# CHAPTER ONE CORPORATE INFORMATION
# 第一章 公司資料

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| **REGISTERED NAME OF THE COMPANY 公司法定名稱** | 昆明滇池水務股份有限公司 | 昆明滇池水務股份有限公司 |
| **ENGLISH NAME OF THE COMPANY 公司英文名稱** | Kunming Dianchi Water Treatment Co., Ltd. | Kunming Dianchi Water Treatment Co., Ltd. |
| **REGISTERED OFFICE AND HEADQUARTERS IN THE PRC 中國註冊地址及總部** | Water Purification Plant No. 7<br>Kunming Dianchi Tourist Resort<br>Yunnan Province<br>PRC | 中國雲南省昆明市<br>滇池旅遊度假區<br>第七水質淨化廠 |
| **PRINCIPAL PLACE OF BUSINESS IN HONG KONG 香港主要營業點** | Room 1901, 19/F, Lee Garden One<br>33 Hysan Avenue<br>Causeway Bay<br>Hong Kong | 香港<br>銅鑼灣<br>希慎道33號<br>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** | Mr. Zeng Feng | 曾鋒先生 |
| **AUTHORISED REPRESENTATIVES 授權代表** | Mr. Chiu Ming King *FCG, HKFCG*<br>Mr. Chen Changyong | 趙明璟先生*FCG, HKFCG*<br>陳昌勇先生 |
| **COMPANY SECRETARY 公司秘書** | Mr. Chiu Ming King *FCG, HKFCG* | 趙明璟先生*FCG, HKFCG* |
| **INDEPENDENT AUDITOR 獨立審計師** | Baker Tilly Hong Kong Limited<br>Certified Public Accountants<br>2nd Floor, 625 King's Road<br>North Point<br>Hong Kong | 天職香港會計師事務所有限公司<br>執業會計師<br>香港北角英皇道625號2樓 |
| **HONG KONG LEGAL ADVISER TO THE COMPANY 公司香港法律顧問** | Jingtian & Gongcheng LLP<br>Suites 3203-3207, 32/F<br>Edinburgh Tower<br>The Landmark<br>15 Queen's Road Central<br>Central<br>Hong Kong | 競天公誠律師事務所<br>有限法律責任合夥<br>香港中環皇后大道中15號<br>置地廣場公爵大廈<br>32樓3203至3207室 |

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| **PRC LEGAL ADVISER TO THE COMPANY 公司中國法律顧問** | Yunnan Jianguang Law Firm<br>14th Floor, Block 2, Nanyuecheng<br>Guangfu Road<br>Xishan District<br>Kunming, Yunnan Province<br>PRC | 雲南建廣律師事務所<br>中國雲南省昆明市<br>西山區廣福路<br>南悅城2棟14樓 |
| **H SHARE REGISTRAR H股股份登記處** | Tricor Investor Services Limited<br>17/F, Far East Finance Centre<br>16 Harcourt Road<br>Hong Kong | 卓佳證券登記有限公司<br>香港夏慤道16號<br>遠東金融中心17樓 |

**BOARD OF DIRECTORS 董事會**

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| **Executive Directors 執行董事** | Mr. Zeng Feng *(Chairperson)*<br>Mr. Chen Changyong *(General Manager)*<br>Mr. Luo Yun *(ceased to serve the position on 6 April 2023)* | 曾鋒先生*(董事長)*<br>陳昌勇先生*(總經理)*<br>羅雲先生*(已於2023年4月6日不再擔任)* |
| **Non-executive Directors 非執行董事** | Ms. Song Hong<br>Ms. Ren Na *(ceased to serve the position on 6 April 2023)*<br>Mr. Zhang Yang | 宋紅女士<br>任娜女士*(已於2023年4月6日不再擔任)*<br>張洋先生 |
| **Independent Non-executive Directors 獨立非執行董事** | Ms. Wang Dongfang<br>Ms. Zheng Dongyu<br>Mr. Ong King Keung | 王東方女士<br>鄭冬渝女士<br>王競強先生 |

**BOARD COMMITTEES 董事會轄下委員會**

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| **Audit Committee 審計委員會** | Ms. Wang Dongfang *(Chairperson)*<br>Ms. Zheng Dongyu<br>Mr. Ong King Keung | 王東方女士*(主任委員)*<br>鄭冬渝女士<br>王競強先生 |
| **Remuneration and Appraisal Committee 薪酬與考核委員會** | Mr. Ong King Keung *(Chairperson)*<br>Mr. Zeng Feng<br>Ms. Wang Dongfang | 王競強先生*(主任委員)*<br>曾鋒先生<br>王東方女士 |
| **Nomination Committee 提名委員會** | Ms. Zheng Dongyu *(Chairperson)*<br>Mr. Zeng Feng<br>Mr. Ong King Keung | 鄭冬渝女士*(主任委員)*<br>曾鋒先生<br>王競強先生 |

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| **Strategy and Investment Decision Committee**<br>**戰略與投資決策委員會** | Mr. Zeng Feng *(Chairperson)*<br>Mr. Luo Yun *(ceased to serve the position on 7 February 2023)*<br>Ms. Wang Dongfang | 曾鋒先生*(主任委員)*<br>羅雲先生*(已於2023年2月7日不再擔任)*<br>王東方女士 |
| **BOARD OF SUPERVISORS**<br>**監事會** | Mr. Na Zhiqiang *(Chairperson)*<br>Mr. Yao Jianhua<br>Mr. Shao Wei | 那志強先生*(主席)*<br>姚建華先生<br>邵偉先生 |

**PRINCIPAL BANKS**
**主要往來銀行**

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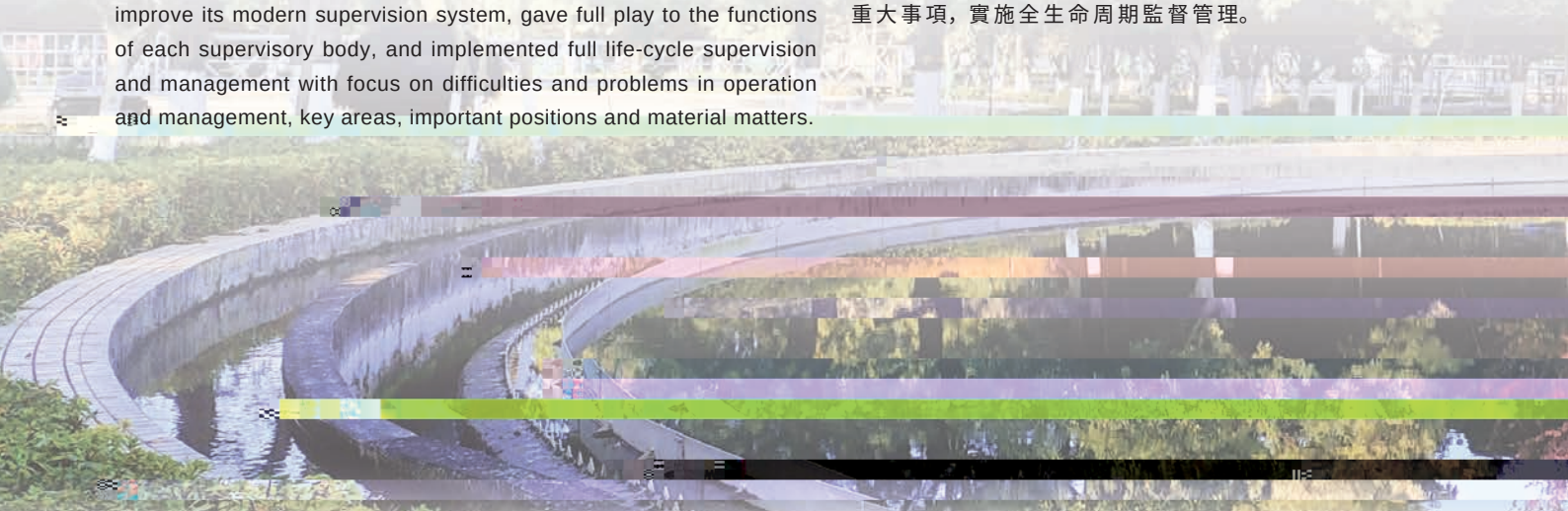
| **China Everbright Bank**<br>**中國光大銀行** | Kunming Dianchi Road Sub-branch | 昆明滇池路支行 |
| **Industrial Bank**<br>**興業銀行** | Golden Street Sub-branch | 金街支行 |
| **China Construction Bank**<br>**中國建設銀行** | Kunming Dianchi National Tourist Resort Sub-branch | 昆明滇池國家旅遊度假區支行 |
| **China Minsheng Bank**<br>**中國民生銀行** | Kunming Dianchi Road Sub-branch | 昆明滇池路支行 |
| **Agricultural Bank of China**<br>**中國農業銀行** | Kunming Resort Sub-branch | 昆明度假區支行 |
| **Bank of Communications**<br>**交通銀行** | Yunnan Branch | 雲南省分行 |
| **Bank of China**<br>**中國銀行** | Kunming Guandu Sub-branch | 昆明官渡支行 |
| **China Merchants Bank**<br>**招商銀行** | Kunming Shijicheng Sub-branch | 昆明世紀城支行 |
| **Shanghai Pudong Development Bank**<br>**上海浦東發展銀行** | Kunming Branch | 昆明分行 |
| **CITIC Bank**<br>**中信銀行** | Kunming Ankang Road Sub-branch | 昆明安康路支行 |

In terms of main business, the Company persisted in prioritising quality and efficiency, with emphasis on the operational aspect as the core of projects and making it the main source of investment income. Based on the principle of strengthening the main business and optimising the structure, the Company maintained the wastewater treatment business as the basic foundation of its operation and development, continued to strengthen the coordinated management of water services, steadily enhanced the main businesses of wastewater, running water and reclaimed water, improved operational efficiency and helped reduce costs and increase efficiency. In 2022, the wastewater treatment plants operated by the Company processed 718.9 million cubic meters of wastewater, representing a year-on-year increase of approximately 1.8%, and supplied 73.8 million cubic meters of water (including running water and reclaimed water), representing a year-on-year increase of approximately 3.2%. The overall passing rate of the quality of water supplied met relevant standards, treated water was steadily discharged in compliance with wastewater treatment standards, energy consumption indicators were controlled within reasonable ranges, and 98% of the designed capacity of wastewater treatment met the national Class I Category A standard. In addition, after years of operation and innovation, the Company has developed a series of unique business concepts and models, and has a high-calibre operation team that has been engaged in the management of businesses related to water services, environmental protection and solid waste for a long time, as well as a professional team with strong technical strength, which has laid a solid foundation for continuous improvement of asset quality and stable development of operating results of the Company.

主營業務方面，公司始終堅持質量第一、效益優先，強調把運營環節作為項目核心；以做強主業、優化結構為原則，堅持污水處理業務是公司經營發展的基本盤，持續加強水務統籌管理，穩固提升污水、自來水、再生水等主業，提升運營效率，助力降本增效。2022年，公司自營污水處理廠實現污水處理量718.9百萬立方米，同比增長約1.8%，實現供水量(含自來水和再生水)73.8百萬立方米，同比增長約3.2%，供水水質綜合合格率全面達標，污水處理持續穩定達標排放，各項能耗指標均控制在合理範圍內，設計污水處理能力的98%達到國家一級A類排放標準。同時，經過多年的經營積累和實踐創新，公司已經形成一系列獨具特色的經營理念和模式，擁有高素質的長期從事水務、環保和固廢相關業務管理的運營團隊，以及技術實力雄厚的專業化團隊，為公司資產質量的持續改善、經營業績的穩定發展奠定了堅實的基礎。

For internal governance, the Company optimised its internal control system, solidly strengthened the execution of the system, and utilised the system to promote development, prevent risks and enhance efficiency. It strengthened compliance management and risk control, maintained its bottom line, enhanced risk awareness and improved risk prevention and control capabilities. The Company continued to improve its modern supervision system, gave full play to the functions of each supervisory body, and implemented full life-cycle supervision and management with focus on difficulties and problems in operation and management, key areas, important positions and material matters.

內部治理方面，公司全面優化內控制度建設，扎實提升制度執行力，發揮制度促發展、防風險、增效能的作用。強化合規管理和風險管控，堅持底線思維，增強風險意識，提升風險防控能力。持續完善現代化監督體系，充分發揮各監督主體的職能作用，圍繞經營管理難點問題、重點環節、重要崗位、重大事項，實施全生命周期監督管理。



As for talent cultivation, the Company always attaches importance to the cultivation of outstanding talents. By deepening the reform of the performance management system, the Company clarified the responsibility targets and key tasks, signed target responsibility letters, established a mechanism linking remuneration and profitability, and insisted on target-oriented and result-oriented management; fully established a market-oriented operation mechanism for effective promotion and demotion, staff recruitment and dismissal and remuneration adjustment to stimulate the enthusiasm, initiative and creativity of employees and continuously enhance the core competitiveness of the Company, thereby providing strong organisational support for high-quality development of the Company.

人才隊伍建設方面，公司始終重視卓越人才培養，通過深化績效管理體系變革，明確責任目標、重點工作，全面簽訂目標責任書，建立薪酬與效益聯動機制，堅持目標導向、結果管理；全面建立幹部能上能下、員工能進能出、收入能增能減的市場化經營機制，激發員工積極性、主動性和創造性，不斷提升企業核心競爭力，從而為公司高質量發展提供堅強組織保障。

In respect of financial resources, the Company attached great importance to cash flow management and adopted measures such as resource support and focus on key accounts receivable to strengthen management and control of payment collection, enhance capital efficiency and strive to improve its cash flow position. In the future, the Group will continue to expand its financing channels and accelerate the revitalisation of under-performing assets in order to reduce financing costs, improve its debt structure and diversify its financing channels.

財務資源方面，公司高度重視現金流管理，對應收賬款採取資源支持、聚焦重點等措施，加強回款管控，提升資金效益，力爭改善現金流狀況。未來，本集團將繼續通過拓展更多融資渠道和加快盤活低效資產等多種方式以降低融資成本及改善負債結構，豐富融資路徑。

## PROSPECTS

In the future, the Company will continue to uphold the general keynote of “maintaining and prioritising stability”, build a solid and “stable” foundation, maintain strategic stability, consolidate the foundation of development, maintain an aggressive attitude, unswervingly implement the general strategy, objectives and requirements of innovation-driven and high-quality development, focus on stabilising operations, improving performance, securing projects, expanding financing channels, promoting reform and strengthening the workforce, improve existing business and secure incremental business, and continuously improve the modernisation of the Company’s governance system and capability, so as to ensure the Company’s long-term stability and success on the new journey of high-quality development.

## 未來展望

未來，公司將繼續秉持「穩字當頭、穩字當先」的工作總基調，築牢「穩」的基礎，保持戰略定力，夯實發展根基，永葆進取姿態，堅定不移實施創新驅動高質量發展總戰略、總目標、總要求，聚焦穩運轉、提績效、抓項目、拓融資、促改革、強隊伍，做實存量、做大增量，持續提升公司治理體系和治理能力現代化水平，保障公司在高質量發展新征程上行穩致遠。

同時，公司將抓緊國家政策提供的機會，繼續深耕污水處理主業，通過提升污水處理量及處理標準，深化節能降耗措施，及積極探索固廢處理處置、繼續推進高品質再生水綜合利用等戰略新業務的方式，持續打造公司水務領域專業系統服務能力，在幫助國家達成污染防治、水資源管理和利用及節能減排等目標的同時增加公司收入與利潤，為股東創造更大價值。

最後，本人僅代表董事會向公司管理層及全體員工的辛勤努力和卓越貢獻致以誠摯謝意，向長期以來給予公司理解支持和信任陪伴的全體股東、投資人、客戶、合作夥伴和社會各界朋友表示衷心感謝。我們有信心在推動水污染防治、流域綜合治理等方面持續行穩致遠，回饋股東，回報社會。

**曾鋒**

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| "Articles of Association" | | the articles of association of the Company |
| 「公司章程」 | 指 | 本公司公司章程 |

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| "H Share" | | overseas listed foreign shares in the share capital of the Company with a 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$" or "Hong Kong dollars" or "HK dollars" | | Hong Kong dollars, the lawful currency of Hong Kong |
| 「港元」 | 指 | 香港法定貨幣港元 |
| "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子公司 |
| "Fanchang Dianchi Water" | | Fanchang Dianchi Water Treatment Co., Ltd.* (繁昌縣滇池水務有限公司), a limited liability company incorporated in the PRC and a subsidiary directly owned by the Company before completion of disposal |
| 「繁昌滇池水務」 | 指 | 繁昌縣滇池水務有限公司，於中國註冊成立之有限責任公司，於出售完成前為本公司直接擁有的附屬公司 |
| "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 |
| "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), a government agency that performs investor's responsibilities, supervises and manages the state-owned assets of the enterprises under the supervision of the Kunming municipal government (excluding financial enterprises), shoulders the responsibility of supervising the preservation and increment of the value of the state-owned assets of the supervised enterprises, and is responsible for drafting local regulations, rules and normative documents on the management of the state-owned assets |
| 「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，政府機構，負責履行投資者責任，監管昆明市政府監督下企業(不包括金融企業)的國有資產，肩負受監督企業國有資產保值增值的責任及負責起草有關國有資產管理的地方法規、規章及規範性文件等 |

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| "Kunming Dianchi Investment" | | Kunming Dianchi Investment Co., Ltd.* (昆明滇池投資有限責任公司), a company established in Yunnan Province, the PRC with limited liability on 13 October 2004, which is the Controlling Shareholder |
| 「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，為控股股東 |
| "KADI" | | Kunming Agricultural Development Investment Co., Ltd.* (昆明農業發展投資有限公司), a limited liability company incorporated in the PRC on 29 June 2009, which is owned as to approximately 90% by Kunming SASAC, and is not a connected person as defined in the Listing Rules |
| 「昆明農業發展投資」 | 指 | 昆明農業發展投資有限公司，一家於2009年6月29日在中國註冊成立的有限責任公司，並由昆明市國資委持股約90%，非上市規則中所定義的關連人士 |
| "Kunming Bus" | | Kunming Bus Group Co., Ltd.* (昆明公交集團有限責任公司), formerly known as Kunming Bus Corporation, a wholly state-owned limited liability company incorporated in China on 11 March 1982, which is directly owned as to 95% by Kunming SASAC, and is not a connected person as defined in the Listing Rules |
| 「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，一家於1982年3月11日在中國註冊成立的有限責任公司，並由昆明市國資委直接持股95%，非上市規則中所定義的關連人士 |
| "Xindu Investment" | | Kunming Xindu Investment Co., Ltd.* (昆明新都投資有限公司), a limited liability company incorporated in the PRC on 27 May 2005, which is directly owned as to 84% by Kunming SASAC, and is not a connected person as defined in the Listing Rules |
| 「新都投資」 | 指 | 昆明新都投資有限公司，一家於2005年5月27日在中國註冊成立的有限責任公司，由昆明市國資委直接持股約84%，非上市規則中所定義的關連人士 |
| "Kunming Construction" | | Kunming Municipal Urban Construction Investment & Development Co., Ltd.* (昆明市城建投資開發有限責任公司), a limited liability company incorporated in the PRC on 15 May 1997, which is directly owned as to approximately 84% by Kunming SASAC, and is not a connected person as defined in the Listing Rules |
| 「昆明城投」 | 指 | 昆明市城建投資開發有限責任公司，一家於1997年5月15日在中國註冊成立之有限責任公司，由昆明市國資委直接持股約84%，非上市規則中所定義的關連人士 |

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| "Kunming DIG" | | Kunming Development Investment Group Co., Ltd.* (昆明發展投資集團有限公司), a wholly-state-owned company with limited liability incorporated in the PRC on 27 January 2010, which is wholly owned by Kunming SASAC, held 20,959,760 Domestic Shares of the Company as at the Latest Practicable Date, representing 2.04% of the total share capital of the Company, and is not a connected person as defined in the Listing Rules |
| 「昆明發展投資集團」 | 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，並由昆明市國資委持有100%股權，於最後可行日期持有本公司20,959,760股內資股，佔本公司總股本的2.04%，非上市規則中所定義的關連人士 |
| "Kunming Dianchi Logistics" | | Kunming Dianchi Logistics Co. Ltd.* (昆明滇池物流有限責任公司), a limited liability company incorporated in the PRC and a subsidiary directly owned by the Company |
| 「昆明滇池物流」 | 指 | 昆明滇池物流有限責任公司，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 |
| "Latest Practicable Date" | | 18 April 2023, being the latest practicable date for the inclusion of certain information and data in this annual report prior to its publication |
| 「最後可行日期」 | 指 | 2023年4月18日，即本年報付印前於其中納入若干資料及數據的最後可行日期 |
| "Listing" | | Listing of the H Shares on the Hong Kong Stock Exchange |
| 「上市」 | 指 | H股於香港聯交所上市 |
| "Listing Rules" or "Hong Kong 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」或「香港上市規則」 | 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) |
| "Non-competition Agreement" | | the non-competition agreement entered into between the Controlling Shareholder and the Company dated 25 April 2016 |
| 「避免同業競爭協議」 | 指 | 控股股東與本公司訂立的日期為2016年4月25日的避免同業競爭協議 |

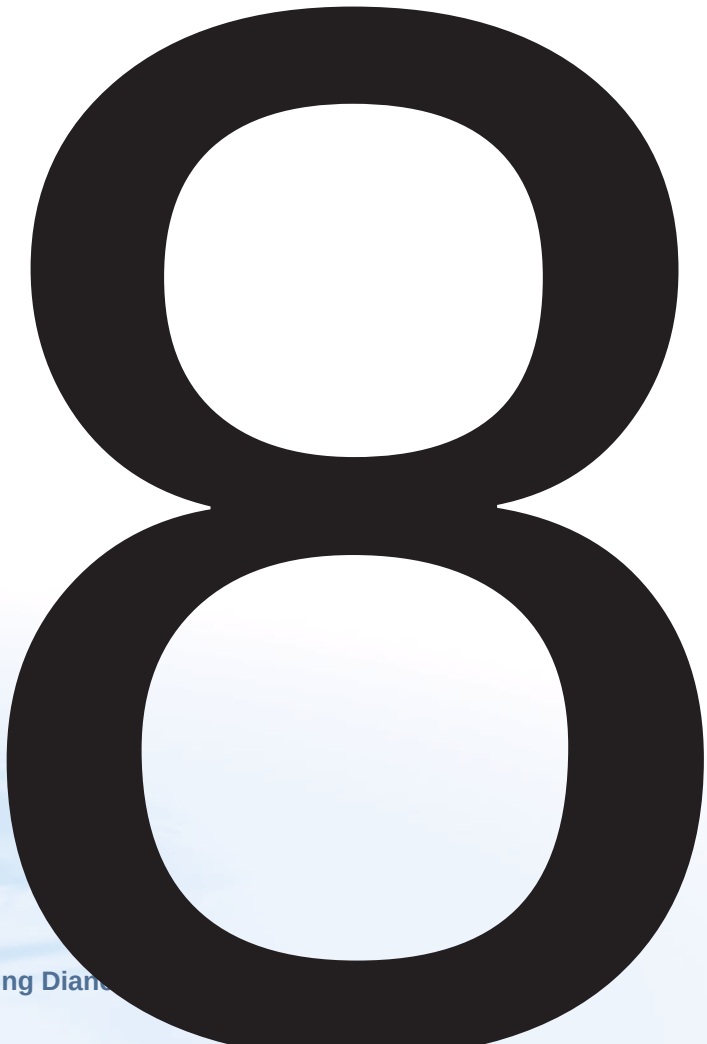
| | | |
|---|---|---|
| "Prospectus" | | the prospectus of the Company dated 24 March 2017 in relation to the initial public offering and the Listing of H Shares on the Stock Exchange |
| 「招股說明書」 | 指 | 日期為2017年3月24日有關首次公開發售及H股於聯交所上市的本公司招股章程 |
| "Reporting Period" | | the year of 2022 (1 January 2022 to 31 December 2022) |
| 「報告期」 | 指 | 2022年度(2022年1月1日至2022年12月31日) |
| "RMB" or "Renminbi" | | the lawful currency of the PRC |
| 「人民幣」 | 指 | 中國法定貨幣 |
| "Shareholder(s)" | | holder(s) of the shares of the Company |
| 「股東」 | 指 | 本公司股份持有人 |

# CHAPTER FOUR GLOSSARY OF TECHNICAL TERMS
# 第四章 技術詞彙

| | | |
|---|---|---|
| "BOO" | | Build-Own-Operate, a project model in which an enterprise undertakes the financing, design, construction of wastewater treatment or water supply facilities, which are owned by the enterprise, and 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 tap 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 a 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 for the proprietor for certain fees to be paid 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 |
| "CAGR" | | compound annual growth rate, which is the annual growth rate over a specified period of time longer than one year |
| 「複合年增長率」 | 指 | 複合年增長率是在超過一年的特定時期內的年度增長率 |

# CHAPTER FOUR GLOSSARY OF TECHNICAL TERMS
# 第四章 技術詞彙

| | | |
|---|---|---|
| "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 tap 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，移交 |



The following table sets out our key operating and financial data for the periods or as of the dates indicated:

下表載列所示期間或日期我們的主要經營及財務數據：

## SUMMARY OF OPERATING DATA

## 經營數據概要

| | | As at 31 December 於12月31日 | | | | |
|---|---|---|---|---|---|---|
| | | **2022** | 2021 | 2020 | 2019 | 2018 |
| | | **2022年** | 2021年 | 2020年 | 2019年 | 2018年 |
| **Capacity** *('000 m³ per day)* | **產能***(千立方米／日)* | | | | | |
| Wastewater treatment | 污水處理 | **2,031** | 2,043 | 1,970 | 1,830 | 1,827 |
| Reclaimed water supply | 再生水供應 | **237** | 233 | 213 | 52 | 52 |
| Running water supply | 自來水供應 | **131** | 131 | 131 | 116 | 116 |

| | | For the year ended 31 December 截至12月31日止年度 | | | | |
|---|---|---|---|---|---|---|
| | | **2022** | 2021 | 2020 | 2019 | 2018 |
| | | **2022年** | 2021年 | 2020年 | 2019年 | 2018年 |
| **Volume** *('000 m³ per period indicated)* | **產量***(千立方米／所示期間)* | | | | | |
| Wastewater treatment | 污水處理 | **718,924** | 706,078 | 657,499 | 622,842 | 616,844 |
| Reclaimed water supply | 再生水供應 | **56,588** | 54,422 | 31,177 | 11,736 | 8,825 |
| Running water supply | 自來水供應 | **17,231** | 17,116 | 14,863 | 14,801 | 12,957 |

| | | For the year ended 31 December 截至12月31日止年度 | | | | |
|---|---|---|---|---|---|---|
| | | **2022** | 2021 | 2020 | 2019 | 2018 |
| | | **2022年** | 2021年 | 2020年 | 2019年 | 2018年 |
| **Utilisation Rate** | **利用率** | | | | | |
| Wastewater treatment | 污水處理 | **97.4%** | 96.3% | 92.0% | 93.7% | 92.9% |
| Reclaimed water supply | 再生水供應 | **65.5%** | 64.0% | 53.4% | 61.8% | 46.5% |
| Running water supply | 自來水供應 | **36.5%** | 35.8% | 31.9% | 35.0% | 30.6% |

## SUMMARY OF OPERATING RESULTS BY SEGMENT 分部經營業績概要

| | | For the year ended 31 December 截至12月31日止年度 | | | | |
|---|---|---|---|---|---|---|
| | | **2022** | 2021 | 2020 | 2019 | 2018 |
| | | **2022年** | 2021年 | 2020年 | 2019年 | 2018年 |
| | | ***RMB'000*** | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| | | ***人民幣千元*** | *人民幣千元* | *人民幣千元* | *人民幣千元* | *人民幣千元* |
| **Wastewater treatment** | **污水處理** | | | | | |
| – Revenue | 一收入 | **1,298,089** | 1,370,283 | 1,276,466 | 1,213,810 | 1,159,075 |
| – Gross profit | 一毛利 | **627,062** | 610,365 | 558,256 | 514,145 | 480,070 |
| – Gross profit margin | 一毛利率 | **48.3%** | 44.5% | 43.7% | 42.4% | 41.4% |
| **Water supply** | **水供給** | | | | | |
| – Revenue | 一收入 | **101,234** | 191,534 | 260,986 | 304,857 | 115,254 |
| – Gross profit | 一毛利 | **40,997** | 49,812 | 53,420 | 57,622 | 8,372 |
| – Gross profit margin | 一毛利率 | **40.5%** | 26.0% | 20.5% | 18.9% | 7.3% |
| **Others** | **其他** | | | | | |
| – Revenue | 一收入 | **666,540** | 755,921 | 381,971 | 314,875 | 155,458 |
| – Gross profit | 一毛利 | **189,212** | 64,605 | 67,501 | 66,157 | 40,592 |
| – Gross profit margin | 一毛利率 | **28.4%** | 8.5% | 17.7% | 21.0% | 26.1% |

## SUMMARY OF CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME 合併全面收益表概要

| | | Year ended 31 December 截至12月31日止年度 | | | | |
|---|---|---|---|---|---|---|
| | | **2022** | 2021 | 2020 | 2019 | 2018 |
| | | **2022年** | 2021年 | 2020年 | 2019年 | 2018年 |
| | | ***RMB'000*** | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| | | ***人民幣千元*** | *人民幣千元* | *人民幣千元* | *人民幣千元* | *人民幣千元* |
| **Revenue** | **收入** | **2,065,863** | 2,317,738 | 1,919,423 | 1,833,542 | 1,429,787 |
| **Operating profit** | **經營利潤** | **678,302** | 528,368 | 429,524 | 569,692 | 469,723 |
| **Profit before tax** | **稅前利潤** | **367,465** | 396,693 | 415,481 | 438,150 | 415,221 |
| Income tax expense | 所得稅費用 | **(43,330)** | (57,142) | (65,053) | (68,072) | (65,494) |
| **Profit for the year** | **年度利潤** | **324,135** | 339,551 | 350,428 | 370,078 | 349,727 |
| **Other comprehensive (loss)/ income** | **其他全面(虧損)／收益** | **(1,049)** | (1,219) | 13,290 | 871 | 3,282 |
| **Total comprehensive income for the year** | **年度全面收益總額** | **323,086** | 338,332 | 363,718 | 370,949 | 353,009 |

## SUMMARY OF CONSOLIDATED BALANCE SHEET 合併資產負債表概要

| | | As at 31 December 於12月31日 | | | | |
|---|---|---|---|---|---|---|
| | | **2022** | 2021 | 2020 | 2019 | 2018 |
| | | **2022年** | 2021年 | 2020年 | 2019年 | 2018年 |
| | | ***RMB'000*** | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| | | ***人民幣千元*** | *人民幣千元* | *人民幣千元* | *人民幣千元* | *人民幣千元* |
| **Assets** | **資產** | | | | | |
| Total assets | 資產總額 | **11,702,204** | 12,067,938 | 10,496,492 | 9,576,255 | 7,442,063 |
| **Liabilities** | **負債** | | | | | |
| Total liabilities | 負債總額 | **7,044,613** | 7,632,127 | 6,224,065 | 5,481,834 | 3,541,142 |
| **Equity** | **權益** | | | | | |
| Total equity | 權益總額 | **4,657,591** | 4,435,811 | 4,272,427 | 4,094,421 | 3,900,921 |
| **Total equity and liabilities** | **權益及負債總額** | **11,702,204** | 12,067,938 | 10,496,492 | 9,576,255 | 7,442,063 |

## A. OPERATING ENVIRONMENT

In 2022, the geopolitical situation was turbulent. The downside risks of the world economy were increasing. The domestic economy was repeatedly impacted by multiple unexpected factors such as frequent outbreaks of epidemics and extremely high temperature weather. The complexity, severity and uncertainty of development environment were on the rise. On the whole, however, the economy of the PRC overcame difficulties and made steady and long-term progress in a stable manner, demonstrating strong resilience and dynamism. The pace of steady progress was solid and powerful.

The year of 2022 was a crucial year for the implementation of the "14th Five-Year Plan" and for intensifying the battle against pollution. The report of the 20th National Congress of the Communist Party of the PRC proposed that it is necessary to firmly establish and practise the concept that green water and green mountains are mountains of gold and silver, further promoting the prevention and control of environmental pollution and continuing to fight the battle to defend blue sky, clear water and pure land. During the "14th Five-Year Plan" period, there is still room for development of the wastewater treatment industry, to which the Company's principal business belong, with the continuous release of demand from the rising urbanisation rate, quality and efficiency improvement of wastewater, and load control of wastewater treatment plants. In the future, the water and environmental protection industry will develop in a high-quality direction of refinement, wisdom, resourcefulness, low carbon, ecology and socialisation.

### 1. Overview of Wastewater Treatment Industry

Since the "14th Five-Year Plan", the country has paid great attention to the healthy development of the wastewater treatment industry. In order to continue to fight the tough battle of pollution prevention and control, and achieve green development and dual carbon goals, in 2022, the PRC successively issued the "Guiding Opinions on Accelerating the Construction of Urban Environmental Infrastructure"* (《關於加快推進城鎮環境基礎設施建設的指導意見》), the "14th Five-Year Plan for Comprehensive Management of Water Environment in Key River Basins"* (《「十四五」重點流域水環境綜合治理規劃》) and other documents, which proposed higher quality development requirements for the collection and treatment targets, pipeline network renovation requirements and the expansion and renovation of wastewater treatment facilities of the wastewater treatment industry in the future. With the continuous implementation of relevant policies, local governments will also continue to increase the investment of resources in the wastewater treatment industry.

## A. 經營環境

2022年，地緣政治局勢動蕩不安，世界經濟下行的風險加大。國內經濟受到疫情散發多發、極端高溫天氣等多重超預期因素的反復沖擊，發展環境的複雜性、嚴峻性、不確定性上升。但總體來看，中國經濟攻堅克難、行穩致遠，顯現出強大韌性和活力，穩中求進的步伐堅實有力。

2022年是推進實施「十四五」規劃、深入打好污染防治攻堅戰的關鍵之年。黨的二十大報告提出，必須牢固樹立和踐行綠水青山就是金山銀山的理念，深入推進環境污染防治，持續深入打好藍天、碧水、淨土保衛戰。「十四五」時期，在城鎮化率提升、污水提質增效、污水處理廠負荷率控制等需求的持續釋放下，本公司主業所屬的污水處理行業仍有發展空間。未來水務環保行業將朝著精細化、智慧化、資源化、低碳化、生態化、社會化的高質量方向發展。

### 1. 污水處理行業概況

自「十四五」以來，國家高度關注污水處理行業的健康發展，為持續打好污染防治攻堅戰，實現綠色發展和雙碳目標，2022年，國家先後發佈了《關於加快推進城鎮環境基礎設施建設的指導意見》、《「十四五」重點流域水環境綜合治理規劃》等文件，相關文件對未來污水處理行業收集處理目標、管網改造要求、污水處理設施擴容改造等提出了更高質量的發展要求。隨著相關政策的持續推進，各地政府也將持續增加對污水處理行業的資源投入。

Moreover, the water market has entered an era of professional operation. The focus of business has changed from rebuilding facilities to improving quality and efficiency and sustainable development. The operation and maintenance of wastewater networks, wastewater collection rates, pollutant reduction rates and recycled water utilisation, etc. are increasingly important, and promoting green and sustainable development of the industry becomes the direction of future development.

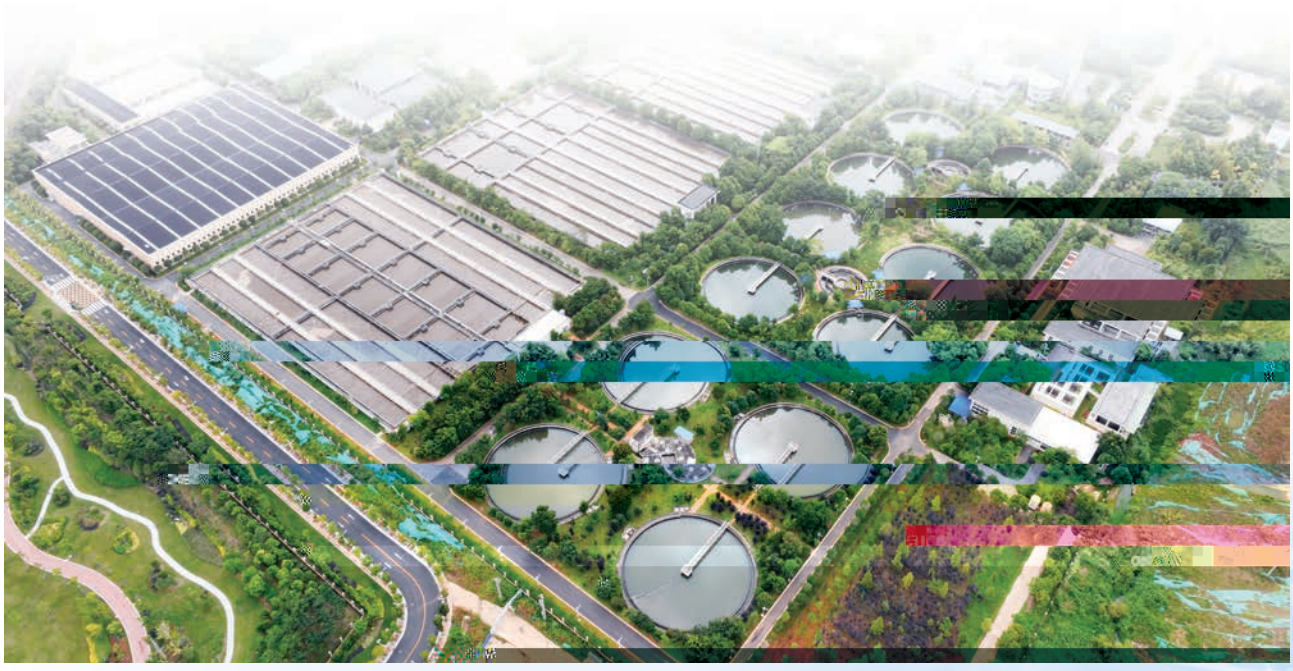
此外，水務市場進入專業化運營時代，業務重心由重建設輕運營向提質增效和可持續發展轉變，排污管網運維、污水收集率、污染物削減率、再生水利用等環節越來越受到重視，推動行業綠色可持續發展成為未來發展的方向。

### 2. Overview of Reclaimed Water Industry

In recent years, the PRC has actively promoted the resourceful use of wastewater, however, the construction of wastewater resourceful use facilities has lagged behind and the pattern of water supply according to demand and quality has yet to be formed. In January 2022, the PRC issued the "Guiding Opinions on Accelerating the Construction of Urban Environmental Infrastructure"* (《關於加快推進城鎮環境基礎設施建設的指導意見》) which proposed that by 2025, new construction, reconstruction and expansion of reclaimed water capacity will not be less than 15 million cubic metres per day. Meanwhile, under the "Guiding Opinions on Promoting the Resourceful Use of Wastewater"* (《關於推進污水資源化利用的指導意見》) and its "1+N" policy system, reclaimed water will be gradually incorporated into the urban water supply system and integrated into the unified allocation of water resources which will be gradually promoted in the fields of industrial production, municipal miscellaneous use and ecological environment, etc. It is expected that, during the "14th Five-Year Plan" period, the

### 2. 再生水行業概況

近年來，國家積極推進污水資源化利用，但是污水資源化利用設施建設滯後，還未形成按需供水、分質供水的格局。2022年1月，國家發佈《關於加快推進城鎮環境基礎設施建設的指導意見》提出至2025年要新建、改建和擴建再生水能力不少於1,500萬立方米／日。同時，在《關於推進污水資源化利用的指導意見》以及其「1+N」政策體系下，再生水將逐步納入城市供水體系，進入水資源統一配置，在工業生產、市政雜用、生態環境等領域逐步推廣。預計「十四五」期間，中國再生水利用將會得到更快發展。再生水廠的規劃、建設、運營維護和管理具有巨大發展潛力和市場空間。



### 3. Overview of Municipal Water Supply Industry

In recent years, with the implementation of the national rural revitalization strategy and the increase in urbanization rate, the municipal water supply industry has maintained a steady development trend.

In the future, with the in-depth implementation of the "Urban Water Supply Price Management Measures"* (《城鎮供水價格管理辦法》) and "Urban Water Supply Pricing and Cost Monitoring Measures"* (《城鎮供水定價成本監審辦法》) and other policies, they will have a positive impact on in clearing fees and smoothing prices for water supply enterprises and achieving sustainable development. The accelerating urbanisation of the PRC and the continuous advancement of the development strategy of urban-rural water supply integration will be an inexhaustible impetus for the sustainable development of the industry which will also put forward higher requirements for high-quality development of the water industry.

### 3. 市政供水行業概況

近年來，隨著國家鄉村振興戰略的推進及城鎮化率的提高，市政供水行業保持了穩中有進的發展態勢。

未來，隨著《城鎮供水價格管理辦法》和《城鎮供水定價成本監審辦法》等政策的深入實施，對供水企業清費順價，實現可持續發展帶來積極的作用。中國城市化進程的加快和城鄉供水一體化發展戰略的不斷推進，將成為行業持續發展的不竭動力，同時也對行業的高質量發展提出更高要求。

### 4. Impact of the COVID-19 Pandemic

The outbreak of COVID-19 that has been spreading around the world since 2020 has caused extensive impact on the health and economy of the world. Facing the challenges from the pandemic, the Group prioritised to guarantee that, during the pandemic, the quality of wastewater treatment, reclaimed water and running water supply fulfilled relevant standards, while ensuring the safety and health of the employees. During the Reporting Period, all wastewater treatment plants, reclaimed water supply facilities and running water supply facilities of the Company maintained normal operation, and wastewater treatment volume increased steadily as compared to the same period of previous year. During the Reporting Period, the COVID-19 pandemic did not cause any material and adverse impact on the Group's production and operation.

### 4. 新冠疫情的影響

2020年至今的新冠疫情在全世界蔓延，給世界衛生、經濟等帶來了大範圍的影響。面對疫情挑戰，本集團首要任務是保證疫情期間污水處理、再生水及自來水供應的質量達到相關標準，同時確保員工的安全和健康。報告期內，本公司各個污水處理廠、再生水供應設施及自來水供應設施正常運行，污水處理量與上年同期相比平穩增長。報告期內，新冠疫情未對本集團的生產運營造成重大不利影響。

For the TOO and TOT models, we acquire concessions to operate existing facilities at agreed prices from the relevant local governments. For the BOT model, we finance, construct and operate relevant facilities. After the expiration of the relevant concessions, we either obtained new concessions from or transferred the relevant facilities back to the relevant local governments, depending on project types. As of 31 Decuc 8 0 0 8 70.8661 613.8402 Tm[(back)13.45 of 3

### Reclaimed Water Business

For our reclaimed water business, as of 31 December 2022, we had 12 of our wastewater treatment plants producing reclaimed water, with a total designed daily production capacity of 237,000 $m^3$. Customers of our reclaimed water include commercial and industrial establishments, enterprises and public institutions and other entities in Kunming. During the Reporting Period, reclaimed water supply was 56.588 million $m^3$.

During the Reporting Period, our reclaimed water supply maintained a stable growth. The Company has wastewater treatment plants in a number of regions across the country, which lay a solid foundation for the future development of our reclaimed water business in those regions, and we will continue to promote the development of our reclaimed water business in accordance with local policies and market demand and supply conditions.

### Running Water Business

For our running water business, as of 31 December 2022, we had 7 running water plants in the PRC, and 1 running water plant under construction. During the Reporting Period, the supply of running water amounted to 17.231 million $m^3$, and the quality of water supplied met the requirements

### Capital-intensive characteristics of the industry

We are engaged in wastewater treatment, reclaimed water supply and running water supply projects, which typically require significant initial cash outlays and have long payback periods. On average, the investment payback periods for our projects range from five to ten years. If we fail to obtain financing or refinancing for such projects in the amounts required, we may need to finance these projects from our internal resources, which may strain our resources for other corporate purposes. Additionally, we may fail to properly perform our obligations in respect of these projects as a result of a funding shortage, which may lead to a reduction in our returns and may even lead to the loss of our initial capital investments.

We are required to make substantial capital investments during the initial phases of our projects. These investments are primarily dependent on the funds we raise in our global offering, bank loans, corporate bonds and other means to finance. For the year ended 31 December 2022, our total interest-bearing liabilities amounted to RMB5,869.1 million, representing a decrease of 8.4% from RMB6,405.9 million in 2021. As of 31 December 2022, our net gearing ratio, calculated as net debt divided by total capital, was 54.4%.

We expect to continue to utilise bank loans, corporate bonds and a diverse combination of financing facilities to finance a portion of our investments in our projects. The interest rate of bank loans is mainly affected by the quoted market rate of RMB loans issued by the National Interbank Funding Center each month. Increase in interest rates may increase our total interest expenses on RMB borrowings. The financing efficiency and financing cost of corporate bonds and other financing instruments are affected by factors such as the economic environment, financing market conditions and the Company's own operating conditions. Changes in relevant factors may affect the Company's financing efficiency and financing costs.

### 資本密集的行業特性

我們從事的污水處理、再生水供應及自來水供應項目，通常需要大量初始現金支出，投資回收期長，我們的項目平均投資回收週期為5-10年。若我們無法按該等項目所需的金額進行融資或再融資，我們或需透過內部資源為該等項目融資，從而可能會對我們現實其他業務發展造成負擔。此外，我們或因資金短缺而無法恰當履行我們有關該等項目的義務，這會導致我們收益減少，甚至會導致我們初始投資出現損失。

於項目初期階段，我們必須做出大量資本投資，而該等投資主要依賴於我們於全球發售所募集資金、銀行貸款及公司債券等撥付。截至2022年12月31日止年度，我們的有息負債總額為人民幣5,869.1百萬元，較2021年的人民幣6,405.9百萬元減少8.4%。於2022年12月31日，我們的淨資產負債比率(按負債淨額除以資本總額計算)為54.4%。

我們預期繼續利用銀行貸款、公司債券及多樣化結合的融資工具撥付項目的部分投資。而銀行貸款利率主要受全國銀行間同業拆借中心於每月發佈的人民幣貸款的貸款市場報價利率的影響。利率的提升可能增加我們人民幣借款利息支出總額。公司債券及其他融資工具的融資效率、融資成本則受經濟環境、融資市場行情及公司自身經營情況等因素影響。相關因素變化或會影響公司融資效率、融資成本。

### Requirements of water quality standards

Our wastewater treatment, reclaimed water supply and running water supply facilities are built to treat wastewater and raw water to specified quality standards. The quality of our treated wastewater and supplied reclaimed and running water depends on the level of pollution of the inflow of wastewater into our facilities and normal operation of our facilities. We are subject to risks of unknown or undiscovered inflow of wastewater into our equipment that exceeds our treatment capacity or defects or compatibility problems with our equipment. We cannot assure that we will always be able to timely discover and repair malfunctioning equipment or any other problems with our treatment process or facilities. In such circumstances, our facilities may not be able to treat wastewater or raw water in compliance with the relevant regulatory and contractual standards, which could result in us being subject to claims from our customers or governmental penalties, and could lead to the suspension of our operations pending rectification as well as reputational damage. In addition, the incoming wastewater or raw water to be treated by our facilities may contain pollutants exceeding the types and quantity of pollutants that we contemplated during the design and construction of the facilities which will adversely affect our operating costs, deterioration of our facilities and effluent quality.

### 水質標準要求

我們所建的污水處理、再生水供應及自來水供應設施均需將污水及原水處理至符合指定規定的水質標準。污水處理、再生水供應及自來水供應的水質取決於進入設施的污水含污情況及我們設施是否能夠正常運行，任何未知或未發現的超過系統處置能力的污水進入設備或設備缺陷或兼容性問題亦會對我們構成風險。我們無法保證能夠永遠及時發現並及時維修故障設備，或解決處理工藝或設施的其他任何問題。在此類情況下，我們的設施可能無法按照相關規定及合同標準處理污水或原水，從而可能導致我們面臨客戶索賠或遭到政府處罰，亦可能導致暫停運營以及整改及聲譽受損。此外，待處理的污水或原水可能含有大量超過我們在設施設計及建設期間預測的污染物類型及數量，從而對我們的運營成本、設施磨損及出水水質排放造成不利影響。

### Force majeure events

Any future occurrence of force majeure events, natural disasters or outbreaks of pandemics may restrict business in the areas affected and adversely affect our business and results of operations. These risks include damage to facilities, equipment and structures caused by natural disasters such as heavy rainfall, extremely high or low temperatures and lightning strikes, resulting in interruption of production operation and damage to facilities and equipment. The Company has formulated contingency plans to respond to unexpected force majeure events and conducts emergency drills in daily operation to enhance the ability of the Company and its employees to respond to such events, and procures relevant materials and conducts safety inspections before the onset of the rainy season in places where it operates to reduce the impact of such force majeure events on the Company.

### 不可抗力事件

未來發生任何不可抗力事件、自然災害或爆發疫情，或會限制受影響地區的業務，進而對我們業務及經營業績造成不利影響。該等風險包括暴雨、高溫、低寒、雷擊等氣象因素引發的自然災害對設施設備、構築物破壞導致生產運營中斷、設施設備損毀等

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

| | | For the year ended 31 December 截至12月31日止年度 | |
|---|---|---|---|
| | | 2022 | 2021 |
| | | 2022年 | 2021年 |
| | | *RMB'000* | *RMB'000* |
| | | *人民幣千元* | *人民幣千元* |
| **Revenue** | **收入** | **2,065,863** | 2,317,738 |
| Cost of sales | 銷售成本 | **(1,208,592)** | (1,592,956) |
| **Gross profit** | **毛利** | **857,271** | 724,782 |
| Selling expenses | 銷售費用 | **(4,339)** | (13,705) |
| Administrative expenses | 行政費用 | **(121,307)** | (140,477) |
| Research and development expenses | 研發費用 | **(542)** | (7,299) |
| Impairment loss on investment in an associate | 聯營投資減值損失 | **(5,576)** | – |
| Net impairment losses on financial assets | 金融資產減值損失淨額 | **(114,486)** | (59,593) |
| Other income – net | 其他收益淨額 | **68,171** | 28,025 |
| Other losses | 其他虧損 | **(890)** | (3,365) |

*a. Revenue*

Our revenue decreased by RMB251.8 million, or 10.9%, to RMB2,065.9 million for the year ended 31 December 2022 from RMB2,317.7 million for the year ended 31 December 2021, primarily due to:

- Our revenue from wastewater treatment business decreased by RMB72.2 million or 5.3% from RMB1,370.3 million for the year ended 31 December 2021 to RMB1,298.1 million for the year ended 31 December 2022. In particular, wastewater treatment operating income increased by RMB49.4 million; the construction income decreased by approximately RMB96.1 million, which was mainly due to the decrease in new wastewater treatment construction projects in 2022, and decrease in investment in existing projects as compared to 2021 as such projects gradually entered the final stage of construction; and the decrease in finance income of approximately RMB25.5 million.

- Our revenue from water supply segment decreased by RMB90.3 million or 47.2% from RMB191.5 million for the year ended 31 December 2021 to RMB101.2 million for the year ended 31 December 2022. In particular, water supply operating income decreased by approximately RMB9.9 million, which was mainly due to the decrease in water supply income due to the change in structure of water supply operation services; the construction income decreased by approximately RMB78.8 million, which was mainly due to the decrease in new reclaimed water supply and fresh water supply construction projects in 2022, and decrease in investment in existing projects as compared to 2021 as such projects gradually entered the final stage of construction; and the decrease in finance income of approximately RMB1.6 million.

- Our revenue from other segments decreased by RMB89.4 million or 11.8% from RMB755.9 million for the year ended 31 December 2021 to RMB666.5 million for the year ended 31 December 2022. The management service income increased by approximately RMB55.6 million resulting from the increase in water treatment volume of entrusted management business provided by the Company in 2022; the construction income

*b. Cost of sales*

Our cost of sales decreased by RMB384.4 million, or 24.1%, to RMB1,208.6 million for the year ended 31 December 2022, from RMB1,593.0 million for the year ended 31 December 2021. Details are as follows:

- Our cost of sales for wastewater treatment segment decreased by RMB88.9 million, or 11.7%, to RMB671.0 million for the year ended 31 December 2022, from RMB759.9 million for the year ended 31 December 2021, which was mainly due to the decrease in cost of wastewater treatment operation services of RMB72.3 million during the Reporting Period.

- Our cost of sales for water supply segment decreased by RMB81.5 million, or 57.5%, to RMB60.2 million for the year ended 31 December 2022, from RMB141.7 million for the year ended 31 December 2021, which was mainly due to the decrease in construction cost of approximately RMB71.6 million resulting from the decrease in new water supply construction projects during the Reporting Period and decrease in investment in existing projects as compared to 2021.

- Our cost of sales for other segments decreased by RMB214.0 million, or 31.0%, to RMB477.3 million for the year ended 31 December 2022, from RMB691.3 million for the year ended 31 December 2021. In particular, the entrusted management costs decreased by approximately RMB44.5 million; the construction cost decreased by approximately RMB168.3 million resulting from the decrease in investment in existing projects such as the Kunming Domestic Waste Sanitary Landfill Construction Project as compared to 2021. In addition, the cost of gas and power supply increased by approximately RMB27.3 million.

*c. Gross margin*

Our gross profit increased by RMB132.5 million, or 18.3%, to RMB857.3 million for the year ended 31 December 2022, from RMB724.8 million for the year ended 31 December 2021, which was mainly due to the increase in gross profit from wastewater treatment segment of RMB16.7 million, decrease in gross profit from water supply segment of RMB8.8 million and increase in gross profit from other segments of RMB124.6 million.

Our gross margin increased by 10.2% from 31.3% for the year ended 31 December 2021 to 41.5% for the year ended 31 December 2022, which was mainly due to the significant increase in gross margin of water supply segment and other segments as compared to 2021.

*b. 銷售成本*

我們的銷售成本從截至2021年12月31日止年度的人民幣1,593.0百萬元減少至截至2022年12月31日止年度的人民幣1,208.6百萬元，降幅為人民幣384.4百萬元或24.1%，具體如下：

- 我們污水處理分部的銷售成本從截至2021年12月31日止年度的人民幣759.9百萬元減少至截至2022年12月31日止年度的人民幣671.0百萬元，降幅為人民幣88.9百萬元或11.7%，主要由於本報告期內污水處理營運服務成本減少約人民幣72.3百萬元。

- 我們水供給分部的銷售成本從截至2021年12月31日止年度的人民幣141.7百萬元減少至截至2022年12月31日止年度的人民幣60.2百萬元，降幅為人民幣81.5百萬元或57.5%，主要由於本報告期內水供給建造新增項目減少，原有項目投入較2021年減少，導致建造服務成本減少約人民幣71.6百萬元。

- 我們其他分部的銷售成本從截至2021年12月31日止年度的人民幣691.3百萬元減少至截至2022年12月31日止年度的人民幣477.3百萬元，降幅為人民幣214.0百萬元或31.0%，其中，委託管理業務成本減少約人民幣44.5百萬元；昆明市生活垃圾衛生填埋場建設項目等原有項目投入較2021年減少，減少建造成本約人民幣168.3百萬元。另外，供氣供電成本增加約人民幣27.3百萬元。

*c. 毛利率*

我們的毛利從截至2021年12月31日止年度的人民幣724.8百萬元增加至截至2022年12月31日止年度的人民幣857.3百萬元，增幅為人民幣132.5百萬元或18.3%，主要由於污水處理分部的毛利增加人民幣16.7百萬元、水供給分部的毛利減少人民幣8.8百萬元及其他分部的毛利增加人民幣124.6百萬元所致。

我們的毛利率從截至2021年12月31日止年度的31.3%增加至截至2022年12月31日止年度的41.5%，增加10.2%，主要由於水供給分部和其他分部的毛利率較2021年有較大幅度的增加。

- Our gross profit from wastewater treatment segment increased by RMB16.7 million, or 2.7%, to RMB627.1 million for the year ended 31 December 2022, from RMB610.4 million for the year ended 31 December 2021. Our segment gross margin increased by 3.8% from 44.5% for the year ended 31 December 2021 to 48.3% for the year ended 31 December 2022.

- Our gross profit from water supply segment decreased by RMB8.8 million, or 17.7%, to RMB41.0 million for the year ended 31 December 2022, from RMB49.8 million for the year ended 31 December 2021. Our segment gross margin increased by 14.5% from 26.0% for the year ended 31 December 2021 to 40.5% for the year ended 31 December 2022, which was mainly due to the decrease in proportion of construction business with relatively low profit margin during the Reporting Period, resulting in increase in overall profit margin.

- Our gross profit from other segments increased by RMB124.6 million, or 192.9%, to RMB189.2 million for the year ended 31 December 2022, from RMB64.6 million for the year ended 31 December 2021. Our segment gross margin increased by 19.9% from 8.5% for the year ended 31 December 2021 to 28.4% for the year ended 31 December 2022, which was mainly due to the increase in profit margin of entrusted management business and decrease in proportion of the Kunming Domestic Waste Sanitary Landfill Construction Project with decreased investment in construction during the Reporting Period, resulting in increase in overall profit margin.

- 我們污水處理分部的毛利從截至2021年12月31日止年度的人民幣610.4百萬元增加至截至2022年12月31日止年度的人民幣627.1百萬元，增幅為人民幣16.7百萬元或2.7%。我們的分部毛利率從截至2021年12月31日止年度的44.5%增加至截至2022年12月31日止年度的48.3%，增加3.8%。

- 我們水供給分部的毛利從截至2021年12月31日止年度的人民幣49.8百萬元減少至截至2022年12月31日止年度的人民幣41.0百萬元，降幅為人民幣8.8百萬元或17.7%。我們的分部毛利率從截至2021年12月31日止年度的26.0%增加至截至2022年12月31日止年度的40.5%，增加14.5%，主要由於建造業務毛利率較低，本報告期內建造業務毛利佔比下降，導致整體毛利率上升。

- 我們其他分部的毛利從截至2021年12月31日止年度的人民幣64.6百萬元增加至截至2022年12月31日止年度的人民幣189.2百萬元，增幅為人民幣124.6百萬元或192.9%。我們的分部毛利率從截至2021年12月31日止年度的8.5%增加至截至2022年12月31日止年度的28.4%，增加19.9%，主要由於本報告期委託管理業務毛利率上升及昆明市生活垃圾衛生填埋場建設項目本報告期內建設投入減少，毛利佔比下降，導致整體毛利率上升。

### *d. Selling expenses*

Our selling expenses decreased by RMB9.4 million or 68.6% from RMB13.7 million for the year ended 31 December 2021 to RMB4.3 million for the year ended 31 December 2022, which was mainly due to the decrease in sales handling fees and commission expenses during the Reporting Period.

### *d. 銷售費用*

銷售費用從截至2021年12月31日止年度的人民幣13.7百萬元減少至截至2022年12月31日止年度的人民幣4.3百萬元，降幅為人民幣9.4百萬元或68.6%，主要是由於報告期內銷售手續費及佣金支出的減少。

### *e. Administrative expenses*

Administrative expenses decreased by RMB19.2 million, or 13.7%, to RMB121.3 million for the year ended 31 December 2022, from RMB140.5 million for the year ended 31 December 2021, which was mainly due to the decrease in technical service cost.

### *e. 行政費用*

行政費用從截至2021年12月31日止年度的人民幣140.5百萬元減少至截至2022年12月31日止年度的人民幣121.3百萬元，降幅為人民幣19.2百萬元或13.7%，主要是由於技術服務費減少所致。

*f. Research and development expenses*

Research and development expenses decreased by RMB6.8 million, or 93.2%, to RMB0.5 million for the year ended 31 December 2022, from RMB7.3 million for the year ended 31 December 2021.

*f. 研發費用*

研發費用從截至2021年12月31日止年度的人民幣7.3百萬元減少至截至2022年12月31日止年度的人民幣0.5百萬元，降幅為人民幣6.8百萬元或93.2%。

*g. Net impairment losses on financial assets*

Impairment losses on financial assets increased by RMB54.9 million from RMB59.6 million for the year ended 31 December 2021 to RMB114.5 million for the year ended 31 December 2022, which was mainly due to the increase in provision for losses that need to be recognised for trade receivables and receivables under concession agreements.

*g. 金融資產減值損失淨額*

金融資產減值損失從截至2021年12月31日止年度的人民幣59.6百萬元增加至截至2022年12月31日止年度的人民幣114.5百萬元，增幅為人民幣54.9百萬元，主要是由於貿易應收款項及特許經營權協議下的應收款項需要確認的虧損撥備有所增加。

*h. Other income – net*

Our other income – net increased from RMB28.0 million for the year ended 31 December 2021 to RMB68.2 million for the year ended 31 December 2022, representing an increase of RMB40.2 million or 143.6%, which was mainly due to the gain on disposal of RMB19.9 million from the disposal of Fanchang Dianchi Water, a subsidiary, during the Reporting Period; and fair value gain of financial liabilities at fair value through profit or loss of RMB21.0 million.

*h. 其他收益－淨額*

我們的其他收益淨額從截至2021年12月31日止年度的人民幣28.0百萬元增加至截至2022年12月31日止年度的人民幣68.2百萬元，增幅為人民幣40.2百萬元或143.6%，主要由於本報告期出售繁昌滇池水務，產生處置收益19.9百萬元；以公允價值計量且其變動計入當期損益的金融負債的公允價值收益21.0百萬元。

*i. Other losses*

Our other losses decreased to other losses of RMB0.9 million for the year ended 31 December 2022, from other losses of RMB3.4 million for the year ended 31 December 2021, which was mainly attributable to the decrease in compensation expense.

*i. 其他虧損*

我們的其他虧損從截至2021年12月31日止年度的其他虧損人民幣3.4百萬元減少至截至2022年12月31日止年度的其他虧損人民幣0.9百萬元，主要由於賠償款支出減少所致。

*j. Operating profit*

As a result of the foregoing factors, our operating profit increased by RMB149.9 million, or 28.4%, to RMB678.3 million for the year ended 31 December 2022, from RMB528.4 million for the year ended 31 December 2021. Our operating margins for the years ended 31 December 2022 and 2021 were 32.8% and 22.8%, respectively.

*j. 經營利潤*

由於上述原因，我們的經營利潤從截至2021年12月31日止年度的人民幣528.4百萬元增加至截至2022年12月31日止年度的人民幣678.3百萬元，增幅為人民幣149.9百萬元或28.4%。我們於截至2022年12月31日及2021年12月31日止年度的經營利潤率分別為32.8%及22.8%。

*k. Finance income*

Our finance income decreased by RMB44.4 million, or 53.0%, to RMB39.3 million for the year ended 31 December 2022, from RMB83.7 million for the year ended 31 December 2021, primarily due to the decrease in interest income from borrowings to related parties.

*k. 財務收入*

我們的財務收入從截至2021年12月31日止年度的人民幣83.7百萬元減少至截至2022年12月31日止年度的人民幣39.3百萬元，降幅為人民幣44.4百萬元或53.0%，主要由於關聯方借款的利息收入減少所致。

### l. Finance costs

Our finance costs increased by RMB135.8 million, or 63.5%, to RMB349.5 million for the year ended 31 December 2022, from RMB213.7 million for the year ended 31 December 2021, primarily due to the exchange loss of RMB91.0 million from the foreign currency borrowings of the Company due to change in foreign exchange in 2022, representing an increase of RMB130.1 million from last year.

### m. Profit before income tax

As a result of the foregoing factors, our profit before income tax decreased by RMB29.2 million, or 7.4%, to RMB367.5 million for the year ended 31 December 2022 from RMB396.7 million for the year ended 31 December 2021.

### n. Income tax expense

We incurred income tax expenses of RMB57.1 million for the year ended 31 December 2021 and RMB43.3 million for the year ended 31 December 2022 at effective tax rates of 14.4% and 11.8%, respectively. Certain subsidiaries were eligible for the preferential corporate income tax rate for small and micro-profit enterprises and certain subsidiaries were eligible for the preferential 15% corporate income tax rate under the "Western Development Policy" during the year. In addition, certain newly upgraded wastewater treatment facilities owned by certain PRC subsidiaries meet the criteria provided in the catalogue for public basic infrastructure projects qualified for corporate income tax preferential treatments and are entitled to three years' exemption from corporate income tax followed by three years of a 50% tax reduction on relevant taxable income derived from such new projects, and certain PRC subsidiaries used resources specified in the catalogue of resources comprehensive utilization projects eligible for preferential corporate income tax rate and 10% of the income of such subsidiaries was not subject to corporate income tax. As a result, the effective tax rate for 2022 is different from the effective tax rate for 2021.

### o. Total comprehensive income

As a result of the foregoing factors, our total comprehensive income decreased by RMB15.2 million, or 4.5%, to RMB323.1 million for the year ended 31 December 2022 from RMB338.3 million for the year ended 31 December 2021.

### l. 財務成本

我們的財務成本從截至2021年12月31日止年度的人民幣213.7百萬元增加至截至2022年12月31日止年度的人民幣349.5百萬元，增幅為人民幣135.8百萬元或63.5%。主要由於本公司的外幣借款因2022年匯率變動產生匯兌損失人民幣91.0百萬元較上年增加130.1百萬元所致。

### m. 所得稅前利潤

由於上述原因，我們的所得稅前利潤從截至2021年12月31日止年度的人民幣396.7百萬元減少至截至2022年12月31日止年度的人民幣367.5百萬元，降幅為人民幣29.2百萬元或7.4%。

### n. 所得稅費用

我們於截至2021年12月31日止年度及截至2022年12月31日止年度的所得稅費用為人民幣57.1百萬元及人民幣43.3百萬元，實際稅率分別為14.4%及11.8%。由於我們於本年度部分子公司享小型微利企業優惠企業所得稅稅率及部分子公司享「西部大開發政策」15%的優惠企業所得稅稅率，此外，若干中國子公司擁有的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，享「三免三減半」的企業所得稅稅收優惠，部分中國子公司使用合資格享受企業所得稅優惠稅率的資源綜合利用項目目錄中規定的資源，該子公司10%

## 2. Liquidity and Capital Resources

Our primary uses of cash are 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 our operations, equity contributions and issuance of debt instruments.

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

## 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。

下表載列我們於所示年度的現金流量：

| | | For the year ended 31 December 截至12月31日止年度 | |
|---|---|---|---|
| | | **2022** | 2021 |
| | | **2022年** | 2021年 |
| | | ***RMB'000*** | *RMB'000* |
| | | ***人民幣千元*** | *人民幣千元* |
| Net cash used in operating activities | 經營活動使用的現金淨額 | **(302,629)** | (716,957) |
| Net cash (used in) from investing activities | 投資活動(使用)產生的現金淨額 | **(96,537)** | 230,908 |
| Net cash (used in) from financing activities | 融資活動(使用)產生的現金淨額 | **(973,537)** | 1,244,124 |
| Net (decrease)increase in cash and cash equivalents | 現金及現金等價物淨(減少)增加 | **(1,372,703)** | 758,075 |
| Effect of change in foreign exchange rates | 匯率變化影響 | **(149)** | (3,669) |
| Cash and cash equivalents at the beginning of the Reporting Period | 報告期初的現金及現金等價物 | **1,504,346** | 749,940 |
| Cash and cash equivalents at the end of the Reporting Period | 報告期末的現金及現金等價物 | **131,494** | 1,504,346 |

### *a. Net cash used in operating activities*

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

### *a. 經營活動使用的現金淨額*

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

For the year ended 31 December 2022, our net cash used in operating activities was net outflow of RMB302.6 million, primarily comprising cash used in operations amounting to RMB15.0 million, income tax paid amounting to RMB90.5 million and interest paid amounting to RMB197.1 million. The net cash used in operating activities in 2022 increased by RMB414.3 million compared with that of 2021, primarily due to the decrease in cash used in operations in 2022 as compared to 2021.

截至2022年12月31日止年度，我們的經營活動使用的現金淨額為淨流出人民幣302.6百萬元，主要包括經營使用的現金人民幣15.0百萬元，已付所得稅人民幣90.5百萬元及已付利息人民幣197.1百萬元。2022年度經營活動使用的現金淨額較2021年增加人民幣414.3百萬元，主要由於2022年度經營使用的現金相比2021年度減少。

### *b. Net cash (used in) from investing activities*

### *b. 投資活動(使用)產生現金淨額*

Our net cash (used in) from investing activities has principally been used to purchase property, plant and equipment, loans to related parties and other investments.

我們的投資活動(使用)產生現金淨額主要用於購買不動產、工廠及設備、關聯方貸款及進行其他投資。

As of 31 December 2022, the net cash (used in) from in investing activities amounted to net outflow of RMB96.5 million, primarily comprising the purchase of property, plant and equipment amounting to RMB366.4 million, purchase of intangible assets amounting to RMB2.9 million, net collection of loans granted to related parties amounting to RMB140.0 million and interests received amounting to RMB29.2 million. The net cash used in investing activities in 2022 decreased by RMB327.4 million compared with that of 2021, primarily due to the increase in cost of purchase of property and intangible assets as compared to last year.

截至2022年12月31日止的投資活動(使用)產生現金淨額為淨流出人民幣96.5百萬元，主要包括：購買不動產、工廠及設備的人民幣366.4百萬元，購買無形資產的人民幣2.9百萬元，關聯方貸款淨收回140.0百萬元，已收回利息29.2百萬元。2022年度投資活動所用的現金淨額較2021年減少人民幣327.4百萬元，主要是由於購買的不動產、無形資產等支出較上年增加。

### *c. Net cash (used in) from financing activities*

### *c. 融資活動(使用)產生的現金淨額*

Our net cash (used in) from financing activities primarily represents repaying and obtaining borrowings. Our net cash generated from financing activities decreased from net inflow of RMB1,244.1 million for the year ended 31 December 2021 to net outflow of RMB973.5 million for the year ended 31 December 2022, which was primarily attributable to an increase in repayment of borrowings in 2022 compared with 2021.

我們的融資活動(使用)產生的現金淨額主要為償還及取得借款。我們的融資活動的現金淨額由截至2021年12月31日止年度的淨流入人民幣1,244.1百萬元減少至截至2022年12月31日止年度的淨流出人民幣973.5百萬元，主要由於2022年度償還借款較2021年度增加。

*a. Receivables under service concession arrangements*

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

Our receivables under service concession arrangements decreased by RMB147.3 million or 5.4% from RMB2,737.8 million on 31 December 2021 to RMB2,590.5 million on 31 December 2022, primarily because our receivables under service concession arrangements that were classified as non-current assets decreased by RMB185.9 million or 6.8% year-on-year from 2021 to 2022. The decrease was mainly due to the decrease of RMB122.9 million in receivables under service concession arrangements as compared to last year resulting from the disposal of Fanchang Dianchi Water; receipt of payment of RMB30.0 million from the Project of Comprehensive Improvement of Water Environment and Ecological Recharge with Reclaimed Water for Dongda River – Zhong River in Jinning District; and receipt of payment of RMB30.0 million from the Project of Comprehensive Improvement of Water Environment and Ecological Recharge with Reclaimed Water for Baiyu River in Jinning District.

