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月	
		2020 2020年	2019 2019年
		RMB'000 人民幣千元	*RMB'000 人民幣千元*
Wastewater treatment	污水處理	**537,347**	487,914
Operating services – under TOO model	營運服務－TOO模式下	**390,050**	416,284
Operating services – under TOT/BOT model	營運服務－TOT/BOT模式下	**50,240**	30,389
Construction services – under BT model	建造服務－BT模式下	**334**	12,479
Construction services – under BOT model	建造服務－BOT模式下	**64,020**	22,494
Finance income	財務收入	**32,703**	6,268
Reclaimed water supply and running water supply	再生水供應及自來水供應	**60,955**	99,434
Operating services – under TOO model	營運服務－TOO模式下	**10,313**	16,560
Operating services – under TOT/BOT model	營運服務－TOT/BOT模式下	**6,706**	6,016
Construction services – under BT model	建造服務－BT模式下	**99**	36,773
Construction services – under BOT model	建造服務－BOT模式下	**28,737**	40,085
Finance income	財務收入	**15,100**	–
Others	其他	**196,214**	124,650
Management services	管理服務	**83,113**	42,674
Transportation services	運輸服務	**1,976**	2,099
Construction services – under BT model	建造服務－BT模式下	**59,833**	9,046
Thermoelectricity services	熱電服務	**38,612**	59,361
Others	其他	**12,680**	11,470
		794,516	711,998

6. SEGMENT AND REVENUE INFORMATION *(continued)*

6. 分部及收入資料*(續)*

(b) Segment information

(b) 分部資料

The segment information provided to senior executive management for the reportable segments for the six months ended 30 June 2020 is as follows:

截至2020年6月30日止六個月，本集團向高級執行管理層提供的分部數據如下：

		For the six months ended 30 June 2020 (Unaudited) 截至2020年6月30日止六個月(未經審核)			
Business segment	**業務分部**	**Wastewater treatment 污水處理** *RMB'000 人民幣千元*	**Water supply 水供給** *RMB'000 人民幣千元*	**Others 其他** *RMB'000 人民幣千元*	**Total 合計** *RMB'000 人民幣千元*
Revenue from external customers	外部客戶收入	537,347	60,955	196,214	794,516
Segment gross profit	分部毛利	249,726	23,247	32,157	305,130
Segment profit	分部利潤	257,586	25,047	26,100	308,733
Finance income	財務收入				22,541
Finance costs	財務成本				(134,331)
Share of results of associates	分佔聯營公司業績				(56)
Profit before income tax	所得稅前利潤				196,887
Other information	**其他資料**				
Depreciation of property, plant and equipment	不動產、工廠及設備的折舊	98,647	754	8,533	107,934
Depreciation expense of right-of-use assets	使用權資產折舊支出	6,159	152	1,042	7,353
Amortization of intangible assets	無形資產攤銷	4,859	121	–	4,980
Capital expenditure	資本開支	83,289	1,529	548	85,366

For the six months ended 30 June 2020 截至2020年6月30日止六個月

6. SEGMENT AND REVENUE INFORMATION *(continued)* 6. 分部及收入資料*(續)*

(b) Segment information *(continued)* (b) 分部資料*(續)*

Business segment	業務分部	As at 30 June 2020 (Unaudited) 於2020年6月30日(未經審核) Wastewater treatment 污水處理 *RMB'000 人民幣千元*	Water supply 水供給 *RMB'000 人民幣千元*	Others 其他 *RMB'000 人民幣千元*	Total 合計 *RMB'000 人民幣千元*
Segment assets	分部資產	7,467,689	817,765	1,806,469	10,091,923
Unallocated:	未分配的：				
Deferred tax assets	遞延所得稅資產				55,121
Investments in associates	聯營投資				14,777
Total assets	資產總額				10,161,821
Segment liabilities	分部負債	4,557,659	306,292	1,017,673	5,881,624
Unallocated:	未分配的：				
Deferred tax liabilities	遞延所得稅負債				84,793
Income tax payables	應付所得稅				68,237
Total liabilities	負債總額				6,034,654

6. SEGMENT AND REVENUE INFORMATION *(continued)*

6. 分部及收入資料*(續)*

(b) Segment information *(continued)*

(b) 分部資料*(續)*

The segment information provided to senior executive management for the reportable segments for the six months ended 30 June 2019 is as follows:

截至2019年6月30日止六個月，本集團向高級執行管理層提供的分部數據如下：

		For the six months ended 30 June 2019 (Unaudited) 截至2019年6月30日止六個月(未經審核)			
Business segment	**業務分部**	Wastewater treatment 污水處理 *RMB'000 人民幣千元*	Water supply 水供給 *RMB'000 人民幣千元*	Others 其他 *RMB'000 人民幣千元*	Total 合計 *RMB'000 人民幣千元*
Revenue from external customers	外部客戶收入	487,914	99,434	124,650	711,998
Segment gross profit	分部毛利	235,509	2,542	42,437	280,488
Segment profit	分部利潤	207,414	(2,278)	44,671	249,807
Finance income	財務收入				28,526
Finance costs	財務成本				(95,438)
Share of results of associates	分佔聯營公司業績				(5)
Profit before income tax	所得稅前利潤				182,890
Other information	**其他資料**				
Depreciation of property, plant and equipment	不動產、工廠及設備的折舊	97,144	1,044	8,530	106,718
Amortization of land use rights	土地使用權攤銷	4,689	–	239	4,928
Amortization of intangible assets	無形資產攤銷	5,125	–	–	5,125
Capital expenditure	資本開支	82,847	–	1,700	84,547

6. SEGMENT AND REVENUE INFORMATION *(continued)* 6. 分部及收入資料*(續)*

(b) Segment information *(continued)* (b) 分部資料*(續)*

Business segment	業務分部	Wastewater treatment 污水處理 *RMB'000 人民幣千元*	Water supply 水供給 *RMB'000 人民幣千元*	Others 其他 *RMB'000 人民幣千元*	Total 合計 *RMB'000 人民幣千元*
		As at 31 December 2019 (Audited) 於2019年12月31日(經審核)			
Segment assets	**分部資產**	6,760,731	743,269	2,004,432	9,508,432
Unallocated:	**未分配的:**				
Deferred tax assets	遞延所得稅資產				52,990
Investments in associates	聯營投資				14,833
Total assets	**資產總額**				9,576,255
Segment liabilities	**分部負債**	3,879,507	385,147	1,067,434	5,332,088
Unallocated:	**未分配的:**				
Deferred tax liabilities	遞延所得稅負債				74,473
Income tax payables	應付所得稅				75,273
Total liabilities	**負債總額**				5,481,834

6. SEGMENT AND REVENUE INFORMATION *(continued)*

6. 分部及收入資料*(續)*

(c) Geographical information

The Group has derived almost all of its business in the PRC, hence, geographical segment information is not considered necessary.

(c) 地理資料

本集團的幾乎所有業務均在中國開展。因此，無需披露地理分部資料。

(d) Information about major customers

The major customer groups from whom the individual customer's revenue amounted to 10% or more of the Group's total revenue were as below:

(d) 主要客戶資料

本集團的主要客戶群(其中來自於單個客戶的收入佔本集團收入總額的10%或10%以上)如下：

		Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 *RMB'000 人民幣千元*	2019 2019年 *RMB'000 人民幣千元*
Customer A	客戶A	255,942	276,050
Customer B	客戶B	113,258	105,782
		369,200	381,832

The customer portfolio of the Group is concentrated, which is consistent with the industry practice. If the customer A or customer B substantially defaults in payment or terminates the business relationship with the Group, it could materially affect the Group's financial position and results of operations.

