



光大水务
Everbright Water

(STOCK CODE 股份代号: U9E)

2017 ANNUAL REPORT
年度报告

**MERGE AND
INNOVATE
TO LEAD**

融合创新
涓滴成河



Design Concept 设计概念

This cover design is themed with
“Merge and Innovate to Lead”.

This innovative design concept illustrates two water droplets coming together, indicating droplets of water merging to form a vast ocean. This symbolises that Everbright Water has accumulated its experience and expertise over a long operating history, and it is now leveraging technological innovation to drive its stable development. The clear and bright water droplets represent the company’s clear development strategy and that its drive to achieve sustainable development will bring long-term benefits and efficiency for the company.

本封面设计以“融合创新 涓滴成河”为主题。
透过新颖的设计概念，两点水滴融合贯穿，涓滴之水汇成洋，寓意光大水务点滴累积，源远流长，技术创新引领公司稳健发展。清澈明亮的水滴代表集团发展策略清晰，为实践可持续发展带来长远效益。

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STEADY GROWTH
ACCUMULATED BY
EXPERIENCE

点滴累积 稳步增长



CORPORATE PROFILE

／ 公司简介

China Everbright Water Limited (“**Everbright Water**” or the “**Company**”, together with its subsidiaries, the “**Group**”) is an environmental protection company focusing on water environment management. The Company is listed on the Mainboard of Singapore Exchange Securities Trading Limited (the “**SGX**” or the “**SGX-ST**”) (stock code: U9E) with its direct controlling shareholder being China Everbright International Limited (stock code: 00257.HK, “**Everbright International**”).

The Company is principally engaged in water environment management, sponge city construction, river-basin ecological restoration, water supply, waste water treatment, reusable water, waste water source heat pump, sludge treatment and disposal, research and development of water technologies, and engineering and construction, etc. The Company's geographical footprint spans across East, Central, South, North, Northeast and Northwest China, including Beijing, Jiangsu, Shandong, Shaanxi, Henan, Hubei, Guangxi Zhuang Autonomous Region, Liaoning and Inner Mongolia Autonomous Region. As at 31 December 2017, the Company invested in and operated water treatment projects with a designed daily water treatment capacity of 5.34 million m³.

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

中国光大水务有限公司（“**光大水务**”或“**本公司**”，连同其附属公司合称“**本集团**”）是以水环境综合治理业务为主业的环保集团，为新加坡证券交易有限公司（“**新交所**”）主板上市公司（上市编号：U9E），直接控股股东为中国光大国际有限公司（香港交易所上市编号：00257，“**光大国际**”）。

本公司主营业务包括：水环境综合治理、海绵城市建设、流域治理、供水、污水处理、中水回用、污水源热泵、污泥处理处置以及环保水务技术研发和工程建设等，业务分布于中国华东、华中、华南、华北、东北及西北地区，包括北京、江苏、山东、陕西、河南、湖北、广西壮族自治区、辽宁、内蒙古自治区等地。截至二零一七年十二月三十一日，本公司投资建设及运营管理的水处理项目设计规模达534万立方米/日。

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

CHAIRMAN'S STATEMENT

／ 董事长致辞

DEAR VALUED SHAREHOLDERS,

In 2017, the global market progressed cautiously against the backdrop of a complex, ever-changing and divided environment. Nevertheless, ecological restoration remained a focus for all the countries across the world. Meanwhile, China is not only the world's major economy, but also the main participant, contributor and leader in the global ecological conservation. In China, pollution control has been named as one of the three tough battles that the country must fight in the coming years. This signifies the Chinese government's determination and belief in environmental protection and management. Undoubtedly, this will become a driving force for the future development of the environmental protection industry and an important indication that the golden era of the environmental protection industry will continue.

尊敬的各位股东,

二零一七年,全球市场继续在复杂多变、分歧不断的环境中谨慎前行,但生态环境治理仍是各国都予以高度重视的议题。中国不仅是全球重要的经济体,亦已成为全球生态文明建设的重要参与者、贡献者和引领者。在中国,“污染防治”已被列为国家三大攻坚战之一,足见政府对环境保护和治理的决心和信念已提升至空前的国家战略高度,这无疑将为环保行业的未来发展注入巨大动力,成为行业黄金时代延续的重要标志。

WANG TIANYI
王天义

Non-Executive Director and Chairman
非执行董事兼董事长





Amid the ever-changing market demand and the upward trend of the industry, the Group adhered to its management philosophy of “Integrity, Pragmatism, Innovation and Efficiency”, and forged ahead steadily and with certainty, in order to achieve the stable deployment and development of all its business areas. In the course of its business development, the Group adhered to the “Technology Leads Development” ethos, strengthened the research and development (“R&D”) team and increased its investment in technology R&D, which greatly enhanced the Group’s core technology capability. In addition, the Group continued to improve its management systems and the efficiencies of its management and operations, which grew in tandem with its business development. As a result, the Group achieved long-term improvements in the scale and efficiency of the business.

The Group also explored new investment and financing models and achieved good results. During the year under review, the Group successfully issued the initial tranche of its first RMB-denominated corporate bonds, which broadened its financing channels and helped to optimise the Group’s financial structure. In addition, the issuance provided support to the healthy and stable development of the Group.

As a corporate focusing on environmental protection, the Group has been proactively pursuing its actions towards greater social responsibility by engaging in philanthropic work and working with its stakeholders to improve both the ecological and living environment. During the year under review, the Group’s project companies actively organised and participated in various types of environmental education and awareness programs, and charitable and welfare activities. The Group also welcomed visitors and exchanges with people from all social circles, with the goal of spreading advanced environmental technologies and environmental protection philosophies to a wider population. The Group was dedicated to put its social responsibility and business value into practice, in order to build a “Beautiful China”, which is the national ecological strategy. In 2017, the Group’s project companies received a total of 900 visiting groups, consisting more than 20,000 people from all walks of life.

在日新月异、政策向好的市场环境下，本集团始终奉行“诚信、务实、创新、高效”的经营理念，稳字当头、稳中求胜、锐意进取，稳步推进各业务领域的部署发展。在推动业务发展的同时，本集团坚持“科技引领发展”的战略方针，加强科研人才队伍建设，加大科技研发投入力度，令核心技术实力显著增强。此外，本集团继续加强管理体系的完善力度、提升管理和运营效率，以配合业务发展，实现了业务规模和效益的长效提升。

在投融资模式创新方面，本集团进行了有益探索并取得可喜进展，回顾年度内本集团首支人民币计价公司债券的首期成功发行，令本集团的融资渠道进一步拓宽、财务架构进一步优化，有效支持本集团健康、稳步发展。

作为以环保立身的企业公民，本集团始终积极践行社会责任，投身公益慈善事业，与持份者携手促进生态环境和人居环境的持续改善。于回顾年度内，本集团旗下各项目公司积极组织并参与各类环保教育宣传、慈善公益活动。本集团亦欢迎社会各界人士前来参观考察和学习交流，致力将先进的环保技术和理念传播至更广泛的人群，为践行国家建设“美丽中国”的生态战略积极贡献社会责任与企业价值。二零一七年，本集团旗下项目合共接待社会各界人士近900批逾20,000人次。



The Group will establish a strong foothold in the China market, leverage opportunities along the Belt and Road Initiative, and continue to pursue development driven by technology and innovation.

本集团将立足中国市场，紧跟“一带一路”等战略机遇，继续坚持科技创新引领发展。

Looking ahead, as China positioned ecological conservation as the country's "sustainable development strategies" and has issued a series of environmental protection policies to support ecological and environmental management, the Group believes that the water environment industry will continue its robust growth. Key national strategic plans, such as the ecological environment management of the Yangtze River Economic Belt and the development of the green Belt and Road Initiative, will open up the opportunities and potential for the industry development. The Group will establish a strong foothold in the China market, leverage opportunities along the Belt and Road Initiative, and continue to pursue development driven by technology and innovation. The Group will further enhance its investment and financing channels, and strengthen its competitive advantages in the areas of investment, market expansion, operation and management, so as to provide strong support and safeguard for the next round of development.

For the year under review, riding on the good momentum of the industry trends, the Group achieved satisfying results, with higher revenue and profits, backed by steady operational performance and financial position. In line with the belief of sharing the Company's fruitful results with shareholders, the board of directors of the Company (the "Board") recommended a final dividend of S\$0.0049 per share to shareholders for the financial year ended 31 December 2017 (final dividend for FY2016: S\$0.0037 per share).

展望新的一年，随着中国将生态文明建设确立为中华民族永续发展的千年大计，以及一系列支持生态环境治理的国家政策陆续出台和落地，本集团相信，水环境行业将继续蓬勃发展。诸如长江经济带生态环境治理、绿色“一带一路”建设等重点国家战略规划，将开启更多的行业发展空间和潜力。本集团将立足中国市场，紧跟“一带一路”等战略机遇，继续坚持科技创新引领发展，进一步丰富投融资渠道，夯实本集团于投资、市场拓展、运营、管理等方面的一贯优势，为下一轮发展提供强有力的支持和保障。

于回顾年度内，本集团顺势而为、乘势而上，取得佳绩。在稳健经营业绩和财务状况的基础上，收入与盈利稳步提升。为贯彻本公司“与股东共享企业发展成果”的理念，本公司董事会推荐向股东派发二零一七财政年度末期每股股息0.0049新加坡元（二零一六财政年度末期每股股息：0.0037新加坡元）。

CHAIRMAN'S STATEMENT

董事长致辞

On behalf of the Board, I would like to express my deepest appreciation to the Company's shareholders, the Board members and our business partners for the continued trust and support. I would also like to take this opportunity to thank the management team and employees for their unwavering commitment and hard work in contributing towards the growth of the Group. With the strong support and rich resources of the "Everbright" brand, I believe that the Group is well-positioned to strive for market opportunities, embark on development driven by technology and innovation, promote business synergy and resource sharing, devote to the water industry, and work on areas such as comprehensive management of water environment, comprehensive utilisation of water resources and comprehensive protection of water ecology, so as to enhance the Group's scale, strength and excellence, and continuously to deliver value to our stakeholders and give back to the society.

WANG TIANYI

Non-Executive Director and Chairman

22 March 2018



本人谨代表董事会向本公司各位股东、董事会成员以及商业合作伙伴一直以来的信任与支持致以诚挚谢意，亦要借此机会感谢管理层及全体员工对本集团发展的坚定支持和宝贵贡献。本人坚信，借助“光大”品牌的强大支持及丰富资源，本集团将全力以赴、紧抓机遇，以科技创新引领发展，推动业务联动和资源共享，精专于水务市场，致力于水环境综合治理、水资源综合利用与水生态综合保护，进一步做大做强做优，持续创造市场价值回报股东、回馈社会。

王天义

非执行董事兼董事长

二零一八年三月二十二日



CEO'S STATEMENT & BUSINESS REVIEW

／ 总裁致辞及业务回顾



AN XUESONG

安雪松

Executive Director and Chief Executive Officer
执行董事兼总裁

DEAR VALUED SHAREHOLDERS,

Over the past year, the central government of People's Republic of China (“PRC”) has focused an unprecedented attention on the water environment management industry, while the topic of ecological conservation has been escalated to a new level as the “sustainable development strategies” of the country. In the meantime, the country's efforts in ecological and environmental protection have been gradually taking effect. A number of key policies, such as “Water Pollution Prevention and Control Plan for Major River Basins (2016-2020)”, the newly amended “Water Pollution Prevention and Control Law of the PRC” and the “Special Plan on Scientific and Technological Innovation in Environmental Sector for the 13th Five Year Plan Period”, were launched one after another, continuously guiding a regulated and systematic development of the water environment management industry. The government also developed an environmental governance system in which “government takes the lead, enterprises assume main responsibility, and social organisations and the public also participate”. This system provides directions for future development of the environmental protection industry.

尊敬的各位股东,

回顾过去一年，中国中央政府对水环境治理的重视程度达空前之高，生态文明建设更是上升到“中华民族永续发展的千年大计”的高度，同时，国内生态环境保护的成效也逐步显现。《重点流域水污染防治规划（2016-2020）》、新修订的《中华人民共和国水污染防治法》、《“十三五”环境领域科技创新专项规划》等重磅政策的陆续施行，继续引领水环境治理行业的规范化、系统化发展。而政府构建的“以政府为主导、企业为主体、社会组织 and 公众共同参与”的环境治理体系，亦为环保行业指引了未来发展的方向。



In 2017, amid the wide-ranging market opportunities, the Group actively looked for opportunities to improve, and therefore realised business growth in terms of scale and efficiency, as well as achieved breakthroughs in technological and business areas. The Group continued solidifying its strength and market competitiveness in areas such as technology R&D, market expansion, engineering construction, operations management, financing innovation and risk control. It helped the Group to maintain a good development momentum, with notable improvement in the scale and quality of its operation and management. During the year under review, the Group's revenue increased by 44% from 2016 to HKD3.592 billion; gross profit grew 36% from 2016 to HKD1.231 billion; profit rose by 56% from 2016 to HKD581 million; profit attributable to shareholders of the Company increased by 47% from 2016 to HKD513 million; and earnings per share stood at HKD0.196. The Group maintained a reasonable debt level and good financial position in 2017. As at 31 December 2017, the Group's gearing ratio was 52.7%.

During the year under review, the Group continued to deepen its "Technology Leads Development" ethos, optimised its organisation structure, strengthened efforts in recruiting talent, further promoted its industrial-academic collaboration model, and improved its R&D system. As a result, the Group achieved a series of key technological breakthroughs and accomplishments, some of which have been successfully applied to the Group's projects, greatly enhancing the technological proficiency and construction quality and progress of the construction works. These technologies also improved the quality and efficiency of the projects in operation. In 2017, the Group's technology research and innovation achievements received a number of recognitions at provincial and municipal levels. In addition, the Group was granted 21 patents and filed 59 patent applications in 2017.

As at 31 December 2017, the total water treatment capacity of the Group was 5.34 million m³/day. It had 68 projects in operation, 5 projects completing construction, 4 projects under construction and 2 projects in preparatory stage in the area of waste water treatment; 4 water environment management projects under construction, which involve sponge city construction and a series of ecological restoration works; 1 water supply project under construction; 5 reusable water projects in operation; 2 waste water source heat pump projects and 2 sludge treatment and disposal projects in operation; and a total of 87 kilometers of pipeline network and 10 pump stations, totalling 94 projects. In 2017, the Group treated an aggregate of 1,187,615,000 m³ of waste water.

二零一七年，面对广阔的市场机遇，本集团寻求变革，全面实现效益与规模同步增长，技术领域与业务领域不断取得突破创新。本集团继续夯实在技术研发、市场拓展、工程建设、运营管理、融资创新、风险管控等方面的实力和市场竞争能力，维持了良好的发展势头，整体经营管理规模和质量进一步提升。于回顾年度内，本集团录得收入港币35.92亿元，较二零一六年上升44%；毛利较二零一六年增长36%至港币12.31亿元；盈利较二零一六年亦增长56%至港币5.81亿元。本公司股东应占盈利较二零一六年增长47%至港币5.13亿元；每股盈利为港币0.196元。本集团于二零一七年维持合理的负债水平，财务状况稳定良好。截至二零一七年十二月三十一日，资产负债率为52.7%。

回顾年度内，本集团继续深化“科技引领发展”的发展路线，优化组织布局，加大人才引进力度，持续推进“产学研”合作模式，加强科研体系建设，实现了一系列关键技术的突破和掌握。其中的部分技术已成功应用于本集团旗下项目，显著提升工程项目的技术水平、建设质量和进度，亦为运营项目提质增效。二零一七年，本集团获得了多项省市级的认定与认可，共获得21项专利授权，全年专利申请数量达59项。

截至二零一七年十二月三十一日，本集团水处理总规模达534万立方米/日。本集团持有68个运营、5个建成完工、4个在建及2个筹建的污水处理项目；4个在建的水环境综合治理项目，涉及海绵城市建设及一系列生态修复工程；1个在建的供水项目；5个运营的中水回用项目；2个运营的污水源热泵项目及2个运营的污泥处理处置项目；以及87公里管网和10个泵站，合共94个水务项目。本集团于二零一七年共处理污水1,187,615,000立方米。



In terms of market expansion, the Group proactively explored market opportunities and new business models, while solidifying its existing markets and business areas. During the year under review, the Group expanded its business scope to new areas, such as water supply and standalone pipeline network, and also expanded its geographical presence to the water environment management markets in Hubei Province and Guangxi Zhuang Autonomous Region, marking its first project in the Southern region of China. In 2017, the Group secured 14 new projects, which commanded a total investment of approximately RMB6.081 billion.

In terms of project construction, the year under review marked an important year for the Group, with 11 projects commencing construction and 14 projects completing construction, both setting a new record. The Group also amended and improved a number of systems and protocols, which tightened the rules and standards of the project construction process. Additionally, the Group fully streamlined the Environmental, Safety, Health and Social Responsibility (“**ESHS**”) Management System and Risk Management System, which ensured a safe, smooth and efficient process of project construction.

In terms of project operation, during the year under review, as the ESHS management system and risk management system were further implemented, coupled with the implementation of the pilot programme of the “Intelligent Water” information management system, the Group achieved remarkable improvement in operations management. Having multiple projects been effected tariff hikes with a range from 8% to 86%, this boosted the overall operation income of the Group. In addition, the Group received approvals for special subsidies of approximately RMB49.70 million in 2017.

市场拓展方面，本集团在巩固已有市场和业务领域的同时，继续以进取的姿态主动寻求市场机会、探索新的业务模式。回顾年度内，本集团将业务拓展至供水、独立管网等新领域，成功进驻湖北省和广西壮族自治区的水环境治理市场，在华南地区实现了项目零的突破。二零一七年，本集团共取得14个新项目，涉及总投资约人民币60.81亿元。

工程建设方面，本集团于回顾年度内迎来了项目工程建设的大年，共有11个项目开工建设，14个项目建成完工，双双创下历史新高。此外，本集团亦从管理层面入手，修订、完善多项制度及管理规范，显著提升工程建设的制度化、规范化水平。全面推行中的环境、安全、健康及社会责任（“**ESHS**”）管理体系和风险管理体系，亦保障了项目工程建设安全、有序、高效进行。

运营管理方面，随着ESHS管理体系和风险管理体系的不断深化，以及“智慧水务”信息管理体系的试点运行，本集团于回顾年度内实现了运营管理水平的显著提升。全年安全运营、环保达标；多个水务项目获批上调水价，幅度介于8%至86%之间，带动了本集团运营收入的增长。此外，本集团旗下运营项目于二零一七年获批各类专项补贴资金约人民币4,970万元。

CEO'S STATEMENT & BUSINESS REVIEW

总裁致辞及业务回顾

In order to support its sustainable development, during the year under review, the Group explored new investment and financing models. It received approvals from the Shanghai Stock Exchange and China Securities Regulatory Commission to issue RMB-denominated corporate bonds of up to RMB2.5 billion in aggregate principal amount in a single or multiple tranches to qualified investors in the PRC. The initial tranche of the bonds was successfully issued in July 2017, with a principal amount of RMB1 billion and a coupon rate of 4.55% for a five-year maturity. In the meantime, the Group also explored opportunities to replace short-term borrowings with long-term ones, so as to improve its loan structure, reduce its financing cost, and financially guarantee for the Group's healthy development in the future.