*b. Inventories*

Our total inventory balance increased by RMB5.3 million, or 31.9%, to RMB21.9 million as of 31 December 2022 from RMB16.6 million as of 31 December 2021, which was mainly due to the fact that parts and components increased by RMB2.2 million, or 91.7%, to RMB4.6 million as of 31 December 2022 from RMB2.4 million as of 31 December 2021.

Our inventory turnover days increased from 3.2 days on 31 December 2021 to 5.8 days on 31 December 2022 (calculated as the average inventories for the relevant year divided by the cost of sales recognised for the relevant year, multiplied by 365 days. The arithmetic mean of the opening and closing balances of inventories is used for the years ended 31 December 2021 and 2022).

*a. 特許經營權協議下的應收款項*

我們的特許經營權協議下應收款項指於整個特許期間內，因建造服務(就BOT項目而言)或收購對價(就TOT項目而言)所產生的未結算應收款項。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項目運營期間收取的費用款項結算(經運營服務以及融資收入調整)。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。

我們的特許經營權協議下的應收款項從2021年12月31日的人民幣2,737.8百萬元減少人民幣147.3百萬元或5.4%至2022年12月31日的人民幣2,590.5百萬元，主要由於分類為非流動資產的特許經營權協議下的應收款項2022年同比2021年下降人民幣185.9百萬元或6.8%。下降主要原因為處置繁昌滇池水務導致特許經營權協議下的應收款項較上年減少122.9百萬元；晉寧區東大河－中河水環境綜合治理及再生水生態補水項目收到回款人民幣30.0百萬元；晉寧區白魚河水環境綜合治理及再生水生態補水項目收到回款人民幣30.0百萬元。

*b. 存貨*

我們的存貨結餘總額由2021年12月31日的人民幣16.6百萬元增加人民幣5.3百萬元或31.9%至2022年12月31日的人民幣21.9百萬元。主要由於零部件由2021年12月31日的人民幣2.4百萬元增加人民幣2.2百萬元或91.7%至2022年12月31日的人民幣4.6百萬元。

我們的存貨週轉天數由2021年12月31日的3.2天增加至2022年12月31日的5.8天(按有關年間平均存貨除以有關年間確認的銷售成本再乘以365天計算。截至2021年及2022年12月31日止年度採用存貨期初及期末結餘的算數平均值)。

*c. Amounts due from customers for construction contracts*

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

Our total amounts due from customers for construction contracts increased by RMB128.8 million, or 22.1%, to RMB711.3 million as of 31 December 2022 from RMB582.5 million as of 31 December 2021, primarily due to the increased investment in construction for projects such as the Shipansi and Laoqingshan Flood Control and Detention Works and the Environmental Protection Project in Haitou Village, Qingshuihai Conservation Area, Xundian County and the increase in recognised amounts due from customers for construction contracts.

*d. Trade and other receivables*

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

*c. 應收客戶建造合同款*

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

我們的應收客戶建造合同款由2021年12月31日的人民幣582.5百萬元增加人民幣128.8百萬元或22.1%，至2022年12月31日的人民幣711.3百萬元，主要由於石盆寺老青山防洪滯蓄工程、尋甸縣清水海保護區海頭村環保工程項目等項目建設投入增加，確認的應收客戶建造合同款增加。

*d. 應收賬款及其他應收款*

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

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

下表載列於所示日期我們的合併應收賬款及其他應收款明細：

| | | As at 31 December 於12月31日 | |
|---|---|---|---|
| | | 2022 2022年 RMB'000 人民幣千元 | 2021 2021年 RMB'000 人民幣千元 |
| **Trade receivables:** | **應收賬款：** | | |
| – Third parties | －第三方 | 202,799 | 107,999 |
| – Related parties | －關聯方 | 551,514 | 277,462 |
| – Local government | －地方政府 | 2,200,998 | 1,381,406 |
| – Loss allowance | －虧損撥備 | (81,712) | (56,898) |
| **Trade receivables – net** | **應收賬款－淨額** | 2,873,599 | 1,709,969 |
| **Other receivables:** | **其他應收款：** | | |
| – Third parties | －第三方 | 99,155 | 149,949 |
| – Related parties | －關聯方 | 584,390 | 865,438 |
| – Local government | －地方政府 | 70,666 | 53,891 |
| – Loss allowance | －虧損撥備 | (23,671) | (7,447) |
| **Other receivables – net** | **其他應收款－淨額** | 730,540 | 1,061,831 |
| **Prepayments:** | **預付款：** | | |
| – Others | －其他 | 72,204 | 112,224 |
| – Loss allowance | －減值虧損 | (4) | (4) |
| **Prepayments – net** | **預付款－淨額** | 72,200 | 112,220 |
| **Trade and other receivables – net** | **應收賬款及其他應收款－淨額** | 3,676,339 | 2,884,020 |

Our net trade and other receivables increased by RMB792.3 million, or 27.5%, to RMB3,676.3 million as of 31 December 2022 from RMB2,884.0 million as of 31 December 2021, reflecting in (i) an increase in trade receivables due from local government by RMB819.6 million, or 59.3%, to RMB2,201.0 million as of 31 December 2022 from RMB1,381.4 million as of 31 December 2021; (ii) an increase in amounts due from related parties by RMB274.0 million, or 98.7%, to RMB551.5 million as of 31 December 2022 from RMB277.5 million as of 31 December 2021; (iii) a decrease in other amounts due from related parties by RMB281.0 million, or 32.5%, to RMB584.4 million as of 31 December 2022 from RMB865.4 million as of 31 December 2021, mainly attributable to the decrease in net entrusted loans for the year; and (iv) decrease in total prepayment of RMB40.0 million in 2022.

我們的應收賬款及其他應收款淨額由2021年12月31日的人民幣2,884.0百萬元增加人民幣792.3百萬元或27.5%至2022年12月31日的人民幣3,676.3百萬元。有關增加反映在(i)應收地方政府的應收賬款由2021年12月31日人民幣1,381.4百萬元增加人民幣819.6百萬元或59.3%至2022年12月31日人民幣2,201.0百萬元；(ii)應收關聯方的應收款項由2021年12月31日的人民幣277.5百萬元增加人民幣274.0百萬元或98.7%至2022年12月31日的人民幣551.5百萬元；(iii)其他應收關聯方的款項由2021年12月31日的人民幣865.4百萬元減少人民幣281.0百萬元或32.5%至2022年12月31日的人民幣584.4百萬元，主要由於本年委託貸款淨額減少所致；及(iv) 2022年預付款項總額減少約人民幣40.0百萬元。

The ageing analysis of trade receivables of our Group is shown as follows:

本集團應收賬款賬齡分析如下：

| | | As at 31 December 於12月31日 | |
|---|---|---|---|
| | | **2022** | 2021 |
| | | **2022年** | 2021年 |
| | | ***RMB'000*** | *RMB'000* |
| | | ***人民幣千元*** | *人民幣千元* |
| – Within one year | －1年以內 | **1,771,954** | 1,238,288 |
| – Over one year and within two years | －1至2年 | **1,041,909** | 467,025 |
| – Over two years | －超過2年 | **141,448** | 61,554 |
| | | **2,955,311** | 1,766,867 |

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

(a) 於各資產負債表日，根據銷售發票的應收賬款總額之賬齡分析如下：

| | | As at 31 December 於12月31日 | |
|---|---|---|---|
| | | **2022** | 2021 |
| | | **2022年** | 2021年 |
| | | ***RMB'000*** | *RMB'000* |
| | | ***人民幣千元*** | *人民幣千元* |
| – Within one year | －1年以內 | **1,771,954** | 1,238,288 |
| – Over one year and within two years | －1至2年 | **1,041,909** | 467,025 |
| – Over two years | －超過2年 | **141,448** | 61,554 |
| | | **2,955,311** | 1,766,867 |

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

本集團並無持有任何抵押品作為擔保。

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

下表載列於所示期間我們的應收款項週轉天數：

| | | As at 31 December 於12月31日 | |
|---|---|---|---|
| | | 2022 2022年 *Days 天* | 2021 2021年 *Days 天* |
| Trade receivable turnover days [1] | 應收賬款週轉天數[1] | 404.9 | 223.3 |
| Trade and other receivable turnover days [2] | 應收賬款及其他應收款週轉天數[2] | 579.5 | 415.4 |

*Notes:*

(1) Calculated as the average net trade receivables for the relevant period divided by the revenue for the relevant period and multiplied by 365 days. The arithmetic mean of the opening and closing balances of trade receivables is used for the years ended 31 December 2021 and 2022.

(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. The arithmetic mean of the opening and closing balances of trade and other receivables is used for the years ended 31 December 2021 and 2022.

*附註：*

(1) 按有關年間平均應收賬款淨額除以有關年間收入再乘以365天計算。截至2021年及2022年12月31日止年度採用應收賬款期初及期末結餘的算數平均值。

(2) 按有關年間平均應收賬款及其他應收款淨額除以有關年間收入再乘以365天計算。截至2021年及2022年12月31日止年度採用應收賬款及其他應收款期初及期末結餘的算數平均值。

***e. Trade and other payables/Contract liabilities***

*Trade and other payables*

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

*Contract liabilities* *合同負債*

| | | As at 31 December 於12月31日 | |
|---|---|---|---|
| | | 2022 2022年 | 2021 2021年 |
| | | *RMB'000* *人民幣千元* | *RMB'000* *人民幣千元* |
| Contract liabilities | 合同負債 | | |
| – related parties | –關聯方 | 3,184 | – |
| – third parties | –第三方 | 3,655 | 7,505 |
| | | 6,839 | 7,505 |

Our trade and other payables increased by RMB127.4 million, or 18.8%, to RMB806.4 million as of 31 December 2022 from RMB679.0 million as of 31 December 2021, which was mainly due to the increase in interest payables and payables on acquisition of property, plant and equipment in 2022.

我們的應付帳款及其他應付款由2021年12月31日的人民幣679.0百萬元增加人民幣127.4百萬元或18.8%至2022年12月31日的人民幣806.4百萬元，主要因為2022年應付利息及應付購置不動產、工廠及設備款項增加。

On each balance sheet date, the ageing analysis of the total trade payables based on sales invoices is as follows:

於各資產負債表日，根據銷售發票的應付賬款總額之賬齡分析如下：

| | | As at 31 December 於12月31日 | |
|---|---|---|---|
| | | 2022 2022年 | 2021 2021年 |
| | | *RMB'000* *人民幣千元* | *RMB'000* *人民幣千元* |
| – Within one year | –1年以內 | 192,094 | 198,579 |
| – Over one year and within two years | –1至2年 | 4,651 | 37,523 |
| – Over two years | –超過2年 | 99,097 | 81,086 |
| | | 295,842 | 317,188 |

As at 31 December 2021 and 2022, all trade and other payables of the Group were not required to pay interests, and their fair values approximated their carrying amounts due to their short maturities.

於2021年及2022年12月31日，本集團所有應付賬款及其他應付款均無需支付利息。並且，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：

| | | As at 31 December 於12月31日 | |
|---|---|---|---|
| | | **2022 2022年** | 2021 2021年 |
| | | ***Days* 天** | *Days* *天* |
| Trade and other payables turnover days [1] | 應付賬款及其他應付款週轉天數[1] | **224.3** | 157.9 |
| Trade payables turnover days [2] | 應付賬款週轉天數[2] | **132.4** | 138.3 |

*Notes:*

(1) Calculated as the average trade and other payables for the relevant period divided by cost of sales for the relevant period and multiplied by 365 days. The arithmetic mean of the opening and closing balances of trade and other payables is used for the years ended 31 December 2021 and 2022.

(2) Calculated as the balance of trade payables at the end of the relevant period divided by total purchase of materials for such period and multiplied by 365 days for the years ended 31 December 2021 and 2022.

*附註：*

(1) 按有關年間平均應付賬款及其他應付款除以有關年間銷售成本再乘以365天計算。截至2021年及2022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數平均值。

(2) 按相關年間末應付賬款餘額除以相關年間材料採購總額再乘以截至2021年及2022年12月31日止年度365天計算。

Our trade payables turnover days decreased by 5.9 days in 2022 as compared with 2021, mainly due to the decrease in trade payables as at the end of relevant year.

我們的應付賬款週轉天數2022年較2021年減少5.9天，主要由於有關年末應付賬款減少。

The Directors confirm that up to 31 December 2022, there was no material default in payment of trade payables.

董事確認，截至2022年12月31日，應付賬款的支付並無出現重大違約。

## 4. Indebtedness

### a. *Borrowings*

All of our borrowings are denominated in RMB, HKD or USD and some are secured by our property, plant and equipment and some are secured by corporate guarantee issued by the Company. The following table shows our borrowings as of the dates indicated:

## 4. 債項

### a. *借款*

我們的借款均以人民幣、港元或美元計值，部分借款以我們的不動產、廠房及設備作抵押，部份由本公司發出的公司保證擔保。下表載列所示日期我們的借款：

| | | As at 31 December 於12月31日 | |
|---|---|---|---|
| | | 2022 2022年 | 2021 2021年 |
| | | *RMB'000 人民幣千元* | *RMB'000 人民幣千元* |
| **Non-current portion** | **非流動部份** | | |
| Unsecured long-term borrowings | 未擔保的長期借款 | 989,400 | 1,492,600 |
| Secured long-term borrowings | 擔保的長期借款 | 1,533,293 | 700,423 |
| **Total non-current borrowings** | **非流動借款總額** | 2,522,693 | 2,193,023 |
| **Current portion** | **流動部份** | | |
| Unsecured short-term borrowings | 未擔保的短期借款 | 2,687,428 | 2,129,226 |
| Secured short-term borrowings | 擔保的短期借款 | 658,966 | 2,044,877 |
| Corporate bonds | 公司債券 | – | 38,811 |
| **Total current borrowings** | **流動借款總額** | 3,346,394 | 4,212,914 |
| **Total borrowings** | **借款總額** | 5,869,087 | 6,405,937 |

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

各資產負債表日期的加權平均實際利率如下：

| | | As at 31 December 於12月31日 | |
|---|---|---|---|
| | | 2022 2022年 | 2021 2021年 |
| Weighted average effective interest rates | 加權平均實際利率 | 4.05% | 5.34% |

As of 31 December 2021 and 2022, our total borrowings amounted to RMB6,405.9 million and RMB5,869.1 million respectively, mainly due to the decrease in total borrowings for the year of RMB536.8 million as a result of the reduction in the number of construction projects undertaken by the Company during the Reporting Period, lower capital requirements for construction and the Company's timely repayment of borrowings. Among our indebtedness, borrowings amounting to RMB697.3 million and RMB841.8 million as of 31 December 2021 and 2022 respectively, were secured by our property, plant and equipment. In addition to the above borrowings, our total borrowings also include corporate bonds of approximately RMB700.0 million we issued on 25 December 2015 in the PRC for a term of seven years with an annual interest rate at 4.35%. At the end of the fifth year, the Company may adjust the interest rates for the remaining two years (within a range of 0.00% to 3.00%). In the event that investors disagree with the adjustment made to the interest rates, they may choose to demand an early redemption of outstanding corporate bonds at nominal value.

於2021年及2022年12月31日，我們的借款總額分別為人民幣6,405.9百萬元及人民幣5,869.1百萬元，由於本報告期內公司建設項目減少，建設資金需求降低且公司按期償還借款，因此本年借款總額減少了536.8百萬元。我們債務中，截至2021年及2022年12月31日的借款人民幣697.3百萬元及人民幣841.8百萬元以不動產、工廠及設備作抵押。除上述借款外，我們於2015年12月25日在中國發行金額約為人民幣700.0百萬元的公司債券，其期限為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)，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。

In 2020, the Company has repurchased corporate bonds with a nominal value of RMB660.0 million, and reduced the coupon rate of the bonds to 4.15%, which will remain unchanged in the sixth and seventh years of lifetime (from 25 December 2020 to 24 December 2022). As at 24 December 2022, the bonds have matured and the Company has completed the repurchase of the remaining bonds and the principal and interest on the bonds have been repaid as of the end of the Reporting Period.

於2020年，本公司已回購面值為人民幣660.0百萬元的公司債券，同時下調債券票面利率為4.15%，並在存續期的第6年至第7年(2020年12月25日至2022年12月24日)固定不變。於2022年12年24日，該債券已到期，本公司已完成剩餘債券的回購，截至報告期末，該債券本金及利息均已兌付完畢。

As of 31 December 2022, we did not have any breaches of covenants in the loan agreements that could materially affect our business operations and no bank has withdrawn any banking facilities previously extended to us or demanded early repayment of borrowings. As we have the ability to obtain borrowings from other banks, we believe that we are not subject to any potential risk of withdrawal of banking facilities or early repayment of outstanding loans. As of 31 December 2022, we had not received any requests for early repayment of the principal or interests under any of our loan agreements.

截至2022年12月31日，我們並無因違反貸款協議內的契約而給我們業務運作造成重大影響的情況，亦無銀行撤回之前授予我們的任何銀行融資或提前要求償還借款。由於我們有能力從其他銀行獲得借款，因此我們認為並無面臨銀行融資撤回或提前償還欠款的潛在風險。截至2022年12月31日，並無收到任何提前償還我們貸款協議相關本金或利息的要求。

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：

| | | As at 31 December 於12月31日 | |
|---|---|---|---|
| | | 2022 2022年 | 2021 2021年 |
| | | *RMB'000 人民幣千元* | *RMB'000 人民幣千元* |
| On demand or within 1 year | 即期或1年以內 | 3,346,394 | 4,212,914 |
| Between 1 and 2 years | 1至2年 | 928,216 | 1,020,349 |
| Between 2 and 5 years | 2至5年 | 1,304,021 | 883,544 |
| Later than 5 years | 5年以上 | 290,456 | 289,130 |
| | | 5,869,087 | 6,405,937 |

As of 31 December 2021 and 2022, our net gearing ratios were 52.2% and 54.4%, respectively. Our net gearing ratios as at 31 December 2022 increased by 2.2% as compared with 31 December 2021, primarily due to the changes in cash and cash equivalent and net debt during the period.

於2021年及2022年12月31日，我們的淨資產負債比率分別為52.2%及54.4%。相較於截至2021年12月31日，我們截至2022年12月31日的淨資產負債比率增加2.2%的主要原因由本期現金及現金等價物及債務淨額變動導致。

Except as disclosed above, as of the 31 December 2022, 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2022年12月31日，我們並無任何已發行及尚未償還或同意發行的借貸資本、銀行透支、貸款或其他類似債務、承兌負債或承兌信用證、債權證、按揭、質押、租購承擔、擔保或其他重大或有負債。

### b. Commitments

#### (a) Capital commitments

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

### b. 承諾

#### (a) 資本性承諾

於各資產負債表日期已訂約但尚未產生的資本性支出如下：

| | | As at 31 December 於12月31日 | |
|---|---|---|---|
| | | 2022 2022年 RMB'000 人民幣千元 | 2021 2021年 RMB'000 人民幣千元 |
| Property, plant and equipment | 不動產、工廠及設備 | 499,550 | 317,311 |

#### (b) Concession projects and construction projects contracted at each balance sheet date, but not yet incurred are as follows:

#### (b) 於各資產負債表日期簽訂但尚未發生的特許項目及建設項目如下：

| | | As at 31 December 於12月31日 | |
|---|---|---|---|
| | | 2022 2022年 RMB'000 人民幣千元 | 2021 2021年 RMB'000 人民幣千元 |
| Concession projects and construction projects | 特許項目及建設項目 | 1,760,522 | 1,288,760 |

### c. Capital expenditure

Our capital expenditure mainly comprises purchases of land use rights, property, plant and equipment and intangible assets. Our capital expenses were RMB59.1 million and RMB369.3 million for the years ended 31 December 2021 and 2022, respectively. We expect to fund our contractual commitments and capital expenditures principally through net cash generated from our operating activities, proceeds from borrowings and the proceeds we receive from the global offering of H shares.

### c. 資本開支

我們的資本開支主要包括購買土地使用權、不動產、廠房及設備及無形資產。截至2021年及2022年12月31日止年度，我們的資本開支分別為人民幣59.1百萬元及人民幣369.3百萬元。我們預期主要通過我們經營活動產生的現金淨額、借款所得款項及H股全球發售的所得款項為我們的合同承諾及資本開支提供資金。

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：

| | | As at 31 December 於12月31日 | |
|---|---|---|---|
| | | 2022 2022年 | 2021 2021年 |
| | | *RMB'000 人民幣千元* | *RMB'000 人民幣千元* |
| Wastewater treatment | 污水處理 | 231,252 | 41,492 |
| Water supply | 水供給 | 18,034 | 3,967 |
| Others | 其他 | 120,049 | 13,671 |
| Total | 合計 | 369,335 | 59,130 |

Based on our current business plan, we expect to incur capital expenditure amounting to RMB339.8 million for the year ending 31 December 2023. 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2023年12月31日止年度產生資本開支人民幣339.8百萬元。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。

## 5. Off-balance sheet arrangements

Save as disclosed in this report, as of 31 December 2022, we did not have any outstanding off-balance sheet guarantees, commodity forward contracts or other off-balance sheet arrangements. We do not engage in trading activities involving non-exchange traded contracts. The Group's policy does not participate in and invest in any financial products that are speculative and/or have significant risks. In the course of our normal business, we do not enter into transactions involving, or otherwise form relationships with, unconsolidated entities or financial partnerships that are established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

## 5. 資產負債表外安排

除本報告所披露者外，於2022年12月31日，我們並無任何未結清的資產負債表外擔保、商品遠期合約或其他資產負債表外安排，我們概未從事涉及非交易買賣合約的交易活動，本集團之政策是不參與及不投資於任何具有投機性及／或有重大風險之金融產品上。於我們的經營過程中，我們概無與未合併實體訂立交易或以任何方式與其建立關係，或與為促進資產負債表外安排或為其他合約狹義或有限目的而建立的財務夥伴關係訂立交易。

### 6. Initial public offering and use of proceeds from initial public offering

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

In order to enhance the efficiency of use of proceeds and reduce finance costs, on 5 July 2022, the Board considered and approved the resolution on change of use of net proceeds from the Company's Global Offering and the unutilised net proceeds are expected to be fully utilised by 30 June 2023 based on the changed use and utilisation plan. Please refer to the Company's announcement dated 5 July 2022 for further details.

### 6. 首次公開發售及首次公開發售所得款項用途

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

為提高募集資金使用效率，降低財務成本，於2022年7月5日，董事會審議通過了關於變更本公司全球發售所得款項淨額用途的議案，根據變更後用途及使用計劃，尚未動用所得額款項淨額預計在2023年6月30日之前使用完畢。詳細情況請見本公司日期為2022年7月5日的公告。

As of 31 December 2022, approximately RMB1,061.9 million, accounting for 99.0% 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 or the use after change on 5 July 2022. The use of proceeds is as follows:

截至2022年12月31日，全球發售所得款項現金淨額人民幣1,072.3百萬元中約人民幣1,061.9百萬元（佔首次公開發售所得款項淨額的99.0%）已經按照招股說明書中「未來計劃及所得款項用途」一段所述用途或2022年7月5日變更後用途使用。募集資金用途使用如下：

| Use after change | 變更後使用用途 | Percentage of total net proceeds from the Initial Public Offering<br>佔全部首次公開發售淨額百分比 | Planned use of net proceeds from the Initial Public Offering<br>首次公開發售所得款項淨額計劃用途<br>*RMB million*<br>*人民幣百萬元* | Unused net proceeds from the Initial Public Offering as at 1 January 2022<br>於2022年1月1日尚未動用首次公開發售所得額款項淨額<br>*RMB million*<br>*人民幣百萬元* | Actual use of net proceeds from the Initial Public Offering for the period from 1 January 2022 to 31 December 2022<br>自2022年1月1日起至2022年12月31日止期間首次公開發售所得款項淨額實際支出<br>*RMB million*<br>*人民幣百萬元* | Actual use of net proceeds from the Initial Public Offering for the period from the Listing Date to 31 December 2022<br>自上市之日起至2022年12月31日止期間首次公開發售所得款項淨額實際支出<br>*RMB million*<br>*人民幣百萬元* | Unused net proceeds from the Initial Public Offering<br>尚未動用首次公開發售所得額款項淨額<br>*RMB million*<br>*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% | 378.36 | 60.76 | 44.12 | 361.72 | 16.64 |
| 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 | 27% | 289.70 | – | – | 289.70 | – |
| Repayment of bank borrowings | 償還銀行借款 | 24% | 258.47 | 45.57 | 45.57 | 258.47 | – |
| To supplement working capital and for general corporate purposes | 補充營運資金及作一般公司用途 | 14% | 152.77 | 45.57 | 44.82 | 152.02 | 0.75 |
| Total | 總計 | 100% | 1,079.30[1] | 151.9 | 134.51 | 1,061.91 | 17.39 |

*Note (1):* The amount of RMB1,079.30 million includes gain or loss on foreign exchange and interest income.

*註(1)：* 該人民幣1,079.30百萬元包含了匯兌損益及利息收入。

As of 31 December 2022, the unused net proceeds from the Initial Public Offering for each of the business strategies as stated in the above table have been placed as deposits in licensed banks of the PRC which will be used in accordance with the progress of the Company's investment projects. Affected by the COVID-19 pandemic, the original progress of utilisation was slight delayed, and is expected to be used up by June 2023. The business objectives, future plans and planned use of the proceeds as stated in the Company's announcement dated 5 July 2022 were based on the best estimation and assumptions of future market conditions and industry developments made by the Company at the time of making resolution on the change of use of proceeds, 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2022年12月31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。因受新冠疫情影響，與之前原訂的使用時間稍微延遲並預計在2023年6月或之前使用完畢。本公司日期為2022年7月5日公告所述業務目標、未來計劃及所得款項規劃用途乃根據本公司於對募集資金使用用途變更作出決議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 and the Company's announcement dated 5 July 2022. Save as disclosed above, as of 31 December 2022, there was no material change in the use of proceeds of the Company.

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及本公司日期為2022年7月5日公告所披露的用途予以使用。除以上所披露外，截至2022年12月31日，本公司所得款項淨額的用途或使用並無重大變動。

On 1 March 2023, based on the actual situation and operation and development needs of the Company, the Board changed the use of the remaining unutilized proceeds, please refer to the Company's announcement dated 1 March 2023 for details.

於2023年3月1日，基於本公司實際情況及經營發展需要，董事會對剩餘未動用募集資金用途進行了變更，詳情請見本公司日期為2023年3月1日的公告。

### 7. Exchange rate risk and management

The Group still retains some foreign currency funds and foreign currency borrowings, and foreign currency funds mainly include Hong Kong dollars and US dollars, with principals of HKD5,768,566 and USD1,241,087 respectively. Exchange rate fluctuations have a certain impact on the retention of foreign currency funds and the return of principal and interest on borrowings. The Group entered into a confirmation of RMB foreign exchange currency swap transactions with financial institution to fix 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. The hedging instrument expired in March 2022. For part of the foreign currency borrowings, we enter into an agreement with a domestic financial institution which converts the foreign currency borrowings into Renminbi borrowings to lend to the Group. The Group is only required to pay the principal and interest of the RMB borrowings at a fixed interest rate to the domestic financial institutions upon each payment of principal and interest, thereby hedging the risk of foreign exchange rate fluctuations.

### 7. 匯率風險及管理

本集團仍留存部分外幣資金及外幣借款，外幣資金主要為港元、美元，本金分別為5,768,566港元及1,241,087美元。匯率的波動對留存外幣資金及歸還借款本息均有一定影響，本集團與金融機構簽訂了人民幣外匯貨幣掉期交易確認書，該確認書固定了借款還本付息時的匯率，用於對沖歸還外幣借款及外幣利息時產生的外匯波動風險，該對沖工具已於2022年3月到期。就部分外幣借款，我們與境內金融機構簽訂協議，境內金融機構將外幣借款轉換為人民幣借款借予本集團。本集團在每期支付本息時，只需支付境內金融機構固定利率的人民幣借款本息，從而規避外匯匯率波動風險。

## 8. Employees and remuneration policies

### *Relationship with Employees*

As of 31 December 2022, we had 1,492 full-time employees, all of whom were in China and most of whom were based in Yunnan. The following table sets forth the breakdown of our employees by function as of 31 December 2022:

## 8. 僱員及薪酬政策

### *與員工的關係*

於2022年12月31日，我們有1,492名全職僱員，全部在中國，大部分在雲南。下表載列我們截至2022年12月31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 | 191 |
| Finance | 財務 | 56 |
| Research and Development | 研發 | 66 |
| Quality Monitoring | 質量監測 | 250 |
| Marketing | 營銷 | 17 |
| Operations | 運營 | 867 |
| Construction and Maintenance | 建設及維護 | 45 |
| Total | 總計 | 1,492 |

We recruit our employees on the open market. Compensation for our employees includes basic wages, performance-based wages, bonuses and other staff benefits. For the years ended 31 December 2021 and 2022, our employee benefits amounted to approximately RMB185.2 million and RMB215.5 million, respectively.

我們在公開市場上招募僱員。我們僱員的報酬包括基本工資、績效工資、獎金及其他僱員福利。於截至2021年及2022年12月31日止年度，我們的僱員福利分別約為人民幣185.2百萬元和人民幣215.5百萬元。

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

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

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

工會代表員工的利益，就有關勞工事宜與管理層密切溝通。報告期內，我們並無因重大勞動糾紛引致的運營中斷，亦無對我們的業務產生嚴重不利的員工投訴與索償。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。

### 9. Contingent liabilities

As at 31 December 2022, the Group did not have any significant contingent liabilities.

### 10. Material charges on assets

As at 31 December 2022, the Group's secured bank and other borrowings are secured by:

(i) certain rights and income of wastewater treatment, water supply and other concession rights (comprising operating concessions and receivables under service concession arrangements) which are under the management of the Group pursuant to the relevant service concession agreements signed with the grantors; and

(ii) certain equipment of the Group's wastewater treatment facilities.

### 11. Major investment and acquisition

On 29 September 2021, the Company (as the asset entrustor) entered into an asset management agreement (the "**Mutual Trust No. 5 Asset Management Agreement**") with Bosera Capital Management Co., Ltd. (as the asset manager) and Kunming Branch of China Merchants Bank Company Limited* (招商銀行股份有限公司昆明分行) ("**China Merchants Bank**") (as the asset entrustee) in relation to the investment and management of the entrusted assets. Pursuant to the agreement, the Company agreed to entrust an amount of RMB300 million as the entrusted assets for investment in the credits of accounts receivable held by Kunming Agricultural Development Investment Co., Ltd. ("**KADI**") for a term of 3 months. The Company invested RMB300 million in such asset management plan. On 31 December 2021, the parties to the agreement entered into a supplemental agreement in relation to the extension of the o79 ..7 (o)-27 (f)11.4 ( )0.7 (th)-0.6 (e)11.1 ( )0.7 (2_* x152R. 58i)-0.6 (on)1EDIen-USe (th)-0.6 /P <4Lang (elD

The Mutual Trust No. 5 Asset Management Agreement has expired on 10 April 2022. As at the maturity date, the asset manager allocated the assets under the asset management plan to the Company in their current status as at the maturity date in accordance with the terms of the Mutual Trust No. 5 Asset Management Agreement. For details, please refer to the announcement of the Company dated 11 April 2022.

於2022年4月10日，互信5號資產管理合同到期。於到期日，資產管理人根據互信5號資產管理合同相關約定，以截至到期日該資產管理計劃項下資產現狀向本公司進行分配。詳情請見本公司日期為2022年4月11日的公告。

As at the end of the Reporting Period, such asset management plan accounted for approximately 2.1% of the total assets of the Company. As at the date of this announcement, KADI has yet to repurchase such creditor's rights of the trade receivables.

於報告期末，該項資產管理計劃約佔本公司資產總值的2.1%。於本公告日期，昆明農業發展投資尚未回購該應收賬款債權。

On 7 July 2022, the Company entered into the Kunming Luquan Yi and Miao Autonomous County Beautiful County Water Environment Comprehensive Improvement Project Contract* (《昆明市祿勸彝族苗族自治縣美麗縣城水環境綜合治理項目合同》) with the People's Government of Luquan Yi and Miao Autonomous County in Kunming (the "**People's Government of Luquan County**"), pursuant to which the Company will invest approximately RMB170 million to implement four sub-projects under the contract and obtain 30-year or 15-year concession rights for each sub-project. For details, please refer to the announcement of the Company dated 7 July 2022.

於2022年7月7日，本公司與昆明市祿勸彝族苗族自治縣人民政府(「**祿勸縣人民政府**」)簽署了《昆明市祿勸彝族苗族自治縣美麗縣城水環境綜合治理項目合同》，本公司將投資其中約人民幣1.7億元實施合同約定的四個子項目，並分別取得各子項目30年或15年特許經營權。詳情請見本公司日期為2022年7月7日的公告。

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

本公司的投資主要圍繞主業及其上下游相關環保產業開展。在優先保障主業及相關產業投資的基礎上，根據項目開展進度，在有閒置資金的情況下，公司會在風險可控的基礎上，進行閒置資金的管理，以提高資金使用效率。

Save as disclosed above, the Company had no plans of major investments or capital and asset acquisition as of 31 December 2022.

除上述披露外，截至2022年12月31日，本集團無重大投資或購入資本資產的計劃。

### 12. Disposal of subsidiaries, associates and joint ventures

On 29 June 2022, the Company, the People's Government of Suncun Town, Fanchang District (the "**People's Government of Suncun Town**") and Fanchang Dianchi Water, the Company's wholly-owned subsidiary, entered into an equity transfer agreement, pursuant to which the Company conditionally agreed to sell and the People's Government of Suncun Town conditionally agreed to acquire 100% equity interest in Fanchang Dianchi Water, which is principally engaged in wastewater treatment, for a consideration expected not exceeding RMB163 million (including equity transfer consideration, dividend receivable, principal and interest of borrowings receivable). For details, please refer to the announcements of the Company dated 29 June 2022 and 7 July 2022, respectively. Completion of this transaction would be subject to certain conditions stated in the equity transfer agreement. Upon transfer of control, Fanchang Dianchi Water ceased to be a subsidiary of the Company, the Group ceased to have any equity interest in Fanchang Dianchi Water and its financial results ceased to be consolidated in the accounts of the Group.

On 18 November 2022, the Group officially transferred the control of Fanchang Dianchi Water to relevant local government. As of the end of the Reporting Period, the relevant transfer procedures were still in progress.

Save as disclosed above, the Company had no other disposal of subsidiaries, associates and joint ventures as of 31 December 2022.

### 12. 附屬公司、聯營公司及合營公司的出售

於2022年6月29日，本公司、繁昌區孫村鎮人民政府(「**孫村鎮人民政府**」)及本公司全資附屬公司繁昌滇池水務訂立股權轉讓協議，據此，本公司有條件同意出售及孫村鎮人民政府有條件同意購買繁昌滇池水務100%股權，代價預計不超過人民幣1.63億元(含股權轉讓價款、應收股利、應收借款本息等)。詳情請見本公司日期分別為2022年6月29日及2022年7月7日的公告。繁昌滇池水務主營業務為污水處理。本交易的完成會取決於股權轉讓協議之若干條件。於控制權移交後，繁昌滇池水務不再為本公司的附屬公司，本集團不再擁有繁昌滇池水務的任何權益及其財務業績不再合併入本集團的賬目。

於2022年11月18日，本集團向地方政府正式移交繁昌滇池水務的控制權。截至報告期末，相關轉讓手續還在辦理中。

除上述披露外，截至2022年12月31日，本集團無其他出售附屬公司、聯營公司及合營公司的情況。

### 13. Loans to Certain Entities

The Company entered into a entrusted loan contract with Kunming Bus and Yunnan Branch of Bank of Communications Co., Ltd.* (交通銀行股份有限公司雲南省分行) ("**Bank of Communications**") on 22 February 2021, pursuant to which the Company entrusted Bank of Communications to grant a loan of RMB300 million respectively to Kunming Bus with an annual interest rate of 8.5%. For details, please refer to the announcement of the Company dated 22 February 2021. The loan has become due during the Reporting Period, and the Company has received all principal and interest in accordance with the terms of the entrusted loan contract.

### 13. 給予某實體的貸款

本公司於2021年2月22日與昆明公交及交通銀行股份有限公司雲南省分行(「**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提供人民幣3億元的委託貸款，年利率為8.5%。有關詳情，請參閱本公司日期為2021年2月22日的公告。該筆貸款已於報告期內到期，且本公司已根據委託貸款合同約定收回全部本金及利息。

The Company entered into an entrusted loan contract with Xindu Investment and Kunming Panlong Sub-branch of Bank of China Limited ("**Panlong Sub-branch of Bank of China**") on 24 September 2021, pursuant to which the Company entrusted Panlong Sub-branch of Bank of China to provide a RMB350 million loan to Xindu Investment with an annual interest rate of 7.5%. For details, please refer to the announcement of the Company dated 24 September 2021. The loan has become due during the Reporting Period, and the Company has received all principal and interest in accordance with the terms of the entrusted loan contract.

本公司於2021年9月24日與新都投資及中國銀行股份有限公司昆明市盤龍支行(「**中國銀行盤龍支行**」)簽訂委託貸款合同，由本公司委託中國銀行盤龍支行向新都投資提供人民幣3.5億元的委託貸款，年利率為7.5%，有關詳情，請參閱本公司日期為2021年9月24日的公告。該筆貸款已於報告期內到期，且本公司已根據委託貸款合同約定收回全部本金及利息。

The Company entered into an entrusted loan contract with Xindu Investment and Kunming Chenggong District Rural Credit Cooperative* (昆明市呈貢區農村信用合作聯社) ("**Chenggong District Rural Credit Cooperative**") on 28 February 2022, pursuant to which the Company entrusted Chenggong District Rural Credit Cooperative to provide a loan of RMB250 million to Xindu Investment with an annual interest rate of 8.5% which shall become due on 28 March 2022. After arm's length negotiation, on 28 March 2022, the Company entered into an entrusted loan extension agreement for the entrusted loan contract with Xindu Investment and Chenggong District Rural Credit Cooperative to extend the term of the entrusted loan contract and the entrusted loan transaction thereunder to 28 July 2022 and adjust the interest rate to 9.0% per annum for the extension period. Meanwhile, the Company entered into a security contract with Xindu Investment, pursuant to which Xindu Investment agreed to mortgage the mortgaged asset as security for the entrusted loan extension agreement and the transactions thereunder. For details, please refer to the announcements of the Company dated 28 February 2022 and 28 March 2022. The loan has become due during the Reporting Period, and the Company has received all principal and interest of such entrusted loan in accordance with the terms of the extension agreement.

本公司於2022年2月28日與新都投資及昆明市呈貢區農村信用合作聯社(「**呈貢區農村信用合作聯社**」)簽訂委託貸款合同，由本公司委託呈貢區農村信用合作聯社向新都投資提供人民幣2.5億元的委託貸款，年利率為8.5%，到期日為2022年3月28日。經公平磋商後，於2022年3月28日，本公司與新都投資及呈貢區農村信用合作聯社就委託貸款合同簽訂委託貸款展期協議，將委託貸款合同及其項下委託貸款交易的期限延長至2022年7月28日，展期期間利率調整為9.0%／年。同時，本公司與新都投資簽署了抵押合同，新都投資同意以抵押資產為委託貸款展期協議及其項下交易提供抵押擔保。有關詳情，請參閱本公司日期為2022年2月28日及2022年3月28日的公告。該筆貸款已於報告期內到期，且本公司已根據展期協議的約定收回該筆委託貸款全部本金及利息。

On 9 June 2022, the Company entered into an entrusted loan contract with Kunming Construction and Kunming Panlong District Rural Credit Cooperative* (昆明市盤龍區農村信用合作聯社) ("**Panlong District Rural Credit Cooperative**"), pursuant to which the Company entrusted Panlong District Rural Credit Cooperative to provide a loan of RMB310 million to Kunming Construction with an annual interest rate of 8.5% which shall become due on 8 June 2023. Kunming Dianchi Investment provided a full and joint liability guarantee for the entrusted loan transaction under the entrusted loan contract. For details, please refer to the announcement of the Company dated 9 June 2022.

本公司於2022年6月9日與昆明城投及昆明市盤龍區農村信用合作聯社(「**盤龍區農村信用合作聯社**」)簽訂委託貸款借款合同，由本公司委託盤龍區農村信用合作聯社向昆明城投提供人民幣3.1億元的貸款，年利率為8.5%，將於2023年6月8日到期。昆明滇池投資就委託貸款借款合同項下委託貸款交易提供全額連帶責任保證擔保。有關詳情，請參閱本公司日期為2022年6月9日的公告。

On 24 October 2022, the Company entered into the entrusted loan contract with Kunming DIG and Kunming Chenggong District Rural Credit Cooperative* (昆明市呈貢區農村信用合作聯社) ("**Chenggong District Rural Credit Cooperative**"), pursuant to which the Company entrusted Chenggong District Rural Credit Cooperative to provide a loan of RMB200 million to Kunming DIG with an annual interest rate of 8.5% which shall become due on 24 September 2023. For details, please refer to the announcement of the Company dated 24 October 2022.

本公司於2022年10月24日與昆明發展投資集團及昆明市呈貢區農村信用合作聯社(「**呈貢區農村信用合作聯社**」)簽訂委託貸款借款合同，由本公司委託呈貢區農村信用合作聯社向昆明發展投資集團提供人民幣2億元的貸款，年利率為8.5%，將於2023年9月24日到期。有關詳情，請參閱本公司日期為2022年10月24日的公告。

According to the knowledge of the Company, Kunming Bus, Xindu Investment, Kunming Construction and Kunming DIG are all controlled or held by Kunming SASAC, and Kunming DIG holds 15.58% of the shares of Kunming Construction and 6.82% of the shares of Xindu Investment. Saved as disclosed above, Kunming Bus, Xindu Investment, Kunming Construction and Kunming DIG are not related to each other, and neither are they the connected persons as defined in the Listing Rules.

據本公司所知，昆明公交、新都投資、昆明城投及昆明發展投資集團均由昆明市國資委實際控制或持有，且昆明發展投資集團分別持有昆明城投、新 ú ü EÇ « Q P- Æ _À3•Dð ÌÕ"ú ü ï • ³L 8Åú € 21Ife„ fx•

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

### 14. Pledge of shares by the Controlling Shareholder

On 24 October 2022, Kunming Dianchi Investment, the Controlling Shareholder, entered into an agreement with Agricultural Bank of China Limited Kunming Dianchi National Tourism Resort Sub-branch (the "**Lender**"), to pledge up to 198,080,068 domestic shares in the issued shares of the Company, representing 30% of its shareholding of the Company (the "**Pledged Shares**"), in favour of the Lender as security for a loan facility in an aggregate amount of RMB200,000,000 granted to the Company (the "**Loan Facility**"). The Pledged Shares represent approximately 19.25% of the total issued shares of the Company, and are expected to be discharged and released upon repayment of the Loan Facility in full. For details, please refer to the announcement of the Company dated 23 October 2022. As of the end of the Reporting Period, the Loan Facility was not yet due.

### 15. 貸款協議載有關於控股股東須履行特定責任的條件

於2022年3月25日，本公司之直接全資附屬公司滇池國際控股有限公司(「**借款人**」)(作為借款人)及本公司(作為擔保人)與數家銀行(「**該等銀行**」)簽訂貸款協議(「**貸款協議**」)。根據貸款協議，該等銀行將向借款人提供合共不多於300百萬美元或等值外幣的貸款(「**融資**」)，融資的最終還款日期為首次提款日36個月後當日。於簽訂貸款協議當日，昆明市國資委持有昆明滇池投資90%股權，昆明滇池投資於本公司已發行股本中擁有約64.16%的權益。根據貸款協議，如果昆明市國資委不再直接或間接擁有51%以上的本公司的股權，將被視為發生控制權變更，該等銀行可根據貸款協議取消其承貸額，並宣佈融資項下的所有尚未償還金額(包括累計利息)及所有怕袦) 豦樚蔱瑡家誶夗M能鱺试噴亜洉砀

## A. EXECUTIVE DIRECTORS

**Mr. Zeng Feng (曾鋒)**, aged 58, joined our Group in August 2021. Mr. Zeng was appointed as an executive Director and the Chairperson of the Board on 16 September 2021 and is responsible for strategic decision making of our Company's operations. Mr. Zeng is the chairperson of the Strategy and Investment Decision Committee, and a member of the Remuneration and Appraisal Committee and the Nomination Committee of our Company.

From August 1985 to May 1993, Mr. Zeng worked at the Southwest Aviation Forestry Protection General Station of the Ministry of Forestry (林業部西南航空護林總站). From May 1993 to January 2006, he worked at the Administrative Committee of Kunming Hi-tech Industrial Development Zone (昆明高新技術產業開發區管委會) and served as deputy chief officer, chief officer, assistant to director and deputy director of the finance department and director of accounting and settlement center, during which he also attended a postgraduate course in business and economics at the Chinese Academy of Social Sciences (中國社會科學院) from December 1996 to November 1998. From January 2006 to November 2010, he worked at the Management Committee of Kunming Airport Economic Zone (昆明空港經濟區管委會) and served as the person in charge and head of the finance department, deputy director of the management committee, member of the Party working committee, and vice mayor of the People's Government of Guandu District. From November 2010 to August 2021, he worked at Kunming Development Investment Group Co., Ltd. (昆明發展投資集團有限公司) and served as deputy secretary of the Party committee and secretary of the disciplinary inspection committee, chairman of the trade union, general manager, secretary of the Party committee, director and chairman of the board of directors, during which he also served as the secretary of the Party committee and chairman of the board of directors of Kunming Dianchi Investment from March 2011 to June 2012. He also concurrently served as a non-executive Director of the Company from January 2011 to June 2018, and has served as a director of Kunming Dianchi Investment since December 2021.

Mr. Zeng graduated from Yunnan Finance and Trade College (雲南財貿學院) in June 1990, majoring in accounting. He also obtained the accounting professional and technical qualification certificate in October 1994.

## A. 執行董事

**曾鋒先生**，58歲，於2021年8月加入本集團，於2021年9月16日獲委任為執行董事、董事長，負責本公司的戰略決策。曾先生為本公司戰略與投資決策委員會主任委員、薪酬與考核委員會及提名委員會委員。

曾先生於1985年8月至1993年5月就職於林業部西南航空護林總站；於1993年5月至2006年1月就職於昆明高新技術產業開發區管委會，歷任財政分局副主任科員、主任科員、局長助理、副局長兼會計結算中心主任，期間曾於1996年12月至1998年11月參加中國社會科學院商業經濟專業研究生課程班學習；於2006年1月至2010年11月就職於昆明空港經濟區管委會，歷任財政分局負責人、局長、管委會副主任、黨工委委員，官渡區人民政府副區長；於2010年11月至2021年8月就職於昆明發展投資集團有限公司，歷任黨委副書記兼紀委書記、工會主席、總經理、黨委書記、董事、董事長，期間曾於2011年3月至2012年6月兼任昆明滇池投資黨委書記、董事長；2011年1月至2018年6月兼任本公司非執行董事；於2021年12月至今兼任昆明滇池投資董事。

曾先生於1990年6月畢業於雲南財貿學院會計專業。於1994年10月獲得會計師專業技術資格證書。

**陳昌勇先生**，53歲，於2019年6月加入本集團，並自2019年7月10⑵疌裂

Mr. Luo served as a director of coordination department at Kunming Dianchi Project Management Company (昆明滇池項目管理有限公司), a subsidiary of Kunming Dianchi Investment, from June 2008 to June 2009. He also served at Kunming Dianchi Property Development Company Limited (昆明滇池置業有限責任公司), a subsidiary of Kunming Dianchi Investment, as the deputy general manager from June 2009 to June 2013. From June 2012 to 3 November 2016, Mr. Luo served as a director of Kunming Dianxing Property Development Co., Ltd. (昆明滇星房地產開發有限責任公司) and Kunming Dianlong Property Development Co., Ltd. (昆明滇龍房地產開發有限責任公司).

於2008年6月至2009年6月，羅先生擔任昆明滇池投資子公司昆明滇池項目管理有限公司協調部部長。於2009年6月至2013年6月，擔任昆明滇池投資子公司昆明滇池置業有限責任公司副總經理。於2012年6月至2016年11月3日，羅先生擔任昆明滇星房地產開發有限責任公司及昆明滇龍房地產開發有限責任公司董事。

Mr. Luo graduated from Yunnan University (雲南大學) in Yunnan Province, the PRC, majoring in engineering management in January 2007, and obtained a master's degree in agricultural extension from Southwest Forestry University (西南林業大學) in Yunnan Province, the PRC in January 2013.

羅先生於2007年1月從中國雲南省的雲南大學工程管理專業畢業，並於2013年1月在中國雲南獲得西南林業大學農業推廣碩士學位。

As Mr. Luo has been subject to investigation by the Kunming Disciplinary Inspection Committee of the Communist Party of China and the Kunming Supervisory Committee for suspected serious breach of disciplines and laws, on 7 February 2023, the Board resolved to propose the removal of Mr. Luo as an executive Director, a member of the Strategy and Investment Decision Committee and a deputy general manager. The removal from office of the member of the Strategy and Investment Decision Committee and the deputy general manager has become effective on 7 February 2023 and the removal from office of the executive Director has been approved by the Company at the extraordinary general meeting held on 6 April 2023 and became effective on the same date. Please refer to the announcements of the Company dated 7 February 2023 and 6 April 2023 for details.

羅先生因涉嫌嚴重違紀違法接受中共昆明市紀律檢查委員會、昆明市監察委員會調查，於2023年2月7日，董事會決議建議免除羅先生執行董事、戰略與投資決策委員會委員、副總經理的職務。戰略與投資決策委員會委員及副總經理職務的免職已於2023年2月7日生效，免去執行董事職務已經公司於2023年4月6日召開的臨時股東大會上獲批准並於當日生效。詳情請見本公司日期為2023年2月7日及2023年4月6日的公告。

## B. NON-EXECUTIVE DIRECTORS

## B. 非執行董事

**Ms. Song Hong (宋紅)**, aged 59, joined our Group in June 2016 and was appointed as a non-executive Director of our Company on 23 June 2016. Ms. Song participates in the development of our business strategies. She has over 30 years of experience in finance sector. Ms. Song joined Kunming Dianchi Investment in September 2008. She served as a director and the chief financial officer of Kunming Dianchi Investment since June 2012. Ms. Song serves concurrently as a chairperson of Kunming Diantou Bishuiyuan Water Technology Co., Ltd (昆明滇投碧水源水務科技有限公司).

**宋紅女士**，59歲，於2016年6月加入本集團，並於2016年6月23日獲委任為本公司非執行董事，參與制定我們的業務發展戰略。宋女士擁有逾30年的財務領域的經驗，於2008年9月加入昆明滇池投資。自2012年6月起，宋女士於昆明滇池投資擔任董事及財務總監。宋女士兼任昆明滇投碧水源水務科技有限公司董事長。

Ms. Song worked at Kunming Tap Water Group Co., Ltd. (昆明市自來水集團有限責任公司) from December 1982 to September 2008, and served as the deputy Director of finance department from December 2005 to September 2008. Ms. Song served as the director of the financial center of Kunming Dianchi Investment from September 2008 to September 2012.

宋女士於1982年12月至2008年9月，宋女士任職於昆明市自來水集團有限責任公司，自2005年12月至2008年9月擔任財務處副處長。2008年9月至2012年9月，宋女士任昆明滇池投資財務中心主任。

Ms. Song studied at the Party School of Yunnan Provincial Committee of the Chinese Communist Party (中國共產黨雲南省委員會黨校) in Yunnan Province, the PRC, majoring in economic management from September 1997 to December 1999.

宋女士於1997年9月至1999年12月在中國雲南省中國共產黨雲南省委員會黨校學習，主修經濟管理。

**Ms. Ren Na (任娜)**, aged 42, joined the Group in November 2020 and served as a non-executive Director of the Company from 6 November 2020 to 6 April 2023. Ms. Ren participates in the development of our business strategies. Ms. Ren has more than 10 years of experience in the financial field. She currently serves as the financial controller of Yunnan Kunhua Hospital Investment Management Co., Ltd. (雲南昆華醫院投資管理有限公司).

**任娜女士**，42歲，於2020年11月加入本集團，於2020年11月6日至2023年4月6日擔任本公司非執行董事，參與制定我們的業務發展戰略。任女士擁有逾10年的財務領域的經驗。現任雲南昆華醫院投資管理有限公司財務總監。

Ms. Ren served as the chief accountant of the hydropower station and the department head of No. 1 water resources machinery plant of Sinohydro Bureau 5 Co., Ltd. (中國水利水電第五工程局) from July 2002 to April 2008. From April 2008 to May 2009, she worked in Yunnan Tonghe Technology Development Co., Ltd. (雲南通和科技發展有限公司) and was responsible for finance management. From May 2009 to October 2013, she served as the person in charge of finance of the Lidi branch of Yunnan Lancangjiang Property Management Co., Ltd. (雲南瀾滄江物業管理有限公司裡底分公司). From November 2013 to July 2019, she served as the manager of general management department of China Southern Power Grid Integrated Energy (Yunnan) Co., Ltd. (南方電網綜合能源(雲南)有限責任公司). She served as the deputy general manager of financial sharing center of Yunnan Investment Holding Group Co., Ltd. (雲南省投資控股集團有限公司) from August 2019 to March 2022, and served as a director of Yunnan Medical Investment and Management Group Co., Ltd. (雲南省醫療投資管理集團有限公司) from April 2020 to November 2022, and has been serving as a supervisor of CTV Yuntou Culture Tourism Industry Investment Co., Ltd. (中視雲投文化旅遊產業投資有限公司) since October 2020, and the financial controller of Yunnan Kunhua Hospital Investment Management Co., Ltd. (雲南昆華醫院投資管理有限公司) since March 2022.

任女士於2002年7月至2008年4月於中國水利水電第五工程局水電站任會計主管及於第一水工機械廠任部門主任；於2008年4月至2009年5月就職於雲南通和科技發展有限公司負責財務管理工作；2009年5月至2013年10月於雲南瀾滄江物業管理有限公司任裡底分公司財務負責人；2013年11月至2019年7月就職於南方電網綜合能源(雲南)有限責任公司，任綜合管理部經理；2019年8月至2022年3月，就職於雲南省投資控股集團有限公司，任財務共享中心副總經理；於2020年4月至2022年11月任雲南省醫療投資管理集團有限公司董事；於2020年10月至今擔任中視雲投文化旅遊產業投資有限公司監事；於2022年3月至今擔任雲南昆華醫院投資管理有限公司財務總監。

Ms. Ren graduated from Changchun Institute of Technology (長春工程學院) in July 2002, majoring in computerised accounting; and graduated from Changchun Institute of Technology in July 2013, majoring in finance management. Ms. Ren is a senior accountant, certified public accountant and certified tax agent.

任女士於2002年7月畢業於長春工程學院會計電算化專業；於2013年7月畢業於長春工程學院財務管理專業。任女士亦為高級會計師、註冊會計師、註冊稅務師。

**Mr. Zhang Yang (張洋)**, aged 37, joined the Group in December 2022 and was appointed as a non-executive Director of the Company on 7 December 2022. Mr. Zhang participates in the development of our business strategies. He currently serves as an assistant to the general manager of Kunming Industrial Development and Investment Co., Ltd.* (昆明產業開發投資有限責任公司).

**張洋先生**，37歲，於2022年12月加入本集團，於2022年12月7日獲委任為非執行董事，參與制定我們的業務發展戰略。現任昆明產業開發投資有限責任公司總經理助理。

Mr. Zhang worked at the Global Energy Internet Research Institute* (全球能源互聯網研究院) (subsequently renamed as Global Energy Internet Research Institute Co., Ltd.* (全球能源互聯網研究院有限公司)) from May 2016 to August 2019; worked at Beijing Zhongguancun Yanqingyuan Investment Development Co., Ltd.* (北京中關村延慶園投資發展有限公司) from August 2019 to October 2020 as an assistant to the general manager; and has worked at Kunming Industrial Development and Investment Co., Ltd.* (昆明產業開發投資有限責任公司) as an assistant to the general manager since October 2020.

張先生於2016年5月坍嗜瞨滩竣垚瑩

He graduated from Kunming Polytechnic University (昆明理工大學) in July 2010 majoring in mechanical engineering and automation and obtained a bachelor's degree, and graduated from the University of Western Australia (澳大利亞西澳大利亞大學) in November 2015 majoring in electrical and electronic engineering and obtained a doctorate degree.

## C. INDEPENDENT NON-EXECUTIVE DIRECTORS

**Ms. Wang Dongfang (王東方)**, aged 47, joined the Group in December 2022 and was appointed as an independent non-executive Director of the Company on 7 December 2022. Ms. Wang participates in making significant decisions and advises on corporate governance, connected transactions, and various matters concerning Directors and senior management. Ms. Wang is currently the chairperson of the Audit Committee, a member of the Remuneration and Appraisal Committee and the Strategy and Investment Decision Committee of the Company.

* *For identification purposes only*

Ms. Wang worked at Yunnan Jingwei Certified Public Accountants* (雲南經緯會計師事務所) from July 1996 to October 2002 as an assistant of the audit department and a deputy manager of the administration department; worked at China Cinda Asset Management Co., Ltd* (中國信達資產管理公司) from October 2002 to March 2008 as a senior manager of the asset management department; worked at Pacific Securities Co., Ltd.* (太平洋證券股份有限公司) from June 2008 to August 2010 as a senior manager of the investment banking department; worked at Shenwan Hongyuan Securities Underwriting and Sponsorship Co., Ltd.* (申萬宏源證券承銷保薦有限責任公司) from August 2010 to October 2017, serving as a senior manager of the investment banking department and a deputy manager of the financing business department; and has worked at Shengang Securities Co., Ltd.* (申港證券股份有限公司) since October 2017. Currently, she is the deputy general manager and managing director of the fifth investment banking department.

王女士於1996年7月至2002年10月於雲南經緯會計師事務所工作，任審計部助理、行政部副經理；2002年10月至2008年3月於中國信達資產管理公司工作，任資產管理部高級經理；2008年6月至2010年8月在太平洋證券股份有限公司工作，任投資銀行部高級經理；2010年8月至2017年10月在申萬宏源證券承銷保薦有限責任公司工作，歷任投資銀行部高級經理、融資業務部副經理；2017年10月至今於申港證券股份有限公司工作，現任投資銀行五部部門副總經理、董事總經理。

Ms. Wang graduated from Yunnan Finance and Trade School (雲南省財貿學校) in June 1996 majoring in accounting and statistics; graduated from Yunnan Finance and Trade College (雲南財貿學院) in December 1998 majoring in accounting; and graduated from China University of Political Science and Law (中國政法大學) in January 2008 majoring in law and obtained a bachelor of laws degree. Ms. Wang is a sponsor representative, a certified public accountant and a certified tax agent in the PRC.

王女士於1996年6月畢業於雲南省財貿學校會計統計專業；1998年12月畢業於雲南財貿學院會計學專業；2008年1月畢業於中國政法大學法學專業，取得法學學士學位。王女士為中國保薦代表人、註冊會計師、註冊稅務師。

During the Reporting Period, the Guizhou Regulatory Bureau of the China Securities Regulatory Commission (中國證券監督管理委員會貴州監管局) issued the Administrative Regulatory Measures Decision Letter (行政監管措施決定書), and took the regulatory measure of issuing a warning letter to relevant parties including Ms. Wang, as Ms. Wang, as one of the sponsor representatives of a listed company in the PRC, had failed to continuously monitor the listed company's commitments in respect of the deposit of raised funds in a dedicated account and the implementation of investment projects, etc. For details, please refer to the Company's announcement dated 21 October 2022.

報告期內，中國證券監督管理委員會貴州監管局出具了行政監管措施決定書，就王女士作為中國一家上市公司的保薦代表人之一，存在未持續關註該上市公司募集資金的專戶存儲、投資項目的實施等承諾事項的問題，對王女士在內的相關方採取出具警示函的監管措施，詳情請見本公司日期為2022年10月21日的公告。

* *For identification purposes only*

**Ms. Zheng Dongyu (鄭冬渝)**, aged 66, joined our Group in June 2021 and was appointed as an independent non-executive Director on 18 June 2021. Ms. Zheng participates in making significant decisions and advises on corporate governance, connected transactions, and various matters concerning Directors and senior management. Ms. Zheng is currently the chairperson of the Nomination Committee and a member of the Audit Committee of the Company.

Ms. Zheng served as a lecturer at the School of Law of Yunnan University (雲南大學) from August 1984 to December 2012. She currently serves as a two-level teaching supervisor of the schools and colleges of Yunnan University, a leader of the teaching supervision team of the School of Law, an independent director of Kunming Automation Whole Set of Equipment Business Co., Ltd (昆明自動化成套集團股份有限公司) (a company listed on the National Small and Medium-sized Enterprise Share Transfer System, stock code 832848) and Kunming Yunnei Power Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 000903) and an independent director of Yunnan Gold Mining Group Co., Ltd. (雲南黃金礦業集團股份有限公司). Ms. Zheng served as an independent director of Yunnan Nantian Electronics Information Co., Ltd (雲南南天電子信息產業股份有限公司) (a company listed on Shenzhen Stock Exchange, stock code 000948), Yunnan Yuntianhua Co., Ltd (雲南雲天化股份有限公司) (a company listed on Shanghai Stock Exchange, stock code 600096) and Huaneng Lancang River Hydropower Inc. (華能瀾滄江水電股份有限公司) (a company listed on Shanghai Stock Exchange, stock code 600025).

Ms. Zheng graduated from the Southwest University of Political Science and Law (西南政法大學) with a bachelor of laws degree in

Mr. Ong was an independent non-executive director of China Water Affairs Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 855) for the period from March 2007 to November 2019; and an independent non-executive director of Tech Pro Technology Development Limited (a company listed on the Main Board of the Stock Exchange, stock code: 3823, but de-listed with effect from 2 March 2020) for the period from March 2017 to February 2019, respectively.

王先生自2007年3月至2019年11月期間於中國水務集團有限公司(一間於聯交所主板上市的公司，股份代號：855)；及自2017年3月至2019年2月期間於德普科技發展有限公司(一間於聯交所主板上市的公司，股份代號：3823，自2020年3月2日起取消上市)分別出任獨立非執行董事。

Mr. Ong had also been an independent non-executive director of Deson Construction International Holdings Limited (now known as Smart City Development Holdings Limited, a company listed on the GEM of the Stock Exchange, stock code: 8268) since December 2014 and was subsequently re-designated as a non-executive director since December 2015. In July 2019, Mr. Ong resigned as a non-executive director of the company; and served as an independent non-executive director of My Heart Bodibra Group Limited (currently known as Ocean Star Technology Group Limited, a company listed on the GEM of the Stock Exchange, stock code: 8297) for the period from December 2017 to May 2021. He also served as an independent non-executive director of Bingo Group Holdings Limited (a company listed on the GEM of the Stock Exchange, stock code: 8220) from December 2016 to May 2022 and an independent non-executive director of K Group Holdings Limited (a company listed on the GEM of the Stock Exchange, stock code: 8475) from May 2021 to June 2022.

自2014年12月起亦曾擔任迪臣建設國際集團有限公司(現稱智城發展控股有限公司，一間於聯交所GEM上市的公司，股份代號：8268)的獨立非執行董事，隨後自2015年12月起調任為非執行董事。於2019年7月，王先生辭任該公司非執行董事；並於2017年12月至2021年5月期間擔任心心芭迪貝伊集團有限公司(現稱海納星空科技集團有限公司，一間於聯交所GEM上市的公司，股份代號：8297)的獨立非執行董事。自2016年12月至2022年5月亦為比高集團控股有限公司(一間於聯交所GEM上市的公司，股份代號：8220)及自2021年5月至2022年6月於千盛集團控股有限公司(一間於聯交所GEM上市的公司，股份代號：8475)的獨立非執行董事。

Mr. Ong obtained a bachelor degree in accountancy from the Hong Kong Polytechnic University and a master degree in corporate finance from the City University of Hong Kong. He is a member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He has over 15 years of experience in auditing and accounting industry.

王先生取得香港理工大學會計學學士學位及香港城市大學企業融資碩士學位。彼為香港會計師公會及英國特許公認會計師公會會員，於審計及會計業擁有逾15年經驗。

During the Reporting Period, Mr. Ong was named as one of the respondents in a petition filed by the Securities and Futures Commission of Hong Kong. For details, please refer to the Company's announcement dated 17 May 2022.

報告期內，於香港證券及期貨事務監察委員會提請的一項呈請中，王先生被列為應訴人之一。詳情請見本公司日期為2022年5月17日的公告。

## D. SUPERVISORS

**Mr. Na Zhiqiang (那志強)**, aged 61, is the chairman of our Board of Supervisors and an employee representative Supervisor, responsible for leading the daily work of our Board of Supervisors, overseeing the Directors, managers and other management personnel to ensure compliance with laws and regulations, the Articles of Association and the resolutions of Shareholders' general meetings. Mr. Na joined our Group in February 1990. On 19 January 2011, he was appointed as the chairman of our Board of Supervisors and an employee representative Supervisor. Mr. Na has over 30 years' working experience in the wastewater treatment industry.

Mr. Na worked successively as the office manager, assistant to the plant manager, and the plant manager of Kunming No. 1 Water Purification Plant from February 1990 to December 2007. From January 2008 to June 2009, Mr. Na served as the deputy general manager of Kunming Municipal Wastewater Treatment Co. Ltd., a wholly-owned subsidiary of the Company. From June 2009 to June 2011, he served as the manager of general affairs department of Kunming Dianchi Investment.

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

**Mr. Yao Jianhua (姚建華)**, aged 64, joined our Group in November 1995 and has been an employee representative Supervisor of our Company since 19 January 2011 in charge of overseeing the Directors, managers and other management personnel to ensure compliance with laws and regulations, the Articles of Association and the resolutions of Shareholders' general meetings. Mr. Yao has over 28 years' working experience in the wastewater treatment industry. From June 2005 to November 2019, Mr. Yao has been the executive director, the general manager and the legal representative of Kunming Dianchi Logistics, a wholly-owned subsidiary of the Company.

Prior to joining our Group, Mr. Yao served successively as a section clerk and deputy section chief of Kunming Municipal Facilities Management Cashier Office (昆明市市政設施收費管理處) from February 1988 to February 1998, and deputy chief of the Management Cashier Office of Kunming City Drainage Company Limited (昆明城市排水公司收費管理處) from February 1998 to June 1999.

## D. 監事

**那志強先生**，61歲，為監事會主席及職工代表監事，負責主持監事會的日常工作，及監督董事、經理及其他管理人員，確保遵守法律及法規、組織章程細則及股東會議的決議案。那先生於1990年2月加入本集團，於2011年1月19日獲委任為監事會主席及職工代表監事。那先生在污水處理行業擁有逾30年的經驗。

那先生於1990年2月至2007年12月先後擔任昆明市第一水質淨化廠辦公室主任、廠長助理及廠長。2008年1月至2009年6月任本公司全資子公司昆明城市污水處理運營有限責任公司副總經理。2009年6月至2011年6月擔任昆明滇池投資綜合部經理。

那先生於2004年12月在中國雲南省中國共產黨雲南省委員會黨校畢業，主修經濟管理。

**姚建華先生**，64歲，於1995年11月加入本集團，自2011年1月19日起擔任本公司職工代表監事，負責監督董事、經理及其他管理人員，確保遵守法律及法規、組織章程細則及股東會議的決議案。姚先生擁有逾28年的污水處理行業經驗。姚先生自2005年6月至2019年11月擔任本公司全資子公司昆明滇池物流執行董事、總經理及法定代表人。

加入本集團前，姚先生於1988年2月至1998年2月曆任昆明市市政設施收費管理處科員及副主任。1998年2月至1999年6月擔任昆明城市排水公司收費管理處副處長。

Mr. Shao graduated from Kunming University of Science and Technology (昆明理工大學) in Yunnan Province, the PRC, majoring in accounting computerisation in July 2010. He received a certificate in accounting (intermediate level) in September 2010 and obtained the professional and technical qualification certificate of senior accountants in June 2018.

邵先生於2010年7月畢業於中國雲南省昆明理工大學，主修會計電算化專業。於2010年9月獲得中級會計師專業技術資格證書，並於2018年6月獲高級會計師專業技術資格證書。

## E. SENIOR MANAGEMENT

Each member of our senior management satisfies the qualification requirements under the relevant PRC laws and regulations for his or her position. The senior management is responsible for the day-to-day management of our business. The following table sets forth the information regarding our senior management as at the end of the Reporting Period:

## E. 高級管理層

各高級管理層成員均滿足相關中國法律及法規對其所任職位的資格要求。高級管理層負責本公司日常業務的管理。下表載列於報告期末有關各高級管理層成員的資料：

| Name<br>姓名 | Age<br>年齡 | Position<br>職位 | Roles and responsibilities<br>角色及職責 | Appointment date<br>委任日期 | Date of joining our Group<br>加入本集團的日期 | Relationship with other Directors, Supervisors and senior management<br>與其他董事、監事及高級管理層的關係 |
|---|---|---|---|---|---|---|
| Mr. Chen Changyong | 53 | Executive Director and General Manager | Participate in the Company's strategic decision-making and be responsible for the Company's operation and management | Appointed as General Manager in 10 July 2019 and as Executive Director on 19 June 2020 | June 2019 | None |
| 陳昌勇先生 | 53 | 執行董事兼總經理 | 參與公司戰略決策及負責本公司的運營管理 | 2019年7月10日獲委任為總經理及於2020年6月19日獲委任為執行董事 | 2019年6月 | 無 |
| Mr. Luo Yun | 44 | Executive Director and Deputy General Manager | Responsible for supervising our Company's investment strategies, market expansion and production safety and environmental protection | Served as Deputy General Manager from January 2015 to 7 February 2023 and as Executive Director from 23 June 2016 to 6 April 2023 | June 2013 | None |
| 羅雲先生 | 44 | 執行董事兼副總經理 | 負責監督本公司的投資策略、市場開拓及安全生產與環境保護工作 | 2015年1月至2023年2月7日任副總經理及於2016年6月23日至2023年4月6日任執行董事 | 2013年6月 | 無 |

**Mr. Chen Changyong (陳昌勇)** is an executive Director and the general manager of our Company. Please see the section headed "Profiles of Directors, Supervisors and Senior Management – A. Executive Directors" in this report for details of Mr. Chen Changyong's biography.

**陳昌勇先生**，為本公司執行董事及總經理，有關陳昌勇先生履歷的詳情，請參閱本報告「董事、監事及高級管理層簡歷－A.執行董事」一節。

**Mr. Luo Yun (羅雲)** served as an executive Director and the deputy general manager of our Company during the Reporting Period. Please see the section headed "Profiles of Directors, Supervisors and Senior Management – A. Executive Directors" in this report for details of his biography.