本集團客戶群體較為集中，與本行業的現實狀況一致。如果客戶A或客戶B嚴重違反付款義務或與本集團終止商業合作關係，會嚴重影響本集團的財務狀況和經營收益。

For the six months ended 30 June 2020 截至2020年6月30日止六個月

7. INVESTMENT PROPERTIES 7. 投資物業

		Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
At fair value	**按公平值**		
At the beginning of the reporting period	於報告期初	–	–
Transferred from construction in progress	自在建工程轉入	64,686	–
Net change in fair value recognized in profit or loss	於損益確認之公允值變動淨額	16,314	–
At the end of the reporting period	**於報告期末**	81,000	–

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

本集團全部物業權益乃根據租賃持有以賺取租金收入或資本增值，並使用公平值模式計量以及分類及入賬為投資物業。本集團之投資物業乃位於中國。

For the six months ended 30 June 2020, the commercial properties in Kunming were transferred from construction in progress to investment properties and a fair value gain of approximately RMB16,314,400 was recognized in the consolidated income statement after the transfer.

截至2020年6月30日止六個月，於昆明之商用物業乃由在建工程轉移至投資物業，並於綜合收益表確認轉移後之公平值收益約人民幣16,314,400元。

7. INVESTMENT PROPERTIES *(continued)*

The value of the Group's investment properties is determined by the Directors of the Company with reference to the transaction price information of similar properties in the market.

None of the Group's investment properties measured at fair value are categorised as level 1 and level 2. The Group's investment properties are categorised as level 3.

The following table shows the significant unobservable inputs used in the valuation model.

7. 投資物業*(續)*

本集團之投資物業乃由本公司董事參照市場同類物業交易價格資料後釐定其價值。

本集團按公平值計量之投資物業概無分類為第一級及第二級。本集團之投資物業分類為第三級。

下表呈列估值模型所用之重大不可觀察輸入數據。

Assets 資產	Fair value hierarchy 公平值層級	Valuation technique 估值技術	Significant unobservable inputs 重大不可觀察輸入數據	Range of unobservable inputs 不可觀察輸入數據的範圍	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公平值的關係	Sensitivity of unobservable inputs 不可觀察輸入數據的敏感性
Investment properties located in the PRC	Level 3	Direct comparison approach	Adjusted market price per square meter ranging from RMB9,100/sq.m. to RMB11,000/sq.m.	10%	+ The higher adjusted market price, the higher fair value of the investment properties, and vice versa	Increase/Decrease 10% result in increase/decrease in fair value by RMB8,100,000/RMB8,100,000
位於中國的投資物業	第三級	直接比較法	每平方米的經調整市價介乎每平方米人民幣9,100元至人民幣11,000元	10%	+經調整市價愈高，投資物業的公平值愈高，反之亦然	增加／減少10%導致公平值增加／減少人民幣8,100,000元／人民幣8,100,000元

The fair value measurement is based on the above asset's highest and best use, which does not differ from their actual use.

公平值計量乃基於上述資產之最高及最佳用途，與彼等之實際用途並無不同。

No investment properties were pledged as at 30 June 2020.

於2020年6月30日並無將投資物業抵押。

8. RIGHT-OF-USE ASSETS

The Group's right-of-use assets represents (i) the prepaid lease payments for land located in the PRC, and (ii) leased properties.

8. 使用權資產

本集團的使用權資產為：(i)位於中國的土地預付租賃付款；以及(ii)租賃物業。

		Land use Rights 土地使用權 RMB'000 人民幣千元	Leased Properties 租賃物業 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Reconciliation of carrying amount – for the six months ended 30 June 2019	**賬面值對賬 一截至2019年6月30日止六個月**			
At the beginning of the reporting period	於報告期初	469,125	–	469,125
Depreciation	折舊	(4,928)	–	(4,928)
At the end of the reporting period	於報告期末	464,197	–	464,197
Reconciliation of carrying amount – for the six months ended 30 June 2020	**賬面值對賬 一截至2020年6月30日止六個月**			
At the beginning of the Reporting Period	於報告期初	**459,035**	**5,147**	**464,182**
Additions	增加	**–**	**3,484**	**3,484**
Depreciation	折舊	**(5,355)**	**(1,998)**	**(7,353)**
At the end of the reporting period	於報告期末	**453,680**	**6,633**	**460,313**

9. PROPERTY, PLANT AND EQUIPMENT 9. 不動產、工廠及設備

		Buildings and facilities 樓宇及設施 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Office and electronic equipment 辦公室及電子設備 RMB'000 人民幣千元	Motor vehicles 機動車 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
(Unaudited)	**(未經審核)**						
Six months ended 30 June 2020	**截至2020年6月30日止六個月**						
Opening net book value	期初賬面淨值	1,769,153	550,133	44,643	12,843	682,128	3,058,900
Additions *(a)*	增加*(a)*	721	2,702	1,183	667	59,232	64,505
Transfers to investment properties	轉至投資物業	–	–	–	–	(64,686)	(64,686)
Disposals	處置	–	(26)	(3)	(77)	–	(106)
Depreciation *(Note 26)*	折舊*(附註26)*	(46,781)	(56,678)	(2,652)	(1,823)	–	(107,934)
Closing net book value	期末賬面淨值	1,723,093	496,131	43,171	11,610	676,674	2,950,679

		Buildings and facilities 樓宇及設施 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Office and electronic equipment 辦公室及電子設備 RMB'000 人民幣千元	Motor vehicles 機動車 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
(Unaudited)	**(未經審核)**						
Six months ended 30 June 2019	**截至2019年6月30日止六個月**						
Opening net book value	期初賬面淨值	1,754,737	632,622	48,048	15,108	603,089	3,053,604
Additions	增加	3,668	2,584	638	46	75,951	82,887
Depreciation *(Note 26)*	折舊*(附註26)*	(50,601)	(51,497)	(3,124)	(1,496)		(106,718)

10. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

The following is the summarized information of receivables under service concession arrangement with respect to the Group's service concession arrangements.

10. 特許經營權協議下的應收款項

就本集團的特許經營權協議而言，特許經營權協議下的應收款項的匯總資料如下：

		Unaudited 未經審核 30 June 2020 2020年 6月30日 *RMB'000 人民幣千元*	Audited 經審核 31 December 2019 2019年 12月31日 *RMB'000 人民幣千元*
Receivables under service concession arrangements	**特許經營權協議下的應收款項**		
Current portion:	流動部分：		
Receivables under service concession arrangements	特許經營權協議下的應收款項	**12,658**	7,550
Loss allowance	虧損撥備	**–**	(2)
		12,658	7,548
Non-current portion:	非流動部分：		
Receivables under service concession arrangements	特許經營權協議下的應收款項	**1,787,488**	1,382,480
Loss allowance	虧損撥備	**(848)**	(485)
		1,786,640	1,381,995
		1,799,298	1,389,543

The effective interest rate fell within the range from 6.06% to 9.23%.