In 2017, the Group was motivated and moved forward steadily, and therefore achieved satisfying results. This was due to the strong collaboration and diligent efforts of the Board, all the management and staff of the Group. I would like to take this opportunity to express my earnest appreciation to shareholders of the Company, the Board, the management and staff, as well as people from all social circles who have provided long-term support to the Group. In the year ahead, with the industry embracing its upward trends and backed by Everbright International, the Group will pull together and strive to maintain its momentum of "making steady progress and forging ahead for the future", increase investment in R&D, continue to explore new business models, enhance synergetic effects, improve management systems, and diversify investment and financing channels, in order to work its way through opportunities and challenges towards a larger market share and stronger industrial influence.

AN XUESONG

Executive Director and Chief Executive Officer

22 March 2018

为了更好地支持自身的可持续发展，本集团于回顾年度内尝试丰富投融资模式，获得上海证券交易所及中国证券监督管理委员会批准，向中华人民共和国境内合格投资者以一期或分期发行不超过人民币25亿元的人民币计价公司债券。首期债券于二零一七年七月成功发行，发行规模为人民币10亿元，票面利率为4.55%，债券期限为5年。与此同时，本集团亦积极寻求机会以长期贷款置换短期贷款，进而优化公司的贷款结构，降低融资成本，为未来的健康发展提供资金保障。

本集团在二零一七年积极进取、稳步前行，取得了满意的成绩。这离不开本公司董事会、管理层和全体员工的通力合作、勤勉奋进。本人希望借此机会向本公司股东、董事会、管理层及员工、以及长期支持本集团的社会各界人士致以诚挚的谢意。迈入新的一年，面对向好的行业大势，本集团将戮力同心，全力以赴，保持“稳中求进、锐意进取”的势头，加大技术研发投入，继续探索新业务模式，强化联动协同效应，不断完善管理体系，丰富投融资渠道创新，在机遇与挑战中奋力前行，进一步提升市场份额和行业影响力。

安雪松

执行董事兼总裁

二零一八年三月二十二日

CORPORATE INFORMATION

公司资料

BOARD OF DIRECTORS

NON-EXECUTIVE DIRECTOR

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

EXECUTIVE DIRECTORS

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

Mr. Cai Shuguang

Ms. Xu Nailing

INDEPENDENT DIRECTORS

Mr. Zhai Haitao

Mr. Lim Yu Neng Paul

Ms. Cheng Fong Yee

Ms. Hao Gang

COMPANY SECRETARY

Ms. Peng Pei

AUDIT COMMITTEE

Mr. Lim Yu Neng Paul (*Chairman*)

Mr. Zhai Haitao

Ms. Cheng Fong Yee

NOMINATING COMMITTEE

Mr. Zhai Haitao (*Chairman*)

Mr. Wang Tianyi

Mr. Lim Yu Neng Paul

REMUNERATION COMMITTEE

Ms. Cheng Fong Yee (*Chairman*)

Mr. Zhai Haitao

Mr. Lim Yu Neng Paul

REGISTERED OFFICE

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

HEAD OFFICE

26/F., Block A, Oriental Xintiandi Plaza
No. 1003 Shennan Avenue, Futian District, Shenzhen
People's Republic of China 518000

董事会

非执行董事

王天义先生 (*非执行董事兼董事长*)

执行董事

安雪松先生 (*执行董事兼总裁*)

蔡曙光先生

徐乃玲女士

独立董事

翟海涛先生

林御能先生

郑凤仪女士

郝刚女士

公司秘书

彭珮女士

审计委员会

林御能先生 (*主席*)

翟海涛先生

郑凤仪女士

提名委员会

翟海涛先生 (*主席*)

王天义先生

林御能先生

薪酬委员会

郑凤仪女士 (*主席*)

翟海涛先生

林御能先生

注册地址

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

总部

中国深圳市福田区深南大道1003号
东方新天地广场A座26楼
邮编: 518000

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#20-02 Singapore 049910

新加坡办公室

新加坡百德里路9号MYP中心
#20-02室 邮编: 049910

HONG KONG OFFICE

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

香港办公室

香港夏悫道16号
远东金融中心36楼3601室

BERMUDA SHARE REGISTRAR

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

百慕大股份过户登记处

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

SINGAPORE SHARE TRANSFER AGENT

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

新加坡股份转让代理

宝德隆集团有限公司
新加坡莱佛士坊50号新置地大厦#32-01室
邮编: 048623

AUDITOR

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

审计师

安永会计师事务所
新加坡莱佛士码头1号
北座18楼
邮编: 048583
主管合伙人: 潘俊彦先生
(于二零一七财政年度获聘)

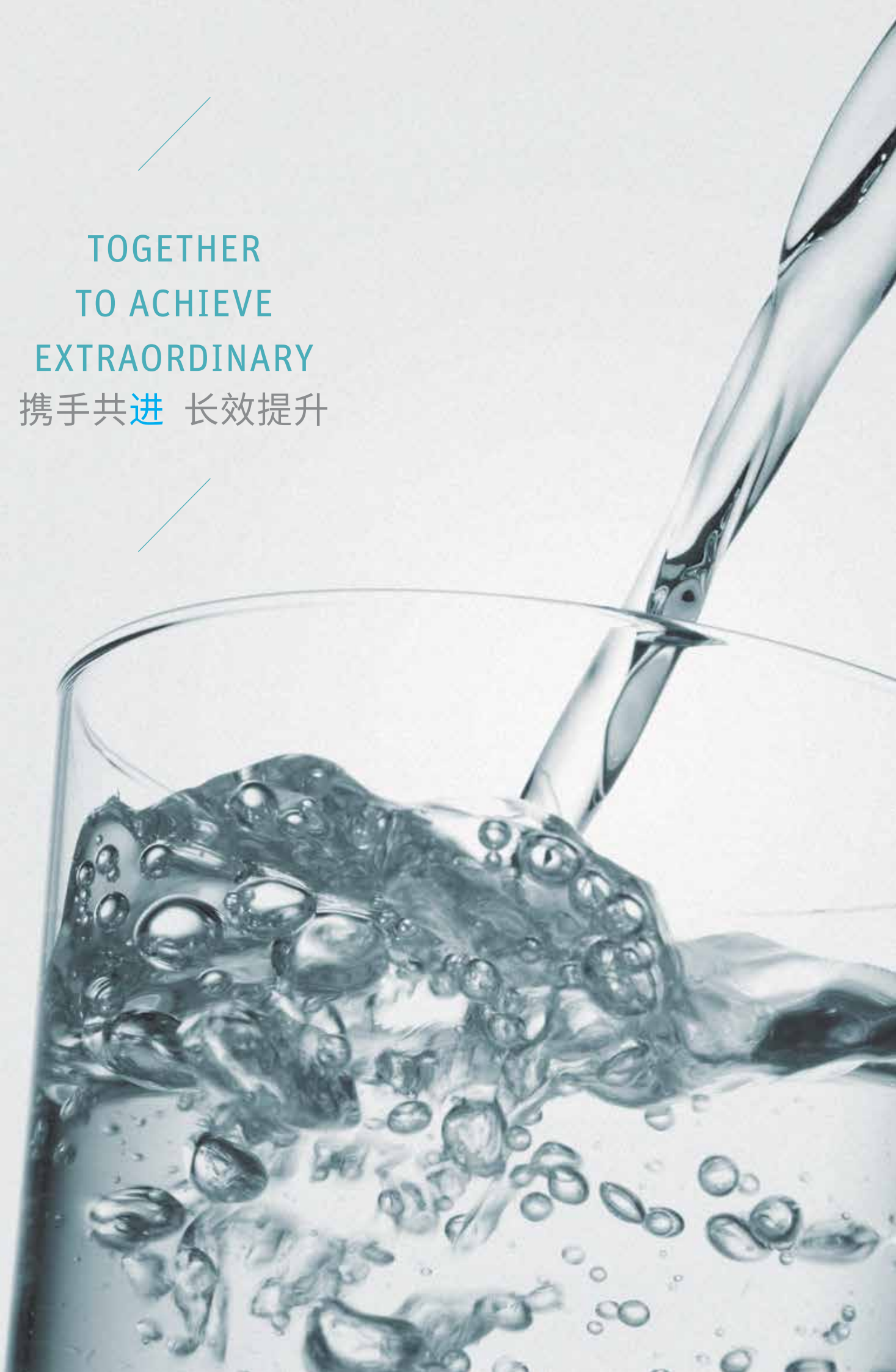
PRINCIPAL BANKERS

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

主要银行

中国银行
中国建设银行
中国农业银行
中国工商银行
星展银行
永隆银行
瑞穗银行
中国建设银行(亚洲)股份有限公司
台北富邦商业银行有限公司
远东国际商业银行

TOGETHER
TO ACHIEVE
EXTRAORDINARY
携手共进 长效提升



INDUSTRY OUTLOOK

Amid the nation-wide efforts to promote ecological conservation – the country's “sustainable development strategies” – and its vision of building a “Beautiful China”, China had progressively rolled out a number of major ecological environment conservation and management policies, such as the “Belt and Road Ecological and Environmental Cooperation Plan”, the “Ecological Environment Management Plan for the Yangtze River Economic Belt”, and the “Special Plan on Scientific and Technological Innovation in Environmental Sector for the 13th Five Year Plan Period”. These policies provide a clearer, more detailed and standardised structure on the macro level and sub areas for the management and protection of the ecological environment. At the same time, with an objective to build an ecological environment management system in which “government takes the lead, enterprises assume main responsibility, and social organisations and the public also participate”, the Chinese government further defined each of the roles played by the government, enterprises, social organisations and the public in achieving the environment restoration, thus providing tactful guidance for environmental protection companies to position themselves in future development.

The emphasis placed by China on water environment management had reached an unprecedented level. In 2017, “Water Pollution Prevention and Control Plan for Major River Basins (2016-2020)”, the newly amended “Water Pollution Prevention and Control Law of the PRC” and many other water environment management policies, were issued. Through these policies, the Chinese government has set various specific governance objectives and timelines, such as “by the end of 2020, all urban areas are expected to be equipped with waste water treatment and recycling facilities” and “by 2030, all black and odorous water bodies in cities are expected to be eliminated”. These demonstrated the government's firm commitment to tackle water environmental pollution. Under the strong leadership and swift actions from the government, the water environment management industry is expected to continue its significant growth. The continuous roll-out of policies focusing on specific areas, also serves as guidance on the standard and sound development of the water environment management industry, thus further facilitating the industry's rational growth.

行业前瞻

在以举国之力推动生态文明建设这一中华民族永续发展的千年大计的背景以及实现建设“美丽中国”的愿景之下，中国陆续推出《“一带一路”生态环境保护合作规划》、《长江经济带生态环境保护规划》、《“十三五”环境领域科技创新专项规划》等多项生态环境治理的大政方针，在宏观层面和细分领域对生态环境治理和保护做了更为详细、明确、规范化的布局。与此同时，以“政府为主导、企业为主体、社会组织和公众共同参与”的环境治理体系，进一步明确了政府、企业和社会组织及公众在这场环境治理攻坚战中的角色地位，为环保企业的未来发展定位提供了积极指引。

中国对于水环境治理的重视程度也已上升到了前所未有的高度。二零一七年出台的《重点流域水污染防治规划（2016-2020）》、新修订的《中华人民共和国水污染防治法》等水环境治理政策当中，设定了诸如“截至二零二零年底，要实现城镇污水处理设施全覆盖”、“二零三零年，城市黑臭水体得到消除”等明确的治理目标和时间表，显示出政府攻克水环境污染的坚定决心。在政府强大的号召力和行动力的驱动下，水环境治理行业的高速发展有望延续；陆续出台的针对性政策也为水环境治理行业的规范、良性发展提供了指导，有望进一步推动行业的理性增长。



The Group will maintain its momentum of “making steady progress and forging ahead for the future”, while striving towards becoming a leader in China’s water environment management industry.

本集团将以稳字当头，锐意进取，致力成长为中国水环境治理领域的领军者。

Furthermore, the adoption of the public-private partnership (“PPP”) model the water environment management industry continues to bring a positive influence to this industry. Through the aggregation of government and social capital, it takes on the large-scale and sophisticated water environment management projects, resulting in a transformation of the business focus of the whole industry. In 2017, the governments at central and local levels in China introduced a series of policies to promote the PPP model. These policies would broaden the financing channels of PPP projects in the future, provide more support in channeling social capital into areas such as public services, and guide social capital to achieve a healthy development through PPP projects.

此外，政府和社会资本合作（“PPP”）模式作为近年来引入水环境治理行业的重要业务模式，继续在该领域发挥积极作用，通过聚合政府和社会资本，撬动规模大、综合化程度高的水环境治理项目，推动整个行业业务重心的转变。在二零一七年间，中央及地方政府继续出台一系列促进PPP模式的政策，有望在未来进一步为PPP项目拓宽融资渠道，为社会资本进入公共服务等领域提供更多支持，指导社会资本通过PPP项目实现健康发展。

FUTURE OUTLOOK

In the new year, given the Chinese government's dedication to promoting a sound ecological environment, the environmental protection industry in the country is expected to remain an investment highlight with significant growth potential, despite of many uncertainties that might affect the market and the macro-economic environment. Meanwhile, the water environment management industry is also expected to continue its robust development.

From a policy perspective, China will further enhance the implementation of more environmental protection policies in the coming year, the results of which will gradually become more obvious. More environmental management policies are expected to be introduced to serve as a guidance for the future development of the industry. With the introduction of more detailed policies and regulations and the continuous improvement of the market mechanism, the water environment management industry standards will continue to be tightened. As a result, it will generate better development opportunities for the enterprises with strong capabilities in areas such as project investment, construction, operations management, technology development and equipment manufacturing, and will in turn promote the healthy and sound development of the entire industry.

Looking ahead, as an environmental protection company focusing on water environment management, the Group will proactively follow the policies issued at all levels, devote its efforts on comprehensive management of water environment, comprehensive utilisation of water resources and comprehensive protection of water ecology, continuously explore new business areas, strengthen its R&D capability, enhance the corporate management proficiency with intelligent and information systems, further promote its talent development strategies, and optimise financing channels and financial structure, with an aim to enhance its overall strengths, turn potential into profitability and transform challenges into opportunities. The Group will maintain its momentum of "making steady progress and forging ahead for the future", while striving towards becoming a leader in China's water environment management industry.

前景展望

新的一年，虽然仍有许多未知变数将影响市场和宏观环境的走向，鉴于中国政府不遗余力地推进生态文明建设，中国的环保行业有望继续成为最具投资亮点和增长势头的行业之一，水环境治理行业也将延续蓬勃发展的势头。

从政策方面看，未来一年，多项已经颁布的环保政策会继续深入落实，成果将逐渐显现；更多环境治理政策也将陆续出台，引导行业未来的发展方向。随着政策法规的不断细化、市场机制的不断完善，水环境治理行业的标准也将不断提升，为那些在项目投资、建设、运营管理，技术研发，装备制造等方面实力过硬的企业，提供更好的发展机会，从而带动整个行业实现健康、有序的发展。

展望未来，作为以水环境综合治理业务为主业的环保集团，本集团将积极围绕各级政策，致力于水环境综合治理、水资源综合利用与水生态综合保护，不断探索新的业务领域，持续加强核心技术竞争力，进一步提升智能化、信息化的企业管理水平，推动人才发展战略，优化融资渠道和财务架构，从多个维度提升自身的综合实力，从而更好地化潜力为盈利、变挑战为商机。本集团将以稳字当头，锐意进取，致力成长为中国水环境治理领域的领军者。

FINANCIAL HIGHLIGHTS

财务摘要

RESULTS 业绩	FY2017 二零一七财政年度	FY2016 二零一六财政年度	PERCENTAGE CHANGE FY2017 VS FY2016 二零一七财政年度对比 二零一六财政年度 变动百分比
	HK\$'000 港币千元	HK\$'000 港币千元	
Revenue 收入	3,591,633	2,494,037	44%
Gross Profit 毛利	1,230,587	905,652	36%
Profit for the Year 本年度盈利	580,793	372,615	56%
Profit Attributable to Shareholders 股东应占盈利	513,356	349,343	47%
Earnings per Share (HK\$) 每股盈利 (港币)	0.196	0.134	46%
Dividend per Share (S\$) 每股股息 (新加坡元)	0.0049	0.0037	32%

FINANCIAL POSITION

财务状况

Total Assets 总资产	18,047,919	14,081,232	28%
Total Liabilities 总负债	9,506,114	6,889,530	38%
Net Asset Value per Share (HK\$) 每股资产净值 (港币)	2.99	2.60	15%
Gearing Ratio (Total Liabilities / Total Assets) 资产负债比率 (总负债/总资产)	52.7%	48.9%	3.8ppt

ppt: percentage point
百分点

REVENUE | 收入

HK\$'000 | 港币千元



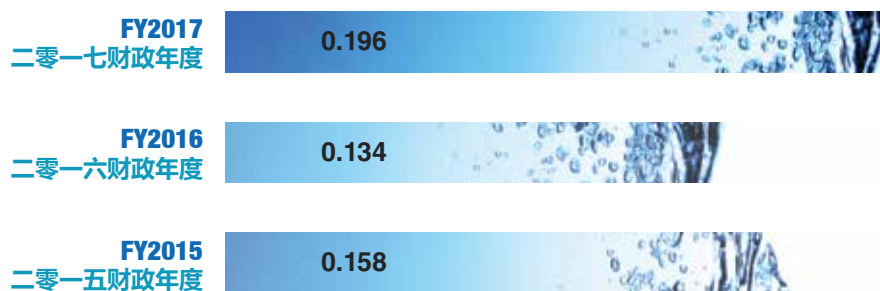
PROFIT ATTRIBUTABLE TO SHAREHOLDERS | 股东应占盈利

HK\$'000 | 港币千元



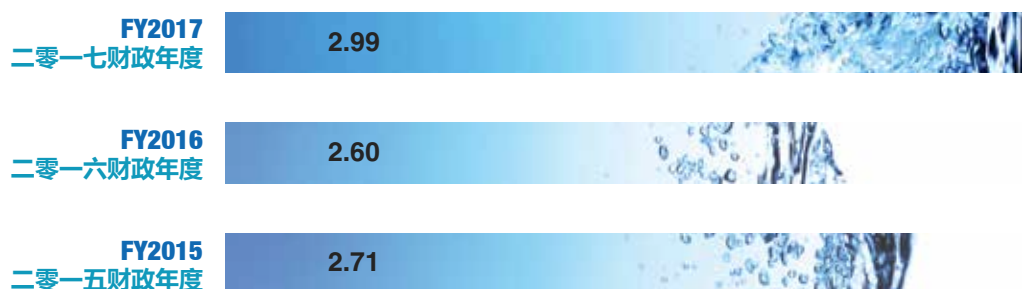
EARNINGS PER SHARE | 每股盈利

HK\$ | 港币



NET ASSET VALUE PER SHARE | 每股资产净值

HK\$ | 港币



BOARD OF DIRECTORS

／ 董事会成员

MR. WANG TIANYI

Non-Executive Director and Chairman

王天义先生
非执行董事兼董事长



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

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

Mr. Wang is currently a part-time professor of Tsinghua University and the Co-Director of the Center for Public-Private Partnership at Tsinghua University. He is also a member of PPP Business Advisory Board of the United Nations Economic Commission for Europe, a member of the China Council for International Cooperation on Environment and Development, and a member of China Business Research Centre Advisory Council of the National University of Singapore.