報告期內，**羅雲先生**為本公司執行董事及副總經理，有關羅雲先生履歷的詳情，請參閱本報告「董事、監事及高級管理層簡歷－A.執行董事」一節。

Except as disclosed above:

除上文所披露者外：

(1) none of our Directors has any interests in any business, which competes or is likely to compete, either directly or indirectly, with our business;

(1) 概無董事於直接或間接與或可能與本公司業務競爭的任何業務中擁有任何權益；

(2) none of our Directors, Supervisors and senior management has been a director of any public company, the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this report; and

(2) 本公司董事、監事及高級管理層於本報告日期前三年並無擔任任何公眾公司(其證券在香港或海外任何證券市場上市)的董事職務；及

(3) there is no other information that needs to be brought to the attention to the Shareholders under Rule 13.51(2) of the Hong Kong Listing Rules.

(3) 概無其他信息須根據香港上市規則第13.51(2)條提請股東注意。

## F. COMPANY SECRETARY

As at the end of the Reporting Period, Mr. Chiu Ming King (趙明璟) is our company secretary.

Mr. Chiu Ming King (趙明璟) currently serves as the head of corporate and fund services at Vistra Corporate Services (HK) Limited. He has over 10 years of experience in the company secretarial field.

Mr. Chiu was elected as an associate and a fellow of The Chartered Governance Institute in the United Kingdom in 2003 and 2015, respectively, and admitted as an associate and a fellow of The Hong Kong Chartered Governance Institute ("**HKCGI**") (formerly known as The Hong Kong Institute of Chartered Secretaries) in October 2003 and September 2015, respectively. He is also a holder of the Practitioner's Endorsement Certificate issued by HKCGI. He has been a chairman of the Professional Services Panel and a council member of HKCGI.

Mr. Chiu obtained a bachelor of arts from University of Toronto in Toronto, Canada, in June 1999 and received a master of arts in professional accounting and information systems from City University of Hong Kong in November 2003.

## F. 公司秘書

於報告期末，本公司的公司秘書為趙明璟先生。

趙明璟先生現時為Vistra Corporate Services (HK) Limited的公司

# CHAPTER EIGHT REPORT OF THE BOARD OF DIRECTORS
# 第八章 董事會報告

董事會現向股東提呈本集團截至2022

The Company is a leading wastewater treatment and reclaimed water services enterprise in Yunnan Province, the PRC, and a relatively large wastewater treatment company in Yunnan Province, the PRC. The Company enjoys rights to provide wastewater treatment services in Kunming and certain other parts of China. The concession helps the Company maintain and consolidate its operating advantages and competitive edge in the water market in Yunnan Province.

本公司是中國雲南省污水處理及再生水服務行業的領軍企業，也是中國雲南省污水處理規模較大的企業，享有向昆明市及中國其他若干地區提供污水處理服務的權利。特許經營權有利於本公司繼續保持和鞏固在雲南省水務市場的經營優勢和競爭地位。

The Company adheres to the operation strategy of "unitary domination with diversified development", and extends its industrial chain, from wastewater treatment to reclaimed water utilisation, sludge resource utilisation, running water supply and other related sectors, with operations gradually expanding to solid waste treatment, soil restoration, watershed management, clean energy, scientific research cooperation, project incubation and other areas of "Macro Environmental Protection". After years of accumulation and practical innovation, the Company has developed a series of unique business concepts and models and has a high-quality and long-term water-related business management operation team and a professional team with strong technical strength, laying a solid foundation for continuous and high-quality corporate development.

本公司堅持「一元為主、相關多元發展」經營戰略，產業鏈從污水處理延伸到再生水利用、污泥資源化利用、自來水供應等相關領域，並逐步向固廢處置、土壤修復、流域治理、清潔能源、科研合作及項目孵化等「大環保」領域邁進。經過多年的經營積累和實踐創新，公司已經形成一系列獨具特色的經營理念和模式，擁有高素質的長期從事水務相關業務管理的運營團隊以及技術實力雄厚的專業化團隊，為企業可持續、高質量發展奠定了堅實的基礎。

In the future, in the face of complicated external environment and severe economic situation, and under the market environment of intensified market competition and increasing industry concentration, the Company will adhere to the general working keynote of "stability is the first and foremost", continue to give full play to its own advantages, unswervingly implement the general strategy, objectives and requirements of innovation-driven and high-quality development, maintain strategic stability, consolidate the foundation of development, steadily cope with various risks and challenges and make every effort to stabilise the overall situation of the Company's development to ensure high-quality and sustainable development of the Company.

未來，面對複雜的外部環境和嚴峻的經濟形勢，在市場競爭加劇、行業集中度不斷提高的市場環境下，本公司將堅持「穩字當頭、穩字當先」工作總基調，繼續發揮自身優勢，堅定不移實施創新驅動高質量發展總戰略、總目標、總要求，保持戰略定力、夯實發展根基，穩妥應對各類風險挑戰，全力穩定公司發展大局，保障公司高質量可持續發展。

## 2. Business

## 2. 業務

For principal business activities of the Company during the Reporting Period and the discussion and analysis thereof, please refer to the section headed "Management Discussion and Analysis – C. Business Review".

有關本公司報告期內的主要業務活動及對主要業務活動的討論與分析，請參閱「管理層討論及分析–C、業務回顧」。

### *Gross profit margin and net profit margin*

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

### *Return on equity*

Our return on equity decreased from 7.7% in 2021 to 7.0% in 2022, which was mainly due to the increase in total equity of RMB221.8 million in 2022.

### *Return on total assets*

Our return on total assets remained at 2.8% in 2022 and 2021.

### *Current ratio and quick ratio*

Our current ratio and quick ratio increased from 93.5% and 93.2% as of 31 December 2021 to 102.2% and 101.6% as of 31 December 2022, respectively, primarily because current liabilities decreased by RMB868.3 million in 2022.

### *Gearing ratio*

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

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

### *毛利率及淨利潤率*

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

### *股本回報率*

我們的股本回報率從2021年的7.7%減少至2022年的7.0%，主要由於

## 5. Major Financial Risk Factors

The major risks that the Company's business is exposed to are as follows:

### *Market Risk*

#### *(i) 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 ("**USD**"). Foreign exchange risk mainly arises from cash and cash equivalents and borrowings denominated in HKD and USD.

As at 31 December 2022, if HKD had strengthened/weakened by 1% (2021: 1%) against RMB, with all other variables held constant, post-tax profit for the year would have been approximately RMB6,442,000 lower/higher (2021: RMB9,148,000 lower/higher) as a result of foreign exchange losses/gains on translation of HKD denominated assets and liabilities.

As at 31 December 2022, if USD had strengthened/weakened by 1% (2020: 1%) against RMB, with all other variables held constant, post-tax profit for the year would have been approximately RMB634,000 lower/higher (2021: RMB10,903,000 lower/higher) as a result of foreign exchange losses/gains on translation of USD denominated assets and liabilities.

#### *(ii) Cash flow and fair value interest rate risk*

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

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

Borrowed weighted average effective interest rate and borrowing maturity date are disclosed in Note 30 to the consolidated financial statements.

## 5. 主要財務風險因素

公司業務面臨的主要風險如下：

### *市場風險*

#### *(i) 外匯風險*

本集團由於業務中使用多種貨幣導致面臨外匯風險，涉及的貨幣主要為港元(「**港元**」)及美元(「**美元**」)。外匯風險主要產生自以港元及美元計的現金及現金等價物及借貸。

於2022年12月31日，如果港元兌人民幣升值／貶值1%(2021年：1%)，在所有其他變量保持不變的情況下，本年度的稅後利潤將因換算以港元計值的資產及負債產生的匯兌損失／收益而減少／增加約人民幣6,442,000元(2021年：減少／增加人民幣9,148,000元)。

於2022年12月31日，如果美元兌人民幣升值／貶值1%(2021年：1%)，在所有其他變量保持不變的情況下，本年度的稅後利潤將因換算以美元計值的資產及負債產生的匯兌損失／收益而減少／增

As at 31 December 2022, if the interest rate on floating interest rate borrowings had been higher/lower by 0.5% (2021: 0.5%), the Group's net profit for each year would have changed mainly as a result of higher/lower interest expenses on floating rate borrowings. Details of changes are as follows:

於2022年12月31日，如浮動利率借款的利息上升／下降0.5%(2021: 0.5%)，則本集團該年度的淨利潤將發生變化，主要因為浮動利率借款的利息費用上升／下降所致。具體變化如下：

| | | Year ended 31 December 截至12月31日止年度 | |
|---|---|---|---|
| | | **2022** | 2021 |
| | | **2022年** | 2021年 |
| | | ***RMB'000*** | *RMB'000* |
| | | ***人民幣千元*** | *人民幣千元* |
| Year ended: | 截至本年度止： | | |
| Net profit (decrease)／increase | 淨利潤(減少)／增加 | | |
| – 0.5% higher | －增加0.5% | **(15,129)** | (17,546) |
| – 0.5% lower | －減少0.5% | **15,129** | 17,546 |

***Credit risk and impairment assessment***

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problem.

The Group's credit risk exposures are primarily attributable to trade and other receivables, receivables under service concession arrangements, amounts due from customers for construction contracts, contract assets, financial assets at amortised cost, cash and bank balances and restricted funds. The Group does not hold any collateral to cover its credit risks associated with its financial assets and contract assets (including amounts due from customers for construction contracts), except for financial asset at amortised cost. The amounts presented in the consolidated statement of financial position are net of loss allowance.

The Group performed impairment assessment for financial assets and contract assets (including amounts due from customers for construction contracts) under ECL model. For trade and other receivables, receivables under service concession arrangements, amounts due from customers for construction contracts and contract assets, the balances are primarily derived from local governments, PRC state-owned entities and quasi-government organisations. As the Group's historical credit loss experience does not indicate significantly different loss patterns for these customers, the loss allowance based on past due status is not further distinguished between these customers.

***信用風險及減值評估***

信用風險指交易對手違約其合約責任導致本集團財務虧損的風險。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。

本集團面臨的信用風險主要源於貿易及其他應收款項、特許經營權協議下的應收款項、應收客戶建造合同款、合約資產、以攤銷成本計量的金融資產、現金及銀行餘額以及受限制資金。除按攤銷成本計量的金融資產外，本集團並無持有任何抵押品以應對與金融資產及合約資產(包括應收客戶建造合同款)有關的信用風險。合併財務狀況表中呈列的金額已扣除虧損撥備。

本集團根據預期信貸虧損模型對金融資產及合約資產(包括應收客戶建造合同款)進行減值評估。對於貿易及其他應收款項、特許經營權協議下的應收款項、應收客戶建造合同款及合約資產，其結餘主要來自地方政府、中國國有實體及準政府組織。由於本集團過往的信貸虧損經驗並無顯示該等客戶的虧損模式有重大差異，故不同客戶群之間並無進一步區分基於逾期狀況的虧損撥備。

有關本集團的信用風險管理、面臨的最大信用風險及相關減值評估的資料概述如下：

*(i) 貿易應收款項*

為盡量減低信用風險，本集團釐定信貸限額、信貸

Impairment loss on receivables under service concession arrangements of approximately RMB26,026,000 (2021: approximately RMB15,981,000) and reversal of impairment loss on amount due from customers for construction contracts approximately RMB6,820,000 (2021: impairment loss of approximately RMB14,112,000) is recognised during the year respectively.

年內分別確認特許經營權協議下的應收款項的減值虧損約人民幣26,026,000元(2021年：約人民幣15,981,000元)及應收客戶建造合同款的減值虧損撥回約人民幣6,820,000元(2021年：減值虧損約人民幣14,112,000元)。

*(iii) Contract assets*

*(iii) 合約資產*

In determining the ECL for contract assets, the Group has made individual assessment on the recoverability of contract assets based on historical settlement records, past experience, and also forward-looking information. These customers are local governments, PRC state-owned entities and quasi-government organisations, which are financially sound and there is no significant credit risk with these customers.

於釐定合約資產的預期信貸虧損時，本集團根據歷史結算記錄、過往經驗及前瞻性資料對合約資產的可收回性進行個別評估。該等客戶為地方政府、中國國有實體及準政府組織，其財務狀況良好，且與該等客戶之間不存在重大信用風險。

*(iv) Other receivables*

*(iv) 其他應收款項*

The Group makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive available forward-looking information. The Group believes that there are no significant increase in credit risk of these balances since initial recognition and the Group provided impairment based on 12-month ECL, except certain balance of other receivables of approximately RMB8,782,000 (2021: approximately RMB3,000) which was specifically assessed for impairment based on lifetime ECL and the recovery was considered to be remote by the Group due to unfavourable event, as a result, impairment loss on certain balance of approximately RMB8,782,000 (2021: approximately RMB3,000) was recognised during the year. Total impairment loss on other receivables of approximately RMB16,227,000 (2021: approximately RMB1,914,000) is recognised during the year.

本集團根據歷史結算記錄、過往經驗以及合理及有理據支持的前瞻性資料的定量及定性資料，對其他應收款項的可收回性進行定期集體評估及定期個別評估。自初步確認以來，該等結餘的信用風險並無顯著增加，且本集團根據12個月預期信貸虧損計提減值，惟由於存在不利事件，本集團若干其他應收款項結餘約人民幣8,782,000元(2021年：約人民幣3,000元)乃指定根據全期預期信貸虧損進行減值評估且可收回性較低，因此，於年內確認若干結餘約人民幣8,782,000元(2021年：約人民幣3,000元)的減值虧損。年內確認其他應收款項的減值虧損總額約人民幣16,227,000元(2021年：約人民幣1,914,000元)。

*(v) Other financial assets at amortised cost*

*(v) 以攤銷成本計量的其他金融資產*

The Group makes periodic individual assessment on their recoverability based on historical settlement records and also quantitative and qualitative information that is reasonable and supportive forward-looking information. At 31 December 2022, the Group had made an accumulated lifetime loss allowance on credit-impaired balance (2021: balance with recoverability in doubtful) of approximately RMB60,000,000 (2021: approximately RMB6,000,000).

本集團根據歷史結算記錄以及合理及有理據支持的前瞻性資料的定量及定性資料對其可收回性進行定期個別評估。於2022年12月31日，本集團已就已出現信貸減值的餘額(2021年：可收回性存疑的餘額)作出累計全期虧損撥備約人民幣60,000,000元(2021年：約人民幣6,000,000元)。

*(vi) Bank balances and restricted funds*

All the cash and bank balances and restricted funds were deposited in the major financial institutions in the PRC and Hong Kong, which the Directors believe are of high credit quality. Therefore, the Group's exposure to credit risk arising from these balances is limited.

***Liquidity risk***

Our objective is to maintain sufficient cash and sources of funding through available banking facilities and maintain flexibility in funding by maintaining committed credit lines. We had net current liabilities of RMB91.6 million as of 31 December 2022. With respect to our future capital commitments and other financing requirements, we had unutilised banking facilities of RMB1,619.8 million as of 31 December 2022.

To manage the liquidity risk, our management monitors rolling forecasts of our liquidity reserve (including undrawn banking facilities) and cash and cash equivalents on the basis of expected cash flows. We expected to fund the future cash flow needs through cash flows generated internally from operations and borrowings from financial institutions.

## 6. Significant Subsequent Events

There were no significant events affecting the Group after the year end and up to the date of this report.

## 7. Relationship with Employees

As of 31 December 2022, we had 1,492 full-time employees, all of whom were in China and most of whom were based in Yunnan. The following table sets forth the breakdown of our employees by function as of 31 December 2022:

*(vi) 銀行餘額及受限制資金*

所有的現金及銀行餘額及受限制資金都存放於中國及香港的主要金融機構，董事認為其信用質量高。因此，本集團因該等結餘面臨的信用風險有限。

***流資金風險***

我們的目標是通過可得的銀行信貸維持充足的現金和資金來源，並通過維持承諾信貸額度來保持資金的靈活性。於2022年12月31日我們的流動資產淨額為人民幣91.6百萬元。就我們未來的資本性承諾及其他融資需求而言，於2022年12月31日，我們擁有未動用銀行融資人民幣1,619.8百萬元。

為管理流動性風險，管理層監督我們關於流動資金儲備(包括未提取的銀行融資)的滾動預測和基於預計現金流量的現金及現金等價物。我們預期通過內部經營活動產生的現金流量以及向金融機構的借款來滿足未來現金流量需求。

## 6. 重大期後事項

於年末之後直至本報告日期，概無影響本集團的重大事項。

## 7. 與員工的關係

於2022年12月31日，我們有1,492名全職僱員，全部在中國，大部分在雲南。下表載列我們截至2022年12月31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 | 191 |
| Finance | 財務 | 56 |
| Research and Development | 研發 | 66 |
| Quality Monitoring | 質量監測 | 250 |
| Marketing | 營銷 | 17 |
| Operations | 運營 | 867 |
| Construction and Maintenance | 建設及維護 | 45 |
| Total | 總計 | 1,492 |

We recruit our employees on the open market. Compensation for our employees includes basic wages, performance-based wages, bonuses and other staff benefits. For the years ended 31 December 2021 and 2022, our employee benefits amounted to approximately RMB185.2 million and RMB215.5 million, respectively.

我們在公開市場上招募僱員。我們僱員的報酬包括基本工資、績效工資、獎金及其他僱員福利。於截至2021年及2022年12月31日止年度，我們的僱員福利分別約為人民幣185.2百萬元和人民幣215.5百萬元。

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

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

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

工會代表員工的利益，就有關勞工事宜與管理層密切溝通。報告期內，我們並無因重大勞動糾紛引致的運營中斷，亦無對我們的業務產生嚴重不利的員工投訴與索償。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。

### 8. Relationship with Customers

### 8. 與客戶的關係

Customers of our wastewater treatment services were primarily local governments in Yunnan Province, the PRC. Customers of our reclaimed water supply services were municipal government agencies, public parks and residential property management companies. Customers of our running water supply service were generally local residents, commercial and industrial users and other institutions located in the areas covered by our concession agreements.

我們的污水處理服務的客戶主要是中國雲南省地方政府。我們再生水供應服務的客戶為市政機構、公園及住宅物業管理公司。我們的自來水供應服務的客戶通常是位於所覆蓋區域內的當地居民、工商業用戶及其他機構。

Our largest customer during the Reporting Period was the Kunming Finance Bureau. The revenue attributable to our largest customer was approximately RMB905.1 million, accounting for approximately 43.8% of the total revenue of the Group. During the Reporting Period, the revenue attributable to our top five largest customers was approximately RMB1,405.5 million, accounting for approximately 68.0% of the total revenue of the Group.

本報告期內，我們的最大客戶為昆明市財政局，來自我們的最大客戶的收入約為人民幣905.1百萬元，佔本集團總收入比例約為43.8%。本報告期內，來自我們的前五大客戶的收入約為人民幣1,405.5百萬元，佔本集團總收入比例約為68.0%。

Our revenue mainly comes from wastewater treatment service in Kunming. The wastewater treatment fee paid to us came either from government purchase, or direct collection from individuals and entities using self-supplied water sources. Of those fees, payment from government purchase comes directly from the Kunming Finance Bureau which was our largest customer during the Reporting Period.

我們的收入主要來自昆明的污水處理服務。支付給我們的污水處理費來自政府採購或直接來自使用自備水源的個人和實體。該等費用中，來自政府採購的支付款項直接由昆明市財政局(報告期內為我們的最大客戶)撥款支付。

During the Reporting Period, we also provided management services to our Controlling Shareholder. Our other major customers included Housing and Urban-Rural Construction Bureau of Zhaotong City and Xundian County Government, etc. We provided wastewater treatment and construction services to Xundian County and Zhaotong City under the relevant concession agreements.

本報告期內，我們亦向控股股東提供管理服務。我們其他主要客戶包括昭通市住建局，尋甸縣政府等。我們根據相關特許經營權協議向尋甸縣、昭通市等提供污水處理及施工服務。

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

我們的前五大客戶(控股股東除外)均為獨立第三方，且報告期內，概無董事、其緊密聯繫人士或任何股東(就董事所知，持有本公司5%以上的已發行股份)持有我們的前五大客戶的權益。我們並無主要客戶同時為我們的供應商的情況。

### 9. Relationship with Suppliers

### 9. 與供應商的關係

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

我們的主要供應商為電力供應商(為我們的設施供電)、工程承包商(設計並建造我們的設施)及原材料供應商(供應包括污水處理化學品及其他設備維護易耗品)。我們與主要供應商的合作介乎一至五年以上。

During the Reporting Period, our largest supplier was Kunming Power Supply Bureau of Yunnan Power Grid Company Limited, our purchase from the largest supplier amounted to approximately RMB96.9 million, accounted for approximately 10.1% of the total purchase of the Group. During the Reporting Period, our purchase from the top five suppliers amounted to approximately RMB305.1 million, accounted for approximately 31.6% of the total purchase of the Group.

本報告期內，我們的最大供應商為雲南電網有限責任公司昆明供電局，我們自最大供應商採購額約為人民幣96.9百萬元，佔本集團採購總額比例約為10.1%。本報告期內，我們自前五大供應商採購額約為人民幣305.1百萬元，佔本集團採購總額比例約為31.6%。

Our major suppliers include Kunming Power Supply Bureau of Yunnan Power Grid Company Limited which provides electricity for our operation, construction contractors such as China Europe International Construction Group Limited and Hunan No.4 Engineering Co., Ltd. which undertake the construction portions of our projects and raw materials providers such as Hunan Yuze Energy Trading Co., Ltd. and Shaanxi Guoyafangfang Energy Technology Co., Ltd. which provide water treatment chemicals and others materials for the operation and maintenance of our facilities.

All of our top five suppliers are independent third parties based in China, and none of our Directors, their associates or any Shareholder (who, to the knowledge of our Directors, owned more than 5% of our Company's issued shares) had any interest in any of our top five suppliers during the Reporting Period. We did not have any major suppliers who were also our customers. We did not enter into any long-term agreements with our major suppliers during the Reporting Period.

Except for our utility service providers, we have established a centralised procurement policy for our cooperated suppliers. Under such policy, our subsidiaries are required to solicit bids from different suppliers, and select the suppliers based on price, quality, and timely delivery of the products. All supply contracts will be required to be reviewed and approved by the headquarters which will conduct periodic tests to check the quality of the delivered products.

We have sourced our raw materials from a few local suppliers located near Kunming in order to benefit from the economies of scale and convenient transportation, which allowed for faster and cheaper delivery of raw materials. We generally pay our suppliers within 10 to 15 days after receiving the delivery of goods, subject to internal review and approval. For our major suppliers, we often settle accounts monthly, and as of 31 December 2022, we did not have any payments in arrears.

我們的主要供應商包括為我們提供運營用電的雲南電網有限責任公司昆明供電局，承接我們項目施工部分的中歐國際建工集團有限公司、湖南省第四工程有限公司等施工承包商，以及為我們提供污水處理化學品及其他設施運行維護材料的湖南省煜澤能源貿易有限公司、陝西國亞方方能源科技有限公司等原材料供應商。

We may from time to time cooperate with any suppliers in the market who offer similar raw materials with terms comparable to our existing suppliers so as to replace the existing suppliers. To mitigate the risks associated with any reliance on our major suppliers, we periodically seek potential alternative suppliers and obtain quotations from such suppliers with a view to keeping in contact with potential suppliers. In addition, in order to secure reliable supply channels and ensure the quality of our supplies, in 2015, we acquired 51% interest in Kunming Heertai Environmental Industry & Trade Co. Ltd. (昆明和而泰環保工貿有限責任公司), a producer of wastewater treatment chemicals, from which we intend to procure a majority of our chemicals in the future. As of 31 December 2022, we had not experienced any material difficulty in obtaining any utility services, construction services, or

我們可隨時與市場上按可比條款提供類似原材料的供應商合作，以替代現有供應商。為減輕我們對主要供應商的依賴所帶來的風險，我們定期物色潛在的替代供應商並收集其報價，從而與潛在供應商保持聯繫。此外，為確保可靠的供應渠道及供應質量，我們於2015年收購了昆明和而泰環保工貿有限責任公司(污水處理化學藥品生產商)51%的股權，我們擬在未來向其採購大部分化學藥品。截至2022年12月31日，我們為業務營運取得任何公共服務、建設服務或採購任何原材料或設備的過程中並無遭遇任何重大困難。

## 10. 環境政策及表現

我們須遵守中國的全國性及地方性環境保護法律法規，包括《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》、《中華人民共和國水法》、《城鎮排水與污水處理條例》及《雲南省滇池保護條例》等。

我們在業務營運中已實施相應措施，以確保我們遵守中國環境法律法規的適用要求。截至2022年12月31日，我們並無遭遇因未能遵守有關許可證及環保要求而發出的重大索賠。

截至2022年12月31日止，我們已為各個設施獲取所有重要的環境許可證，而且我們已全面遵守相關環境法律法規。

截至2022年及2021年12月31日止年度，我們的環境合規支出分別為人民幣8.5百萬元和人民幣10.6百萬元。據董事所知、所悉及所信，我們預期近期遵守環境法律法規的成本不會大幅增加。

## B. BUSINESS PERFORMANCE

The audited results of the Company and its subsidiaries for the year ended 31 December 2022 are stated in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on pages 160 to 161. The financial positions of the Company and its subsidiaries for the year ended 31 December 2022 are stated in the Consolidated Statement of Financial Position on pages 162 to 163. The consolidated cash flows of the Company and its subsidiaries for the year ended 31 December 2022 are stated in the Consolidated Statement of Cash Flows on pages 165 to 166.

The discussion and analysis on the Group's business performance and financial position for the current year are stated under "Management Discussion and Analysis" on pages 20 to 61 hereof.

## B. 業績

本公司及其附屬公司截至2022年12月31日止年度經審計業績載於第160頁至第161頁的合併損益及其他全面收益表。本公司及其附屬公司截至2022年12月31日止年度的財務狀況載於第162頁至第163頁的合併財務狀況表。本公司及其附屬公司截至2022年12月31日止年度的合併現金流量載於第165頁至第166頁的合併現金流量表。

有關本集團本年度的業績表現、財務狀況的討論與分析，載於本年報第20頁至第61頁的管理層討論及分析。

## C. SHARE CAPITAL

As of 31 December 2022, the Company had issued 1,029,111,000 shares (comprising 689,088,000 Domestic Shares and 340,023,000 H Shares) with a nominal value of RMB1 each.

## C. 股本

於2022年12月31日，本公司已發行1,029,111,000股股份(包括689,088,000股內資股及340,023,000股H股)，每股面值為人民幣1元。

## D. ISSUANCE OF CORPORATE BONDS

We issued corporate bonds with par value of RMB700.0 million 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 may adjust the interest rates for the remaining two years. In the event that investors disagree with the adjustment made to the interest rates, they may choose to demand for an early redemption of corporate bonds outstanding.

In 2020, the Company has repurchased the corporate bonds with a nominal value of RMB660.0 million, and reduced the coupon rate of the bonds to 4.15%, which will remain unchanged in the sixth and seventh years of its lifetime (from 25 December 2020 to 24 December 2022). On 24 December 2022, the bonds became due, the Company completed the repurchase of the remaining bonds, and the principal and interest on the bonds were settled as at the end of the Reporting Period.

Save as disclosed above, during the Reporting Period, the Company did not repurchase or issue any other corporate bonds.

## D. 公司債券發行

我們已於2015年12月25日於中國發行面值為人民幣700.0百萬元的公司債券，期限7年，年利率為4.35%。於第5年末，本公司可調整餘下兩年的利率，倘投資者不同意對利率所作調整，可選擇要求提前贖回未償還的公司債券。

於2020年，本公司已回購賬面值為人民幣660.0百萬元的公司債券，同時下調債券利率為4.15%，並在存續期的第6至第7年(2020年12月25日至2022年12月24日)固定不變。於2022年12月24日，該債券已到期，本公司已完成剩餘債券的回購，截至報告期末，該債券本金及利息均已兌付完畢。

除上述披露以外，於報告內，本公司無其他回購、發行任何公司債券等事宜。

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

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

## E. 購買、出售或贖回本公司上市證券

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

## F. SHARE SCHEMES AND ISSUANCE OF EQUITY SECURITIES

As at 31 December 2022, the Company or any of its subsidiaries had no share option schemes and share award schemes. During the Reporting Period, there was also no issuance of equity securities (including securities convertible into equity securities) for cash.

## F. 股份計劃及發行權益證券

於2022年12月31日，本公司或其任何附屬公司並無任何購股權計劃及股份獎勵計劃。於報告期內，亦無發行權益證券(包括可轉換為權益證券的證券)以換取現金。

## G. PRE-EMPTIVE RIGHT TO ACQUIRE

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

## G. 優先購買權

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

## H. RESERVE AND DISTRIBUTABLE RESERVE

The details in relation to the changes in the reserve of the Company for the current year are stated in Note 41 to the Financial Statements. Pursuant to the Company Law of the PRC, undistributed profit could be distributed as dividend after allocation is made to the statutory surplus reserve. According to the requirements of the Articles of Association, when the Company is to distribute its profit after tax in the relevant accounting year, the profit after tax shall be deemed to be the lesser of the amounts stated in the financial statements prepared in accordance with the China Accounting Standards and the International Financial Reporting Standards. For the calculation in accordance with the International Financial Reporting Standards, as at the end of 2022, the undistributed profit of the Company amounted to RMB1,568.4 million. For the calculation in accordance with the China Accounting Standards, as at the end of 2022, the undistributed profit of the Company amounted to RMB1,565.7 million.

## H. 儲備及可供分派儲備

有關本公司本年度的儲備變動詳情，載於財務報表附註41。根據中國《公司法》，在撥往法定盈餘公積後，未分派利潤可當作股息分派。根據本公司的公司章程的規定，本公司在分派有關會計年度的稅後利潤時，以按中國會計準則和國際財務報告準則編製的財務報表所載稅後利潤數較少者為準。按國際財務報告準則計算，2022年末本公司的未分派利潤為人民幣1,568.4百萬元。按中國會計準則計算，2022年末本公司的未分派利潤為人民幣1,565.7百萬元。

| Name | Age | Position | Roles and responsibilities | Appointment date | Date of joining our Group | Relationship with other Directors, Supervisors and senior management |
|---|---|---|---|---|---|---|
| 姓名 | 年齡 | 職位 | 角色及職責 | 委任日期 | 加入本集團的日期 | 與其他董事、監事及高級管理層的關係 |
| 羅雲先生 | 44 | 執行董事兼副總經理(戰略與投資決策委員會委員) | 監督本公司的投資策略、市場拓展及安全生產與環境保護工作 | 2015年1月至2023年2月7日擔任副總經理及於2016年6月23日至2023年4月6日擔任執行董事 | 2013年6月 | 無 |
| Ms. Song Hong | 59 | Non-executive Director | Participates in the development of business strategies of the Company | 23 June 2016 | June 2016 | None |
| 宋紅女士 | 59 | 非執行董事 | 參與制定本公司的業務發展戰略 | 2016年6月23日 | 2016年6月 | 無 |
| Ms. Ren Na | 42 | Non-executive Director | Participates in the development of business strategies of the Company | 6 November 2020, and ceased to serve as a non-executive Director from 6 April 2023 | November 2020 | None |
| 任娜女士 | 42 | 非執行董事 | 參與制定本公司的業務發展戰略 | 2020年11月6日，於2023年4月6日起不再擔任非執行董事 | 2020年11月 | 無 |
| Ms. Yu Yanbo[1] | 52 | Non-executive Director | Participates in the development of business strategies of the Company | 19 June 2020, and ceased to serve as a Non-executive Director with effect from 7 December 2022 | June 2020 | None |
| 余燕波女士[1] | 52 | 非執行董事 | 參與制定本公司的業務發展戰略 | 2020年6月19日，於2022年12月7日起不再擔任非執行董事 | 2020年6月 | 無 |
| Mr. Zhang Yang[2] | 37 | Non-executive Director | Participates in the development of business strategies of the Company | 7 December 2022 | December 2022 | None |
| 張洋先生[2] | 37 | 非執行董事 | 參與制定本公司的業務發展戰略 | 2022年12月7日 | 2022年12月 | |

| Name<br>姓名 | Age<br>年齡 | Position<br>職位 | Roles and responsibilities<br>角色及職責 | Appointment date<br>委任日期 | Date of joining our Group<br>加入本集團的日期 | Relationship with other Directors, Supervisors and senior management<br>與其他董事、監事及高級管理層的關係 |
|---|---|---|---|---|---|---|
| Mr. Ong King Keung | 47 | Independent Non-executive Director (Chairman of the Remuneration and Appraisal Committee, and member of the Audit Committee and the Nomination Committee) | Participation in making significant decisions and advises on corporate governance, connected transactions and various matters concerning Directors and senior management | 12 November 2021 | November 2021 | None |
| 王競強先生 | 47 | 獨立非執行董事(薪酬與考核委員會主任委員、審計委員會及提名委員會委員) | 參與作出重大決策及就企業管治、關連交易及董事及高級管理層的各種事宜提出建議 | 2021年11月12日 | 2021年11月 | 無 |
| Mr. Na Zhiqiang | 61 | Chairman of the Board of Supervisors, Employee Representative Supervisor | Responsible for leading the daily work of the Board of Supervisors, overseeing the Directors, managers and other management personnel to ensure the compliance with laws and regulations, the Articles of Association and the resolutions of Shareholders' general meetings | 19 January 2011 | February 1990[6] | None |
| 那志強先生 | 61 | 監事會主席、職工代表監事 | 負責主持監事會的日常工作，監督董事、經理及其他管理人員，確保遵守法律及法規、組織章程細則及股東會議的決議案 | 2011年1月19日 | 1990年2月[6] | 無 |

| Name<br>姓名 | Age<br>年齡 | Position<br>職位 | Roles and responsibilities<br>角色及職責 | Appointment date<br>委任日期 | Date of joining our Group<br>加入本集團的日期 | Relationship with other Directors, Supervisors and senior management<br>與其他董事、監事及高級管理層的關係 |
|---|---|---|---|---|---|---|
| Mr. Yao Jianhua | 64 | Employee Representative Supervisor | Responsible for overseeing the Directors, managers and other management personnel to ensure the compliance with laws and regulations, the Articles of Association and the resolutions of Shareholders' general meetings | 19 January 2011 | November 1995[7] | None |
| 姚建華先生 | 64 | 職工代表監事 | 負責監督董事、經理及其他管理人員，確保遵守法律及法規、組織章程細則及股東會議的決議案 | 2011年1月19日 | 1995年11月[7] | 無 |
| Mr. Shao Wei | 42 | Supervisor | Responsible for overseeing the Directors, managers and other management personnel to ensure the compliance with laws and regulations, the Articles of Association and the resolutions of Shareholders' general meetings | 7 May 2016 | May 2016 | None |
| 邵偉先生 | 42 | 監事 | 負責監督董事、經理及其他管理人員，確保遵守法律及法規、組織章程細則及股東會議的決議案 | 2016年5月7日 | 2016年5月 | 無 |

*Notes:*

(1) Ms. Yu tendered her resignation to the Board on 21 October 2022 due to work re-arrangement and her resignation became effective on 7 December 2022.

(2) Mr. Zhang was appointed as a Non-executive Director of the Company at the 2022 first extraordinary general meeting of the Company held on 7 December 2022 (the "**2022 First EGM**").

(3) Mr. Yin tendered his resignation to the Board on 21 October 2022 to resign from relevant positions in the Company due to work re-arrangement and his resignation became effective on 7 December 2022.

(4) Ms. Wang was appointed as an Independent Non-executive Director of the Company at the 2022 First EGM and was appointed as the chairperson of the Audit Committee and member of the Remuneration and Appraisal Committee and the Strategy and Investment Decision Committee on the same day.

(5) Ms. Zheng was appointed as the chairperson of the Nomination Committee on 7 December 2022.

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

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

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

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

### Changes to the information of Directors

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

1. Ms. Yu Yanbo tendered her resignation to the Board on 21 October 2022 to resign as an Independent Non-executive Director due to work re-arrangement and her resignation became effective on 7 December 2022.

2. Mr. Zhang Yang was appointed as a Non-executive Director of the Company at the 2022 First EGM.

*附註：*

(1) 余女士因工作調動，已於2022年10月21日向董事會提交辭呈，其辭呈已於2022年12月7日生效。

(2) 張先生已於2022年12月7日召開的本公司2022年第一次臨時股東大會(「**2022年第一次臨時股東大會**」)上獲委任為本公司非執行董事。

(3) 尹先生因工作調整，已於2022年10月21日向董事會提交辭呈，辭去於本公司擔任的相關職務，其辭呈已於2022年12月7日生效。

(4) 王女士已於2022年第一次臨時股東大會上獲委任為本公司獨立非執行董事並於同日獲委任為審計委員會主任委員、薪酬與考核委員會及戰略與投資決策委員會委員。

(5) 鄭女士已於2022年12月7日獲委任為提名委員會主任委員。

(6) 那先生於1990年2月加入昆明市第一水質淨化廠。

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

於報告期末，本公司高級管理層包括2名成員，資料詳情請參閱本報告「第七章董事、監事及高級管理層簡歷– E.高級管理層」一節。

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

### 董事資料的變動

於報告期內，本公司董事、監事、高級管理人員變動如下：

1. 余燕波女士因工作調動，已於2022年10月21日向董事會提交辭呈，辭去本公司非執行董事職務，其辭呈已於2022年12月7日生效。

2. 張洋先生已於2022年第一次臨時股東大會上獲委任為本公司非執行董事。

3. Mr. Yin Xiaobing tendered his resignation to the Board on 21 October 2022 to resign as an Independent Non-executive Director, the chairperson of the Audit Committee, the

## M. SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

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

## M. 董事及監事服務合約

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

## N. REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The details of the remuneration of the Company's Directors, Supervisors and senior management are stated in Note 12 to the Financial Statements. The remuneration policies of the Directors are set out in the section headed "Chapter 9 Corporate Governance Report" of this report. The remuneration of senior management comprises basic salary, performance-based bonuses and other benefits. The basic salary is determined based on the position of each senior management in the Company, performance-based bonuses are determined based on the Company's operating results and other benefits include statutory pension, medical and housing provident funds. The Board will conduct annual performance appraisal for senior management and the amount of annual remuneration is determined at the end of the year.

## N. 董事、監事及高級管理層的薪酬

本公司董事、監事及高級管理層的薪酬詳情載於財務報表附註12。董事薪酬政策請見本報告「第九章企業管治報告」一節。高級管理層的薪酬包括基本薪金、績效獎金和其他福利。基本薪金根據各位高級管理層在公司的職位釐定，績效獎金依據本公司經營業績決定，其他福利則包括法定的養老、醫療和住房公積金。董事會將對高級管理層進行年度績效考核，年度薪酬金額將在年底確定。

The Company participates in a defined contribution social pension scheme established by the PRC government and contributes a certain percentage of the relevant employees' salaries to the scheme. Effective from 1 January 2014, the Group also operates an additional employee pension plan (a corporate annuity system for purchase of supplementary retirement insurance for our staff). Pursuant to such additional scheme, the full-time employees of the Group in the PRC are entitled to an additional pension aggregating to 8% of previous year's salaries. The Company calculates the interest so attributed under the agreed percentage of annuity plan based on staff's service years upon their retirement.

本公司已參與由中國政府制定的定額供款社會基本養老保險，將僱員薪金的一定百分比作為供款繳入養老保險。本集團亦設有一項額外職工退休金計劃(為員工購買補充養老保險的企業年金製度)，於2014年1月1日起生效。根據該額外計劃，本集團在中國的全職員工有權享有總額為前一年工資8%的額外退休金。職工退休時，根據其在公司服務年限，按年金方案約定比例計算歸屬權益。

The Company's employer contributions to the abovementioned pension schemes vest fully and immediately with the employees when contributed into the schemes. Accordingly, (i) for each of the two years ended 31 December 2022, there was no forfeiture of contributions under such pension schemes; and (ii) there were no forfeited contributions available for the Company to reduce its existing level of contributions to such pension schemes as at 31 December 2022.

公司向上述退休金計劃作出的僱主供款在向該計劃供款時全數及即時歸屬於僱員。因此，(i)截至2022年12月31日止兩個年度各年，概無於該等退休金計劃項下沒收任何供款；及(ii)於2022年12月31日，概無已沒收供款致使公司得以減少其對該等退休金計劃的現有供款水準。

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

高級管理人員的薪酬範圍載列如下：

| Range of remuneration *(RMB'000)*<br>薪酬範圍*(人民幣千元)* | Number of Senior Management<br>高級管理人員人數 |
|---|---|
| 0-500 | 1 |
| 500-1,000 | 1 |

*Note:*

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

*註：*

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

## O. INTERESTS OF DIRECTORS, SUPERVISORS (AND SUCH ENTITIES CONNECTED THEREWITH) IN MAJOR TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

## O. 董事、監事(及與其有關連的實體)於重要交易、安排或合約的權益

At the end of 2022 or at any time during 2022, none of the Company's Directors, Supervisors (and such entities connected therewith) had any individual interests, directly or indirectly, in the major transactions, arrangements or contracts as established by the Company or any of its subsidiaries.

於2022年度結束時或2022年度內的任何時間，本公司所有董事、監事(及與其有關連的實體)概無在本公司或其任何附屬公司所設立的重要的交易、安排或合約直接或間接擁有任何個人利益。

## P. INTERESTS OF DIRECTORS AND SUPERVISORS IN COMPETITIVE BUSINESS

## P. 董事、監事於競爭性業務的權益

During the Reporting Period, except for Mr. Luo Yun who cannot be contacted, other Directors and Supervisors confirmed that none of the Directors, Supervisors nor their associates (as defined in the Listing Rules) had any competitive interests in such business that is in direct or indirect competition with any of the Group's business.

除無法聯絡的羅雲先生外，其餘董事、監事均確認，於本報告期內，概無董事、監事及彼等的聯繫人(定義見上市規則)與任何本集團業務直接或間接構成競爭的業務中擁有任何競爭權益。

## Q. INTEREST AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of 31 December 2022, none of the Directors, Supervisors and senior management 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 for Securities Transactions by Directors of Listed Issuers.

As of 31 December 2022, none of the Directors or 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.

## Q. 董事、監事及高級管理層於股份、相關股份及債券的權益及淡倉

截至2022年12月31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《上市發行人董事進行證券交易的標準守則》須知會本公司及香港聯交所的任何權益或淡倉。

截至2022年12月31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。

## R. 主要股東於股份之權益

截至2022年12月31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<br>股東名稱 | Identity/Nature of interest<br>身份／權益性質 | Class of shares<br>股份類別 | Number of shares (share)<br>股份數目(股) | Approximate percentage of the total issued share capital of the Company (%)<br>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 (%)<br>佔本公司相關類別股份的概約百分比(%) |
|---|---|---|---|---|---|
| Kunming Dianchi Investment Co., Ltd.<br>昆明滇池投資有限責任公司 | Beneficial Owner<br>實益擁有人 | Domestic Shares<br>內資股 | 627,253,548 (long position) *(Note 2)*<br>627,253,548(好倉)*(附註2)* | 60.95%<br>60.95% | 91.03%<br>91.03% |
| Kunming Public Rental Housing Development and Construction Management Co., Ltd.<br>昆明市公共租賃住房開發建設管理有限公司 | Security interest<br>保證權益 | Domestic Shares<br>內資股 | 33,013,345 (long position) *(Note 3)*<br>33,013,345(好倉)*(附註3)* | 3.21%<br>3.21% | 4.79%<br>4.79% |
| Kunming Industrial Development & Investment Co., Ltd. | Interest of Controlled Corporation | | | | |

| Name of shareholder<br>股東名稱 | Identity/Nature of interest<br>身份／權益性質 | Class of shares<br>股份類別 | Number of shares (share)<br>股份數目(股) | Approximate percentage of the total issued share capital of the Company (%)<br>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 (%)<br>佔本公司相關類別股份的概約百分比(%) |
|---|---|---|---|---|---|
| Yunnan Provincial Investment Holdings Group Co., Ltd.<br>雲南省投資控股集團有限公司 | Beneficial Owner<br>實益擁有人 | H Shares<br>H股 | 64,770,000 (long position)<br>64,770,000(好倉) | 6.29%<br>6.29% | 19.05%<br>19.05% |
| Modern Orient Limited<br>Modern Orient Limited | Interest of Controlled Corporation<br>受控法團權益 | H Shares<br>H股 | 47,754,000 (long position) *(Notes 4 and 5)*<br>47,754,000(好倉) *(附註4* | 4.64% | 14.04% |

# CHAPTER EIGHT REPORT OF THE BOARD OF DIRECTORS
# 第八章 董事會報告

## S. MANAGEMENT CONTRACTS

During the Reporting Period, the Group did not enter into any contracts and there were no existing contracts in respect of the management and administration of all or any significant portion of the business (except for such service contracts entered into with the Group's Directors, Supervisors and all employees).

## T. CONNECTED TRANSACTIONS

We have entered into some transactions with the Controlling Shareholder. In accordance with Chapter 14A of the Listing Rules, such transactions have constituted the connected transactions or continuing connected transactions of the Company.

### 1. Non-exempt Continuing Connected Transactions Subject to the Reporting, Annual Review, Announcement, Circular and Independent Shareholders' Approval Requirements

***Entrusted Operation and Management Framework Agreement***

The Company disclosed in the Prospectus that the Company entered into certain agreements with the Controlling Shareholder prior to the Listing, pursuant to which the Company provided certain operation and management services to the Controlling Shareholder in relation to wastewater treatment plants, reclaimed water supply facilities and running water facilities owned by the Controlling Shareholder. Such operation and management service, depending on the development stage of the project, typically includes operating, testing and adjusting the equipment and facilities, arranging operating personnel and experts to maintain the daily operation of such plants and ensure the effluent quality meets the relevant discharge standard, setting up management policies and operation guidelines, chemicals purchase, and sludge transportation and disposal. The Company does not provide construction service to the Controlling Shareholder. To regulate the terms and conditions under which the Company will provide such operation and management services to the Controlling Shareholder after the Listing, the Company entered into an entrusted operation and management framework agreement with the Controlling Shareholder on 25 April 2016 and 30 April 2019, respectively (the "**Entrusted Operation and Management Framework Agreement**") with a term of three years each ending on 31 December 2021. The Entrusted Operation and Management Framework Agreement may, upon mutual written consent between the parties, be extended for an additional term of three years, provided that such renewalewalewalewal8 760ie6c8

### *New Framework Agreement*

As the Entrusted Operation and Management Framework Agreement entered into between the Company and the Controlling Shareholder has been expired on 31 December 2021, the Company and the Controlling Shareholder entered into the new framework agreement ("**New Framework Agreement**") on 29 September 2021, pursuant to which the Group will continue to provide operation and management services to the Controlling Shareholder for three years from 1 January 2022 to 31 December 2024.

The operation and management services provided by the Group to the Controlling Shareholder and its subsidiaries include the operation and management services of wastewater treatment facilities, reclaimed water supply facilities and running water supply facilities. As far as all service transactions under the New Framework Agreement are concerned, the counterparties will enter into separate specific contracts in accordance with the scope and principles stipulated under the New Framework Agreement and these specific contracts shall not be in breach of the agreements under the New Framework Agreement. The prices of the operation and management services under the New Framework Agreement will be determined in accordance with the standard prices promulgated by the relevant government departments for these services.

### *新框架協議*

鑒於本公司與控股股東簽訂的委託運行框架協議已於2021年12月31日到期，本公司已於2021年9月29日與控股股東簽訂了新框架協議(「**新框架協議**」)，據此，本公司將繼續為控股股東及其附屬公司提供運行管理服務，為期三年，期限自2022年1月1日起至2024年12月31日止。

本集團向控股股東及其附屬公司提供的運行管理服務包括污水處理設施、再生水供應設施、自來水供應設施的運行管理服務。就新框架協議項下的所有服務交易而言，交易方將按新框架協議下規定的範圍及原則另行訂立具體合同，該等具體合同不應違反新框架協議下的約定。新框架協議下運行管理服務的價格，按相關政府部門就該等服務頒佈的標準價格釐定。

### *Individual Service Agreements*

The Company and the Controlling Shareholder have entered into individual service agreements in relation to the treatment plants conducting the excluded business. Based on the water quality standards, there are 3 individual service agreements, including the Water Purification Plant Class I Category A Section Entrusted Operation and Management Contract (《水質淨化廠一級A標段委託運行管理合同》), which covers 7 plants with a designed capacity of 405,000 tonnes per day; the Entrusted Operation and Management Contract for Water Purification Plant Ultra-Limit Phosphorus Removal Upgrade and Transformation Project (《水質淨化廠超極限除磷提標改造項目委託運行管理合同》), which covers 9 plants and 11 process sections; and the Entrusted Operation and Management Contract for Luolong River Wastewater Treatment Plant Water Quality Upgrade Pilot Demonstration Project (《洛龍河污水處理廠水質提升試驗示範項目委託運行管理合同》), which covers 1 plant and 1 process section. Such agreements are governed by the terms of the New Framework Agreement. The management fees under individual service agreements are calculated based on the actual wastewater treatment volume multiplied by the price per cubic meter. The price per cubic meter shall be determined according to the standard prices promulgated by the relevant government authorities for these services.

### *個別服務協議*

本公司已就從事保留業務的各處理廠與控股股東訂立個別服務協議，按處理水質標準歸集，個別服務協議共3份，其中《水質淨化廠一級A標段委託運行管理合同》涵蓋7座廠，設計規模40.5萬噸／天；《水質淨化廠超極限除磷提標改造項目委託運行管理合同》涵蓋9座廠11個工藝段；《洛龍河污水處理廠水質提升試驗示範項目委託運行管理合同》涵蓋1座廠1個工藝段。該等協議受新框架協議條款的規管，個別服務協議項下的管理費均根據實際污水處理達標水量乘以每立方米價格計算，每立方米價格乃按相關政府部門就該等服務頒佈的標準價格釐定。

The consideration of the services contemplated under the Sludge Treatment and Disposal Agreement is the equivalent of the unit price of sludge treatment and disposal per tonne ("**Unit Price**") multiplied by the quantity of sludge received by Kunming Dianchi Investment. As of the date of this report, the Unit Price is determined with reference to the market price which is at RMB120 per tonne (excluding tax). The market price is determined with reference to prices charged in contracts entered into by the Group and independent third parties who provide similar services of the sludge treatment and disposal on normal commercial terms to the Group. Kunming Dianchi Logistics took reference from such relevant contracts entered into in the past year and took the average of the relevant contractual prices in arriving at the market price.

污泥處理處置服務合同項下的服務代價相當於每噸污泥處理處置單位價格(「**單位價格**」)乘以昆明滇池投資接收的污泥數量。截至本報告日期單位價格參照市場價格確定，市場價格為人民幣120元／噸(不含稅)。市場價格乃參考本集團及按正常商業條款向本集團提供類似污泥處理及處置服務的獨立第三方所訂立的合約的價格而釐定。昆明滇池物流參考過去一年訂立的相關合同，並採用相關合同價格的平均數得出市場價格。

We expected that the local government will determine a government-guided price in respect of the Unit Price of sludge treatment and disposal. In the absence of a clear rollout timetable of such government-guided price, the parties under the Sludge Treatment and Disposal Agreement shall adhere to the market price for the time being. Should the government-guided price become available, the parties shall enter into a separate agreement in writing to adjust the Unit Price.

我們預期當地政府將就污泥處理及處置的單位價格釐定政府指導價格。在沒有明確的政府指導價格出台時間表的情況下，污泥處理處置服務合同下的各方應暫時遵守市場價格。如政府指導價格出台後，雙方應另行訂立書面協議調整單位價格。

***Annual caps and actual transaction amount***

***年度上限及實際交易金額***

During the Reporting Period, the annual cap for the transactions under the Sludge Treatment and Disposal Agreement for 2022 was RMB19,800,000, with the actual transaction value being RMB3,393,000.

報告期內，污泥處理處置服務合同下的交易2022年年度上限為人民幣19,800,000元，實際交易金額為人民幣3,393,000元。

The Company has formulated the Regulations on Management of Connected Transactions (《關聯交易管理辦法》), and our relevant operation and management departments regularly review whether the amount of connected transactions incurred has exceeded the annual caps. In addition, for individual service agreements under continuing connected transactions, the Company has formulated the Contract Management Regulations (《合同管理辦法》)and takes various measures to ensure that the signing of such individual service agreements comply with the terms of the framework agreement, thereby ensuring that the Company's connected transactions are under proper control and supervision.

公司制定了《關聯交易管理辦法》，我們的相關運營、管理部門也定期檢視關連交易發生額是否有超過年度上限的情況。同時，就持續關連交易下的個別服務協議，公司制定了《合同管理辦法》，通過層層把關，確保該等個別服務協議的簽署遵守了框架協議的約定，以確保公司關連交易得到妥善控制及監控。

All the above connected transactions have complied with the relevant requirements of the Listing Rules in respect of connected transactions. Save as disclosed above, none of the related party transactions disclosed in the Group's financial statements are connected transactions within the meaning of the Listing Rules.

上述關連交易均已遵守上市規則對於關連交易的有關規定。除上述所披露外，本集團財務報表中所披露的關聯方交易中概無屬於上市規則中所述的關連交易。

### 3. Confirmation by the independent non-executive Directors

The independent non-executive Directors have reviewed each of the aforementioned disclosed continuing connected transactions and confirmed that the transactions have been conducted:

a. in the ordinary and usual course of business of the Group;

b. either on normal commercial terms or, if there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favorable to the Group than terms available to or from (as case may be) independent third parties; and

c. in accordance with the agreement governing the relevant transactions, on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

### 4. Confirmation of Auditor

The Board has received a confirmation letter in relation to above continuing connected transactions from Baker Tilly Hong Kong Limited ("**Baker Tilly Hong Kong**"), confirming with respect to the above continuing connected transactions as at 31 December 2022 that:

a. nothing has come to the auditors' attention that causes the auditors to believe that the disclosed continuing connected transactions have not been approved by the Board;

b. for the transactions involving the provision of goods or service by the Group, nothing has come to the auditors' attention that causes the auditors to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

c. nothing has come to the auditors' attention that causes the auditors to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

d. nothing has come to the auditors' attention that causes the auditors to believe that the disclosed continuing connected transactions have exceeded the annual cap.

### 3. 獨立非執行董事確認

獨立非執行董事已審核上述各項已披露之持續關連交易，並確認：

a. 該等交易屬本集團的日常業務；

b. 該等交易按照一般商務條款進行，或如可供比較的交易不足以判斷該等交易的條款是否一般商務條款，則對本集團而言，該等交易的條款不遜於獨立第三方可取得或提供(視屬何情況而定)；及

c. 該等交易是根據有關交易的協議條款進行，而交易條款公平合理，並且符合股東的整體利益。

### 4. 核數師確認

董事會已收到核數師天職香港會計師事務所有限公司(「**天職香港**」)就上述持續關連交易的確認函，確認截至2022年12月31日止，針對上述持續關連交易：

a. 未注意到任何事項，使其相信該等已披露的持續關連交易未經董事會批准；

b. 針對涉及到需要本集團提供貨品或服務的交易，未注意到任何事項，使其相信交易在所有重大方面未按照本集團的定價政策進行；

c. 未注意到任何事項，使其相信交易在所有重大方面未根據有關該等交易的協議進行；及

d. 未注意到任何事項，使其相信該等已披露的持續關連交易已超逾全年上限。

有關重大關聯方交易詳情詳見按照國際會計準則編製的合併財務報表附註37。上市規則要求披露的關連交易和持續性關連交易信息已載於本章。就上述關連交易及於合併財務報表附註37披露的關聯方交易，除上文披露外，並不構成本公司關連交易或持續性關連交易，或未獲豁免披露的關連交易或持續性關連交易，董事確認報告期內本公司已符合上市規則第14A章的披露規定。

## U. 《避免同業競爭協議》的遵守

2016年4月25日，本公司與控股股東昆明滇池投資簽署了《避免同業競爭協議》，根據該協議約定，昆明滇池投資不會，並促使其附屬企業不會在相關業務方面與本集團競爭，並授予本公司新業務機會選擇權、收購保留業務及新業務的選擇權及優先購買權。

獨立非執行董事將負責審查、考慮及決定是否採納昆明滇池投資或其附屬公司向本公司轉介的新業務機會、行使收購選擇權及優先購買權。

昆明滇池投資承諾，於2022年度遵守了《避免同業競爭協議》。獨立非執行董事已審查2022年度內《避免同業競爭協議》的執行，並確認昆明滇池投資已全面遵守協議，並無違反協議的情形。

## V. 退休及僱員福利計劃

本集團的退休及僱員福利計劃詳情載於財務報表附註10。

## W. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Being a company listed on the Hong Kong Stock Exchange, the Company is always dedicated to maintaining the corporate governance practices at a high standard. The Company has adopted the code provisions of the Corporate Governance Code as contained in Appendix 14 to the Listing Rules (the "**CG Code**") and those set out in the Corporate Governance Report as its own corporate governance code. During the Reporting Period, the Company had established various committees under the Board and formulated the relevant corporate governance system in accordance with the provisions contained in the CG Code.

During the Reporting Period, the Company has been observing all mandatory code provisions as stipulated in the CG Code except for provision B.2.2 (details of which are stated in the Corporate Governance Report on pages 113 to 114 hereof).

## W. 遵守《企業管治守則》

本公司作為香港聯交所上市公司，始終致力於保持高水平的企業管治常規。本公司已採納上市規則附錄十四所載的《企業管治守則》(「**企業管治守則**」)及企業管治報告內的守則條文，作為其本身的企業管治守則。本報告期內，本公司已根據守則內所載之條文設置了各個董事委員會並制訂了相關的企業管治制度。

於本報告期內，除企業管治守則條文B.2.2外(詳情載於企業管治報告第113頁至第114頁)，本公司已遵守企業管治守則所載的一切強制性守則條文。

## X. PUBLIC FLOAT

Based on publicly available information and to the knowledge of the Directors, there is sufficient public float of at least 25% of the Company's issued H Shares as at the Latest Practicable Date, which is in compliance with the requirements of minimum public float of the Listing Rules.

## X. 公眾持股量

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

## Y. DONATIONS

During the Reporting Period, the Company had made donations for charity of RMB nil in an aggregate.

## Y. 捐贈

於本報告期內，本公司合共作出人民幣零元的慈善捐贈。

## Z. PERMITTED INDEMNITY PROVISIONS

During the Reporting Period, the Company had purchased and maintained a group liability insurance for the Directors of (including but not limited to) the Company and its "Associated Companies" (as defined for such term under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)).

## Z. 獲准許的彌償條文

於報告期內，本公司已為(包括但不限於)本公司及其「有聯繫公司」(如公司條例(香港法例第622章)下賦予該詞彙的定義)的董事購買及維持一項集體責任保險。

## AA. AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the Financial Statements of the Group for the year ended 31 December 2022 prepared in accordance with the International Financial Reporting Standards in 2022.

## AA. 審計委員會

本公司的審計委員會已審閱本集團2022年按《國際財務報告準則》編製的截至2022年12月31日止年度的財務報表。

# CHAPTER EIGHT REPORT OF THE BOARD OF DIRECTORS

Under code provision B.2.2, every director, including those appointed for a specific term, should be subjected to retirement by rotation at least once every three years. As at the end of the Reporting Period, the terms of office of the first Board and the board of supervisors of the Company (the "**Supervisors**") have expired for 3 years, but the relevant nomination work of relevant candidates has not yet ended. At the same time, the Board considers the continuity of the Board and the Supervisors. Under the relevant provisions of the Articles of Association of the Company, if, upon the expiry of a director's term of office, a new director cannot be elected on a timely basis, before the re-elected director commences his/her term of office, such director shall continue to perform his/her duties in accordance with the laws, administrative regulations, departmental rules and the Articles of Association of the Company. Therefore, the Board considers that deviations from provision B.2.2 of the CG Code will not have a significant impact on the Group's operation as a whole and the Company will complete the relevant work as soon as possible.

根據企業管治守則第B.2.2條，每名董事(包括有指定日期的董事)應輪流退任，至少每三年一次。截至報告期末，本公司第一屆董事會、監事(「**監事**」)會任期已滿三年，惟相關候選人的提名工作尚未結束，與此同時，董事會考慮到董事會、監事會工作的連續性，在《公司章程》的相關規定下，董事任期屆滿未及時改選，在改選出的董事就任前，原董事仍應當依照法律、行政法規、部門規章和《公司章程》的規定，履行董事職務。故董事會認為偏離企業管治守則條文第B.2.2條的情形整體上不會對本集團的運營造成重大影響。並且本公司將盡快完成相關工作。

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

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

## B. COMPLIANCE WITH THE MODEL CODE FOR SECURITIES DEALINGS BY THE DIRECTORS AND SUPERVISORS

## B. 遵守董事及監事進行證券交易之標準守則

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its own code of conduct for its directors, supervisors and relevant employees (has the same meaning ascribed to it under the CG Code) in respect of their dealings in the Company's securities. After making specific enquiries to all of the Directors (except Mr. Luo Yun who cannot be contacted by the Company as at the date of this report) and Supervisors, the Directors and Supervisors confirmed that they had strictly complied with the required standards as set out in the Model Code during the Reporting Period.

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

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

截至本報告期末，董事會組成如下：

| Name<br>姓名 | Age<br>年齡 | Sex<br>性別 | Position<br>職位 | Appointment date<br>委任日期 | Term<br>任期 |
|---|---|---|---|---|---|
| Mr. Zeng Feng<br>曾鋒先生 | 58<br>58 | Male<br>男 | Chairperson; Executive Director<br>董事長、執行董事 | 16 September 2021<br>2021年9月16日 | 3 years<br>3年 |
| Mr. Chen Changyong<br>陳昌勇先生 | 53<br>53 | Male<br>男 | Executive Director and General Manager<br>執行董事兼總經理 | Appointed as General Manager on 10 July 2019 and as Executive Director on 19 June 2020<br>2019年7月10日獲委任為總經理及於2020年6月19日獲委任為執行董事 | 3 years<br>3年 |
| Mr. Luo Yun<br>羅雲先生 | 44<br>44 | Male<br>男 | Executive Director and Deputy General Manager<br>執行董事兼副總經理 | Served as Deputy General Manager from January 2015 to 7 February 2023 and as Executive Director from 23 June 2016 to 6 April 2023<br>2015年1月至2023年2月7日任副總經理及於2016年6月23日至2023年4月6日任執行董事 | 3 years<br>3年 |
| Ms. Song Hong<br>宋紅女士 | 59<br>59 | Female<br>女 | Non-executive Director<br>非執行董事 | 23 June 2016<br>2016年6月23日 | 3 years<br>3年 |
| Ms. Ren Na<br>任娜女士 | 42<br>42 | Female<br>女 | Non-executive Director<br>非執行董事 | 6 November 2020 to 6 April 2023<br>2020年11月6日至2023年4月6日 | 3 years<br>3年 |
| Mr. Zhang Yang<br>張洋先生 | 37<br>37 | Male<br>男 | Non-executive Director<br>非執行董事 | 7 December 2022<br>2022年12月7日 | 3 years<br>3年 |
| Ms. Wang Dongfang<br>王東方女士 | 47<br>47 | Female<br>女 | Independent Non-executive Director<br>獨立非執行董事 | 7 December 2022<br>2022年12月7日 | 3 years<br>3年 |
| Ms. Zheng Dongyu<br>鄭冬渝女士 | 66<br>66 | Female<br>女 | Independent Non-executive Director<br>獨立非執行董事 | 18 June 2021<br>2021年6月18日 | 3 years<br>3年 |
| Mr. Ong King Keung<br>王競強先生 | 47<br>47 | Male<br>男 | Independent Non-executive Director<br>獨立非執行董事 | 12 November 2021<br>2021年11月12日 | 3 years<br>3年 |

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

董事履歷資料及董事會成員間關係於本年報之「董事、監事及高級管理層簡歷」一節中披露。

### b. Job Duties and Authority of the Board of Directors

The Board of Directors shall be accountable to the general meeting and have the duty to report to the general meeting. The Board of Directors shall be responsible for implementing the resolutions of the general meeting, the formulation and review of corporate governance policies and practices, the review and monitoring of the training and continuous professional development of Directors and senior management, the review and monitoring of the Company's policies and practices on compliance with legal and regulatory requirements, the review of compliance with the Corporate Governance Code, etc. During the Reporting Period, the Board has reviewed the implementation of corporate governance policies and practices, internal risk management and control, and compliance control. The authority of the Board of Directors are expressly stated in the Articles of Association of the Company and the major responsibilities of the Board of Directors include: being responsible for convening the general meeting, implementing the resolutions of the general meeting, determining the operating plan and investment proposals of the Company, setting up the annual financial budget proposal, final accounts, profit distribution proposal, proposal for increase or decrease of capital and others, deciding on the establishment of the Company's management authority, determining the appointment or dismissal of general manager, deputy general manager and other senior management officers, formulating the basic management system of the Company and determining the establishment of the special committees of the Board of Directors.

### c. Job Duties and Authority of the Management

The management is responsible for the specific implementation of the resolutions of the Board of Directors and the daily business management of the Company. In accordance with the Articles of Association of the Company, the major responsibilities of the management include: to propose the Company's operating plan and investment proposal, to propose the plan of establishing the internal management authority, to propose the basic management system of the Company and to formulate the Company's specific regulations.

## 2. Meetings of Board of Directors and General Meeting

In accordance with the provisions of the Articles of Association of the Company, meetings of the Board of Directors shall be convened at least four times a year. The Chairperson is responsible for the convening of the Board meeting and is responsible for preparing the Board meeting agenda. A notice of regular Board meeting shall be given to all Directors at least 14 days before the meeting is convened pursuant to the requirements of the Code, and such notice shall state the date, time and venue of the meeting to be convened and the format to be adopted for such meeting. For other interim Board meetings, reasonable notices shall be delivered to all Directors.

### b. 董事會職責及職權

董事會對股東大會負責並向其報告工作，負責執行股東大會決議，負責制定及檢討企業管治政策及常規、檢討及監察董事及高級管理層的培訓及持續專業發展、檢討及監察公司在遵守法律及監管規定方面的政策及常規檢討遵守企業管治守則的情況等。報告期內，董事會已對企業管治政策及常規、內部風險管理與控制、合規控制等方面執行情況進行了檢視。董事會職權已在本公司章程中有明確規定，其主要職權如下：負責召集股東大會、執行股東大會決議，決定公司的經營計劃和投資方案，制訂年度財務預算方案、決算方案、利潤分配方案、增減資方案等，決定公司管理機構的設置，決定聘任或者解聘總經理、副總經理等高級管理人員，制定公司基本管理制度以及決定董事會專門委員會的設置等。

### c. 管理層職責及職權

管理層負責具體執行董事會決議及公司日常經營管理。根據本公司章程，管理層主要職權如下：擬定公司經營計劃和投資方案，擬定內部管理機構設置方案，擬定公司基本管理制度及制定公司具體規章等。

## 2. 董事會會議及股東大會

根據本公司章程的規定，董事會每年至少召開四次會議，董事長負責董事會會議的召集，並負責擬定董事會會議議程。定期董事會會議通知會按守則的要求於會議舉行前14天送呈各董事，並會於通知上列明會議召開的時間、地點以及會議將採取的方式。其他臨時董事會會議則向各董事發出合理通知。

In accordance with the provisions of the Listing Rules, in the event that the Company decides to declare, propose or pay dividends, or it shall pass at the meeting of the Board of Directors such resolutions in respect of profits or loss for any year, half-year or other periods, the Company must give a notice to the Hong Kong Stock Exchange at least seven working days before the convening of such meeting and must issue an announcement thereof.

根據上市規則規定，在決定宣派、建議或支付股息，或將於會上通過任何年度、半年度或其他期間有關盈利或虧損的議案的董事會會議，公司必須在進行該等會議至少足七個工作日之前通知香港聯交所並進行公告。

Save for the circumstances where connected transactions are reviewed and considered at a meeting of the Board of Directors as required by the Articles of Association of the Company, meetings of the Board of Directors shall be held only if half or more of the Directors are present. Directors shall attend Board meetings in person. If a Director is unable to attend a Board meeting for some reasons, he or she may entrust another Director to attend the meeting on his or her behalf and shall specify the scope of the authorisation in a power of attorney. The secretary of the Company's Board of Directors is responsible for preparing and safekeeping the minutes of the Board meetings and ensuring that the Directors can enquire about such minutes.

除公司章程規定的董事會審議關連交易事項的情況外，董事會會議應由過半數董事出席方可舉行。董事會會議應當由董事本人出席，如因故不能出席，可委託其他董事代為出席，但應當在委託書中載明授權範圍。公司董事會秘書負責製作和保管董事會會議記錄，並確保董事能夠查詢該等記錄。

The Directors confirm that during the Reporting Period, the Company has strictly complied with the provisions in relation to the meetings of the Board of Directors. The Chairperson held a meeting with the independent non-executive Directors without presence of other Directors during the year. During the Reporting Period, the Board of Directors convened a total of 25 meetings. The attendance of the meetings by the Directors was as follows:

董事確認，報告期內，本公司嚴格遵守有關董事會會議的規定。董事長已於年內與獨立非執行董事舉行了沒有其他董事在場的會議。報告期內，董事會共召開了25次會議，董事出席會議的情況如下：

| Name<br>姓名 | Position<br>職位 | Number of meetings attended/should attend<br>出席／應參加會議次數 | Attendance Rate<br>出席率 |
|---|---|---|---|
| Mr. Zeng Feng<br>曾鋒先生 | Chairperson; Executive Director<br>董事長、執行董事 | 25/25 | 100% |
| Mr. Chen Changyong<br>陳昌勇先生 | Executive Director and General Manager<br>執行董事兼總經理 | 25/25 | 100% |
| Mr. Luo Yun<br>羅雲先生 | Executive Director and Deputy General Manager<br>執行董事兼副總經理 | 20/25 | 80% |
| Ms. Song Hong<br>宋紅女士 | Non-executive Director<br>非執行董事 | 24/25 | 96% |

| Name<br>姓名 | Position<br>職位 | Number of meetings attended/should attend<br>出席／應參加會議次數 | Attendance Rate<br>出席率 |
|---|---|---|---|
| Ms. Ren Na<br>任娜女士 | Non-executive Director<br>非執行董事 | 25/25 | 100% |
| Ms. Yu Yanbo (1)<br>余燕波女士(1) | Non-executive Director<br>非執行董事 | 21/21 | 100% |
| Mr. Zhang Yang (2)<br>張洋先生(2) | Non-executive Director<br>非執行董事 | 4/4 | 100% |
| Mr. Yin Xiaobing (3)<br>尹曉冰先生(3) | Independent Non-executive Director<br>獨立非執行董事 | 21/21 | 100% |
| Ms. Wang Dongfang (4)<br>王東方女士(4) | Independent Non-executive Director<br>獨立非執行董事 | 4/4 | 100% |
| Ms.Zheng Dongyu<br>鄭冬渝女士 | Independent Non-executive Director<br>獨立非執行董事 | 25/25 | 100% |
| Mr. Ong King Keung<br>王競強先生 | Independent Non-executive Director<br>獨立非執行董事 | 24/25 | 96% |

*Notes:*

(1) The resignation of Ms. Yu Yanbo from her positions as a non-executive Director of the Company took effect after the 2022 First EGM, and she was not required to participate in any Board meetings held after the effective date of her resignation.