實際利率在6.06%至9.23%區間內。

11. INTANGIBLE ASSETS 11. 無形資產

		Computer software 電腦軟件 *RMB'000* *人民幣千元*	Operating concession 特許經營權 *RMB'000* *人民幣千元*	Other intangible assets 其他無形資產 *RMB'000* *人民幣千元*	Total 合計 *RMB'000* *人民幣千元*
(Unaudited)	**(未經審核)**				
Six months ended 30 June 2020	**截至2020年6月30日止六個月**				
Opening net book value	期初賬面淨值	8,080	191,340	–	199,420
Additions	增加	–	17,377	–	17,377
Amortization *(Note 26)*	攤銷*(附註26)*	(1,465)	(3,515)	–	(4,980)
Closing net book value	期末賬面淨值	6,615	205,202	–	211,817

	Computer software 電腦軟件 *RMB'000* *人民幣千元*	Operating concession 特許經營權 *RMB'000*	Other intangible assets 其他無形資產 *RMB'000*	Total 合計 *RMB'000*

12. INVESTMENTS IN ASSOCIATES

Investments accounted for using the equity method refer to the associates held by the Group, movements of which are set out as follows.

12. 聯營投資

按權益法計量的投資是指由本集團持有的聯營投資，其變動載列如下。

		Unaudited 未經審核 30 June 2020 2020年 6月30日 *RMB'000* *人民幣千元*	Audited 經審核 31 December 2019 2019年 12月31日 *RMB'000* *人民幣千元*
Unlisted shares	**非上市股份**		
Share of net assets	淨資產份額	**5,435**	5,491
Goodwill	商譽	**9,342**	9,342

Fair value of investments

At the end of the reporting period, all of the Group's associates are private companies and there was no quoted market price available for the investments.

Financial information of associates

Summarised financial information of the associates of the Group is set out below, which represents amounts shown in the associates' financial statements prepared in accordance with IFRSs and adjusted by the Group for equity accounting purposes including any differences in accounting policies and fair value adjustments.

12. INVESTMENTS IN ASSOCIATES *(continued)*

12. 聯營投資*(續)*

Financial information of associates *(continued)*

聯營公司之財務資料*(續)*

The Group's investments in associates and certain of its key financial information attributable to the Group are as follows:

本集團的聯營投資以及歸屬於本集團的部分關鍵財務資料如下：

		Assets 資產 *RMB'000* *人民幣千元*	Liabilities 負債 *RMB'000* *人民幣千元*	Revenues 收入 *RMB'000* *人民幣千元*	Losses 虧損 *RMB'000* *人民幣千元*	Net assets 淨資產 *RMB'000* *人民幣千元*
For the six months ended 30 June 2020	截至2020年6月30日止六個月	**6,871**	**1,436**	**174**	**(56)**	**5,435**
For the year ended 31 December 2019	截至2019年12月31日止年度	7,092	1,601	1,168	(241)	5,491

13. DEFERRED TAX ASSETS AND LIABILITIES 13. 遞延所得稅資產和負債

		Unaudited 未經審核 30 June 2020 2020年 6月30日 *RMB'000* *人民幣千元*	Audited 經審核 31 December 2019 2019年 12月31日 *RMB'000* *人民幣千元*
Deferred tax assets:	**遞延所得稅資產：**		
– to be recovered within 12 months	一將於12個月內轉回	**9,309**	7,643
– to be recovered after more than 12 months	一將於12個月後轉回	**45,812**	45,347
		55,121	52,990
Deferred tax liabilities:	**遞延所得稅負債：**		
– to be recovered within 12 months	一將於12個月內轉回	**–**	2,061
– to be recovered after more than 12 months	一將於12個月後轉回	**84,793**	72,412
		84,793	74,473

Movements in deferred tax assets and liabilities during the six months ended 30 June 2020 and 2019, without taking into consideration the offsetting of balance within the same tax jurisdiction, are as follows:

於截至2020年及2019年6月30日止六個月期間遞延所得稅資產和負債(未考慮結餘可在同一徵稅區內抵銷)的變動如下：

		Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月 2020 2020年 *RMB'000* *人民幣千元*	2019 2019年 *RMB'000* *人民幣千元*
Deferred tax assets	**遞延所得稅資產**		
At the beginning of the period	**期初**	**52,990**	50,861
Recognized in the consolidated statement of comprehensive income *(Note 28)*	於合併綜合收益表內確認 *(附註28)*	**2,131**	8,891
At the end of the period	**期末**	**55,121**	59,752

13. DEFERRED TAX ASSETS AND LIABILITIES *(continued)*

13. 遞延所得稅資產和負債*(續)*

Deferred tax assets as at 30 June 2020 and 2019 were mainly related to government grant, tax losses carried forward, unrealized foreign exchange losses as well as depreciation and amortization differences arising from the revaluation results on certain wastewater treatment facilities and right-of-use assets injected by Kunming Dianchi Investment Co., Ltd.* (昆明滇池投資有限責任公司) ("**KDI**") upon the incorporation of the Company.

於2020年及2019年6月30日，遞延所得稅資產主要由以前年度政府補助、稅務成本以及由昆明滇池投資有限責任公司(「**昆明滇池投資**」)投入污水處理設施及使用權資產等相關非流動資產根據資產評估結果更正的折舊和攤銷差異組成。

		Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月	
		2020	2019
Deferred tax liabilities	**遞延所得稅負債**	**2020年**	2019年
		RMB'000	*RMB'000*
		人民幣千元	*人民幣千元*
At the beginning of the period	**期初**	**74,473**	64,040
Recognized in the consolidated statement of comprehensive income *(Note 28)*	於合併綜合收益表內確認 *(附註28)*	**10,320**	9,734
At the end of the period	**期末**	**84,793**	73,774

Deferred tax liabilities were mainly related to fair value adjustment arising from acquisition of subsidiaries in previous years, differences arising from service concession receivables and differences arising from construction contracts as at 30 June 2019 and 2020.

於2019年及2020年6月30日，遞延所得稅負債主要由以前年度收購附屬公司導致的公允價值調整、特許經營權應收賬款差異以及建築工程合同導致的差異組成。

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

14. 以公允價值計量且其變動計入損益的金融資產

		Notes 附註	Unaudited 未經審核 30 June 2020 2020年 6月30日 RMB'000 人民幣千元	Audited 經審核 31 December 2019 2019年 12月31日 RMB'000 人民幣千元
Derivatives not designated as hedging instruments	未指定為對沖工具的衍生工具			
– Cross Currency swap ("**CCS**")	一交叉貨幣掉期(「**交叉貨幣掉期**」)	*(a)*	86,107	46,327
Investment in Single Asset Management Plan	單一資產管理計劃投資	*(b)*	200,000	200,000
			286,107	246,327

(a) The maturities of the derivatives are expiring on 26 March 2021, 27 September 2021 and 28 March 2022. The objective of these derivatives entered into by the Group is to mitigate the currency exposures arising from the bank borrowings of USD170,000,000 and HKD1,015,000,000 incepted principally for funding the operations of the subsidiaries incorporated in the PRC. These derivatives are not qualified for hedge accounting and their corresponding changes in fair values have been recognised in profit or loss. As at 30 June 2020, gain on change in fair value of the currency swap arrangement in an aggregate amount of RMB86,106,912 was credited to profit or loss.

The fair value is estimated by using the discounted cash flow technique.