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

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

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

王先生现任清华大学兼职教授和清华大学政府和社会资本合作研究中心的共同主任，联合国欧洲经济委员会PPP专家委员会委员，中国环境与发展国际合作委员会委员，以及新加坡国立大学中国商务研究中心咨询委员会委员。

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



MR. AN XUESONG
Executive Director and CEO

安雪松先生
执行董事兼总裁

Mr. An is the Executive Director and Chief Executive Officer (“**CEO**”) of the Company. Mr. An is also the Deputy General Manager of China Everbright International Limited.

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

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

安先生为本公司执行董事兼总裁。安先生亦为中国光大国际有限公司副总经理。

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

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

BOARD OF DIRECTORS

／ 董事会成员



MR. CAI SHUGUANG

Executive Director

蔡曙光先生

执行董事

Mr. Cai is the Executive Director of the Company.

Mr. Cai was formerly the Executive Director and the Deputy General Manager of China Everbright International Limited. He was also previously the Deputy General Manager of Shenzhen Kingway Brewery Limited.

Mr. Cai graduated from the Department of Computer Science of Fudan University and holds a Master of Business Administration degree from the University of Ballarat in Australia. He holds the title of Senior Engineer. Mr. Cai has rich experience and extensive knowledge in corporate management and project planning.

蔡先生为本公司执行董事。

蔡先生曾为中国光大国际有限公司执行董事兼副总经理。彼亦曾担任深圳金威啤酒有限公司副总经理。

蔡先生毕业于复旦大学计算机科学系，并持有澳大利亚巴拉瑞特大学工商管理硕士学位。彼具有高级工程师职称。蔡先生在企业管理与项目策划等方面拥有丰富经验及广泛知识。

MS. XU NAILING
Executive Director

徐乃玲女士
执行董事



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

Ms. Xu was formerly the Deputy General Manager of Operational Risk Management Department of Ping An Bank Co., Ltd (Head Office) and the Assistant Governor of Ping An Bank Co., Ltd. (Guangzhou Branch). She also worked in China Everbright Bank Co., Ltd. (Guangzhou Branch) as the General Manager of Operation Planning Management Department, Legal and Compliance Department and Operational Risk Management Department.

Ms. Xu graduated from the Department of Finance, Southwestern University of Finance and Economics, China. She holds a Master of Business Administration degree from Xiamen University. Ms. Xu holds the title of Senior Economist in China (specialising in Finance).

徐女士为本公司执行董事，彼亦为中国光大国际有限公司副财务总监。

徐女士曾任平安银行（总行）操作风险管理部副总经理、平安银行（广州分行）行长助理；在光大银行（广州分行）曾历任运营管理部、法律合规部、稽核监督部总经理等。

徐女士毕业于西南财经大学金融学专业，并获得厦门大学工商管理硕士学位。徐女士持有中国高级经济师（金融专业）职称。

BOARD OF DIRECTORS

／ 董事会成员



MR. ZHAI HAITAO
Independent Director

翟海涛先生
独立董事

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

Mr. Zhai has extensive experience and knowledge in banking, capital market and management. He was formerly Managing Director of Goldman Sachs Asia LLC and Chief Representative of Goldman Sachs Beijing Office. Prior to joining Goldman Sachs, Mr. Zhai worked at the International Department of the People's Bank of China in Beijing, and was Deputy Representative of the People's Bank of China Representative Office for the Americas based in New York.

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

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

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

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

MR. LIM YU NENG PAUL
Independent Director

林御能先生
独立董事



Mr. Lim is the Independent Director of the Company, the Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee.

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

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

林先生为本公司独立董事，审计委员会主席、提名委员会和薪酬委员会委员。

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

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

BOARD OF DIRECTORS

／ 董事会成员



MS. CHENG FONG YEE

Independent Director

郑凤仪女士

独立董事

Ms. Cheng is the Independent Director of the Company. Ms. Cheng is also the Chairman of the Remuneration Committee and a member of the Audit Committee.

郑女士为本公司独立董事，薪酬委员会主席及审计委员会委员。

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

郑女士有超过二十年的保险行业从业经验，是澳大利亚保险协会会员。彼曾参与重大跨国尤其是亚太地区的保险项目并将保险作为金融工具用以支持项目发展。郑女士现为AsiaOne Insurance Agency Pte. Ltd.新加坡区保险部主管及柬埔寨区执行董事。彼亦曾为亚洲最大保险经纪Aon Insurance Brokers业务发展部主管及Singapore Technologies Group保险部主管。

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

郑女士曾于澳大利亚保险学院完成保险课程学习。



MS. HAO GANG
Independent Director

郝刚女士
独立董事

Ms. Hao is the Independent Director of the Company.

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

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

郝刚女士为本公司独立董事。

郝女士现任香港城市大学商学院管理科学系副教授兼任商学院助理院长，以及香港城市大学-清华大学EMBA / MPA（政府和社会资本合作）双学位项目联席主任。此前，彼曾于香港城市大学担任多个职位，主要负责大学发展、国际项目等领域。郝女士亦曾就职于中国国家经济委员会技术经济研究所并参与多项中国国家重大投资课题项目。

郝女士持有美国匹兹堡大学决策科学及运营管理博士、天津大学工业管理工学硕士以及四川大学数学学士衔。

KEY MANAGEMENT

／ 管理层成员

MR. LUO JUNLING

CHIEF FINANCIAL OFFICER

Mr. Luo is the Chief Financial Officer (“**CFO**”) of the Company.

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

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

罗俊岭先生

首席财务官

罗先生为本公司首席财务官。

罗先生具有丰富之财务管理及运营管理经验。彼曾任本公司副总裁。在加入本公司之前，彼曾任职于中国建设银行（福建省分行）、福建光闽路桥建设有限公司以及福建闽兴会计师事务所。

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

MR. YU YIPING

VICE PRESIDENT

Mr. Yu is the Vice President of the Company.

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

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

余一平先生

副总裁

余先生为本公司副总裁。

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

余先生毕业于河南师范大学政教专业。



MR. TAO JUNJIE

VICE PRESIDENT

Mr. Tao is the Vice President of the Company.

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

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

陶俊杰先生

副总裁

陶先生为本公司副总裁。

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

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

MR. WANG YUEXING

VICE PRESIDENT

Mr. Wang is the Vice President of the Company.

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

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

王悦兴先生

副总裁

王先生为本公司副总裁。

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

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

KEY MANAGEMENT

／ 管理层成员

MR. WANG GUANPING

VICE PRESIDENT

Mr. Wang is the Vice President of the Company.

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

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

王冠平先生

副总裁

王先生为本公司副总裁。

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

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

MR. ZHANG GUOFENG

CEO ASSISTANT

Mr. Zhang is the CEO Assistant of the Company.

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

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

张国锋先生

总裁助理

张先生为本公司总裁助理。

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

张先生毕业于青岛科技大学，持有美国注册管理会计师、注册国际会计师资格认证。



MR. SUN LINBO

CEO ASSISTANT

Mr. Sun is the CEO Assistant of the Company.

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

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

孙林波先生

总裁助理

孙先生为本公司总裁助理。

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

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

MS. PENG PEI

LEGAL COUNSEL AND COMPANY SECRETARY

Ms. Peng is the Legal Counsel and Company Secretary of the Company.

Prior to joining the Company, Ms. Peng was a practising lawyer at the Singapore office of Allen & Gledhill LLP. Her areas of practice included mergers and acquisitions and derivatives. She participated, as a core member, in a major research project of the Supreme People's Court of the PRC on disregarding the corporate entity to propose the relevant judicial interpretations. Report of the research project became a book entitled "Rules, Theories and Practices of Disregarding the Corporate Entity" published by People's Court Press in April 2009.

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

彭珮女士

法律顾问兼公司秘书

彭女士为本公司法律顾问兼公司秘书。

在加入本公司前，彭女士为艾伦格禧律师事务所新加坡办公室的执业律师，执业领域涵盖兼并收购与衍生产品。彼曾作为核心成员参与中国最高人民法院的公司法人格否认研究项目，为相关制度提供司法解释建议，项目报告于二零零九年四月由人民法院出版社出版成《公司法人格否认制度理论与实践》一书。

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



SYNERGY EFFECT
TOWARDS SUSTAINABLE
DEVELOPMENT

实现规模 持续发展

SUSTAINABILITY REPORT

可持续发展报告

The Company has long been committed to “maintaining stable operations and ensuring compliant discharge”. It aims to foster harmony between its projects and the neighbouring communities, and drives sustainable development of our society through high-standard environmental performance, technology innovation, advanced operation, and the assurance of discharge compliance.

China places a strong emphasis on green development, ecological management and ecological conservation through “13th Five-Year Plan for Eco-Environmental Protection” and the newly amended “Water Pollution Prevention and Control Law of the PRC”, bringing forth unprecedented opportunities for enterprises in the environmental protection industry. Through our innovative business strategies, the Company keeps abreast of the latest policy trends and seizes opportunities for growth. During the year under review, the government strongly promoted the PPP model, offering positive signals to the water environment management industry in areas including waste water treatment, river-basin ecological restoration, sponge city construction, etc.

We believe that stakeholders provide valuable insights to our business development, which support us in developing sustainable and long-term strategies. Therefore, we maintain continuous dialogue with stakeholders through transparent and open channels, for instance, our stakeholder engagement plan which covers the entire project lifecycle. The plan helps us to identify priority issues in all our project operations and the associated sustainability concerns. The effectiveness of our stakeholder engagement activities is also evaluated throughout different project stages in achieving higher operation efficiency.

This is an abstract of our Sustainability Report 2017. The full Sustainability Report 2017 is prepared by adopting the most updated Global Reporting Initiative’s (“GRI”) Sustainability Reporting Standards and in accordance with the SGX Listing Rules (711A and 711B) – Sustainability Reporting Guide. The full sustainability report will be available in Chinese and English at the Company’s corporate website (www.ebwater.com) and the SGX’s website (www.sgx.com) in May 2018.

本公司始终坚持“稳定运行、达标排放”的原则，旨在促进水务项目与周边环境的和谐共进，并透过高标准的环保绩效、科技创新、前瞻的业务运营及确保排放合规，从而推动社会可持续发展。

中国高度重视绿色发展、生态治理和生态文明建设，颁布《十三五生态环境保护规划》、新修订的《中华人民共和国水污染防治法》等多项环保政策和法规，为众多环保企业带来了前所未有的发展机遇。本公司以创新的业务战略紧贴最新政策方向，把握发展机遇。于回顾年度内，政府大力推广PPP模式，为水环境治理行业，包括污水处理、流域治理、海绵城市建设等领域带来积极动力。

我们相信持份者能为公司的业务发展带来真知灼见，有助我们制定持续和长期的发展策略。因此，我们透过清晰和公开的渠道，例如我们涵盖整个项目周期的项目持份者参与计划，与持份者持续沟通。该参与计划能帮助我们识别项目运营中的优先议题以及备受关注的相关可持续性事项。我们亦于不同的项目阶段对持份者参与活动的有效性进行评估，致力追求更高的运营效率。

此为二零一七年可持续发展报告摘要。二零一七年可持续发展报告的全文版是依据全球报告倡议组织 (“GRI”) 最新的《可持续发展报告标准》以及新交所上市规则 (第711A条和第711B条) 中的可持续发展报告指引所编写。可持续发展报告的中英全文版本将于二零一八年五月上载至光大水务企业网站 (www.ebwater.com) 及新交所网站 (www.sgx.com)。

SUSTAINABILITY REPORT

／ 可持续发展报告

1. INTEGRATED PROJECTS

Throughout years of experience in waste water treatment, the Company has strengthened its position in the water environment management industry. Our vision goes beyond waste water treatment, thus we are determined to diversify our business through exploring innovative development models. During the year under review, the Company successfully secured Hubei Suizhou Integrated Water Environment Restoration PPP Project and Guangxi Nanning Shuitang River Integrated Restoration PPP Project. They are integrated river-basin ecological restoration projects with the aim to improve water quality as well as the ecological environment of the river basins. The projects which comprise works such as river regulation, waste water interception, river ecological restoration, sponge city construction, environmental landscaping and information management.

2. ENVIRONMENTAL POLICY

Since 2016, the Company has fully implemented the Environmental, Safety, Health and Social Responsibility (“ESHS”) Management System and Risk Management System in order to improve the delicacy, standard and system of the Company’s management as well as to enhance the Company’s risk control capability, thus managing environmental and social impacts associated with its projects in a more effective manner. The two-pronged approaches have resulted in a comprehensive system that integrates pre-event identification and assessment, event inspection and audit, and post-event appraisal, forging ahead with a long-term protection system as well as a healthy platform to promote sustainable development of the Company. These systems have also enhanced employees’ management capabilities in day-to-day operations and controlling risks at source. In 2017, the Company continued to optimise those two systems, fostered the implementation of the systems through its subsidiaries, and organised awareness-building activities (including competitions on ESHS knowledge and project managers’ forums), so as to make greater efforts in environmental and social impact management.

综合项目

凭借多年的污水处理经验，本公司巩固了在水环境治理行业中的地位。但是，我们的目光并不局限于污水处理，因此我们决心透过探索创新的发展模式去扩展业务范围。于回顾年度内，本公司成功取得湖北随州高新区水环境综合整治PPP项目和广西南宁水塘江综合整治工程PPP项目。这两个项目着力于提升流域的水质及生态，包括河道整治工程、河道截污工程、河道生态恢复工程、海绵城市建设工程、环境景观工程及信息化管理工程等。

环境政策

本公司自二零一六年起全面实施环境、安全、健康及社会责任（“ESHS”）管理体系及风险管理系统，旨在提升公司管理的精细化、标准化、制度化以及风险控制水平，从而更有效地管理项目所带来的环境及社会影响。两大管理体系双管齐下，建立了一套结合事前识别评估、事中检查审核以及事后考核评价的完整体系，为促进本公司的可持续发展提供了一个健康的平台和系统化的长期保障。两套体系同时有效加强员工日常运营的管理能力，从源头上控制风险。在二零一七年，本公司继续优化两个体系并透过旗下子公司加强实施工作，亦举办ESHS知识竞赛和厂长论坛等意识提高活动，增加对环境和社会影响管理的力度。



Apart from the internal management systems, the Company has also been actively reviewing its environmental and social performances against internationally recognised standards. In particular, since 2016, we have been reporting to International Finance Corporation (“IFC”) on our environmental and social performance in accordance with the “Environmental, Health and Safety Guidelines” of IFC applicable to the general and industry sector.

3. ENVIRONMENTAL PERFORMANCE

The Company, as an environmental service provider, is well aware of the environmental and social impacts brought by our operations. We strive to maintain high industry standards through advanced technologies, which allow us to utilise resources in an efficient manner and achieve better environmental performance.

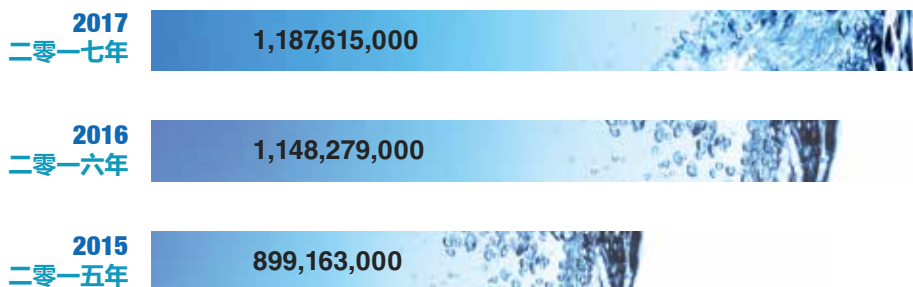
WASTE WATER AND WASTE MANAGEMENT

In order to provide high quality waste water treatment services, we have set a high standard for our projects. All effluents discharged from our waste water treatment plants comply with “Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant” (GB18918-2002) as well as other relevant requirements stated in the environmental impact assessment reports approved by the government. During the year under review, the Company treated approximately 1,187,615,000 m³ of waste water and reduced approximately 319,000 tonnes of chemical oxygen demand (“COD”) discharge.

WASTE WATER TREATED IN THE PAST THREE YEARS | 过往三年的污水处理量

Note: Figures are rounded to nearest thousand | 附注：数字以四舍五入进位至最近的千位数表示

Unit: m³ | 单位：立方米



除了内部管理体系外，本公司亦积极按照受认可的国际标准去评估其环境及社会表现。例如，我们自二零一六年起向国际金融公司（“IFC”）提交监测报告，并根据其通用及行业特定的《环境、健康和安全管理指南》评估我们的环境与社会表现。

环保表现

作为环境服务的提供者，本公司对于运营所带来的环境及社会影响具有高度意识。通过采用先进技术，我们致力于维持高行业标准，从而有效地利用资源并实现更优的环保表现。

污水及废物管理

为提供高质量的污水处理服务，我们为项目设定了相应的高标准。我们所有污水处理厂的出水均遵照《城镇污水处理厂污染物排放标准》（GB18918-2002）以及符合已获政府审批的环境影响评价报告中其他相关要求。于回顾年度内，本公司已处理约1,187,615,000立方米污水，同时减少了大约319,000吨的化学需氧量（“COD”）排放。

SUSTAINABILITY REPORT

／ 可持续发展报告

COD REDUCTION IN THE PAST THREE YEARS | 过往三年的COD减排量

Note: Figures are rounded to nearest thousand | 附注: 数字以四舍五入进位至最近的千位数表示

Unit: tonnes | 单位: 吨



The Company has been striving to recycle water resources to reduce fresh water demand of downstream users. Our reusable water projects purify effluent from waste water treatment plants and turn it into reusable water for power plants and general industrial use in accordance with "Reuse of Urban Recycling Water – Water Quality Standard for Industrial Uses" (GB/T19923-2005) or equivalent. During the year under review, our reusable water projects produced over 11,061,000 m³ of reusable water.

本公司一直致力循环再用水资源，以减少下游使用者对淡水的需求。我们的中水回用项目进一步处理我们污水处理厂的出水，确保水质符合《城市污水再生利用工业用水水质》(GB/T19923-2005) 或同等标准。处理过后所产生的再生水可用于发电厂或用作一般工业用途。于回顾年度内，我们的中水回用项目共生产了超过11,061,000立方米再生水。

SLUDGE

Sludge is an unavoidable by-product of waste water treatment process. To reduce the environmental impact of sludge disposal, the sludge generated from our projects is treated in accordance with applicable national standards such as "Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant" (GB18918-2002), as well as IFC's "General Environmental, Health and Safety Guidelines" and "Environmental, Health, and Safety Guidelines for Water and Sanitation". The treated sludge can be further processed to produce compost, while sludge designated for disposal is dewatered to reduce its water content and volume, thus alleviating the burden on landfills. In 2017, 90.36% of the total sludge generated from our projects were recycled.