(2) Upon approval at the 2022 First EGM, Mr. Zhang Yang was appointed as a non-executive Director and participated in all Board meetings held after his appointment.

(3) The resignation of Mr. Yin Xiaobing from relevant positions in the Company, took effect after the 2022 First EGM, and he was not required to participate in any Board meetings held after the effective date of his resignation.

(4) Upon approval at the 2022 First EGM, Ms. Wang Dongfang was appointed as an independent non-executive Director and participated in all Board meetings held after her appointment.

*附註：*

(1) 余燕波女士辭任本公司非執行董事於2022年第一次臨時股東大會後生效，毋須參加其辭任生效後的董事會會議。

(2) 張洋先生是經2022年第一次臨時股東大會批准後新委任的非執行董事，參加了獲委任後的全部董事會會議。

(3) 尹曉冰先生辭任於本公司擔任的相關職務已於2022年第一次臨時股東大會後生效，毋須參加其辭任生效後的董事會會議。

(4) 王東方女士是經2022年第一次臨時股東大會批准後新委任的獨立非執行董事，參加了獲委任後的全部董事會會議。

During the Reporting Period, 1 annual general meeting and 1 extraordinary general meeting were held. Prior to the general meeting, reasonable notice was given in strict accordance with the relevant requirements of the Listing Rules and the Articles of Association, and the chairpersons and members of the special committees were invited to attend the meetings and individual resolutions were proposed on the actual separate issues to be considered at the general meetings. The attendance of the Directors was as follows:

報告期內，本公司共召開了1次股東週年大會和1次臨時股東大會。於股東大會召開前，公司嚴格按照上市規則及章程等相關規定發出合理通知，並邀請專門委員會主任及委員出席，於股東大會上所提審的實際獨立的議題均個別提出決議案。董事出席會議的情況如下：

| Name<br>姓名 | Position<br>職位 | Number of meetings attended/should attend<br>出席／應參加會議次數 | Attendance rate<br>出席率 |
|---|---|---|---|
| Mr. Zeng Feng<br>曾鋒先生 | Chairperson; Executive Director<br>董事長、執行董事 | 2/2 | 100% |
| Mr. Chen Changyong<br>陳昌勇先生 | Executive Director and General Manager<br>執行董事兼總經理 | 2/2 | 100% |
| Mr. Luo Yun<br>羅雲先生 | Executive Director and Deputy General Manager<br>執行董事兼副總經理 | 1/2 | 50% |
| Ms. Song Hong<br>宋紅女士 | Non-executive Director<br>非執行董事 | 2/2 | 100% |
| Ms. Ren Na<br>任娜女士 | Non-executive Director<br>非執行董事 | 2/2 | 100% |
| Ms. Yu Yanbo (1)<br>余燕波女士(1) | Non-executive Director<br>非執行董事 | 2/2 | 100% |
| Mr. Zhang Yang (2)<br>張洋先生(2) | Non-executive Director<br>非執行董事 | 1/1 | 100% |
| Mr. Yin Xiaobing (3)<br>尹曉冰先生(3) | Independent non-executive Director<br>獨立非執行董事 | 2/2 | 100% |
| Ms. Wang Dongfang (4)<br>王東方女士(4) | Independent non-executive Director<br>獨立非執行董事 | 1/1 | 100% |
| Ms. Zheng Dongyu<br>鄭冬渝女士 | Independent Non-executive Director<br>獨立非執行董事 | 2/2 | 100% |
| Mr. Ong King Keung<br>王競強先生 | Independent Non-executive Director<br>獨立非執行董事 | 2/2 | 100% |

*Notes:*

(1) Ms. Yu Yanbo tendered her resignation to the Board on 21 October 2022. Her resignation took effect after the 2022 First EGM.

(2) Mr. Zhang Yang was a non-executive Director newly appointed after approval at the 2022 First EGM, and he participated in the EGM as a candidate of Director.

(3) Mr. Yin Xiaobing tendered his resignation to the Board on 21 October 2022. His resignation took effect after the 2022 First EGM.

(4) Ms. Wang Dongfang was an independent non-executive Director newly appointed after approval at the 2022 First EGM, and she participated in the EGM as a candidate of Director.

### 3. Chairperson and President

During the Reporting Period, Company fully complied with the relevant requirements that the roles of chairperson and chief executive officer should be separated and should not be held by the same person under the provision C.2.1 of the CG Code. Currently, Mr. Zeng Feng is the Chairperson of the Company and Mr. Chen Changyong is the general manager (President) of the Company. The role of the Chairman was separate from that of the general manager (President), and they performed corresponding duties respectively in accordance with relevant laws and regulations and provision of the Company's Articles of Association. The Chairperson is responsible for leading the Board, ensuring the effective functioning of the Board, assuming primary responsibility for good corporate governance practices and procedures, encouraging all Directors to take an active part in the affairs of the Board and ensuring that all Directors are provided with sufficient and reliable information in a timely manner required for necessary analysis based on their expertise.

*附註：*

(1) 余燕波女士已於2022年10月21日向董事會提交辭呈，其辭任已於2022年第一次臨時股東大會後生效。

(2) 張洋先生是經2022年第一次臨時股東大會批准後新委任的非執行董事，其以董事候選人的身份參加了該次臨時股東大會。

(3) 尹曉冰先生已於2022年10月21日向董事會提交辭呈，其辭任已於2022年第一次臨時股東大會後生效。

(4) 王東方女士是經2022年第一次臨時股東大會批准後新委任的獨立非執行董事，其以董事候選人的身份參加了該次臨時股東大會。

### 3. 董事長及總裁

於報告期內，本公司已完全遵守企業管治守則第C.2.1條，董事長與行政總裁的角色應分開，不由同一人擔任的相關規定。現本公司董事長由曾鋒先生擔任，總經理(總裁)由陳昌勇先生擔任，董事長及總經理(總裁)職務已明確劃分，並根據相關法律法規及本公司《公司章程》的規定分別履行相應的職責。董事長負責領導董事會，確保董事會有效運作，對良好企業管治常規及程序負主要責任，鼓勵所有董事積極投入董事會事務並確保全體董事獲及時提供足夠及可靠資料，足以應付彼等根據專長作出必要分析所需。

### 4. Appointment of Directors

In accordance with the provisions of the Articles of Association of the Company, the Directors shall be elected and appointed at the general meeting for a term of three years, after which they may be re-elected. The Company has formulated the procedures of such appointment. The Nomination Committee is responsible for identifying and nominating new Directors after taking into account a number of factors including the Board's structure, diversity policy and facilitation of the Board's operations, before submitting them to the Board for consideration and all newly nominated Directors must be elected and approved at a general meeting. In nominating independent non-executive Directors, in addition to the above factors, the Nomination Committee also places emphasis on assessing the independence of the candidates to ensure that the relevant independent non-executive Directors can make an independent and professional contribution to the operation of the Board. It also considers information on candidates' directorships and senior management positions in other companies, particularly other public companies and listed companies, in order to assess whether they have sufficient time to devote to the Company's business.

Under code provision B.2.2, every Director, including those appointed for a specific term, should be subjected to retirement by rotation at least once every three years. As of the end of the Reporting Period, the terms of office of the first Board and the board of supervisors of the Company have expired for 3 years, but new directors and supervisors have not been elected, and the original directors and supervisors, before their posts are taken up by the re-elected directors and supervisors, continued to perform their duties. Therefore, the Board considers that deviations from provision B.2.2 of the Corporate Governance Code will not have a significant impact on the Group's operation in general.

### 4. 委任董事

根據本公司章程規定，董事須於股東大會上選任，任期為三年，可連選連任。公司制定了董事的委任程序。提名委員會根據董事會架構、多元化政策及促進董事會運作等多方因素考量，負責物色人選並提名新董事，然後提交董事會審議，所有新提名董事均須於股東大會上選舉及批准。在提名獨立非執行董事時，提名委員會除了考量上述因素外，還著重對候任人選的獨立性展開評估，確保相關獨立非執行董事能對董事會的運作作出獨立、專業的貢獻。同時對其在其他公司，特別是其他公眾公司、上市公司中擔任董事、高級管理層等情況進行考量，以評估其是否有足夠的時間投入本公司的業務。

根據企業管治守則第B.2.2條，每名董事(包括有指定日期的董事)應輪流退任，至少每三年一次。截至報告期末，本公司第一屆董事會、監事會任期已滿三年，尚未完成改選，在改選出的董事、監事就任前，原董事、監事仍繼續履行董事職務。故董事會認為偏離企業管治守則條文第B.2.2條的情形整體上不會對本集團的運營造成重大影響。

### 5. Mechanism for the Board to obtain independent advice

There are three independent non-executive Directors of the Board. In appointing independent non-executive directors, the Nomination Committee and the Board will focus on assessing factors such as the independence and time commitment of candidates to ensure that the Board receives independent and professional advice and recommendations from the relevant independent non-executive Directors in the course of daily operation of the Board. Meanwhile, the Company's Articles of Association also specify that the independent non-executive Directors can report directly to the general meeting, the securities regulatory authority of the State Council and other relevant departments, and that, for major investment decisions involved, the Board shall engage social advisory bodies to provide independent professional advice, etc. The relevant mechanism provides institutional protection and enforceable procedural safeguards for the Board to obtain independent advice in the operation of the Company.

### 5. 董事會獲取獨立意見機制

本公司董事會中有3名獨立非執行董事，在委任獨立非執行董事時，提名委員會及董事會會著重對候任人選的獨立性及時間投入等因素展開評估，可確保董事會在日常運作過程中獲得相關獨立非執行董事獨立、專業的意見建議。同時，本公司章程也明確了獨立非執行董事可直接向股東大會、國務院證券管理機構和其他有關部門報告情況，對於涉及的重大的投資決策，董事會應聘請社會諮詢機構提供獨立的專業意見等，相關機制為董事會在公司運作中獲取獨立意見提供了制度保障和可執行的程序保障。

### 6. Remuneration of Directors

The Directors may receive basic salary, non-monetary advantage, right to pension, bonuses, and compensations (including such compensation provided due to the loss or termination of their job duties or appointment). The remuneration standards of the Directors are set by the Remuneration and Appraisal Committee based on the principle of balancing the rights, responsibilities and benefits, taking into account relevant laws and regulations, the industry standards, the development stage of the Company and the duties and contributions of the Directors. The Remuneration and Appraisal Committee will revise the relevant standards in a timely manner in the event of significant changes in industry standards and the development status of the Company. When recommending the appointment of Directors and senior management, the Remuneration and Appraisal Committee will advise the Board on the remuneration packages of the candidates, taking into account the candidates' qualifications and expected contribution to the Board based on the Company's remuneration standards.

### 6. 董事薪酬

董事可收取基本薪金、非金錢利益、退休金權利及獎金，以及賠償金額(包括喪失或終止職務或任命的賠償)。董事的薪酬標準乃由薪酬與考核委員會經考量相關法律法規規定、行業水平、公司發展階段以及董事職責與貢獻等基礎上，基於權責利相匹配的原則而制定。在行業水平、公司發展狀況等出現重大變化時將會由薪酬與考核委員會對相關標準進行適時修訂。於建議委任董事及高級管理層時，薪酬委員會將在公司薪酬標準內，結合候選人資歷、預期將給董事會作出的貢獻等方面綜合考慮後向董事會建議相關人選的薪酬待遇。

The independent non-executive Directors receive their remuneration from the Company, whereby the Company shall pay Mr. Yin Xiaobing, Ms. Zheng Dongyu and Ms. Wang Dongfang an amount of pre-tax remuneration of RMB150,000, respectively on a yearly basis, and Mr. Ong King Keung (an independent non-executive Director in Hong Kong) an amount of pre-tax remuneration of RMB220,000 on a yearly basis. The remuneration is paid to each of the independent non-executive Directors after deducting the relevant taxes and fees during their respective terms of office in the year. The Company do not provide performance-based equity remuneration to the independent non-executive Directors. Travel and accommodation expenses incurred for the Company's Board meetings, general meetings and the relevant activities organised by the Board of Directors attended by the independent non-executive Directors shall be borne by the Company. As for those non-executive Directors who do not take any management job duties in the Company, they do not receive their remuneration from the Company. The executive Directors who undertake management job duties in the Company shall receive their remuneration from the Company. The remuneration of all executive Directors shall be determined pursuant to the standards as provided in the "Measures Regarding Remuneration Management" of the Company, and in particular, such remuneration shall include the basic salary, performance bonus and other benefits. The basic salary is determined based on the position held by an executive Director in the

For the year ended 31 December 2022, the Directors have participated in the following training:

截至2022年12月31日止年度，董事曾參與下列培訓：

| Director | 董事 | Type of training 培訓類型 | Duration of training days 培訓課時 |
|---|---|---|---|
| Mr. Zeng Feng *(Chairperson)* | 曾鋒先生*(董事長)* | A, B | 18 |
| Mr. Chen Changyong *(General Manager)* | 陳昌勇先生*(總經理)* | A, B | 18 |
| Mr. Luo Yun | 羅雲先生 | A, B | 16 |
| Ms. Song Hong | 宋紅女士 | A, B | 18 |
| Ms. Ren Na | 任娜女士 | A, B | 18 |
| Mr. Zhang Yang | 張洋先生 | A, B | 6 |
| Ms. Wang Dongfang | 王東方女士 | A, B | 6 |
| Ms. Zheng Dongyu | 鄭冬渝女士 | A, B | 18 |
| Mr. Ong King Keung | 王競強先生 | A, B | 15 |

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

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

A： 閱讀有關持續合規責任、企業管治及其他相關課題的相關材料

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

## 8. Company Secretary and his training

During the Reporting Period, Mr. Chiu Ming King (趙明璟) acted as the company secretary of the Company and was responsible for facilitating the procedures of the Board of Directors and facilitating the communication between the Directors and between the Directors and Shareholders and the management level. The profiles of the company secretary are stated in the section headed "Profiles of Directors, Supervisors and Senior Management" in this report. During the Reporting Period, as the company secretary, Mr. Chiu received professional training for no less than 15 hours to update his technique and knowledge. Mr. Chiu's main contact with the Company is Mr. Zeng Feng, our Chairperson.

## 8. 公司秘書及其培訓

報告期內，本公司之公司秘書由趙明璟先生擔任，負責促進董事會程序，以及董事之間及董事與股東及管理層之間溝通。公司秘書的簡歷載於本報告「董事、監事及高級管理層簡歷」一節。報告期內，趙先生作為公司秘書已接受不少於15小時更新其技能及知識的專業培訓。趙先生在本公司的主要聯絡人為董事長曾鋒先生。

## D. COMMITTEES UNDER THE BOARD OF DIRECTORS

Our Board of Directors delegates certain responsibilities to various committees. In accordance with relevant PRC laws, regulations, the Articles of Association of the Company and certain rules and regulations, we have formed four committees, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, and the Strategy and Investment Decision Committee, and have expressly stated its terms of reference for the committees in writing.

### 1. Audit Committee

The Audit Committee of the Company consists of three members, all of which are independent non-executive Directors. During the Reporting Period, such members include Mr. Yin Xiaobing (ceased to be an independent non-executive Director and the Chairperson of the Audit Committee with effect from 7 December 2022), Ms. Wang Dongfang (served as the Chairperson of the Audit Committee with effect from 7 December 2022), Ms. Zheng Dongyu and Mr. Ong King Keung.

The principal responsibilities of the Audit Committee are to review the financial information of the Company, review and supervise the Company's financial reporting process, financial control, internal control and risk management systems, to supervise the Company's internal audit system and perform corporate governance duties, and to oversee the audit process and to recommend the engagement or replacement of external auditors. The Audit Committee is also responsible for the communications between the internal and the external auditors and performing other duties and responsibilities as assigned by the Board.

As for the selection, appointment and dismissal of external auditors

During the Reporting Period, the Audit Committee held 6 meetings, the details of which are as follows:

報告期內，審計委員會共召開6次會議，詳情如下：

On 4 March 2022, a meeting of the Audit Committee was held in the Company, at which 2 proposals including the authorization of the Board to select and determine the Company's Auditors for the year of 2022 were considered and approved by the Audit Committee.

於2022年3月4日在本公司內召開審計委員會會議，會議審議了包括授權董事會選聘確定公司2022年度核數師等共2項議題並獲得審計委員會審議通過。

On 25 March 2022, a meeting of the Audit Committee was held in the Company, at which 11 proposals including the Proposal on Report from the External Auditors on the Audit of the Company's 2021 Annual Results, the Proposal on Audited Financial Statements in the Previous Year and the Proposal on Profit Distribution Plan were considered and approved by the Audit Committee.

於2022年3月25日在本公司內召開審計委員會會議，會議審議了包括對外聘核數師就公司2021年度業績審計情況發出之報告、上一年度經審核的財務報表、利潤分配方案等共11項議題並獲得審計委員會審議通過。

On 9 May 2022, a meeting of the Audit Committee was held in the Company, at which 2 proposals including the proposed appointment of the Company's Auditors for the year of 2022 were considered and approved by the Audit Committee.

於2022年5月9日在本公司內召開審計委員會會議，會議審議了包括建議委任公司2022年度核數師等共2項議題並獲得審計委員會審議通過。

On 5 July 2022, a meeting of the Audit Committee was held in the Company, at which 2 proposals including the report of the Company's external auditors on the audit work were considered and approved by the Audit Committee.

於2022年7月5日在本公司內召開審計委員會會議，會議審議了包括公司外聘核數師匯報審計工作情況等共2項議題並獲得審計委員會審議通過。

On 26 August 2022, a meeting of the Audit Committee was held in the Company, at which 7 proposals including the Proposal on Report from the External Auditors on the Review of the Company's 2022 Interim Results and the Proposal on 2022 Interim Results Report were considered and approved by the Audit Committee.

於2022年8月26日在本公司內召開審計委員會會議，會議審議了包括外聘核數師就公司2022年中期業績審閱情況發出之報告、2022年中期業績公告等共7項議題並獲得審計委員會審議通過。

On 7 December 2022, a meeting of the Audit Committee was held in the Company, at which 2 proposals including the election of the Chairperson of the Audit Committee of the Board were considered and approved by the Audit Committee.

於2022年12月7日在本公司內召開審計委員會會議，會議審議了包括選舉董事會審計委員會主任委員等共2項議題並獲得審計委員會審議通過。

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

報告期內，各委員出席會議情況如下：

| Name | 姓名 | Number of meetings attended/should attend 出席／應參加會議次數 | Attendance rate 出席率 |
|---|---|---|---|
| Ms. Wang Dongfang *(Chairperson)* | 王東方女士*(主任委員)* | 1/1 | 100% |
| Mr. Yin Xiaobing | 尹曉冰先生 | 5/5 | 100% |
| Ms. Zheng Dongyu | 鄭冬渝女士 | 6/6 | 100% |
| Mr. Ong King Keung | 王競強先生 | 6/6 | 100% |

### 2. Remuneration and Appraisal Committee

During the Reporting Period, the Remuneration and Appraisal Committee of the Company consists of three members, including two independent non-executive Directors and one executive Director, and the committee shall be chaired by an independent non-executive Director. The members include Mr. Ong King Keung (chairperson), Mr. Zeng Feng, Mr. Yin Xiaobing (ceased to be an independent non-executive Director and a member of the Remuneration and Appraisal Committee with effect from 7 December 2022) and Ms. Wang Dongfang (appointed as a member of the Remuneration and Appraisal Committee with effect from 7 December 2022).

The principal responsibilities of the Remuneration and Appraisal Committee are to formulate and review the policy and structure of the remuneration for the Directors and senior management and advise on the same to the Board, to make corresponding recommendations to the Board on the remuneration packages of each executive Director and senior management, to establish the performance evaluation standards, procedures and system, to annually evaluate the performance of the Directors and senior management, make corresponding recommendations to the Board, review and approve matters relating to the share scheme under Chapter 17 of the Listing Rules and perform other duties and responsibilities as assigned by the Board.

### 2. 薪酬與考核委員會

報告期內，本公司薪酬與考核委員會包括三名委員，其中獨立非執行董事兩名，執行董事一名，主任委員由獨立非執行董擔任。包括王競強先生(主任委員)、曾鋒先生、尹曉冰先生(於2022年12月7日起不再擔任獨立非執行董事及薪酬與考核委員會委員)、王東方女士(於2022年12月7日獲委任為薪酬與考核委員會委員)。

薪酬與考核委員會的主要職責為制定及檢討董事及高級管理層薪酬政策及結構並向董事會提出建議、向董事會建議個別執行董事及高級管理層的

During the Reporting Period, the Remuneration and Appraisal Committee held 3 meetings, the details of which are as follows:

報告期內，薪酬與考核委員會共召開3次會議，詳情如下：

On 21 October 2022, a meeting of the Remuneration and Appraisal Committee was held in the Company. The meeting considered a proposal of determining the salary of the director candidates which was approved by the Remuneration and Appraisal Committee. The candidate's remuneration plan will not take effect until the appointment of director of the candidates is considered and approved by the general meeting.

於2022年10月21日在本公司內召開薪酬與考核委員會會議，會議審議了釐定董事候選人薪酬的議題並獲得薪酬與考核委員會審議通過，候選人薪酬方案待股東大會審議通過候選人士擔任董事後方可生效執行。

On 2 November 2022, a meeting of the Remuneration and Appraisal Committee was held in the Company. The meeting considered a proposal of amendments to the Implementation Rules for Remuneration and Appraisal Committee of the Board which was approved by the Remuneration and Appraisal Committee.

於2022年11月2日在本公司內召開薪酬與考核委員會會議，會議審議了修訂《董事會薪酬與考核委員會實施細則》的議題並獲得薪酬與考核委員會審議通過。

On 30 December 2022, a meeting of the Remuneration and Appraisal Committee was held in the Company. The meeting considered a proposal of the appraisal and realisation of the remuneration of the person in charge of the Company for the year of 2021 which was approved by the Remuneration and Appraisal Committee.

於2022年12月30日在本公司內召開薪酬與考核委員會會議，會議審議了考核兌現2021年度企業負責人薪酬的議題並獲得薪酬與考核委員會審議通過。

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

報告期內，各委員出席會議情況如下：

| Name | 姓名 | Number of meetings attended/should attend 出席／應參加會議次數 | Attendance rate 出席率 |
|---|---|---|---|
| Mr. Ong King Keung *(Chairman)* | 王競強先生*(主任委員)* | 3/3 | 100% |
| Mr. Yin Xiaobing | 尹曉冰先生 | 2/2 | 100% |
| Ms. Wang Dongfang | 王東方女士 | 1/1 | 100% |
| Mr. Zeng Feng | 曾鋒先生 | 3/3 | 100% |

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

報告期內，各委員出席會議情況如下：

| Name | 姓名 | Number of meetings attended/should attend 出席／應參加會議次數 | Attendance rate 出席率 |
|---|---|---|---|
| Ms. Zheng Dongyu *(Chairperson)* | 鄭冬渝女士*(主任委員)* | 1/1 | 100% |
| Mr. Yin Xiaobing | 尹曉冰先生 | 2/2 | 100% |
| Mr. Zeng Feng | 曾鋒先生 | 3/3 | 100% |
| Mr. Ong King Keung | 王競強先生 | 3/3 | 100% |

### 4. Strategy and Investment Decision Committee

During the Reporting Period, the Strategy and Investment Decision Committee of the Company consists of three members, including two executive Directors and one independent non-executive Director, and the committee shall be chaired by an executive Director. The members include Mr. Zeng Feng (chairperson), Mr. Luo Yun, Mr. Yin Xiaobing (ceased to be an independent non-executive Director and a member of the Strategy and Investment Decision Committee with effect from 7 December 2022) and Ms. Wang Dongfang (served as a member of the Strategy and Investment Decision Committee with effect from 7 December 2022). Except for Mr. Yin Xiaobing and Ms. Wang Dongfang, who are independent non-executive Directors, all other members are executive Directors.

The principal responsibilities of the Strategy and Investment Decision Committee are to conduct studies and make recommendations to the Board on the long-term development plan and strategies, the significant investment or financing plans of the Company, and significant capital investment for operation projects, to review the implementation of those investment and financing plans, and to perform other duties and responsibilities as assigned by the Board.

### 4. 戰略與投資決策委員會

報告期內，本公司戰略與投資決策委員會包括三名委員，其中執行董事兩名，獨立非執行董事一名，主任委員由執行董事擔任。包括曾鋒先生(主任委員)、羅雲先生、尹曉冰先生(於2022年12月7日起不再擔任獨立非執行董事及戰略與投資決策委員會委員)及王東方女士(於2022年12月7日起擔任戰略與投資決策委員會委員)。除尹曉冰先生、王東方女士為獨立非執行董事外，所有其他成員均為執行董事。

戰略與投資決策委員會的主要職責為開展調研及就本公司的長期發展計劃及戰略、重大投資或融資計劃以及經營項目的重大資本投資向董事會提出建議、檢討該等投融資計劃的實施情況及履行董事會賦予的其他職責與責任。

During the Reporting Period, the Strategy and Investment Decision Committee held 4 meetings. Details are as follows:

On 21 January 2022, a meeting of the Strategy and Investment Decision Committee was held in the Company which discussed and reviewed 2 proposals concerning the investment situation of the Company for the year of 2021 and the investment plan of the Company for the year of 2022 which were considered and approved by the Strategy and Investment Decision Committee.

On 4 March 2022, a meeting of the Strategy and Investment Decision Committee was held in the Company which discussed and reviewed the proposal of the Company commencing an international syndicated loan which was considered and approved by the Strategy and Investment Decision Committee.

On 9 May 2022, a meeting of the Strategy and Investment Decision Committee was held in the Company which discussed and reviewed the proposal of the Company's "14th Five-Year" development strategy plan which was considered and approved by the Strategy and Investment Decision Committee.

On 29 December 2022, a meeting of the Strategy and Investment Decision Committee was held in the Company which discussed and reviewed the proposal of the Company's investment plan for new

## E. NOMINATION POLICY OF DIRECTORS, BOARD DIVERSITY POLICY AND DIVERSITY ANALYSIS

According to the Company's Articles of Association and the relevant nomination system of directors, the Nomination Committee provides consultation to the Board with respect to the nomination of Directors. It will first consider and determine the candidates for nomination of new or succeeding Directors, then make recommendations to the Board. The Board will decide whether to propose such candidate to the general meeting for election. In the course of selecting candidates of new or succeeding Directors, the Nomination Committee and the Board will consider the cultural, educational background, professional experience and gender of relevant parties and existing composition of the Board, etc. in accordance with the Diversity Policy of Members of The Board of Directors. They will also consider the business operation models. The final decision will be based on the nominated candidates who will bring about benefits and contributions to the Board. In terms of gender diversity, the Company targets non-single-gender Board members and takes into account the gender ratio of existing Board members when identifying candidates for Director successors. The purpose of the Directors' succession plan is to ensure effective and orderly succession of Directors and maintain a balanced diversity, overall knowledge and skills of Directors, so as to maintain effective governance of the Company. When nominating independent non-executive Directors, in addition to considering relevant elements of the Board's diversity policy, the independence of candidates is checked and the independence of independent non-executive directors is assessed annually. Details of the appointment of directors are set out in the section headed "C. BOARD OF DIRECTORS – 4. Appointment of Directors" above.

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

## E. 董事提名政策、董事會多元化政策及分析

根據本公司章程及董事提名相關制度，提名委員會在董事提名方面擔任董事會顧問角色，首先商議新董事／繼任董事的提名人選，然後向董事會推薦，並由董事會決定是否提交股東大會選舉。在商議新董事／繼任董事人選時，提名委員會及董事會根據董事會多元化政策考慮有關人士的文化及教育背景、專業經驗、性別、董事會現有人員架構等，同時亦會考慮有關自身的業務運作模式，最終決定乃基於提名人選將帶給董事會的裨益及貢獻。在性別多元化方面，公司以非單一性別董事會成員為目標，在物色董事繼任人選時，會考量現有董事會成員性別佔比情況。董事繼任計劃的目的在於確保有效而有序的董事繼任及保持董事多元化、整體知識及技能均衡，從而維持本公司的有效管治。在提名獨立非執行董事時，除考量董事會多元化政策相關要素外，還會對候選人士的獨立性進行核查，並就獨立非執行董事的獨立性每年進行評核。有關委任董事的詳情載列於上文標題為「C.董事會－4.委任董事」的章節。

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

The Company has formulated the Diversity Policy of Members of The Board of Directors, which sets out:

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

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

The above measurable objectives were also reviewed and adopted when the Nomination Committee reviewed the composition of the Board. The Nomination Committee has selected new or succeeding Directors pursuant to the requirements of the Diversity Policy of Members of the Board of Directors, while a special meeting was held during the Reporting Period to review the implementation and progress of the Diversity Policy of Members of the Board of Directors, with a view to achieving the objective of diversifying the members of the Board of Directors. During the Reporting Period, the Company's Board members were not comprised of a single gender Director which has realized the goal of gender diversity.

本公司已制定董事會多元化政策，其列明：

- 本公司在設定董事會成員組合時，會從多個方面考慮並實現董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。公司以非單一性別董事會成員為目標，董事會所有委任均以用人唯才為原則，並以客觀條件考慮人選，同時會充分顧及董事會成員多元化的裨益。

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

提名委員會於檢討董事會組成時亦已檢討及採納上述可計量目標。提名委員會已按照董事會多元化政策的要求，甄選新董事／繼任董事，同時在報告期內召開了專門的會議檢視董事會多元化政策的執行及推進情況，以期達致董事會成員多元化目標。報告期內，公司董事會成員非由單一性別董事擔任，已達到性別多元化目標。

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

報告期內董事會的組成、成員背景及甄選新董事的程序符合董事會多元化政策的要求。截至報告期末，董事會多元化分析如下：

| Item<br>項目 | Category<br>類別 | Number<br>人數 | Percentage in the members of the Board of Directors<br>佔董事會成員比例 |
|---|---|---|---|
| Gender<br>性別 | Male<br>男性 | 5 | 56% |
| | Female<br>女性 | 4 | 44% |
| Age<br>年齡 | 35 to 50<br>35歲至50歲 | 5 | 56% |
| | 51 or above<br>51歲以上 | 4 | 44% |
| Post<br>職銜 | Executive Director<br>執行董事 | 3 | 33% |
| | Non-executive Director<br>非執行董事 | 3 | 33% |
| | Independent non-executive Director<br>獨立非執行董事 | 3 | 33% |
| Length of service as Board members<br>出任公司董事會成員年資 | Within 1 year<br>1年內 | 2 | 22% |
| | 1 to 3 years (including 3 years)<br>1至3年(含3年) | 5 | 56% |
| | 3 to 10 years<br>3年至10年 | 2 | 22% |
| Experience in water treatment industry<br>水務行業經驗 | 1 to 5 years (including 5 years)<br>1至5年(含5年) | 6 | 67% |
| | 10 to 20 years (including 20 years)<br>10至20年(含20年) | 2 | 22% |
| | Over 20 years<br>20年以上 | 1 | 11% |
| Major or expertise<br>專業或特長 | Engineering, project and operational management<br>工程、項目及運營管理 | 4 | 44% |
| | Finance and accounting<br>金融及財會 | 4 | 44% |
| | Law<br>法律 | 1 | 11% |

In terms of employee diversity, as of 31 December 2022, the Company had a total of 1,492 employees, of which 979 were male and 513 were female, accounting for 65.6% and 34.4% of the total number of employees respectively. Due to the special nature of the Company's industry, there is a greater proportion of male employees in front-line production operations in the Company's production units, while in non-front-line production positions, we will attach importance to gender balance and diversity.

在僱員多元化方面，截至2022年12月31日，本公司員工共計1,492人，其中男性員工979人、女性員工513人，分別佔總人數的65.6%及34.4%。由於本公司行業的特殊性，在本公司生產單元中一線生產操作類崗位男性員工佔比較大，在非一線生產崗位上，我們會著重考量男女比例的平衡性、多元化。

## F. RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the effectiveness of risk management and internal control systems of the Group. The Group has incorporated environmental, social and governance related risks into the Group's risk management and internal control system. The Board and senior management have overall responsibilities for maintaining a sound and effective risk management and internal control systems of the Group in order to protect the interests of Shareholders and the Group as a whole and to ensure strict compliance with relevant laws, rules and regulations. The systems include a defined management structure with limits of authority, and are designed for the Group to identify and manage the significant risks to achieve its business objectives, safeguard its assets against unauthorised use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensure compliance with relevant laws and regulations. The systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage rather than eliminate risks of failure in the Group's operational systems and in the achievement of the Group's business objectives. Internal control and risk management systems are reviewed annually and adjusted in a timely manner in line with the Company's business development and operations to ensure their continued effectiveness.

## F. 風險管理及內部監控

董事會確認其對本集團風險管理及內部監控系統有效性之責任。本集團已將環境、社會、管治有關的風險納入集團風險管理及內部監控系統。董事會及高級管理層全面負責維持本集團健全及有效之風險管理及內部監控系統，以保障股東及本集團整體利益，並確保嚴格遵守有關法律、規則及條文。有關系統包括界定管理架構及其權限，旨在協助本集團識別及管理實現業務目標所面對之重大風險、保障資產免於未經授權挪用或處置、確保維護妥當之會計記錄以提供可靠之財務資料供內部使用或作發表之用，以及確保遵守相關法律及法規。上述監控系統旨在合理地(但並非絕對地)保證並無重大失實陳述或損失，且管理而非杜絕本集團營運系統的失誤及未能實現業務目標之風險。內部監控和風險管理系統會每年檢視，並根據公司業務發展及運行情況適時調整，以確保其持續有效性。

The major characteristics of the risk management and internal control systems are: the Company has consolidated the risk management and internal control systems and has formulated the systematic framework from the level of the Company and business. Under such framework, a mutual mapping between key risk points and control points is established by setting up risk control matrix in order to implement the control measures in relation to risk identification, evaluation and addressing in various business processes within the enterprise. As a result, risk management and internal control can be merged in organic manner. The Company shall classify the internal control system into three layers, namely the basic management system, specific regulations/management measures and detailed rules for implementation. The effectiveness of various rules and regulations shall be evaluated each year and annual construction plan of the system shall be devised in accordance with the evaluation results and the regulatory requirements and based on the business need of the Company and such rules and regulations that need to be established, amended and abolished shall be expressly provided. The Company highly values the dynamic monitoring of risk management. Based on the changes of the internal and external environments of the Company, the impact created on the Company's operating process by various risks and the possibility of the loss caused by such various risks are to be quantified; and the Company's risk tolerance and risk addressing strategies are reasonably confirmed. The Company seriously concerns about the management and control of major risks, focus on the major risks evaluated, refines the solution thereof; analyses in depth the root cause for the generation of the major risks, causes of risks, possible impacts and addressing strategies to be adopted; and formulates practicable measures for risk management and control.

風險管理及內部監控系統的主要特點：公司整合了風險管理和內部控制體系，制定了公司層面和業務層面的體系框架。在該框架下，通過編製風險控制矩陣將關鍵風險點與控制點建立相互映射的關係，將風險辨識、評估、應對的控制措施落實至企業內部各項業務流程，從而實現風險管理與內部控制有機融合；公司將內控制度劃分為基本管理制度、具體規章／管理辦法和實施細則三個層級。每年評估各項規章制度的有效性，並按照評估結果，根據監管要求和公司發展需要擬定制度體系的年度建設計劃，明確需要制定、修訂和廢止的規章制度。公司重視風險管理的動態監測工作，根據公司內外部環境變化，量化評估各類風險對公司經營過程造成的影響和損失的可能性，合理確定公司風險承受度和風險應對策略。公司重點關注重大風險的管控，針對評估出的重大風險，細化解決方案，深入分析重大風險產生根源、風險成因、可能產生的影響、擬採取的應對策略，制定切實可行的風險管控措施。

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

公司檢查風險管理及內部監督系統有效性的程序包括：制定評價工作方案、組成評價工作組、實施現場測試、認定控制缺陷、匯總評價結果、編報評價報告等環節。公司授權內部審計部門負責內部控制評價的具體組織實施工作。公司對內控缺陷進行綜合分析後提出認定意見，按照規定的權限和程序進行審核後予以最終認定，並按缺陷的影響程度分為重大缺陷、重要缺陷和一般缺陷。提出的認定意見以書面報告的形式向董事會、經營層會議報告，重大缺陷由董事會予以最終認定。本公司對認定的重大、重要缺陷，及時採取應對策略，切實將風險控制在可承受之內，並追究有關部門或相關人員的責任。

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

我們亦已委聘及續聘外部專業顧問(包括審計師、法律或其他顧問)就我們如何遵守所有適用的相關法律法規提供專業建議及持續的指導。

For purposes of such various risks we are exposed to during our operation, we focus on the strengthening of the internal control and risk management systems. We have implemented many policies and measures in order to ensure that effective risk management is conducted in respect of the operation, financial reports and records, fund management and the compliance with applicable laws and regulations of Hong Kong and China. We attach importance to various environmental, social and governance risks and the Board and management have overall responsibility for these risks. In addition, the Company has a safety management department to regularly manage and monitor the environmental and social risks faced by the Company and has established a series of systems and contingency management plans and is responsible for reporting to the Audit Committee and the Board when there are significant changes to the relevant risks so that timely effective measures can be taken to reduce the risks and mitigate the damage in a timely manner. During the Reporting Period, the Board has reviewed the environmental, social and governance structure of the Company and considered that resources, staff qualifications and operations, training programmes received by employees and relevant budget were adequate.

就我們的營運面臨各種風險而言，我們專注於加強內部控制與風險管理系統。我們已實施多項政策及措施，以確保營運、財務報告及記錄、資金管理及遵守香港與中國的適用法律法規等各方面均設有有效的風險管理。我們重視環境、社會及管治面臨的各種風險，董事會及管理層就該等風險負有全面責任，同時，公司設有安全管理部門，就本公司面臨的環境及社會風險進行日常管理及監控，制定了一系列制度及應急管理方案，在相關風險發生重大變化時，負責向審計委員會及董事會進行匯報以便及時採取有效措施，降低風險，及時止損。董事會已對報告期內公司環境、社會及管治架構進行了檢討，認為在資源、員工資歷及經營、員工接受的培訓課程及有關於算方面是足夠的。

In addition, the Company places a great emphasis on inside information management. For the purposes of strengthening the confidentiality of inside information, maintaining the fairness of information disclosure and protecting the legal interests and rights of the general investors, the Company formulated the Information Disclosure System of Kunming Dianchi Water Treatment Co., Ltd. (《昆明滇池水務股份有限公司信息披露制度》), the Internal Reporting

此外，本公司高度重視內幕信息管理工作，為加強內幕信息保密工作，維護信息披露的公平，保護廣大投資者的合法權益，根據相關法律法規、上市規則、其他規範性文件等要求，制定了《昆明滇池水務股份有限公司信息披露制度》、《昆明滇池水務股份有限公司重大信息內部報告制度》等內部文件，形成了合法合規的信息披露機制。報告期內，本公司嚴格根據監管要求開展信息披露工作，明確規定信息披露工作由董事會統一管理並負責，董事長是本公司信息披露工作的第一責任人，公司秘書為信息披露工作的主要責任人，並對董事、監事、高管及分支機構負責人的信息披露管理責任進行詳細規定。

## G. 股息政策

根據中國公司法及本公司組織章程細則，本公司僅在作出下列分配後方可自除稅後利潤中派付股息：

- 彌補累計虧損(如有)；
- 將相當於除稅後利潤的10%劃撥至法定公積金；及
- 將於股東大會上獲股東批准的款項(如有)劃撥至任意公積金。

法定公積金達到並維持在註冊資本的50%或以上後，毋須再就此進行劃撥。本公司就上述劃撥的可供分派利潤及本公司的股息分派預期以根據中國一般公認會計原則或國際財務報告準則釐定的稅後利潤(以較低者為準)支付。

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

所有股東享有同等權利收取以股票或現金形式派付的股息及分派。

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

股息派付建議及其金額由董事會酌情釐定，並視乎本公司的整體業務狀況及策略、現金流量、經營業績及資金需求、股東的權益、稅務狀況、法定及監管限制以及董事會視作相關的其他因素而定。任何股息派付亦須在股東大會上獲得股東批准後方可作實。

## H. THE DIRECTORS' LIABILITY TO THE FINANCIAL STATEMENTS

## H. 董事對財務報表承擔的責任

The Board of Directors is unaware of any material uncertainties relating to any events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. The Board of Directors has confirmed to undertake its responsibility for the preparation of the Group's financial statements as of 31 December 2022.

董事會並不知悉有任何重大不明朗事件或情況可能會嚴重影響本公司持續經營的能力。董事會確認其承擔編製本集團截至2022年12月31日止財務報表的責任。

## I. REMUNERATION OF AUDITOR

## I. 審計師酬金

Auditors engaged by the Company shall be openly selected and nominated by the Board and approved by or with the authorisation of the general meeting of Shareholders. Their remuneration is determined by the Board as authorised by the general meeting of shareholders. The Company appointed Baker Tilly Hong Kong Limited as its international auditor and engaged Baker Tilly China Certified Public Accountants (Special General Partnership) to handle its PRC domestic audit work in 2022. During the year, the Group paid RMB2.7 million to auditors for their audit service for the Group and paid RMB nil for their non-audit service.

本公司聘請之審計師通過公開方式甄選並由董事會提名，由股東大會批准或授權批准。其酬金由股東大會授權董事會釐定。2022年度本公司聘任天職香港會計師事務所有限公司為本公司國際審計師，而中國境內審計工作由天職國際會計師事務所(特殊普通合夥)處理。於本年度就本集團審計服務審計師酬金為人民幣2.7百萬元，非審計服務審計師酬金為人民幣零元。

## J. SHAREHOLDERS' RIGHTS

### 1. Shareholders have the right to initiate and convene the extraordinary general meeting

In accordance with the provisions of the Articles of Association of the Company, the shareholders shall be entitled to the following right: A shareholder solely holding or shareholders aggregately holding more than ten percent (inclusive) of shares having voting powers in the Company may sign a written request to suggest the Board of Directors for convening an extraordinary shareholders' general meeting.

### 2. Shareholders have the right to submit an interim draft resolution to the Company at the general meeting

It is also provided in the Articles of Association of the Company that when the Company is to convene a general meeting, a shareholder holding more than three percent (inclusive) of shares having voting powers in the Company shall have the right to submit an interim draft resolution in writing to the Company. Being located at the Company's registered office in China and the Company's headquarters, the Office of the Board of Directors shall be responsible for handling with such draft resolution submitted by such shareholder. Should some items in such interim draft resolution fall into the scope of the job duties of the general meeting, the Company should have such items included in the agenda of such meeting.

### 3. Shareholders are entitled to the inquiry right

As for the inquiry required to be concerned by the Board of Directors, the shareholders may send an email to the email address at dshbgs@kmdcsw.com for the Board of Directors or a letter to the following address. The Company will timely process all the inquiries in an appropriate manner:

No. 7 Water Purification Plant
Dianchi Tourist Resort
Kunming City, Yunnan Province, the PRC
(For the attention of the Board)

## J. 股東權利

### 1. 股東有權提請召開臨時股東大會

本公司章程規定，股東享有如下權利：單獨或者合計持有本公司有表決權股份達百分之十以上(含百分之十)的股東，可以簽署書面要求，提請董事會召集臨時股東大會。

### 2. 股東有權向公司提出股東大會臨時提案

本公司章程亦規定，公司召開股東大會，持有公司有表決權的股份總數百分之三以上(含百分之三)的股東，有權以書面形式向公司提出臨時提案，公司於其中國註冊辦事處及總部的董事會辦公室負責處理股東的提案，公司應當將臨時提案中屬於股東大會職責範圍內的事項，列入該次會議的議程。

### 3. 股東享有的查詢權

股東可將需要董事會關注的查詢電郵(電郵地址：dshbgs@kmdcsw.com)至董事會或致函至以下地址，本公司會及時以適當的方式處理所有查詢：

中國雲南省昆明市
滇池旅遊度假區
第七水質淨化廠
(請註明董事會查收)

## K. COMMUNICATIONS WITH SHAREHOLDERS

The Company believes that effective communications with shareholders is essential to enhancement of investors relation and enhancement of investors' understanding of the Company's business and strategies. The Company highly values shareholders' opinions and suggestions, encourage shareholders to attend general meetings to ensure a high level of accountability and to keep them informed of the Company's strategy and objectives. It also carries out investor relations activities through a combination of channels such as setting up an investor hotline, emails and holding results presentations for shareholders to express their views, in order to keep the communications with shareholders, and to timely satisfy the reasonable demands of all shareholders. The Company has evaluated the implementation and effectiveness of its shareholder communication policy during the Reporting Period. During the Reporting Period, shareholders' legal rights such as the right to propose the convening of general meetings, the right to make proposals, the right to make enquiries and the right to speak at general meetings have been protected in accordance with the relevant provisions of the Articles of Association and the Listing Rules. The Company's investor hotline, email and other communications are also kept open. During the Reporting Period, the Company's shareholder communication policy was effective.

## K. 與股東的溝通

本公司認為，股東有效溝通對提升投資者關係及投資者了解本公司之業務及策略至關重要。本公司高度重視股東的意見和建議，鼓勵股東出席股東大會以確保高水平的問責制並使其及時了解本公司的戰略和目標。同時，通過設置投資者熱線、電郵，召開業績發佈會等多途徑相結合的方式以供股東發表意見，開展投資者關係活動，與股東保持溝通，及時滿足各股東的合理需求。公司已對報告期內股東通訊政策的實施和有效性進行了評估，報告期內，已按照公司章程、上市規則相關規定保障了股東在股東大會提議召開權、提案權、查詢權及於股東大會上的發言權等合法權利，公司投資者熱線、電郵等通訊亦保持開通狀態，報告期內，公司股東通訊政策是有效的。

## L. INVESTORS RELATION

The Company believes that good investors relation may help build more stable and consolidated shareholder base. As a result, the Company has been and will be dedicated to maintaining a higher degree of transparency, observing the Listing Rules and timely providing investors with comprehensive and accurate information, and constantly performing the obligation of the listed company on information disclosure. Investors can download and review the Company's regular reports, financial statements and trading announcements on the websites of the Stock Exchange and the Company.

During the Reporting Period, although the impact of the COVID-19 pandemic hindered opportunities of direct face-to-face communication between the Company and investors, the Company actively strengthened its communications with investors via investor special line, conference calls, making voluntary information disclosure and others so as to enable investors to understand the corporate strategy and business operation of the Company in a timely manner.

## L. 投資者關係

本公司認為，良好的投資者關係有助於建立更穩固的股東基礎，因此，本公司一直並將致力於維持較高的透明度，遵照上市規則及時向投資者提供全面、準確的信息，持續履行上市公司的信息披露義務。投資者可於聯交所網站及本公司網站下載、查閱本公司發佈之定期報告、財務報表及交易事項等公告。

報告期內，儘管受新冠疫情影響，阻礙了公司與投資者直接面對面的溝通交流機會，但為了讓投資者及時了解本公司之企業策略及業務營運狀況，積極通過投資者專線、電話會議、自主信息披露等方式加強與投資者之間的溝通。

The Company will continue to maintain open-up and effective investors communication policies for the purposes of timely providing investors with the latest information on the Company's business subject to the compliance with the relevant regulatory provisions.

本公司將繼續維持開放及有效的投資者溝通政策，在符合相關監管規定的情況下，及時向投資者提供有關本公司業務的最新資料。

## M. ARTICLES OF ASSOCIATION

During the Reporting Period, there were no amendments to the Articles of Association.

## M. 公司章程

報告期內，公司章程無修訂。

## N. ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

## N. 環境、社會及管治報告

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

## O. CORPORATE CULTURE

Corporate culture is the soul of an enterprise, one of the cornerstones for the implementation of corporate strategies and a source of vitality, health and sustainable development. The Company attaches great importance to the creation and inheritance of corporate culture. The Company upholds the business philosophy of "Consummation and Sustainability", and adheres to the value of "Advocating science, daring to be the first, pursuing excellence, serving customers", actively expanding the domestic and international ecological and environmental protection and management markets, providing basic protection and professional services for environmental protection and management, ecological civilization construction and economic and social development, and creating wealth for shareholders and value for society. As a state-owned listed enterprise, we adhere to the principle of "developing an enterprise with integrity and creating our culture with virtues", and adopt integrity and self-discipline as the code of conduct for all management and staff. The Company's corporate culture is communicated through a top-down approach to ensure that it is in line with the Company's development strategy and development stage. The Company conducts annual training for its employees to enable them to understand the corporate culture and their code of conduct at work, so as to achieve unity and clarity of purpose and to ensure that the Company's business strategies and plans are successfully implemented. The Company's objectives, values and strategies are aligned with the corporate culture.

## O. 企業文化

企業文化是企業的靈魂，是企業戰略實現的基礎保障之一，是企業保持活力、健康可持續發展的源泉。公司重視企業文化的打造及傳承。公司秉承「臻於至善、源遠流長」的企業哲學，堅持「崇尚科學、敢為人先、追求卓越、服務客戶」的價值觀，積極拓展國內和國際生態環境保護治理市場，為環境保護治理、生態文明建設、經濟社會發展提供基礎保障和專業化服務，以為股東創造財富、為社會創造價值為使命。作為國有上市企業，我們堅持「以廉興企、以德鑄魂」，將廉潔、自律作為所有管理層、員工的行為準則。公司的企業文化自上而下傳導，確保其與本公司發展戰略及發展階段相適應。公司每年會針對員工進行培訓，以便員工能了解企業文化及其在工作中的行為準則，從而做到上下齊一、目標明確，保障公司的經營策略及計劃得以達成。公司的目標、價值及策略與企業文化保持一致。

During the Reporting Period, the Board of Supervisors of the Company, by attending the Board meetings and general meetings, in conjunction with the internal audit department and the audit requirements of the superior competent department, made enquiries and reviewed the relevant financial information and reports of the Company in order to diligently perform its supervisory duties to effectively safeguard the interest of the Company and the minority shareholders. During the year, the Company managed its operations in accordance with the Company Law, the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, the Articles of Association of the Company and the relevant regulatory requirements of the higher state-owned assets regulatory authorities, with lawful decision-making procedures and a relatively sound internal control system. The resolutions of the Board of Directors and the general meeting were in compliance with the relevant laws and regulations and have been effectively implemented.

報告期內，本公司監事會通過列席董事會會議和股東大會會議，結合內部審計部門、上級主管部門審計要求等相關工作，查詢審閱公司相關財務資料及報告，從切實維護公司利益和廣大中小股東的利益出發，認真履行監督職責。本年度內，本公司能夠按照《公司法》、《香港聯交所上市規則》、《公司章程》及上級國資監管部門監管規定等相關要求，依法管理運作、決策程序合法、內控制度較為健全；董事會及股東大會各項決議符合有關法律法規要求，並得到了有效執行。

## III. MAJOR WORK IN 2022

### (1) Monitoring the operation of the Company

The members of the Board of Supervisors of the Company review the proposals submitted to the Board of Directors and the general meetings for consideration by attending all the Board meetings and general meetings of the Company, and integrate internal audit and external audit into day-to-day supervision and examine the operating activities of the Company through internal self-inspection and external inspection mechanism. The Board of Supervisors believes that the operating activities of the Company are in compliance with the provisions of the relevant laws and regulations of the state and the Articles of Association, the decision-making procedures are legal, and the Company has not engaged in any operating activities that are in violation of laws and regulations or exceed the scope of business operation as prescribed in laws and regulations.

### (2) Monitoring the Directors and senior management of the Company for their performance of duties

The members of the Board of Supervisors of the Company monitor the Directors and senior management of the Company performing their duties by attending the Board meetings, reviewing various proposals of the Board and examining the daily operation and management of the Company.

## 三、 2022年主要工作情況

### (一) 監察公司經營情況

本公司監事會成員通過列席公司歷次董事會、股東大會，對提交董事會及股東大會審議的各項議案進行審閱，同時，將內部審計、外部審計工作與日常監督工作相結合，通過內部自查與外部審查機制，對本公司的經營活動進行審查。監事會認為，公司的經營活動符合國家有關法律法規和本公司章程的規定，決策程序合法，公司未從事任何違法、違規或超出依法核定的經營範圍的經營活動。

### (二) 監察公司董事及高級管理人員履行職責情況

本公司監事會成員通過列席董事會，審閱董事會各項議案，以及檢查公司日常經營管理，監察公司董事、高級管理人員的履行職責情況。

As Mr. Luo has been subject to investigation by the Kunming Disciplinary Inspection Committee of the Communist Party of China and the Kunming Supervisory Committee for suspected serious breach of disciplines and laws, on 7 February 2023, the Board resolved to propose the removal of Mr. Luo from relevant positions of the Company. Save for this, during the Reporting Period, the Board of Supervisors was not aware of any Directors or senior management who acted illegally or in violation of laws and regulations or to the detriment of the rights and interests of the Company and Shareholders.

羅雲先生因涉嫌嚴重違紀違法接受中共昆明市紀律檢查委員會、昆明市監察委員會調查，2023年2月7日董事會已建議免除其於本公司的相關職務，除此以外，報告期內，監事會未發現董事、高級管理人員存在違法、違規或損害本公司及股東權益的行為。

### (3) Monitoring the financial position of the Company

As of 31 December 2022, the Board of Supervisors of the Company carefully reviewed the relevant financial information and audit reports of the Company. The Board of Supervisors believes that during the Reporting Period, the Company has diligently implemented the "Accounting Law", the "Accounting Standards for Business Enterprises", the "International Accounting Standards" and other relevant financial standards, with compliant and effective accounting and financial management in place. The financial accounting reports issued for each of the periods in the year 2022 presented a fair and true view, in all material respects, of the financial position and results of operations of the Company and did not contain any false entries, misleading statements or material omissions.

### (4) Monitoring the connected transactions of the Company

The Board of Supervisors reviewed the connected transactions that took place during the Reporting Period and examined the decision-making process in relation to these transactions. The Board of Supervisors believes that such connected transactions were conducted on normal commercial terms, were fair, equitable and reasonable, and there existed no damages to the interests of the Company and other shareholders.

### (5) Monitoring the establishment and implementation of internal controls of the Company

The Company has established a rather complete internal control system, which was in compliance with the requirements of the relevant laws and regulations of the state and meeting the actual needs of production, operation and management of the Company. Such system could be effectively implemented. The establishment of the internal control system has produced effect on better risk prevention and control on various sectors of production, operation and management of the Company. With the development of the Company's business and changes in risks, the Company has made amendments and supplements to the relevant systems in a timely manner to form a dynamic supervision mechanism. During the Reporting Period, the supervisory activities of the Board of Supervisors did not identify any material risk existing in the Company and there was no objection to the supervision matters during the Reporting Period.

### (五) 監察公司內部控制建立及執行情況

本公司建立了較完善的內部控制體系，符合國家相關法律法規要求以及公司生產經營管理實際需要，並能得到有效執行，內部控制體系的建立對公司生產經營管理的各環節起到了較好的風險防範和控制作用。隨著公司業務發展及風險變化情況，公司適時對相關制度進行修訂、補充，形成動態監管機制，監事會在報告期內的監督活動未發現公司存在重大風險，對報告期內的監督事項無異議。

### (6) Monitoring the information disclosure by the Company

In strict compliance with the "Company Law of the People's Republic of China" (《中華人民共和國公司法》), the Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (《香港聯合交易所有限公司證券上市規則》) and other relevant laws and regulations, the Company, the Board of Directors and the management fulfilled their obligations to disclose information that may have a material impact on the share price of the Company and information required to be disclosed by the Stock Exchange within the prescribed time, on the prescribed media and in the prescribed manner in a true, accurate and complete manner, and reported to the regulatory authorities in accordance with relevant requirements without any false entries, misleading statements or material omissions.

### (六) 監察公司信息披露情況

本公司及董事會、經理層嚴格按照《中華人民共和國公司法》、《中華人民共和國證券法》、《香港聯合交易所有限公司證券上市規則》等相關法律法規，對本公司股票股價可能產生重大影響的信息以及聯交所要求披露的信息，在規定的時間內、在規定的媒體上、以規定的方式真實、準確、完整地履行了信息披露義務，並按規定報送監管部門，不存在虛假記載、誤導性陳述或者重大遺漏。

### (7) Conducting collective or special supervision and inspection

In order to further improve the level of decision-making in a lawful, democratic and scientific manner, and to diligently implement the requirements of the "Three Important and One Large Matters" decision-making system as stipulated by the higher regulatory authorities, the Board of Supervisors participated in the special inspection on the implementation of the "Three Important and One Large Matters" decision-making system of the Company, and carried out inspections on matters requiring rectification. The Board of Supervisors is of the view that during the Reporting Period, the Company has improved the system construction, strengthened the supervision of decision making, standardised the decision making conducts and enabled risk prevention in the decision making of major issues, which facilitated the healthy development of the Company.

### （七） 開展集中或專項督查檢查

為進一步提高公司依法決策、民主決策、科學決策水平，認真貫徹落實上級監管單位關於「三重一大」決策製度的要求，監事會參與了針對本公司「三重一大」決策制度落實情況的專項工作檢查，並針對需整改事項進行督察。監事會認為，報告期內本公司完善了制度建設，強化了決策監督，規範了決策行為，對重大事項的決策做到了風險防範，促進了本公司的健康發展。

## IV. 2023 ANNUAL WORK PLAN

In 2023, the Supervisory Committee will continue to strictly comply with the laws, regulations and the Articles of Association of the Company, faithfully and diligently perform its duties and obligations to effectively safeguard the interests of the Company and its shareholders, and ensure the standardized and healthy operation of the Company. In the coming year, the Board of Supervisors will perform its supervisory functions in the following aspects:

(1) Diligently performing duties according to relevant laws and regulations. In 2023, the Board of Supervisors will continue to implement and improve the working mechanism and operational mechanism of the Board of Supervisors, diligently implement the requirements of relevant laws and regulations, improve the supervision and management of the Company's lawful operation, strengthen the communication with the Board of Directors and the management, and supervise the Board of Directors and senior management in accordance with the law, so as to further rationalise and regulate their decision-making and operation activities.

## 四、 2023年度工作計劃

2023年，監事會將繼續嚴格遵守法律、法規和公司章程的規定，忠實勤勉地履行職權和義務，切實維護公司及廣大股東的利益，確保公司規範健康運作。新的一年，監事會將從以下幾個方面履行監督職能：

（一） 依法依規，認真履職。2023年，監事會將繼續推進、完善監事會工作機制和運行機制，認真貫徹執行有關法律法規要求，完善對公司依法運作的監督管理，加強與董事會、管理層的工作溝通，依法對董事會、高級管理人員進行監督，以使其決策和經營活動更加科學規範。

(2) Strengthening supervision to prevent risks. The Board of Supervisors will focus on financial supervision and conduct supervision and inspection of the Company's financial position in accordance with the law. It will further advance and strengthen the internal control system, regularly obtain information from the Company and understand the operating conditions of the Company, and make timely recommendations to stop and rectify any problems identified. It will also maintain regular communication and liaison with the internal audit department, the disciplinary inspection and supervision department and the accounting firm engaged by the Company, and make full use of internal and external audit information to understand and grasp the situation in a timely manner.

(二) 加強監督，防範風險。堅持以財務監督為核心，依法對公司的財務情況進行監督檢查。進一步推進加強內部控制制度，定期向公司了解情況並掌握公司的經營狀況，一旦發現問題，及時提出建議並予以制止和糾正。經常保持與內審部門、紀檢監察部門和公司所聘任的會計事務所進行溝通及聯繫，充分利用內外部審計信息，及時了解和掌握有關情況。

(3) Strengthening education to enhance the ability to perform duties. In 2023, the Board of Supervisors will continue to actively organise financial, legal and business-related training and learning sessions to enhance its ability of supervision and inspection, broaden its professional knowledge and improve its professional competence, so as to better perform the supervisory functions of the Board of Supervisors.

(三) 加強學習，提升履職能力。2023年，監事會將繼續積極組織開展財務、法律及業務相關培訓學習，提升監督檢查的能力，拓寬專業知識和提高業務水平，更好地發揮監事會的監督職能。

**致昆明滇池水務股份有限公司全體股東**
*(於中華人民共和國註冊成立的有限公司)*

## 意見

我們審計了後附第160頁至第310頁昆明滇池水務股份有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)的合併財務報表,包括 貴集團於2022年12月31日的合併財務狀況表、截至該日止年度的合併損益及其他全面收益表、合併權益變動表、合併現金流量表、合併財務報表附註以及主要會計政策。

我們認為,該等合併財務報表已根據國際會計準則理事會(「**國際會計準則理事會**」)頒佈的《國際財務報告準則》真實而中肯地反映了 貴集團於2022年12月31日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量,並已遵照《香港公司條例》的披露要求妥為擬備。

## 意見的基礎

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

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對截至2022年12月31日止年度的合併財務報表的審計最為重要的事項。這些事項是在我們審計整體合併財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| **Impairment assessment of trade receivables**<br><br>Refer to Note 27 "Trade and other receivables", Note 2 "Significant accounting policies – Critical accounting estimates and judgements" and Note 3 "Financial Risk Management – Financial risk factors – Credit risk" to the consolidated financial statements.<br><br>As at 31 December 2022, the net carrying amount of trade receivables was approximately RMB2,873,599,000 and loss allowance provisions for trade receivables was approximately RMB81,712,000.<br><br>The management of the Group estimates the amount of lifetime expected credit losses ("ECL") of trade receivables individually or based on provision matrix through grouping of various debtors that have similar loss patterns, after considering the historical loss rates experience, ageing of overdue trade receivables, customers' repayment history and customer's financial position. Estimated loss rates are based on historical observed default rates over the expected life of the trade receivables and are adjusted for forward-looking information.<br><br>We identified the above matter as a key audit matter due to the involvement of subjective judgement and management estimates in evaluating the ECL of the Group's trade receivables at the end of the reporting period. | Our audit procedures included, but are not limited to, the following:<br><br>– We evaluated the internal controls over the Group's assessment process in relation to the recoverability of trade receivables.<br><br>– We obtained an understanding of management's debt collection and recovery procedures with the customers for those aged receivables or amounts in dispute.<br><br>– We assessed the reasonableness of management's loss allowance estimates by examining the information used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information and examining the actual losses recorded during the current financial year and assessing whether there was an indication of management bias when recognising loss allowances.<br><br>– We tested on a sample basis, the accuracy and completeness of the ageing report for trade receivables. |

## KEY AUDIT MATTERS *(continued)* 關鍵審計事項*(續)*

| 關鍵審計事項 | 我們的審計如何處理關鍵審計事項 |
|---|---|
| **應收賬款的減值評估**<br><br>提述合併財務報表之附註27「應收賬款及其他應收款」、附註2「重要會計政策－關鍵會計估計及判斷」及附註3「財務風險管理－財務風險因素－信用風險」。<br><br>於2022年12月31日，應收賬款的賬面淨值約為人民幣2,873,599,000元，應收賬款虧損撥備約為人民幣81,712,000元。<br><br>貴集團管理層在考慮了歷史損失率經驗、逾期應收賬款的賬齡、客戶還款記錄及客戶財務狀況後，單獨或根據撥備矩陣對具有類似損失模式的各種債務人進行分組，估計應收賬款的全期預期信貸虧損(「預期信貸虧損」)金額。估計損失率乃基於過往觀察到的應收賬款預期年期內的違約率，並根據前瞻性資料進行調整。<br><br>我們將上述事項確定為關鍵審計事項，原因是報告期末評估 貴集團應收賬款的預期信貸虧損時涉及主觀判斷及管理層估計。 | 我們的審計程序包括但不限於以下內容：<br><br>– 我們已評估 貴集團對應收賬款可收回性的評估過程的內部控制。<br><br>– 我們已了解管理層就賬齡較長的應收賬款或有爭議的金額向客戶追討債務的程序。<br><br>– 我們已通過檢查管理層用以形成有關判斷的資料以評估管理層虧損撥備估計的合理性，當中包括測試歷史違約數據的準確性，評估歷史損失率是否根據當前的經濟狀況及前瞻性資料進行適當調整，並檢查本財政年度錄得的實際損失及評估確認虧損撥備時是否有跡象表明管理層存在偏見。<br><br>– 我們已抽樣測試應收賬款的賬齡報告的準確性及完整性。 |

## KEY AUDIT MATTERS *(continued)* 關鍵審計事項*(續)*

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| **Accounting treatment for service concession arrangements**<br><br>The Group entered into service concession arrangements with government authorities or their designators in respect of the wastewater treatment, reclaimed and running water supply business under Build-Operate-Transfer and Transfer-Operate-Transfer arrangements in the People's Republic of China. The arrangements were accounted for in accordance with IFRIC-12 Service Concession Arrangements. The accounting treatment for service concession arrangements involved significant management judgements and estimates, including the determination of applicable accounting models, estimation of the future guaranteed receipts, prevailing market rates of construction gross margins and discount rates as used in the valuation process. As a result, we identified the accounting treatment for service concession arrangements as a key audit matter. | Our audit procedures included, but are not limited to, the following:<br><br>– We obtained an understanding of, assessed and tested the relevant internal controls over accounting for service concession arrangements.<br><br>– We assessed whether the accounting model adopted was in line with IFRSs by reviewing the contract terms of whether the Group has an unconditional contractual right to receive a determinable amount of payments from grantors and/or receives a right to charge users of public services under the service concession arrangement during the concession period, and reviewed the methods and assumptions in determining the future guaranteed receipts estimated.<br><br>– We performed a comparison of the inputs to the accounting models with external market data, especially for gross margin, for which we considered the observable market data.<br><br>– We reviewed management's appropriateness on computation of amortised cost of financial receivables and intangible assets, allocation of consideration between financial receivables and intangible assets and the related revenue recognition, and tested key management estimates including discount rates used by comparing to the relevant market interest rates. |

## OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2021 were audited by another independent auditor whose report dated 25 March 2022 expressed an unmodified opinion on those consolidated financial statements.

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the 2022 annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

## 核數師就審計合併財務報表承擔的責任 *(續)*

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

除其他事項外，我們與負責監管人士溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

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

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

The engagement director on the audit resulting in this independent auditor's report is Leung Yun Wa.