(a) 衍生工具的到期日為2021年3月26日、2021年9月27日及2022年3月28日。本集團訂立該等衍生工具的目的是減輕銀行借貸170,000,000美元及1,015,000,000港元所產生的貨幣風險，主要是為在中國註冊成立的子公司運營提供資金。該等衍生工具不具備套期會計的資格，其相應的公允價值變動已在損益中確認。於2020年6月30日，交叉貨幣掉期安排的公允價值變動收益合共人民幣86,106,912元已計入損益。

公平值乃採用現金流量折現法估值。

(b) On 27 December 2019, the Group entered into an Asset Management Agreement with an independent China-based financial institution (known as the Asset Manager) and another independent China-based financial institution (known as the Asset Entrustee), pursuant to which the Group agreed to entrust an amount of up to RMB400 million as the Entrusted Assets for the investment in a Single Asset Management Plan issued by Kunming Industrial Development and Investment Co., Ltd. ("**IDI**"), a wholly state-owned company holding 5.99% of total issued share capital of the Company at the end of the Reporting Period. The investment in Single Asset Management Plan included certain accounts receivables and other non-standardised credit assets transferred from IDI. The Single Asset Management Plan has no guaranteed returns and lasts for 12 months investment period.

As at 30 June 2020, the Group invested RMB200 million to the Single Asset Management Plan. From the report of the Asset Manager, the fair value of the Single Asset Management Plan approximates the carrying amount at the end of the Reporting Period.

(b) 於2019年12月27日，本集團與一間獨立中國金融機構(稱為資產管理人)及另一間獨立中國金融機構(稱為資產託管人)訂立資產管理協議，據此，本集團同意委託金額最多人民幣400百萬元作為委託資產，用於投資昆明產業開發投資有限責任公司(「**產業開發投資**」)(於報告期末，持有本公司已發行股本總額5.99%的國有獨資公司)發行的單一資產管理計劃。單一資產管理計劃中的投資包括若干應收賬款及從產業開發投資轉移的其他非標準化信貸資產。單一資產管理計劃沒有保證的回報，可持續12個月的投資期。

於2020年6月30日，本集團向單一資產管理計劃投資人民幣200百萬元。根據資產管理人的報告，單一資產管理計劃的公允價值約為報告期末的賬面值。

15. TRADE AND OTHER RECEIVABLES

15. 應收賬款及其他應收款

		Unaudited 未經審核 30 June 2020 2020年 6月30日 *RMB'000* *人民幣千元*	Audited 經審核 31 December 2019 2019年 12月31日 *RMB'000* *人民幣千元*
Trade receivables *(Note (a))*:	**應收賬款*(附註(a))*：**		
– Third parties	–第三方	**65,933**	80,165
– Related parties *(Note 33)*	–關聯方*(附註33)*	**184,866**	123,168
– Local government	–地方政府	**1,118,764**	780,419
– Loss allowance	–虧損撥備	**(22,218)**	(16,294)
Trade receivables – net	**應收賬款–淨額**	**1,347,345**	967,458
Other receivables:	**其他應收款：**		
– Third parties	–第三方	**66,203**	57,597
– Related parties *(Note 33)*	–關聯方*(附註33)*	**675,949**	1,026,202
– Local government	–地方政府	**71,593**	47,057
– Loss allowance	–虧損撥備	**(5,506)**	(3,472)
Other receivables – net	**其他應收賬款–淨額**	**808,239**	1,127,384
Prepayments:	**預付款：**		
– Local government	–地方政府	**–**	3,587
– Others	–其他	**122,743**	126,990
– Impairment loss	–減值虧損	**(4)**	(4)
Prepayments – net	**預付款–淨額**	**122,739**	130,573
Trade and other receivables – net	**應收賬款及其他應收款–淨額**	**2,278,323**	2,225,415

The fair values of trade and other receivables of the Group, except for the prepayments which are not financial assets, approximated their carrying amounts.

除不屬於金融資產的預付款外，本集團應收賬款及其他應收款的公允價值，均與其賬面淨額相近。

The carrying amounts of trade and other receivables are denominated in RMB.

應收賬款及其他應收款的賬面價值以人民幣為單位。

15. TRADE AND OTHER RECEIVABLES *(continued)*

(a) Ageing analysis of gross trade receivables at the respective balance sheet dates, based on the invoice dates, is as follows:

15. 應收賬款及其他應收款*(續)*

(a) 於各資產負債表日基於發票日期的應收賬款賬齡分析如下：

		Unaudited 未經審核 30 June 2020 2020年6月30日 *RMB'000* *人民幣千元*	Audited 經審核 31 December 2019 2019年12月31日 *RMB'000* *人民幣千元*
– Within one year	－1年以內	**964,696**	935,027
– Over one year and within two years	－1至2年	**390,148**	37,300
– Over two years	－超過2年	**14,719**	11,425
		1,369,563	983,752

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

本集團未持有任何抵押品作為任何債務人的擔保。

16. AMOUNTS DUE FROM CUSTOMERS FOR CONSTRUCTION CONTRACTS

16. 應收客戶建造合同款

Costs incurred to date plus recognized profits less recognized losses: 已發生成本加確認的利潤減確認的虧損：

		Unaudited 未經審核 30 June 2020 2020年 6月30日 *RMB'000* *人民幣千元*	Audited 經審核 31 December 2019 2019年 12月31日 *RMB'000* *人民幣千元*
Costs incurred to date plus recognized profits less recognized losses	**已發生成本加確認的利潤減確認的虧損**		
Current portion:	流動部分：		
Amounts due from customers for construction contracts	應收客戶建造合同款	**22,110**	28,030
Loss allowance	虧損撥備	**(330)**	(452)
		21,780	27,578
Non-current portion:	非流動部分：		
Amounts due from customers for construction contracts	應收客戶建造合同款	**607,165**	521,948
Loss allowance	虧損撥備	**(6,395)**	(5,682)
		600,770	516,266
		622,550	543,844

17. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents are denominated in:

All deposits at bank are deposits with original maturity within 3 months. The Group earns interest on cash at bank at floating bank deposit rates at ranged from 0.30% to 1.92% during the six months ended 30 June 2020 (31 December 2019: 0.30% to 1.92%).