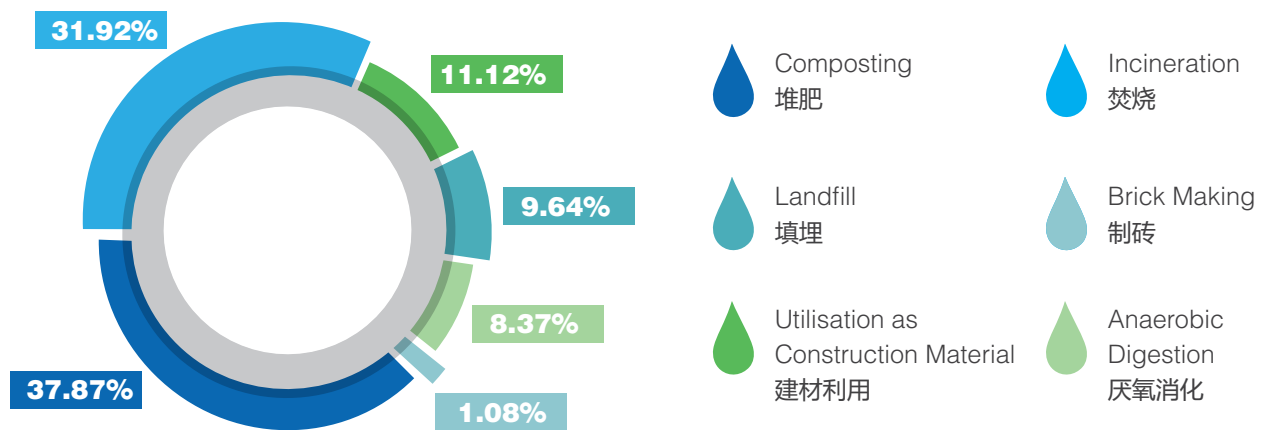
污泥

污泥是污水处理过程中不能避免的副产物。为减少弃置污泥对环境的影响，我们的项目均按照《城镇污水处理厂污染物排放标准》(GB18918-2002) 等有关国家标准以及IFC的《通用环境、健康和安全管理指南》及《水与卫生环境、健康与安全指南》处理污泥。经处理的污泥经加工后可生产堆肥，而需填埋处理的污泥会先进行脱水，以减少其含水量和体积，从而减轻对填埋场的负担。在二零一七年，90.36%从项目中产生的污泥被再生利用。





SLUDGE TREATMENT AND DISPOSAL METHODS | 污泥处理处置方法



ENVIRONMENTAL CERTIFICATIONS

To ensure that our operations meet international standards and would not lead to secondary pollution, all of our projects have obtained or are applying for relevant management standard certifications, including ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and OHSAS 18001 Occupational Health and Safety Management System. These certifications serve as recognition to our safe, reliable and up-to-standard operations, demonstrating our strong sense of social and environmental responsibility. In the future, we will continue bringing greater contributions to environmental and ecological conservation.

环境认证

为确保我们的运营符合国际标准且不会造成二次污染，我们旗下所有项目均已获得或正在积极申请各类相关体系管理证书，包括ISO 9001质量管理体系、ISO 14001环境管理体系及OHSAS 18001职业健康安全管理体系。这些认证为我们安全、可靠和达标的运营作出了认可，充分显示出我们强烈的社会及环境责任感。我们今后将致力为环境及生态保护做出更大贡献。

SUSTAINABILITY REPORT

／ 可持续发展报告

4. HEALTH AND SAFETY

The Company upholds the principle that occupational health and safety is not only its core corporate culture, but also its solemn commitment to every employee. Since 2016, we have implemented the ESHS Management System to supervise health and safety related issues in a systematic approach. This system also covers our supply chain, where suppliers' environmental, social, health, and safety performances are included into our evaluation criteria. To further promote safety behaviour amongst employees, we set up clear safe production guidelines, provide employees with advanced tools and personal protective equipment, and conduct regular safety inspections.

Every project of the Company is assigned with a safety management team led by the general manager and other department heads of the project, to supervise and manage all health and safety issues arising from various stages throughout the project's life cycle. The team is also responsible for organising emergency drills and exercises to improve the employees' crisis response capability. In addition, we provide annual medical check-ups and occupational disease surveillance to safeguard our employees' health. Moreover, we have set up an Employee Protection and Safety Fund, which can be disbursed upon application to provide support to employees who suffer from accidents or diseases, to relieve financial burden of employees' families.

We regularly conduct employee health and safety trainings with topics including emergency response planning, operational hazards, first aid, legal, and other relevant topics. The forms of training include video, seminar, forum, and competition, etc. Through a variety of training and activities, our employees are fully aware of safety in production. With all these efforts, the injury rate of the Company's employees was 0.22* during the year under review.

健康与安全

本公司不但秉持职业健康与安全为我们的核心企业文化，亦视其为我们对每一位员工的庄严承诺。自二零一六年起，我们实施ESHS管理体系，有系统地监管健康及安全相关事宜。这个管理体系亦包括了我们的供应链，把供应商的环境、社会、健康及安全表现纳入评选的考虑因素。为了进一步向员工推动安全文化，我们制定明确的安全生产指引、为员工提供先进的工具和个人防护装备，并定时进行安全检查。

本公司的每一个项目均设立由项目总经理和其他部门主管领导的安全管理团队，以监管及管理所有在项目生命周期中不同阶段所遇到的健康及安全事宜。该团队亦负责组织紧急事件演习，以提升员工的危机应变能力。此外，我们亦为员工提供年度身体检查和职业病筛检，以保障他们的健康。此外，我们还设立了员工保障及安全基金，在员工不幸遭遇事故或疾病时，可以申领基金作为支持，帮助员工家庭缓解经济压力。

我们定期为员工举行健康与安全训练，主题包括紧急应变规划、运营操作危害、急救、法律及其他相关议题。训练形式包括影片、讲座、座谈会及比赛等等。透过多元化的训练和活动，我们的员工充分掌握安全生产知识。凭借这些努力，于回顾年度内中本公司员工的工伤率仅为0.22*。

* Injury rate (IR) = Total number of work-related injuries/Total working hours x 200,000
工伤率(IR) = 工伤个案总计/工作总时数 x 200,000

5. EMPLOYEE DEVELOPMENT

The Company firmly upholds its people-oriented development strategy with attention to employees' training and development. In maintaining proximity to talent, we have established a "talent pool", forming a framework with development ladder for talents supported by a replacement mechanism. We also implement innovative training approaches. For instance, our Zhangqiu project company launched its first "apprenticeship programme" during the year under review. Under this programme, the reputable "masters" with abundant experience and technical know-how, will transfer knowledge to the "apprentices" through structured training programmes with continuous assessments. This programme helps employees to build technical skills, as well as steering them along their career paths. Furthermore, the Company arranges its management personnel and technical leaders to enrol the CEO Course and the Engineering Master Programme at Tsinghua University; the Company also arranges new hires to join execution trainings, helping them to integrate into the new team and developing their sense of recognition towards the Company's corporate culture.

We strongly believe that enhancement of business capacity is a cornerstone of corporate strategic management. Diversified and practical training programmes are valuable in fulfilling various development needs of our employees, hence to improve their job satisfaction. Therefore, our trainings are tailored based on staff's positions, skills and management requirement. Furthermore, we organise overseas exchange activities with industry peers, and invite external professional bodies to conduct training sessions for our projects' management and technical staff, allowing our employees to grasp the latest developments of the industry. Our comprehensive capacity building programme allows employees to excel in technical skill competitions. For instance, our Ji'nan project's representative won the first place in "Shandong Province Municipal Water Supply and Drainage Industry Occupational Skills Competition". This achievement recognises our efforts in building a competitive and quality team. During the year under review, the average training hours per employee of the Company was 69.52*.

* The average training hours per employee covers Everbright Water's headquarters, Hong Kong and Singapore offices, and all operating projects.

员工的平均培训时数涵盖光大水务的总部、香港和新加坡办公室以及所有营运项目。

员工发展

本公司坚守以人为本的发展战略并高度重视员工的训练和发展。在人才储备方面，我们建立了“后备干部人才库”，形成有替补机制的阶梯式人才发展架构。我们亦推行创新的培训方式，如我们的章丘项目公司于本年度启动了首届“师带徒”计划。在此计划下，有丰富经验和技术的的高名望“师傅”将通过系统的训练计划及持续考核制度，为“徒弟”传授知识。此培训计划能提升员工的技能，同时引导其职业发展。此外，本公司亦安排公司管理层和技术骨干参加清华大学总裁班、工程硕士班；本公司亦为新入职员工安排参加执行力拓展培训，帮助员工更好地融入新团队和培养对企业文化的认同感。

我们深信能力建设是企业战略管理的基石。多元化和实用的培训计划能满足不同员工的发展需要，从而提升其工作满意度。因此，我们的训练内容按员工的岗位、技能和管理要求度身定造。另外，我们积极组织与国外同行进行海外交流，亦会邀请外部的专业机构对项目管理层及技术人员进行培训，让员工掌握行业最新发展。我们丰富的提升能力计划使员工在技能比赛上夺取佳绩。例如济南项目的代表在“山东省城镇供排水行业职业技能竞赛”中获得冠军。这项殊荣肯定了我们团队的竞争力和素质。于回顾年度内，本公司每位员工的平均培训时数为69.52小时*。

SUSTAINABILITY REPORT

／ 可持续发展报告

6. PHILANTHROPY

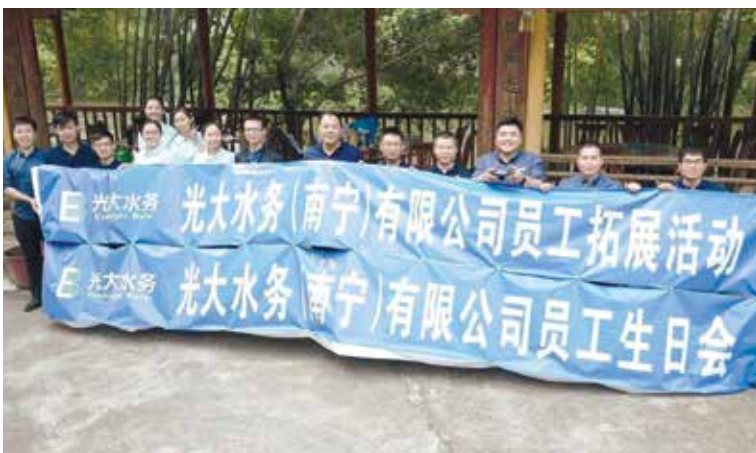
As an enterprise focusing on environmental protection, we always encourage and support our employees to participate in charitable activities to fulfill our corporate social responsibility. Our employees have been actively supporting activities organised by community groups. For example, employees of our Suzhou project company participated in the “Walking Gesang Flower” walkathon to raise funds for the Gesanghua Western Development Camp Project, which aims at supporting students from the underprivileged areas in Western China to broaden their horizons. Additionally, our employees from our Ji’nan project company volunteered in the “Love Spring City, Drive in a Civilised Way” initiative, by acting as traffic controllers to assist in regulating the traffic and advising drivers to drive responsibly.

In addition, our employees have been enthusiastic in organising charitable activities such as donations, caring visits, and environmental protection campaigns. For example, in response to the poverty alleviation initiative organised by the municipal government of Dezhou City, our Dezhou project company has been organising internal fundraising activities since 2014 to provide financial assistance to reduce poverty, help the elderly and provide education aid to the needy students. These actions have made the project company consecutively nominated as the “Leading Enterprise in Charity Donations” of Dezhou City; in support of the “Double Outreaching and Promotion” activity initiated by the CPC Lianyungang Municipal Committee, our Lianyungang project company visited rural villages to gain first-hand understanding of the poverty situations of farming households, coordinated the implementation of poverty alleviation policies, and delivered supplies and warm regards to the farmers in need.

公益活动

作为以环保立身的企业，我们一直鼓励及支持员工参与公益活动以实践企业社会责任。我们的员工积极参与由社区组织举办的活动。例如苏州项目公司的员工参加了“行走的格桑花”徒步公益活动为格桑花西部拓展营项目筹款，支持中国西部贫困地区的学生走出家乡开阔眼界。另一方面，济南项目公司的员工参与“我爱泉城，文明出行”的倡议，化身成为交通管制员，协助维持交通秩序，劝导不文明交通行为。

此外，我们的员工亦热心自发公益活动，例如筹款、探访、环境保护的宣传活动。例如，为响应德州市政府的扶贫号召，德州项目公司自二零一四年以来多次组织内部募捐活动，为扶贫提供经济援助，帮助长者并为贫困学生提供教育援助。这些行动使德州项目公司连续多次获选为德州市“慈善捐赠先进企业”；连云港的项目公司响应当地市委开展的“双进双促”活动，走进当地村落实地了解困难农户的情况，协调有关支农惠农扶贫政策的落实，并为有需要的农户送上慰问品和问候。





7. CARING FOR THE COMMUNITY

The Company accords high priority in environmental education by devoting its resource, talents and technologies to educate the public on environmental protection issues. During the year under review, our project companies in various provinces participated in different national environmental science and technology activities such as events themed with the “National Science Popularisation Day” and the “World Water Day”. In particular, our Ji’nan project company participated in the 2017 National Science Popularisation Day Promotion Exhibition organised by Ji’nan City Science and Technology Institute, promoting environmental protection as well as waste water and sludge treatment processes to the public. Our Xinyi project company co-organised the activity “Loving Nature and the City under the Blue Skies - joining hands with children in protecting the environment” with the local government and public organisations. During the activity, 20 left-behind children were invited to visit our waste water treatment project and were motivated to study and protect the environment. In addition, many of our project companies switched off their non-essential lights to support the “Earth Hour 2017” and encouraged their employees and the local communities to save energy and cut emissions through collective efforts.

Many of our projects also serve as the “National Science Education Base” and the “National Environmental Education Social Practice Base for Secondary and Primary Schools”. Our projects welcome visitors from overseas, teachers and students from various educational institutions as well as people from all social circles for site visits, and share our professional skills and experience with them every year. We hope that these activities can nurture the new generation’s sense of responsibility towards environmental protection, as well as establishing connections between the Company and the society. For example, our Dalian Siergou Waste Water Treatment Project participated in the first “Dalian City Environmental Protection Open Day”, which attracted local residents, environmental organisations and media to visit the project. The project staff introduced waste water treatment process as well as the plant operation during the tour, offering visitors with a better understanding on the Company’s business nature and the associated environmental benefits of the Company’s operations. Over 20,000 visitors visited our projects during the year under review.

关心社区

本公司非常重视环保教育，并投入资源、人才与技术向公众提供环保教育。于回顾年度内，我们位于不同省份的项目公司参与了各类全国性的环保科技活动，如“全国科普日”和“世界水日”。其中，我们的济南项目公司参加了由济南市科学技术协会所举行的二零一七年全国科普日宣传活动，向大众宣传环境保护、污水及污泥处理的概念；我们的新沂项目公司与当地政府及事业机构共同举办了“同在蓝天下，共爱山水城 - 牵手环保共同（童）行”活动，邀请了新沂市辖下新安镇的二十位留守儿童实地参观了污水处理项目，鼓励小朋友热爱学习，爱护环境。此外，我们旗下多个项目公司亦积极响应“地球一小时2017”熄灯倒数活动，通过关闭不必要的照明设备，鼓励项目公司员工和当地社区居民以点滴行动践行节能减排。

我们的多个项目亦是“全国科普教育基地”和“全国中小学环境教育社会实践基地”。每年，我们会迎接国外访客、不同院校的师生及社会各界人士到我们的项目进行考察，并向他们分享我们的专业知识和经验。我们希望这些活动能够教育下一代承担环境保护责任，同时建立起本公司及社会的联系。例如，我们的大连寺儿沟污水处理项目参与了大连市首届环保开放日，吸引了本地居民、环保组织及媒体访客前来参观设施。项目员工亦向访客介绍污水处理过程及工厂运作，让参加者对本公司的业务性质和对环境做出的贡献有更深入的了解。逾20,000名访客于回顾年度内参观了我们的项目。



8. JOINING HANDS TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (“SDGs”) are a series of United Nations’ (“UN”) international development goals, which aim at improving the three dimensions of development issues – social, economic and environmental – in an integrated approach from 2015 to 2030, moving towards a path of sustainable development and creating a fairer and a more environmentally friendly world with all countries.

The Company mainly focuses on water environment management services and water restoration, which help alleviate the water resources crisis. Overall, the Company’s vision is aligned with the SDGs. We will continue to play a proactive role in implementing various SDGs through development of environmental protection projects, proper control of discharges, and organising volunteering events and poverty reduction measures.

携手践行 可持续发展目标

可持续发展目标（“可持续发展目标”）是联合国（“联合国”）的一系列国际发展目标，旨在从二零一五年到二零三零年间以综合方式改善社会、经济和环境三个维度的发展问题，转向可持续发展的道路，与各国一同创造一个更公平、更环保的世界。

本公司的主要业务是促进水环境治理与水生态系统修复，从而协助缓解水资源危机。总体来说，本公司的愿景与联合国可持续发展目标一致。我们将继续积极建设环保项目、妥善管理排放，并透过开展志愿活动和扶贫等具体行动参与各项可持续发展目标的落实。



SUSTAINABILITY REPORT

可持续发展报告

THE SUMMARY BELOW DEPICTS HOW OUR ACTIVITIES CONNECT WITH THE 17 SDGS.