出具本獨立核數師報告的審計項目董事是梁潤華。

**Baker Tilly Hong Kong Limited**
*Certified Public Accountants*
Hong Kong, 24 March 2023

**天職香港會計師事務所有限公司**
*執業會計師*
香港，2023年3月24日

**Leung Yun Wa**
Practising Certificate number: P08096

**梁潤華**
執業證書編號：P08096

FOR THE YEAR ENDED 31 DECEMBER 2022 截至2022年12月31日止年度

| | | | Year ended 31 December 截至12月31日止年度 | |
|---|---|---|---|---|
| | | Notes 附註 | 2022 2022年 RMB'000 人民幣千元 | 2021 2021年 RMB'000 人民幣千元 |
| **Revenue** | **收入** | 5 | **2,065,863** | 2,317,738 |
| Cost of sales | 銷售成本 | 6 | **(1,208,592)** | (1,592,956) |
| **Gross profit** | **毛利** | | **857,271** | 724,782 |
| Selling expenses | 銷售費用 | 6 | **(4,339)** | (13,705) |
| Administrative expenses | 行政費用 | 6 | **(121,307)** | (140,477) |
| Research and development expenses | 研發費用 | 6 | **(542)** | (7,299) |
| Impairment loss on investment in an associate | 聯營投資減值損失 | 22 | **(5,576)** | – |
| Net impairment losses on financial assets | 金融資產減值損失淨額 | 3.1(b) | **(114,486)** | (59,593) |
| Other income – net | 其他收益－淨額 | 7 | **68,171** | 28,025 |
| Other losses | 其他虧損 | 8 | **(890)** | (3,365) |
| **Operating profit** | **經營利潤** | | **678,302** | 528,368 |
| Finance income | 財務收入 | 9 | **39,338** | 83,705 |
| Finance costs | 財務成本 | 9 | **(349,484)** | (213,652) |
| Finance costs – net | 財務成本－淨額 | 9 | **(310,146)** | (129,947) |
| Share of results of associates | 聯營公司經營成果份額 | 22 | **(691)** | (1,728) |
| **Profit before tax** | **稅前利潤** | | **367,465** | 396,693 |
| Income tax expense | 所得稅費用 | 11 | **(43,330)** | (57,142) |
| **Profit for the year** | **年度利潤** | | **324,135** | 339,551 |

| | | | Year ended 31 December 截至12月31日止年度 | |
|---|---|---|---|---|
| | | Notes 附註 | 2022 2022年 RMB'000 人民幣千元 | 2021 2021年 RMB'000 人民幣千元 |
| **Other comprehensive income** | **其他全面收益** | | | |
| *Item 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 arising from translation of foreign operation | 換算海外業務產生的滙兌差額 | | (1,049) | (1,219) |
| | | | (1,049) | (1,219) |
| **Total comprehensive income for the year** | **年度全面收益總額** | | 323,086 | 338,332 |
| **Profit attributable to:** | **利潤歸屬：** | | | |
| – Equity holders of the Company | –本公司權益持有人 | | 322,250 | 338,278 |
| – Non-controlling interests | –非控制性權益 | | 1,885 | 1,273 |
| | | | 324,135 | 339,551 |
| **Total comprehensive income attributable to:** | **全面收益總額歸屬於:** | | | |
| – Equity holders of the Company | –本公司權益持有人 | | 321,201 | 337,059 |
| – Non-controlling interests | –非控制性權益 | | 1,885 | 1,273 |
| | | | 323,086 | 338,332 |
| **Earnings per share for profit attributable to equity holders of the Company (expressed in RMB per share)** | **歸屬於本公司權益持有人的利潤的每股收益(以每股人民幣元計)** | | | |
| – Basic and diluted earnings per share | –基本及稀釋每股收益 | *14* | 0.31 | 0.33 |

AS AT 31 DECEMBER 2022 於2022年12月31日

| | | Notes 附註 | 2022 2022年 RMB'000 人民幣千元 | 2021 2021年 RMB'000 人民幣千元 |
|---|---|---|---|---|
| **Non-current assets** | **非流動資產** | | | |
| Investment properties | 投資物業 | 15 | 277,462 | 276,377 |
| Right-of-use assets/land use rights | 使用權資產／土地使用權 | 16 | 411,454 | 424,945 |
| Property, plant and equipment | 不動產、工廠及設備 | 17 | 2,716,650 | 2,637,090 |
| Receivables under service concession arrangements | 特許經營權協議下的應收款項 | 18 | 2,546,421 | 2,732,351 |
| Amounts due from customers for construction contracts | 應收客戶建造合同款 | 19 | 675,715 | 559,714 |
| Contract assets | 合約資產 | 20 | 109,121 | 249,825 |
| Intangible assets | 無形資產 | 21 | 547,180 | 313,494 |
| Investments in associates | 聯營投資 | 22 | 6,526 | 12,793 |
| Deferred tax assets | 遞延稅項資產 | 23 | 81,028 | 84,490 |
| | | | 7,371,557 | 7,291,079 |
| **Current assets** | **流動資產** | | | |
| Receivables under service concession arrangements | 特許經營權協議下的應收款項 | 18 | 44,128 | 5,463 |
| Amounts due from customers for construction contracts | 應收客戶建造合同款 | 19 | 35,602 | 22,785 |
| Inventories | 存貨 | 24 | 21,890 | 16,595 |
| Financial assets at amortised cost | 以攤銷成本計量的金融資產 | 26 | 240,000 | 294,000 |
| Trade and other receivables | 應收賬款及其他應收款 | 27 | 3,676,339 | 2,884,020 |
| Cash and bank balances | 現金及銀行結餘 | 28 | 131,494 | 1,504,346 |
| Restricted funds | 受限制資金 | 28 | 181,194 | 49,650 |
| | | | 4,330,647 | 4,776,859 |
| **Current liabilities** | **流動負債** | | | |
| Trade and other payables | 應付賬款及其他應付款 | 29 | 806,410 | 678,982 |
| Contract liabilities | 合同負債 | 29 | 6,839 | 7,505 |
| Tax payables | 應付稅項 | | 79,431 | 97,494 |
| Borrowings | 借款 | 30 | 3,346,394 | 4,212,914 |
| Financial liabilities at fair value through profit or loss | 按公允價值計入損益的金融負債 | 25 | – | 110,450 |
| | | | 4,239,074 | 5,107,345 |
| **Net current assets (liabilities)** | **流動資產(負債)淨值** | | 91,573 | (330,486) |
| **Total assets less current liabilities** | **總資產減流動負債** | | 7,463,130 | 6,960,593 |

AS AT 31 DECEMBER 2022 於2022年12月31日

| | | Notes 附註 | 2022 2022年 RMB'000 人民幣千元 | 2021 2021年 RMB'000 人民幣千元 |
|---|---|---|---|---|
| **Non-current liabilities** | **非流動負債** | | | |
| Deferred revenue | 遞延收益 | *31* | **230,943** | 245,267 |
| Borrowings | 借款 | *30* | **2,522,693** | 2,193,023 |
| Deferred tax liabilities | 遞延稅項負債 | *23* | **51,903** | 86,492 |
| | | | **2,805,539** | 2,524,782 |
| **NET ASSETS** | **淨資產** | | **4,657,591** | 4,435,811 |
| **Capital and reserves** | **資本及儲備** | | | |
| Share capital | 股本 | *32* | **1,029,111** | 1,029,111 |
| Other reserves | 其他儲備 | *33* | **1,575,452** | 1,543,576 |
| Accumulated profits | 留存收益 | | **2,044,427** | 1,854,715 |
| **Equity attributable to equity holders of the Company** | **本公司權益持有人應佔權益** | | **4,648,990** | 4,427,402 |
| **Non-controlling interests** | **非控制性權益** | | **8,601** | 8,409 |
| **TOTAL EQUITY** | **權益總額** | | **4,657,591** | 4,435,811 |

The consolidated financial statements on pages 160 to 310 were approved and authorised for issue by the Board of Directors on 24 March 2023 and signed on its behalf by:

第160頁至第310頁之合併財務報表乃經董事會於2023年3月24日批准及授權刊發，並由以下董事代表簽署：

**Zeng Feng**
**曾鋒**
*Director*
*董事*

**Chen Changyong**
**陳昌勇**
*Director*
*董事*

FOR THE YEAR ENDED 31 DECEMBER 2022 截至2022年12月31日止年度

| | | Attributable to the equity holders of the Company 本公司權益持有人應佔 | | | | | |
|---|---|---|---|---|---|---|---|
| | | Share capital 股本 RMB'000 人民幣千元 (Note 32) (附註32) | Other reserves 其他儲備 RMB'000 人民幣千元 (Note 33) (附註33) | Accumulated profits 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 |
| **At 1 January 2021** | **於2021年1月1日** | 1,029,111 | 1,523,380 | 1,712,800 | 4,265,291 | 7,136 | 4,272,427 |
| Profit for the year | 年度利潤 | – | – | 338,278 | 338,278 | 1,273 | 339,551 |
| Other comprehensive income: | 其他全面收益： | | | | | | |
| *Item 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 | – | (1,219) | – | (1,219) | – | (1,219) |
| Total comprehensive income for the year | 年度全面收益總額 | – | (1,219) | 338,278 | 337,059 | 1,273 | 338,332 |
| **Transactions with owners:** | **與所有者的交易：** | | | | | | |
| *Contributions and Distributions* | *注資及分派* | | | | | | |
| Dividends *(Note 13)* | 分派股息*(附註13)* | – | – | (174,948) | (174,948) | – | (174,948) |
| Transfer to statutory reserves *(Note 33(a))* | 提取法定儲備*(附註33(a))* | – | 21,415 | (21,415) | – | – | – |
| **At 31 December 2021** | **於2021年12月31日** | 1,029,111 | 1,543,576 | 1,854,715 | 4,427,402 | 8,409 | 4,435,811 |
| At 1 January 2022 | 於2022年1月1日 | 1,029,111 | 1,543,576 | 1,854,715 | 4,427,402 | 8,409 | 4,435,811 |
| Profit for the year | 年度利潤 | – | – | 322,250 | 322,250 | 1,885 | 324,135 |
| Other comprehensive income: | 其他全面收益： | | | | | | |
| *Item 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 | – | (1,049) | – | (1,049) | – | (1,049) |
| Total comprehensive income for the year | 年度全面收益總額 | – | (1,049) | 322,250 | 321,201 | 1,885 | 323,086 |
| **Transactions with owners:** | **與所有者的交易：** | | | | | | |
| *Contributions and Distributions* | *注資及分派* | | | | | | |
| Dividends *(Note 13)* | 分派股息*(附註13)* | – | – | (102,911) | (102,911) | – | (102,911) |
| Dividends to non-controlling shareholders | 分派股息予非控制性權益 | – | – | – | – | (1,693) | (1,693) |
| Transfer to statutory reserves *(Note 33(a))* | 提取法定儲備*(附註33(a))* | – | 29,627 | (29,627) | – | – | – |
| Others | 其他 | – | 3,298 | – | 3,298 | – | 3,298 |
| **At 31 December 2022** | **於2022年12月31日** | 1,029,111 | 1,575,452 | 2,044,427 | 4,648,990 | 8,601 | 4,657,591 |

| | | Notes<br>附註 | 2022<br>2022年<br>RMB'000<br>人民幣千元 | 2021<br>2021年<br>RMB'000<br>人民幣千元 |
|---|---|---|---|---|
| **OPERATING ACTIVITIES** | **經營活動** | | | |
| Cash used in operations | 經營使用的現金 | *35(a)* | **(15,038)** | (415,434) |
| Interest paid | 已付利息 | | **(197,121)** | (239,146) |
| Income tax paid | 已付所得稅 | | **(90,470)** | (62,377) |
| **Net cash used in operating activities** | **經營活動使用的現金淨額** | | **(302,629)** | (716,957) |
| **INVESTING ACTIVITIES** | **投資活動** | | | |
| Purchase of property, plant and equipment | 購買不動產、工廠及設備 | | **(366,388)** | (57,677) |
| Purchase of intangible assets | 購買無形資產 | | **(2,947)** | (1,847) |
| Concessions that will form an intangible asset model under contract assets | 在合約資產下將形成無形資產模式的特許經營權 | | **–** | (141,764) |
| Proceeds from disposal of property, plant and equipment | 出售不動產、工廠及設備所得款 | | **8** | 422 |
| Loans to related parties | 借款給關聯方 | *37(b)(ii)* | **(760,000)** | (1,030,000) |
| Repayments from related parties | 關聯方還款 | *37(b)(iii)* | **900,000** | 1,380,000 |
| Repayments from a third party | 第三方還款 | | **68,000** | – |
| Interest received | 已收利息 | | **29,183** | 90,613 |
| 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 | *31* | **–** | 10,000 |
| Refund of government grants | 退回政府補助 | *31* | **(1,985)** | – |
| Settlement of consideration in respect of subsidiaries previously acquired | 清算以前年度之收購附屬公司代價 | | **(16,358)** | (18,839) |
| Proceeds from disposal of a subsidiary | 出售一間附屬公司的所得款項 | *40* | **53,950** | – |
| **Net cash (used in) from investing activities** | **投資活動(使用)產生的現金淨額** | | **(96,537)** | 230,908 |

## 1. GENERAL

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

As at 31 December 2022, the directors consider the Company's immediate and ultimate holding company is Kunming Dianchi Investment Co., Ltd. (昆明滇池投資責任有限公司, "**KDI**"), a state-owned enterprise established in the PRC.

The Company and its subsidiaries (together, the "**Group**") are principally engaged in the development, design, construction, operation and maintenance of water supply and wastewater treatment facilities in the PRC. The activities of the principal subsidiaries of the Company are set out in Note 38 to the consolidated financial statements.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board (the "**IASB**"), which collective term includes all applicable individual IFRSs, International Accounting Standards ("**IASs**") and Interpretations issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). There is no significant difference between the data recognised through the IASs and the data recognised in accordance with the Chinese Accounting Standards.

## 1. 一般資料

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

於2022年12月31日,董事認為本公司的直接及最終控股公司為昆明滇池投資有限責任公司(「**昆明滇池投資**」),其為於中國成立的國有企業。

本公司及其附屬公司(統稱「**本集團**」)在中國主要從事水供給和污水處理設施的開發、設計、施工、運營和維護。本公司主要附屬公司的活動載於合併財務報表附註38。

## 2. 主要會計政策

### 合規聲明

該等合併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。本合併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。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

## 2. 主要會計政策*(續)*

### Application of amendments to IFRSs

### 應用國際財務報告準則(修訂本)

The Group has applied, the following amendments or annual improvements for the first time to these financial statements for the current accounting period:

本集團已於本會計期間的該等財務報表中首次應用以下修訂本或年度改進：

| | | | |
|---|---|---|---|
| Amendments to IFRS 3 | Reference to the Conceptual Framework | 國際財務報告準則第3號(修訂本) | 概念框架指引 |
| Amendments to IFRS 16 | Covid-19-Related Rent Concessions beyond 30 June 2021 | 國際財務報告準則第16號(修訂本) | 2021年6月30日之後與2019冠狀病毒疫情有關的租金優惠 |
| Amendments to IAS 16 | Property, plant and equipment – Proceeds before intended use | 國際會計準則第16號(修訂本) | 不動產、工廠及設備－未作擬定用途前之所得款項 |
| Amendments to IAS 37 | Onerous Contracts – Cost of Fulfilling a Contract | 國際會計準則第37號(修訂本) | 虧損合約－履行合約的成本 |
| Annual Improvements to IFRS Standards 2018-2020 | Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41 | 國際財務報告準則2018年至2020年之年度改進 | 國際財務報告準則第1號、國際財務報告準則第9號、國際財務報告準則第16號隨附的說明範例及國際會計準則第41號(修訂本) |

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

相關修訂並未對本集團編製或列報當期或前期業績及財務狀況的方式產生重大影響。本集團並未採納任何於本會計期間尚未生效的新準則或詮釋。

A summary of the principal accounting policies adopted by the Group is set out below.

本集團採用的主要會計政策摘要如下。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### Amendments to IFRSs in but not yet effective

At the date of approving these consolidated financial statements, the IASB has issued a number of revised IFRSs that are not yet effective for the current year and which the Group has not early adopted. These include the followings which may be relevant to the Group.

| | |
|---|---|
| Amendments to IAS 1 | *Classification of Liabilities as Current or Non-current and Non-current Liabilities with covenants*[1] |
| Amendments to IAS 1 and IFRS Practice Statement 2 | *Disclosure of Accounting Policies*[2] |
| Amendments to IAS 8 | *Definition of Accounting Estimates*[2] |
| Amendments to IAS 12 | *Deferred Tax Related to Assets and Liabilities arising from a Single Transaction*[2] |
| Amendments to IFRS 16 | *Lease Liability in a Sale and Leaseback*[1] |
| Amendments to IFRS 10 and IAS 28 | *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3] |

(1) Effective for annual periods beginning on or after 1 January 2024
(2) Effective for annual periods beginning on or after 1 January 2023
(3) The effective date to be determined

The management of the Group does not anticipate that the adoption of the new/revised IFRSs in future periods will have any material impact on the Group's consolidated financial statements.

## 2. 主要會計政策*(續)*

### 已頒佈但未生效之國際財務報告準則修訂本

於合併財務報表獲批准日期，國際會計準則理事會已頒佈若干於本年度尚未生效且本集團並無提前採用之國際財務報告準則修訂本。當中包括可能與本集團相關之以下準則。

| | |
|---|---|
| 國際會計準則第1號(修訂本) | *將負債分類為即期或非即期及附有契諾的非流動負債*[1] |
| 國際會計準則第1號及國際財務報告準則實務聲明第2號(修訂本) | *披露會計政策*[2] |
| 國際會計準則第8號(修訂本) | *會計估計的定義*[2] |
| 國際會計準則第12號(修訂本) | *與單一交易產生的資產及負債有關的遞延稅項*[2] |
| 國際財務報告準則第16號 | *售後回租的租賃負債*[1] |
| 國際財務報告準則第10號及國際會計準則第28號(修訂本) | *投資者與其聯營公司或合營企業之間的資產出售或出資*[3] |

(1) 於2024年1月1日或之後開始之年度期間生效
(2) 於2023年1月1日或之後開始之年度期間生效
(3) 將予釐定生效日期

本集團管理層預期於未來期間採用該等新訂／經修訂國際財務報告準則對本集團之合併財務報表並無任何重大影響。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### Basis of measurement

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

### Basis of consolidation

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

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

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

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Basis of consolidation** *(continued)*

***Allocation of total comprehensive income***

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

***Changes in ownership interests***

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

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

## 2. 主要會計政策*(續)*

**合併基礎***(續)*

***分配全面收益總額***

本公司股權持有人及非控股權益分佔損益及其他全面收益之各部分。全面收益總額須分配予本公司股權持有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。

***擁有權權益出現變動***

倘本集團於附屬公司的擁有權權益變動並無導致失去控制權，則列賬為股本交易。控股權益及非控股權益的賬面值將會調整，以反映其於附屬公司的有關權益變動。非控股權益的經調整金額與已付或已收代價的公允價值間任何差額直接於權益中確認並歸屬於本公司權益持有人。

倘本集團失去對附屬公司的控制權，出售時產生的損益按下列兩者的差額計算：(i)於失去控制權當日已收代價的公允價值與任何保留權益的公允價值的總和；及(ii)於失去控制權當日附屬公司及任何非控股權益的資產(包括商譽)及負債的賬面值。先前於其他全面收入確認的有關所出售附屬公司的金額按與假設控股公司直接出售相關資產或負債的同一基準列賬。於前附屬公司保留的任何投資及前附屬公司結欠或應付前附屬公司的任何金額自失去控制權當日起視適用情況列賬為金融資產、聯營公司、合營公司或其他。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

## 2. 主要會計政策*(續)*

### Subsidiaries

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

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

### 附屬公司

附屬公司為本集團控制之實體。倘本集團因參與實體之營運而承受或享有其可變動回報，並有能力透過其對實體之權力影響該等回報，則本集團對該實體擁有控制權。倘有事實及情況顯示，控制權之一項或多項元素出現變動，本集團將重新評估其是否對被投資公司有控制權。

在合併財務報表附註41載列的本公司財務狀況表中，附屬公司投資以成本減去累計減值虧損列值(如有)。倘投資之賬面值高於其可回收金額，則投資之賬面值按個別基準削減至其可收回金額。附屬公司業績由本公司按已收及應收股息基準入賬。

### Associates

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

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

### 聯營公司

聯營公司為本集團對其擁有重大影響力的實體。重大影響力為參與被投資方的財務及營運政策的決策的權力，惟並不能夠控制或共同控制有關政策。

本集團於聯營公司之投資乃以股本會計法入賬，惟投資或其部分被歸類為持作銷售則除外。根據權益法，投資初步按成本記錄並隨後就本集團分佔投資對象的淨資產以及有關投資之減值虧損之收購後的變化做調整。除本集團已代表投資對象產生合法或推定義務或付代款，倘本集團於投資對象應佔虧損相等於或超過該投資對象之權益賬面值(包括任何長期權益實際上是本集團對投資對象之投資淨額)，本集團不再確認其應佔之進一步虧損。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Associates** *(continued)*

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investees, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

In the Company's statement of financial position as set out in Note 41, investments in associates is also accounted for under the equity method of accounting, less any impairment losses.

**Property, plant and equipment**

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to profit or loss during the year in which they are incurred.

## 2. 主要會計政策*(續)*

**聯營公司***(續)*

本集團與聯營公司之間交易所產生之未變現損益，均按本集團於投資對象所佔之權益予以抵銷；惟證明已轉讓資產減值之未變現虧損除外，在此情況下，該等未變現虧損會及時在損益內確認。

於附註41所載的本公司財務狀況表中，於聯營公司的投資亦根據會計權益法減任何減值虧損列賬。

**不動產、工廠及設備**

除在建工程外，不動產、工廠及設備以成本減累計折舊及累計減值虧損列賬。不動產、工廠及設備項目的成本包括其購買價及為使資產達至其營運狀況及運抵營運地點作擬定用途之任何直接應佔成本。維修及保養會於其發生年度內於損益內扣除。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

## 2. 主要會計政策*(續)*

**Property, plant and equipment** *(continued)*

**不動產、工廠及設備***(續)*

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

如合併財務報表附註32(a)所述，本集團收到控股股東投入的若干已完工水供給和污水處理設施作為資本，並在特許期間內承擔該等設施的運營和維護。在此期間內，根據本集團與政府部門簽訂的特許經營權協議，本集團可根據供應的水或處理的廢水收取服務費，以收回其投資、運營和維護成本並獲取合理回報(「**轉讓－擁有－經營**」模式或「**TOO**」模式)。鑒於本集團在特許期間內指定資產的用途並控制TOO模式下資產的重大剩餘權益，並且享有延長運營期限的獨家優先權且沒有被要求在特許期間結束後將資產返還予政府部門。因此，TOO模式下的固定資產按不動產、工廠和設備入賬。

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

除在建工程外，折舊乃自不動產、工廠及設備可供使用日期起，就彼等之估計可用年期撇銷成本減累計減值虧損，計入彼等之估計剩餘價值後，以直線法及依以下年率計算。倘不動產、工廠及設備項目部份的可使用年期相異，則該項目的成本或估值按合理基準分配並分開折舊。

| | | | |
|---|---|---|---|
| Buildings and facilities | 20 to 50 years | 建築物及設施 | 20至50年 |
| Machinery and equipment | 8 to 18 years | 機械和工具 | 8至18年 |
| Office and electronic equipment | 3 to 10 years | 辦公及電子設備 | 3至10年 |
| Motor vehicles | 8 to 10 years | 汽車 | 8至10年 |

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## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### Investment properties

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

Investment properties are stated at fair value at the end of the reporting period. Any gain or loss arising from a change in fair value is recognised in profit or loss.

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

### Intangible assets

#### *(i) Operating concession*

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

## 2. 主要會計政策*(續)*

### 投資物業

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

投資物業在報告期末按公允價值列賬。因公允價值變動而產生的任何收益或虧損於損益確認。

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

### 無形資產

#### *(i) 特許經營權*

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

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Intangible assets** *(continued)*

***(i) Operating concession** (continued)*

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

***(ii) Computer software***

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

**Impairment of non-financial assets**

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

– property, plant and equipment;

– right-of-use assets/land use rights;

– intangible assets; and

– investments in subsidiaries in the Company's statement of financial position.

## 2. 主要會計政策*(續)*

**無形資產***(續)*

***(i) 特許經營權***(續)

本集團將特許經營權協議中的相關權利作為無形資產或金融資產予以確認。作為運營方確認的無形資產以獲取的收費權利(經營執照)規定向使用該特許經營服務者可收取金額為限，確認的金融資產以向授予方無條件收取的保底處理量處理費的金額為限。因此本集團將特許經營權協議項下的權利作為無形資產－特許經營權予以確認，並在20至30年的特許經營期間內以直線法進行攤銷。

***(ii) 計算機軟件***

外購計算機軟件使用權按購買該軟件產生的成本予以資本化。該等成本於5至10年的年限內攤銷。

**非金融資產減值**

於各報告期末審閱內部及外部資料來源，以確定下列資產可能出現減值或先前確認的減值虧損不再存在或已經減少的跡象：

– 不動產、工廠及設備；

– 使用權資產／土地使用權；

– 無形資產；及

– 於本公司財務狀況表中的於附屬公司的投資。

## 2. SIGNIFICANT ACCOUNTING POLICIES 2. 主要會計政策(續)

### 非金融資產減值(續)

– *減值虧損撥回*

倘用作釐定資產可收回金額的估算出現有利變動，則會撥回減值虧損。減值虧損撥回僅限於假設過往年度並無確認減值虧損的情況下釐定的資產賬面值。減值虧損撥回在確認撥回的年度計入損益。

### 特許經營權協議

本集團與政府部門(「**授予方**」)訂立了若干特許經營權協議。特許經營權協議包括建設－經營－移交(「**BOT**」)協議和移交－經營－移交(「**TOT**」)協議。根據BOT協議，本集團向授予方提供污水處理和水供給設施的建造和升級改造，並以在指定期間內(「**經營期間**」)根據授予方預先設定的條件，經營服務項目作為回報。服務項目在經營期間結束後按零對價轉讓予授予方。除本集團須就經營已完工污水處理和水供給設施支付對價外，TOT協議與BOT協議類似。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Service concession arrangements** *(continued)*

***(a) Consideration given by the Grantor***

A financial asset (receivable under a service concession arrangement) is recognised to the extent that the Group has an unconditional right to receive cash or another financial asset from the Grantor for the construction and upgrade services rendered and/or the consideration paid and payable by the Group to the Grantor. The Group has an unconditional right to receive cash if the Grantor contractually guarantees to pay the Group specified or determinable amounts or the shortfall, if any, between amounts received from the users of the public services and specified or determinable amounts.

An intangible asset (operating concession) is recognised to the extent that the Group receives a right to charge users of public services, which is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the services.

If the Group is paid for the construction and upgrade services or the cash payments for the rights to charge grantors or public users (under BOT/TOT arrangement) partly by a financial asset and partly by an intangible asset, then each component of the consideration is accounted for separately and is recognised initially in accordance with IFRS 15.

## 2. 主要會計政策*(續)*

**特許經營權協議***(續)*

***(a) 授予方付出的對價***

在本集團對於向授予方提供的建造和升級改造服務擁有無條件收取現金或其他金融資產的權利和／或[illegible]營權協議下的應收款項)予以確認。若授予方於合約中保證依下列金額給付本集團，則本集團具有能無條件收取現金之權利：特定或可確定金額，或本

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Service concession arrangements** *(continued)*

***(b) Construction and upgrade services***

Revenue from construction service is recognised over time using an input method, based on the percentage of completion of the contract, which is determined by the direct proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

***(c) Operating service***

During the Operation Period of the service concession arrangements, receipts up to the level of the guarantee are treated as repayment of the financial asset. Costs for operating services are expensed in the period in which they are incurred.

***(d) Contractual obligations to restore the facilities to a specified level of serviceability***

The Group has contractual obligations which it must fulfil as a condition of its licenses, that is (i) to maintain the wastewater treatment plants it operates to a specified level of serviceability and/or (ii) to restore the plants to a specified condition before they are handed over to the Grantor at the end of the service concession arrangement. These contractual obligations to maintain or restore the water treatment plants, except for upgrade element, are recognised and measured at the best estimate of the expenditure that would be required to settle the present obligation at the end of the reporting period. In the opinion of the directors of the Company, the contractual obligations to maintain or restore infrastructure were not material to the Group.

**Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average cost method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

## 2. 主要會計政策*(續)*

**特許經營權協議*(續)***

***(b) 建造和升級改造服務***

建造服務收入使用投入法根據合約完成百分比隨時間確認，該收益乃按迄今進行工程所產生的合約成本相對估計總合約成本的直接比例釐定。

***(c) 營運服務***

在特許經營權協議規定的經營期間內，收取的不超過保底污水處理費的部分作為償還金融資產處理。營運服務的成本在產生的期間內費用化。

***(d) 將設施重置到特定可使用狀態的合同規定義務***

作為特許經營權利的一個條件，本集團須承擔的合同義務包括：(i)將所運營的污水處理站維護在一個特定的可使用狀態以及／或(ii)在特許經營權協議到期時將設施移交給授予方前將設施恢復到特定可使用狀態。關於本集團承擔的除改造升級外、合同中規定的將污水處理站維護或重置的義務，根據管理層對現時義務所需的支出的最佳估計在報告期末予以確認和計量。本公司董事認為，將所運營的污水處理站維護或恢復至一個特定的可使用狀態的合同規定義務對本集團來說都不重大。

**存貨**

存貨乃以成本值及可變現淨值之較低者入賬。成本(包括一切購入成本，在適用之情況，亦包括將存貨達致現時地點及狀況所支銷之其他成本)乃採用加權平均成本法計算。可變現淨值指日常業務過程中的估計售價減去進行銷售所需的估計成本。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

## 2. 主要會計政策*(續)*

**Financial instruments**

**金融工具**

***Financial assets***

***金融資產***

*Recognition and derecognition*

*確認及終止確認*

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

金融資產於且僅於本集團成為該工具合約條文之一方時按交易日基準確認。

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

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

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

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

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

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

*Classification and measurement*

*分類及計量*

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

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

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

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

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

## 2. 主要會計政策*(續)*

**Financial instruments** *(continued)*

**金融工具***(續)*

***Financial assets*** *(continued)*

***金融資產***(續)

*Classification and measurement (continued)*

*分類及計量(續)*

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the following annual reporting period following the change in the business model.

金融資產於初步確認之分類取決於本集團管理金融資產之業務模式及金融資產之合約現金流量特徵。金融資產於彼等初步確認後不予重新分類，除非本集團改變其管理業務模式，而在此情況下所有受影響之金融資產於業務模式變動後以下年度報告期間之首日進行重新分類。

Derivatives embedded in a hybrid contract in which a host is an asset within the scope of IFRS 9 are not separated from the host. Instead, the entire hybrid contract is assessed for classification.

嵌入衍生工具的混合式合約(其主合約為國際財務報告準則第9號範圍內的資產)不得與主合約分開計量。相反，整項混合式合約乃作分類評估。

1) Financial assets measured at amortised cost

1) 按攤銷成本計量之金融資產

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

當金融資產同時符合以下條件，且並無指定為按公允價值計入損益，則該金融資產按攤銷成本計量：

(a) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(a) 該金融資產由一個旨在通過持有金融資產收取合約現金流量之業務模式所持有；及

(b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) 該金融資產之合約條款使於特定日期產生現金流量僅為支付本金及未償還本金利息。

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

其後，按攤銷成本計量的金融資產採用實際利率方法計量並須計提減值。因減值、終止確認或進行攤銷時產生之收益及虧損乃於損益中確認。

The Group's financial assets at amortised cost include receivables under service concession arrangements, financial assets at amortised cost, trade and other receivables, cash and bank balances and restricted funds.

本集團按攤銷成本計量的金融資產包括特許經營權協議下的應收款項、以攤銷成本計量的金融資產、應收賬款及其他應收款、現金及銀行結餘及受限制資金。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Financial instruments** *(continued)*

***Financial assets*** *(continued)*

*Classification and measurement (continued)*

2) Financial assets at FVPL

These investments include financial assets that are not measured at amortised cost or FVOCI, including financial assets held for trading, financial assets designated upon initial recognition at FVPL, financial assets resulting from a contingent consideration arrangement in a business combination to which IFRS 3 applies and financial assets that are otherwise required to be measured at FVPL. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which does not include any dividend or interest earned on the financial assets.

A financial asset is classified as held for trading if it is:

(i) acquired principally for the purpose of selling it in the near term;

(ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or

(iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

The Group's financial assets measured at FVPL include the derivatives – Cross Currency swap.

## 2. 主要會計政策*(續)*

**金融工具***(續)*

***金融資產***(續)

*分類及計量(續)*

2) 按公允價值計入損益之金融資產

該等投資包括非按攤銷成本計量或按公允價值計入其他全面收益之金融資產，包括持作交易之金融資產、初步確認時指定按公允價值計入損益之金融資產，以及國際財務報告準則第3號適用之業務合併中之或然代價安排所導致之金融資產及其他須按公允價值計入損益之金融資產。彼等按公允價值列賬，所導致之任何收益及虧損於損益中確認，不包括該等金融資產所賺取之任何股息或利息。

金融資產分類為持作交易，則其：

(i) 獲收購之主要目的是在短期內出售；

(ii) 於初步確認時為集中管理且具有短期獲利之最近實際模式跡象之可識別金融工具組合之一部份；或

(iii) 不屬於財務擔保合同，或並非指定且有效對沖工具之衍生工具。

本集團按公允價值計入損益的金融資產包括衍生工具－交叉貨幣掉期。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Financial instruments** *(continued)*

***Financial liabilities***

*Recognition and derecognition*

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

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

*Classification and measurement*

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

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

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

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

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

## 2. 主要會計政策*(續)*

**金融工具***(續)*

***金融負債***

*確認及終止確認*

金融負債於且僅於本集團成為該工具合約條文之一方時確認。

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

*分類及計量*

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

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

倘符合下列條件，則金融負債於初步確認時指定為按公允價值計入損益處理：

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

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

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

## 2. 主要會計政策*(續)*

**Financial instruments** *(continued)*

**金融工具***(續)*

***Impairment of financial assets and other items*** *(continued)*

***金融資產及其他項目的減值***(續)

*Measurement of ECL*

*預期信貸虧損之計量*

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

預期信貸虧損乃金融工具預期年期的信貸虧損(即所有現金短欠的現值)的概率加權估計。

A credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

信貸虧損為合約項下應付某一實體的合約現金流量與該實體預期收取的現金流量之間的現值差額。

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

全期預期信貸虧損指金融工具預期年期所有可能的違約事件產生的預期信貸虧損，而12個月預期信貸虧損為全期預期信貸虧損的一部份，其預期源自可能在報告日期後12個月內發生的金融工具違約事件。

Where ECL is measured on a collective basis, the financial instruments are grouped based on the following one or more shared credit risk characteristics:

倘以集體基準計量預期信貸虧損，金融工具乃依據下列一項或以上共享信貸風險特徵而分組：

(a) past due status

(a) 逾期狀況

(b) nature of financial instrument

(b) 金融工具性質

(c) nature, size and industry of debtors

(c) 債務人的性質、規模及行業

(d) local economy environment of provinces in the PRC

(d) 中國各省的當地經濟環境

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Financial instruments** *(continued)*

***Impairment of financial assets and other items*** *(continued)*

*Measurement of ECL (continued)*

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument.

*Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

(a) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or

(b) there is a breach of financial covenants by the counterparty.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

## 2. 主要會計政策*(續)*

**金融工具***(續)*

***金融資產及其他項目的減值***(續)

*預期信貸虧損之計量(續)*

虧損撥備於各報告日期重新計量以反映初步確認以來金融工具信貸風險及虧損的變動。虧損撥備得出的變動於損益確認為減值盈虧並對金融工具賬面值作相應調整。

*違約的定義*

本集團認為以下情況就內部信貸風險管理目的而言構成違約事件，因為歷史經驗顯示如金融工具符合以下任何一項準則，本集團或未能收回全數未償還合約金額。

(a) 有內部衍生資料或取自外部來源資料顯示債務人不大可能全數向其債權人(包括本集團)支付欠款(未考慮本集團所持任何抵押品)；或

(b) 對手方有違反財務契諾。

無論上述分析如何，本集團認為金融資產逾期超過90日已屬發生違約，除非本集團有合理及可靠資料證明較為滯後的違約準則更為適當則作別論。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Financial instruments** *(continued)*

***Impairment of financial assets and other items*** *(continued)*

*Assessment of significant increase in credit risk*

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

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

Notwithstanding the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

## 2. 主要會計政策*(續)*

**金融工具***(續)*

***金融資產及其他項目的減值***(續)

*信貸風險顯著增加的評估*

評估金融工具的信貸風險自初步確認以來有否顯著增加時，本集團會將截至報告日期金融工具發生違約的風險，與截至初步確認日期金融工具發生違約的風險比較。作出此評估時，本集團會同時考慮合理和可靠的定量及定性資料，包括無須付出過多成本或努力後即可獲得的歷史經驗及前瞻性資料。評估時特別會考慮以下資料：

- 債務人未能於到期日支付本金或利息款項；
- 金融工具的外部及內部信貸評級(如可獲得)有實際或預期的顯著惡化；
- 債務人的經營業績有實際或預期的顯著惡化；及
- 技術、市場、經濟或法律環境方面有實際或預期的變化而會或可能會對債務人履行其對本集團的責任有重大不利影響。

儘管有前述分析，如金融工具於報告日期被釐定為低信貸風險，本集團會假設金融工具的信貸風險自初步確認以來無顯著增加。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Financial instruments** *(continued)*

***Impairment of financial assets and other items*** *(continued)*

*Low credit risk*

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

(a) it has a low risk of default;

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

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

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

*Simplified approach of ECL*

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

## 2. 主要會計政策*(續)*

**金融工具***(續)*

***金融資產及其他項目的減值****(續)*

*低信貸風險*

如有下列情況，金融工具會被釐定為低信貸風險：

(a) 其具低違約風險；

(b) 借款人有實力履行其近期合約現金流量責任；及

(c) 較長遠的經濟或營商條件的不利變動可能(但不一定)會減低借款人履行其合約現金流量責任的能力。

誠如合併財務報表附註3.1(b)所詳述，現金及銀行結餘及受限制資金被確定為具有低信貸風險。

*預期信貸虧損之簡化法*

本集團就應收賬款應用簡化法計算預期信貸虧損。本集團於各報告日期根據全期預期信貸虧損確認虧損撥備，並已設立撥備矩陣，以其過往信貸虧損經驗為基準，並就應收賬款及經濟環境之特定前瞻性因素作出調整。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Financial instruments** *(continued)*

***Impairment of financial assets and other items*** *(continued)*

*Credit-impaired financial asset*

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

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

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

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

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

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

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

*Write-off*

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

## 2. 主要會計政策*(續)*

**金融工具***(續)*

***金融資產及其他項目的減值***(續)

*信貸減值金融資產*

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

(a) 發行人或借款人的重大財困。

(b) 違反合約(如違約或逾期事件)。

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

(d) 借款人將可能陷入破產或其他財務重組。

(e) 因財務困難導致金融資產失去活躍市場。

(f) 按反映已產生信貸虧損之大幅折扣購買或發起金融資產。

*撇銷*

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

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

## 2. 主要會計政策*(續)*

### Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost, using the effective interest method and including an allowance for credit losses.

### 應收賬款及其他應收款

應收賬款於本集團擁有收取代價之無條件權利時確認。倘於到期支付代價前僅需時間推移，收取代價之權利則屬無條件。倘收益已於本集團擁有收取代價之不附有條件的權利前確認，則有關款項呈列為合約資產。

不包含重大融資組成部分的應收賬款初步按其交易價格計量。包含重大融資組成部分的貿易應收款項初步按其公允價值加交易成本計量。所有應收賬款其後則使用實際利率法按攤銷成本列賬(包含信貸虧損撥備)。

### Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group's derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains/(losses).

### 衍生工具

衍生工具於衍生工具合約訂立當日按公平值初始確認，其後於各報告期間末按公平值重新計量。公平值變動之會計處理取決於該衍生工具是否被指定為對沖工具，如被指定為對沖工具，則取決於對沖項目之性質。本集團之衍生工具並不符合對沖會計準則。不符合對沖會計準則之衍生工具之公平值如有變動，將即時於損益內確認並計入其他收益／(虧損)。

### Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

### 應付賬款及其他應付款

應付賬款及其他應付款初步按公平值確認，並於其後按攤銷成本列賬，惟倘貼現之影響不大，則按發票金額列賬。

### Borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs.

### 借貸

附息借貸初步按公平值減交易成本計量，其後使用實際利率法及按攤銷成本列賬。利息開支根據本集團對借貸成本之會計政策確認。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

## 2. 主要會計政策*(續)*

### Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

### 現金及現金等價物

就合併現金流量表而言，現金及現金等價物指可隨時轉換為已知現金金額且價值變動風險較低之短期高流動性投資。

### Revenue recognition

### 收益確認

#### *Revenue from contracts with customers*

#### *客戶合約收益*

*Nature of goods or services*

*貨品或服務的性質*

The nature of the goods or services provided by the Group is as follows:

本集團所提供貨品或服務的性質如下：

(i) Wastewater treatment services

(ii) Water supply services

(iii) Revenue from construction contracts

(iv) Management services

(v) Thermal production

(vi) Transportation services

(vii) Finance income

(i) 污水處理服務

(ii) 供水服務

(iii) 建築合同收入

(iv) 管理服務

(v) 熱力生產

(vi) 運輸業務

(vii) 財務收入

*Identification of performance obligations*

*識別履約責任*

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

於合約開始時，本集團會評估與客戶所訂合約中承諾的貨品或服務，並識別為各承諾轉移給客戶以下兩者之一的履約責任：

(a) a good or service (or a bundle of goods or services) that is distinct; or

(a) 明確的貨品或服務(或一束貨品或服務)；或

(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

(b) 連串明確的貨品或服務，大致相同且轉移給客戶的模式相同。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

## 2. 主要會計政策*(續)*

**Revenue recognition** *(continued)*

**收益確認**(續)

***Revenue from contracts with customers*** *(continued)*

***客戶合約收益***(續)

*Timing of revenue recognition (continued)*

*收益確認的時間性(續)*

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

如履約責任不隨時間達致，本集團於客戶取得所承諾資產的控制權時於某個時間點達致履約責任。釐定控制權轉移何時發生時，本集團會考慮控制權概念及諸如法定業權、實質管有、付款權、資產所有權的重大風險與酬報及客戶認受等指標。

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

經營污水處理和其他服務取得的收入在提供服務時隨時間予以確認。

Revenue from water supply services is recognised at point in time when a Group entity has delivered water to the customer.

當本集團主體向客戶供水時，於該時間點確認供水服務收入。

Revenue from construction services is recognised over time based on the percentage of completion of the contract, which is determined by the direct proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, at the end of each reporting period. The Group provides construction services under Build-Transfer (the "**BT**") arrangements and Build-Operate-Transfer (the "**BOT**") arrangements. Under these construction arrangements, the Group carries out construction work of the wastewater treatment and water supply facilities and returns the assets to the counter parties of the construction arrangements after completion of the construction or expiry of the operation period. When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

建造服務收入根據合約完成百分比隨時間確認，該收益乃按迄今進行工程所產生的合約成本相對各報告期末估計總合約成本的直接比例釐定。本集團的建造服務存在於建造－轉讓(「**BT**」)合同及建造－運營－移交(「**BOT**」)合同。在上述建造合同下，本集團實施污水處理及水供給等設施的建造並於建造完成後或運營期屆滿後將資產交付予簽署建造合同的另一方。如合約的結果無法合理計量，則收入的確認僅以預期可收回的已產生合約成本為限。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

## 2. 主要會計政策*(續)*

**Revenue recognition** *(continued)*

**收益確認***(續)*

***Revenue from contracts with customers*** *(continued)*

***客戶合約收益***(續)

*Timing of revenue recognition (continued)*

*收益確認的時間性(續)*

Revenue from management services is recognised over time based on the volume of wastewater treatment service provided to the customers in each period.

管理服務收入按各期間向客戶提供的污水處理服務量隨時間確認。

Revenue from thermal power service is recognised at point in time based on the volume of thermal power supplied under the contract.

熱電服務根據合約，按供應熱電量於時間點確認收入。

Revenue from transportation services is recognised over time when services have been provided to the customers in each period.

來自運輸業務的收入於各期間服務提供予客戶時隨時間確認。

For wastewater treatment services, management services and transportation services, the Group applies the output method (i.e. based on the direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract) to measure the progress towards complete satisfaction of the performance obligation because the method provides a faithful depiction of the Group's performance and reliable information is available to the Group to apply the method.

對於污水處理服務、管理服務及運輸業務，本集團會應用產出法(即直接計量至今已轉移給客戶的貨品或服務的價值相對合約下所承諾剩餘貨品或服務)以計量達致履約責任的完成進度，因為此法可真實反映本集團的履約情況，且本集團有可靠資料以應用此方法。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

## 2. 主要會計政策*(續)*

**Revenue recognition** *(continued)*

**收益確認**(續)

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

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

**Contract assets and contract liabilities**

**合約資產及合同負債**

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

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

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

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

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

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

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### Foreign currency translation

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

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

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

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

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

## 2. 主要會計政策*(續)*

### 外幣換算

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

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

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

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

– 各全面收益表的收入及開支按平均匯率轉換。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Financial guarantees issued** *(continued)*

Financial guarantees issued are initially recognised at fair value, which is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

Subsequent to initial recognition, the amount initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued.

**Government grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is included in non-current liabilities as deferred revenue and is released to profit or loss over the expected useful life of the relevant asset under straight line method.

**Leases**

The Group assesses whether a contract is, or contains, a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

***As lessee***

The Group applies the recognition exemption to short-term leases. Lease payments associated with this lease is recognised as an expense on a straight-line basis over the lease term.

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Leases** *(continued)*

***As lessee*** *(continued)*

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

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

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

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

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

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

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

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

## 2. 主要會計政策*(續)*

**租賃***(續)*

***作為承租人***(續)

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

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

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

(a) 租賃負債初步計量金額；

(b) 於開始日期或之前作出的任何租賃付款，減去已獲得的租賃優惠；

(c) 本集團所產生的任何初始直接成本；及

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

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

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Leases** *(continued)*

***As lessee*** *(continued)*

Land use rights

As described in Note 16 to the consolidated financial statement, all land in the PRC is state-owned or collectively-owned and no individual land ownership exists. The land use rights of certain land of the Group were contributed by KDI. The land use rights are stated at cost less accumulative amortisation and accumulated impairment losses, if any. Land use rights are amortised over the lease period of 48 to 50 years using straight-line method.

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

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

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

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

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

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

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

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

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

## 2. 主要會計政策*(續)*

**租賃***(續)*

***作為承租人***(續)

土地使用權

如合併財務報表附註16所述，所有土地在中國均為國有或集體所有，無個人擁有土地使用權存在。本集團某些土地的使用權由昆明滇池投資提供。土地使用權按成本減累計攤銷及減值損失(如有)入賬。土地使用權按直線法在48至50年租賃期內攤銷。

租賃負債初步按在合同開始日尚未支付的租賃付款額的現值計量。

租賃付款包括以下租賃期中在開始日期尚未支付的有關標的資產使用權的付款：

(a) 固定租賃款項(包括實質固定款項)減任何應收租賃優惠；

(b) 可變租賃付款，其取決於一項指數或利率；

(c) 承租人根據剩餘價值擔保預期應付金額；

(d) 購買權的行使價(倘本集團合理確定行使該等權利)；及

(e) 終止租賃的罰金付款(倘租賃條款反映本集團行使權利以終止租賃)。

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

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

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Leases** *(continued)*

***As lessee*** *(continued)*

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

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

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

A lease modification is accounted for as a separate lease if:

(a) the modification increases the scope of the lease by adding the right to use or more underlying assets; and

(b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

(a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.

## 2. 主要會計政策*(續)*

**租賃***(續)*

***作為承租人****(續)*

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

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

當對租賃負債進行上述重新計量時，本集團相應調整使用權資產的賬面金額；如果使用權資產的賬面金額已經減記至零，則將調整金額計入損益。

如果發生以下情況，則租約修改作為單獨租約入賬：

(a) 該項修改通過增加使用一項或多項相關資產的權利擴大了租賃範圍；及

(b) 租賃代價增加，所增加的金額相當於範圍擴大對應的單獨價格，加上按照特定合約的實際情況對單獨價格進行的任何適當調整。

如租約修改未計入單獨租約，則在該租約修改生效之日，

(a) 本集團按上述相對獨立價格在經修改的合同中分配代價。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Leases** *(continued)*

***As lessee*** *(continued)*

(b) the Group determines the lease term of the modified contract.

(c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.

(d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.

(e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

***As lessor***

The Group classifies each of its leases as either a finance lease or an operating lease at the inception date of the lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and sublease as two separate contracts. The sublease is classified as an operating lease if the head lease is a short-term lease to which the Group has applied the recognition exemption. Otherwise, the sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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

## 2. 主要會計政策*(續)*

**租賃***(續)*

***作為承租人***(續)

(b) 本集團確定經修改合同的租賃期限。

(c) 本集團通過在修訂的租賃期內使用修訂的折現率對修訂的租賃付款進行折現來重新計量租賃負債。

(d) 對於減少租賃範圍的租賃修改，本集團通過減少使用權資產的賬面值以反映租賃的部分或全部終止並確認任何損益，對租賃負債進行重新計量有關部分或全部終止租賃的損益。

(e) 對於所有其他租賃修改，本集團通過對使用權資產進行相應調整來對租賃負債進行重新計量。

***作為出租人***

本集團於租賃開始日期將每項租賃分類為融資租賃或經營租賃。倘租賃實際上將相關資產所有權附帶的所有風險及回報轉移，則獲分類為融資租賃。所有其他租賃獲分類為經營租賃。

如本集團為中間出租人，則將首租與分租記賬為兩項獨立合約。倘首租為本集團應用確認豁免之短期租賃，則分租獲分類為經營租賃。否則，分租經參考首租產生之使用權資產獲分類為融資租賃或經營租賃。

租金收入於租期內按直線法列賬，且由於其經營性質而計入損益表內其他收入。於磋商及安排經營租賃時產生的初始直接成本乃計入租賃資產的賬面值，並於租期內按相同基準確認為租金收入。或然租金乃於所賺取的期間內確認為收入。

本集團對租賃合約中每項租賃成分記賬為與該合約之非租賃成分獨立之租賃。本集團按相對獨立價格基準將合約代價分配至各租賃成分。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Employee benefit**

***(a) Pension obligations***

The full-time employees of the Group in the PRC are covered by various government-sponsored defined contribution pension plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these retired employees. The Group contributes on a monthly basis to these pension plans. Under these plans, the Group has no obligation for post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred and contributions paid to the defined-contribution pension plans for an employee are not available to reduce the Group's future obligations to such defined-contribution pension plans even if the employee leaves the Group. In addition to the government-sponsored defined contribution pension plans as mentioned above, effective from 1 January 2014, the Group operates an additional employee pension plan. The full-time employees of the Group in the PRC are entitled to an additional pension aggregating to 8% of previous year's salaries. The Group has no further obligation for this additional employee pension plan beyond the contribution made.

***(b) Housing funds, medical insurances and other social insurances***

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

## 2. 主要會計政策*(續)*

### Taxation

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, any deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax assets or liabilities are measured at the tax rates that are expected to apply to the period when the asset is recovered or liability is settled, based on the tax rates and the tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and investments in associates, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

### 稅項

即期所得稅支出乃根據期內業績計算，並就毋須課稅或不可扣減項目作出調整。計算時所使用之稅率為於各報告期末已頒行或實際上已頒行之稅率。

遞延稅項乃就資產及負債之稅基與其於合併財務報表之賬面值於報告期末之所有暫時性差額，採用負債法作出撥備。然而，初步確認一項交易(業務合併除外)中之資產或負債所產生之任何遞延稅項，倘於交易時不影響會計溢利或應課稅溢利或虧損，則不會予以確認。

遞延稅項資產及負債乃根據於報告期末已頒行或實際上已頒行之稅率及稅法，按收回資產或清償負債之期間預期適用之稅率計量。

倘可能有未來應課稅溢利可用作抵銷可扣減暫時性差額、稅項虧損及抵免，則會確認遞延稅項資產。

遞延稅項按於附屬公司之投資及聯營公司之投資所產生之暫時性差額作出撥備，惟本集團可控制暫時性差額之撥回時間，以及暫時性差額不大可能於可見未來撥回之情況除外。

### Related parties

A related party is a person or entity that is related to the Group.

(a) A person or a close member of that person's family is related to the Group if that person:

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group.

### 關聯方

關聯方為與本集團有關聯之人士或實體。

(a) 倘一名人士符合以下條件，該名人士或其近親即為與本集團有關聯：

  (i) 對本集團有控制權或共同控制權；

  (ii) 對本集團有重大影響力；或

  (iii) 為本集團之主要管理人員。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Related parties** *(continued)*

(b) An entity is related to the Group if any of the following conditions applies:

(i) the entity and the Group are members of the same group (which means that each holding company, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

## 2. 主要會計政策*(續)*

**關聯方***(續)*

(b) 倘一間實體符合以下條件，其即為與本集團有關聯：

(i) 該實體與本集團為同一集團之成員公司(即各控股公司、附屬公司及同系附屬公司彼此互有關聯)。

(ii) 一間實體為另一間實體之聯營公司或合營公司(或一間實體為另一間實體所屬集團成員公司之聯營公司或合營公司)。

(iii) 兩間實體均為同一第三方之合營公司。

(iv) 一間實體為一名第三方實體之合營公司，而另一間實體為該第三方實體之聯營公司。

(v) 該實體為本集團或與本集團有關聯之實體之僱員福利而設之退休福利計劃。倘本集團本身為該計劃，提供資助之僱主亦為與本集團有關聯。

(vi) 該實體為受(a)項所識別人士控制或共同控制。

(vii) (a)(i)項所識別對實體有重大影響力或為該實體(或該實體之控股公司)主要管理人員之人士。

(viii) 向本集團提供主要管理人員服務之實體或其所屬集團之任何成員公司。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Related parties** *(continued)*

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

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

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

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

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

**Segment reporting**

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

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

**Critical judgements and accounting estimates**

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

## 2. 主要會計政策*(續)*

**關聯方***(續)*

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

(a) 該名人士之子女及配偶或同居伴侶；

(b) 該名人士之配偶或同居伴侶之子女；及

(c) 該名人士或該名人士配偶或同居伴侶之受養人。

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

**分部報告**

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

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

**重大判斷及會計估計**

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

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Critical judgements and accounting estimates** *(continued)*

***Critical accounting judgements***

In the process of applying the Group's accounting policies, management has made the following accounting judgement:

*(i) Scope of applying IFRIC 12 for certain facilities*

The Group entered into BOT, TOT, Build-Own-Operate ("**BOO**") and TOO arrangements in wastewater treatment, water supply and other facilities.

The Group has concluded that all the BOT, TOT, BOO and TOO arrangements are service concession arrangements under IFRIC 12, because (i) the grantors control and regulate the services that the Group must provide with the infrastructure at a pre-determined service charge and (ii) the grantors control significant residual interest in the infrastructure at the end of the term of the arrangements. In respect of BOT and TOT arrangements, upon expiry of concession right agreements, the infrastructure has to be transferred to the local government at nil consideration. Infrastructure for BOO and TOO arrangements is expected to be used in the service concession arrangements for its entire or substantially entire useful life.

***Critical accounting estimates***

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

*(i) Estimated useful lives and residual values of property, plant and equipment*

The Group's management determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment with reference to the estimated periods that the Group intends to derive future economic benefits from the use of these assets. Management will revise the depreciation charges where useful lives are different to that of previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation charges in future periods.

## 2. 主要會計政策*(續)*

**重大判斷及會計估計***(續)*

***重大會計判斷***

於應用本集團的會計政策過程中，管理層已作出以下會計判斷：

*(i) 就部分設施應用國際財務報告詮釋委員會第12號的範疇*

本集團就污水處理、供水及其他設施訂立BOT、TOT、建設－擁有－經營(「**BOO**」)及TOO協議。

本集團認為，所有BOT、TOT、BOO及TOO協議均為國際財務報告詮釋委員會第12號下的特許經營權協議，因為(i)授予者控制及規範本集團必須以預先確定的服務費提供的基礎設施服務；及(ii)授予方於協議期限結束時控制基礎設施的重大剩餘權益。就BOT及TOT協議而言，在特許經營權協議到期後，基礎設施必須無償轉讓予當地政府。BOO及TOO協議的基礎設施在其整個或幾乎整個使用期限內將預計用於特許經營權協議。

***重大會計估計***

本集團對未來作出估計和假設。所得會計估計數字，因其性質使然，很少等同於有關實際結果。有重大風險導致下個財政年度的資產及負債賬面價值作出重大調整之估計及假設詳述如下：

*(i) 不動產、工廠及設備的預計可使用年限和殘值*

本集團管理層經參考本集團擬獲得未來經濟利益的預計期間來確定不動產、工廠及設備的預計可使用年限、殘值和相關折舊費用。當使用壽命與之前估計的使用壽命不同時，管理層將修改折舊費用，或將經已棄置或出售的技術陳舊或非戰略資產核銷或計提減值。實際經濟年期可能不同於估計可使用年限，實際殘值也可能有別於預計殘值。定期檢查可折舊年限、殘值可能會使其發生變化以及影響未來期間折舊費用發生變化。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

## 2. 主要會計政策*(續)*

**Critical judgements and accounting estimates** *(continued)*

**重大判斷及會計估計***(續)*

***Critical accounting estimates*** *(continued)*

***重大會計估計***(續)

*(ii) Impairment of trade and other receivables, receivables under service concession arrangements, contract assets and amounts due from customers for construction contracts*

*(ii) 應收賬款及其他應收款、特許經營權協議下的應收款項、合約資產及應收客戶建造合同款的減值*

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the risk portfolio, customers' liquidity, historical credit losses, past collection history and other current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in Note 3.1(b) to the consolidated financial statements.

金融資產虧損撥備乃基於有關違約風險及預期虧損率之假設作出。於各報告期末，本集團根據風險組合、客戶的流動性狀況、歷史信貸虧損、過往收款歷史及影響客戶結清應收賬款能力的宏觀經濟因素的其他當前及前瞻性資料，通過判斷作出該等假設及選擇減值計算之輸入數據。所使用的關鍵假設及輸入數據的詳情在合併財務報表附註3.1(b)的表格中披露。

*(iii) Current and deferred income tax*

*(iii) 當期及遞延所得稅*

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

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

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

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

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

**Critical judgements and accounting estimates** *(continued)*

***Critical accounting estimates*** *(continued)*

*(iv) Percentage of completion of construction and service contracts*

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

*(v) Service concession arrangements*

If the Group is paid for the construction and upgrade services or the cash payments for the rights to charge grantors or public users (under BOT/TOT arrangement) partly by a financial asset and partly by an intangible asset, then each component of the consideration is accounted for separately and is recognised initially in accordance with IFRS 15. Significant judgement is exercised in determining the transaction price and the allocation thereof. Discount rates, estimates of future cash flows and other factors are used in the valuation process. Any change in the expected cash flows will result in change in the carrying value of the financial receivable.

## 2. 主要會計政策*(續)*

**重大判斷及會計估計***(續)*

***重大會計估計***(續)

*(iv) 建設完工百分比及服務合同*

本集團根據個別建造或服務工程合同的完工百分比確認建造工程和服務合同的收入。本集團管理層根據總預算成本中發生的實際成本來估計建造或服務工程的完工百分比，並估計相應的合同收入。由於建造和服務合同中承接活動性質的不同，活動開始的日期與活動結束的日期通常歸屬於不同的會計期間。在建造過程中本集團會覆核為各建造合同和服務合同編製的預算，並修改對合同收入和合同成本的估計。

*(v) 特許經營權協議*

如果本集團提供建造及改造升級服務獲得給付或獲取向授予方或公共服務使用者收費之權利收取現金(在BOT/TOT協議下)，該利益部分由金融資產帶來，部分由無形資產帶來，則對價的各組成要素分別處理且根據國際財務報告準則第15號進行初始確認。在釐定交易價格及其分配需要做出重大判斷。在估值過程中需要使用折現率，以及對未來現金流量和其他因素的估計。預期現金流量的任何變動都將會導致金融應收款賬面價值的變化。

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

## 2. 主要會計政策*(續)*

**Critical judgements and accounting estimates** *(continued)*

**重大判斷及會計估計***(續)*

***Critical accounting estimates*** *(continued)*

***重大會計估計***(續)

*(v) Service concession arrangements (continued)*

*(v) 特許經營權協議(續)*

When the Group receives a payment during the concession period, it will apportion such payment between (i) a repayment of the financial receivable (if any), which will be used to reduce the carrying amount of financial receivables on the consolidated statement of financial position, (ii) interest income, which will be recognised as revenue in the consolidated statement of profit or loss and other comprehensive income, and (iii) revenue from operating and maintaining the water and other treatment plants in the consolidated statement of profit or loss and other comprehensive income.

當在特許期間內收到款項時，本集團將其分配至(i)償還金融應收款(如有)，用於減少合併財務狀況表中金融應收款的賬面價值，(ii)將在合併損益及其他全面收益表中確認為收入的利息收入，以及(iii)合併損益及其他全面收益表中經營和維護水及其他處理工廠產生的收入。

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

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

The net amounts of the operating concession carried as intangible assets in the consolidated statement of financial position as at 31 December 2022 was approximately RMB539,304,000(2021: approximately RMB305,222,000), while the receivables under service concession arrangements was approximately RMB2,590,549,000 (2021: approximately RMB2,737,814,000).

於2022年12月31日的合併財務狀況表中列示於無形資產下的特許經營權的淨值約為人民幣539,304,000元(2021年：約人民幣305,222,000元)，而特許經營權協議下的應收款項則約為人民幣2,590,549,000元(2021年：約人民幣2,737,814,000元)。

*(vi) Valuation of investment properties*

*(vi) 投資物業估值*

Investment properties are stated at fair value based on the valuation performed by independent professional valuer. In determining the fair value, the valuer has based on a method of valuation which involves certain estimates of market conditions including unobservable inputs. In relying on the valuation report, the directors of the Company have exercised their judgements and are satisfied that the assumptions used in the valuation are reflective of the current market conditions. Changes to these assumptions would result in changes in the fair value of the Group's investment properties and the corresponding adjustments to the amount of gain or loss that would be recognised in profit or loss. Details of these are set out in Note 15.

投資物業乃按獨立專業估值師進行之估值按公平價值列賬。於釐定公平價值時，估值師乃依據涉及若干市況估計(包括不可觀察輸入數據)之估值方法。於依賴估值報告時，本公司董事已行使其判斷並信納估值所用假設反映現時市況。該等假設之變動會導致本集團投資物業公平價值之變動，對收益或虧損金額之相應調整將於損益中確認。有關詳情載於附註15。

## 3. FINANCIAL RISK MANAGEMENT

### 3.1 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 Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group currently does not use any derivative financial instruments to hedge certain risk exposures.

#### *(a) Market risk*

##### *(i) 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 ("**USD**"). Foreign exchange risk arises mainly from cash and cash equivalents and borrowings denominated in HKD and USD.

As at 31 December 2022, if HKD had strengthened/weakened by 1% (2021: 1%) against RMB, with all other variables held constant, post-tax profit for the year would have been approximately RMB6,442,000 lower/higher (2021: RMB9,148,000 lower/higher) as a result of foreign exchange losses/gains on translation of HKD denominated assets and liabilities.

As at 31 December 2022, if USD had strengthened/weakened by 1% (2021: 1%) against RMB, with all other variables held constant, post-tax profit for the year would have been approximately RMB634,000 lower/higher (2021: RMB10,903,000 lower/higher) as a result of foreign exchange losses/gains on translation of USD denominated assets and liabilities.

## 3. 財務風險管理

### 3.1 財務風險因素

本集團的活動面臨多種財務風險：市場風險(包括外匯風險、現金流量及利率風險)、信用風險及流動資金風險。本集團的整體風險管理政策專注於金融市場的不可預見性，並尋求盡量減低對本集團財務業績的潛在不利影響。本集團目前沒有利用任何衍生金融工具以對沖若干風險。

#### *(a) 市場風險*

##### *(i) 外匯風險*

本集團由於業務中使用多種貨幣導致面臨外匯風險，涉及的貨幣主要為港元(「**港元**」)及美元(「**美元**」)。外匯風險主要產生自以港元及美元計的現金及現金等價物及借貸。

於2022年12月31日，如果港元兌人民幣升值／貶值1%(2021年：1%)，在所有其他變量保持不變的情況下，本年度的稅後利潤將因換算以港元計值的資產及負債產生的匯兌損失／收益而減少／增加約人民幣6,442,000元(2021年：減少／增加人民幣9,148,000元)。

於2022年12月31日，如果美元兌人民幣升值／貶值1%(2021年：1%)，在所有其他變量保持不變的情況下，本年度的稅後利潤將因換算以美元計值的資產及負債產生的匯兌損失／收益而減少／增加約人民幣634,000元(2021年：減少／增加人民幣10,903,000元)。

## 3. FINANCIAL RISK MANAGEMENT *(continued)*

### 3.1 Financial risk factors *(continued)*

#### *(a) Market risk (continued)*

##### *(ii) Cash flow and fair value interest rate risk*

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

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

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

As at 31 December 2022, if the interest rate on floating interest rate borrowings had been higher/lower by 0.5% (2021: 0.5%), the Group's net profit for the year would have changed mainly as a result of higher/lower interest expenses on floating rate borrowings. Details of changes are as follows:

## 3. 財務風險管理*(續)*

### 3.1 財務風險因素*(續)*

#### *(a) 市場風險(續)*

##### *(ii) 現金流量及公允價值利率風險*

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

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

利率及借款償還期限在合併財務報表附註30中披露。

於2022年12月31日，如浮動利率借款的利率上升／下降0.5%(2021年：0.5%)，則本集團該年度的淨利潤將發生變化，主要因為浮動利率借款的利息費用上升／下降所致。具體變化如下：

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Net profit (decrease)/increase | 淨利潤(減少)／增加 | | |
| – Higher 0.5% | －增加0.5% | **(15,129)** | (17,546) |
| – Lower 0.5% | －減少0.5% | **15,129** | 17,546 |

## 3. FINANCIAL RISK MANAGEMENT *(continued)*

### 3.1 Financial risk factors *(continued)*

#### *(b) Credit risk and impairment assessment*

Credit risk refers to the risk that a counterparty will default on its contractS0 8 Tw 8 0 b 5ts

## 3. FINANCIAL RISK MANAGEMENT *(continued)*

### 3.1 Financial risk factors *(continued)*

#### *(b) Credit risk and impairment assessment (continued)*

*Trade receivables (continued)*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At 31 December 2022, the Group had a certain concentration of credit risk as 53% (2021: 52%) and 82% (2021: 78%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

In addition, the Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime expected loss allowance for all trade receivables, which are assessed on collective basis by using a provision matrix except for items that are subject to individual assessment. The Group categorises its trade receivables based on past due status. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases. Impairment loss of approximately RMB25,053,000 (2021: approximately RMB21,586,000) is recognised during the year. Details of the quantitative disclosures are set out below in this note.

## 3. 財務風險管理*(續)*

### 3.1 財務風險因素*(續)*

#### *(b) 信用風險及減值計估 (續)*

*貿易應收款項 (續)*

本集團所面臨之信用風險，主要受各客戶個別特徵而非客戶所經營行業影響，因此信用風險高度集中之情況主要發生於本集團對個別客戶有重大風險承擔時。於2022年12月31日，本集團最大客戶及五大客戶分別佔貿易應收款項總額之53%(2021年：52%)及82%(2021年：78%)，因此承受一定程度的信用集中風險。

此外，本集團採用國際財務報告準則第9號簡化方法計量預期信貸虧損，該方法採用所有貿易應收款項的全期預期虧損撥備，並按集體基準以撥備矩陣計算，惟須個別評估的項目除外。本集團根據逾期狀況對其貿易應收款項進行分類。由於本集團過往的信貸虧損經驗並無顯示不同客户類別的虧損模式有重大差異，故本集團的不同客户群之間並無進一步區分基於逾期狀況的虧損撥備。年內已確認減值虧損約人民幣25,053,000元(2021年：約人民幣21,586,000元)。有關量化披露的詳情載於本附註下文。

## 3. FINANCIAL RISK MANAGEMENT *(continued)*

### 3.1 Financial risk factors *(continued)*

#### *(b) Credit risk and impairment assessment (continued)*

*Receivables under service concession arrangements, amounts due from customers for construction contracts*

The Group has periodic collectively and individually assessed allowance for credit losses for its receivables under service concession arrangements, amounts due from customers for construction contracts at the end of the reporting period based on internal credit rating, their ageing, historical observed default rates based on 12-month ECL and adjusted for forward-looking information that is available without undue cost or effort. In the opinion of the management of the Group, these customers are local governments, PRC state-owned entities and quasi-government organisations, which are financially sound and there is no significant credit risk with these customers.

Impairment loss on receivables under service concession arrangements of approximately RMB26,026,000 (2021: approximately RMB15,981,000) and reversal of impairment loss on amount due from customers for construction contracts approximately RMB6,820,000 (2021: impairment loss of approximately RMB14,112,000) is recognised during the year respectively. Details of the quantitative disclosures are set out below in this note.

*Contract assets*

In determining the ECL for contract assets, the management of the Group have made individual assessment on the recoverability of contract assets based on historical settlement records, past experience, and also forward-looking information. In the opinion of the management of the Group, these customers are local governments, PRC state-owned entities and quasi-government organisations, which are financially sound and there is no significant credit risk with these customers.

## 3. 財務風險管理*(續)*

### 3.1 財務風險因素*(續)*

#### *(b) 信用風險及減值計估(續)*

*特許經營權協議下的應收款項、應收客戶建造合同款*

本集團根據內部信用評級、其賬齡、過往觀察到的基於12個月的預期信貸虧損的違約率，並根據毋須付出過度成本或努力即可獲得的前瞻性資料進行調整，對特許經營權協議下的應收款項、應收客戶建造合同款在報告期末時的信貸虧損撥備進行定期整體及單獨評估。本集團管理層認為，該等客戶為地方政府、中國國有實體及準政府組織，其財務狀況良好，該等客戶並無重大信用風險。

年內分別確認特許經營權協議下的應收款項的減值虧損約人民幣26,026,000元(2021年：約人民幣15,981,000元)及應收客戶建造合同款的減值虧損撥回約人民幣6,820,000元(2021年：減值虧損約人民幣14,112,000元)。有關量化披露的詳情載於本附註下文。

*合約資產*

於釐定合約資產的預期信貸虧損時，本集團管理層根據歷史結算記錄、過往經驗及前瞻性資料對合約資產的可收回性進行個別評估。本集團管理層認為，該等客戶為地方政府、中國國有實體及準政府組織，其財務狀況良好，且與該等客戶之間不存在重大信用風險。

## 3. FINANCIAL RISK MANAGEMENT *(continued)*

### 3.1 Financial risk factors *(continued)*

#### *(b) Credit risk and impairment assessment (continued)*

*Other receivables*

For other receivables, the management of the Group makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive available forward-looking information. The management of the Group believes that there are no significant increase in credit risk of these balances since initial recognition and the Group provided impairment based on 12-month ECL, except certain balance of other receivables of approximately RMB8,782,000 (2021: approximately RMB3,000) which was specifically assessed for impairment based on lifetime ECL and the recovery was considered to be remote by the management of the Group due to unfavourable event, as a result, impairment loss on certain balance of approximately RMB8,782,000 (2021: approximately RMB3,000) was recognised during the year. Total impairment loss on other receivables of approximately RMB16,227,000 (2021: approximately RMB1,914,000) is recognised during the year.

*Other financial assets at amortised cost*

The management makes periodic individual assessment on their recoverability based on historical settlement records and also quantitative and qualitative information that is reasonable and supportive forward-looking information. At 31 December 2022, the Group had made an accumulated lifetime loss allowance on credit-impaired balance (2021: balance with recoverability in doubtful) of approximately RMB60,000,000 (2021: approximately RMB6,000,000). Details of quantitative disclosures are set out below in this note.

*Bank balances and restricted funds*

All the cash and bank balances and restricted funds were deposited in the major financial institutions in the PRC and Hong Kong, which the directors of the Company believe are of high credit quality. Therefore, the Group's exposure to credit risk arising from these balances is limited.

## 3. 財務風險管理*(續)*

### 3.1 財務風險因素*(續)*

#### *(b) 信用風險及減值計估 (續)*

*其他應收款項*

就其他應收款項而言，本集團管理層根據歷史結算記錄、過往經驗以及合理及有理據支持的前瞻性資料的定量及定性資料，對其他應收款項的可收回性進行定期集體評估及定期個別評估。本集團管理層認為，自初步確認以來，該等結餘的信用風險並無顯著增加，且本集團根據12個月預期信貸虧損計提減值，惟由於存在不利事件，本集團管理層認為若干其他應收款項結餘約人民幣8,782,000元(2021年：約人民幣3,000元)乃指定根據全期預期信貸虧損進行減值評估且可收回性較低，因此，於年內確認若干結餘約人民幣8,782,000元(2021年：約人民幣3,000元)的減值虧損。年內確認其他應收款項的減值虧損總額約人民幣16,227,000元(2021年：約人民幣1,914,000元)。

*以攤銷成本計量的其他金融資產*

管理層根據歷史結算記錄以及合理及有理據支持的前瞻性資料的定量及定性資料對其可收回性進行定期個別評估。於2022年12月31日，本集團已就已出現信貸減值的餘額(2021年：可收回性存疑的餘額)作出累計全期虧損撥備約人民幣60,000,000元(2021年：約人民幣6,000,000元)。量化披露的詳情載於本附註下文。

*銀行餘額及受限制資金*

所有的現金及銀行餘額及受限制資金都存放於中國及香港的主要金融機構，本公司董事認為其信用質量高。因此，本集團因該等結餘面臨的信用風險有限。

## 3. FINANCIAL RISK MANAGEMENT *(continued)*

### 3.1 Financial risk factors *(continued)*

#### *(b) Credit risk and impairment assessment (continued)*

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its trading records to rate its major customers and other debtors.