(b) As at 30 June 2020 and 31 December 2019, the restricted

18. SHARE CAPITAL

Ordinary shares, issued and fully paid:

18. 股本

普通股，已發行及繳足：

		Number of shares 股份數目 (thousands) (千計)	Share capital 股本 RMB'000 人民幣千元
At 1 January 2020 and 30 June 2020 (Unaudited)	**2020年1月1日及2020年6月30日結餘（未經審核）**	**1,029,111**	**1,029,111**
At 1 January 2019 and 30 June 2019 (Unaudited)	2019年1月1日及2019年6月30日結餘（未經審核）	1,029,111	1,029,111

19. OTHER RESERVES

19. 其他儲備

		Share premium 股本溢價 RMB'000 人民幣千元	Statutory reserve 法定儲備 RMB'000 人民幣千元	Capital reserve 資本儲備 RMB'000 人民幣千元	Translation reserve 折算儲備 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2020	**2020年1月1日結餘**	**1,283,440**	**251,226**	**(47,793)**	**2,306**	**1,489,179**
Currency translation differences	貨幣折算差額	**–**	**–**	**–**	**796**	**796**
At 30 June 2020 (unaudited)	**2020年6月30日結餘(未經審核)**	**1,283,440**	**251,226**	**(47,793)**	**3,102**	**1,489,975**
At 1 January 2019	**2019年1月1日結餘**	1,283,440	215,202	(47,793)	1,435	1,452,284
Currency translation differences	貨幣折算差額	–	–	–	89	89
At 30 June 2019 (unaudited)	**2019年6月30日結餘(未經審核)**	1,283,440	215,202	(47,793)	1,524	1,452,373

20. BORROWINGS

20. 借款

		Unaudited 未經審核 30 June 2020 2020年 6月30日 *RMB'000* *人民幣千元*	Audited 經審核 31 December 2019 2019年 12月31日 *RMB'000* *人民幣千元*
Non-current:	**非流動：**		
Unsecured long-term borrowings	未擔保的長期借款	**405,000**	340,000
Secured long-term borrowings *(Note (b))*	擔保的長期借款*(附註(b))*	**2,809,004**	2,828,418
Corporate bonds *(Note (c))*	公司債券*(附註(c))*	**712,227**	696,629
		3,926,231	3,865,047
Current:	**流動：**		
Unsecured short-term borrowings	未擔保的短期借款	**985,000**	615,000
Secured short-term borrowings *(Note (b))*	擔保的短期借款*(附註(b))*	**99,446**	86,320
		1,084,446	701,320
		5,010,677	4,566,367

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

(a) 借款以人民幣、美元及港元為單位。

(b) As at 30 June 2020 and 31 December 2019, analysis of the secured borrowings are as follows:

(b) 於2020年6月30日 及2019年12月31日， 有擔保的借款分析如下：

		Unaudited 未經審核 30 June 2020 2020年 6月30日 *RMB'000* *人民幣千元*	Audited 經審核 31 December 2019 2019年 12月31日 *RMB'000* *人民幣千元*
Secured by:	擔保物：		
Corporate guarantee issued by the Company	由本公司發行的公司擔保	**2,496,032**	2,453,503
Property, plant and equipment	不動產、工廠及設備	**412,418**	461,235
Total	合計	**2,908,450**	2,914,738

20. BORROWINGS *(continued)*

(c) As approved by the National Development and Reform Commission on 25 November 2015, the Company issued corporate bonds of RMB700,000,000 for a term of 7 years, bearing interest at 4.35% per annum on 25 December 2015. At the end of the fifth year, the Company can adjust the interest rate within the range of 0.00% to 3.00% for the remaining 2-year period, and the investors have an option to request early redemption at par value of the outstanding corporate bond if they do not accept the adjusted interest rate.

(d) The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates or maturity dates whichever is earlier are as follows:

20. 借款*(續)*

(c) 經國家發改委2015年11月25日批准，本公司於2015年12月25日發行公司債券人民幣700,000,000元，期限為7年，年利率為4.35%。於第5年末，本公司可調整餘下兩年的利率(區間為0.00%至3.00%範圍內)，倘投資者不同意對利率的調整，可選擇要求按面值提前贖回未償還的公司債券。

(d) 本集團所面臨的借款利率變動風險及合同重新定價日期或到期日(以較早者為準)如下：

		6 months or less 6個月或以下 RMB'000 人民幣千元	Between 6 and 12 months 6至12個月 RMB'000 人民幣千元	Between 1 and 5 years 1至5年 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
As at 30 June 2020 (Unaudited)	2020年6月30日結餘(未經審核)	100,718	983,728	3,926,231	5,010,677
As at 31 December 2019 (Audited)	2019年12月31日結餘(經審核)	603,549	97,771	3,865,047	

(e) The maturity of borrowings is as follows:

20. BORROWINGS *(continued)*

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

20. 借款*(續)*

(f) 於各資產負債表日，借款的加權平均實際利率如下：

		Unaudited 未經審核 30 June 2020 2020年 6月30日 *RMB'000 人民幣千元*	Audited 經審核 31 December 2019 2019年 12月31日 *RMB'000 人民幣千元*
Borrowings	借款	**6.21%**	4.83%

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

(g) 由於折現的影響不重大，因此流動借款的公允價值與其賬面價值相等。非流動借款

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

21. DEFERRED REVENUE

21. 遞延收益

		Unaudited 未經審核 30 June 2020 2020年 6月30日 *RMB'000* *人民幣千元*	Audited 經審核 31 December 2019 2019年 12月31日 *RMB'000* *人民幣千元*
Government grants related to:	相關政府補助：		
– property, plant and equipment	－不動產、工廠及設備	**260,937**	265,588
– research and development activities	－研發活動	**622**	766
		261,559	266,354

The movement of government grants during the six months ended 30 June 2020 and 2019 is set out as follows:

截至2020年及2019年6月30日止六個月期間政府補助之變動載列如下：

		Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月 2020 2020年 *RMB'000* *人民幣千元*	2019 2019年 *RMB'000* *人民幣千元*
Opening net book value	期初賬面淨值	**266,354**	222,530
Additions	增加	**–**	30,000
Amortization *(Note 24)*	攤銷*(附註24)*	**(4,795)**	(4,466)
Others	其他	**–**	(6,969)
Closing net book value	期末賬面淨值	**261,559**	241,095

22. 應付賬款及其他應付款

Unaudited 未經審核 30 June 2020 2020年	Audited 經審核 31 December 2019

22. TRADE AND OTHER PAYABLE *(continued)*

(a) All trade and other payables of the Group were non-interest bearing, and their fair values, except for the advances from customers which are not financial liabilities, approximated their carrying amounts due to their short maturities.

(b) The Group's trade and other payables are denominated in RMB.

(c) Ageing analysis of trade payables to third parties at the respective balance sheet dates is as follows:

22. 應付賬款及其他應付款*(續)*

(a) 本集團所有應付賬款及其他應付款均免息。並且，除不屬金融負債的預收款項外，應付賬款及其他應付款系因短期內到期，其公允價值與其賬面價值相近。

(b) 於有關期間內，本集團的應付賬款及其他應付款以人民幣為單位。

(c) 於各資產負債表日應付第三方賬款之賬齡分析如下：

		Unaudited 未經審核 30 June 2020 2020年 6月30日 *RMB'000* *人民幣千元*	Audited 經審核 31 December 2019 2019年 12月31日 *RMB'000* *人民幣千元*
– Within one year	一一年內	**174,337**	137,309
– Over one year and within two years	一一年以上兩年以內	**12,974**	13,662
		187,311	150,971

23. LEASES 23. 租賃

		Unaudited 未經審核 30 June 2020 2020年 6月30日 *RMB'000* *人民幣千元*	Audited 經審核 31 December 2019 2019年 12月31日 *RMB'000* *人民幣千元*
Right-of-use assets *(Note 8)*	**使用權資產** *(附註8)*		
– Leased properties	–租賃物業	**6,633**	5,147
– Land use right	–土地使用權	**453,680**	459,035
		460,313	464,182
Lease liabilities	**租賃負債**		
Current	即期	**3,287**	3,786
Non-current	非即期	**3,282**	1,495
		6,569	5,281