以下概要描述了我们的活动如何与17个可持续发展目标相关联。

 <p>1 NO POVERTY</p> <p>No Poverty 无贫穷</p>	<p>End poverty in all its forms everywhere</p> <p>在全世界消除一切形式的贫困</p>	<p>We regularly organise donation activities such as “Daily Donation for Care” and “Daily Donation for Love”, providing scholarship to the needy students and financial assistance to the underprivileged families.</p> <p>我们定期举办筹款活动例如“筹款献关怀”和“筹款传爱心”，为贫苦学生提供奖学金和为贫苦家庭提供财务援助。</p>
 <p>2 ZERO HUNGER</p> <p>Zero Hunger 零饥饿</p>	<p>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p> <p>消除饥饿，实现粮食安全，改善营养状况和促进可持续农业</p>	<p>Our sludge produced from waste water treatment process can be utilised to produce compost for agricultural use. This helps farmers reduce their reliance on chemical fertilisers. In 2017, a total of approximately 698,000 tonnes of sludge generated from our projects were recycled.</p> <p>我们对污水处理过程中产生的污泥加以利用制成堆肥供农业使用，从而减轻农民对化学肥料的依赖。二零一七年间，约698,000吨项目中产生的污泥被再生利用。</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Good Health and Well-being 良好健康与福祉</p>	<p>Ensure healthy lives and promote well-being for all at all ages</p> <p>确保健康的生活方式，促进各年龄段人群的福祉</p>	<p>We hold safety and health as one of our core values. Apart from implementing stringent health and safety guidelines, we also provide medical check-ups and occupational disease surveillance to safeguard all of our employees' health. In 2017, 2 cases of work-related injury were reported.</p> <p>我们拥护健康与安全作为我们的核心价值之一。除了执行严谨的健康与安全指引外，我们亦会提供医疗检查并监测职业病，从而保障所有员工的健康。二零一七年间，我们录得2宗工伤个案。</p>

SUSTAINABILITY REPORT

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<p>4 QUALITY EDUCATION</p>  <p>Quality Education 优质教育</p>	<p>Ensure inclusive and quality education for all and promote lifelong learning</p> <p>确保包容和公平的优质教育，让全民终身享有学习机会</p>	<p>We proactively organise educational programmes and public visits to our project facilities, offering every individual with opportunities to understand how environmental facilities tackle pollution and improve the living environment of the communities. We received more than 20,000 visitors in 2017.</p> <p>我们积极筹办教育活动并开放项目设施供公众参观，为公众提供机会了解环保设施如何应对污染及改善社区的居住环境。我们于二零一七年共接待了超过20,000名访客。</p>
<p>5 GENDER EQUALITY</p>  <p>Gender Equality 性别平等</p>	<p>Achieve gender equality and empower all women and girls</p> <p>实现性别平等，增强所有妇女和女童的权能</p>	<p>We ensure that our human resources management structure, including compensation, training opportunity and career prospect, is not gender biased, in order to achieve gender equality.</p> <p>我们确保我们的人力资源管理架构，如薪酬水平、培训机会及就业前景等不受性别影响，从而实现性别平等。</p>
<p>6 CLEAN WATER AND SANITATION</p>  <p>Clean Water and Sanitation 清洁饮水与卫生设施</p>	<p>Ensure access to water and sanitation for all</p> <p>为所有人提供水和环境卫生并对其进行可持续管理</p>	<p>We help prevent water pollution by turning waste water into water that complies with relevant environmental regulations. The treated water can be used by downstream communities. We purified a total of about 1,187,615,000 m³ of waste water in 2017.</p> <p>我们将污水转化为符合环保法规的水源，供下游社区使用，从而防止水源污染。我们于二零一七年共净化了约1,187,615,000立方米的污水。</p>
<p>7 AFFORDABLE AND CLEAN ENERGY</p>  <p>Affordable and Clean Energy 经济适用的清洁能源</p>	<p>Ensure access to affordable, reliable, sustainable and modern energy for all</p> <p>确保人人获得负担得起的、可靠和可持续的现代能源</p>	<p>Our waste water source heat pump projects offer energy-efficient heating and cooling services for homes by utilising thermal energy abstracted from waste water. In 2017, approximately 600 households and 250 departmental units were benefited from our heating and cooling systems.</p> <p>我们的污水源热泵项目从污水中抽取热能为住户提供高效能的供暖及制冷服务。于二零一七年，约600户家庭和250个社科单位受惠于我们的供热供冷系统。</p>



<p>8 DECENT WORK AND ECONOMIC GROWTH</p>  <p>Decent Work and Economic Growth 体面工作和经济增长</p>	<p>Promote inclusive and sustainable economic growth, employment and decent work for all</p> <p>促进持久、包容和可持续的经济增长，促进充分的生产性就业和人人获得体面工作</p>	<p>Most of our projects are located in suburb areas, thus our operations can foster local economic development through offering of job opportunities and improved infrastructure services.</p> <p>我们大部分的项目位于市郊地区，因此我们的营运可以提供当地就业机会及改善基础设施，从而推动当地经济发展。</p>
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>  <p>Industry, Innovation and Infrastructure 产业、创新和基础设施</p>	<p>Build resilient infrastructure, promote sustainable industrialization and foster innovation</p> <p>建造具备抵御灾害能力的基础设施，促进具有包容性的可持续工业化，推动创新</p>	<p>We leverage our strong research and development capabilities to maintain stable operation of our projects and achieve positive outcomes. For instance, our effective facility maintenance programme has reduced the number of unscheduled shutdown due to internal reasons to 0.</p> <p>我们借助强大的研发实力维持项目的稳定运行和实现建设性的成果。例如，我们有效的设施维修计划使因内部原因引致的非计划停运事件减少至0宗。</p> <p>We are currently constructing our first fully underground waste water treatment project. The innovative approach offers good opportunities to release valuable land resources for beneficial uses to the community.</p> <p>我们目前正在兴建本公司第一个全地下式污水处理项目。该创新设计节省了宝贵的土地资源，令土地得以用在有益于社区的用途。</p>
<p>10 REDUCED INEQUALITIES</p>  <p>Reduced Inequalities 减少不平等</p>	<p>Reduce inequality within and among countries</p> <p>减少国家内部和国家之间的不平等</p>	<p>We pay special attention in adopting methods to ensure that our operations do not affect the dignity, rights, livelihood, or culture of indigenous people. The local ethnic minorities can be benefited equally as the Han majority from the environment water management services provided by us.</p> <p>我们特别关注采取措施以确保营运不会影响原住民族的尊严、权利、生计或文化。当地少数民族与汉族能够同等受惠于我们提供的水环境治理服务。</p>



<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  <p>Sustainable Cities and Communities 可持续城市与社区</p>	<p>Make cities inclusive, safe, resilient and sustainable</p> <p>建设包容、安全、有抵御灾害能力和可持续的城市和人类住区</p>	<p>Our sponge city projects improve cities' ability to absorb, store, infiltrate and purify rainwater for more effective drainage and rainwater reuse, thus reducing pollution and enhancing the flood resilience level of the city. The total land and surface water catchment of our Zhenjiang Sponge City Project amounts to approximately 33.5 km² in total.</p> <p>我们的海绵城市项目改善城市的吸水、储水、渗水、净水能力，更有效疏导和回用雨水，从而降低污染及提高城市的耐洪能力。目前我们的镇江海绵城市项目的陆地和水域覆盖范围共约33.5平方公里。</p>
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  <p>Responsible Consumption and Production 负责任消费与生产</p>	<p>Ensure sustainable consumption and production patterns</p> <p>采用可持续的消费和生产模式</p>	<p>Sludge is a unavoidable by-product of waste water treatment. We minimise our environmental impact by arranging professional third parties to turn sludge into useful materials for the production of compost, brick, or energy via incineration. In 2017, a total of approximately 698,000 tonnes of sludge generated from our projects were recycled.</p> <p>污泥是污水处理过程中必然产生的副产品。我们安排第三方专业机构把污泥回收并再加工成为堆肥、砖头，或用作焚烧发电的原材料，从而减低环境影响。二零一七年间，共约698,000吨项目中产生的污泥被再生利用。</p>
<p>13 CLIMATE ACTION</p>  <p>Climate Action 气候行动</p>	<p>Take urgent action to combat climate change and its impacts</p> <p>采取紧急行动应对气候变化及其影响</p>	<p>We develop and operate waste water treatment facilities that are effective and climate-resilient, thus safeguarding the quality of water essential for agriculture, domestic and industrial use. The number of unscheduled shutdown due to internal reasons was 0 in 2017.</p> <p>我们发展及运营有效且适应各类气候的污水处理设施，从而保障农业、家居和工业的用水水质。于二零一七年，我们因内部原因引致的非计划停运事件记录为0宗。</p>

<p>14 LIFE BELOW WATER</p>  <p>Life below Water 水下生物</p>	<p>Conserve and sustainably use the oceans, seas and marine resources</p> <p>保护和可持续利用海洋和海洋资源以促进可持续发展</p>	<p>Through a series of waste water interception and river ecological restoration works, we have rehabilitated polluted urban rivers and revitalised fresh water ecosystems. At present, our river ecological restoration works under construction and in preparatory stage are 19.0 km in length.</p> <p>透过一系列的污水截污及河道生态治理工程，我们修复了受污染的城市河道，并恢复了水体中的生态。目前，我们处于建造及筹备阶段的河道生态治理工程共长19.0公里。</p>
<p>15 LIFE ON LAND</p>  <p>Life on Land 陆地生物</p>	<p>Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss</p> <p>保护、恢复和促进可持续利用陆地生态系统，可持续管理森林，防治荒漠化，制止和扭转土地退化，遏制生物多样性的丧失</p>	<p>Our integrated river restoration projects improve the health of river ecosystems, including riparian habitats. Our river ecological restoration works under construction and in preparatory stage are expected to conserve 3.58 km² of riparian zone.</p> <p>我们的综合河道治理项目改善河道生态系统的健康，当中包括河岸栖息地。目前我们处于建造及筹备阶段的河道生态治理工程将保育3.58平方公里的河岸栖息地。</p>
<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>  <p>Peace, Justice and Strong Institutions 和平、正义与强大机构</p>	<p>Promote just, peaceful and inclusive societies</p> <p>创建和平、包容的社会以促进可持续发展，让所有人都能诉诸司法，在各级建立有效、负责和包容的机构</p>	<p>We strive to promote a peaceful and inclusive working environment. Our “Code of Conduct” and “Compliance Manual” prohibit issues such as corruption, bribery, conflict of interest and discrimination within our working environment. In 2017, the Company was not aware of any non-compliance with relevant laws and regulations that had a significant impact on us relating to anti-corruption.</p> <p>我们致力于创建和平及包容的工作环境。我们的“操守守则”和“合规手册”禁止公司内部出现贪污、受贿、利益冲突和歧视等议题。于二零一七年，在反腐败领域，本公司并未知悉任何对本集团有重大影响的违法违规行为。</p>
<p>17 PARTNERSHIPS FOR THE GOALS</p>  <p>Partnerships for the Goals 促进目标实现的伙伴关系</p>	<p>Revitalise the global partnership for sustainable development</p> <p>加强执行手段，重振可持续发展全球伙伴关系</p>	<p>We have been cooperating with international institutions, such as IFC, to promote sustainable development by ensuring that our operations can meet their standards and guidelines.</p> <p>我们一直和IFC等国际机构合作，并确保我们的营运符合它们的标准及指引，从而促进可持续发展。</p>

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

This report outlines the Company’s corporate governance practices for FY2017 with specific reference made to the principles and guidelines of the Code of Corporate Governance 2012 (the “**Code**”), which forms part of the continuing obligations of the Listing Rules of the Singapore Exchange Securities Trading Limited (“**SGX**”).

The Board sits at the top of the Company’s governance framework. To execute its responsibilities, the Board delegates specific functions to various sub-committees, namely, the Nominating Committee, the Remuneration Committee, the Audit Committee and the Management Committee. These sub-committees function within written terms of reference and operating procedures, which are reviewed on a regular basis. Each of these sub-committees (“**Board Committees**”) reports its activities regularly to the Board.

(A) BOARD MATTERS

The Board’s conduct of its affairs

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

The Board’s principal functions include the following:

- (1) providing entrepreneurial leadership, setting strategic objectives, and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;
- (2) reviewing and approving corporate strategies, financial objectives and direction of the Group;
- (3) establishing a prudent and effective control system to assess and manage risks, including safeguarding of shareholders’ interests and the Group’s assets;
- (4) establishing goals for Management and monitoring the achievement of these goals;
- (5) ensuring the Management’s leadership of high quality, effectiveness and integrity;

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

本报告概述了本公司在二零一七财政年度的公司治理实践，具体参考了二零一二年公司治理守则（“**公司治理守则**”）的原则和指引，该守则也是新加坡证券交易有限公司（“**新交所**”）上市规则中的持续义务的组成部分。

董事会位于本公司治理框架的顶层。董事会下设几个专门委员会来行使董事会的具体职能，这些专门委员会包括提名委员会、薪酬委员会、审计委员会以及管理委员会。各专门委员会按照书面规定的职能和程序运作，该等职能和程序接受定期审阅。每个专门委员会都定期向董事会汇报工作。

(A) 董事会议事

董事会的运作

董事会集体为本公司的长期成功负责。董事会的主要职责是领导和监督本集团的管理层，以保护股东权益和提升股东的长期价值。

董事会的主要职能包括以下内容：

- (1) 提供企业领导，制定战略目标，确保本集团拥有实现其目标所必要的财力和人力资源；
- (2) 审阅和批准本集团的企业战略、财务目标和发展方向；
- (3) 建立审慎有效的风险评估和风险管理的控制机制，包括保障股东权益和本集团资产的机制；
- (4) 为管理层设定目标，监督目标的实现；
- (5) 确保管理层的领导优质、有效和诚信廉洁；

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| (6) reviewing the Management's performance; | (6) 审阅管理层的绩效; |
| (7) approving annual budgets and investment and divestment proposals; | (7) 批准年度预算和投资撤资提案; |
| (8) reviewing the internal controls, risk management, financial performance and reporting compliance; | (8) 审阅内部控制、风险管理、财务业绩和报表的合规性; |
| (9) identifying the key stakeholder group and recognising that their perceptions affect the Company's reputation; | (9) 发现关键的持份者群体, 承认他们的看法会对本公司声誉产生影响; |
| (10) setting the Group's value and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met; | (10) 制定本集团的价值和标准(包括道德标准), 确保本集团理解并履行了对股东和其他持份者的义务; |
| (11) considering the sustainability issues, such as environmental, health, safety and social factors, as part of its strategic formulation; and | (11) 在制定战略时考虑可持续性议题(如环境、健康、安全和社会因素); 和 |
| (12) assuming responsibility for corporate governance. | (12) 承担公司治理的责任。 |

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

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

The Board meets regularly, at least on a quarterly basis. Ad-hoc meetings are held at such times, as and when required, to address any specific significant matters that may arise. Notices of Board meetings, together with detailed meeting materials for each agenda (including board papers and explanatory or background information), are generally sent to the Board one week earlier to ensure that the Directors have sufficient preparation time for the meetings. During the Board meetings, the relevant Management personnel may be invited to make presentation and answer the Directors' queries on the relevant agenda, and the Directors are free to discuss and openly challenge the views presented by the Management and other Directors. The Chairman of the Board ensures that each agenda is allocated sufficient time for discussion and each Director is given sufficient opportunity to express his/her opinions. Where necessary, the Company also engages external consultants to provide professional opinions on specific projects or corporate exercises to facilitate the Board's decision-making process. The Board's decision-making process is an objective one. In FY2017, the Board held 7 meetings in total.

董事会定期召开会议, 每个季度至少召开一次。如有需要, 董事会也可随时召开特别会议, 讨论可能出现的具体重大问题。董事会的会议通知以及关于每项会议议程的详细会议资料(包括董事会议案以及解释或背景信息)通常于会议召开前一周发给董事会, 以确保各位董事拥有充分的时间准备会议。在董事会的会议期间, 相关管理层人员也将受邀向董事会做出陈述或回答董事会就有关议程提出的问题。董事在董事会会议上可自由发言, 对管理层和其他董事的意见公开发表自己的看法。董事长确保会议的每项议程都被分配予充足的讨论时间, 并确保每位董事均享有充分的机会表达他/她的观点。在必要时, 本公司也聘请外部顾问对特定项目或公司行动提供专业意见, 以此协助董事会做出决策。董事会的决策过程是客观的。在二零一七财政年度中, 董事会一共召开了七次会议。

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The number of meetings and the Directors' attendance at the meetings of the Board, the Audit Committee, the Remuneration Committee and the Nominating Committee, held during FY2017, are as follows:

在二零一七财政年度中，本公司召开的董事会、审计委员会、薪酬委员会和提名委员会的会议次数和董事的出席情况如下表所示：

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

Notes:

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

- ⁽¹⁾ Mr. Cai Shuguang was appointed as Executive Director of the Company with effect from 23 February 2017. Following such appointment, 5 Board meetings were held in FY2017.
- ⁽²⁾ Ms. Xu Nailing was appointed as Executive Director of the Company with effect from 23 February 2017. Following such appointment, 5 Board meetings were held in FY2017.
- ⁽³⁾ Ms. Hao Gang was appointed as Independent Director of the Company with effect from 16 March 2018. Meetings were held prior to her appointment and therefore she was not in attendance.

附注:

N.A. – 不是该委员会的委员

- ⁽¹⁾ 蔡曙光先生自二零一七年二月二十三日起被聘任为本公司的执行董事。自其被聘任后，二零一七财政年度共召开了五次董事会会议。
- ⁽²⁾ 徐乃玲女士自二零一七年二月二十三日起被聘任为本公司的执行董事。自其被聘任后，二零一七财政年度共召开了五次董事会会议。
- ⁽³⁾ 郝刚女士自二零一八年三月十六日起被聘任为本公司的独立董事。会议召开时，其尚未被聘任，因此未出席会议。

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

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

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

董事会批准了一份名称为“董事会权限清单”的文件，其中列明了哪些事项被保留给董事会决策。该文件也给予了管理层一个清晰的指引，明确了哪些事项管理层需要上报董事会审批。董事会至少每年一次对董事会权限清单进行审阅，并在必要时候对该清单做出修改。保留给董事会决策的事项包括但不限于：股本变更、超过特定限额的资产收购或处置、进入非核心业务领域、设立合资企业、企业或财务重组、获得超过特定限额的借贷、委任关键管理人员、对重大法律进程的决策、发行股份和派发股息、财务业绩、年度预算和企业战略等。董事会通过在董事会会议和董事会各专门委员会会议上发表讲话的方式指导本集团各业务部门管理团队的工作。

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

Upon the appointment of a new Director, the Company will provide a formal letter to the Director, setting out his/her duties and obligations. Such Directors are given appropriate briefings when they are first appointed to the Board. Appropriate orientations are conducted for all new Directors appointed to the Board to ensure that they are familiar with the Company's business, operations, governance practice and regulatory requirements. The Company Secretary or the external lawyers also provide trainings to the new Directors on his/her duties and responsibilities as a Director and the ongoing obligations of the Company as an SGX-listed company.

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

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

Board Composition and Balance

The Board currently comprises eight Directors, with half being Independent Directors. The Directors of the Company as at the date of this Annual Report are:

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

董事会的成员均了解本集团的业务运营和公司治理实践。具体而言，本公司半数以上的董事（包括半数以上的独立董事）曾在环保行业的公司担任执行管理人员或董事超过八年。提名委员会确保新董事接受相关培训和信息，使之了解本集团的业务、战略目标和方向以及公司治理实践。

在委任新董事时，本公司会向该董事发出一份正式的聘任函，其中列明他/她担任董事所需履行的义务和职责。新任董事在首次加入董事会时将接受培训和业务介绍。本公司为所有新聘任的董事都提供培训和业务介绍项目，以此确保他们熟悉本公司的业务、运营、治理实践以及监管要求。公司秘书或外部律师也对新任董事进行培训，使其了解作为董事应尽的义务和职责以及本公司作为新交所上市公司应履行的持续性义务。

本公司持续地向全体董事提供有关董事会程序、公司治理实践和行业发展的培训。本公司还邀请外部专家（比如审计师、律师、可持续发展顾问、技术专家或其他专业人士）对董事和管理层进行定期培训，培训课题涵盖法律、财务、技术、商业等领域，具体取决于本公司的发展需求。管理层还定期提供相关法律、法规的最新修改以及不断变化的商业风险，使董事们得以在充分掌握信息的基础上做出决定，确保董事们能够履行其各自的角色和职责。同时，本公司也鼓励董事们随时跟进与本集团业务有关的最新进展。

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

董事会的组成和平衡

董事会目前由八名董事组成，其中一半为独立董事。截至本年度报告日，本公司的董事会由下列人员组成：

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

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

Each Independent Director is required to complete a Director's Independence Checklist annually to confirm his/her independence based on the guidelines as set out in the Code. For FY2017, the NC has determined that all the Independent Directors are independent. In particular, Mr. Zhai Haitao is also an independent director of the Company's controlling shareholder Everbright International, but he is not involved in the daily management and operation of Everbright International. The NC determined that Mr. Zhai Haitao is independent in character and judgment and his role as independent director of Everbright International will not affect his judgment as Independent Director of the Company. Mr. Lim Yu Neng Paul and Ms. Cheng Fong Yee were appointed as Independent Directors of the Company in July 2007. Since then, the Company experienced changes in controlling shareholders and the management teams twice. The current controlling shareholder, Everbright International, only gained control of the Company in December 2014 and the current management team and executive officers joined the Company following that change. Thus, although Mr. Lim Yu Neng Paul and Ms. Cheng Fong Yee served the Board beyond nine years from the date of their appointment, both the NC and the Board held the view that they remain independent in both character and judgement. In addition, Ms. Hao Gang, who was appointed in March 2018, has no relationship with the Company, its related corporations, its controlling shareholders or its officers that could interfere, or be reasonably perceived to interfere with the exercise of her independent business judgement. Therefore, the NC considered Ms. Hao Gang to be independent. The Board will undertake more rigorous review annually on the independence of any Director who has served the Board beyond nine years, and in doing so, the Board will also take into account the need for progressive refreshing of the Board. The Board has determined that it is of an appropriate size to facilitate effective decision making, and to meet the objective of having a balance of skills and experiences, taking into account the size and scope of Company's operations.