The Group's current credit risk framework comprises the following categories:

## 3. 財務風險管理*(續)*

### 3.1 財務風險因素*(續)*

#### *(b) 信用風險及減值評估(續)*

本集團制定並維持其信用風險等級，以根據違約風險的程度對風險進行分類。本集團利用其交易記錄對其主要客戶和其他債務人進行評級。

本集團目前之信用風險分級框架包括以下類別：

| Internal credit rating<br>內部信貸評級 | Description<br>說明 | Trade receivables<br>貿易應收款項 | Other financial assets/other items<br>其他金融資產／其他項目 |
|---|---|---|---|
| Low risk | The counterparty has a low risk of default and does not have any past-due amounts | Lifetime ECL – not credit-impaired | 12-month ECL |
| 低風險 | 交易對手的違約風險較低，且並無任何逾期款項 | 整個存續期預期信貸虧損－未發生信貸減值 | 12個月預期信貸虧損 |
| Watch list | Debtor frequently repays after due dates but usually settle in full | Lifetime ECL – not credit-impaired | 12-month ECL |
| 觀察名單 | 債務人經常於到期日後還款，惟通常會全額結清 | 整個存續期預期信貸虧損－未發生信貸減值 | 12個月預期信貸虧損 |
| Doubtful | There have been significant increases in credit risk since initial recognition through information developed internally or external resources | Lifetime ECL – not credit-impaired | Lifetime ECL – not credit-impaired |
| 存疑 | 信用風險自初始確認以來顯著增加(透過內部或外部資源開發之信息) | 整個存續期預期信貸虧損－未發生信貸減值 | 整個存續期預期信貸虧損－未發生信貸減值 |

## 3. FINANCIAL RISK MANAGEMENT *(continued)*

### 3.1 Financial risk factors *(continued)*

#### *(b) Credit risk and impairment assessment*

## 3. FINANCIAL RISK MANAGEMENT *(continued)*

### 3.1 Financial risk factors *(continued)*

#### *(b) Credit risk and impairment assessment (continued)*

The tables below detail the credit risk exposures of the Group's financial assets and contract assets (including amounts due from customers for construction contracts), which are subject to ECL assessment:

| | Note<br>附註 | Internal credit rating<br>內部信貸評級 | 12-month or lifetime ECL<br>12個月或整個存續期預期信貸虧損 | 2022 Gross carrying amount<br>賬面總值<br>*RMB'000*<br>*人民幣千元* | 2021 Gross carrying amount<br>賬面總值<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|---|---|

## 3. FINANCIAL RISK MANAGEMENT *(continued)* 3. 財務風險管理*(續)*

### 3.1 Financial risk factors *(continued)* 3.1 財務風險因素*(續)*

#### *(b) Credit risk and impairment assessment (continued)* *(b) 信用風險及減值評估(續)*

| | Note<br>附註 | Internal credit rating<br>內部信貸評級 | 12-month or lifetime ECL<br>12個月或整個存續期預期信貸虧損 | 2022 Gross carrying amount<br>賬面總值<br>*RMB'000*<br>*人民幣千元* | 2021 Gross carrying amount<br>賬面總值<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|---|---|
| Contract asset<br>合約資產 | *20* | Low risk<br>低風險 | 12-month ECL<br>12個月預期信貸虧損 | 109,121 | 249,825 |
| Financial asset at amortised cost<br>以攤銷成本計量的金融資產 | *26* | Doubtful<br>存疑 | Lifetime ECL – not credit-impaired<br>整個存續期預期信貸虧損–未發生信貸減值 | – | 300,000 |
| | | Loss<br>虧損 | Lifetime ECL – credit-impaired<br>整個存續期預期信貸虧損–已發生信貸減值 | 300,000 | – |

(i) For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the ECL on these items on a collective basis, grouped by past due status.

(i) 對於貿易應收款項，本集團採用國際財務報告準則第9條中的簡化方法，以整個存續期預期信貸虧損計量虧損撥備。除有大量未償還結餘或出現信用減值的債務人外，本集團按集體基準釐定該等項目的預期信貸虧損，並按逾期狀況分組。

## 3. 財務風險管理(續)

### 3.1 財務風險因素(續)

#### *(b) 信用風險及減值評估(續)*

*(i) 貿易應收款項*

作為本集團信用風險管理的一部分，本集團使用債務人的賬齡評估客戶的減值，因為該等客戶具有共同的風險特徵，能够代表客戶按照合同條款

## 3. FINANCIAL RISK MANAGEMENT *(continued)*

### 3.1 Financial risk factors *(continued)*

***(b) Credit risk and impairment assessment** (continued)*

*(i) Trade receivables (continued)*

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

## 3. 財務風險管理*(續)*

### 3.1 財務風險因素*(續)*

***(b) 信用風險及減值評估**(續)*

*(i) 貿易應收款項(續)*

估計虧損率乃根據過往觀察到的債務人預期年期內的違約率進行估計，並根據毋須付出過渡成本或努力即可獲得的前瞻性資料進行調整。管理層對分組情況進行定期審查，以確保特定債務人的相關資料得到更新。

下表顯示根據簡化方法確認的貿易應收款項的整個存續期預期信貸虧損的變動情況。

| | | Lifetime ECL (not credit-impaired) 整個存續期預期信貸虧損(未發生信貸減值) *RMB'000 人民幣千元* | Lifetime ECL (credit-impaired) 整個存續期預期信貸虧損(已發生信貸減值) *RMB'000 人民幣千元* | Total 合計 *RMB'000 人民幣千元* |
|---|---|---|---|---|
| **At 1 January 2021** | **於2021年1月1日** | **35,309** | **3** | **35,312** |
| Impairment losses recognised, net | 已確認減值虧損淨額 | **21,586** | **–** | **21,586** |
| **At 31 December 2021 and 1 January 2022** | **於2021年12月31日及2022年1月1日** | **56,895** | **3** | **56,898** |
| Transfer to credit-impaired | 轉撥至已發生信貸減值 | **(4,376)** | **4,376** | **–** |
| Impairment losses recognised, net | 已確認減值虧損淨額 | **17,394** | **7,659** | **25,053** |
| Disposal of a subsidiary | 出售一間附屬公司 | **(236)** | **–** | **(236)** |
| Write-off | 撇銷 | **31** | | |

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over five years past due, whichever occurs earlier.

## 3. 財務風險管理(續)

### 3.1 財務風險因素(續)

#### (b) 信用風險及減值評估(續)

##### (ii) 以攤銷成本計量的金融資產及其他應收款項

下表顯示就以攤銷成本計量的金融資產及其他應收款項已確認的虧損撥備的對賬。

| | | Other receivables 12-month ECL 其他應收款項 12個月預期信貸虧損 RMB'000 人民幣千元 | Other receivables Lifetime ECL – credit-impaired 其他應收款項 整個存續期預期信貸虧損– 已發生信貸減值 RMB'000 人民幣千元 | Financial asset at amortised cost Lifetime ECL – not credit-impaired 以攤銷成本計量的金融資產 整個存續期預期信貸虧損– 未發生信貸減值 RMB'000 人民幣千元 | Financial asset at amortised cost Lifetime ECL – credit-impaired 以攤銷成本計量的金融資產 整個存續期預期信貸虧損– 已發生信貸減值 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
|---|---|---|---|---|---|---|
| At 1 January 2021 | 於2021年1月1日 | 5,530 | 3 | – | – | 5,533 |
| Impairment losses recognised, net | 已確認減值虧損淨額 | 1,914 | – | 6,000 | – | 7,914 |

## 3. FINANCIAL RISK MANAGEMENT *(continued)*

### 3.1 Financial risk factors *(continued)*

#### *(b) Credit risk and impairment assessment (continued)*

*(ii) Financial asset at amortised cost and other receivables (continued)*

*Notes:*

(i) Other receivables with gross carrying amount totalling approximately RMB745,429,000 (2021: RMB1,069,275,000) for which 12-month ECL has been provided, resulted in recognition of ECL of approximately RMB11,836,000 during the year (2021: approximately RMB1,914,000).

(ii) Certain other receivables with gross carrying amount totalling approximately RMB8,782,000 (2021: approximately RMB3,000) that have become credit-impaired for which lifetime ECL has been provided, resulted in recognition of ECL of approximately RMB4,391,000 (2021: Nil) during the year. The management of the Group considered that the recovery of these balances was remote due to unfavourable event occurred.

(iii) As at 31 December 2022, financial assets at amortised cost of RMB300,000,000 were individually determined to be credit-impaired for which lifetime ECL has been provided. The individually impaired financial assets at amortised cost related to debtors that were in financial difficulties with the reference to the shortfall between the carrying amount and expected value of collateral, and management assessed that only a portion of principal and interest receivables was expected to be recovered. Consequently, further loss allowance of RMB54,000,000 (2021: RMB6,000,000) was recognised during the year.

## 3. 財務風險管理*(續)*

### 3.1 財務風險因素*(續)*

#### *(b) 信用風險及減值評估(續)*

*(ii) 以攤銷成本計量的金融資產及其他應收款項(續)*

*附註：*

(i) 其他應收款項賬面總值約人民幣745,429,000元(2021年：人民幣1,069,275,000元)已計提12個月預期信貸虧損，於年內導致確認預期信貸虧損約人民幣11,836,000元(2021年：約人民幣1,914,000元)。

(ii) 若干其他應收款項賬面總值約人民幣8,782,000元(2021年：約人民幣3,000元)已發生信貸減值並計提整個存續期預期信貸虧損，於年內導致確認預期信貸虧損約人民幣4,391,000元(2021年：零)。本集團管理層認為，由於發生不利事件，該等結餘的可收回性極低。

(iii) 於2022年12月31日，以攤銷成本計量的金融資產人民幣300,000,000元被個別釐定為已發生信貸減值並計提整個存續期預期信貸虧損，當中已參考賬面值與抵押品預期價值之間的差額，管理層評估認為僅有部分應收本金及利息有望收回。因此，於年內已確認進一步虧損撥備人民幣54,000,000元(2021年：人民幣6,000,000元)。

## 3. FINANCIAL RISK MANAGEMENT *(continued)*

### 3.1 Financial risk factors *(continued)*

#### *(c) Liquidity risk*

## 3. FINANCIAL RISK MANAGEMENT *(continued)*

### 3.1 Financial risk factors *(continued)*

#### *(c) Liquidity risk (continued)*

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

### 3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

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

The net gearing ratio as at 31 December 2022 and 2021 is as follow:

## 3. 財務風險管理*(續)*

### 3.1 財務風險因素*(續)*

#### *(c) 流動資金風險(續)*

上述估計的借款利息付款為依據借款本金餘額及各個報告日期至借款協議的最終到期日的同期利率進行計算所得。

### 3.2 資本風險管理

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

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

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

於2022年及2021年12月31日，淨資產負債比率如下：

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Total borrowings *(Note 30)* | 總借款*(附註30)* | **5,869,087** | 6,405,937 |
| Less: Cash and bank balances *(Note 28)* | 減：現金及銀行結餘*(附註28)* | **(131,494)** | (1,504,346) |
| Restricted funds *(Note 28)* | 受限制資金*(附註28)* | **(181,194)** | (49,650) |
| Net debt | 債務淨額 | **5,556,399** | 4,851,941 |
| Total equity | 權益總額 | **4,657,591** | 4,435,811 |
| Total capital | 總資本 | **10,213,990** | 9,287,752 |
| Gearing ratio | 淨資產負債比率 | **54.40%** | 52.24% |

## 3. FINANCIAL RISK MANAGEMENT *(continued)*

### 3.3 Fair value estimation of financial instruments

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

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 (lowest level): unobservable inputs for the asset or liability.

## 3. 財務風險管理*(續)*

### 3.3 金融工具的公允價值估計

以下為呈列於根據國際財務報告準則第13號定義之公允價值層級三個級別內，按公允價值計量或須於該等財務報表內按經常性基準披露其公允價值之負債。整體公允價值計量根據對整體計量而言屬重大之最低層輸入數據進行分類。輸入數據之級別定義如下：

- 第一級(最高級別)：本集團於計量日期可取得相同資產或負債於活躍市場上之報價(未經調整)；
- 第二級：第一級所包括報價以外，就資產或負債可直接或間接觀察所得之輸入數據；及
- 第三級(最低級別)：資產或負債之不可觀察輸入數據。

***Financial liabilities measured at fair value***

***以公允價值計量的金融負債***

| Financial liabilities<br>金融負債 | Fair value as at 31 December<br>於12月31日的公允價值 | | Fair value hierarchy<br>公允價值等級 | Valuation techniques and key inputs<br>估值技術和關鍵輸入值 | Significant unobservable inputs<br>重要而無法觀察之輸入數據 | Correlation between significant unobservable inputs and fair value<br>重要而無法觀察之輸入數據與公允價值之相互關係 |
|---|---|---|---|---|---|---|
| | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* | | | | |
| Cross Currency swap classified as financial liabilities at FVPL | – | (110,450) | Level 2 | Discounted cash flow method | N/A | N/A |
| 交叉貨幣掉期分類為按公允價值計入損益的金融負債 | – | (110,450) | 第2層 | 現金流量折現法 | 不適用 | 不適用 |

## 3. FINANCIAL RISK MANAGEMENT *(continued)*

### 3.3 Fair value estimation of financial instruments *(continued)*

***Financial liabilities measured at fair value** (continued)*

During the years ended 31 December 2022 and 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements. The Group's policy is to recognise transfers between levels as at the end of the reporting period.

***Fair value of financial assets and liabilities measured at cost or amortised cost***

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

The carrying amounts of the Group's other financial assets and liabilities at cost or amortised cost are not materially different from their fair values as at 31 December 2022 and 2021.

## 3. 財務風險管理*(續)*

### 3.3 金融工具的公允價值估計*(續)*

***以公允價值計量的金融負債**(續)*

截至2022年及2021年12月31日止年度，第1層與第2層公允價值計量之間並無轉移，亦無轉入第3層公允價值計量及自第3層公允價值計量轉出。本集團之政策是於報告期末確認層級之間之轉移。

***按成本或攤銷成本計量的金融資產和負債的公允價值***

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、非流動合約資產及非流動借款的公允價值依據本集團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。

於2022年及2021年12月31日，本集團其他按成本或攤銷成本計量的金融資產和負債的賬面值與其公允價值並無重大差異。

## 4. SEGMENT INFORMATION

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

The 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 services, transportation services, construction services, thermal production and treasury functions.

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

This measurement bases excludes fair value gain on financial liabilities at FVPL, finance income, finance costs, impairment loss on investment in an associate and share of results of associates.

Unallocated assets consist of deferred tax assets and investments in associates. Unallocated liabilities consist of financial liabilities at FVPL, deferred tax liabilities and income tax payable.

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

## 4. 分部信息

本公司董事已被確定為本公司的主要經營決策者。管理層已根據本公司董事審議的、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、運輸業務、建造服務、熱力生產及財務職能。

本公司董事根據收入計量和營業利潤評估經營分部的表現。

該計量基準不包括按公允價值計入損益的金融負債的公允價值收益、財務收入、財務成本、聯營投資減值損失及聯營公司經營成果份額。

未分配資產包括遞延稅項資產和聯營投資。未分配負債包括按公允價值計入損益的金融負債、遞延稅項負債和應付所得稅。

資本開支主要包括使用權資產／土地使用權、不動產、工廠及設備和無形資產的增加。

## 4. SEGMENT INFORMATION *(continued)*

### (a) Segment information

Segment revenue and result (i.e. the operating profit) and other information for the year ended 31 December 2022 are presented as below:

## 4. 分部信息*(續)*

### (a) 分部信息

截至2022年12月31日止年度的分部收入和業績(即營業利潤)及其他資料如下：

| | | Wastewater treatment 污水處理 *RMB'000 人民幣千元* | Water supply 水供給 *RMB'000 人民幣千元* | Others 其他 *RMB'000 人民幣千元* | Total 合計 *RMB'000 人民幣千元* |
|---|---|---|---|---|---|
| Revenue from external customers | 外部客戶收入 | 1,298,089 | 101,234 | 666,540 | 2,065,863 |
| Segment gross profit | 分部毛利 | 627,062 | 40,997 | 189,212 | 857,271 |
| Segment profit | 分部利潤 | 484,890 | 31,702 | 146,313 | 662,905 |
| Fair value gain on financial liabilities at FVPL | 按公允價值計入損益的金融負債的公允價值收益 | | | | 20,973 |
| Finance income | 財務收入 | | | | 39,338 |
| Finance costs | 財務成本 | | | | (349,484) |
| Impairment loss on investment in an associate | 聯營投資減值損失 | | | | (5,576) |
| Share of results of associates | 聯營公司經營成果份額 | | | | (691) |
| Profit before tax | 稅前利潤 | | | | 367,465 |
| Income tax expense | 所得稅費用 | | | | (43,330) |
| Profit for the year | 年內利潤 | | | | 324,135 |
| **Other segment information included in the measurement of segment profit or segment assets:** | **計入分部利潤或分部資產計量的其他分部資料：** | | | | |
| Depreciation of property, plant and equipment | 不動產、工廠及設備的折舊 | 124,122 | 9,680 | 64,435 | 198,237 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 8,447 | 659 | 4,385 | 13,491 |
| Fair value gain on investment properties | 投資物業公允價值收益 | – | – | (1,085) | (1,085) |
| Impairment loss on trade receivables | 應收賬款減值損失 | 15,687 | 1,223 | 8,143 | 25,053 |
| Impairment loss on financial assets at amortised cost | 以攤銷成本計量的金融資產減值損失 | – | – | 54,000 | 54,000 |
| Impairment loss on other receivables | 其他應收款項減值損失 | 10,160 | 792 | 5,275 | 16,227 |
| Impairment loss on receivables under service concession arrangements | 特許經營權下的應收款項減值損失 | 24,143 | 1,883 | – | 26,026 |
| Reversal of impairment loss on amounts due from customers for construction contracts | 應收客戶建造合同款減值損失撥回 | (3,621) | (1,858) | (1,341) | (6,820) |
| Amortisation of intangible assets | 無形資產攤銷 | 12,643 | 986 | 6,563 | 20,192 |
| Capital expenditures | 資本開支 | 231,252 | 18,034 | 120,049 | 369,335 |

## 4. SEGMENT INFORMATION *(continued)* 4. 分部信息*(續)*

### (a) Segment information *(continued)* (a) 分部信息*(續)*

Segment assets and liabilities as at 31 December 2022 are presented below:

截至2022年12月31日的分部資產和負債如下：

| | | Wastewater treatment 污水處理 *RMB'000 人民幣千元* | Water supply 水供給 *RMB'000 人民幣千元* | Others 其他 *RMB'000 人民幣千元* | Total 合計 *RMB'000 人民幣千元* |
|---|---|---|---|---|---|
| **Segment assets** | **分部資產** | 7,481,253 | 1,176,093 | 2,957,304 | 11,614,650 |
| **Unallocated:** | **未分配的：** | | | | |
| Deferred tax assets | 遞延稅項資產 | | | | 81,028 |
| Investments in associates | 聯營投資 | | | | 6,526 |
| **Total assets** | **資產總額** | | | | 11,702,204 |
| **Segment liabilities** | **分部負債** | 4,384,230 | 731,065 | 1,797,984 | 6,913,279 |
| **Unallocated:** | **未分配的：** | | | | |
| Deferred tax liabilities | 遞延稅項負債 | | | | 51,903 |
| Tax payables | 應付稅項 | | | | 79,431 |
| **Total liabilities** | **負債總額** | | | | 7,044,613 |

## 4. SEGMENT INFORMATION *(continued)*

### (a) Segment information *(continued)*

Segment revenue and result (i.e. the operating profit) and other information for the year ended 31 December 2021 are presented as below:

## 4. 分部信息*(續)*

### (a) 分部信息*(續)*

截至2021年12月31日止年度的分部收入及業績(即營業利潤)及其他資料如下：

| | Wastewater treatment 污水處理 *RMB'000* | Water supply 水供給 *RMB'000* | Others 其他 *RMB'000* | Total 合計 *RMB'000* |
|---|---|---|---|---|

## 4. SEGMENT INFORMATION *(continued)* 4. 分部信息*(續)*

### (a) Segment information *(continued)* (a) 分部信息*(續)*

Segment assets and liabilities as at 31 December 2021 are presented below:

截至2021年12月31日的分部資產和負債如下：

| | | Wastewater treatment 污水處理 *RMB'000 人民幣千元* | Water supply 水供給 *RMB'000 人民幣千元* | Others 其他 *RMB'000 人民幣千元* | Total 合計 *RMB'000 人民幣千元* |
|---|---|---|---|---|---|
| **Segment assets** | **分部資產** | 8,641,125 | 1,211,764 | 2,117,766 | 11,970,655 |
| **Unallocated:** | **未分配的：** | | | | |
| Deferred tax assets | 遞延稅項資產 | | | | 84,490 |
| Investments in associates | 聯營投資 | | | | 12,793 |
| **Total assets** | **資產總額** | | | | 12,067,938 |
| **Segment liabilities** | **分部負債** | 5,910,426 | 546,681 | 880,584 | 7,337,691 |
| **Unallocated:** | **未分配的：** | | | | |
| Financial liabilities at FVPL | 按公允價值計入損益的金融負債 | | | | 110,450 |
| Deferred tax liabilities | 遞延稅項負債 | | | | 86,492 |
| Tax payables | 應付稅項 | | | | 97,494 |
| **Total liabilities** | **負債總額** | | | | 7,632,127 |

## 4. SEGMENT INFORMATION *(continued)*

### (b) Geographical information

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

## 4. 分部信息*(續)*

### (b) 地理信息

本集團的業務主要位於中國。因此不需要地理區域信息。

### (c) Information about major customers

The major customers whose revenue amounted to 10% or more of the Group's total revenue were as below:

### (c) 主要客戶信息

本集團的主要客戶的收入佔本集團收入總額的10%或以上如下：

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| **Revenue from wastewater treatment segment** | **來自污水處理分部的收入** | | |
| Customer A | 客戶A | **905,130** | 573,760 |
| Customer B | 客戶B | **N/A不適用*** | 273,056 |
| **Revenue from the others segment** | **來自其他分部的收入** | | |
| Customer C | 客戶C | **309,530** | N/A不適用* |

* The corresponding revenue did not contribute 10% or more of the Group's revenue.

* 相應收益並無佔本集團收益10%或以上。

## 5. REVENUE 5. 收入

| | | For the year ended 31 December 截至12月31日止年度 | |
|---|---|---|---|
| | | 2022 2022年 *RMB'000 人民幣千元* | 2021 2021年 *RMB'000 人民幣千元* |
| **Revenue disaggregated by major products or service lines** | **按主要產品或服務線劃分的收入** | | |
| Wastewater treatment | 污水處理 | **1,298,089** | 1,370,283 |
| Operating services – under TOO/BOO model | 營運服務－TOO/BOO模式下 | **926,026** | 919,411 |
| Operating services – under TOT/BOT model | 營運服務－TOT/BOT模式下 | **205,304** | 162,538 |
| Construction services – under BT model | 建造服務－BT模式下 | **14,888** | 3,283 |
| Construction services – under BOT model | 建造服務－BOT模式下 | **85,680** | 193,360 |
| Finance income | 財務收入 | **66,191** | 91,691 |
| Reclaimed water supply and running water supply | 再生水供應及自來水供應 | **101,234** | 191,534 |
| Operating services of reclaimed water supply – under TOO/BOO model | 再生水供應營運服務－TOO/BOO模式下 | **21,294** | 35,006 |
| Operating services of running water supply – under TOT/BOT model | 自來水供應營運服務－TOT/BOT模式下 | **14,810** | 11,023 |
| Construction services – under BT model | 建造服務－BT模式下 | **4,199** | – |
| Construction services – under BOT model | 建造服務－BOT模式下 | **29,980** | 112,963 |
| Finance income | 財務收入 | **30,951** | 32,542 |
| Others | 其他 | **666,540** | 755,921 |
| Management services | 管理服務 | **332,491** | 276,855 |
| Transportation services | 運輸服務 | **6,585** | 7,775 |
| Construction services – under BT model | 建造服務－BT模式下 | **–** | 18,565 |
| Construction services – under BOT model | 建造服務－BOT模式下 | **117,733** | 280,241 |
| Thermal production | 熱力生產 | **144,030** | 133,494 |
| Others | 其他 | **65,701** | 38,991 |
| | | **2,065,863** | 2,317,738 |

Except for the finance income, all the other revenue represent revenue from contracts with customers within the scope of IFRS 15.

除財務收入外，所有其他收入指國際財務報告準則第15號內來自客戶合約的收入。

All the above revenue is recognised over time except for revenue from water supply operation and thermal production, which are recognised at a point in time.

上述所有收入均隨時間確認，惟水供應營運及熱力生產收入於時間點確認。

## 6. 按性質分類的費用

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Depreciation of property, plant and equipment *(Note 17)* | 不動產、工廠及設備的折舊*(附註17)* | 198,237 | 238,570 |
| Utilities, electricity and office expenditures | 公用事業、電力及辦公室支出 | 56,252 | 120,798 |
| Employee benefit expenses *(Note 10)* | 僱員福利開支*(附註10)* | 215,499 | 185,214 |
| Costs of wastewater and water supply services | 污水處理和水供給服務的成本 | 301,129 | 201,176 |
| Cost of construction services | 建造服務成本 | 222,100 | 587,501 |
| Taxes and levies | 稅金及附加 | 25,393 | 33,396 |
| Repair and maintenance costs | 維修及維護成本 | 42,620 | 27,313 |
| Commission charge | 手續費 | 2,791 | 9,733 |
| Depreciation of right-of-use assets *(Note 16)* | 使用權資產折舊*(附註16)* | 13,491 | 11,291 |
| Subcontracting costs | 分包費用 | 26,126 | 90,921 |
| Professional expenses | 專業服務費 | 36,306 | 16,006 |
| Research and development expenses | 研發費用 | 542 | 7,299 |
| Amortisation of intangible assets *(Note 21)* | 無形資產攤銷*(附註21)* | | |

## 7. OTHER INCOME – NET 7. 其他收益 – 淨額

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Government grants: | 政府補助： | 13,333 | 27,740 |
| – relating to purchase of property plant and equipment *(Note 31)* | －與購買不動產、工廠和設備有關*(附註31)* | 12,339 | 13,162 |
| – relating to tax refund *(Note)* | －與稅費返還有關*(附註)* | 994 | 14,578 |
| Gain on disposal of a subsidiary *(Note 40)* | 出售一間附屬公司之收益*(附註40)* | 19,886 | – |
| Interest income from bank deposits | 銀行存款之利息收入 | 4,691 | 3,988 |
| Fair value change of investment properties *(Note 15)* | 投資物業之公允價值變動*(附註15)* | 1,085 | 2,622 |
| Fair value gain (loss) of financial liabilities at FVPL | 按公允價值計入損益的金融負債的公允價值收益(虧損) | 20,973 | (25,837) |
| Gross rental income* | 租金收入總額* | 7,333 | 15,437 |
| Others | 其他 | 870 | 4,075 |
| | | 68,171 | 28,025 |

*Note:* Pursuant to Notice on Issuing the Catalogue of Preferential Value-added Tax ("**VAT**") Policies for Products Made through and Labor Services for Integrated Utilisation of Resources issued by the State Administration of Taxation in the PRC, companies which sell self-produced products made with integrated utilised resources or provides labor services for integrated utilisation of resources can enjoy the policy of value-added tax refund upon collection from 1 July 2015. The wastewater treatment business and the reclaimed water supply business of the Group which fall into the catalogue are qualified to enjoy 70% (2021: 70% and 50% respectively) VAT refund.

*附註：* 中國國稅總局頒佈的《資源綜合利用產品和勞務增值稅(「**增值稅**」)優惠目錄》規定，自2015年7月1日起，從事資源綜合利用自營產品銷售或為資源綜合利用提供勞務的企業可在繳納增值稅後享受增值稅退稅政策。本集團的污水處理業務和再生水供應業務為優惠目錄項目，合資格享受70%(2021年：分別70%及50%)的增值稅費退稅。

* The direct operating expenses incurred for investment properties that generated rental income was minimal in both of the years.

* 兩年內產生租金收入的投資物業產生的直接經營開支均較小。

## 9. FINANCE COSTS – NET 9. 財務成本－淨額

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| **Finance income:** | **財務收入：** | | |
| – Interest income charged to related parties *(Note 37(b)(iv))* | －向關聯方收取的利息收入 *(附註37(b)(iv))* | 38,987 | 83,705 |
| – Interest income charged to a third party | －向第三方收取的利息收入 | 351 | – |
| | | 39,338 | 83,705 |
| **Finance costs:** | **財務成本：** | | |
| – Total interest expenses on borrowings | －借款利息總支出 | (283,986) | (257,655) |
| – Interest expenses on unsecured borrowings | －未擔保借款利息支出 | (166,598) | (178,845) |
| – interest expenses on corporate bonds | －公司債券利息支出 | (2,849) | (2,768) |
| – Interest expenses on secured borrowings | －擔保借款利息支出 | (114,539) | (76,042) |
| – Less: borrowing costs capitalised in property, plant and equipment *(Note 17(d))* | －減：資本化計入不動產、工廠及設備的借款成本 *(附註17(d))* | 31,064 | 6,017 |
| – Interest expenses – net | －利息費用－淨額 | (252,922) | (251,638) |
| – Exchange (loss) gain – net | －匯兌(損失)收益－淨額 | (91,044) | 39,079 |
| – Others | －其他 | (5,518) | (1,093) |
| | | (349,484) | (213,652) |
| Finance costs – net | 財務成本－淨額 | (310,146) | (129,947) |

## 10. EMPLOYEE BENEFIT EXPENSES

## 10. 僱員福利開支

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| **Staff costs, including directors' emoluments** | **員工成本(包括董事酬金)** | | |
| Salaries, wages and bonuses | 工資、獎金和津貼 | **163,920** | 140,575 |
| Contributions to pension plans *(Note (a))* | 退休金計劃供款*(附註(a))* | **24,964** | 21,176 |
| Housing funds, medical insurance and other social insurance *(Note (b))* | 住房公積金、醫療保險和其他社會保險*(附註(b))* | **26,615** | 23,463 |
| | | **215,499** | 185,214 |

*Notes:*

(a) As stipulated by rules and regulations in the PRC, the Group contributes to state-sponsored retirement schemes for its full-time employees in the PRC. The Group's full-time employees make monthly contributions to the schemes at approximately 8% of the relevant income (comprising wages, salaries, allowances and bonus, and subject to maximum caps), while the Group has no further obligations for the actual payment of post-retirement benefits beyond the contributions. The state-sponsored retirement schemes are responsible for the entire post-retirement benefit obligations payable to the retired employees.

In addition to the government-sponsored defined contribution pension plans as mentioned above, effective from 1 January 2014, the Group operates an additional employee pension plan. The full-time employees of the Group in the PRC are entitled to an additional pension aggregating to 8% of previous year's salaries. The Group has no further obligation for this additional employee pension plan beyond the contribution made.

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

*附註：*

(a) 根據中國規章制度的規定，本集團為其中國全職員工向國家資助的退休金計劃供款。本集團全職員工按其相關收入包括工資、薪金、津貼及獎金(不超過一定上限)的8%左右每月向該計劃供款。本集團沒有義務承擔作出供款以外的退休後福利。國家資助的退休金計劃包含所有應付退休職工的退休後福利義務。

除上述政府資助的設定提存退休金計劃外，於2014年1月1日起，本集團設有一項額外職工退休金計劃。本集團在中國的全職員工有權享有總額為前一年工資8%的額外退休金。除額外職工退休金計劃外，本集團概無其他責任。

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

## 10. EMPLOYEE BENEFIT EXPENSES *(continued)*

*Notes: (continued)*

(c) Five highest paid individuals

The five highest paid individuals during the year included 2 directors and 1 supervisor (2021: 2 directors, 1 supervisor and 1 chief executive), details of whose remuneration are set out in Note 12.The aggregate of the emoluments in respect of the other two individuals (2021: one individual) (for the years ended 31 December 2021 and 2022, the emoluments of all the highest paid individuals who were not directors, supervisors or chief executives did not involve any discretionary or performance-based bonuses, amounts paid or payable to induce them to join or at the time when they joined the Group, or any compensation for loss of any managerial position) are as follows:

## 10. 僱員福利開支*(續)*

*附註：(續)*

(c) 五位最高薪酬人士

年內五位最高薪酬人士包括兩位董事和一位監事(2021年：兩位董事、一位監事和一位最高行政人員)，其薪酬載於附註12。其餘兩名個人(2021年：一名個人)的薪酬總額(於截至2022年及2021年12月31日止年度，所有並非董事、監事或最高行政人員的最高薪酬人士的薪酬均無涉及任何自行酌定的或按業績計算的花紅、促使其加入或在其加入本集團時已支付或應付予的款項，或任何因其失去任何管理人員職位的補償款項)如下：

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Salaries | 工資 | 771 | 525 |
| Contributions to pension plans | 退休計劃供款 | 155 | 63 |
| Others | 其他 | 136 | 67 |
| | | 1,062 | 655 |

(d) The emoluments of remaining two individuals (2021: one individual) fell within the following band:

(d) 其餘兩名個人(2021年：一名個人)的薪酬範圍如下：

| Range of remuneration *(HKD)* | 薪酬範圍*(港幣)* | 2022<br>2022年<br>*Number of individuals*<br>*人數* | 2021<br>2021年<br>*Number of individuals*<br>*人數* |
|---|---|---|---|
| Nil to 500,000 | 零至500,000 | 1 | – |
| 500,001 to 1,000,000 | 500,001至1,000,000 | 1 | 1 |

## 11. INCOME TAX EXPENSE

## 11. 所得稅費用

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Current tax – Hong Kong Profits Tax | 當期稅項—香港利得稅 | | |
| Provision for the year | 年內撥備 | – | 3,308 |
| Current tax – the PRC Corporate Income Tax | 當期稅項—中國企業所得稅 | | |
| Provision for the year | 年內撥備 | 75,442 | 61,078 |
| Over provision in respect of prior years | 以往年度超額撥備 | (3,035) | (606) |
| | | 72,407 | 60,472 |
| Deferred tax | 遞延稅項 | (29,077) | (6,638) |
| Income tax | 所得稅 | 43,330 | 57,142 |

For the only Hong Kong incorporated subsidiary, Hong Kong Profits Tax is calculated at 8.25% (2021:8.25%) of the first HKD2 million of estimated assessable profit and at 16.5% (2021: 16.5%) on the remaining estimated assessable profit. No provision for Hong Kong profits Tax has been made for the subsidiary as it has no assessable profits or obtained tax losses for taxation purpose for the year.

對於唯一在香港註冊成立的附屬公司，其首2百萬港元估計應課稅溢利按8.25%(2021年：8.25%)的稅率及餘下估計應課稅溢利按16.5%(2021年：16.5%)的稅率計算香港利得稅。由於附屬公司於年內並無應課稅溢利或出現持續稅務虧損，因此並無就其作出香港利得稅撥備。

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 subsidiaries is 25% from 1 January 2008. The income tax rate of 25% is applicable to all of the Group's PRC subsidiaries during the year ended 31 December 2022 and 2021, except for certain subsidiaries that enjoy tax exemption or a preferential income tax rate as approved by the respective local tax authorities, which was discussed as follows:

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，中國附屬公司的稅率為25%。於截至2022年和2021年12月31日止年度期間，除經各自的地方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) China's western region development policy (the "**Western Region Development Policy**") is a preferential tax ruling issued by the State Administration of Taxation of the PRC for companies whose business fall into the catalogue of encouraged industries and located in western region of China. During the years ended 31 December 2022 and 2021, the Company and certain subsidiaries qualified for the Western Region Development Policy were granted the preferential income tax rate of 15%.

(a) 中國西部大開發政策是中國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**」)。截至2022年和2021年12月31日止年度，本公司及部分附屬公司符合中國西部大開發政策的規定，享受15%的優惠所得稅稅率。

## 11. INCOME TAX EXPENSE *(continued)*

(b) In addition to the Western Region Development Policy, the Company also qualifies as a "High-tech Enterprise" and enjoys a 15% enterprise income tax rate during the years ended 31 December 2022 and 2021.

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

(d) Certain PRC subsidiaries use the resources stipulated in the catalogue for comprehensive utilisation of resources project qualified for CIT preferential tax rates enjoyed 10% deduction of CIT.

## 11. 所得稅費用*(續)*

(b) 除西部大開發政策，本公司亦符合「高新技術企業」資格，並於截至2022年和2021年12月31日止年度享受15%的企業所得稅稅率。

(c) 由若干中國附屬公司擁有的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，該等中國附屬公司有資格享受「三免三減半」的企業所得稅稅收優惠。

(d) 部分中國附屬公司使用合資格享受企業所得稅優惠稅率的資源綜合利用項目目錄中規定的資源。該附屬公司10%的收入無需繳納企業所得稅。

### Reconciliation of taxation

### 稅項之對賬

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Profit before tax | 稅前利潤 | 367,465 | 396,693 |
| Income tax at applicable tax rate of 25% (2021: 25%) | 按適用稅率25%(2021年：25%)計算的所得稅 | 91,866 | 99,173 |
| Tax effect of non-deductible expenses | 不可扣除的費用的稅務影響 | 3,839 | 272 |
| Tax effect of preferential tax rates of the Company and certain subsidiaries | 本公司及部分附屬公司的優惠稅率的稅務影響 | (50,756) | (40,004) |
| Tax effect of additional deduction allowance for research and development expenses | 研發費用的額外扣除撥備的稅務影響 | (271) | (809) |
| Tax effect of non-taxable income | 毋須課稅收入的稅務影響 | (630) | (1,921) |
| Over-provision in respect of prior years | 以往年度超額撥備 | (3,035) | (606) |
| Tax effect of share of results of associates | 聯營公司經營成果份額的稅務影響 | 104 | 259 |
| Tax effect of tax losses not recognised | 尚未確認的稅項虧損的稅務影響 | 741 | 953 |
| Utilisation of tax losses previously not recognised | 使用早前未有確認的稅項虧損 | (628) | (571) |
| Temporary difference not recognised | 未確認暫時差額 | 2,100 | 396 |
| Income tax expense | 所得稅費用 | 43,330 | 57,142 |

## 12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

## 12. 董事及僱員酬金

### (a) Directors' and chief executives' emoluments

### (a) 董事及最高行政人員酬金

Directors and chief executives' emoluments for the years ended 31 December 2022 and 2021 are set out as follows:

截至2022年及2021年12月31日止年度董事及最高行政人員薪酬載列如下：

| | | Fees<br>袍金<br>*RMB'000*<br>*人民幣千元* | Salaries<br>工資<br>*RMB'000*<br>*人民幣千元* | Discretionary bonus<br>酌情花紅<br>*RMB'000*<br>*人民幣千元* | Employer's contribution to benefit scheme<br>僱主向福利計劃供款<br>*RMB'000*<br>*人民幣千元* | Others<br>其他<br>*RMB'000*<br>*人民幣千元* | Total<br>合計<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|---|---|---|---|
| **Year ended 31 December 2022** | **截至2022年12月31日止年度** | | | | | | |
| *Executive directors* | *執行董事* | | | | | | |
| Mr. Zeng Feng (曾鋒) | 曾鋒先生 | | | | | | |
| *(Note (a)(vii))* | *(附註(a)(vii))* | – | 398 | – | 69 | 66 | 533 |
| Mr. Chen Changyong (陳昌勇)* | 陳昌勇先生* | – | 635 | – | 89 | 69 | 793 |
| Mr. Luo Yun (羅雲) | 羅雲先生 | | | | | | |
| *(Note (a)(ii))* | *(附註(a)(ii))* | – | 159 | – | 78 | 68 | 305 |
| *Non-executive directors* | *非執行董事* | | | | | | |
| Ms. Song Hong (宋紅) | 宋紅女士 | – | – | – | – | – | – |
| Ms. Ren Na (任娜) | 任娜女士 | | | | | | |
| *(Note (a)(i))* | *(附註(a)(i))* | – | – | – | – | – | – |
| Ms. Yu Yanbo (余燕波) | 余燕波女士 | | | | | | |
| *(Note (a)(v))* | *(附註(a)(v))* | – | – | – | – | – | – |
| Mr. Zhang Yang (張洋) | 張洋先生 | | | | | | |
| *(Note (a)(iii))* | *(附註(a)(iii))* | – | – | – | – | – | – |
| *Independent non-executive directors* | *獨立非執行董事* | | | | | | |
| Mr. Yin Xiaobing (尹曉冰) | 尹曉冰先生 | | | | | | |
| *(Note (a)(vi))* | *(附註(a)(vi))* | 140 | – | – | – | – | 140 |
| Mr. Ong King Keung (王競強) | 王競強先生 | 220 | – | – | – | – | 220 |
| Ms. Zheng Dongyu (鄭冬渝) | 鄭冬渝女士 | 150 | – | – | – | – | 150 |
| Ms. Wang Dongfang (王東方) | 王東方女士 | | | | | | |
| *(Note (a)(iv))* | *(附註(a)(iv))* | 10 | – | – | – | – | 10 |
| *Supervisors* | *監事* | | | | | | |
| Mr. Na Zhiqiang (那志強) | 那志強先生 | – | 453 | – | 46 | 42 | 541 |
| Mr. Yao Jianhua (姚建華) | 姚建華先生 | – | – | – | – | – | – |
| Mr. Shao Wei (邵偉) | 邵偉先生 | – | – | – | – | – | – |
| | | 520 | 1,645 | – | 282 | 245 | 2,692 |

## 12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(continued)* 12. 董事及僱員酬金*(續)*

### (a) Directors' and chief executives' emoluments *(continued)* (a) 董事及最高行政人員酬金*(續)*

| | | Fees<br>袍金<br>*RMB'000*<br>*人民幣千元* | Salaries<br>工資<br>*RMB'000*<br>*人民幣千元* | Discretionary bonus<br>酌情花紅<br>*RMB'000*<br>*人民幣千元* | Employer's contribution to benefit scheme<br>僱主向福利計劃供款<br>*RMB'000*<br>*人民幣千元* | Others<br>其他<br>*RMB'000*<br>*人民幣千元* | Total<br>合計<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|---|---|---|---|
| **Year ended 31 December 2021** | **截至2021年12月31日止年度** | | | | | | |
| *Executive directors* | *執行董事* | | | | | | |
| Mr. Zeng Feng (曾鋒) *(Note (a)(vii))* | 曾鋒先生 *(附註(a)(vii))* | – | 73 | – | 3 | 20 | 96 |
| Ms. Guo Yumei (郭玉梅) *(Note (a)(viii))* | 郭玉梅女士 *(附註(a)(viii))* | – | 171 | – | 70 | 68 | 309 |
| Mr. Chen Changyong (陳昌勇)* | 陳昌勇先生* | – | 666 | – | 60 | 67 | 793 |
| Mr. Luo Yun (羅雲) | 羅雲先生 | | | | | | |

* Mr. Chan Changyong is the chief executive officer.

## 12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(continued)*

### (a) Directors' and chief executives' emoluments *(continued)*

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

Directors and chief executives' emoluments for the years ended 31 December 2022 and 2021 are set out as follows:

(i) Ms. Ren Na resigned as non-executive Director of the Company on 7 March 2023, her resignation will take effect on the day when the new non-executive Director to replace her is elected and appointed at the 2023 first extraordinary general meeting to be convened by the Company.

(ii) The Board resolved to propose the removal of Mr. Luo Yun as an executive Director and a deputy general manager of the Company on 7 February 2023. The removal of Mr. Luo Yun as a deputy general manager has been approved and agreed by the Board with effect from 7 February 2023, and the proposed removal of Mr. Luo Yun as an executive Director will become effective from the date of approval by the shareholders of the Company by way of an ordinary resolution at the first extraordinary general meeting in 2023.

(iii) Mr. Zhang Yang was appointed as a non-executive Director of the Company on 7 December 2022.

(iv) Ms. Wang Dongfang was appointed as an independent non-executive Director of the Company on 7 December 2022.

(v) Ms. Yu Yanbo ceased to serve as non-executive Director of the Company on 7 December 2022.

(vi) Mr. Yin Xiaobing ceased to serve as an independent non-executive Director of the Company on 7 December 2022.

## 12. 董事及僱員酬金*(續)*

### (a) 董事及最高行政人員酬金*(續)*

*附註：* 上表薪酬為稅前薪酬，工資包括僱主支付的工資、獎金和津貼、職工福利；福利計劃供款包括僱主支付的基本養老保險和企業年金；其他包括僱主支付的住房供積金、醫療保險和其他社會保險。

截至2022年及2021年12月31日止年度董事及最高行政人員薪酬載列如下：

(i) 任娜女士於2023年3月7日辭任本公司非執行董事，其辭任將自於本公司將召開的2023年第一次臨時股東大會選舉出及委任替補非執行董事當日生效。

(ii) 羅雲先生於2023年2月7日由董事會決議建議免除其執行董事及副總經理職務。免除其副總經理職務已經董事會審批同意並於2023年2月7日起生效，而建議免除羅雲先生之執行董事職務將自本公司股東於2023年第一次臨時股東大會上以普通決議案方式批准之日起生效。

(iii) 張洋先生於2022年12月7日獲委任為本公司非執行董事。

(iv) 王東方女士於2022年12月7日獲委任為本公司獨立非執行董事。

(v) 余燕波女士於2022年12月7日不再擔任本公司非執行董事。

(vi) 尹曉冰先生於2022年12月7日不再擔任本公司獨立非執行董事。

## 12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(continued)*

### (a) Directors' and chief executives' emoluments *(continued)*

During the years ended 31 December 2022 and 2021, no director received any emolument from the Group as an inducement to join, upon joining the Group, leave the Group or as compensation for loss of office.

### (b) Directors' and chief executives' retirement benefits

3 out of 11 directors and chief executives (2021: 7 out of 14) enjoyed retirement benefits by a defined benefit pension plan operated by the Group.

### (c) Directors' and chief executives' termination benefits

There are no directors' termination benefits operated by the Group.

### (d) Consideration provided to third parties for making available directors' and chief executives' services

During the year ended 31 December 2022, no consideration was provided to third parties for making available directors' services (2021: Nil).

### (e) Information about loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by or entities connected with directors and chief executives

During the year ended 31 December 2022, there were no loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by or entities connected with directors (2021: Nil).

### (f) Directors' and chief executives' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2022 (2021: Nil).

## 12. 董事及僱員酬金*(續)*

### (a) 董事及最高行政人員酬金*(續)*

於截至2022年及2021年12月31日止年度，並無董事從本集團收取任何酬金作為吸引其加入或在加入時、離開本集團的獎勵或作為離職賠償。

### (b) 董事及最高行政人員的退休福利

11名董事及最高行政人員中有3名(2021年：14名中有7名)享有本集團定額福利退休金計劃的退休福利。

### (c) 董事及最高行政人員離職福利

本集團並無董事離職福利。

### (d) 就提供董事及最高行政人員服務而向第三方支付的對價

在截至2022年12月31日止年度期間，概無就提供董事服務而向第三方支付任何對價(2021年：無)。

### (e) 有關以董事、董事控制的法團及董事及最高行政人員的關連實體為受益人的貸款、準貸款及其他交易的資料

在截至2022年12月31日止年度期間，概無以董事、董事控制的法團及董事的關連實體為受益人而訂立貸款、準貸款及其他交易安排(2021年：無)。

### (f) 董事及最高行政人員於交易、安排或合約中的重大權益

本年度年結時或在截至2022年12月31日止年度期間的任何時間，本公司概無訂有任何涉及本集團業務而本公司董事直接或間接在其中擁有重大權益的重要交易、安排或合約(2021年：無)。

## 13. DIVIDENDS

## 13. 股息

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| (a) Final dividends for the year ended 31 December 2021 of RMB0.10 per share (tax inclusive) (2020: RMB0.12 (tax inclusive)) *(Notes (i) and (iii))* | (a) 截至2021年12月31日止年度期末股利每股人民幣0.10元(含稅)(2020年：人民幣0.12元(含稅))*(附註(i)及(iii))* | 102,911 | 123,493 |
| (b) Interim dividends for the six months ended 30 June 2022 of RMB Nil per share (tax inclusive) (for the six months ended 30 June 2021: RMB0.05 (tax inclusive)) *(Notes (ii) and (iv))* | (b) 截至2022年6月30日止六個月中期股利每股人民幣零元(含稅)(截至2021年6月30日止六個月：人民幣0.05元(含稅))*(附註(ii)及(iv))* | – | 51,455 |
| | | 102,911 | 174,948 |
| (c) Dividends not recognised at the end of the reporting period<br><br>In addition to the above dividends, since year end the Board has recommended the payment of a final dividend of RMB Nil per share (tax inclusive) for 2022 (2021: RMB0.100 (tax inclusive)). | (c) 尚未於報告期末確認的股利<br><br>除上述股利，董事會建議分派2022年度期末股利每股人民幣零元(含稅)(2021年：人民幣0.100元(含稅))。 | – | 102,911 |

*Notes:*

(i) As approved by the annual general meeting on 29 June 2022, the Company declared a dividend of approximately RMB102,911,000 (tax inclusive) in respect of the accumulated distributable profit as at 31 December 2021. The declaration of the dividend has been reflected as an appropriation of accumulated profits during the year ended 31 December 2022. The dividends were paid out during the year ended 31 December 2022.

(ii) The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2022.

(iii) As approved by the annual general meeting on 18 June 2021, the Company declared a dividend of approximately RMB123,493,000 (tax inclusive) in respect of the accumulated distributable profit as at 31 December 2020. The declaration of the dividend has been reflected as an appropriation of accumulated profits during the year ended 31 December 2021. The dividends were paid out during the year ended 31 December 2021.

(iv) As approved by the extraordinary general meeting on 12 November 2021, the Company declared an interim dividend of approximately RMB51,455,000 (tax inclusive) in respect of the accumulated distributable profit as at 30 June 2021. The declaration of the interim dividends has been reflected as an appropriation of accumulated profits during the six months ended 30 June 2021. The interim dividends were paid out during the year ended 31 December 2021.

*附註：*

(i) 經股東週年大會於2022年6月29日批准，本公司就截至2021年12月31日的累積可分配利潤派發股利，共計約人民幣102,911,000元(含稅)。股利的分派已經列為截至2022年12月31日止年度分派留存收益，截至2022年12月31日止年度已付清股利。

(ii) 經董事會的考慮，不建議派發截至2022年6月30日止六個月的中期股息。

(iii) 經股東週年大會於2021年6月18日批准，本公司就截至2020年12月31日的累積可分配利潤派發股利，共計約人民幣123,493,000元(含稅)。股利的分派已經列為截至2021年12月31日止年度分派留存收益，截至2021年12月31日止年度已付清股利。

(iv) 經臨時股東大會於2021年11月12日批准，本公司就截至2021年6月30日止六個月的累積可分配利潤派發中期股利，共計約人民幣51,455,000元(含稅)。中期股利的分派已經列為截至2021年6月30日止六個月分派留存收益，截至2021年12月31日止年度已付清中期股利。

## 14. EARNINGS PER SHARE

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 year:

## 14. 每股收益

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

| | | 2022<br>2022年 | 2021<br>2021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)* | 322,250 | 338,278 |
| 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*(人民幣元)* | 0.31 | 0.33 |

The diluted earnings per share are same as the basic earnings per share as there was no dilutive potential share during the years ended 31 December 2022 and 2021.

在截至2022年及2021年12月31日止年度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。

## 15. INVESTMENT PROPERTIES

## 15. 投資物業

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| **At fair value** | **按公允價值** | | |
| At the beginning of the reporting period | 於報告期初 | 276,377 | 273,755 |
| Change in fair value | 公允價值變動 | 1,085 | 2,622 |
| At the end of the reporting period | 於報告期末 | 277,462 | 276,377 |

All the Group's property interests held under operating leases to earn rental or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties. The investment properties are situated in the PRC and are held under a medium-term lease.

本集團為賺取租金或作資本增值用途而根據經營租賃持有的所有物業權益均採用公允價值模型進行計量，並歸類為投資物業入賬。投資物業位於中國並根據中期租賃持有。

## 15. INVESTMENT PROPERTIES *(continued)*

### Valuation processes of the Group

The Group measures its investment properties at fair value. The investment properties were revalued by independent qualified valuers, who hold recognised relevant professional qualification and have experience in the valuations of locations and segments of the investment properties. For all investment properties, their current use equates to the highest and best use.

The Group's finance department includes a team that review the valuation performed by the independent valuers for financial reporting purposes. This team reports directly to the senior management and the Audit Committee.

At each financial period end, the finance department verifies all major inputs to the independent valuation reports; assesses property valuation movements when compared to the prior year valuation reports; and holds discussions with the independent valuers.

### Valuation techniques

The fair value of investment properties is generally derived using the income capitalisation method and wherever appropriate, by direct comparison method.

Income capitalisation method is based on capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties.

## 15. 投資物業*(續)*

### 本集團的估值流程

本集團按公允價值計量其投資物業。投資物業由持有相關認可專業資格並於估值投資物業的地點及類別方面擁有經驗的獨立合資格估值師重估。對於所有投資物業，其目前的用途等同於最高及最佳用途。

本集團財務部設有一個小組負責審閱財務報告中由獨立估值師所作估值。此小組直接向高級管理層及審計委員會匯報。

在各財政期間末，財務部會核實獨立估值報告的所有主要輸入數據；評估物業估值較上年度估值報告的變動；並與獨立估值師進行討論。

### 估值技術

投資物業公允價值一般以收入資本化法及直接比較法(如適用)得出。

收入資本化法乃基於通過採用適當的資本化率，將淨收入及復歸收入潛力予以資本化，而資本化率乃通過對銷售交易的分析及估值師分析當時投資者的要求或期望而得出。在估值中採用的現行市值租金乃根據該等物業及其他可比較物業的近期租務情況釐定。

## 15. INVESTMENT PROPERTIES *(continued)*

### Valuation techniques *(continued)*

Direct comparison method is based on comparing the property to be vBT80E15EB0534035C09 Tbaseden-edbasedbasedbaseden-USBT808E0659DFF2D8DE1Den-USbtbasedEn505qualitativeEn505differenc

## 15. 投資物業(續)

### 估值技術(續)

直接比較法將估值之物業與其他可資比較且近期有交易之物業直接作出比較。然而，考慮到房地產的異質性，估值時通常需要考慮任何質量差異對物業價格之影響而作出適當調整。

於2022年及2021年12月31日，所有投資物業已歸入公允價值層級第三級。

年內公允價值層級之間並無轉撥。

有關使用重大無法觀察輸入數據進行公允價值計量的資料：

## 15. INVESTMENT PROPERTIES *(continued)* 15. 投資物業*(續)*

### Valuation techniques *(continued)* 估值技術*(續)*

| | 2021 Fair value 2021年公允價值 *RMB'000* *人民幣千元* | Valuation techniques 估值技術 | Range of significant unobservable inputs 重大無法觀察輸入數據之範圍 Prevailing market rent per month 現行市值月租 | Adjusted unit price 經調整單價 | Capitalisation rate 資本化率 |
|---|---|---|---|---|---|
| **Investment properties 投資物業** | | | | | |
| Entire buildings No. 1, No. 2 and No.3 (including basement) of the Kunming No. 2 Water Purification Plant | 251,594 | Income capitalisation | RMB39.30 to RMB42.67 per square meter | N/A | 6.77% |
| 昆明第二水質淨化廠1號、2號及3號建築物整棟(含地下室) | | 收入資本化 | 每平方米人民幣39.30元至人民幣42.67元 | 不適用 | 6.77% |
| Six management buildings of the Kunming No. 3 Water Purification Plant | 11,531 | Income capitalisation | RMB39.30 to RMB42.67 per square meter | N/A | 6.77% |
| 昆明第三水質淨化廠六幢管理樓 | | 收入資本化 | 每平方米人民幣39.30元至人民幣42.67元 | 不適用 | 6.77% |
| Two pieces of lands located at the Paper Making Industry Base in Dayao Town, Liuyang City | 13,252 | Income capitalisation | RMB2.47 to 2.60 per square meter | N/A | 8.19% |
| 位於瀏陽市大瑤鎮造紙工業基地的兩塊土地 | | 收入資本化 | 每平方米人民幣2.47元至人民幣2.60元 | 不適用 | 8.19% |
| | 276,377 | | | | |

*Note:* There were changes to the valuation technique during the year from income capitalisation method to direct comparison method because the market for comparable properties was inactive and there was no relevant comparable transaction last year. The directors of the Company consider that such changes would be more effectively reflect the fair value of the Group's investment properties.

*附註：* 本年度的估值技術從收入資本化法改為直接比較法，原因為去年可資比較物業的市場不活躍且並無相關可資比較交易。本公司董事認為，該變動將更有效地反映本集團投資物業的公允價值。

## 15. INVESTMENT PROPERTIES *(continued)*

**Valuation techniques** *(continued)*

Prevailing market rents are estimated based on independent valuers' view of recent lettings, within the subject properties and other comparable properties. The higher the rents, the higher the fair value.

Adjusted unit prices are estimated by independent valuers based on sales transactions of comparable properties available in the market. The higher the selling price of comparable properties, the higher the fair value.

Capitalisation rates are estimated by independent valuers based on the risk profile of the properties being valued and the market conditions. The lower the rates, the higher the fair value.

**Leasing arrangement – as lessor**

The investment properties are leased to tenants on a non-cancellable term of 1 year to 10 years (2021: 5 years to 8 years). The leases do not contain any renewal option. Monthly rental charges are fixed payments, none of the leases includes variable lease payments. The tenants also bear the management fees and amounts charged by the government such as the Goods and Services Tax levied on the Group.

The details of the lease income from operating leases are set out in Note 7 to the consolidated financial statements.

## 15. 投資物業*(續)*

**估值技術***(續)*

現行市值租金乃根據獨立估值師對標的物業及其他可資比較物業的近期租賃情況的看法而估計得出。租金越高，公允價值越高。

經調整單價乃由獨立估值師根據市場上可資比較的物業的銷售交易進行估計。可資比較物業的售價越高，公允價值越高。

資本化率乃由獨立估值師根據被估值物業的風險及市場情況而估計得出。資本化率越低，公允價值越高。

**租賃安排－作為出租人**

本集團將其投資物業出租予租戶，租期為1年至10年(2021年：5年至8年)，且屬不可撤銷租賃。該租賃不含任何續租選項。每月租金按固定款額收取，且概無租賃包含可變租賃付款。租戶亦承擔管理費以及向本集團徵收的商品及服務稅等政府收費。

經營租賃所得租賃收入之詳情載列於合併財務報表附註7。

## 17. PROPERTY, PLANT AND EQUIPMENT 17. 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 辦公設備及電子設備 *RMB'000 人民幣千元* | Motor vehicles 車輛 *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* |
|---|---|---|---|---|---|---|---|
| **Year ended 31 December 2021** | **截至2021年12月31日止年度** | | | | | | |
| At the beginning of the reporting period | 報告期初 | 1,823,021 | 688,203 | 54,902 | 10,618 | 263,954 | 2,840,698 |
| Additions | 增加 | 1,463 | 11,171 | 7,737 | 1,235 | 36,071 | 57,677 |
| Transfer | 轉入 | 54,527 | 4,436 | 18,122 | – | (77,085) | – |
| Disposals | 處置 | – | (181) | (515) | (156) | (21,863) | (22,715) |
| Depreciation | 折舊 | (108,927) | (106,142) | (20,079) | (3,422) | – | (238,570) |
| At the end of the reporting period | 報告期末 | 1,770,084 | 597,487 | 60,167 | 8,275 | 201,077 | 2,637,090 |
| **At 31 December 2021** | **於2021年12月31日** | | | | | | |
| Cost | 成本 | 2,582,071 | 1,512,497 | 168,940 | 42,463 | 201,077 | 4,507,048 |
| Accumulated depreciation | 累計折舊 | (811,987) | (915,010) | (108,773) | (34,188) | – | (1,869,958) |
| Net book value | 賬面淨值 | 1,770,084 | 597,487 | 60,167 | 8,275 | 201,077 | 2,637,090 |
| **Year ended 31 December 2022** | **截至2022年12月31日止年度** | | | | | | |
| At the beginning of the reporting period | 報告期初 | **1,770,084** | **597,487** | **60,167** | **8,275** | **201,077** | **2,637,090** |
| Additions | 增加 | **194,314** | **28,666** | **4,656** | **20,504** | **104,106** | |

## 17. PROPERTY, PLANT AND EQUIPMENT (continued)

## 17. 不動產、工廠及設備(續)

*Notes:*

*附註：*

(a) The net book value of property, plant and equipment pledged as collateral for the Group's borrowings as at the end of the reporting period were as follows:

(a) 作為本集團借款質押擔保物的不動產、工廠及設備在報告期末的賬面淨值如下：

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Buildings and facilities | 樓宇及設施 | **351,163** | 324,140 |
| Machinery and equipment | 機器及設備 | **357,567** | 431,044 |
| Office and electronic equipment | 辦公設備及電子設備 | **7,275** | – |
| Motor vehicles | 車輛 | **211** | – |
| | | **716,216** | 755,184 |

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

(b) 不動產、工廠和設備的折舊於合併損益及其他全面收益表支銷，如下：

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Cost of sales | 銷售成本 | **186,784** | 226,971 |
| Administrative expense | 行政費用 | **11,453** | 11,599 |
| | | **198,237** | 238,570 |

(c) As at 31 December 2022, the Group is still in the process of applying for the building ownership certificates of certain of its buildings and the aggregated carrying amounts of these buildings amounted to approximately RMB131,964,000 (2021: approximately RMB24,625,000).

(c) 於2022年12月31日，本集團仍在為某些樓宇申請所有權證，這些樓宇的賬面價值合計約人民幣131,964,000元(2021年：約人民幣24,625,000元)。

(d) During the year ended 31 December 2022, the Group has capitalised borrowing costs amounting to approximately RMB31,064,000 (2021: approximately RMB6,017,000) on qualifying assets. Borrowing costs were capitalised at the weighted average rate of its general borrowings of 4.05% p.a. during the year ended 31 December 2022 (2021: 5.34% p.a.).

(d) 截至2022年12月31日止年度期間，本集團的合資格資產已資本化借款成本約為人民幣31,064,000元(2021年：約人民幣6,017,000元)。截至2022年12月31日止年度期間，借款成本按一般借款的加權平均利率每年4.05%來進行資本化(2021年：每年5.34%)。

## 18. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

The Group has entered into certain arrangements with governmental authorities in the PRC under TOT or BOT models in respect of its wastewater treatment and water supply and other services (the "**Facilities**"). These service concession arrangements generally involve the Group as an operator (i) paying a specific amount for those arrangements under TOT models; (ii) constructing the Facilities for those arrangements under BOT models; and (iii) operating and maintaining the Facilities at a specified level of serviceability on behalf of the relevant governmental authorities for the periods from 18 to 30 years (the "**Service Concession Periods**"), and the Group will be paid for its services over the Service Concession Periods at prices stipulated through a pricing mechanism. The Group is generally entitled to use all the property, plant and equipment of the Facilities, however, the relevant governmental authorities as grantors will control and regulate the scope of service that the Group must provide with the Facilities, and retain the beneficial entitlement to any residual interest in the Facilities at the end of the term of the Service Concession Periods. Each of these service concession arrangements is governed by a contract and, where applicable, supplementary agreements entered into between the Group and the relevant governmental authorities in the PRC that set out, inter alia, performance standards, mechanisms for adjusting prices for the services rendered by the Group, specific obligations levied on the Group to restore the Facilities to a specified level of serviceability at the end of the Service Concession Periods and arrangements for arbitrating disputes.

The effective interest rate fell within the range from 4.05% p.a. to 9.23% p.a. (2021: 5.10% p.a. to 9.23% p.a.).

## 18. 特許經營權協議下的應收款項

本集團在中國已就污水處理以及供水及其他服務(「**處理設施**」)，按TOT或BOT模式同政府部門訂立若干協議。此等特許經營權協議中，本集團通常作為營運者(i)針對TOT模式下的協議，支付特定金額；(ii)針對BOT模式下的協議，建造處理設施；及(iii)代表相關政府部門在18至30年期間(「**特許經營期間**」)內經營並維護處理設施，使其達到特定服務水平，本集團將在特許經營期間按定價機制制定的價格收取服務費。本集團通常有權使用處理設施的不動產、工廠及設備，但作為授予方的相關政府部門將控制和監管本集團使用處理設施提供的服務範圍，並有權在特許經營期間屆滿後實益擁有處理設施的剩餘權益。各該項

## 18. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS *(continued)*

## 18. 特許經營權協議下的應收款項*(續)*

Summarised information of the financial assets component (receivables under service concession arrangements) with respect to the Group's service concession arrangements is as follows.

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

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*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 | **45,029** | 5,495 |
| Loss allowance | 虧損撥備 | **(901)** | (32) |
| | | **44,128** | 5,463 |
| 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 | **2,600,616** | 2,761,353 |
| Loss allowance | 虧損撥備 | **(54,195)** | (29,002) |
| | | **2,546,421** | 2,732,351 |
| | | **2,590,549** | 2,737,814 |

As at 31 December 2022 and 2021, the carrying amounts of receivables under services concession arrangements are principally denominated in RMB.

於2022年及2021年12月31日，特許經營權協議下的應收款項的賬面值主要以人民幣計值。

The receivables under service concession arrangements, in which the Group has an unconditional right to receive cash were mainly due from governmental authorities and quasi-government organisations in the PRC, as grantors in respect of the Group's service concession arrangements.

特許經營權協議下的應收款項主要為應收中國政府部門及準政府組織(本集團特許經營權協議的授予方)的款項，其中本集團有無條件收取現金的權利。

Information regarding the Group's credit policy are set out in Note 3.1(b).

有關本集團信貸政策的資料載於附註3.1(b)。

## 19. AMOUNTS DUE FROM CUSTOMERS FOR CONSTRUCTION CONTRACTS

## 19. 應收客戶建造合同款

The amounts due from customers for construction contracts represent contract assets under BT arrangements:

應收客戶建造合同款代表BT合同下的合約資產：

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Current portion: | 流動部分： | | |
| Amounts due from customers for construction contracts | 應收客戶建造合同款 | 36,329 | 23,340 |
| Loss allowance | 虧損撥備 | (727) | (555) |
| | | 35,602 | 22,785 |
| Non-current portion: | 非流動部分： | | |
| Amounts due from customers for construction contracts | 應收客戶建造合同款 | 689,505 | 580,496 |
| Loss allowance | 虧損撥備 | (13,790) | (20,782) |
| | | 675,715 | 559,714 |
| | | 711,317 | 582,499 |

As at 31 December 2022 and 2021, the carrying amounts of amounts due from customer for construction contracts are principally denominated in RMB.

於2022年及2021年12月31日，應收客戶建造合同款的賬面值主要以人民幣計值。

Information regarding the Group's credit policy are set out in Note 3.1(b).

有關本集團信貸政策的資料載於附註3.1(b)。

## 20. CONTRACT ASSETS

## 20. 合約資產

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Non-current portion: | 非流動部分： | | |
| Wastewater treatment construction business | 污水治理建設業務 | 109,121 | 70,859 |
| Water supply construction business | 水供給治理建設業務 | – | 6,193 |
| Other construction business | 其他治理建設業務 | – | 172,773 |
| | | 109,121 | 249,825 |

*Note:*

Contract assets relating to concession agreements for wastewater treatment, water supply and other construction services under BOT arrangements, which are not yet collectible from the customer until the construction of new wastewater treatment, water supply and other infrastructure or upgrade services are completed.

As a result, a contract asset is recognised over the period in which the construction of new wastewater treatment, water supply and other infrastructure or upgrade services are performed to represent the entity's right to consideration for the services transferred to date. The carrying amount of approximately RMB109,121,000 (2021: RMB249,825,000) will be reclassified as receivables under concession agreements or intangible assets after completion of construction of new wastewater treatment, water supply and other infrastructure or upgrade services.

As at 31 December 2022 and 2021, the carrying amounts of contract assets are principally denominated in RMB.

Information regarding the Group's credit policy are set out in Note 3.1(b).

*附註：*

於新污水處理、水供給處理、其他基建建設或升級服務完成之前，客戶就BOT協議下污水處理、水供給處理、其他建設服務有關特許服務安排之合約資產尚未到期付款。

因此，合約資產於進行新污水處理、水供給處理、其他基建建設或升級服務之期間內確認，以代表實體對收取迄今已轉移服務之代價之權利。賬面值約人民幣109,121,000（2021年：人民幣249,825,000元）將於新污水處理、水供給處理、其他基建建設或升級服務完成後重新分類為特許經營權協議下的應收款項或無形資產。

於2022年及2021年12月31日，合約資產的賬面值主要以人民幣計值。

有關本集團信貸政策的資料載於附註3.1(b)。

## 21. INTANGIBLE ASSETS

## 21. 無形資產

| | | Computer software 計算機軟件 *RMB'000 人民幣千元* | Operating concession 特許經營權 *RMB'000 人民幣千元* | Total 合計 *RMB'000 人民幣千元* |
|---|---|---|---|---|
| **Year ended 31 December 2021** | **截至2021年12月31日止年度** | | | |
| At the beginning of the reporting period | 報告期初 | 9,592 | 319,697 | 329,289 |
| Additions | 增加 | 1,847 | – | 1,847 |
| Amortisation | 攤銷 | (3,167) | (14,475) | (17,642) |
| At the end of the reporting period | 報告期末 | 8,272 | 305,222 | 313,494 |
| **At 31 December 2021** | **於2021年12月31日** | | | |
| Cost | 成本 | 36,065 | 344,720 | 380,785 |
| Accumulated amortisation | 累計攤銷 | (27,793) | (39,498) | (67,291) |
| Net book value | 賬面淨值 | 8,272 | 305,222 | 313,494 |

## 21. INTANGIBLE ASSETS *(continued)*

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

## 21. 無形資產*(續)*

無形資產攤銷於合併損益及其他全面收益表中支銷如下：

| | 2022 |
|---|---|

## 22. INVESTMENTS IN ASSOCIATES

Investments accounted for using the equity method refer to the associates held by the Group and the Company, a movement of which is set out as follows:

## 22. 聯營投資

按權益法計量的投資是指由本集團和本公司持有的聯營投資，其變動載列如下：

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| **Unlisted shares** | **非上市股份** | | |
| Share of net assets | 淨資產份額 | **2,760** | 3,451 |
| Goodwill | 商譽 | **9,342** | 9,342 |
| Less: Provision of impairment | 減：減值撥備 | **(5,576)** | – |
| At the end of the reporting period | 報告期末 | **6,526** | 12,793 |

### 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.

### 投資之公允價值

於報告期末，本集團所有聯營公司均為私營公司，故該等投資並無掛牌市價提供。

## 22. INVESTMENTS IN ASSOCIATES *(continued)*

### Relationship with associates

Yunnan Dianchi Information Construction Management Co., Ltd.* ("**Dianchi Information**") (雲南滇池信息建設管理有限公司) is mainly engaged in the construction of reclaimed water pipelines, communication pipelines and municipal projects located in Yunnan Province, which enables the Company to participate in construction of wastewater treatment related projects.

Kunming Zaojing Quanxiang Biological Technology Co., Ltd.* ("**Kunming Zaojing**") (昆明藻井泉香生物科技有限公司) is mainly engaged in the cultivation, subsequent reprocessing and sale of primary and finished products of haematococcus pluvialis in Yunnan. The astaxanthin contained in haematococcus pluvialis is a raw material for health products and cosmetics.

Yunnan Dianchi Jiajing Environmental Technology Co., Ltd.* ("**Dianchi Jiajing**") (雲南滇池嘉淨環保科技有限公司) undertakes the construction and operation of rural wastewater treatment facilities in Yunnan Province, and has undertaken and completed the "Xishan District Rural Wastewater Treatment Facilities Construction Project".

### 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.

## 22. 聯營投資*(續)*

### 與聯營公司的關係

雲南滇池信息建設管理有限公司(「**滇池信息**」)主要從事位於雲南省的再生水管道、通信管道、市政等工程建設，可令本公司參與污水處理相關的工程建設。

昆明藻井泉香生物科技有限公司(「**昆明藻井**」)主要於雲南從事雨生紅球藻養殖、後續再加工，相關初級產品及產成品的銷售。雨生紅球藻內蘊含的蝦青素是保健品、化妝品的原材料。

雲南滇池嘉淨環保科技有限公司(「**滇池嘉淨**」)於雲南省承接農村污水處理設施建設運行等業務，前期承接並完工了「西山區農村污水處理設施建設工程」。

### 聯營公司之財務資料

本集團聯營公司的概要財務資料載於下文，代表聯營公司按照國際財務報告準則編製的財務報表中所示金額，並經本集團為權益會計目的作出調整，包括會計政策及公允價值調整的任何差額。

* *For identification purpose only*
* *僅供識別*

## 22. INVESTMENTS IN ASSOCIATES *(continued)* 22. 聯營投資*(續)*

### Financial information of associates *(continued)* 聯營公司之財務資料*(續)*

Details of the associates at the end of the reporting period are as follows.