24. OTHER INCOME

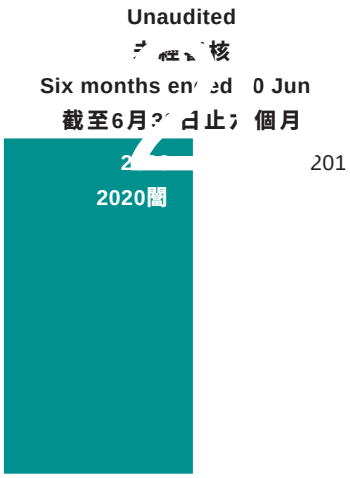
24. 其他收入

		Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 *RMB'000 人民幣千元*	2019 2019年 *RMB'000 人民幣千元*
Government grants:	政府補助：	13,037	14,346
– relating to property, plant and equipment *(Note 21)*	一與不動產、工廠和設備有關 *(附註21)*	4,651	

For the six months ended 30 June 2020 截至2020年6月30日止六個月

25. OTHER LOSSES – NET

25. 其他虧損－淨額



26. EXPENSES BY NATURE

26. 按性質分類的費用

		Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Depreciation of properties, plant and equipment *(Note 9)*	不動產、工廠及設備的折舊 *(附註9)*	**107,934**	106,718
Cost of construction services	建造服務成本	**137,368**	108,481
Employee benefit expenses	僱員福利開支	**77,121**	60,210
Utilities and electricity	公用事業及電力	**59,585**	59,349
Fuel and power fee	燃料動力費	**26,335**	33,575
Costs of wastewater treatment and water supply services	污水處理和水供給服務的成本	**55,294**	39,413
Taxes and levies	稅金及附加	**13,850**	13,914
Professional expenses	專業服務費	**8,143**	8,184
Labour costs	人工成本	**14,943**	10,668
Repair and maintenance costs	維修及維護成本	**12,039**	10,700
Depreciation expense of right-of-use assets/ Amortization of land use rights *(Note 8)*	使用權資產折舊支出／土地使用權攤銷*(附註8)*	**7,353**	4,928
Transportation costs	運輸費用	**5,626**	5,771
Amortization of intangible assets *(Note 11)*	無形資產攤銷*(附註11)*	**4,980**	5,125
Commission charge *(Note 33)*	手續費*(附註33)*	**4,049**	3,786
Office expenditures	辦公支出	**4,891**	4,733
Materials used in research and development activities	研究和開發活動所用材料	**2,449**	45
Auditor's remuneration	審計費	**396**	1,033
Miscellaneous	雜項	**15,056**	2,602
Total cost of sales, selling expenses, administrative expenses and research and development expenses	銷售成本、銷售費用、行政費用和研發費用總計	**557,412**	479,235

For the six months ended 30 June 2020 截至2020年6月30日止六個月

27. FINANCE COSTS – NET

27. 財務成本－淨額

		Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月	
		2020 2020年	2019 2019年
		RMB'000 人民幣千元	*RMB'000 人民幣千元*
Finance income:	**財務收入：**		
– Interest income from time deposits	－定期存款利息收入	**880**	693
– Interest income charged to related parties *(Note 33)*	－向關聯方收取的利息收入 *(附註33)*	**21,661**	22,459
– Interest income arising from construction contracts	－建造合同產生的利息收入	**–**	5,374
		22,541	28,526
Finance costs:	**財務成本：**		
– Interest expenses on borrowings	－借款利息支出	**(122,186)**	(84,980)
– Less: borrowing costs capitalized in property, plant and equipment	－減：資本化計入不動產、工廠及設備的借款成本	**16,432**	7,999
– Interest expenses – net	－利息費用－淨額	**(105,754)**	(76,981)
– Exchange losses	－匯兌虧損	**(28,518)**	(17,988)
– Others	－其他	**(59)**	(469)
		(134,331)	(95,438)
Finance costs – net	**財務成本－淨額**	**(111,790)**	(66,912)

28. INCOME TAX EXPENSE

The amount of income tax expense charged to the consolidated statement of comprehensive income represents:

28. 所得稅費用

在合併綜合收益表中支銷的所得稅費用金額是指：

		Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 *RMB'000* *人民幣千元*	2019 2019年 *RMB'000* *人民幣千元*
Current tax	當期所得稅費用	**28,109**	31,780
Deferred tax *(Note 13)*	遞延所得稅費*(附註13)*	**8,189**	843
Income tax expense	所得稅費用	**36,298**	32,623

28. INCOME TAX EXPENSE *(continued)*

Under the Law of the PRC on Corporate Income Tax (the "**CIT Law**") and implementation Regulations of the CIT Law, the tax rate of the PRC enterprises is 25% from 1 January 2008. The income tax rate of 25% is applicable to all the Group's PRC subsidiaries during the six months ended 30 June 2020 and 2019, except for certain subsidiaries that enjoy tax exemption or a preferential income tax rate as approved by the tax authorities, which was discussed as follows:

(a) China's west region development policy (the "**West Region Development Policy**") is a preferential tax ruling issued by the State Administration of Taxation for companies whose business fall into the catalogue of encouraged industries and located in the western provinces of China. During the six months ended 30 June 2020 and 2019, the Company and certain subsidiaries qualified for the West Region Development Policy were granted the preferential income tax rate of 15%.

(b) Certain newly upgraded wastewater treatment facilities meet the criteria provided in the catalogue for public basic infrastructure projects qualified for CIT preferential treatments and are entitled to three years' exemption from CIT followed by three years of a 50% tax reduction on relevant taxable income derived from such new projects.

(c) The Group estimated that the forecasted effective tax rate for the year ending 31 December 2020 is 18.4% and the effective tax rate for the year ended 31 December 2019 was 16.9%.

28. 所得稅費用*(續)*

根據中華人民共和國企業所得稅法(「**企業所得稅法**」)及企業所得稅法實施條例，自2008年1月1日起，中國企業的稅率為25%。於截至2020年及2019年6月30日止六個月，除經稅務部門批准享受稅務減免或優惠所得稅率的部分附屬公司外，本集團在中國的所有附屬公司均適用25%的所得稅率。討論如下：

(a) 中國西部大開發政策是國稅總局對在中國西部省份開展業務的，其經營活動屬政策鼓勵類產業目錄規定產業的公司發佈的一項稅收優惠政策(「**西部大開發政策**」)。於有關期間，本公司及部分附屬公司符合中國西部大開發政策的規定，於截至2020年及2019年6月30日止六個月享受15%的優惠所得稅稅率。

(b) 部分新升級污水處理設施滿足合資格享受企業所得稅優惠稅率的公共基礎設施項目目錄中的標準。針對本集團從此類新項目產生的相關應稅收入，有資格享受「三免三減半」的企業所得稅稅收優惠。

(c) 本集團估計截至2020年12月31日止年度採用的估計年度實際稅率為18.4%。截至2019年12月31日止年度採用的年度實際稅率為16.9%。

29. EARNINGS PER SHARE

(a) Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

29. 每股收益

(a) 基本每股收益根據歸屬於本公司權益股東的利潤，除以期內已發行普通股的加權平均數目計算。

		Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月	
		2020 2020年	2019 2019年
Profit attributable to equity holders of the Company *(RMB'000)*	歸屬於本公司權益持有人的利潤*(人民幣千元)*	**159,555**	149,452
Weighted average number of ordinary shares in issue *(thousand)*	已發行普通股的加權平均數*(千計)*	**1,029,111**	1,029,111
Basic earnings per share *(RMB)*	基本每股收益*(人民幣)*	**0.16**	0.15