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

每名独立董事须每年填写董事独立调查清单，以确认其按照公司治理守则的要求具备独立性。在二零一七财政年度，提名委员会认为所有的独立董事均是独立的。其中，翟海涛先生也是本公司的控股股东光大国际的独立董事，但他并不参与光大国际的日常经营管理。提名委员会认为，翟海涛先生在品格和判断方面具有独立性，他作为光大国际独立董事的角色不会影响他作为本公司独立董事的判断。林御能先生和郑凤仪女士在二零零七年七月被任命为本公司的独立董事。自那时起，本公司经历了两次控股股东和管理团队的变化。目前的控股股东光大国际在二零一四年十二月才取得本公司的控制权，目前的管理团队和执行人员也是继该次变更之后才加入本公司。因此，虽然林御能先生和郑凤仪女士在董事会的任期自委任之日起已超过九年，但提名委员会和董事会认为他们在品格和判断方面仍具有独立性。此外，郝刚女士自二零一八年三月被聘任为独立董事，她与本集团或本集团的关联公司、拥有本集团10%股份的股东或其管理人员之间不存在任何关系会干扰到或被合理认为干扰到她为本公司和本集团的最佳利益而行使独立的商业判断。因此，提名委员会认为郝刚女士也具备独立性。对于在本公司任职超过九年的独立董事，董事会会在审阅其独立性时采用更加严格的标准，也会考虑到董事会逐步更新其人员组成的需求。董事会认为，考虑到本公司经营的规模和范围，目前，独立董事的人数是适当的，这有利于董事会做出有效的决策并在各领域拥有平衡兼顾的技能和经验。

The current Board comprises business leaders, industry experts, professionals and academia experts, with accounting, financial, business, management and academic backgrounds. A majority of the Directors (including a majority of Independent Directors) have more than eight years' experience serving as an executive officer or a director of a company in the environmental protection industry. This composition and diversity of the Board enables the Management to benefit from a diverse and objective external perspective, on issues raised before the Board. The Board reviews its composition, expertise and experience annually to determine if the Directors, as a group, provide an appropriate balance and diversity of skills. Each Director has been appointed based on the strength of his/her caliber, expertise, experience and his/her potential contribution to the Group and its businesses. Profiles of the Directors are set out on pages 20 to 27 of this Annual Report.

The Board is able to exercise objective judgment on corporate affairs independently from the Management. No individual or group of individuals is allowed to dominate the Board's decision making. Currently, half of the Board members are Independent Directors. The Board is thus of the view that there is sufficiently strong independent element on the Board to enable independent exercise of objective judgment on corporate affairs of the Group, taking into account factors such as the size and scope of the affairs and operations of the Group.

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

Chairman and CEO

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

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

目前的董事会成员由具有行业、会计、财务、业务和管理背景的商界领袖、行业专家、专业人士和学术界专家组成。本公司一半以上的董事（包括一半以上的独立董事）在环保行业的公司担任执行管理人员或董事的经验超过八年。董事会的这种组成结构和多元化使得管理层得以从多元客观的外部视角审视提交到董事会的议题，并从中受益。董事会每年一次审阅其成员组成、专长和经验，以此确定董事会作为一个团队是否提供了适当的、平衡的多样性和技能。每位董事均是依照其能力、经验及其对本集团和本集团的业务可能做出的贡献而获得聘任。各董事的情况介绍见本年度报告第20页至第27页。

董事会对公司事务能够行使独立于管理层的客观判断。任何个人或一组人均不可支配董事会的决策。本公司目前的董事会成员中有一半为独立董事。董事会因此认为，鉴于独立董事在董事会中的人数以及本集团业务经营的规模和范围，董事会目前的构成使董事会具有足够的独立性，并让董事会的成员得以对本集团事务做出独立客观的判断。

非执行董事（包括独立董事）对于董事会的决策过程起到非常重要的作用。他们对战略决策提出具有建设性的意见并协助拟定战略方案，审阅管理层的表现是否达到预先设定的目标，并对其绩效报告进行监督。具体而言，董事长将确保在每次董事会的会议中每位独立董事都拥有充足的时间表达其观点。独立董事每年至少一次在管理层不在场的情况进行会面。

董事长和总裁

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

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

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

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

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

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

Furthermore, the Audit Committee ("AC"), the Remuneration Committee ("RC") and the NC are chaired by Independent Directors, and half of the Board currently consist of Independent Directors. The AC and the RC both comprise only Independent Directors and the majority of the NC members are also Independent Directors. The Company currently has no Lead Independent Director. Considering the Company's current business operations and Board size of eight members with half being Independent Directors, the Company is of the view that the appointment of a Lead Independent Director for the year under review is not necessary. Nevertheless, the Board will annually examine the need for such appointment.

Board Membership

The NC comprises:

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

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

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

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

总裁负责本集团的日常管理，并担任管理委员会的主席。总裁与董事会一起制定本集团的战略规划、业务拓展方向和发展蓝图。

董事会认为，本公司具有充分的保障和检查措施，以确保董事会的决策过程是独立的，且其决策是经过集体讨论而做出的，不受任何个人的严重干预或影响。

另外，审计委员会、薪酬委员会和提名委员会的主席均由独立董事担任，并且董事会中有一半的成员为独立董事。审计委员会和薪酬委员会全部由独立董事构成，提名委员会的委员中有大多数是独立董事。本公司目前没有聘任首席独立董事。鉴于本公司目前的业务以及董事会八名成员中有四名是独立董事，本公司认为在回顾年内并无必要聘任首席独立董事。但董事会将每年审查是否需要做出该等聘任。

董事会成员

提名委员会由下列董事组成：

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

提名委员会的大多数委员（包括提名委员会主席）是独立董事。

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

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

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

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

提名委员会的主要职权范围如下:

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

在董事会的席位出现空缺时、或当引进具有某方面特长的新董事将有益于董事会时，提名委员会在与董事会协商后，制定遴选标准并挑选具有适当专业知识和经验的候选人。除了各候选人的资质和经验以外，提名委员会也考虑候选人是否能提高董事会的有效性和多样性并按照本公司的战略目标为公司的业务创造价值。在聘请任何新董事前，提名委员会将对候选人进行面试，并且召开一次会议讨论候选人的情况（包括独立性，如适用）。如果认为候选人资历合适，提名委员会将向董事会做出该项聘任的推荐。董事会随后将审阅并探讨候选人的资历，在合适的情况下，董事会将批准聘任该候选人作为本公司的董事。本公司在聘请了任何新董事后都将立即在新交所上市公司信息披露网站（“SGXNET”）发布聘任公告。

在考虑重新聘任一名董事时，提名委员会评估该名董事的贡献和表现，比如其在董事会会议或董事会各专门委员会会议（如适用）的出席率、参与度、坦率程度以及任何特殊贡献。董事会将根据提名委员会做出的推荐审阅和批准重新聘任某位董事。

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

- (a) each Director shall retire at least once every three years and shall be eligible for re-election. Mr. Zhai Haitao, Mr. Lim Yu Neng Paul and Ms. Cheng Fong Yee are subject to retirement pursuant to the Company's Bye-law 86(1) at the forthcoming annual general meeting ("AGM"). The NC recommended that all of them be nominated for re-election at the forthcoming AGM; and
- (b) any Directors appointed by the Board shall retire at the next AGM of the Company and shall be eligible for re-election. Ms. Hao Gang is subject to retirement pursuant to the Company's Bye-law 85(6) at the forthcoming AGM. The NC recommended Ms. Hao Gang be nominated for re-election at the forthcoming AGM.

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

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

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

所有董事（包括董事长和总裁）均需遵守本公司章程的下列规定：

- (a) 每名董事每三年应至少告退一次，可连选连任。翟海涛先生、林御能先生和郑凤仪女士将按照本公司章程第86(1)条的规定在即将召开的年度股东大会上告退。提名委员会建议提名他们三位董事在即将召开的年度股东大会上连任；以及
- (b) 董事会聘任的任何董事应在本公司下一次年度股东大会上告退，可连选连任。郝刚女士将按照本公司章程第85(6)条的规定在即将召开的年度股东大会上告退。提名委员会建议提名她在即将召开的年度股东大会上连任。

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

所有董事均需申报其在外其他公司董事会的任职情况。如果一名董事在多家公司的董事会任职，提名委员会将根据董事在其他上市公司董事会任职的数量、在该其他上市公司担任董事所需花费的时间和精力以及他/她的其它主要职责来认定该董事是否能够充分履行其作为本公司董事的职责。

经审阅，提名委员会认为，在多家公司董事会任职的董事尽管身兼多职，但均能对本公司的职务贡献足够的时间和精力以充分履行其董事职责。由于在其他上市公司任职董事所需花费的时间和精力将根据具体董事席位的性质（执行或非执行）而有所不同，因此，提名委员会并未建议为每名董事在其他上市公司董事会任职的数量设定上限。董事会可随时视需要规定每名董事可担任的上市公司董事的数量上限。

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

公司治理报告

There is no Alternate Director on the Board.

董事会中没有候补董事。

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

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

Director 董事	Position 职务	Date of Initial Appointment 初次聘任日期	Date of Last Re-Election 上一次连任日期	Membership of Board Committee 董事会专门委员会委员	Directorship/ Chairmanship both present and those held over the preceding three years in other listed company 目前和前三年担任董事/董事长的其他上市公司
Mr. Wang Tianyi 王天义先生	Non-Executive Director and Chairman 非执行董事兼董事长	12 Dec 2014 二零一四年十二月十二日	25 Apr 2017 二零一七年四月二十五日	NC Member 提名委员会委员	Present: China Everbright International Limited (listed on HKSE) 现任： 中国光大国际有限公司 (在香港联交所上市)
Mr. An Xuesong 安雪松先生	Executive Director and CEO 执行董事兼总裁	12 Dec 2014 二零一四年十二月十二日	25 Apr 2017 二零一七年四月二十五日	Management Committee Chairman 管理委员会主席	None 无
Mr. Cai Shuguang 蔡曙光先生	Executive Director 执行董事	23 Feb 2017 二零一七年二月二十三日	25 Apr 2017 二零一七年四月二十五日	None 无	Present: None 现任： 无 Over 3 preceding years: China Everbright International Limited (listed on HKSE) 前三年的任职： 中国光大国际有限公司 (在香港联交所上市)
Ms. Xu Nailing 徐乃玲女士	Executive Director 执行董事	23 Feb 2017 二零一七年二月二十三日	25 Apr 2017 二零一七年四月二十五日	None 无	None 无
Mr. Zhai Haitao 翟海涛先生	Independent Director 独立董事	14 Aug 2015 二零一五年八月十四日	25 Apr 2016 二零一六年四月二十五日	NC Chairman AC Member RC Member 提名委员会主席 审计委员会委员 薪酬委员会委员	Present: China Everbright International Limited (listed on HKSE) 现任： 中国光大国际有限公司 (在香港联交所上市)

CORPORATE GOVERNANCE REPORT

公司治理报告

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

Director 董事	Position 职务	Date of Initial Appointment 初次聘任日期	Date of Last Re-Election 上一次连任日期	Membership of Board Committee 董事会专门委员会委员	Directorship/ Chairmanship both present and those held over the preceding three years in other listed company 目前和前三年担任董事/董事长的其他上市公司
Mr. Lim Yu Neng Paul 林御能先生	Independent Director 独立董事	31 July 2007 二零零七年七月三十一日	25 Apr 2016 二零一六年四月二十五日	AC Chairman NC Member RC Member 审计委员会主席 提名委员会委员 薪酬委员会委员	<u>Present:</u> 1. Golden Energy and Resources Limited (listed on SGX) 2. Nippecraft Limited (listed on SGX) <u>现任:</u> 1. Golden Energy and Resources Limited (在新交所上市) 2. Nippecraft Limited (在新交所上市) <u>Over the preceding 3 years:</u> None <u>前三年的任职:</u> 无
Ms. Cheng Fong Yee 郑凤仪女士	Independent Director 独立董事	31 July 2007 二零零七年七月三十一日	25 Apr 2016 二零一六年四月二十五日	RC Chairman AC Member 薪酬委员会主席 审计委员会委员	None 无
Ms. Hao Gang 郝刚女士	Independent Director 独立董事	16 March 2018 二零一八年三月十六日	N.A. 不适用	None 无	None 无

Board Performance

The Board and the NC have adopted a formal process for the evaluation of the performance of the Board as a whole, the Board Committees and the contribution by each individual Director to the effectiveness of the Board. Following the end of each financial year, each of the Directors is requested to complete a Board Evaluation Questionnaire and a Director Self-Appraisal Form. Each of the NC members is also requested to complete a Board Committee Appraisal Form. The performance criteria for the Board as a whole include, amongst others, the Company's financial performance for that financial year, an evaluation of the size and composition of the Board, the Board's access to information, accountability, Board procedures and Board performance in relation to discharging its principal responsibilities in terms of the financial indicators as set out in the Code. The assessment criteria for an individual Director include, amongst others, attendance, adequacy in meeting preparation, generation of constructive ideas, leadership, keeping abreast of industry developments,

董事会的表现

董事会和提名委员会采用正式的程序来评估董事会整体的表现、董事会专门委员会的表现以及每名董事对董事会有效性的贡献。在每个财政年度结束后，每名董事将被要求填写一份董事会评估问卷和一份董事自评表格。提名委员会的每名委员也会被要求填写一份董事会专门委员会评估表格。评估董事会整体表现的标准包括但不限于：本公司在该财政年度中的财务表现、公司治理守则中所规定的董事会的人数和构成、董事会对信息的获取、责任制、董事会程序以及董事会在完成财务指标方面的表现等。评估每一名董事个人表现的标准包括但不限于：会议出席率、对会议准备的充分性、建设性意见的提出、领导力、与行业发展与时俱进、在特定领域的贡献。评估董事会专门委员会表现的标准包括但不限于：委员会的人员组成、协助董事会做出更优决策的贡献、委员会主席的职责履行情况、专门委员会与

and contribution in specific areas. The evaluation criteria for the Board Committees include, amongst others, committee composition, the contribution in assisting the Board for better decision-making, sufficiency of expertise of committee members, chairman's performance in discharging responsibility, quality of Board Committee's communication with the Board. To facilitate the candour in providing feedback by the Directors in the appraisal process, all completed appraisal forms are sent to the Company Secretary directly for summarisation, and then the appraisal summaries (on a no-name basis) and findings are circulated to the NC for analysis and discussion during the NC meeting. The NC will then report its findings and recommendations to the Board for discussion with a view to enhancing the effectiveness of the Board. The Board discusses and determines the areas for improvement and enhancement of the Board's effectiveness as well as its implementation.

Following the review, the NC assessed the Board's performance as a whole, the Board Committees' performance and the contribution by individual Directors in FY2017, and is of the view that the Board's performance as a whole, the Board Committees' performance and the contribution by individual directors are satisfactory.

No external facilitator was used in FY2017.

Access to Information

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

The Board is generally furnished with detailed Board papers (including related materials, background or explanatory information of each agenda) one week prior to any Board meeting to enable the Directors to sufficiently prepare for the meetings. The Directors will also request for additional information or clarification from the Management, if necessary, before or during the meetings. The Board is also informed of any significant developments or events relating to the Company timely. All disclosure documents issued by the Company (such as announcements, press releases, analyst briefing presentation slides, reports) are provided to the Board before or upon such release. Forecasts and internal financial statements are also provided to the Board and any material variance between the projections and actual results are disclosed and explained to the Board.

董事会之间的沟通。为了促进董事们在评估过程中坦诚地提供反馈，所有评估表格在填妥后被直接交给公司秘书进行汇总，随后评估总结表（不记名）和评估发现被发送给提名委员会在会议上进行分析和讨论。提名委员会随后将其在评估过程中的发现和推荐向董事会进行报告。董事会将讨论和确定董事会有效性需要改进和加强的方面及其落实措施。

经过对二零一七财政年度董事会整体表现、董事会专门委员会的表现和每名董事表现的评估，提名委员会认为董事会的整体表现、专门委员会的表现和每名董事的表现令人满意。

在二零一七财政年度没有使用外部服务。

董事会获取信息

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

董事们通常在开会前一周收到详细的董事会议资料（包括每项议程的相关材料、背景资料和解释信息），以此为董事们提供充分的会议准备时间。董事们也将在必要时在会议前或会议中向管理层索取额外的信息或澄清。与本公司有关的任何重大进展和事件也及时向董事会汇报。本公司发布的所有披露文件（比如公告、新闻稿、分析师简介会资料、报告）都会在发布前或发布时提供给董事会。本公司的预测信息和内部财务报表也会提供给董事会，关于预测信息与实际结果之间的任何重大差异也披露给董事会并向其提供解释。

The Directors are given separate and independent access to the Management to address any enquiries and also have separate and independent access to the Company Secretary. The Company Secretary attends all Board meetings and Board Committee meetings and ensures that they are conducted in accordance with the Bye-laws of the Company and that the applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is subject to approval of the Board. The Company Secretary, under the direction of the Chairman, ensures good information flows within the Board and the Board Committees and between the Management and Non-Executive Directors. The Company Secretary also advises the Board on all governance matters, facilitates orientation to the new Directors, arranges for trainings and professional development of Board members, as required. The current Company Secretary is also the Group's Legal Counsel, who is a licensed lawyer and a member of Chartered Secretaries Institute of Singapore.