報告期末聯營公司的詳情如下。

| Name of entities<br>實體名稱 | Country/place and date of establishment<br>註冊成立的國家／地點及日期 | Paid-up capital<br>實繳資本<br>*RMB'000*<br>*人民幣千元* | Proportion of ownership interest held by the Group<br>本集團持有的所有者權益比例<br>2022<br>2022年 | 2021<br>2021年 | Principal activities<br>主營業務 |
|---|---|---|---|---|---|
| Dianchi Information | PRC, Kunming 14 May 2012 | 2,500 | 40% | 40% | Construction of communication pipeline |
| 滇池信息 | 中國，昆明 2012年5月14日 | 2,500 | 40% | 40% | 通信管道的建設 |
| Dianchi Jiajing | PRC, Kunming 13 April 2012 | 11,600 | 40% | 40% | Research and promotion of environment technology |
| 滇池嘉淨 | 中國，昆明 2012年4月13日 | 11,600 | 40% | 40% | 環境技術的研發和推廣 |
| Kunming Zaojing | PRC, Kunming 12 August 2010 | 8,000 | 35% | 35% | Research and development of biological products |
| 昆明藻井 | 中國，昆明 2010年8月12日 | 8,000 | 35% | 35% | 生物製品的研發 |

## 22. 聯營投資(續)

### 聯營公司之財務資料(續)

本集團於2022及2021年12月31日並無重大聯營公司。歸屬於本集團的聯營公司關鍵財務資料如下：

| | Year<br>年度 | Assets<br>資產<br>*RMB'000*<br>*人民幣千元* | Liabilities<br>負債<br>*RMB'000*<br>*人民幣千元* | Revenue<br>收入<br>*RMB'000*<br>*人民幣千元* | Loss<br>虧損<br>*RMB'000*<br>*人民幣千元* | Net assets<br>淨資產<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|---|---|---|
| **2022** | **2022年** | **4,506** | **1,746** | **192** | **(691)** | **2,760** |
| 2021 | 2021年 | 4,601 | 1,150 | 279 | (1,728) | 3,451 |

由於其中一間聯營公司權益已減至零，故本集團於[illegible]並無確認其應佔虧損，因其確認只限於零，而年內未確認應佔虧損及截至及於2022年12月31[illegible]

## 23. DEFERRED TAX ASSETS AND LIABILITIES 23. 遞延稅項資產和負債

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Deferred tax assets | 遞延稅項資產 | 81,028 | 84,490 |
| Deferred tax liabilities | 遞延稅項負債 | 51,903 | 86,492 |

Movements in deferred tax assets and liabilities during the year ended 31 December 2022, without taking into consideration the offsetting of balance within the same tax jurisdiction, are as follows:

在截至2022年12月31日止年度期間的遞延稅項資產和負債(沒有考慮結餘可在同一徵稅區內抵銷)的變動如下：

| | Tax losses carried forward *(Note a)* | Government grants | Depreciation and amortisation differences arising from the revaluation results *(Note b)* | Impairment | Change in fair value of |
|---|---|---|---|---|---|
| | | | | | |

## 23. DEFERRED TAX ASSETS AND LIABILITIES *(continued)*

## 23. 遞延稅項資產和負債*(續)*

(a) Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of related tax benefits through future taxable profits is probable. Carrying forward of these tax losses will expire, if unused, in the years ending 31 December 2023 to 31 December 2027.

As at 31 December 2022, the Group has cumulative tax losses of approximately RMB25,843,000 (2021: approximately RMB29,765,000). Of which, the Group has recognised deferred tax assets in respect of these tax losses to the extent of approximately RMB20,127,000 (2021: approximately RMB22,380,000). The Group has not recognised deferred tax assets in respect of the remaining tax losses of approximately RMB5,716,000 (2021: approximately RMB7,385,000) due to the unpredictability of future profit streams, which will be expired within 5 years.

(a) 對以稅務虧損確認的遞延稅項資產，在未來很可能產生應課稅利潤而實現相關稅務利益時方可確認。這些稅務虧損的結轉，如未使用，將於截至2023年12月31日至2027年12月31日止年度到期。

於2022年12月31日，本集團的累計稅項損失為約人民幣25,843,000元(2021年：約人民幣29,765,000元)。其中，本集團已確認與該等稅項損失有關的遞延稅項資產約人民幣20,127,000元(2021年：約人民幣22,380,000元)。由於無法預測未來溢利流，本集團並無就餘下稅項損失約人民幣5,716,000元(2021年：約人民幣7,385,000元)確認遞延稅項資產，該等損失將於5年內到期。

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

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

Except for the amounts recognised and disclosed above, the Group does not have any other material temporary differences at the end of the reporting period.

除已確認及於上文披露的金額外，本集團於報告期末並無任何其他重大暫時性差異。

## 23. DEFERRED TAX ASSETS AND LIABILITIES (continued) 23. 遞延稅項資產和負債(續)

| Deferred tax liabilities | 遞延稅項負債 | Fair value adjustment arising from acquisition of subsidiaries 收購附屬公司產生的公允價值調整 RMB'000 人民幣千元 | Differences arising from service concession receivables 特許經營權應收款產生的差異 RMB'000 人民幣千元 | Change in fair value of investment properties 投資物業公允價值變動 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
|---|---|---|---|---|---|
| **At 1 January 2021** | **於2021年1月1日** | 47,968 | 27,554 | 6,724 | 82,246 |
| Recognised in profit or loss *(Note 11)* | 於損益中確認*(附註11)* | (1,966) | 5,741 | 471 | 4,246 |
| **At 31 December 2021 and 1 January 2022** | **於2021年12月31日及2022年1月1日** | 46,002 | 33,295 | 7,195 | 86,492 |
| Arising from disposal of a subsidiary *(Note 40)* | 出售一間附屬公司所產生*(附註40)* | – | (2,090) | – | (2,090) |
| Recognised in profit or loss *(Note 11)* | 於損益中確認*(附註11)* | (1,672) | (31,045) | 218 | (32,499) |
| **At 31 December 2022** | **於2022年12月31日** | **44,330** | **160** | **7,413** | **51,903** |

## 24. INVENTORIES

## 24. 存貨

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Materials for wastewater treatment and water supply services | 污水處理及水供給服務的材料 | 8,258 | 6,810 |
| Coal | 煤炭 | 9,071 | 7,416 |
| Spare parts | 零部件 | 4,561 | 2,369 |
| | | 21,890 | 16,595 |

The cost of inventories recognised as cost of sales amounted to approximately RMB261,338,000, for the year ended 31 December 2022 (2021: approximately RMB92,588,000).

截至2022年12月31日止年度，存貨成本中結轉為銷售成本的金額約人民幣261,338,000元(2021年：約人民幣92,588,000元)。

## 25. FINANCIAL LIABILITIES AT FVPL

## 25. 按公允價值計入損益的金融負債

| | | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|---|
| Derivatives not designated as hedging instruments – Cross Currency swap ("**CCS**") | 未指定為對沖工具的衍生工具－交叉貨幣掉期(「**交叉貨幣掉期**」) | *(Note)*<br>*(附註)* | – | 110,450 |

*Note:* The maturities of the derivatives are in March 2022. The objective of these derivatives entered into by the Group is to mitigate the currency exposures arising from the bank borrowings denominated in foreign currency incepted principally for funding the operations of the subsidiaries incorporated in the PRC. During the year ended 31 December 2022, gain (2021: loss) on change in fair value of the CCS in an aggregate amount of approximately RMB20,973,000 (2021: approximately RMB25,837,000) was recognised in profit or loss.

The derivatives were fully settled during the year.

*附註：* 衍生工具的到期日為2022年3月，本集團訂立該等衍生工具的目的是減輕銀行外幣借貸所產生的貨幣風險，主要是為在中國註冊成立的附屬公司運營提供資金。於截至2022年12月31日止年度，交叉貨幣掉期的公允價值變動收益(2021年：虧損)合共約人民幣20,973,000元(2021年：約人民幣25,837,000元)已於損益確認。

該衍生工具已於年內全數清算。

## 26. FINANCIAL ASSETS AT AMORTISED COST 26. 以攤銷成本計量的金融資產

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Unlisted investment *(Note)* | 非上市投資*(附註)* | 300,000 | 300,000 |
| Loss allowance | 虧損撥備 | (60,000) | (6,000) |
| | | 240,000 | 294,000 |

*Note:* On 29 September 2021, the Company (as the asset entrustor) entered into the Mutual Trust No. 5 Asset Management Agreement with Bosera Capital Management Co., Ltd. (as the asset manager) and China Merchants Bank (as the asset entrustee) in relation to the investment and management of the entrusted assets. Pursuant to the Mutual Trust No. 5 Asset Management Agreement, the Company agreed to entrust an amount of RMB300,000,000 as the entrusted assets, which will be funded by the internal resources of the Company. The entrusted assets will be used to invest in the credits of accounts receivable held by Kunming Agricultural Development Investment Co., Ltd. (昆明農業發展投資有限公司, "**KADI**"). Corporate guarantee has given by KDI to KADI on the principal and interest of such investments.

The carrying value of financial assets at amortised cost was RMB300,000,000 and stated at the amortised cost less impairment loss. The assets were originally due to be recovered on 28 December 2021 but were extended to 10 April 2022 by an extension agreement entered into on 31 December 2021. The asset manager allocated the assets under the asset management plan to the Company in their current status as at the maturity Date in accordance with the terms of the Mutual Trust No. 5 Asset Management Agreement. On 29 October 2022, the Company and KADI entered into a settlement agreement and mutually agreed that certain assets held by the subsidiaries of KADI and KADI were pledged to the Company for the outstanding principal and interest.

As at 31 December 2022, provision of loss amounted to RMB60,000,000 (2021: RMB6,000,000) was made. Information regarding the Group's credit policy are set out in Note 3.1(b).

Such investments carried an interest rate at 8% p.a., and the principal is repayable on demand. As the directors of the Company intends solely for collection of payments of principal and interest, it is classified as financial assets at amortised cost.

*附註：* 於2021年9月29日，本公司(作為資產委託人)與博時資本管理有限公司(作為資產管理人)及招商銀行(作為資產託管人)就委託資產之投資及管理訂立互信5號資產管理合同。根據互信5號資產管理合同，本公司同意委託人民幣300,000,000元為委託資產，其將以本公司的內部資源撥付。委託資產將用於受讓昆明農業發展投資有限公司(「**昆明農業發展投資**」)持有的應收賬款債權。昆明滇池投資就有關投資的本金及利息向昆明農業發展投資提供公司擔保。

以攤銷成本計量的金融資產的賬面值為人民幣300,000,000元，並按攤銷成本減值虧損列賬。該項資產本應於2021年12月28日收回，但於2021年12月31日簽訂展期協議，延長至2022年4月10日。資產管理人根據互信5號資產管理合同的約定，以截至到期日該資產管理計劃項下資產現狀向本公司進行分配。於2022年10月29日，本公司與昆明農業發展投資簽訂展期協議解決方案合同及雙方同意昆明農業發展投資及其附屬公司持有的若干資產已就未收回的本金及利息抵押予本公司。

在2022年12月31日，計提壞賬人民幣60,000,000元(2021年：人民幣6,000,000元)。有關本集團信貸政策的資料載於附註3.1(b)。

該等投資的年利率為8%，本金須按要求償還。由於本公司董事擬僅收取本金及利息付款，故將其分類為以攤銷成本計量的金融資產。

## 27. TRADE AND OTHER RECEIVABLES 27. 應收賬款及其他應收款

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| **Trade receivables** *(Note)*: | **應收賬款**(*附註*)： | | |
| – Third parties | –第三方 | **202,799** | 107,999 |
| – Related parties *(Note 37(d)(i))* | –關聯方(*附註37(d)(i)*) | **551,514** | 277,462 |
| – Local government | –地方政府 | **2,200,998** | 1,381,406 |
| – Loss allowance | –虧損撥備 | **(81,712)** | (56,898) |
| **Trade receivables – net** | **應收賬款–淨額** | **2,873,599** | 1,709,969 |
| **Other receivables:** | **其他應收款：** | | |
| – Third parties | –第三方 | **99,155** | 149,949 |
| – Related parties *(Note 37(d)(i))* | –關聯方(*附註37(d)(i)*) | **584,390** | 865,438 |
| – Local government | –地方政府 | **70,666** | 53,891 |
| – Loss allowance | –虧損撥備 | **(23,671)** | (7,447) |
| **Other receivables – net** | **其他應收款–淨額** | **730,540** | 1,061,831 |
| **Prepayments:** | **預付款：** | | |
| – Others | –其他 | **72,204** | 112,224 |
| – Loss allowance | –虧損撥備 | **(4)** | (4) |
| **Prepayments – net** | **預付款–淨額** | **72,200** | 112,220 |
| **Trade and other receivables – net** | **應收賬款及其他應收款–淨額** | **3,676,339** | 2,884,020 |

## 27. TRADE AND OTHER RECEIVABLES *(continued)*

## 27. 應收賬款及其他應收款*(續)*

As at 31 December 2022 and 2021, the carrying amounts of trade and other receivables are principally denominated in RMB. The trade receivables are due for payment upon presentation of invoices.

於2022年及2021年12月31日，應收賬款及其他應收款的賬面價值主要以人民幣為單位。應收賬款應在發出發票時支付。

Information regarding the Group's credit policy are set out in Note 3.1(b).

有關本集團信貸政策的資料載於附註3.1(b)。

*Note:*

*附註：*

Ageing analysis of gross trade receivables at the end of the reporting period, based on the invoice dates, is as follows:

於報告期末，根據發票日期的應收賬款總額之賬齡分析如下

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| – Within one year | – 1年以內 | **1,771,954** | 1,238,288 |
| – Over one year and within two years | – 1至2年 | **1,041,909** | 467,025 |
| – Over two years | – 超過2年 | **141,448** | 61,554 |
| | | **2,955,311** | 1,766,867 |

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

本集團並無持有任何抵押品作為擔保。

The Group rebutted the presumption of default under ECL model for trade receivables over 90 days past due and set the default criterion as 1 year past due based on good repayment records for those customers having a continuous business with the Group. They are assessed based on their probability of default and exposure of default with reference to historical debt collection experience, adjusted by current and forward-looking factors.

對於逾期90天以上的貿易應收款項，本集團駁回預期信貸虧損模型下的違約假設，並基於與本集團有持續業務往來的客戶的良好還款記錄，將違約標準設定為逾期1年。對這些客戶的評估是基於他們的違約概率和違約風險，並參考過往債務回收經驗，且根據當前和前瞻性因素進行調整。

## 28. CASH AND BANK BALANCES AND RESTRICTED FUNDS

## 28. 現金及銀行結餘及受限制資金

| | | Notes 附註 | 2022 2022年 RMB'000 人民幣千元 | 2021 2021年 RMB'000 人民幣千元 |
|---|---|---|---|---|
| Cash and bank balances | 現金及銀行結餘 | (a) | 131,494 | 1,504,346 |
| Restricted funds | 受限制資金 | (a), (b) | 181,194 | 49,650 |

### (a) Cash and bank balances and restricted funds are denominated in

### (a) 現金及銀行結餘及受限制資金以如下貨幣計值：

| | | 2022 2022年 RMB'000 人民幣千元 | 2021 2021年 RMB'000 人民幣千元 |
|---|---|---|---|
| RMB | 人民幣 | 298,892 | 1,451,956 |
| HKD | 港元 | 5,153 | 43,405 |
| USD | 美元 | 8,643 | 58,635 |
| | | 312,688 | 1,553,996 |

All cash at bank are deposits with original maturity within 3 months. The Group earns interest on cash at bank at floating bank deposit rates ranged from 0.01% to 2.25% during the year ended 31 December 2022 (2021: 0.30% to 1.92%).

所有銀行存款原定到期日都在3個月內。在截至2022年12月31日止年度期間，本集團按0.01%至2.25%之間的浮動銀行存款利率賺取銀行現金利息(2021年：0.30%至1.92%)。

Under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to convert RMB into other currencies through banks to conduct foreign exchange business.

根據中國內地的《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲允許通過銀行將人民幣兌換為其他貨幣以開展外匯業務。

(b) As at 31 December 2022 and 2021, the restricted funds mainly comprised of guarantee deposits for construction projects and guarantee deposits for letter of credit.

(b) 於2022年及2021年12月31日，受限制資金主要包括建設項目的保證金及信用證保證金。

## 29. TRADE AND OTHER PAYABLES/CONTRACT LIABILITIES 29. 應付賬款及其他應付款／合同負債

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Trade payables to third parties *(Note a and c)* | 應付第三方賬款*(附註a及c)* | **295,842** | 317,188 |
| Other payables due to: | 其他應付款，應付： | **172,989** | 183,428 |
| – related parties *(Note 37(d)(ii))* | －關聯方*(附註37(d)(ii))* | **12,104** | 11,513 |
| – local government | －地方政府 | **840** | 500 |
| – third parties | －第三方 | **160,045** | 171,415 |
| Notes payable | 應付票據 | **20,063** | – |
| Consideration payable for acquisition of subsidiaries *(Note (f))* | 購買附屬公司應支付的對價*(附註(f))* | **16,464** | 34,150 |
| Staff salaries and welfare payables | 應付職工工資和福利 | **42,704** | 42,898 |
| Payables for acquisition of property, plant and equipment due to: | 購置不動產、工廠及設備的應付款，應付： | **175,322** | 17,829 |
| – related parties *(Note 37(d)(ii))* | －關聯方*(附註37(d)(ii))* | **28,942** | 16,040 |
| – third parties | －第三方 | **146,380** | 1,789 |
| Payables for acquisition of land use rights from related parties *(Note 37(d)(ii))* | 向關聯方購買土地使用權的應付款項*(附註37(d)(ii))* | **31,000** | 58,194 |
| Interest payables | 應付利息 | **25,442** | 7,537 |
| Accrued taxes other than income tax | 除所得稅外的應計稅款 | **26,584** | 17,758 |
| Total trade and other payables | 應付賬款及其他應付款總額 | **806,410** | 678,982 |

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Contract liabilities *(Note d)* | 合同負債*(附註d)* | | |
| – related parties *(Note 37(d)(iii))* | －關聯方*(附註37(d)(iii))* | **3,184** | – |
| – third parties | －第三方 | **3,655** | 7,505 |
| | | **6,839** | 7,505 |

## 29. TRADE AND OTHER PAYABLES/CONTRACT LIABILITIES *(continued)*

## 29. 應付賬款及其他應付款／合同負債 *(續)*

*Notes:*

*附註：*

(a) As at 31 December 2022 and 2021, the trade payables are normally granted with credit terms ranging from 30 to 90 days.

(a) 於2022年及2021年12月31日，應付賬款一般授出的信貸期為30至90天。

(b) As at 31 December 2022 and 2021, the Group's trade and other payables are principally denominated in RMB.

(b) 於2022年及2021年12月31日，本集團的應付賬款及其他應付款主要以人民幣為單位。

(c) Ageing analysis of trade payables to third parties based on the invoice dates at the end of the reporting period is as follows:

(c) 於報告期末，根據發票日期的應付第三方賬款賬齡分析如下：

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| – Within one year | – 1年以內 | 192,094 | 198,579 |
| – Over one year and within two | – 1至2年 | 4,651 | 37,523 |
| – Over two years | – 超過2年 | 99,097 | 81,086 |
| | | 295,842 | 317,188 |

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

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

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| At the beginning of the reporting period | 於報告期初 | 7,505 | 45,493 |
| Recognised as revenue | 確認為收益 | (7,505) | (45,493) |
| Receipt of advances or recognition of receivables | 預收款項或確認應收款項 | 6,839 | 7,505 |
| At the end of the reporting period | 於報告期末 | 6,839 | 7,505 |

Contract liabilities include advances received from customers for rendering operating and construction services in relation to wastewater treatment and reclaimed water supply. When the Group receives advances from customers before provision of promised services, which depends on the specific term of services, this will give rise to contract liabilities at the start of contract.

合同負債包括就提供污水處理及再生水供應的運營及建築服務從客戶收到的預付款。當本集團在提供承諾服務之前收到客戶預付款時，視具體服務期限而定，將在合同開始時產生合同負債。

## 29. TRADE AND OTHER PAYABLES/CONTRACT LIABILITIES *(continued)*

*Notes: (continued)*

(e) Performance obligations

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2022 and 2021 are as follows:

Amounts expected to be recognised as revenue:

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Total transaction price allocated to the unsatisfied performance obligations | 分配至未完成履約責任的交易總價 | 20,236,249 | 20,706,311 |

The amounts of transaction prices of approximately RMB19,343,987,000 (2021: RMB19,819,743,000) allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to operation services and construction services, of which the performance obligations are to be satisfied within 30 years. All the other amounts of transaction prices of approximately RMB892,262,000 (2021: RMB886,568,000) allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

(f) The amounts are due to independent third parties relating to the acquisition of equity interests in certain subsidiaries in prior years.

## 29. 應付賬款及其他應付款／合同負債 *(續)*

*附註：(續)*

(e) 履約責任

於2022年及2021年12月31日已分配至餘下履約責任(未獲履行或部份未獲履行)之交易價格金額如下：

預期將會確認為收益之金額：

已分配至餘下履約責任並預期於一年後確認為收益之交易價格金額約人民幣19,343,987,000元(2021年：人民幣19,819,743,000元)涉及須於三十年內履行有關運營服務及建造服務之履約責任。已分配至餘下履約責任之所有其他交易價格金額約人民幣892,262,000元(2021年：人民幣886,568,000元)預期將於一年內確認為收益。上文所披露之金額並不包括受限制的可變代價。

(f) 有關款項乃應付予獨立第三方，並與過往年度收購若干附屬公司的股權有關。

## 30. BORROWINGS 30. 借款

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| **Non-current portion:** | **非流動：** | | |
| Unsecured long-term borrowings | 未擔保的長期借款 | **989,400** | 1,492,600 |
| Secured long-term borrowings *(Note (b))* | 擔保的長期借款*(附註(b))* | **1,533,293** | 700,423 |
| | | **2,522,693** | 2,193,023 |
| **Current portion:** | **流動：** | | |
| Unsecured short-term borrowings | 未擔保的短期借款 | **2,687,428** | 2,129,226 |
| Secured short-term borrowings *(Note (b))* | 擔保的短期借款*(附註(b))* | **658,966** | 2,044,877 |
| Corporate bonds *(Note (c))* | 公司債券*(附註(c))* | **–** | 38,811 |
| | | **3,346,394** | 4,212,914 |
| | | **5,869,087** | 6,405,937 |

*Notes:* *附註：*

(a) All the borrowings were denominated in (a) 所有借款以下列貨幣計值

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| RMB | 人民幣 | **5,147,685** | 4,298,824 |
| HKD | 港元 | **649,318** | 958,227 |
| USD | 美元 | **72,084** | 1,148,886 |
| | | **5,869,087** | 6,405,937 |

## 30. BORROWINGS *(continued)*

(b) As at 31 December 2022 and 2021, analysis of the secured borrowings are as follows:

## 30. 借款*(續)*

(b) 於2022年及

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

The corporate bonds were fully settled during the year.

(d) The maturities of borrowings are as follows:

## 30. BORROWINGS *(continued)*

(e) The exposure of the Group's borrowings are as follows:

As at 31 December 2022, the Group's variable rate bank borrowings are carrying interest at PRC Loan Prime Rate, and Secured Overnight Financing Rate, London Interbank Offered Rate and Hong Kong Inter-bank Offered Rate plus a premium. Interest is reset each month.

The ranges of effective interests (which are also equal to contractual interest rates) on the Group's borrowings are as follows:

(f) The fair values of current borrowings equal their carrying amount as the discounting impact is not significant. The fair values of non-current borrowings are estimated based on discounted cash flow using the

## 31. DEFERRED REVENUE

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

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

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

## 31. 遞延收益

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

與購買不動產、工廠和設備有關之政府補助按有關資產之預計年期以直線法在合併損益及其他全面收益表中確認。政府補助按實報實銷基準並須經政府批准。

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

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*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 | **230,943** | 245,267 |

The movements of government grants are set out as follows:

政府補助之變動載列如下：

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| At the beginning of the reporting period | 報告期初 | **245,267** | 248,429 |
| Additions | 增加 | **–** | 10,000 |
| Credit to the statement of profit or loss and other comprehensive income | 記入損益及其他全面收益表 | **(12,339)** | (13,162) |
| Refund of government grants *(Note)* | 退還政府補助*(附註)* | **(1,985)** | – |
| At the end of the reporting period | 報告期末 | **230,943** | 245,267 |

*Note:*

The Group repaid the surplus of approximately RMB1,985,000 relating to a reclaimed water project subsided by government grants to the local government authority during the year.

*附註：*

年內，本集團向地方政府當局退還與政府補貼資助的再生水項目有關的盈餘約人民幣1,985,000元。

## 32. SHARE CAPITAL

## 32. 股本

| | | 2022<br>2022年 | 2021<br>2021年 |
|---|---|---|---|
| **Registered, issued and fully paid** | **已註冊、發行及繳足** | | |
| Number of ordinary shares *(thousand)* | 普通股股數*(千計)* | **1,029,111** | 1,029,111 |
| Share capital *(RMB'000)* | 股本*(人民幣千元)* | **1,029,111** | 1,029,111 |

*Note:*

(a) The Company was established on 23 December 2010, with an initial registered share capital of RMB360,000,000, divided into 360,000,000 shares with a nominal value of RMB1.00 each. 344,943,000 shares or 95.82% equity interest amounting to RMB1,260,091,000 were issued to KDI at a premium of RMB915,148,000, in exchange for the property, plant and equipment and land use rights under TOO Model of RMB1,189,277,000, certain investments in subsidiaries of RMB5,814,000, and cash of RMB65,000,000. The remaining 15,057,000 shares or 4.18% equity interest amounting to RMB55,000,000 were issued to other four shareholders, namely Kunming Development Investment Group Co., Ltd. (昆明發展投資集團有限公司, "**Kunming DIG**"), Kunming Industrial Development and Investment Co., Ltd. (昆明產業開發投資有限責任公司, "**IDI**"), Kunming State-owned Assets Management and Operation Co., Ltd. (昆明市國有資產管理運營有限責任公司, "**Kunming State-Owned Asset Management**") and Kunming Xinzhi Investment Development Co., Ltd. (昆明新置投資發展有限公司, "**Xinzhi Investment**") at a premium of RMB39,943,000.

The capital contributions were paid up by two instalments. The first instalment of approximately RMB1,208,841,000 was received upon the establishment of the Company and the second instalment of RMB106,250,000 was received in the year ended 31 December 2012. The excess of the assets or cash consideration received by the Company over the share capital with the amount of approximately RMB955,091,000 was recorded as share premium.

(b) On 12 October 2015, as approved by the shareholders of the Company, based on a total of 360,000,000 shares of the Company as at 31 December 2014, bonus shares of 360,000,000 in total were issued to all shareholders by transfer of capital reserve on the basis of 10 shares for 10 shares. Upon completion of the transfer, total share capital of the Company was increased to 720,000,000 shares.

(c) On 6 April 2017, the Company newly issued 308,572,000 H shares of RMB1.00 each at HKD3.91 per share in connection with the initial listing of H shares of the Company on the Main Board of the Stock Exchange, and raised gross proceeds of approximately HKD1,206,517,000 (equivalent to RMB1,070,421,000). Subsequently on 10 May 2017, after the exercise of the over-allotment option, additional 539,000 H shares of RMB1.00 each were issued at HKD3.91 per share and raised gross proceeds of approximately HKD2,107,000 (equivalent to RMB1,870,000). Net proceeds of approximately RMB997,460,000 (after deducting the underwriting commissions and other listing expenses) was raised by the Company, of which RMB309,111,000 was credited to share capital with remaining approximately RMB688,349,000 credited to share premium.

*附註：*

(a) 本公司於2010年12月23日成立，初始註冊股本為人民幣360,000,000元，按每股面值人民幣1.00元分為360,000,000股。已向昆明滇池投資發行344,943,000股股份或95.82%權益，共計人民幣1,260,091,000元，溢價為人民幣915,148,000元，以換取TOO模式下的不動產、工廠及設備以及土地使用權計人民幣1,189,277,000元，附屬公司投資計人民幣5,814,000元，以及人民幣65,000,000元的現金。向其餘4個股東昆明發展投資集團有限公司(「**昆明發展投資集團**」)、昆明產業開發投資有限責任公司(「**產業開發投資**」)、昆明市國有資產管理運營有限責任公司(「**昆明國有資產管理運營**」)及昆明新置投資發展有限公司(「**新置投資**」)發行剩餘15,057,000股股份或4.18%權益，換取共計人民幣55,000,000元，溢價為人民幣39,943,000元。

該項出資分兩次付清。在本公司成立時已收到首期付款約人民幣1,208,841,000元；截至2012年12月31日止年度，收到第二期付款人民幣106,250,000元。本公司收到的超過股本的資產或現金對價共計約人民幣955,091,000元，計入股本溢價。

(b) 2015年10月12日，經公司股東批准，公司以截至2014年12月31日公司股份總數360,000,000股為基數，以資本公積金向全體股東每10股轉增10股，合計轉增360,000,000股，轉增完成後公司總股本將增加至720,000,000股。

(c) 2017年4月6日，本公司在聯交所主板首次發行H股，以每股股價3.91港元新發行308,572,000股每股人民幣1.00元的H股，大約收到所得款合計1,206,517,000港元(相當於人民幣1,070,421,000元)。隨後在2017年5月10日，在行使超額配股權後，本公司以每股股價3.91港元額外發行539,000股每股人民幣1.00元的H股，收到所得款合計約2,107,000港元(相當於人民幣1,870,000元)。本公司共籌集人民幣約997,460,000元的所得款淨額(在扣除承銷佣金和其他上市開支後)，其中人民幣309,111,000元在股本內確認，而剩餘人民幣約688,349,000元在股本溢價內確認。

## 33. OTHER RESERVES

*Note:*

**(a) Statutory reserve**

In accordance with the PRC Company Law and the constitutions of the PRC companies of the Group (the "**PRC Companies**"), the PRC Companies are required to allocate 10% of their profits attributable to the respective owners of the PRC Companies as set out in their statutory financial statements, to the statutory surplus reserve until such reserve reaches 50% of the registered capital of the respective PRC Companies. The appropriation to the reserve must be made before any distribution of dividends to the respective owners of the PRC Companies. The statutory surplus reserve can be used to offset previous year's losses, if any, and part of the statutory surplus reserve can be capitalised as the share capital of the respective PRC Companies provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the share capital of the respective PRC Companies.

Pursuant to relevant PRC regulations, wastewater treatment and water supply companies are required to set aside an amount to a fund for future development and work safety which they transferred certain amounts from accumulated profits to statutory reserve. The fund can then be used for future development and work safety of the wastewater treatment and water supply operations, and is not available for distribution to shareholders. When qualifying development

## 33. OTHER RESERVES *(continued)*

### (b) Capital reserve

Capital reserve mainly represented the existing book value from KDI's prospective of certain acquired wastewater treatment facilities and land use rights transferred to the Group from KDI, which did not form part of the capital contribution in the form of share capital in 2010, netting of the consideration of these assets and the deferred tax impact. These wastewater treatment facilities and land use rights were included in the consolidated financial statements as if they had been consolidated from the date when KDI came under the control of the then ultimate controlling party.

## 33. 其他儲備(續)

### (b) 資本儲備

資本儲備主要是指本集團從昆明滇池投資收購的部分污水處理設施及土地使用權從昆明滇池投資角度計算的現有賬面值(不構成2010年以股本形式出資的一部分)扣除該等資產的收購對價及遞延稅項影響。此等污水處理設施及土地使用權已包含在合併財務報表中,猶如其已在昆明滇池投資受當時的最終控制方控制的日期納入合併範圍。

## 34. FINANCIAL GUARANTEES ISSUED

At 31 December 2022, the Company had issued corporate guarantees amounting to approximately RMB721,402,000 (2021: approximately RMB2,233,647,000) in connection with facilities granted to certain subsidiaries within the Group. The directors of the Company consider the fair value of these guarantees at the date of inception is insignificant.

At 31 December 2022, the directors of the Company considered it is not probable that a claim will be made against the Company under any of the guarantees. The maximum liability of the Company at the end of the reporting period under the guarantees issued was the facilities drawn down by certain subsidiaries of approximately RMB721,402,000 (2021: approximately RMB1,825,322,000).

## 34. 已發出財務擔保

於2022年12月31日,本公司已就授予本集團內若干附屬公司的融資發出約人民幣721,402,000元(2021年:約人民幣2,233,647,000元)的公司擔保。本公司董事認為該等擔保於開始日期的公允價值不大。

於2022年12月31日,本公司董事認為不太可能根據任何擔保向本公司提出索賠。於報告期末,本公司於已發出擔保下的最大負債為若干附屬公司提取的融資約人民幣721,402,000元(2021年:約人民幣1,825,322,000元)。

## 35. CASH FLOW INFORMATION 35. 現金流信息

### (a) Cash used in operations (a) 經營使用的現金

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Profit before tax: | 稅前利潤： | **367,465** | 396,693 |
| Adjustments for: | 調整項目： | | |
| – Net impairment losses on financial assets | –金融資產減值損失淨額 | **114,486** | 59,593 |
| – Impairment loss on investment in an associate | –聯營投資減值損失 | **5,576** | – |
| – Depreciation of property, plant and equipment | –不動產、工廠及設備的折舊 | **198,237** | 238,570 |
| – Depreciation of right-of-use assets | –使用權資產折舊 | **13,491** | 11,291 |
| – Amortisation of intangible assets | –無形資產攤銷 | **20,192** | 17,642 |
| – Fair value (gain) loss of financial liabilities at FVPL | –按公允價值計入損益的金融負債的公允價值(收益)損失 | **(20,973)** | 25,837 |
| – Fair value change of investment properties | –投資物業的公允價值變動 | **(1,085)** | (2,622) |
| – Share of results of associates | –聯營公司經營成果份額 | **691** | 1,728 |
| – Finance cost – net | –財務成本–淨額 | **219,102** | 169,026 |
| – Amortisation of government grants relating to purchase of property, plant and equipment | –與採購不動產、工廠及設備相關的政府補助攤銷 | **(12,339)** | (13,162) |
| – Gain on disposal of a subsidiary | –出售一間附屬公司收益 | **(19,886)** | – |
| – Loss on disposal of property, plant and equipment – net | –處置不動產、工廠及設備的虧損淨額 | **98** | 22,293 |
| – Exchange differences | –匯兌差額 | **67,648** | (39,079) |
| – Reversal of write-down | –撥回撇銷 | **–** | (2,246) |
| | | **952,703** | 885,564 |
| 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 | **(1,038,357)** | (866,486) |
| – Increase in inventories | –存貨的增加 | **(5,295)** | (2,590) |
| – Increase in contract assets | –合約資產增加 | **(112,121)** | (249,825) |
| – Decrease in contract liabilities | –合同負債減少 | **(666)** | (37,988) |
| – (Increase) decrease in amounts due from customers for construction contracts | –應收客戶建造合同款的(增加)減少 | **(121,998)** | 43,072 |
| – Decrease (increase) in receivables under service concession arrangements | –特許經營權協議下的應收款項的減少(增加) | **243,935** | (153,830) |
| – Increase (decrease) in trade and other payables | –應付賬款及其他應付款的增加(減少) | **66,761** | (33,351) |
| Cash used in operations | 經營使用的現金 | **(15,038)** | (415,434) |

## 35. CASH FLOW INFORMATION *(continued)* 35. 現金流信息*(續)*

### (b) Changes in liabilities arising from financing activities *(continued)* (b) 融資活動產生的負債變化*(續)*

**2021** **2021年**

| | | Financial liabilities at FVPL *(Note 25)* 按公允價值計入損益的金融負債 *(附註25)* *RMB'000* *人民幣千元* | Borrowings *(Note 30)* 借款 *(附註30)* *RMB'000* *人民幣千元* | Lease liabilities 租賃負債 *RMB'000* *人民幣千元* | Total 合計 *RMB'000* *人民幣千元* |
|---|---|---|---|---|---|
| At the beginning of the reporting period | 報告期初 | 84,613 | 4,966,929 | 1,168 | 5,052,710 |
| Net cash flows | 淨現金流量 | – | 1,461,142 | (410) | 1,460,732 |
| Interest expenses | 利息支出 | – | 11,977 | – | 11,977 |
| Disposal of lease | 出售租賃 | – | – | (758) | (758) |
| Exchange differences | 匯兌差額 | – | (34,111) | – | (34,111) |
| Fair value loss of financial liabilities at FVPL | 按公允價值計入損益的金融負債的公允價值虧損 | 25,837 | – | – | 25,837 |
| At the end of the reporting period | 報告期末 | 110,450 | 6,405,937 | – | 6,516,387 |

## 36. COMMITMENTS

## 36. 承諾

### (a) Capital commitments

### (a) 資本性承諾

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

於報告期末已訂約但尚未產生的資本性支出如下：

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Property, plant and equipment | 不動產、工廠及設備 | 499,550 | 317,311 |

(b) Concession projects and construction projects contracted at the end of the reporting period, but not yet incurred are as follows:

(b) 於報告期末簽訂但尚未發生的特許項目及建設項目如下：

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Concession projects and construction projects | 特許項目及建設項目 | 1,760,522 | 1,288,760 |

## 37. 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 the State-owned Assets Supervision and Administration Commission of the Kunming People's Government ("**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 is able to 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 consolidated financial statements.

## 37. 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，其為昆明市人民政府國有資產監督管理委員會(「**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餘額主要包括購買資產、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。本公司董事認為合併財務報表已經充分披露了對報表閱讀者有意義的關聯方交易。

## 37. 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 year ended 31 December 2022, and balances as at 31 December 2022 arising from those related party transactions.

### (a) Name and relationship with related parties

## 37. 關聯方交易*(續)*

以下為截至2022年12月31日止年度本集團與其關聯方於一般業務過程中所進行重大交易的概要，以及於2022年12月31日該等關聯方交易產生的餘額。

### (a) 名稱和與關聯方關係

| Name of related party | Nature of relationship | 關聯方名稱 | 關係性質 |
|---|---|---|---|
| KDI | Controlling shareholder of the Company | 昆明滇池投資 | 本公司的控股股東 |
| Kunming DIG | Controlled by Kunming SASAC and a minority shareholder of the Company | 昆明發展投資集團 | 受昆明市國資委控制、本公司少數股東 |
| IDI | Controlled by Kunming SASAC and a minority shareholder of the Company | 產業開發投資 | 受昆明市國資委控制、本公司少數股東 |
| Kunming State-Owned Assets Management | Controlled by Kunming SASAC and a minority shareholder of the Company | 昆明市國有資產管理運營 | 受昆明市國資委控制、本公司少數股東 |
| Xinzhi Investment | Controlled by Kunming SASAC and a minority shareholder of the Company | 新置投資 | 受昆明市國資委控制、本公司少數股東 |
| Xindu Investment | Controlled by Kunming SASAC | 新都投資 | 受昆明市國資委控制 |
| Kunming Bus Group Co., Ltd. (昆明公交集團有限責任公司, "**Kunming Bus**") | Controlled by Kunming SASAC | 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 |
| Kunming CGE Water Supply Co., Ltd. (昆明通用水務自來水有限公司, "**Kunming CGE**") | Controlled by Kunming SASAC | 昆明通用水務自來水有限公司(「**通用水務自來水**」) | 受昆明市國資委控制 |
| Kunming Qingyuan Water Supply Co., Ltd.(昆明清源自來水有限責任公司, "**Kunming Qingyuan**") | Controlled by Kunming SASAC | 昆明清源自來水有限責任公司(「**昆明清源自來水**」) | 受昆明市國資委控制 |
| KADI | Controlled by Kunming SASAC | 昆明農業發展投資 | 受昆明市國資委控制 |
| Kunming Zhongbei Transportation and Tourism (Group) Company Limited (昆明中北交通旅遊(集團)有限責任公司, "**Kunming Zhongbei Transportation**") | Controlled by Kunming SASAC | 昆明中北交通旅遊(集團)有限責任公司(「**昆明中北交通**」) | 受昆明市國資委控制 |
| Kunming Municipal Urban Construction Investment & Development Co., Ltd.(昆明市城建投資開發有限責任公司, "**Kunming Construction**") | Controlled by Kunming SASAC | 昆明市城建投資開發有限責任公司(「**昆明城投**」) | 受昆明市國資委控制 |

## 37. RELATED PARTY TRANSACTIONS *(continued)*

### (b) Transactions with related parties

Save as disclosed elsewhere in this report, during the years ended 31 December 2022 and 2021, the Group had the following significant transactions with related parties.

(i) Sludge treatment and disposal service fees charged by a related party:

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| KDI | 昆明滇池投資 | **3,393** | 14,466 |

(ii) Loans granted to related parties:

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Kunming Bus | 昆明公交 | **–** | 300,000 |
| Kunming DIG | 昆明發展投資集團 | **200,000** | 300,000 |
| Xindu Investment | 新都投資 | **250,000** | 350,000 |
| Kunming Construction | 昆明城投 | **310,000** | – |
| Kunming Zhongbei Transportation | 昆明中北交通 | **–** | 80,000 |
| | | **760,000** | 1,030,000 |

The transactions under finance arrangement between the Group and related parties are paid and settled in RMB and repayable on demand.

Interest was charged on loans granted to related parties at a rate ranging from 8.5% p.a. to 9% p.a. (2021: 7.5% p.a. to 8.5% p.a.).

## 37. 關聯方交易*(續)*

### (b) 與關聯方的交易

除本報告其他部分所披露者外，截至2022年及2021年12月31日止年度，本集團與關聯方的重大交易如下：

(i) 向一名關聯方支付的污泥處理處置服務費：

(ii) 貸款予關聯方：

本集團與關聯方之間的融資協議下的交易以人民幣支付和結算，並按要求隨時償還。

給予關聯方的貸款包含利息，利率介乎每年8.5%至9%(2021年：每年7.5%至每年8.5%)。

## 37. RELATED PARTY TRANSACTIONS *(continued)* 37. 關聯方交易*(續)*

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

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

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Kunming Bus | 昆明公交 | 300,000 | 300,000 |
| Xindu Investment | 新都投資 | 600,000 | 350,000 |
| Kunming DIG | 昆明發展投資集團 | – | 650,000 |
| Kunming Zhongbei Transportation | 昆明中北交通 | – | 80,000 |
| | | 900,000 | 1,380,000 |

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

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Kunming DIG | 昆明發展投資集團 | 2,944 | 19,574 |
| Xindu Investment | 新都投資 | 12,868 | 19,129 |
| Kunming Bus | 昆明公交 | 3,952 | 23,134 |
| KADI | 昆明農業發展投資 | 5,918 | 21,333 |
| Kunming Zhongbei Transportation | 昆明中北交通 | – | 535 |
| Kunming Construction | 昆明城投 | 13,305 | – |
| | | 38,987 | 83,705 |

## 37. RELATED PARTY TRANSACTIONS *(continued)* 37. 關聯方交易*(續)*

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

(v) Services provided to a related party: (v) 向一名關聯方提供的服務：

| | | | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|---|---|
| KDI | 昆明滇池投資 | Operation and management services | 運營管理服務 | 309,530 | 213,172 |

(vi) Commission charged by related parties: (vi) 支付給關聯方的手續費：

| | | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|---|
| Kunming CGE | 通用水務自來水 | | 204 | 8,469 |
| Kunming Qingyuan | 昆明清源自來水 | | 289 | 1,264 |
| | | | 493 | 9,733 |

## 37. RELATED PARTY TRANSACTIONS *(continued)* 37. 關聯方交易*(續)*

### (c) Key management compensation (c) 關鍵管理人員薪酬

Key management includes directors (executive and non-executive), supervisors and executives. The compensation paid or payable to key management for employee services is shown below:

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：

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Fees | 袍金 | 520 | 463 |
| Salaries, wages and bonuses | 工資、獎金和津貼 | 1,645 | 2,484 |
| Contributions to pension plans | 退休金計劃供款 | 282 | 331 |
| Housing funds, medical insurance and other social insurance | 住房公積金、醫療保險和其他社會保險 | 245 | 364 |
| | | 2,692 | 3,642 |

### (d) Balances with related parties (d) 與關聯方交易的餘額

(i) Trade and other receivables due from related parties: (i) 應收關聯方賬款及其他應收款：

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| KDI | 昆明滇池投資 | 582,702 | 241,076 |
| Xindu Investment # | 新都投資 # | 23,471 | 564,106 |
| Kunming CGE | 通用水務自來水 | – | 25,736 |
| Kunming Qingyuan | 昆明清源自來水 | – | 10,650 |
| Kunming DIG # | 昆明發展投資集團 # | 200,429 | – |
| Kunming Bus # | 昆明公交 # | – | 300,415 |
| KADI | 昆明農業發展投資 | 6,834 | 917 |
| Kunming Construction # | 昆明城投 # | 322,468 | – |
| | | 1,135,904 | 1,142,900 |

## 37. RELATED PARTY TRANSACTIONS *(continued)* 37. 關聯方交易*(續)*

### (d) Balances with related parties *(continued)* (d) 與關聯方交易的餘額*(續)*

# Balances due from related parties above include below balances which are related to loan with interest terms (note 37(b)(ii)) and repayable on demand:

# 上述應收關聯方的餘額包括以下與有利息條款且須按要求償還的貸款有關的餘額(附註37(b)(ii)):

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| Xindu Investment | 新都投資 | – | 350,000 |
| Kunming Bus | 昆明公交 | – | 300,000 |
| Kunming DIG | 昆明發展投資集團 | 200,000 | – |
| Kunming Construction | 昆明城投 | 310,000 | – |
| | | 510,000 | 650,000 |

Except the above mentioned balances, other receivables are unsecured, interest-free and will be settled upon demand by the Group.

除上述結餘外，其他應收款為無抵押、免息並按照本集團的要求結算。

## 37. RELATED PARTY TRANSACTIONS *(continued)* 37. 關聯方交易*(續)*

### (d) Balances with related parties *(continued)* (d) 與關聯方交易的餘額*(續)*

(ii) Other payables due to related parties: (ii) 應付關聯方的其他應付款：

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*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 | **28,942** | 16,040 |
| **Acquisition of land use right:** | **購買土地使用權：** | | |
| KDI | 昆明滇池投資 | **–** | 27,194 |
| Xindu Investment | 新都投資 | **31,000** | 31,000 |
| **Others:** | **其他：** | | |
| KDI | 昆明滇池投資 | **12,104** | 10,884 |
| Kunming CGE | 通用水務自來水 | **–** | 451 |
| Kunming Qingyuan | 昆明清源自來水 | **–** | 178 |
| | | **72,046** | 85,747 |

Other payables are unsecured, interest-free and will be settled upon demand by these related parties.

其他應付款為無抵押、免息並按照該等關聯方的要求結算。

(iii) Contract liabilities dealt with a related party: (iii) 與一名關聯方交易的合同負債：

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| KDI | 昆明滇池投資 | **3,184** | – |

(iv) Financial assets at amortised cost (iv) 以攤銷成本計量的金融資產

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| KADI | 昆明農業發展投資 | **240,000** | 294,000 |

## 38. SUBSIDIARIES

Particulars of the principal subsidiaries as at the date of this report and during the year ended 31 December 2022 are set out below.

## 38. 附屬公司

於本報告日期及截至2022年12月31日止年度，本集團主要附屬公司的詳情如下：

| Name of subsidiary<br>附屬公司名稱 | Place of operation/ incorporation and date of incorporation<br>營業/註冊成立地點及註冊成立日期 | Issued ordinary share/registered share capital<br>已發行普通股/註冊資本<br>*RMB'000*<br>*人民幣千元* | Proportion of nominal value of issued share capital/ registered capital held by the Company<br>本公司持有的已發行股本/註冊資本的面值比例 | | | | Principal activities<br>主營業務 | Kind of legal entity registered under the law<br>根據法律註冊的法人種類 |
|---|---|---|---|---|---|---|---|---|
| | | | 2022<br>2022 年 | | 2021<br>2021 年 | | | |
| | | | Directly<br>直接 | Indirectly<br>間接 | Directly<br>直接 | Indirectly<br>間接 | | |
| Yunnan Reclaimed Water Industry Co., Ltd. (雲南中水工業有限公司, "**Yunnan Reclaimed Water**") | PRC, 28 March 2002 | 10,000 | 100% | – | 100% | – | Reclaimed water supply | Limited liability |
| 雲南中水工業有限公司(「**雲南中水**」) | 中國，2002年3月28日 | 10,000 | 100% | – | 100% | – | 再生水供給 | 有限責任 |
| Kunming Wastewater Treatment and Operation Co., Ltd. (昆明城市污水處理運營有限責任公司, "**City Operation**") | PRC, 15 June 2005 | 3,000 | 100% | – | 100% | – | Operation of wastewater treatment facilities | Limited liability |
| 昆明城市污水處理運營有限責任公司(「**城市運營**」) | 中國，2005年6月15日 | 3,000 | 100% | – | 100% | – | 污水處理設施的運營 | 有限責任 |
| Kunming Dianchi Logistics Co., Ltd. (昆明滇池物流有限責任公司, "**Dianchi Logistics**") | PRC, 15 June 2005 | 11,200 | 100% | – | 100% | – | Logistics and leasing services | Limited liability |
| 昆明滇池物流有限責任公司(「**滇池物流**」) | 中國，2005年6月15日 | 11,200 | 100% | – | 100% | – | 物流及租賃服務 | 有限責任 |
| Kunming Dianchi Water Treatment Occupation Training School (昆明滇池水處理職業培訓學校, "**Dianchi Training School**") | PRC, 26 October 2012 | 200 | 100% | – | 100% | – | Professional training services | Social organisation |
| 昆明滇池水處理職業培訓學校(「**滇池培訓學校**」) | 中國，2012年10月26日 | 200 | 100% | – | 100% | – | 專業培訓服務 | 社會組織 |
| Xundian Dianchi Water Co. Ltd. (尋甸滇池水務有限公司, "**Xundian Wastewater**") | PRC, 30 April 2009 | 10,000 | 100% | – | 100% | – | Wastewater treatment | Limited liability |
| 尋甸滇池水務有限公司(「**尋甸污水處理**」) | 中國，2009年4月30日 | 10,000 | 100% | – | 100% | – | 污水處理 | 有限責任 |
| Shidian Dianchi Water Treatment Co., Ltd. (施甸滇池水務有限公司, "**Shidian Water**") | PRC, 21 July 2014 | 23,300 | 100% | – | 100% | – | Wastewater treatment | Limited liability |
| 施甸滇池水務有限公司(「**施甸水務**」) | 中國，2014年7月21日 | 23,300 | 100% | – | 100% | – | – 污水處理 | 有限責任 |
| Yiliang Dianchi Water Treatment Co., Ltd. (彝良滇池水務有限公司,"Yiliang Water") | PRC, 4 June 2015 | 21,000 | 100% | – | 100% | – | – Wastewater treatment | Limited liability |
| 彝良滇池水務有限公司(「**彝良水務**」) | 中國，2015年6月4日 | 21,000 | 100% | – | 100% | – | 污水處理 | 有限責任 |
| Qujing Dianchi Water Treatment Co., Ltd. (曲靖滇池水務有限公司,"Qujing Water") (Formerly known as Malong Dianchi Water Treatment Co., Ltd.) | PRC, 13 August 2015 | 70,000 | 100% | – | 100% | – | Wastewater treatment and running water supply | Limited liability |
| 曲靖滇池水務有限公司(「**曲靖水務**」) (前身為馬龍滇池水務有限公司) | 中國，2015年8月13日 | 70,000 | 100% | – | 100% | – | 污水處理及自來水供應 | 有限責任 |
| Fanchang Dianchi Water Treatment Co., Ltd.# (繁昌縣滇池水務有限公司, "**Fanchang Dianchi Water**") | PRC, 8 May 2014 | 30,000 | – | – | 100% | – | Wastewater treatment | Limited liability |
| 繁昌縣滇池水務有限公司(「**繁昌滇池水務**」)# | 中國，2014年5月8日 | 30,000 | – | – | 100% | – | 污水處理 | 有限責任 |
| Zhuji Dianchi Water Treatment Co., Ltd. (諸暨滇池水務有限公司, "**Zhuji Water**") | PRC, 30 November 2015 | 25,000 | 100% | – | 100% | – | Wastewater treatment | Limited liability |
| 諸暨滇池水務有限公司(「**諸暨水務**」) | 中國，2015年11月30日 | 25,000 | 100% | – | 100% | – | 污水處理 | 有限責任 |
| Suijiang Dianchi Water Treatment Co., Ltd. (綏江滇池水務有限公司,"Suijiang Water") | PRC, 9 December 2015 | 22,000 | 100% | – | 100% | – | Wastewater treatment | Limited liability |
| 綏江滇池水務有限公司(「**綏江水務**」) | 中國，2015年12月9日 | 22,000 | 100% | – | 100% | – | 污水處理 | 有限責任 |
| Ziyunxian Dianchi Water Treatment Co., Ltd. (紫雲縣滇池水務有限公司, "**Ziyun Water**") | PRC, 12 January 2016 | 12,000 | 100% | – | 100% | – | Wastewater treatment | Limited liability |
| 紫雲縣滇池水務有限公司(「**紫雲水務**」) | 中國，2016年1月12日 | 12,000 | 100% | – | 100% | – | 污水處理 | 有限責任 |
| Renhuai Water Treatment Co., Ltd. (仁懷滇池水務有限公司, "Renhuai Water") (Formerly known as Guizhou Bafang Water) | PRC, 5 January 2011 | 10,000 | 100% | – | 100% | – | Wastewater treatment | Limited liability |
| 仁懷滇池水務有限公司(「**仁懷水務**」) (前身為貴州八方水務有限公司) | 中國，2011年1月5日 | 10,000 | 100% | – | 100% | – | 污水處理 | 有限責任 |

## 38. SUBSIDIARIES *(continued)*

| Name of subsidiary<br>附屬公司名稱 | Place of operation/ incorporation and date of incorporation<br>營業/註冊成立地點及註冊成立日期 | Issued ordinary share/registered share capital<br>已發行普通股/註冊資本<br>*RMB'000*<br>*人民幣千元* | Proportion of nominal value of issued share capital/ registered capital held by the Company<br>本公司持有的已發行股本/註冊資本的面值比例 | | | | Principal activities<br>主營業務 | Kind of legal entity registered under the law<br>根據法律註冊的法人種類 |
|---|---|---|---|---|---|---|---|---|
| | | | 2022<br>2022年 | | 2021<br>2021年 | | | |
| | | | Directly<br>直接 | Indirectly<br>間接 | Directly<br>直接 | Indirectly<br>間接 | | |
| Kunming He'ertai Environmental industry and trade Co., Ltd. (昆明和而泰環保工貿有限責任公司, "**He'ertai Environmental**") | PRC, 7 February 2002 | 10,000 | 51% | – | 51% | – | Manufacturing and sales of chemical products | Limited liability |
| 昆明和而泰環保工貿有限責任公司(「**和而泰環保**」) | 中國，2002年2月7日 | 10,000 | 51% | – | 51% | – | 化學產品生產及銷售 | 有限責任 |
| Shuangjiang Dianchi Water Treatment Co., Ltd. (雙江滇池水務有限公司, "**Shuangjiang Water**") | PRC, 8 October 2016 | 10,000 | 100% | – | 100% | – | Running water supply | Limited liability |
| 雙江滇池水務有限公司(「**雙江水務**」) | 中國，2016年10月8日 | 10,000 | 100% | – | 100% | – | 自來水供給 | 有限責任 |
| Dian Chi Water Treatment (LAOS) Sole Co., Ltd. ("**Laos Water**") | LAOS, 22 August 2016 | 51,412 | – | 100% | – | 100% | Wastewater treatment | Limited liability |
| 滇池水務(老撾)獨資有限公司(「**老撾水務**」) | 老撾，2016年8月22日 | 51,412 | – | 100% | – | 100% | 污水處理 | 有限責任 |
| Haian Qutang Dianchi Water Treatment Co., Ltd. (海安曲塘滇池水務有限公司, "**Qutang Water**") (Formerly known as Haian Qutang Water Treatment Co., Ltd. 海安曲塘污水處理有限公司) | PRC, 6 July 2009 | 2,000 | 100% | – | 100% | – | Wastewater treatment | Limited liability |
| 海安曲塘滇池水務有限公司(「**曲塘水務**」)(前身為海安曲塘污水處理有限公司) | 中國，2009年7月6日 | 2,000 | 100% | – | 100% | – | 污水處理 | 有限責任 |
| Hongze Dianchi Water Treatment Co., Ltd. (洪澤滇池水務有限公司, "**Hongze Water**") (Formerly known as Hongzetianying Water Treatment Co., Ltd. 洪澤天楹污水處理有限責任公司) | PRC, 6 March 2006 | 30,000 | 100% | – | 100% | – | Wastewater treatment | Limited liability |
| 洪澤滇池水務有限公司(「**洪澤水務**」)(前身為洪澤天楹污水處理有限責任公司) | 中國，2006年3月6日 | 30,000 | 100% | – | 100% | – | 污水處理 | 有限責任 |
| Haian Libao Dianchi Water Treatment Co., Ltd. (海安李堡滇池水務有限公司, "**Libao Water**") (Formerly known as Haian Libao Water Treatment Co., Ltd. 海安李堡污水處理有限公司) | PRC, 7 July 2009 | 2,000 | 100% | – | 100% | – | Wastewater treatment | Limited liability |
| 海安李堡滇池水務有限公司(「**李堡水務**」)(前身為海安李堡污水處理有限公司) | 中國，2009年7月7日 | 2,000 | 100% | – | 100% | – | 污水處理 | 有限責任 |
| Liuyang Dianchi Water Treatment Co., Ltd. (瀏陽滇池水務有限公司, "**Liuyang Water**") | | | | | | | | |

## 38. SUBSIDIARIES *(continued)*

None of the subsidiaries had issued any debts securities during the year.

The English names of the PRC companies are translated for identification purpose only.

## 38. 附屬公司*(續)*

年內概無附屬公司發行任何債務證券。

中國公司的英文名稱翻譯僅供識別之用。

## 39. COMMITMENTS UNDER OPERATING LEASE

### The Group as lessor

The Group leases its investment properties to third parties under operating leases with a lease term of 1 to 10 years (2021: 5 to 8 years).

Below is a maturity analysis of undiscounted lease payments to be received from the investment properties subject to an operating lease. The future aggregate minimum rental receivables under non-cancellable operating leases are as follows:

## 39. 經營租賃承擔

### 本集團作為出租人

本集團根據經營租賃將其投資物業出租予第三方，租賃期介乎於1至10年(2021年：5至8年)。

以下為訂有經營租賃的投資物業將予收取的未貼

## 40. DISPOSAL OF A SUBSIDIARY

On 18 November 2022, the Group disposed of its entire interest in Fanchang Dianchi Water to the local government at a consideration of approximately RMB56,247,000.

The assets and liabilities of Fanchang Dianchi Water disposed at completion date comprise of:

## 40. 出售一間附屬公司

於2022年11月18日，本集團向地方政府出售其於繁昌滇池水務的全部權益，股權交易對價約為人民幣56,247,000元。

繁昌滇池水務於處置日的資產及負債包括：

| | | *RMB'000*<br>*人民幣千元* |
|---|---|---|
| Property, plant and equipment | 不動產、工廠及設備 | 5,919 |
| Receivables under service concession arrangements | 特許經營權協議下的應收款項 | 110,925 |
| Intangible assets | 無形資產 | 1,894 |
| Deferred tax assets | 遞延稅項資產 | 40 |
| Trade and other receivables | 應收賬款及其他應收款 | 14,796 |
| Trade and other payables | 應付賬款及其他應付款 | (95,123) |
| Deferred tax liabilities | 遞延稅項負債 | (2,090) |
| Net assets disposed of | **已出售資產淨值** | 36,361 |
| **Gain on disposal of a subsidiary** | **出售一間附屬公司之收益** | |
| Cash consideration received | 已收現金代價 | 53,950 |
| Consideration receivables | 應收代價 | 2,297 |
| Net assets disposed of | 已出售資產淨值 | (36,361) |
| | | 19,886 |
| **Net cash inflow from disposal of a subsidiary:** | **出售附屬公司產生之現金流入淨額** | |
| Cash consideration received | 年內已收現金代價 | 53,950 |

## 41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

## 41. 本公司財務狀況表*(續)*

| | | 2022<br>2022年<br>*RMB'000*<br>*人民幣千元* | 2021<br>2021年<br>*RMB'000*<br>*人民幣千元* |
|---|---|---|---|
| **Current liabilities** | **流動負債** | | |
| Trade and other payables | 應付賬款及其他應付款 | **1,422,199** | 2,456,355 |
| Contract liabilities | 合同負債 | **1,362** | 1,941 |
| Tax payables | 應付稅項 | **46,911** | 61,847 |
| Borrowings | 借款 | **3,332,767** | 2,378,226 |
| Financial liabilities at FVPL | 以公允價值計入損益的金融負債 | **–** | 110,450 |
| | | **4,803,239** | 5,008,819 |
| **Net current asset** | **流動資產淨值** | **69,581** | 106,593 |
| **Total assets less current liabilities** | **總資產減流動負債** | **5,879,682** | 6,091,465 |
| **Non-current liabilities** | **非流動負債** | | |
| Deferred revenue | 遞延收益 | **229,790** | 243,894 |
| Borrowings | 借款 | **1,449,163** | 1,843,893 |
| Deferred tax liabilities | 遞延稅項負債 | **7,081** | – |
| | | **1,686,034** | 2,087,787 |
| **NET ASSETS** | **資產淨值** | **4,193,648** | 4,003,678 |
| **Capital and reserves** | **資本及儲備** | | |
| Share capital | 股本 | **1,029,111** | 1,029,111 |
| Other reserves *(Note)* | 其他儲備*(附註)* | **1,596,158** | 1,566,869 |
| Accumulated profits *(Note)* | 留存收益*(附註)* | **1,568,379** | 1,407,698 |
| **TOTAL EQUITY** | **權益總額** | **4,193,648** | 4,003,678 |

## 41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

## 41. 本公司財務狀況表*(續)*

*Note:*

*附註：*

**Reserves movements of the Company**

**本公司儲備變動**

| | | Share premium | Other reserves 其他儲備 Statutory reserve | Property reserve | Total | Accumulated profits |
|---|---|---|---|---|---|---|
| | | 股本溢價 | 法定儲備 | 物業重估盈餘 | 合計 | 留存收益 |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| | | *人民幣千元* | *人民幣千元* | *人民幣千元* | *人民幣千元* | *人民幣千元* |
| **At 1 January 2021** | **於2021年1月1日** | 1,283,440 | 252,356 | 9,658 | 1,545,454 | 1,389,915 |
| Profit for the year | 年度利潤 | – | – | – | – | 214,146 |
| Transfer to statutory reserves | 提取法定儲備 | – | 21,415 | – | 21,415 | (21,415) |
| Dividends | 分派股息 | – | – | – | – | (174,948) |
| **At 31 December 2021 and 1 January 2022** | **於2021年12月31日及2022年1月1日** | 1,283,440 | 273,771 | 9,658 | 1,566,869 | 1,407,698 |
| Profit for the year | 年度利潤 | – | – | – | – | 292,881 |
| Transfer to statutory reserves | 提取法定儲備 | – | 29,289 | – | 29,289 | (29,289) |
| Dividends | 分派股息 | – | – | – | – | (102,911) |
| **At 31 December 2022** | **於2022年12月31日** | 1,283,440 | 303,060 | 9,658 | 1,596,158 | 1,568,379 |

## 42. EVENTS AFTER THE REPORTING PERIOD

There was no significant events affecting the Group after the year end up to the date of this report.

## 42. 報告期後事項

於年末之後直至本報告日期，概無影響本集團的重大事項。

報告期內，本公司已遵守有關《環境、社會及管治報告指引》載列的「不遵守就解釋」條文。

本公司為各利益相關方(包括股東與投資者、監管機構、客戶、員工、合作夥伴、社區)了解本集團的環境、社會及管治(「**ESG**」)報告指引(「**ESG指引**」)編製了本報告，公司希望通過這份報告，讓廣大投資者進一步了解有關公司環境、社會和管治方面的信息，以完善可持續發展管理體系，實踐可持續發展體制。本報告涵蓋期限為2022年1月1日至2022年12月31日(「**報告期**」)。本報告的匯報範圍涵蓋本公司及其附屬公司的核心業務。

在編備環境、社會及管治報告時，就重要性原則方面，我們結合本集團業務性質和發展，考量本集團對經濟、環境及社會的重大影響，同時通過與持份者的溝通，識別當前的重大可持續發展議題；在關鍵績效指標量化原則方面，在可行的情況下，我們採用量化的方式披露本集團的環境和社會關鍵績效指標；本報告的彙報方法與2021年度保持一致。

The Board is responsible for evaluating and determining the ESG structure, policies and risks of the Group and it has included the ESG matters in the risk management and internal monitoring system of the Group. The Company has established an environmental protection task force consisting of senior management and persons in charge of each of the Company's major departments, which is responsible for organisation and management of the Company's regular environmental protection task and the regular standard operation of the environmental management system. Each subsidiary and business unit is responsible for the implementation of the Company's environmental, social and governance policies, reporting to the Company's dedicated safety and environmental protection management department on relevant problems identified in the course of implementation, and receiving guidance from such department on matters within its delegated authority. Where there are deviations from the relevant policies, the safety and environmental protection management department shall report to the environmental protection task force and, after consideration and assessment, senior management shall raise specific issues with the Board to discuss and obtain guidance from the Board on relevant matters, so that the relevant policies can be improved and measures can be put in place. Management has confirmed that the system of environmental, social and governance is effective. Both the management and staff of the major subsidiaries and functional departments have participated in preparing the ESG Report, assisting the Group to review its operations and identify relevant ESG matters as well as evaluating the importance of the above to our businesses and to each stakeholder.

董事會負責評估及釐定本集團有關環境、社會、管治的架構、政策及風險，並已把ESG事宜包括在集團之風險管理及內部監控系統中。本公司成立了環境保護工作領導小組，小組成員由本公司高級管理層及各主要部門負責人組成，負責組織管理公司環境保護日常工作及環境管理體系的日常規範運作，各子公司及各業務部門根據本公司的環境、社會、管治政策，具體負責執行，就執行過程中的相關問題向本公司專設的安全與環境保護管理部門進行匯報並接受其獲授權範圍內的業務指導，對於存在偏離相關政策的事宜，安全與環境保護管理部負責向環境保護工作領導小組進行匯報，經考量評估後，由高級管理層向董事會提出專門的議題，就相關事項進行討論並獲得董事會的指導，從而對相關政策進行改進並制定相應的措施。管理層已確認有關環境、社會、管治的系統是有效的。各主要子公司以及各職能部門的管理人員及員工均有參與編製ESG報告，協助集團檢討其運作情況及鑑別相關ESG事宜，並評估相關事宜對我們的業務以及各持份者的重要性。

The Company's main businesses are wastewater treatment and supply

本公司主營業務為污水處理、再生水及自來水供應，針對行業特性及於日常經營管理活動中所識別到的重要因素，我們認為污泥產生量及其無害化處理處置情況及尾水達標排放情況是環境影響的重要因素。

## A. ENVIRONMENT

Since its inception, the Company not only protects resources and the environment through carrying out green business, but also plants green living idea in the mind of our employees which are carried through in every process of our production and operation. Based on the management system specifications such as GB/T24001-2016 "Environmental Management System Requirements and Guidelines" (《環境管理體系要求及使用指南》

The Company equips itself with equipment and facilities in strict compliance with relevant laws and regulations and industry standards to formulate and continuously revise and improve the Company's "Environmental Protection Work Management Measures (Trial)"(《環境保護工作管理辦法(試行)》)by taking into account the actual production of each business segment of the Company. The Company has adopted new technology, new processes and new materials, and strictly abided by the "three simultaneous principles" that safety, occupational health, environmental protection and fire safety facilities of construction projects should be designed, constructed, put into production and used at the same time as the main project to improved the working environment, reduces the risk of environment pollution through technology advancement and strengthened management of environmental protection. The Company has established sound environmental risk inspection system and operation regulations, defined management responsibilities, strengthened hazard detection and governance and other management measures, strengthened daily identification and management and control of risk sources. The Company has established a special agency and arranged staff responsible for safety and environmental works, established daily checking system to ensure record-keeping with integrity and achieve safety production purposes through timely rectification. Employees in various categories are able to familiarise with the requirements of environmental management and operation of their posts through strengthened education and training for employees of various levels and categories. We enhanced the environmental awareness and skills of the employees, ensured normal operation of production and management to give full play to the role of sewage treatment facilities in intercepting and treating pollution, avoided and reduced the destruction and losses of natural environment and social environment brought by sudden environmental events, guaranteed the safety of lives and properties of the Company, the society and the employees.

公司嚴格依據相關法律法規及行業標準，結合公司各業務板塊生產實際，制定並持續修訂、完善公司《環境保護工作管理辦法(試行)》，配備符合環保要求的設備、設施，採用新技術、新工藝、新材料，嚴格遵守建設項目安全、職業健康、環境保護、消防設施嚴格與主體工程同時設計、施工、投入生產和使用的「三同時原則」以改善作業環境，通過技術進步加強環境保護管理，降低環境污染風險，減少故的風險；建立健全環境風險隱患排查制度、操作規程，明確管理責任，加強隱患排查及治理等管理措施，加強危險源的日常識別管理及控制；公司設立了專門的機構和人員負責安全、環境工作，建立日常檢查制度，確保檢查有記錄，記錄有整改，通

### A1. Emissions

As an enterprise that engages in pollution control and environmental protection, the Company takes sustainable development as its guiding principle and takes the impact of projects on the environment into consideration in its business decision-making, instead of solely pursuing economic efficiency. The Company pays attention to the harmonious coexistence of human and nature.

Within the scope of the Company's business, all the emissions are processed in strict accordance with the "Environmental Protection Law of the PRC" (《中華人民共和國環境保護法》), the "Pollutants Discharge Standard of Urban Sewage Treatment Plants" (《城鎮污水處理廠污染物排放標準》) (GB18918-2002), the "Evaluation Standard of the Operating Performance of Urban Sewage Treatment Plants" (《城鎮污水處理廠運營質量評價標準》) (CJJ/T228-2014) and other relevant laws, regulations, and standards. Our sewage treatment plant in Dianchi Lake Basin has completed upgrading and reconstruction in 2011 and its effluent quality has reached Class I Standard A standard. In particular, the main effluents such as Chemical Oxygen Demand (COD), Total nitrogen (T-N), Total phosphorus (T-P) and Ammonia nitrogen (NH3-N) were 72%, 48%, 86% and 95% lower than the emission limits of national Class I Standard A standard in 2022, respectively.