(b) 在截至2020年及2019年6月30日止六個月內不存在潛在稀釋權利股，故稀釋每股收益與基本每股收益相同。

30. 股息

於2020年6月19

31. CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES

31. 經營活動(使用)／產生的現金

Reconciliation of profit before income tax to net cash (used in)/generated from in operations:

除所得稅前利潤與經營活動(使用)／產生現金淨額之間對賬如下：

		Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 *RMB'000* *人民幣千元*	2019 2019年 *RMB'000* *人民幣千元*
Profit for the period before income tax	期間所得稅前利潤	**196,887**	182,890
Adjustments for:	調整項目：		
– Depreciation of property, plant and equipment *(Note 26)*	－不動產、工廠及設備的折舊*(附註26)*	**107,934**	106,718
– Depreciation expense of right-of-use assets *(Note 26)*	－使用權資產折舊支出*(附註26)*	**7,353**	4,928
– Amortization of intangible assets *(Note 26)*	－無形資產攤銷*(附註26)*	**4,980**	5,125
– Government grants relating to purchase of property, plant and equipment *(Note 24)*	－與採購不動產、工廠及設備相關的政府補助*(附註24)*	**(4,651)**	(4,446)
– Share of results of associates *(Note 12)*	－聯營公司經營成果份額*(附註12)*	**56**	5
– Finance costs – net	－財務成本－淨額	**83,272**	66,443
– Fair value gains on derivative financial instruments and investment properties	－衍生金融工具及投資物業的公允價值收益	**(56,094)**	–
– Investment income from single asset management investments	－單一資產管理投資產生的投資收益	**(7,153)**	–
– Impairment losses on financial assets and contract assets	－金融資產和合同資產減值損失	**8,948**	–
– Losses from disposal of property, plant and equipment	－處置不動產、工廠及設備的損失	**15**	–
– Exchange differences	－匯兌差額	**42,530**	–
		384,077	361,663

31. CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES *(continued)*

31. 經營活動(使用)／產生的現金*(續)*

		Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 *RMB'000 人民幣千元*	2019 2019年 *RMB'000 人民幣千元*
Changes in working capital:	營運資金變動：		
– Increase in trade and other receivables	－應收賬款及其他應收款的增加	**(410,905)**	(94,655)
– (Decrease)/increase in inventories	－存貨的(減少)／增加	**9,556**	(4,559)
– Increase in amounts due from customers for construction contracts	－應收客戶建造合同款的增加	**(79,296)**	(45,674)
– Increase in receivables under service concession arrangements	－特許經營權協議下的應收款項的增加	**(427,492)**	(58,413)
– Decrease in deferred revenue relating to research and development activities	－與研發活動有關的遞延收益的減少	**(144)**	(20)
– (Decrease)/increase in trade and other payables	－應付賬款及其他應付款的(減少)／增加	**(24,193)**	115,004
– Increase in contract liabilities	－合同負債的增加	**4,288**	–
Net cash (used in)/generated from operations	經營(使用)／產生的現金	**(544,109)**	273,346

32. COMMITMENTS

(i) Commitments under operating lease

The Group as lessor

The Group leases its investment properties under operating leases with an average lease term of five years. The total future minimum lease receivables under non-cancellable operating leases are as follows.

32. 承諾

(i) 經營租賃承諾

本集團作為出租人

本集團根據經營租賃出租其投資物業，租期平均為五年。不可撤銷經營租賃項下的未來最低應收租金總額如下：

		Unaudited 未經審核 30 June 2020 2020年 6月30日 *RMB'000* *人民幣千元*	Audited 經審核 31 December 2019 2019年 12月31日 *RMB'000* *人民幣千元*
Within one year	一年內	3,813	–
One to two years	一至二年	3,813	–
Two to five years	二至五年	8,265	–

32. COMMITMENTS *(continued)*

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

32. 承諾*(續)*

(ii) 於各資產負債表日已訂約但尚未產生的資本性支出如下：

		Unaudited 未經審核 30 June 2020 2020年 6月30日 *RMB'000 人民幣千元*	Audited 經審核 31 December 2019 2019年 12月31日 *RMB'000 人民幣千元*
Property, plant and equipment	不動產、工廠及設備	**26,478**	28,609

33. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control.

The Company is controlled by KDI which is a government-related enterprise established in the PRC by Kunming SASAC. In accordance with IAS 24 (Revised), "Related Party Disclosures", issued by the IASB, government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include KDI and its subsidiaries (other than the Group), entities controlled by Kunming SASAC, other entities and corporations in which the Group can exercise significant influence and key management personnel of the Company and as well as their close family members. The Group's significant transactions and balances with the PRC government and other entities controlled, jointly controlled or significantly influenced by the PRC government mainly include purchases of assets, provision of financial assets, bank deposits and bank borrowings and related trade and other receivables, trade and other payables, borrowings, term deposits with initial term of over three months, cash and cash equivalents. The Directors of the Company believe that the meaningful information of related party transactions has been adequately disclosed in the financial information.

33. 關聯方交易

如一方有能力直接或間接控制另一方或在作出財務及營運決策時對另一方施加重大影響，則雙方被視為有所關聯。如果雙方共同受其他方控制，也被視為關聯方。

本公司受昆明滇池投資控制，其為昆明市國資委在中國成立的一家政府關聯公司。根據國際會計師公會頒佈的國際會計準則第24條(經修訂)「關聯方披露」的規定，政府關聯方實體以及受中國政府直接或間接控制、聯合控制或重大影響的附屬公司被視為本集團關聯方。基於上述標準，關聯方包括昆明滇池投資及其附屬公司(本集團除外)、由昆明市國資委控制的實體、其他本集團能夠控制或施加重大影響的實體和公司以及本公司關鍵管理人員和其家族成員。本集團與中國政府、其他受中國政府控制、聯合控制或施加重大影響的實體間的重大交易及往來結餘主要包括購買資產、提供財務資助、銀行存款和借款以及相關應收賬款和其他應收款、應付賬款及其他應付款、借款、原期限為3個月以上的定期存款，以及現金及現金等價物。本公司董事認為財務資料已經充分披露了對報表閱讀者有意義的關聯方交易。

33. RELATED PARTY TRANSACTIONS *(continued)*

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the six months ended 30 June 2020 and 2019, and balances arising from related party transactions as at 30 June 2020 and 31 December 2019.

(a) Name and relationship with related parties

Name of related party	Nature of relationship
KDI	Controlling Shareholder of the Company
Kunming Xindu Investment Co., Ltd. (昆明新都投資有限公司), ("**Xindu Investment**")	Controlled by Kunming SASAC
昆明通用水務有限公司 Co., Ltd. (昆明通用水務自來水有限公司), ("**Kunming CGE**	

33. RELATED PARTY TRANSACTIONS *(continued)*

(a) Name and relationship with related parties *(continued)*

Name of related party	Nature of relationship
Kunming Industrial Development and Construction Co., Ltd. (昆明產業開發投資有限責任公司), ("**KIDC**")	Controlled by Kunming SASAC
Kunming Bus Group Co., Ltd. (昆明公交集團有限責任公司), ("**Kunming Bus**")	Controlled by Kunming SASAC
Kunming Development Investment Group Co., Ltd. (昆明發展投資集團有限公司), ("**Kunming DIG**")	Controlled by Kunming SASAC
Kunming Dianchi Asset Operation and Management Co., Ltd. (昆明滇池資產經營管理有限責任公司) ("**Kunming Dianchi Asset Operation**")	Controlled by KDI

(b) Transactions with related parties

Save as disclosed elsewhere in this report, during the six months ended 30 June 2020 and 2019, the Group had the following significant transactions with related parties.