When necessary, the Directors can seek independent professional advice, concerning any aspect of the Group's operations or undertakings in order to fulfill their roles and responsibilities as Directors, at the Company's expense.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

The RC comprises:

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

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

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

董事们可各自独立地向管理层征询，也可各自独立地联系公司秘书。公司秘书出席所有的董事会会议和专门委员会会议，确保会议按照本公司章程的规定召开且本公司遵守了所适用的法规和规定。聘任和免除公司秘书均需获得董事会的批准。在董事长的指导下，公司秘书确保在董事会成员之间、专门委员会委员之间、管理层和非执行董事之间均形成良好的信息流通。公司秘书也向董事会提供关于所有治理事项的意见，协助为新董事安排任职培训，并在必要时为董事会成员安排培训项目和职业发展项目。本公司目前的公司秘书同时也是本集团的法律顾问，她是一名执业律师，也是新加坡特许秘书协会的会士。

在必要时，董事们可寻求关于本集团运营或业务的任何方面的独立专业意见，以便董事们履行其相关职责，寻求该种专业意见的相关费用将由本公司承担。

(B) 薪酬事项

制定薪酬政策的程序

薪酬委员会由下列董事组成：

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

薪酬委员会的主要职权范围如下：

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

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

The Company engaged Aon Hewitt Singapore Pte Ltd ("Aon Hewitt"), a third-party remuneration consultant, following the end of FY2017 to benchmark the remuneration of the Company's Executive Directors, Non-Executive Directors and the key management personnel against the industry peers in Singapore and Hong Kong. There is no relationship between the Company and Aon Hewitt that will affect the independence and objectivity of Aon Hewitt. The RC made recommendations on the Company's remuneration framework and remuneration packages for Directors and key management personnel, taking into account Aon Hewitt's findings.

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

Level and Mix of Remuneration

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

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

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

本公司在二零一七财政年度结束后聘请了第三方薪酬顾问Aon Hewitt Singapore Pte Ltd ("Aon Hewitt")，针对本公司的执行董事、非执行董事和关键管理人员的薪酬和香港及新加坡的同行业公司的薪酬情况做比对。本公司与Aon Hewitt之间不存在任何关系会影响Aon Hewitt独立性和客观性。薪酬委员会在参考了Aon Hewitt的分析结论后，针对本公司的董事及关键管理人员的薪酬框架和薪酬配套做出了推荐。

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

薪酬水平和薪酬组合

按照薪酬委员会制定的框架，薪酬委员会根据下列因素来决定董事的薪酬：

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

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

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

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

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

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

薪酬委员会进行年度审阅，在保证本集团的健康财务状况和正当业务需求的前提下，给予主要管理人员适当的回报，从而实现股东价值的最大化。本集团在每个财政年度中关于执行董事、非执行董事和关键管理人员的薪酬框架、薪酬配套以及奖金分配方案都提交给薪酬委员会审阅并讨论。薪酬委员会目前由三名独立董事组成。该等薪酬框架、薪酬配套以及奖金分配方案随后将提供给董事会确认。

执行董事与本公司签订了服务协议。他们的报酬包括基本工资、固定补贴和绩效奖金。执行董事和关键管理人员的奖金数额取决于本公司的表现以及该人员在当年的表现和对本公司的贡献。具体而言，在每个财政年度初，本公司为执行董事和关键管理人员设立一个奖金池并确定一个客观的奖金确定机制，随后提交给薪酬委员会审议，最后由董事会确认。为了激励执行董事和关键管理人员成功地管理本公司，绩效奖金构成了他们全年总薪酬中的重要组成部分。执行董事和每位关键管理人员的绩效奖金都与本公司在该财政年度中是否实现了特定关键财务指标挂钩，同时还取决于该人员在当年的年度考评结果。

本集团的薪酬政策是提供适当的薪酬配套以吸引、保留和激励董事和主要管理人员。

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

董事袍金由董事会建议并经本公司年度股东大会批准。

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Disclosure on Remuneration

A breakdown of the remuneration of the Directors and the key management personnel (who are not Directors) for FY2017 is set out below:

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

Remuneration Band and Name of Director 薪酬幅度和董事姓名	Directors' Fee% 董事袍金%	Salary % 工资%	Bonus % 奖金%	Benefits in kind % 实物福利%	Total % 总计%
S\$750,000 to below S\$1,000,000 750,000新加坡元至1,000,000新加坡元以下					
Mr. Wang Tianyi 王天义先生	—	45	54	1	100
S\$500,000 to below S\$750,000 500,000新加坡元至750,000新加坡元以下					
Mr. An Xuesong 安雪松先生	—	42	53	5	100
S\$250,000 to below S\$500,000 250,000新加坡元至500,000新加坡元以下					
—	—	—	—	—	—
Below S\$250,000 250,000新加坡元以下					
Mr. Cai Shuguang ⁽¹⁾ 蔡曙光先生 ⁽¹⁾	—	—	—	100	100
Ms. Xu Nailing ⁽²⁾ 徐乃玲女士 ⁽²⁾	—	—	—	100	100
Mr. Zhai Haitao 翟海涛先生	94	—	—	6	100
Mr. Lim Yu Neng Paul 林御能先生	88	—	—	12	100
Ms. Cheng Fong Yee 郑凤仪女士	85	—	—	15	100
Ms. Hao Gang ⁽³⁾ 郝刚女士 ⁽³⁾	—	—	—	—	—

⁽¹⁾ During FY2017, in addition to his executive directorship with the Company, Mr. Cai Shuguang was also the Executive Director and Deputy General Manager of Everbright International, the Company's controlling shareholder. The remuneration of Mr. Cai Shuguang which he received from Everbright International during FY2017 already reflected his effort and time spent on the Company's affairs and his contributions to the Company. Therefore, during FY2017, Mr. Cai Shuguang only received allowances from the Company for his attendance at the Board meetings, the amount of which was minimum.

⁽²⁾ During FY2017, in addition to her executive directorship with the Company, Ms. Xu Nailing was also the Deputy Chief Financial Officer of Everbright International, the Company's controlling shareholder. The remuneration of Ms. Xu Nailing which she received from Everbright International during FY2017 already reflected her effort and time spent on the Company's affairs and her contributions to the Company. Therefore, during FY2017, Ms. Xu Nailing only received allowances from the Company for her attendance at the Board meetings, the amount of which was minimum.

⁽³⁾ Ms. Hao Gang was appointed as a Director in March 2018, thus did not receive any remuneration from the Company in FY2017.

薪酬的披露

董事和关键管理人员（未担任董事）在二零一七财政年度的薪酬明细表如下：

a) 每名董事的薪酬水平和组合如下：

⁽¹⁾ 在二零一七财政年度中，除了在本公司担任执行董事以外，蔡曙光先生也是本公司的控股股东光大国际的执行董事兼副总经理。蔡曙光先生在二零一七财政年度从光大国际领取的薪酬已经反映了蔡曙光先生在本公司事务上所花费的时间和精力以及他对本公司所做出的贡献。因此，在二零一七财政年度中，蔡曙光先生仅从本公司领取了少量的董事会会议津贴。

⁽²⁾ 在二零一七财政年度中，除了在本公司担任执行董事以外，徐乃玲女士也是本公司的控股股东光大国际的副财务总监。徐乃玲女士在二零一七财政年度从光大国际领取的薪酬已经反映了徐乃玲女士在本公司事务上所花费的时间和精力以及她对本公司所做出的贡献。因此，在二零一七财政年度中，徐乃玲女士仅从本公司领取了少量的董事会会议津贴。

⁽³⁾ 郝刚女士于二零一八年三月被聘任为本公司董事，因此未在二零一七财政年度从本公司领取任何薪酬。

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

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

董事会相信，鉴于环保水务行业，尤其是在中国的环保水务行业的激烈竞争情况，充分披露具体的薪酬不符合本公司的最大利益。根据本报告中的薪酬幅度披露董事和关键管理人员的薪酬信息较为恰当。

b) 各关键管理人员（未担任董事）的薪酬水平和组合如下：

Remuneration Band and Name of Key Management Personnel 薪酬幅度和关键管理人员姓名	Salary % 工资%	Bonus % 奖金%	Benefits in kind % 实物福利%	Total % 总计%
S\$500,000 500,000新加坡元以下				
Mr. Luo Junling 罗俊岭先生	42	50	8	100
Mr. Yu Yiping 余一平先生	51	41	8	100
Mr. Tao Junjie 陶俊杰先生	49	43	8	100
Mr. Wang Yuexing 王悦兴先生	51	41	8	100
Mr. Wang Guanping 王冠平先生	45	45	10	100
Mr. Zhang Guofeng 张国锋先生	33	61	6	100
Mr. Sun Linbo 孙林波先生	45	50	5	100
Ms. Peng Pei 彭珮女士	60	33	7	100

The aggregate amount of the total remuneration paid to the abovementioned key management personnel is S\$1,971,000.

支付给上述关键管理人员的薪酬总额为1,971,000新加坡元。

There are no employees of the Group who are immediate family members of a Director and whose remuneration exceeds S\$50,000 during FY2017.

在二零一七年财政年度内，不存在董事直系亲属担任本集团员工并领取超过50,000新加坡元薪酬的情形。

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

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

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

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

As at 31 December 2017, there was no outstanding share option granted under the Scheme, which had not been exercised.

截至二零一七年十二月三十一日，不存在按照该期权计划已授予但尚未行权的期权。

(C) ACCOUNTABILITY AND AUDIT

Accountability

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

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

Risk Management and Internal Controls

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

The internal auditors conduct annual review of the effectiveness of the Group's key internal controls including financial, operational, compliance, information technology and sustainability risks management. The external auditors during the conduct of their normal audit procedures may also report on matters relating to internal control. Any material non-compliance and recommendation for improvements are reported to the AC. The AC also reviews and continues to monitor the effectiveness of the actions taken by the Management on the recommendations made by the internal and external auditors in this respect.

(C) 责任制和审计

责任制

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

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

风险管理和内部控制

本集团的内部控制和管理体系旨在对财务信息的公正可靠性提供合理但并非绝对的保证，并保障和维护资产的责任制。尽管任何一个具有成本效益的内控体系都无法绝对保证不出现亏损或不当报表，但审计委员会在董事会的参与下审阅了本集团内部控制和体系的充分性，认为它们在保障资产、控制运营、适度管理商业风险、适当进行会计记录、保持业务用途的财务信息和予以发布的财务信息准确完整等方面都提供了合理的保证。

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

Based on the work performed by the internal and external auditors, the AC reviews the findings from the internal and external auditors on the Group's internal controls and the Management's responses to the auditors' recommendations for improvement to the Group's internal controls and discussions with the auditors and Management. The Company may, from time to time, appoint external advisers to facilitate the Company to assess and identify the key risks and the related key controls established by the Company. The most recent engagement of such external adviser was for the financial year ended 31 December 2015, during which KPMG Services Pte. Ltd. had determined that the Group's internal controls were adequate and effective enough in mitigating key risks of the Group. The AC will review the needs for the engagement of such external adviser in reviewing the Group's internal control system on an annual basis, and if needed, will make such recommendation to the Board.

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

The Board has received assurance from the CEO and the CFO that the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and regarding the effectiveness of the Company's risk management and internal control systems.

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

基于内部和外部审计师的工作，审计委员会审查内部和外部审计师对本集团内部控制的审计结果、管理层对审计师改善本集团内部控制之建议的回应、以及其与审计师和管理层进行的讨论。本公司不时会聘任外部顾问协助本公司评估和识别关键风险和 Related 控制措施。最近一次聘请该等外部顾问是针对截至二零一五年十二月三十一日的财政年度，其时外部顾问KPMG Services Pte Ltd确定了本集团的内部控制充分有效，足以应付本集团所面临的关键风险。审计委员会将每年审阅是否需要聘请外部顾问来审查本集团的内控系统；如需，则会向董事会做出该等推荐。

另外，本公司实施了两大管理体系来应对本公司在不同领域所面临的风险，即风险管理体系和环境、安全、健康和社会责任（“ESHS”）管理体系。风险管理体系提供了一系列程序进行风险识别和评估、整理风险事件登记簿、制定风险策略、管理风险事件、报告风险事件、审查和审计风险管理体系等。本公司每季度一次更新风险事件登记簿。ESHS管理体系提供了一系列标准化流程来应对环境、安全、健康和社会责任风险。

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

风险管理由审计委员会负责，本公司没有为此另行在董事会层面设立专门委员会。然而，本公司设立了风险评审委员会来协助管理委员会做出关于新投资项目的决策。对于需要董事会批准的新投资项目，风险评审委员会的结论和推荐会被提交给董事会参考。关于风险评审委员会的更多详情请见此份本公司治理报告中“内部管理”一节。

The Company's Legal and Risk Management Department is responsible for summarising the risk management results of each department and regional management centre and assessing the potential material risks confronting the Group according to the risk management program of the Group, formulating and implementing the risk management plan for the next year. The Legal and Risk Management Department is also responsible for maintaining and updating the Company's register of risks.

The Board, with the concurrence of the AC, is satisfied with the adequacy of the Group's risk management and internal control systems in addressing financial, operational, compliance and information technology controls and sustainability risks as at 31 December 2017 and that Management has taken efforts to minimise the risk of recurrence of such lapses.

Audit Committee

The AC comprises:

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

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

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

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

The AC met four times in FY2017 and relevant Directors and Management members were invited to attend the meetings.

本公司的法律及风险管理部负责总结各部门和区域管理中心的风险管理结果，按照本集团的风险管理计划评估本集团面临的潜在重大风险，制定和实施下一年的风险管理计划。法律及风险管理部同时也负责维持和更新本公司的风险事件登记簿。

董事会和审计委员会对本集团截至二零一七年十二月三十一日在财务、运营、合规及信息技术控制措施和应对可持续性风险方面的风险管理和内部控制体系的充分性以及管理层为尽量减少重复失误所做出的努力表示满意。

审计委员会

审计委员会由下列董事组成：

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

林御能先生（特许金融分析师）具有丰富实用的财务管理知识和经验，董事会认为他完全有资格担任审计委员会主席。

审计委员会的大多数委员均拥有会计或金融背景。审计委员会委员总体上具有履行审计委员会职责所需的会计或相关财务管理方面的新近知识或经验。

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

审计委员会在二零一七财政年度里召开了四次会议，相关董事和管理人员应邀出席了会议。

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The functions of the AC include:

- a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- b) reviewing and reporting to the Board the adequacy and effectiveness of the Group's internal controls, comprising financial, operational, compliance and information technology controls, including procedures for entering into hedging transactions (such review can be carried out parties);
- c) reviewing the effectiveness of the Group's internal audit function;
- d) reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors;
- e) making recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- f) reviewing any interested person transactions as defined in the SGX Listing Rules;
- g) reviewing potential conflicts of interest, if any, including reviewing and considering transactions in which there may be potential conflicts of interests between the Group and interested persons and recommending whether those who are in a position of conflict should abstain from participating in any discussions or deliberations of the Board or voting on resolutions of the Board of the Shareholders in relation to such transactions as well as to ensure that proper measures to mitigate such conflicts of interest have been put in place;
- h) reviewing the rectification measures and internal control measures relating to regulatory issues involving the Group's licences, permits or certificates etc;
- i) reviewing the investments in our customers, suppliers and competitors made by the Directors, controlling shareholders and their respective associates who are involved in management of the Group or have shareholding interests in similar or related business of the Group and making assessments on whether there are any potential conflicts of interests and ensuring that proper measures to mitigate such conflicts of interests have been put in place;

审计委员会的职能包括:

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

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

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

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

The AC and the external auditors have discussed the significant issues in financial reporting throughout the year at the AC meetings. As set out in the Independent Auditor's Report on pages 83 to 89, the following significant issues were discussed with the management and the external auditors and were reviewed by the AC:

审计委员会及外部审计师已于审计委员会会议上就整个年度财务报告的重大事项进行了讨论。诚如第83页至第89页之独立审计师报告所载，以下重大事项已经由审计委员会与管理层及外部审计师进行了讨论，并已经过审计委员会复核：

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Significant issues 重大事项	How the issue was addressed by the AC 审计委员会在有关事项上的解决方法
Service concession arrangements and revenue recognition 服务特许权安排及收入确认	<p>The key area reviewed by the AC on revenue recognition was the service concession arrangements of water treatment plants under IFRIC 12. The AC received confirmation from the Management that consistent accounting policy was applied throughout the year for recognising revenue under IFRIC 12. The AC assessed the competency, capability and objectivity of the Group's independent financial model consultant. The AC also considered the approach, methodology and key assumptions applied to the financial model for the determination of the fair value of construction services. The AC is satisfied with the appropriateness of the methodology applied and the reasonableness of the key assumptions used.</p> <p>审计委员会根据国际财务报告诠释委员会诠释第12号就收入确认复核的主要范围为污水处理厂的服务特许经营权安排。审计委员会已获管理层确认，其已于本会计年度根据国际财务报告诠释委员会诠释第12号就确认收入采用一致的会计政策。审计委员会也评估了本集团独立财务模型顾问的资格、能力及客观性。审计委员会还考虑了确定建造服务的公允价值所采用的方式、方法及主要假设。审计委员会对所采用方法之合适程度及所作出主要假设之合理程度表示满意。</p>
Recoverability of trade and other receivables 应收账款及其他应收款项的可收回性	<p>The AC and the Board receive regular updates from the Management on the progress of trade and other receivables collection and repayment schedule discussions with customers in the year. The AC is satisfied with the attention and effort taken by the Management on the receivables collection. Besides taking into account the opinion and findings from the Management and the external auditors, the AC also considered the appropriateness of the provision held against the carrying values of trade and other receivables in relation to the creditworthiness of customers. The AC is satisfied that no provision for doubtful debts was considered necessary as at 31 December 2017.</p> <p>审计委员会及董事会自管理层定期获得有关本集团应收账款及其他应收款项的回款及就还款与客户进行协商的进展情况。审计委员会满意管理层对收回应收款项事项的关注及所付出的努力。除考虑了管理层及外部审计师的意见及发现外，审计委员会也根据客户的信用程度考虑了应收账款及其他应收款项账面价值所作拨备的合适程度。审计委员会认为无须就于二零一七年十二月三十一日之应收款项计提拨备。</p>
Impairment assessment of goodwill 商誉减值测试	<p>The AC considered the approach and methodology applied by the Management on both the assessment for impairment indicators and the impairment assessment of goodwill. In addition to considering opinion and findings from the Management and the external auditors, the AC also reviewed the approach used in the valuation and the reasonableness of key assumptions used in the cash flows forecast, including future revenue growth rate, operating margin, terminal growth rate and discount rate based on their knowledge of the business of the Group and the industry.</p> <p>审计委员会考虑了管理层在减值指标测试和商誉减值测试中应用的方法和概念。除考虑了管理层和外部审计师的意见和发现外，审计委员还根据其对本集团及该行业业务的了解对评估使用的方法和现金流量预测中使用的主要假设包括未来收入增长率、运营利润率、长期增长率及贴现率的合理性进行审阅。</p> <p>The AC is satisfied with the appropriateness of the methodology applied and the reasonableness of the key assumptions used.</p> <p>审计委员会对所采用方法之合适程度及所作出主要假设之合理程度表示满意。</p>

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Following the review and discussions, the AC recommended to the Board to approve the full year financial statements for FY2017.

During the financial year under review, the AC has reviewed and noted that there were no non-audit services provided to the Group by the external auditor, Ernst & Young LLP, and thus is satisfied that the independence and objectivity of the external auditor will not be prejudiced. The AC is pleased to recommend their re-appointment.

The fees paid or payable to the external auditor is set out on page 128 of this Annual Report.