在公司業務範圍內，所有的排放物嚴格按照《中華人民共和國環境保護法》、《城鎮污水處理廠污染物排放標準》(GB18918-2002)、《城鎮污水處理廠運營質量評價標準》(CJJ/T228-2014)等相關法律法規、標準執行。公司在滇池流域的污水處理廠已於2011年完成提標改造工作，出水水質穩定達一級A排放標準，其中2022年化學需氧量(COD)、總氮(T–N)、總磷(T-P)和氨氮(NH3-N)等主要出水指標分別比國家一級A標準排放限值低72%、48%、86%和95%。

### *1. Exhaust gas*

During our production and operation, exhaust gas is mainly generated from sewage treatment. In the process of transportation and purification of wastewater, odor, methane and other gases generated by water flow turbulence, microbial reaction, sludge treatment and other activities are small in quantity, instead of main emissions of the Company. Our exhaust gas is targeted to meet the Class II standard set out in the "Ambient Air Quality Standards" (《環境質量空氣標準》)(GB3095-2012). The Company collected and treated exhaust gas generated during operation through process technologies such as ion deodorisation and biological deodorisation and monitored the concentration of exhaust gases. During the Reporting Period, the emission concentration of hydrogen sulfide, ammonia, methane and odor were 0.009mg/$m^3$, 0.09mg/$m^3$, 0.0005% and 11 (dimensionless) respectively, all of which were below the emission limit and met the national emission requirements.

### *1. 廢氣*

我們在生產運營過程中，廢氣的產生主要來源於污水處理。污水在傳輸和淨化過程中，水流紊動、微生物反應、污泥處理等活動會產生硫化氫、氨、甲烷、臭氣等氣體，數量較少，非公司主要排放物。我們的廢氣排放以《環境質量空氣標準》(GB3095-2012)規定的二級標準為目標。公司通過離子除臭、生物除臭等工藝技術將運行過程中產生的廢氣進行收集處理，對排放的廢氣濃度進行監測。報告期內，硫化氫、氨、甲烷、臭氣排放濃度分別為0.009mg/$m^3$、0.09mg/$m^3$、0.0005%、11(無量綱)，均低於排放限值，達到國家排放要求。

The greenhouse gas directly generated in the production and operation process of our main business was limited, mainly from the fuel consumed by sludge transportation and a small part from the fuel consumed by production and office, while indirect greenhouse gas emissions mainly came from consumption of purchased electricity and energy. During the Reporting Period, direct greenhouse gas emissions were calculated as $CO_2$ equivalents of 3,215 tons and indirect greenhouse gas emissions were calculated as $CO_2$ equivalents of 233,740 tons. Gases such as nitrogen oxides, sulfur oxides and carbon dioxide, etc. are not characteristic pollution factors of our industry and their emissions are extremely limited, making them difficult to measure.

我們主營業務在生產運營過程中直接產生的溫室氣體有限，主要來源於污泥運輸工作消耗的燃油，少部分來源於生產和辦公消耗的燃油；間接溫室氣體排放主要來源於外購的電力能源消耗。報告期內，直接溫室氣體排放量按二氧化碳當量計算為3,215噸，間接溫室氣體排放量按二氧化碳當量計算為233,740噸。氮氧化物、硫氧化物及二氧化碳等氣體不是我們行業特徵污染因子且排放量極為有限，難以測定。

Although the exhaust gas is not the main and direct emissions of sewage treatment, the Company has continuously optimised treatment technology, standardised production process and minimised generation of exhaust gas in order to reduce the impact of exhaust gas. The Company strengthens greening arrangement of the plant area through plant greening of isolation around the source of odor gas to ensure normal operation of biological and ion processing facilities by collecting and treating exhaust gas. The Company also expands the scope of monitoring by adopting quarterly monitoring to monitor the concentration of hydrogen sulfide, ammonia, methane and odor in the plant area. As regards indirect greenhouse gas emissions resulting from the use of fuel oil for sludge transportation, we are constantly optimising our sludge disposal and transportation solutions for each production area during the production process in order to reduce the use of fuel oil and thus reduce greenhouse gas emissions.

Electricity is the main energy for our production and operation. While continuously improving the quality of operation and management, we encourage support for innovations of improvement in energy conservation and consumption reduction, and prioritise the use of energy-saving and environmentally friendly equipment in production management by setting up special project awards to reward units and individuals who have made outstanding contributions in energy conservation and consumption reduction. The Company is currently working on a distributed photovoltaic power generation project at the wastewater treatment plant to reduce indirect greenhouse gas emissions by using clean energy. At the same time, the Company actively responds to the national energy conservation and emission reduction publicity work, formulates work plans and programs and publicises and cultivates employees' energy conservation habits.

雖然廢氣不是污水處理主要的直接排放物，但公司為減少廢氣影響，不斷優化處理技術、規範生產流程，盡量減少廢氣產生；加強廠區綠化佈置，在臭氣產生源周圍種植綠化隔離；保障生物和離子處理設施正常運行，將廢氣進行收集處理；擴大監測範圍，採取季度監控方式對廠區硫化氫、氨、甲烷、臭氣濃度進行監測。對於因污泥運輸使用燃油

### 2. Wastewater

The Company's main business is sewage treatment, operation of water supply facilities, reclaimed water utilisation, etc. We receive wastewater and reduce the waste in it by way of treatment and purification, in order to minimise the impact of wastewater on the environment and protect the ecological environment of rivers and lakes. According to the "Implementation Plan for the Key Tasks of Protection and Treatment of Dianchi Lake in 2022" (《滇池保護治理2022年主要工作任務實施方案》), the pollutant reduction targets for the Company's main operating and production areas (the operating wastewater treatment plants in the watersheds of Dianchi Lake) during the Reporting Period were to reduce a total of 145,000 tons of chemical oxygen demand, 3,600 tons of phosphorus and 14,400 tons of nitrogen. The reduction targets for other production areas of the Company are subject to the requirements of the discharge permits issued by governmental departments for each wastewater treatment plant. We strictly control the effluent quality through measures such as optimisation of each process section, real-time data monitoring and enhanced monitoring of influent and effluent water quality. In 2022, the total chemical oxygen demand reduction of all operating wastewater treatment plants of the Company was 166,000 tons, ammonia nitrogen reduction was 16,200 tons, the total phosphorus reduction was 4,000 tons and the total nitrogen reduction was 16,700 tons.

Wastewater generated in our operation includes domestic sewage, backwash water of equipment and some water for forestation in our plants. All the wastewater will be transferred to sewage treatment plants collected either by circulation networks or by municipal pipe network and then discharged if they meet discharge standard after treatment.

During the Reporting Period, the emission of Chemical Oxygen Demand (COD), ammonia nitrogen (NH3-N) and total phosphorus (TP) of our main business of wastewater treatment was 11,528 tons, 239 tons and 75 tons, respectively.

### 2. 廢水

我們的主營業務為污水處理、供水設施運營、再生水利用等。我們接納污水並進行處理、淨化，削減污水中的污染物，盡量減少污水對環境的影響，保護河湖的生態環境。根據《滇池保護治理2022年主要工作任務實施方案》，報告期內，公司主要經營生產區域(滇池流域在運的污水處理廠)的污染物削減目標為化學需氧量14.5萬噸，總磷0.36萬噸，總氮1.44萬噸。公司其他生產區域的目標削減以政府部門核發的各污水處理廠排污許可證規定為準。我們通過對各工藝段工藝優化、實時數據監控、加強對進出水水質監測等措施，嚴格控制出水水質。2022年，公司在運所有污水處理廠總化學需氧量削減量為16.6萬噸，氨氮削減量為1.62萬噸，總磷削減量為0.4萬噸，總氮削減量為1.67萬噸。

我們在運營中產生的廢水有生活污水、設備反衝洗水及部分廠區綠化用水，這些廢水由廠區內循環管網收集後，經廠區污水處理設施達標處理後排放，或經市政管網收集後匯入污水處理廠達標處理後排放。

於本報告期間，我們主業污水處理的化學需氧量(COD)、氨氮(NH3-N)及總磷(TP)排放量分別為11,528噸、239噸和75噸。

### 3. Sludge

In 2022, we produced dry sludge of 89,000 tons in aggregate during the production and operation, and the dry sludge produced in the treatment of every 10,000 tons of wastewater was 1.1 tons.

We strictly adhere to the relevant laws and regulations and required standards such as the "Solid Waste Pollution Prevention and Control Law" (as amended in 2020) (《固體廢物污染環境防治法》(2020年修訂)), the "Quality of Sludge for Municipal Wastewater Treatment Plant" (GB 24188-2009) (《城鎮污水處理廠污泥泥質》(GB24188-2009)), the "Control Standard for Agricultural Sludge Pollutants" (GB4284-2018) (《農用污泥污染物控制標準》(GB4284-2018)) and the "Sludge Disposal Criteria for Municipal Wastewater Treatment Plant" (DB5301/T48-2020) (《城鎮污水處理廠污泥處理處置規範》(DB5301/T48-2020)) and conduct inspection on the quality of sludge at least quarterly. Subject to the requirements under the management system on measurement, transportation and disposal, we ensure the sludge treatment process to be in compliance with the national standards and criteria. With the goal of meeting the requirements set out in the Pollutants Discharge Standard of Urban Sewage Treatment Plants 《(城鎮污水處理廠污染物排放標準》) (GB18918-2002) that the sludge of urban wastewater treatment plants shall be dehydrated and the moisture content of the sludge after dehydration shall be less than 80%, we are committed to reducing the impact of sludge on the environment. The moisture content of sludge is tested and monitored every day and sludge dewatering process parameters are adjusted in time so that the moisture content of sludge can be steadily reduced and sludge production can be decreased. The construction of sludge source reduction facilities has helped us achieve 33,000 tons of sludge reduction. Meanwhile, we aimed to achieve a 90% or higher rate of harmless disposal of sludge as set out in the National Action Plan for Water Pollution Prevention and Control, continued on harmless disposal of sludge and resource utilisation, and reduced the environmental impact of sludge treatment and disposal through a combination of technical approaches such as dehydration, intensive dehydration, anaerobic digestion + drying and aerobic composting as well as disposal approaches of sludge land utilisation and recycling as building material. During the Reporting Period, the rate of harmless disposal of sludge in our main production areas reached 99%. In addition, by implementing the forestry substrate soil resource utilisation project, we transform sludge into usable nutritional soil resources used in mine ecological restoration, seedling cultivation, gardening and landscaping. This brings considerable ecological benefits to soil erosion, water conservation and other aspects, thereby achieving simultaneous improvement in economic, environmental and social benefits and contributing to sustainable development of the city, the society and the economy.

### 3. 污泥

2022年，我們在生產運營過程中產生的乾污泥總量為8.9萬噸，處理每萬噸污水產生乾污泥量為1.1噸。

我們嚴格按照國家《固體廢物污染環境防治法》(2020年修訂)、《城鎮污水處理廠污泥泥質》(GB24188-2009)、《農用污泥污染物控制標準》(GB4284-2018)、《城鎮污水處理廠污泥處理處置規範》(DB5301/T48-2020)等相關法律法規標準要求，至少每季度對污泥泥質進行檢測；在計量、運輸和處置管理制度要求下，確保污泥處置過程符合國家標準及規範。我們致力於降低污泥對環境影響的風險，以《城鎮污水處理廠污染物排放標準》(GB18918-2002)中規定的城鎮污水處理廠的污泥應進行污泥脫水處理，脫水後污泥含水率應小於80%的要求為目標，每天對污泥含水率進行檢測和監控，及時調整污泥脫水工藝參數，穩定降低污泥含水率，減少污泥產生量，建設的污泥源頭減量設施幫助我們實現污泥減量3.3萬噸；與此同時，我們以國家《水污染防治行動計劃》中關於污泥無害化處置率達90%以上的要求為目標，持續做好污泥無害化處置和資源化利用工作，通過脫水、深度脫水、厭氧消化+乾化、好氧堆肥等技術路線，污泥土地利用、建材化利用的處置路徑相結合的方式，降低污泥處理處置對環境造成的影響。報告期內，我們主要生產區域的污泥無害化處置率達到99%。同時，通過林業基質土資源化利用項目，把污泥變為可利用的營養土資源，用於礦山生態修復、苗木栽培、花卉園林，對減少水土流失、涵養水源等方面帶來可觀的生態效益，最終實現經濟效益、環境效益、社會效益同步提升，助力城市社會經濟可持續發展。

#### 4. Other wastes

The non-hazardous waste generated by the Company in the production and operation process is mainly wastepaper. Due to the small amount of production, there is no target and statistical data on the production amount of non-hazardous waste generated. We reduce generation of non-hazardous waste through source control. In 2022, we purchased 10.78 tons of paper according to schedule. At the same time, we adopted highly efficient and environmentally friendly printing and scanning equipment to promote paperless office and reduce paper use. We encouraged paper to be printed on both sides to reduce paper waste. As for the hazardous waste oil produced during the operation of machinery and equipment and the hazardous waste liquids generated in the process of examination, they are the main sources of hazardous waste. The Company sets up waste holding areas according to the relevant national regulations and the measures to prevent wind dispersal, leakage and runoff, and commissions the qualified third parties to dispose the waste by batch. The total amount of hazardous waste in 2022 was 74.38 tons which was entrusted to a third-party compliance unit for unified disposal.

The Company will continuously strengthen maintenance and management of mechanical equipment and inspection instrument, use equipment oil and inspection liquids on a reasonable basis and update mechanical equipment and inspection instrument in a timely manner to keep them in a stable working condition to reduce the amount of waste oil and waste liquids.

#### 4. 其他廢棄物

公司在生產運營過程中產生的無害廢棄物主要為廢紙，由於產生量較小，沒有特別有關無害廢棄物產生量目標的訂立及數據統計。我們通過源頭控制的方式減少無害廢棄物的產生，2022年共按計劃採購紙張10.78噸；同時採用高效環保的打印及掃瞄設備，推廣無紙化辦公，減少紙張使用；鼓勵紙張雙面打印，減少紙張浪費。針對機械設備運行過程中產生的有害廢棄油料和檢測過程中產生的有害廢液是有害廢棄物的主要來源，公司按照國家相關法規及「三防」措施設置廢棄物暫存間，並按批次委託具有相應處置資質的第三方單位統一處置，2022年有害廢棄物總量為74.38噸，均已委託第三方合規單位統一處置。

公司將繼續加強機械設備及檢測儀器維護管理，合理使用設備油料和檢測液；適時更新機械設備及檢測儀器，使其處於穩定良好的工作狀態，從而減少廢棄油料和廢液的數量。

### A2. Use of Resources

Dianchi Water is a leading wastewater treatment and reclaimed water supply services provider in Yunnan Province, the PRC. As "finished products", our outlet water strictly complies with the relevant national and local standards such as the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (《城鎮污水處理廠污染物排放標準》) without using resources such as packing materials. The raw water of the Company's water supply business is obtained from water sources designated by local governments. Therefore, we do not have any water sourcing issues.

The Company advocates the use of video conferencing, and supports long-distance, real-time information exchange and collaborative conferences with multi-media technologies such as real-time audio and video, so as to reduce office costs, improve work efficiency and promote a low-pollution and low-emission green office.

### A2. 資源使用

滇池水務是中國雲南省污水處理及再生水服務行業的領導者，我們的出水作為「製成品」，嚴格遵守《城鎮污水處理廠污染物排放標準》等相關國家及地方標準排放，期間不使用包裝材料等資源。因公司的供水業務原水為當地政府指定水源，在求取適用水源上不存在問題。

公司提倡使用視頻會議，通過網絡平台以實時的音、視頻等多媒體手段，支持多地遠距離實時信息交流、開展協同會議辦公，減少辦公成本的同時提高工作效率，倡導低污染和低排放的綠色辦公。

The Company fully implements budgetary management in respect of energy, water resources and other raw materials by formulating budgetary indicators, decomposing them at various levels and conducting daily monitoring as well as arranging monthly statistical analysis on their consumption. The Company formulated a target evaluation mechanism and strived to improve its resource utilisation rate through process supervision.

公司在能源、水資源和其他原材料方面，全面執行預算管理，通過制定預算指標，層層分解，並進行日常監控，按月統計、分析消耗情況，已建立目標考核機制，實施過程監管，致力於提高資源利用率。

### *1. Energy consumption*

### *1. 能源消耗*

Electricity costs account for a relatively large part of the production costs of water enterprises. Kunming Power Supply Bureau of Yunnan Power Grid Company Limited is our main power supplier. In 2022, all the factories operated by the Company consumed electricity of approximately 290,000 thousand kWh in aggregate.

電力成本佔水務企業生產成本比重較大，雲南電網有限責任公司昆明供電局是我們主要的電力供應商。2022年，公司運營各廠電力消耗總量約2.9億千瓦時。

Based on the actual loading rate of each sewage treatment plant and the different characteristics of the treatment process, we have formulated the control targets for energy consumption rate of each wastewater treatment plant respectively per tonne of wastewater treated. In 2022, we set an average energy consumption target of approximately 0.32 kWh per tonne of wastewater treated for the Class 1A process at each water purification plant in the main urban area of Kunming and around the lake (based on the weighted water treatment volume of each plant in the main city and around the lake, combined with the weighted average of the control target value of each plant). In order to increase energy utilisation rate and effectively reduce energy consumption, the Company actively organised all plants to explore and implement energy-saving and efficiency-enhancing technologies. In view of the operational characteristics of the plants and the actual water quantity in the rainy and dry seasons, the Company continuously optimised the operation and management of major energy-consuming equipment and process sections such as lifting pump, air blower, mixer, aeration system and sludge dewatering system, and carried out variable frequency control modification on high-powered equipment such as air blower and feed pumps, in order to improve the operational efficiency of the equipment. In 2022, the average energy consumption rate per ton of wastewater treated of the wastewater treatment plants of the Group (including subsidiaries) in operation was 0.30 kWh, representing a 3% decrease compared with that of 2021. The Company actively conducted power marketisation transactions and gave priority to wind electricity and electricity supplied by hydropower plants, which not only used clean energy, but also reduced its electricity cost.

我們根據各個污水處理廠實際負荷率、處理工藝的不同特點，分別制定了各個污水廠噸水處理能耗率控制目標。2022年我們為位於昆明主城及環湖的各污水處理廠一級A工藝訂立了平均每噸污水處理能耗率約為0.32千瓦時的能耗控制目標(以主城及環湖各廠處理水量為權重，結合各廠控制目標值加權平均計)。為提高能源利用效率，切實降低能耗，公司積極組織各廠開展節能增效技術探索實踐，針對工廠工藝運行特點及雨、旱季實際水量情況，對提升泵、鼓風機、攪拌器、曝氣系統、污泥脫水系統等主要能耗設備及工藝段運行管理持續優化，並對鼓風機、進水泵等大功率設備開展變頻控制改造，以提升設備運行效率。2022年本集團(含附屬公司)在運污水處理廠平均每噸污水處理能耗率為0.30千瓦時，較2021年下降3%。公司積極開展電力市場化交易工作，優先使用風電、水電廠的供電，不但使用了清潔能源，而且降低了企業的用電成本。

The Company encourages all its staff to save energy during work hours. The Company also encourages its staff to use electric vehicles fueled by clean energy and public transport. We have completed the installation of new energy vehicle charging piles in certain plants and will give priority to new energy vehicles when purchasing new company vehicles.

在辦公過程中，公司倡導廣大員工節約用電，鼓勵員工使用清潔能源的電動汽車和公共交通。我們已於部分廠區安裝完成新能源汽車充電樁，在新購置辦公車輛時，優先考慮新能源汽車。

### *2. Water consumption*

### *2. 耗水*

The Company's daily water supply is mainly provided by the local water supply company. During the Reporting Period, it had effective access to suitable water sources to ensure that the water quality meets the water requirements. In 2022, all the factories operated by the Company consumed running water of approximately 279,000 tons in aggregate and water consumption per ton of sewage treatment is 0.35 kg. Our running water consumption is mainly for daily office use and a small amount of water for chemical mixing. In order to reduce running water consumption, we mainly used reclaimed water produced on site for equipment back flush and other production processes that consume large amount of water, and thus did not set any target for running water utilisation efficiency.

公司的日常用水主要由當地供水公司所提供，於報告期間可以有效獲取適用水源，保證水質符合用水要求。2022年，公司運營各廠自來水消耗總量約27.9萬噸，處理每噸污水耗用自來水量為0.35千克。我們的自來水耗水主要為日常生活辦公用水及少量配藥用水，為達至自來水耗水的降低，我們生產過程中設備反沖洗等耗水量較大的生產環節用水主要採用廠區生產的再生水，因此未訂立自來水用水效益目標。

The Company has Kunming's only reclaimed water distribution system in the main urban area, and the production of the reclaimed water supply business has increased year by year. The Company's reclaimed water, which has been widely used for landscaping, cleaning roads, industrial production and recharging riverway and waterscape, has 549 company subscribers. As of 31 December 2022, the Company had 12 wastewater treatment plants producing reclaimed water, with a total designed daily production capacity of 236,500 $m^3$. Reclaimed water customers of the Company mainly include commercial and industrial establishments, enterprises and public institutions and other entities in Kunming.

公司擁有昆明市主城區唯一的再生水輸配系統，再生水供應產量逐年穩步增長，用戶達549家單位，廣泛用於園林綠化、道路清潔、工業生產、河道及水體景觀補水，截至2022年12月31日，公司有12間污水處理廠生產再生水，日總設計產能達236,500立方米。公司的再生水客戶主要包括昆明市的工商業機構、企業等單位。

### A3. Environment and Natural Resources

The Company performs environmental impact assessment on all the projects constructed according to the relevant laws and regulations of the PRC. The Company applies "simultaneous design, construction and operation" acceptance check as required after a project has been put into operation to ensure that the construction and operation of the project meet the requirements of the relevant laws, regulations and policies. For wastewater treatment, the principal business of the Company, with the support of research and development, the Company improved its waste removal efficiency and reduced resource consumption by adopting measures such as technical innovation and process and operation optimisation. For example, after applying its proprietary technologies and over the limit phosphorus removal technology, Kunming No. 1 Water Purification Plant's effluent BOD (Biochemical Oxygen Demand) level decreased by 56%, COD level decreased by 47%, TN level decreased by 29%, TP level decreased by 86% and NH3-N (Ammonia nitrogen in the form of Water with free ammonia (NH3) and Ammonia ion (NH4+)) level decreased by 90% from 2012 to 2022. Kunming No. 2 Water Purification Plant's energy consumption decreased by 40%, effluent BOD level decreased by 58%, COD level decreased by 51%, TN level decreased by 23%, TP level decreased by 58% and NH3-N level decreased by 66% from 2012 to 2022.

Driven by technological research and development, the overall effluent quality of our water purification plants in Kunming main city area improved significantly: BOD decreased by 52%, COD by 46%, TN by 34%, TP by 81% and NH3-N by 81% from 2012 to 2022, which greatly reduced the pollution load brought by the tail water from wastewater

## A4. Climate Change

Addressing climate change has become a global public issue, and climate change will have an impact on all industries. Addressing climate change has become a global public issue, and climate change will have an impact on all industries. The Group has incorporated climate change governance into its ESG management framework, identifies the risks posed by climate change and formulates corresponding countermeasures. In addition, it also conducts self-inspection on the compliance of its business under the carbon peaking and carbon neutrality policies and conducts research and planning on the opportunities of green development brought by carbon trading in the future.

The Company owns or operates wastewater treatment plants, reclaimed water plants and running water plants in various regions of the PRC and Laos. Based on the nature of our business and the conditions of the water plants we operate and manage as well as the local climate, we identify the impact of climate on our day-to-day operations and management, and formulate corresponding emergency plans with clear emergency measures to deal with the adverse impact of extreme weather on production and operations.

In our day-to-day operations, we recognise that urban flooding caused by short periods of heavy or prolonged rainfall can have a significant impact on our wastewater treatment plants. Urban flooding can cause a rapid increase in the volume of water flowing into our plants over a short period of time, which may exceed the operating capacity of our plants, thus causing damage to our plants or increasing the risk of failing to meet the effluent quality standard. To address this risk source, we have developed relevant emergency plans. In particular, before the onset of the rainy season in each area where our water plants are located, we prepare the appropriate flood prevention materials and organise emergency drills for our staff so that they have a clear understanding of the measures they should take in the event of such a situation. In addition, we monitor the warning information issued by the local meteorological authorities in real time and make arrangements in advance to ensure that the relevant measures are taken in a timely, appropriate and effective manner. When the volume of water flowing into our water plants continues to increase within a short period of time and is expected to exceed the treatment capacity of the plants, we will communicate with and report to local regulatory authorities in a timely manner and make adjustments to the production process in order to reduce the risk of failing to meet the effluent quality standard of water plants.

## A4. 氣候變化

應對氣候變化已成為一個全球性公共問題，氣候變化對各個行業都會產生影響。本集團已將氣候變化管治納入本集團環境、社會及管治治理架構內，就氣候變化給我們帶來的風險進行識別，制訂相應的應對措施，同時對於雙碳政策下公司業務的合規性進行自檢自查，就未來碳交易帶來的綠色發展機遇進行研究部署。

本公司於中國多個地區及老撾擁有或運營污水處理廠、再生水廠及自來水廠，我們根據自身業務性質及所運行管理水廠的情況，結合屬地氣候情況，識別相關氣候對於我們日常運行管理所帶來的影響，並制訂相應的應急預案，明確應急措施，以應對極端天氣給生產運行造成的不利影響。

於日常業務中，我們識別到短時強降雨或長時間持續性降雨導致城市內澇會給我們的污水處理廠帶來重大影響。城市內澇會導致流入我們水廠的水量短時間內迅速增加，可能會超過水廠運行負荷能力，給我們的水廠造成損失或增加我們出水水質超標的風險。針對這一風險源，我們制訂了相應的應急預案，於每個水廠所在地區雨季來臨之前，我們會準備好相應的防汛物資，並組織員工進行應急演練，以使員工清楚了解在出現該等況下其應該採取的措施。同時我們實時關注當地氣象部門發佈的相關預警信息，提前做出安排，保障相關措施及時、得當及有效；當出現流入我們水廠的水量短時間持續增加，預期會超過水廠處理負荷，我們會及時與當地監管部門溝通及報備，並對生產工藝進行調整，以降低水廠出水水質超標的風險。

In addition, we have conducted research on the fluctuation of water temperature in various operating wastewater treatment plants due to climate changes throughout the year. We have, in particular, assessed the change in efficiency of each treatment unit under the influence of low temperature in winter, formulated corresponding measures to address the relevant risks, conducted staff training in advance and activated corresponding countermeasures to ensure that the effluent disposal meets the discharge standards.

另外，我們對已在運的各污水處理廠因全年氣候變化導致的水溫波動進行了研究，特別是在冬季低溫影響下各處理單元效率變動情況進行了評估，針對相關風險，制定了相應措施，提前進行員工的培訓及啟動相應的應對措施，確保出水處置達標排放。

In response to the national policies related to carbon emission reduction and carbon compliance, we have also accelerated the development of the distributed photovoltaic power generation project at the wastewater treatment plant to increase the use of clean energy. In terms of supplier selection, factors related to low carbon operation and environmental protection are also taken into account in the selection process. Through energy conservation and consumption reduction and the use of clean energy, we reduces carbon emissions and promotes green corporate development.

為響應國家碳減排、碳達標相關政策，我們也加快了污水處理廠分佈式光伏發電項目的推進，加大清潔能源的使用。在供應商的選聘上，也將低碳、環保納入選聘考慮因素。通過節能降耗及清潔能源的應用，減少碳排放，促進企業綠色發展。

## B. SOCIAL

## B. 社會

The Company strictly complies with applicable laws and regulations on labour protection such as the "Labor Law of the People's Republic of China" (《中華人民共和國勞動法》), the "Labor Contract Law of the People's Republic of China" (《中華人民共和國勞動合同法》) and the "Social Insurance Law of the People's Republic of China" (《中華人民共和國社會保險法》) to guarantee equal employment. We are against any recruitment discrimination concerning age, marital status, race, social status, religious belief, disability, gender, sexual orientation or political background etc. The Company and related subsidiaries strictly comply with various national laws and regulations in relation to human resources. Employees are legally entitled to the benefits, remunerations and holidays required by relevant laws. The Company establishes the "Interim Measures for the Administration on Remuneration" (《薪酬管理暫行辦法》) and the "Rules for the Implementation of the Provisional Staff Recruitment and Staff Mobility Regulations" (《員工招聘及人員流動暫行辦法實施細則》), etc. to satisfy the arrangement on the recruitment, internal transfer, dismissal, training, promotion, performance evaluation, and remuneration and benefit of employees, and ensure that no employees are discriminated due to race, age and gender, etc. Besides, the employment of child labor is strictly prohibited and we are against forced labor of any kind, striving to let all the employees work in an equal and harmonious work environment.

本公司嚴格遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國社會保險法》等國家人事相關的各類勞動保障相關法律法規，保障平等僱傭，我們反對任何基於年齡、婚姻狀況、種族、社會階層、宗教信仰、殘疾、性別、性取向或政治背景等的招聘歧視。公司及相關子公司嚴格遵守國家人事相關的各類法律法規，員工依法享有法律規定的福利、薪酬及假期。公司建立了《薪酬管理暫行辦法》、《員工招聘及人員流動暫行辦法實施細則》等，滿足僱員的聘用、調職、解聘、培訓、晉升、績效考核、薪酬福利等安排，保證員工不因種族、年齡、性別等因素受到歧視，嚴禁僱傭童工，反對各種形式的強迫勞動，務求讓員工在平等和諧的工作環境下開展工作。

The Company provides training to promote ethical standard and provides complaint channels to allow our staff to make a confidential complaint. Through staff participation, training, reward and other promotion activities of safety awareness, we provide our staff with a healthy and safe working environment. We also provide safety equipment to staff and organise regular physical examinations for our staff in order to prevent them from occupational harm and occupational diseases.

公司為員工提供培訓以提升道德標準，並設立申訴渠道，讓員工在保密的情況下提出申訴。透過員工參與、培訓、獎勵及其他安全意識宣傳活動，為員工提供健康和安全的工作環境。此外，提供員工勞保用品，每年定期組織員工進行健康體檢，避免員工在日常工作過程中受到職業性危害及職業病的發生。

### B1. Employment

### B1. 僱傭

We have comprehensive human resources policies covering recruitment, remuneration, staff benefits, and performance etc. and strictly abide by applicable laws and regulations on labour protection to guarantee equal employment. The Company is against any recruitment discrimination concerning age, marital status, race, social status, religious belief, disability, gender, sexual orientation or political background etc. The Company guarantees equal opportunity and fair treatment for all levels of staff and job applicants in recruitment, internal transfer, dismissal, training, promotion, performance evaluation and remuneration. Besides, we have the same remuneration structure for both male and female staff.

公司建立了完善的人力資源制度，包括招聘、薪酬福利、績效等模塊，並嚴格遵守勞動保障相關法律法規，保障平等僱傭，公司反對任何基於年齡、婚姻狀況、種族、社會階層、宗教信仰、殘疾、性別、性取向或政治背景等的招聘歧視。公司所有僱員的安排，如聘用、調職、解聘、培訓、晉升、績效考核、薪酬福利水平等，確保所有員工及職位申請者均享有平等機會及獲得公平待遇，男女員工在薪酬架構上是一致的。

#### *1. Recruitment*

#### *1. 招聘*

In terms of personnel recruitment, the Company strictly follows the regulatory requirements of higher authorities and relevant internal rules and regulations, employs talents based on the principles of openness, fairness, competition and selection, and publicly recruits in the society. The Company also strictly enters into labour employment contracts with employees in accordance with labour laws and regulations to effectively protect the rights and interests of employees.

人員招聘方面，公司嚴格按照上級監管要求及內部相關制度規定，以公開、公平、競爭、擇優的原則吸納人才，面向社會公開招聘，嚴格按照勞動法規與員工簽訂勞動用工合同，切實保障員工權益。

### 2. Remuneration

The Company has established a competitive salary system based on the importance of an employee's position and by reference to the operating strategy of the Company and the industry and the region's salary level. Besides, the Company strictly follows relevant national laws and regulations and continuously improves the staff benefits, pays various statutory social insurances according to the laws and regulations. The Company strictly complies with the working hours specified by China, safeguards the rights of rest and vocation of the employees according to the national provisions, and ensures the statutory holidays and guarantees employees' rights for paid leaves. In terms of performance assessment, the Company has built a result and goal-oriented employee performance appraisal system covering various aspects, such as the performance, ability and attitude etc. of the staff. The promotion and salary review of staff is determined by the result of that appraisal appropriately. The Company has also formulated standardised conditions and procedures for dismissing employees and arbitrary dismissal is not allowed. In order to create a healthy, diversified and harmonious working environment, all the matters concerning promotion, remuneration and rewards and post transfer will be considered in an objective way according to staff performance and the business condition of the Company. During the Reporting Period, the Company was not aware of any material non-compliance cases in relation to human resources laws and regulations.

### 3. Retirement Schemes

The Company participates in a social pension scheme established by the PRC government, and contributes a certain percentage of the relevant employees' salaries to the social pension scheme. In addition to the aforementioned government-sponsored defined contribution pension scheme, effective from 1 January 2014, the Group operates an additional employee pension plan (a corporate annuity system for purchase of supplementary retirement insurance for our staff). Pursuant to such additional scheme, the full-time employees of the Group in the PRC are entitled to an additional pension aggregating to 8% of previous year's salaries. The Company calculates the interest so attributed under the agreed percentage of annuity plan based on staff's service years upon their retirement. Save as disclosed above, the Company is not required to operate any other retirement benefits for its employees during the year.

### 2. 薪酬

公司視乎員工崗位的重要程度，並參考本公司經營戰略，以及行業水平和地區水平，建立了具有競爭力的薪酬體系。同時，公司嚴格遵守國家相關法律法規，不斷完善員工福利待遇，根據法律法規繳納了各項法定社會保險。本公司嚴格遵守國家工時規定，保障員工享受國家規定的各項休息、休假的權利，並確保員工享有法定假期和帶薪休假。績效考核方面，公司以目標結果為導向，建立了員工績效考核體系，覆蓋員工績效、能力態度等多個方面，並恰當地將考核結果運用於員工職務晉升和工資檢背炁㫋殼炕Q瑰脖弅醵＂翿栱／期詮帾條仙趿垧翌腾昵磨蒶

The Company's employer contributions to the abovementioned pension schemes vest fully and immediately with the employees when contributed into the schemes. Accordingly, (i) for each of the two years ended 31 December 2022, there was no forfeiture of contributions under such pension schemes; and (ii) there were no forfeited contributions available for the Company to reduce its existing level of contributions to such pension schemes as at 31 December 2022.

公司向上述退休金計劃作出的僱主供款在向該計劃供款時全數及即時歸屬於僱員。因此，(i)截至2022年12月31日止兩個年度各年，概無於該等退休金計劃項下沒收任何供款；及(ii)於2022年12月31日，概無已沒收供款致使公司得以減少其對該等退休金計劃的現有供款水準。

### *4. Staff Benefits*

### *4. 員工福利*

In addition to statutory employee benefits for full time staff including social security scheme, marriage leave, maternity leave, paternity leave and funeral leave, the Company offers different fringe benefits, for instance, festival bonus, work allowance under special conditions, labour protection, working meal and commuter allowance. The Company also purchases accident insurance and provides supplementary medical insurance for employees.

公司為全職員工提供法定的固定福利(包括社會保障計劃、婚假、產假、陪產假、喪假等)外，還為員工提供其他的附加福利，例如：節日慰問、特殊條件的工作津貼、勞動防護、工作餐及上下班通勤等，亦為員工提供補充醫療保險。

(1) As of the end of the Reporting Period, the total number of employees of the Company by gender, employment type, age group and geographical region is detailed in the table below:

(1) 截至報告期末，本公司按性別、僱傭類型、年齡組別及地區劃分的僱員總數詳見下表：

| | Male to female ratio 男女比例 | | Employment type 僱傭類型 | | Age distribution 年齡分佈 | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Region 區域 | Male 男 | Female 女 | Contract system 合同制 | Labor dispatch system 勞務派遣制 | Under 25 25歲以下 | 26-35 26-35歲 | 36-45 36-45歲 | 46-55 46-55歲 | Over 55 55歲以上 |
| Southwest region (Yunnan, Guizhou, Sichuan) 西南地區(雲南、貴州、四川) | 844 | 440 | 924 | 360 | 98 | 603 | 308 | 215 | 60 |
| Eastern China region (Anhui, Jiangsu, Zhejiang) 華東地區(安徽、江蘇、浙江) | 50 | 43 | 62 | 31 | 5 | 20 | 25 | 28 | 15 |
| Central China region (Hunan) 華中地區(湖南) | 85 | 30 | 115 | 0 | 1 | 33 | 33 | 40 | 8 |

(2) Details of employee turnover of the Company by gender, age group and geographical region during the Reporting Period and the proportion thereof are set out in the table below:

(2) 於報告期內，本公司按性別、年齡組別及地區劃分的僱員流失情況及比例詳見下表：

| | | Male to female ratio 男女比例 | | Age distribution 年齡分佈 | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total turnover 流失總數 | Male 男 | Female 女 | Under 25 25歲以下 | 26-35 26-35歲 | 36-45 36-45歲 | 46-55 46-55歲 | Over 55 55歲以上 | Turnover rate 離職率 |
| Southwest region (Yunnan, Guizhou, Sichuan) 西南地區(雲南、貴州、四川) | 113 | 83 | 30 | 14 | 73 | 16 | 8 | 2 | 8.80% |
| Eastern China region (Anhui, Jiangsu, Zhejiang) 華東地區(安徽、江蘇、浙江) | 4 | 4 | 0 | 0 | 0 | 3 | 0 | 1 | 4.30% |
| Central China region (Hunan) 華中地區(湖南) | 4 | 4 | 0 | 0 | 2 | 2 | 0 | 0 | 3.48% |

### B2. Health and Safety

The Company has been certified to quality, environmental and occupational health management system standards in 2013, and sets up a safety management system in accordance with national and local laws and regulations including the "Production Safety Law of the People's Republic of China" (《中華人民共和國安全生產法》), the "Fire Protection Law of the People's Republic of China" (《中華人民共和國消防法》) and "Yunnan Province Safety Production Regulations" (《雲南省安全生產條例》)to establish a safety management system, construct a dual prevention mechanism for safety risk classification and control as well as investigation and governance, revise emergency plans related to safety production in a timely manner, conduct safety review and assessment of the current situation and comprehensively research, deploy and address issues arising in the course of production safety management. Throughout the year, the Company organised training on traffic safety, network safety, laws and regulations, fire safety and safety management business knowledge, etc. for more than 500 people, conducted more than 70 on-site inspections on safety production, actively carried out timely management of hidden danger investigation, held comprehensive emergency drills for safety production and organised publicity activities, such as "Ankang Cup", "Safety Production Month" and "Fire Safety Month". The Company regularly arranges occupational health medical examination for all employees every year. During the Reporting Period, the rate of coverage of medical examination of the Company's employees was 100%. The Company also pays attention to the mental health of employees through organising seminars on mental health to strengthen care and consideration for employees. During the Reporting Period, no production safety responsibility accidents occurred and the Company's production safety situation was stable.

### B2. 健康與安全

公司於2013年已通過質量、環境和職業健康管理體系認證，並按照《中華人民共和國安全生產法》、《中華人民共和國消防法》、《雲南省安全生產條例》等國家和地方法律法規，建立安全管理體系，構建安全風險分級管控及排查治理雙重預防機制，及時修訂安全生產相關應急預案，開展安全審查現狀評估，全面研究、部署和解決生產安全管理過程中存在的問題，全年組織開展交通安全、網絡安全、法律法規、消防安全、安全管理業務知識等培訓500餘人次，安全生產現場檢查70餘次，積極開展隱患排查並及時治理，組織舉辦安全生產綜合應急演練、「安康杯」、「安全生產月」、「消防安全月」等宣傳活動。公司每年定期為全體員工安排職業健康體檢，報告期內，本公司在職員工體檢覆蓋率為100%。同時，注重僱員的心裡健康，通過組織心裡健康知識講座等活動，加強對僱員的關心關懷工作。報告期內，未發生生產安全責任事故，公司安全生產形勢穩定。

During the operation and management process of the Company, the Company attaches great importance to occupational health and safety protection and takes various measures to provide a healthy and safe production environment for all employees mainly through: firstly, all staff member enter into a letter of responsibility for safety objectives and implement safety production responsibilities at all levels. Secondly, the Company convenes office meetings of general managers and regular lectures on production safety, study the current production safety situation, arrange production safety works. Thirdly, the Company conducts production safety checks and pandemic prevention and control checks on a regular basis, eliminate any hidden danger at work site promptly, eliminate occurrence of safety production accidents and supervise the implementation of various measures on pandemic prevention and control. Fourthly, the Company organises promotional trainings such as occupational health, safety management, traffic safety and fire safety to improve employees' safety awareness and skills. Fifthly, the Company organises health check-ups for employees every year, distributes labor protection supplies and inspects their wearing regularly. There have been no production safety accidents in the past three years. The number of deaths and disability due to work was nil and there were no workdays lost due to work-related injuries.

公司在運營管理過程中，高度重視職業健康安全防護，多措並舉為全體員工提供一個健康、安全的生產環境，主要通過：一是全員簽訂安全目標責任書，層層落實安全生產職責；二是定期召開總經理辦公會、安全生產工作例會，研究當前安全生產形勢，部署安全生產工作；三是定期、不定期開展安全生產、疫情防控檢查，及時消除生產現場的安全隱患，杜絕生產安全事故的發生，同時督促落實疫情防控各項措施；四是定期開展職業健康、安全管理、道路交通安全、消防安全等宣傳培訓，提升僱員安全意識與技能；五是每年組織僱員健康體檢，定期發放勞動保護用品並檢查佩戴情況。近三年內未發生生產安全事故，因公死亡、傷殘人數及比率為零，無因工傷損失工作日。

### B3. Development and Training

### B3. 發展及培訓

The Company attaches great importance to the future development and training of employees. In order to meet the needs of the Company's operation and management and effectively enhance the effectiveness of training, in 2022, the front-line work method was used to conduct a survey on training needs through interviews and questionnaires. A series of training courses has been formulated to cover five major areas including management effectiveness, compliance management, vocational skills, competency enhancement and new employees' cultivation. The contents of the training courses are of concern to managers and employees, comprising management skills, tendering and procurement, environmental compliance, safety management, professional attitude and cohesion,etc.

公司重視僱員個人的未來發展及培訓，為滿足公司經營管理需要，切實提升培訓實效，2022年運用一線工作法，通過訪談與問卷調查的方式開展培訓需求調研，制定了囊括管理效能提升、合規管理、職業技能及職業能力提升、新員工培養五大系列的培訓課程體系，內容包括工作中管理者及僱員普遍關注的問題，如管理能力、招標採購、環保合規、安全管理、職業心態與凝聚力等。

With a focus on enhancing management effectiveness, training and learning programmes were enriched to improve management skills of employees by focusing on role awareness of junior management staff, the application of management skills and the effectiveness of task execution. During the Reporting Period, by focusing on compliance management and risk management, a series of trainings on environmental protection compliance management, tender and procurement management, human resources management, network security and financial management was conducted to support employees to raise their risk awareness and carry out various tasks in a compliant manner.

圍繞管理效能提升，重點關注基層管理人員角色認知建立、管理技能運用及任務執行效能，豐富培訓學習形式，提升僱員管理技能。報告期內，圍繞合規管理及風險管理領域，開展了環保合規管理、招標採購管理、人力資源管理、網絡安全、財務管理等系列培訓，為僱員樹立風險意識、合規開展各項工作提供支撐。

In terms of vocational skills enhancement, basic training on wastewater treatment was provided for technical novices, with emphasis on process fundamentals and hands-on training on job knowledge; for safety and environmental protection learning needs, courses on environmental protection inspectors and safety-first aid for plant emergencies were provided to fill the knowledge gap in production and operation management and ensure smooth operation of the Company's business. In terms of professional skills enhancement, by focusing on cohesion and efficiency enhancement, training on professional mentality, official document writing, file management and office software skills was launched. Through the training, a group of compound and highly skilled talents who are proficient in the main business and understand monitoring and analysis are cultivated for the Company.

In terms of specialised training, specialised trainings were conducted on occupational planning and preparation, the "Rules for the Management of Running Water Pipeline Networks (Trial)" (《自來水管網管理細則(試行)》), occupational health and safety of employees, safety production and emergency drills for environmental incidents. In terms of production practices, various trainings were provided on corporate culture, rules and regulations, warning education, safety education, process operation, flood prevention and emergency andfwere provided onCo013.v21063104D0B230B5A06C637

During the Reporting Period, the Company's training statistics classified by employee gender are as follows:

報告期內，本公司按員工性別進行分類統計的受訓情況如下：

Training ratio of male employees: 86.9%
男性員工受訓比例：86.9%

The average duration of study: 39.6 hours
平均學習時長：39.6學時

Training ratio of female employees: 88.9%
女性員工受訓比例：88.9%

The average duration of study: 38.3 hours
平均學習時長：38.3學時

After years of accumulation, the Company formed a team of part-time lecturers with technical and management skills. Through internal and external links, the Company continuously maintained, improved and enriched the teaching staff and joined China Eco-Environmental Industry and Education Alliance to strengthen exchanges with industry associations and internationally renowned institutions.

經過多年積累，公司形成了一批有技術、懂管理的兼職講師團隊，通過內引、外聯，持續維持、完善、充實講師團師資隊伍，並加入中國生態環境產教聯盟，加強與行業協會、國際知名院校的交流。

### B4. Labor Rules

### B4. 勞工準則

***Prohibition of Employing Child Labor or Forced Labor***

***防止童工或強制分工***

The Company strictly follows state and local regulations regarding recruitment and hire of employees such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and the Prohibition of Child Labor Provisions (《禁止使用童工規定》), etc. and will not hire applicants who fail to meet requirements set out in relevant laws and regulations. In addition, the Company conducts reference check on employees based on information provided, and those who are found to have treated will not be hired. The Company sticks to a human resource policy that highlights gender equality and ethnic equality and prohibits employment of child labor and forced labor. During the Reporting Period, the Company did not have any breach of laws and regulations that impose ban on employment of child labor and forced labor.

公司對於人員的招聘和錄用嚴格遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及《禁止使用童工規定》等國家和地方有關規定，對不符合法律規定條件的一律不予錄用。此外，還根據員工提供的資料進行背景調查，調查結果發現有作假者不予錄用。公司堅持男女平等、民族平等的人力資源政策，禁止使用童工和強迫勞動，於報告期間並無發現任何違反與防止兒童或強制勞工有關之法律及規定的個案。

### B5. Supply Chain Management

### B5. 供應鏈管理

Principal suppliers of the Company are power suppliers who provide electricity for its facilities, construction contractors who design and construct its facilities and suppliers of raw materials including wastewater treatment chemicals and other equipment maintenance consumables.

公司的主要供貨商為電力供貨商(為公司的設施供電)、工程承包商(設計並建造公司的設施)及原材料供應商(供應包括污水處理化學品及其他設備維護易耗品)。

Except for utility service providers, the Company has established a clear procurement policy for selected suppliers. The Company has internally established the "Intermediary Agency Selection and Employment Management Measures" (《中介機構選聘管理辦法》), the "Contract Management Measures" (《合同管理辦法》), the "Production Operation Procurement Management Measures (Trial)" (《生產運行採購工作管理辦法(暫行)》) and other systems to standardise management of various activities of the entire procurement process of the Company. During the Reporting Period, all purchases from our partnering suppliers were subject to the Company's procurement policy and conducted in accordance with relevant rules and regulations of the Company. Under such policy, subsidiaries of the Company are required to solicit bids from different suppliers. The Company adopts the principle of fairness, impartiality and openness to select qualified suppliers in the form of public bidding where the project is located. The discipline inspection and supervision department performs supervision duties during the bidding process. The Company selects suppliers based on product price, product environmental protection requirements, quality, and timely delivery of products. We encourage and prioritise our cooperation with suppliers who have environmental protection and safety certifications. Green development concepts, such as construction safety and environmental protection, have been included in our construction contracts and performance evaluation. Meanwhile, we learn about the supplier's reputation from the Internet, bid evaluation experts, using enterprises and other channels, including whether there are environmental and social complaints and lawsuits related reports, and take the investigation results as one of the reference factors of cooperation.

除公司的公共服務供應商外，公司已對合作的供貨商制定明確採購政策。公司內部設有《中介機構選聘管理辦法》、《合同管理辦法》、《生產運行採購工作管理辦法(暫行)》等制度，對公司採購全流程各項活動進行規範管理。報告期內，我們所有合作的供貨商的採購均需遵守公司採購政策並按照公司相關制度規定執行。根據該政策，本公司的子公司須向不同的供貨商招標，按照公平、公正、公開的原則，在項目所在地採取公開招標的方式選取合格供應商，招標過程中紀檢監察部門履行監督職責。我們基於產品的價格、產品環保要求、質量及交貨及時性選擇供貨商，鼓勵並優先考慮與具有環保、安全認證的供應商合作，並將施工安全和環境保護等綠色發展理念納入施工合同及履約評價等環節。同時，我們從互聯網、評標專家、使用企業等多渠道了解供應商信譽情況，包括是否有環境及社會相關投訴、訴訟等相關報導，並將調查結果作為合作的參考因素之一。

In order to enhance the efficiency of procurement, a hierarchical and tiered management mechanism is adopted according to the volume of the Company and the subsidiaries within the Group. For major procurement contracts reaching a specific percentage of the dollar amount of each subsidiary and all contracts of the Group's headquarters, they are subject to review and approval by the Group's headquarters which conduct regular tests to check the quality of the delivered products. The Company has sourced raw materials from local suppliers in proximity to the place of use in order to benefit from the economies of scale and easy transportation, which allows faster and cheaper delivery of raw materials. The Company has readily available alternative suppliers in the market who offer similar raw materials with terms comparable to its existing suppliers. To mitigate the risks associated with any reliance on its major suppliers, the Company periodically seeks potential alternative suppliers and obtains quotations from such suppliers with a view to keeping in contact with potential suppliers.

為提高採購效率，根據本公司及集團內各子公司體量，採用分層分級管理的機制，對於各子公司達到特定金額比例的重要採購合約，以及集團總部所有合約需經集團總部審查及批准，總部會對其進行定期測試以檢查交付產品的質量。為獲取規模經濟及交通便利的效益，公司從位於使用地附近的當地供貨商採購原材料，以實現原材料更快捷實惠的交付。公司可隨時與市場上按可比條款提供類似原材料的供貨商合作，以替代現有供貨商。為減輕公司對主要供貨商的依賴所帶來的風險，公司定期物色潛在的替代供貨商並收集其報價，從而與潛在供貨商保持聯繫。

During the Reporting Period, the Company and its subsidiaries had a total of 1,259 suppliers, of which the headquarters of the Company had 222 suppliers. Major suppliers of the Company and its subsidiaries were independent third parties based in China, most of which were based in Southwest China. 788 suppliers were mainly in Southwest China, 323 suppliers were in East China, 93 suppliers were in South Central China, 55 suppliers were in other regions. Our major suppliers include Kunming Power Supply Bureau of Yunnan Power Grid Company Limited which provides electricity for our operation, construction contractors such as China Europe International Construction Group Limited and Hunan No.4 Engineering Co., Ltd. which undertake the construction portions of our projects and raw materials providers such as Hunan Yuze Energy Trading Co., Ltd. and Shaanxi Guoyafangfang Energy Technology Co., Ltd. which provide water treatment chemicals and others materials for the operation and maintenance of our facilities.

本報告期內，本公司及其附屬公司供應商共計有1,259家，其中公司總部涉及222家。本公司及其附屬公司主要供應商均為位於中國的獨立第三方，大部分集中在中國西南區域，主要為西南地區為788家，華東地區323家，中南地區93家，其他地區55家。我們的主要供應商包括為我們提供運營用電的雲南電網有限責任公司昆明供電局，承接我們項目施工部分的中歐國際建工集團有限公司、湖南省第四工程有限公司等施工承包商，以及為我們提供污水處理化學品及其他設施運行維護材料的湖南省煜澤能源貿易有限公司、陝西國亞方方能源科技有限公司等原材料供應商。

### B6. Product Responsibilities

The Company attaches great importance to product quality and strictly complies with relevant laws and regulations such as the “Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant” (《城鎮污水處理廠污染物排放標準》), the “Management Regulations for Checking and Accepting Completed Installations of Environmental Protection of Construction Projects” (《建設項目竣工環境保護驗收管理辦法》) and “Domestic Drinking Water Sanitation Standards” (《生活飲用水衛生標準》), etc. With reference to its own conditions, it sets up and implements an internal standardisation management system on basis of GB/T24001-2016 “Environmental Management System – General Guidelines on Implementation” (GB/T24001-2016《環境管理體系要求及使用指南》), GB/T19001-2016 “Quality Management System – Requirements” (GB/T19001-2016《質量管理體系要求》) and GB/T45001-2020 “Occupational Health and Safety Management Systems – Requirements with Guidance for Use” (GB/T45001-2020《職業健康安全管理體系要求及使用指南》).

### B6. 產品責任

公司高度重視產品的質量，嚴格遵守《城鎮污水處理廠污染物排放標準》、《建設項目竣工環境保護驗收管理辦法》、《生活飲用水衛生標準》等相關法律法規，在GB/T24001-2016《環境管理體系要求及使用指南》、GB/T19001-2016《質量管理體系要求》、GB/T45001-2020《職業健康安全管理體系要求及使用指南》的基礎上，結合公司特點，實施和執行公司內部標準化管理體系。

The Company puts much emphasis on product quality by executing and implementing the Company's internal standardised management system to ensure that the quality of effluent water is stable and up to standards. During the Reporting Period, there was no return of products sold or for safety and health reasons without receiving customer complaints concerning products and services. Each key process in the course of production is under real-time data monitoring, and relevant data a retransferred directly to the central monitoring system of each plant and to the monitoring platform of the Company. Operators strictly execute the Standardised Operation Manual (標準化運行手冊) which has been adapted under the "one manual for one plant" principle that highlights respective conditions of each plant, thus ensuring smooth operation of each process. The Company also monitors inlet and outlet water quality. Daily water quality monitoring is entrusted to environmental monitoring companies with CMA (China Metrology Accreditation) certificates. Every day, water sample is tested in the morning, and test report is issued in the afternoon. Therefore, the Company obtains feedback timely and is able to make production instructions, thus ensuring that outlet water meet discharge standards. Furthermore, the Company has an online monitoring system which monitors inlet and outlet water quality for 24 hours per day. Monitoring data are transferred simultaneously to municipal and provincial-level comprehensive monitoring and management platforms on pollution sources. Wastewater after treatment meets requirements as set out in the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (《城鎮污水處理廠污染物排放標準》(GB18918-2002)).

公司高度重視產品的品質，實施和執行公司內部標準化管理體系，確保出水水質穩定達標。報告期內，未發生已售或產品因安全與健康理由回收的情況，亦未收到客戶關於產品及服務的投訴。在生產過程中，各個關鍵工藝點均有即時資料監控，相關資料直接接至各廠中控監控系統和公司監控平臺，操作人員嚴格按照一廠一冊的標準化運行手冊操作，保證工藝的正常運行，同時，進、出水的水質監控，公司依託具有CMA(中國計量認證「**China Metrology Accreditation**」)認證的環境監測公司每天檢測，每天上午取樣，下午出具檢測報告，檢測資料及時回饋和指導生產，確保出水水質的達標排放，不但如此，公司還有一套進出口線上監測系統，每天24小時檢測進出口水質，檢測資料同時上傳至市和省級污染源監測綜合管理平臺。公司處理後的污水均執行《城鎮污水處理廠污染物排放標準》(GB18918-2002)。

Our customers are primarily local governments. Regarding the information from customers, the Company has an information management system and a complete platform of collection, transmission, accumulation and integration. The Company regularly upgrades its information platform management software, eliminates and replaces problematic facilities with regular maintenance, backup and hierarchical management of the system to ensure reliability of the system and, at the same time, regularly evaluates and upgrades the Company's network security system. In response to the government's confidentiality requirements, each department of the Company has formulated corresponding confidentiality plans in accordance with confidentiality regulations of the government and the Company to ensure the timeliness, accuracy, security and confidentiality of transmission of customer information.

我們的客戶主要是各地政府，對於來自客戶的資訊資料，公司已有資訊管理系統和完整的收集、傳輸、積累和整合的平台。公司對資訊平台管理軟件進行定期升級，淘汰和更換隱患設施，對系統定期進行維護，備份和分級管理，確保系統的可靠性，同時定期對公司網絡安全系統進行評估、升級。積極回應政府保密工作要求，公司各部門根據政府及公司保密工作規定，分別制定了相適應的保密工作方案，以保障客戶資訊資料傳輸的及時性、準確性、安全性和保密性。

The Company attaches great importance to intellectual property work and incorporates intellectual property into the Company's strategy of "self-invigoration through science and technology". Through establishment of an intellectual property management system oriented to transformation and application of results, the Company implements normative management of intellectual property. The Company also formulates corresponding project approval documents for project approval, clarifying that a patent search is necessary to be performed before project approval by issuing an intellectual property search report on whether patent protection has been or will be obtained or whether there is any patent infringement. An intellectual property protection and early warning mechanism is established to better protect the Company's intellectual property without infringing the intellectual property rights of others.

公司高度重視知識產權工作，將知識產權納入公司「科技興司」戰略，通過建立知識產權管理體系，以成果轉化應用為導向，開展知識產權規範性管理。對於立項項目，制定了相應的立項文件，明確了立項前必須進行專利檢索，就是否已獲得、將獲得專利保護或者是否存在專利侵權出具知識產權檢索報告。建立知識產權保護和預警機制，能夠較好地保護自身知識產權，無侵犯他人知識產權的行為。

## B7. Anti-corruption Efforts

While developing the business, the Company insists on planning, implementing and assessing the anti-bribery and anti-corruption effort together with the reform development of the Company, as well as adopting the combination of external administrative supervision and internal supervision of discipline commt insists on2EID 32402 BDC en-US nal supervi

## B7. 反腐敗

公司在業務發展的同時，堅持把反貪污、反腐敗工作與公司改革發展同謀劃、同實施、同考核，採用外部行政監管、內部紀委監督相結合的方式，嚴格遵守《中華人民共和國公司法》、《中華人民共和國監察法》、《中華人民共和國招標投標法》、《中華人民共和國反不正當競爭法》、《中華人民共和國反洗錢法》及《關於禁止商業賄賂行為的暫行規定》等法律法規及監管要求，以確保公司、僱員、投資者、債權人等利益相關方合法權益受到有效保護。

The Company has included integrity and honest practices in the code of conduct for all staff and management, and established and strengthened the awareness of anti-corruption and self-discipline and integrity among all management members and staff through training and meetings, and provided case studies to educate management and staff on proper conduct. In addition, the Company has set up the Board of Supervisors, the disciplinary supervision department, and the internal audit department. The relevant departments supervise and review staff and management's compliance with integrity requirements, pay special attention to departments and positions with concentrated power, intensive capital and rich resources, and have signed letters of undertaking with the relevant management to promote integrity. We will also sign integrity contracts with the partners involved in major contracts. The Board of Supervisors, the disciplinary supervision department and the internal audit department will promptly report to the senior management or the Board of Directors any major corruption issues identified so that the management and the Board of Directors can take timely action to identify deficiencies and make rectification, hold the relevant personnel accountable and, if necessary, take judicial action to protect the legitimate rights and interests of the Company and its stakeholders.

公司將廉潔行事列入全體員工及管理層的行為準則，通過培訓、會議等方式樹立、樹牢全體管理層及員工反貪污、自律廉潔意識，通過案例培訓，讓管理層及員工了解應如何行事。同時公司設立有監事會、紀檢監察部門及內部審計部門，相關部門就員工及管理層遵守廉潔情況進行監督、審查，特別是對於權利集中、資金密集、資源富集的部門和崗位，加強關注，與相關管理層簽訂了助廉承諾書；針對重大合同所涉及的合作方，會與其簽訂《廉政合同》。監事會、紀檢監察部門及內部審計部門對於發現的重大貪污問題，及時向高級管理層或董事會進行匯報以便管理層及董事會能夠及時行事，查缺補漏、追究相關人員責任，必要時採取司法途徑，保障公司及利益相關方的合法權益。

During the Reporting Period, the Company conducted investigations into 13 threads of problems, held 1 person and 10 subsidiaries accountable and took relevant action, and arranged cautionary talks with 32 persons. During the Reporting Period, the Company had one corruption litigation case against an employee which was concluded. The defendant employee, Li, was sentenced to imprisonment for 10 years and 6 months and a fine of RMB600,000 for accepting bribe, with relevant bribe confiscated. The case was concluded on 29 August 2022.

於報告期內，公司對於13條問題線索進行了調查處理，對1人次及10家附屬公司進行問責、處理，32人次給予提醒談話。報告期內，公司有一起對僱員提出並已審結的貪污訴訟案件。被告僱員李某因受賄罪，被判處有期徒刑10年6個月，罰金人民幣60萬元，上繳相關贓款。該案件已於2022年8月29日審結。

Save as above, during the Reporting Period, there were no other concluded corruption litigation cases brought against the Company.

除此以外，報告期內，公司無其他提出並已審結的貪污訴訟案件。

The Company has formulated the "Administrative Rules for Complaints and Whistleblowing" (《投訴舉報管理辦法》), which sets out clear provisions on whistleblowing channels, scope of application, verification of reported leads and handling departments and processes. Employees and other contacts can anonymously submit questions and clues about inappropriate matters to the Company's discipline and inspection department, the Board of Supervisors and the Audit Committee of the Board through these channels.Meanwhile, the Company provides special provisions for the protection of privacy of the whistleblower. The Company has formulated the "Implementation Measures for Accountability for Losses of Investment Assets Arising from Non-compliance with the Regulations" (《違規經營投資資產損失責任追究實施辦法》) and the Accountability Management Measures (《問責管理辦法》), etc. For those who violate the relevant rules, they will be held accountable according to relevant systems, and where violations of laws and regulations are involved, litigation will be instituted and referred to the judicial departments in accordance with relevant laws.

公司制定有《投訴舉報管理辦法》，就舉報渠道、適用範圍、舉報線索查實及處理部門、流程等做了明確規定，僱員及其他有往來者可通過該等渠道匿名向公司紀檢部門、監事會、董事會審計委員會提交不當事宜的問題及線索，同時對於舉報人的隱私保護設有專門條款。公司制定有《違規經營投資資產損失責任追究實施辦法》、《問責管理辦法》等，對於違反相關制度的人員，按制度進行問責，涉及違反法律法規的，依法提起訴訟、移交司法部門處理。

### *1. Perform the Main Responsibility of the Party Committee and promote strict Party governance*

### *1. 落實黨委主體責任，推動全面從嚴治黨*

In 2022, the Party Committee of the Company focused on the requirements of corporate Party building in the new era, thoroughly implementing the spirit of the 19th National Congress of the Communist Party of China, the previous Plenary Sessions of the 19th National Congress of the Communist Party of China and the 20th National Congress of the Communist Party of China to promote a comprehensive and strict governance of the Party. During the year, 26 Party Committee meetings were held, of which a total of 496 "Three Important and One Large Matters" were considered and approved. The Company will continue to carry out related work to strengthen ideological, party discipline and clean government construction, etc.

2022年，公司黨委會圍繞新時期企業黨建要求，深入貫徹落實黨的十九大、十九屆歷次全會、黨的二十大精神，推動全面從嚴治黨。全年共召開黨委會會議26次，審議決策「三重一大」事項共496項。持續加強思想建設、黨風廉政建設等相關工作。

### 2. *Perform the supervision responsibilities of the Commission for Discipline Inspection and build a strong anti-corruption fortress*

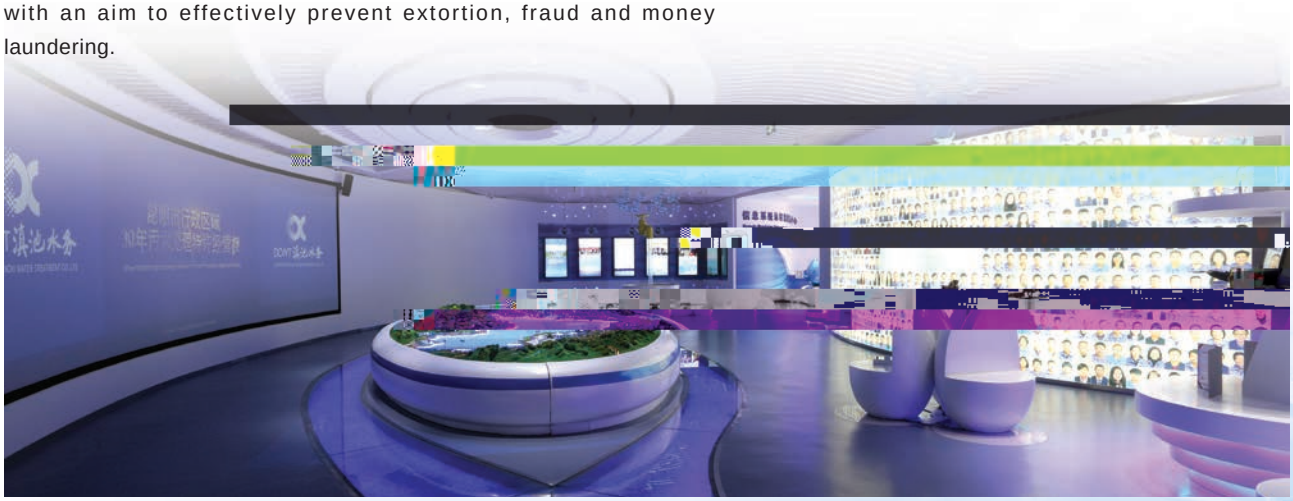
The Commission for Discipline Inspection of the Company firmly grasps job positioning and strives to improve the effectiveness of supervision and discipline. The Company delegated the missions of the establishment of the Party's discipline, integrity and anti-corruption works to various subsidiaries and various departments to supervise the implementation. During the Reporting Period, the Company signed the Responsibility Documents for Construction of "single position with dual duties" of Incorrupt Party with 4 team members. The Company despatched the annual party discipline construction and clean government work target assessment task list to 10 grassroots Party organizations to strengthen integrity system construction and formulated systems such as the Company's "Disciplinary Accountability Treatment and Interim Measures for Salary Deduction of Personnel Suspected of Violation of Discipline and Law During Review and Investigation (Revised)" (《受到處分問責處理和涉嫌違紀違法被審查調查期間人員薪酬扣減暫行辦法(修訂)》)and "Measures for Interviews on Party Discipline and Clean Government Construction" (《黨風廉政建設約談辦法》),etc. The Company conducted 16 pre-appointment interviews and 2 collective integrity interviews with high-risk departments. The Company issued 12 copies of measures for integrity and self-discipline of selection and employment of candidates and carried out 6 special work inspections.

### 2. *履行紀委監督責任，築牢反腐倡廉堡壘*

公司紀委牢牢把握工作定位，著力提升監督執紀成效，將黨風廉政建設和反腐敗工作任務分解到各子公司和各部門督促落實。報告期內與4位班子成員簽訂黨風廉政建設「一崗雙責」目標責任書；向10家基層黨組織印發年度黨風廉政建設工作目標考核任務清單；加強廉政制度建設，制定了公司《受到處分問責處理和涉嫌違紀違法被審查調查期間人員薪酬扣減暫行辦發(修訂)》、《黨風廉政建設約談辦法》等制度；開展任前談話16人次，對高危風險部門進行2次集體廉政談話。對選人用人出具廉潔自律情況12份，開展專項工作檢查6次。

The Company has established an effective linkage mechanism to prevent extortion, fraud and money laundering. In particular, the Company regularly popularized the study on risk knowledge and strengthened the risk awareness; further improved the procedures of the review and execution of contracts; and established an effective linkage mechanism to prevent extortion, fraud and money laundering, with an aim to effectively prevent extortion, fraud and money laundering.

本公司建立了有效的防止勒索、欺詐及洗錢的聯動機制。日常加強風險知識學習，強化風險意識；同時進一步加強合同審查會簽程序；建立有效的防止勒索、欺詐及洗錢的聯動機制，有效防止勒索、欺詐及洗錢現象的發生。



## B8. Community Investment

As an environmental protection enterprise, the Company continuously promotes the concepts of green environmental protection, ecological civilisation and sustainable development. Dianchi Water also takes a part in contributing to the change of the community. In 2022, the Company actively relied on the work of "double registration, double service and double reporting" for the Party members, organising 237 Party members and employees to participate in community voluntary service activities in the community of permanent residence to provide voluntary services to the community and residents in relation to six aspects of environmental protection, epidemic prevention and control, safety production, policy promotion, convenience services as well as transportation and travel.

In terms of poverty alleviation work, the Company continued to consolidate the results of poverty alleviation for the original poverty-stricken households that have already been lifted out of poverty, carry out tasks to prevent returning to poverty, actively implement consumption assistance work, organise and encourage employees to purchase consumer poverty alleviation products to help revitalise the villages with purchase assistance.

At the same time, in the course of epidemic prevention and control, the Company mobilised retired employees aged 60 or above, as well as in-service employees and their family members, to receive vaccinations. We launched mass spiritual civilisation creation activities thoroughly by taking part in activities such as "Seven Specialised Actions for Patriotic Health", "Health Skills Publicity and Education", "Ecological and Environmental Protection Promotion" and "Heart Reunion and Solidarity", etc.

In the future, the Company will continue to fulfill its social responsibilities enthusiastically, adhere to the values of "enthusiastic about charitable causes and giving back to the society" sustainably and actively participate in community activities to become an outstanding corporate citizenship.

## B8. 社區投資

公司作為一家環保企業，持續宣導綠色環保、生態文明、可持續發展的理念。滇池水務人也身體力行，為社區改變貢獻力量。2022年，公司積極依託黨員「雙報到雙服務雙報告」工作，組織237名黨員職工到常住地社區參加社區志願服務活動，從環境保護、疫情防控、安全生產、政策宣傳、便民服務、交通出行6個方面為社區、居民群眾提供志願服務。

在幫扶脫貧工作方面，持續鞏固對已脫貧的原掛鈎幫扶貧困戶的脫貧成果，開展防止返貧工作的同時，積極開展消費幫扶工作，組織、鼓勵職工購買消費扶貧產品，以購代扶助力鄉村振興工作。

同時，在疫情防控工作中，動員60歲或以上退休職工及在職職工、家屬接種疫苗。深化開展群眾精神文明創建活動，參加「愛國衛生七個專項行動」、「健康技能宣教」、「生態環保宣傳」、「心裡團輔」等活動。

未來，公司將繼續積極履行社會責任，持續秉持「熱心公益、回饋社會」的價值觀，積極參與投入社區活動，成為優秀的企業公民。