33. 關聯方交易*(續)*

(a) 名稱和與關聯方關係*(續)*

關聯方名稱	關係性質
昆明產業開發投資有限責任公司，(「**昆明產投**」)	受昆明市國資委控制
昆明公交集團有限責任公司，(「**昆明公交**」)	受昆明市國資委控制
昆明發展投資集團有限公司(「**昆明發展**」)	受昆明市國資委控制
昆明滇池資產經營管理有限責任公司(「**昆明滇池資產經營**」)	受昆明滇池投資控制

(b) 與關聯方的交易

除本報告其他部分所披露者外，截至2020年及2019年6月30日止六個月，本集團與關聯方的重大交易如下：

33. RELATED PARTY TRANSACTIONS *(continued)* 33. 關聯方交易*(續)*

(b) Transactions with related parties *(continued)* (b) 與關聯方的交易*(續)*

(i) Loans granted to related parties: ***(i) 貸款予關聯方：***

		Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 *RMB'000* *人民幣千元*	2019 2019年 *RMB'000* *人民幣千元*
Kunming Bus	昆明公交	**300,000**	300,000
Xindu Investment	新都投資	**–**	400,000
Kunming DIG	昆明發展	**350,000**	300,000
		650,000	1,000,000

The transactions under finance arrangements among the Group and Kunming DIG and Kunming Bus are interest bearing at 7.5% and 8.5% per annual respectively and repayable within one year.

本集團與昆明發展及昆明公交之間融資協議項下的交易分別附帶年息7.5%及8.5%，並須於一年內償還。

(ii) Loans repaid from related parties: ***(ii) 關聯方償還貸款：***

		Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 *RMB'000* *人民幣千元*	2019 2019年 *RMB'000* *人民幣千元*
Kunming Bus	昆明公交	**300,000**	–
Xindu Investment	新都投資	**400,000**	–
Kunming DIG	昆明發展	**300,000**	–
		1,000,000	–

33. RELATED PARTY TRANSACTIONS *(continued)* 33. 關聯方交易*(續)*

(b) Transactions with related parties *(continued)* (b) 與關聯方的交易*(續)*

(iii) Interest income from related parties: ***(iii) 關聯方利息收入：***

		Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 *RMB'000* *人民幣千元*	2019 2019年 *RMB'000* *人民幣千元*
Kunming Bus	昆明公交	**10,915**	4,943
Xindu Investment	新都投資	**1,461**	12,639
Kunming DIG	昆明發展	**9,285**	4,877
		21,661	22,459

(iv) Management services provided to related parties: ***(iv) 向關聯方提供的管理服務：***

		Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 *RMB'000* *人民幣千元*	2019 2019年 *RMB'000* *人民幣千元*
KDI	昆明滇池投資	**55,698**	33,180

33. 關聯方交易(續)

(b) 與關聯方的交易(續)

(v) 支付給關聯方的手續費：

		Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Kunming CGE	通用水務自來水	3,522	3,428
Kunming Qingyuan	昆明清源自來水	527	358
		4,049	3,786

(c) 關鍵管理人員薪酬

關鍵管理人員包括董事(執行及非執行)、監事及行政人員。因就關鍵管理人員所提供服務向其已支付或應支付的薪酬如下：

		Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Salaries, wages and bonuses	工資、獎金和津貼	772	761

33. RELATED PARTY TRANSACTIONS *(continued)*

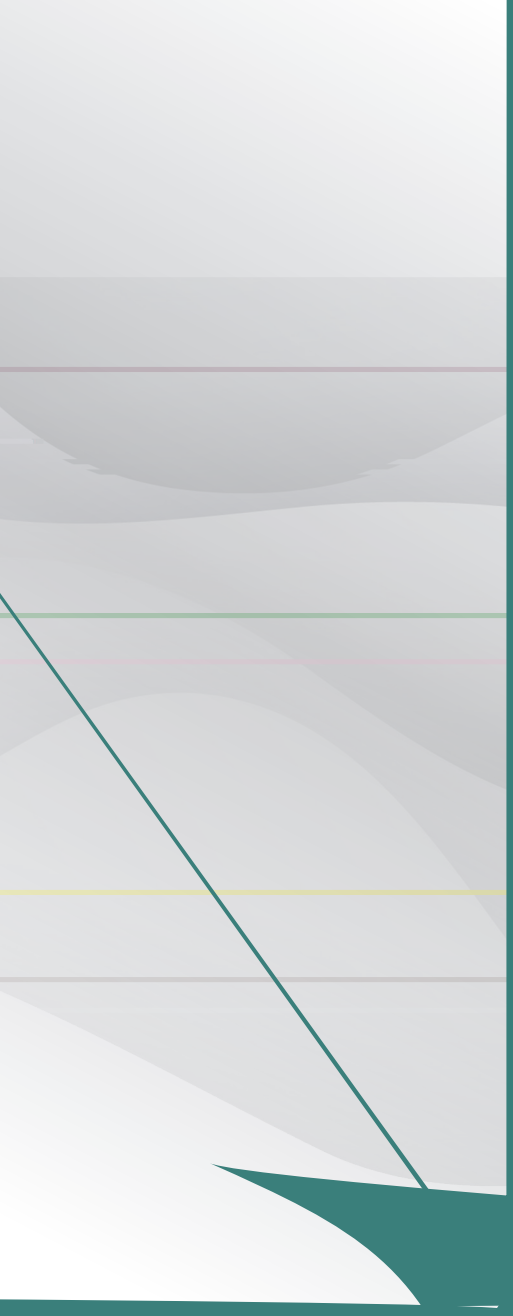
(d) Balances with related parties

33. RELATED PARTY TRANSACTIONS *(continued)* 33. 關聯方交易*(續)*

(d) Balances with related parties *(continued)* (d) 與關聯方交易的結餘*(續)*

(ii) Trade and other payables due to related parties: ***(ii) 應付關聯方賬款及其他應付款：***

		Unaudited 未經審核 30 June 2020 2020年 6月30日 *RMB'000* *人民幣千元*	Audited 經審核 31 December 2019 2019年 12月31日 *RMB'000* *人民幣千元*
Acquisition of property, plant and equipment:	*購買不動產、工廠及設備：*		
Xindu Investment	新都投資	**16,040**	16,040
Acquisition of land use rights:	*購買土地使用權：*		
KDI	昆明滇池投資	**27,194**	27,194
Xindu Investment	新都投資	**31,000**	31,000
Others:	*其他：*		
KDI	昆明滇池投資	**11,382**	13,369
Kunming CGE	通用水務自來水	**861**	876
Kunming Qingyuan	昆明清源自來水	**263**	161
Kunming Dianchi Project Management	昆明滇池項目管理	**229**	229
		86,969	88,869

Other payables are all non-trade payables and will be settled upon demand of these related parties.

其他應付款均為非貿易應付賬款，並將按照該等關聯方的要求結算。