The AC is satisfied that the Company has complied with Rules 712, 715 and 716 of the SGX Listing Rules in relation to the appointment of its external auditors for FY2017 and in making the above-mentioned appointment recommendation.

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

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

An e-mail address and a special telephone number are set up to allow whistle blowers to contact the AC Chairman directly. All concerns or irregularities raised will be treated with confidence and every effort will be made to ensure that confidentiality is maintained throughout the process.

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

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

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

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

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

经审阅及讨论后，审计委员会建议董事会批准二零一七财政年度的全年财务报表。

在本财政年度，审计委员会经审查后知悉外部审计师Ernst & Young LLP未向本集团提供任何非审计服务，因此认为该外部审计师的独立性和客观性未受任何影响。审计委员会推荐重新聘任Ernst & Young LLP担任本公司的外部审计师。

向外部审计师已付或应付的费用请详见本年度报告第128页。

审计委员会确认，本公司在二零一七财政年度中及作出上述聘任推荐时遵守了新交所上市规则第712条、第715条和第716条有关聘任外部审计师的规定。

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

在本财政年度，审计委员会没有收到有关上述事项的举报。

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

审计委员会按其职权范围履行职责。

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

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

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

本公司目前的审计师事务所的任何前任合伙人或董事均不是审计委员会的委员。

Internal Audit

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

The AC approves the recruitment, removal, evaluation of the internal auditors.

The Company has an Internal Audit Department ("IA") to strengthen the internal audit function and promote sound risk management, including financial, operational, compliance, information technology controls, sustainability and good corporate governance.

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

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

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

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

Material non-compliance and internal control weaknesses noted during reviews are reported together with recommended corrective actions to the AC on a regular basis. In particular, the Company had certain outstanding licenses and/or permits in relation to its business and operations as at November 2014 ("**Licenses and/ or Permits**") as disclosed in the Company's circular dated 12 November 2014. The IA followed up on the status of such Licenses and/or Permits and noted that the Company obtained the following Permit during FY2017:

内部审计

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

审计委员会批准内部审计师的聘任、免职、和评估。

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

内部审计师主要向审计委员会主席报告工作，并可全面接触到本公司和本集团的所有文件、记录、物业和人员。内部审计师每季度向审计委员会汇报内审进展以及在内审过程中发现的问题。审计委员会至少每年一次审查本公司的内部审计职能的充分性和有效性，也将确保本公司的内部审计团队由充足数量的人员组成，并且该等人员均具有相关资质和经验。

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

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

审计委员会认为内部审计师具有足够的资源来有效履行其职能。

内部审计师定期向审计委员会汇报在审阅过程中发现的重大不合规和内部控制的薄弱环节、以及纠正措施的建议。本公司曾在二零一四年十一月十二日的通函中披露了本公司截至二零一四年十一月尚有某些与其业务相关的许可证和/或批准（“**许可证和/或批准**”）未能取得。内部审计师了解了该等许可证和/或批准的现状，并注意到本公司在二零一七财政年度内取得了以下许可证：

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Project Company (plant/project) 项目公司 (工厂/项目)	Licenses and/or Permits obtained 取得的许可证和/或批准
Everbright Water (Nanjing) Limited (formerly known as Nanjing Golden Idea Water Development Co., Ltd.) 光大水务(南京)有限公司(曾用名南京金迪水务发展有限公司) (Nanjing Pukou Waste Water Treatment Project) (南京浦口污水处理项目)	Construction Project Planning Certificate 建设工程规划许可证

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

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

(D) INTERNAL MANAGEMENT

The Management Committee comprises:

- (i) Mr. An Xuesong (Chairman of the Management Committee and CEO);
- (ii) Mr. Luo Junling (CFO);
- (iii) Mr. Yu Yiping (Vice President);
- (iv) Mr. Tao Junjie (Vice President);
- (v) Mr. Wang Yuexing (Vice President);
- (vi) Mr. Wang Guanping (Vice President);
- (vii) Mr. Zhang Guofeng (CEO Assistant);
- (viii) Mr. Sun Linbo (CEO Assistant); and
- (ix) Mr. Niu Kesheng (General Manager of East Shandong Regional Management Centre).

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

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

(D) 内部管理

管理委员会由以下人员组成:

- (i) 安雪松先生(管理委员会主席、总裁);
- (ii) 罗俊岭先生(首席财务官);
- (iii) 余一平先生(副总裁);
- (iv) 陶俊杰先生(副总裁);
- (v) 王悦兴先生(副总裁);
- (vi) 王冠平先生(副总裁);
- (vii) 张国锋先生(总裁助理);
- (viii) 孙林波先生(总裁助理); 和
- (ix) 牛克胜先生(鲁东区域管理中心总经理)。

管理委员会负责日常业务运营管理,制定并实施本集团年度工作目标及中期发展规划等,是本集团日常业务活动的决策机构,对于日常运营、管理及人事等重大事项进行集体决策。

管理委员会召开定期和不定期会议。管理委员会至少每月一次召开会议,同时也建立了每周的定期沟通机制。管理委员会审阅并讨论本集团对新项目的投资方案、对总部的部门及区域管理中心和项目公司的关键管理人员的聘任和解释、绩效考核、财务预算的执行情况以及总部部门和区域管理中心的重大工作及进展。

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

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

(E) COMMUNICATION WITH SHAREHOLDERS

Shareholder Rights

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

The Management supports the Code’s principle to encourage shareholder participation. Shareholders are encouraged to attend the shareholders’ meetings to ensure a high level of accountability and to stay informed of the Company’s strategy and goals. Notices are despatched to shareholders, published in the Business Times as well as uploaded onto the SGXNET. The Company also prepares and uploads the Management’s presentation slides to be used at the general meetings in advance. The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at the shareholders’ meeting. To facilitate the shareholders’ communication with the Directors and the Management of the Company, a question and answer session is held at all the general meetings before voting is carried out.

为了协助管理委员会进行决策，本公司还设立了风险评审委员会和工程技术委员会来评估实施新投资或建设工程的风险并作出相关推荐。所有的新投资项目在上报管理委员会决策前，需分别经过风险评审委员会和工程技术委员会的审阅。管理委员会将参考风险评审委员会和工程技术委员会的推荐再做出决策。关于超过特定投资额度的投资项目，在董事会审议批准以后方能签署协议。

管理委员会召开的每次会议均会形成书面会议纪要，在经过管理委员会主席（即总裁）签署后作为本公司的记录存档。

(E) 与股东的沟通

股东权利

为了便于股东行使所有权，本公司确保所有的重要信息（尤其是对本公司股价有重大影响的业务发展和业绩信息）均全面、准确、及时地披露在SGXNET上，使股东可在充分掌握信息的基础上做出投资本公司的相关决定。为了确保本公司向所有股东作出及时和平等的披露，本公司也将新闻稿、分析师简介会资料和其他包含了重要信息的披露文件上载至SGXNET。

管理层支持公司治理守则中关于鼓励股东参与的原则。本公司鼓励股东出席股东大会，以确保高水平的问责制并使其及时了解本公司的战略和目标。股东大会的通知会派发给股东、刊登在商业时报上并在SGXNET上予以公布。本公司也提前准备用于年度股东大会的管理层介绍资料，并在会议召开前将其上载至SGXNET。股东有机会在股东大会召开前或会议中正式或非正式地提出问题，董事会欢迎股东提问。为了促进股东与董事会及管理层之间的沟通，本公司在其所有的股东大会的投票环节前均设有问答环节。

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公司治理报告

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

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

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

- (i) SGXNET announcements;
- (ii) press releases;
- (iii) results briefing and analyst briefing presentations;
- (iv) Annual Reports; and
- (v) Company's website at www.ebwater.com, at which shareholders can access information on the Group.

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

All Directors are encouraged to attend the Company's general meetings. In the AGM for FY2016, all Directors (including the Chairman and the CEO) and the CFO attended the meeting to answer the questions from the shareholders. At the forthcoming AGM, all Directors (including the Chairman of the Board, the CEO, and the chairman of each Board Committee) and the CFO will also be available to answer questions relating to the Company's performance and development as well as work of the Board Committees. The external auditor and the Legal Counsel and Company Secretary will also be present to assist the Directors in addressing any relevant queries from the shareholders.

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

本公司在其股东大会上均以累积投票制的方式表决通过所有决议。监票人将在大会上解释表决的机制（包括投票程序）。若任何股东不能出席股东大会，则本公司章程允许每名股东委派最多两名代理人代其出席所有的股东大会并表决。所有的股东大会均形成书面纪要（其中载有问答环节的详情），并作为本公司记录妥善保管。

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

信息通过以下方式向股东进行及时发布：

- (i) SGXNET公告；
- (ii) 新闻稿；
- (iii) 业绩简报和分析师简介资料；
- (iv) 年度报告；和
- (v) 股东可访问公司网站www.ebwater.com获取本集团的信息。

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

本公司鼓励所有的董事出席本公司的股东大会。在关于二零一六财政年度的年度股东大会上，所有的董事（包括董事长和总裁）以及首席财务官均有出席，并在现场回答股东提问。所有的董事（包括董事长、总裁、董事会各专门委员会的主席）也将会出席即将举行的年度股东大会，并会在现场回答有关本公司表现以及专门委员会工作的问题。外部审计师、法律顾问兼公司秘书也将到场协助董事回答股东的任何问题。

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

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Measures that the Company has taken are as follows:

- (a) making notifications on SGXNET about the dates on which the Company's quarterly and full year financial statements are released, around two weeks prior to such release;
- (b) organising quarterly analyst briefings to explain our latest published financial information as well as to provide our business update when necessary;
- (c) attending meetings or telephone conferences requested by investors, shareholders or analysts on an ongoing basis throughout the year to assist them in understanding the latest updates relating to the Company;
- (d) organising road shows for our investors or potential investors. This may be done solely by ourselves or coordinated with investment bankers;
- (e) organising site visits by investors or potential investors to our projects; and
- (f) ensuring important information of the Group will be announced in a timely manner without delay.

The Company's investor relations officer can also be reached via ir@ebater.com to answer any questions which the investors may raise relating to the Company's business.

The Group does not have a policy on payment of dividends at present. However, the Board has recommended a distribution of a final dividend for FY2017 of S\$0.0049 per share subject to shareholders' approval. The shareholders may elect to receive dividends in the form of scrip in lieu of cash for the final dividend for FY2017. Details of such dividend payments will be disclosed via SGXNET when available.

(F) CONDUCT OF SHAREHOLDERS MEETINGS

Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in the Business Times and posted onto the SGXNET. The Company also prepares and uploads the Management's presentation slides to be used at the general meetings in advance.

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

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

本公司采取的措施如下:

- (a) 大约提前两周在SGXNET公布本公司的季度和年度财务报表的发布日期;
- (b) 举办季度分析师简介会, 解释我们最新公布的财务信息, 在必要时提供我们业务的最新动态;
- (c) 应投资者、股东或分析师的要求, 全年经常性地参加现场会议或电话会议, 帮助他们了解公司的最新动态;
- (d) 为投资者或潜在投资者举办路演。路演由我们自己举办或与投资银行合办;
- (e) 组织投资者或潜在投资者到我们的项目现场参观; 和
- (f) 确保本集团没有拖延地及时公告重要信息。

投资者也可以通过发送电邮至ir@ebwater.com的方式联系本公司的投资者关系人员, 他/她将回复投资者提出的关于本公司业务的任何问题。

本集团目前没有关于派发股息的具体政策。但是, 董事会推荐在股东大会批准后派发二零一七财政年度的末期股息每股0.0049新加坡元。股东可选择以股票取代现金的方式收取二零一七财政年度的末期股息。股息支付的详情将会通过SGXNET披露。

(F) 召开股东会议

年度报告或通函中会载明股东大会的通知, 股东可以此了解股东大会的细节。通知也会刊登在商业时报和SGXNET上。本公司也提前准备用于股东大会的管理层介绍资料, 并将其上载至SGXNET。

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

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

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All Directors (including the Chairman, the CEO and the respective chairman of the Board Committees) are in attendance at the Company's AGM to address shareholders' questions relating to the Company's development and the work of the Board Committees.

The Company's CFO, the external auditors and the Legal Counsel and Company Secretary are also invited to attend the AGM and are available to assist the Directors in addressing any relevant queries by the shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.

The Board views the AGMs as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the resolutions tabled for approval and/or ask the Directors or the Management questions regarding the Company and its operations. Minutes are prepared for all the general meetings (including the details of the question and answer sessions therein) and properly maintained as the Company's records.

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

(G) DEALINGS IN SECURITIES

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

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

(H) MATERIAL CONTRACTS

There are no material contracts of the Group involving the interests of any Director or controlling shareholder subsisting at the end of FY2017, or entered into since the end of the previous financial year.

所有的董事（包括董事长、总裁以及各专门委员会的主席）也将出席本公司的年度股东大会，并回答股东提出的有关本公司发展和这些专门委员会工作的问题。

本公司的首席财务官、外部审计师以及法律顾问兼公司秘书也应邀参加年度股东大会，并协助董事回答股东提出的有关审计的开展、审计报告的编制及其内容等方面的询问。

董事会认为，年度股东大会是与股东对话的主要平台，也是股东对提交审议的各项决议提出问题 and/或针对本公司及其经营向董事或管理层提问的机会。所有的股东大会均形成书面纪要（其中载有问答环节的详情），并作为本公司记录妥善保管。

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

(G) 证券交易

根据新交所上市规则第1207(19)条的规定，本集团禁止其董事和员工短线交易本公司的证券。此外，本集团也禁止其董事和员工在本集团前三个季度的业绩发布前的两个星期起或从本集团全年业绩发布前的一个月起至该等业绩发布之日这段期间交易本公司的证券；在其掌握与本集团有关的价格敏感信息和保密信息时也不得交易本公司的证券。本公司每季度向其董事及员工发送关于交易本公司证券的义务备忘录，协助他们遵守证券交易的相关法律。

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

(H) 重大合同

在二零一七财政年度中，本集团并未存续涉及任何董事或控股股东权益的重大合同；自上个财政年度截止日以来本集团也未签署任何依然存续的涉及董事或控股股东权益的重大合同。

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(I) INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that transactions are conducted on arm's length basis and not prejudicial to the interests of the shareholders. In particular, the Company generally requires obtaining of at least two other quotations from unrelated counterparties for similar services or products and will only enter into transactions with an interested person if the terms are no less favourable than those offered by the unrelated counterparties. In relation to an interested person transaction with value in excess of S\$100,000, the entry into such transactions will also be subject to review and approval by the CFO, the CEO, the Audit Committee or the Board, depending on the contract value of such transactions. The AC also reviews the summary of the interested person transactions on a quarterly basis.

The Company currently does not have a general shareholders' mandate for recurrent interested person transactions. The aggregate value of the interested person transactions entered into during the FY2017 in excess of S\$100,000 is set out as follows:

(I) 关联人士交易

本公司制定了关联人士交易的程序，确保与关联人士进行的所有交易都按时上报审计委员会并确保该等交易都是公平交易且没有损害股东权益。具体而言，本公司通常要求至少从另外两家提供类似服务或产品的无关联的第三方获得报价方案，并只有当关联人士提供的价格或条款不劣于第三方提供的条款时才会与该关联人士进行交易。对于金额超过100,000新加坡元的关联人士交易而言，签署该等交易需经过首席财务官、总裁、审计委员会或董事会的审议和批准，具体取决于该等交易的价值。审计委员会也每季度审阅关联人士交易的汇总信息。

本公司目前并未针对经常性的关联人士交易取得股东的一般性授权。在二零一七年财政年度中金额超过100,000新加坡元的关联人士交易的累计交易价值如下表所列：

Name of interested person 关联人士名称	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S\$) 在回顾财政年度内所有关联人士交易的累计金额（金额少于100,000新加坡元或根据上市规则第920条项下股东一般性授权所进行的交易除外）（新加坡元）	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000 (S\$)) 根据上市规则第920条项下股东一般性授权所进行的关联人士交易的累计金额（但金额少于100,000新加坡元的除外）（新加坡元）
China Everbright International Limited 中国光大国际有限公司	2,369,352	N.A. 不适用
China Everbright Bank Company Limited 中国光大银行股份有限公司	221,287	N.A. 不适用
Everbright Securities Company Limited 光大证券股份有限公司	1,021,935	N.A. 不适用
Sun Life Everbright Life Insurance Co., Ltd 光大永明人寿保险有限公司	173,532	N.A. 不适用

DIRECTORS' STATEMENT

For the financial year ended 31 December 2017
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董事会声明

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2017.

In our opinion:

- (a) the financial statements set out on pages 90 to 187 are drawn up so as to present fairly, in all material respects, the financial position of the Group and of the Company as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with International Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Wang Tianyi
An Xuesong
Cai Shuguang (appointed on 23 February 2017)
Xu Nailing (appointed on 23 February 2017)
Zhai Haitao
Lim Yu Neng Paul
Cheng Fong Yee
Hao Gang (appointed on 16 March 2018)

Directors' interests

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

我们欣然向本公司股东提呈本年报，连同截至二零一七年十二月三十一日止财政年度之经审计财务报表。

我们认为：

- (a) 载于第90页至第187页之财务报表已根据国际财务报告准则于所有重大方面公允反映本集团及本公司截至二零一七年十二月三十一日之财务状况，以及本集团截至该日止年度之财务表现、权益变动及现金流量；和
- (b) 于本声明签署之日，我们有合理理由相信本公司将有能力于债项到期时进行偿还。

董事

于本声明签署之日在职董事如下：

王天义
安雪松
蔡曙光（于二零一七年二月二十三日获聘任）
徐乃玲（于二零一七年二月二十三日获聘任）
翟海涛
林御能
郑凤仪
郝刚（于二零一八年三月十六日获聘任）

董事权益

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

Name of director and corporation in which interests are held	持有权益之董事姓名及公司名称	Holdings registered in the name of directors 以董事名义登记之股权		Holdings in which directors are deemed to have an interest 董事被视为拥有权益之股权	
		As at 1/1/2017 截至二零一七年一月一日	As at 31/12/2017 截至二零一七年十二月三十一日	As at 1/1/2017 截至二零一七年一月一日	As at 31/12/2017 截至二零一七年十二月三十一日
The Company	本公司				
Ordinary shares	普通股				
Lim Yu Neng Paul	林御能	—	—	1,608,909	1,608,909
Cheng Fong Yee	郑凤仪	622,266	622,266	—	—

DIRECTORS' STATEMENT

董事会声明

For the financial year ended 31 December 2017
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Directors' interests (cont'd)

None of the directors who held office at the end of the financial year had interests in share options, warrants or debentures of the Company or of related corporations, either at the beginning or at the end of the financial year.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2018.

Share options

Employee share option scheme

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

Other information regarding the Scheme is as follows:

Options granted on 15 November 2013

- The exercise price of each option after shares consolidation is fixed at S\$0.64.
- The share option shall be exercised, in whole or in part, from 16 November 2014 to 15 November 2023.
- All options are settled by physical delivery of shares.
- The options expire after 10 years.

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

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

董事权益 (续)

本财政年度开始或结束时, 在职董事概无于本公司或关联公司之期权、认股权证或债券中拥有权益。

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

期权

员工期权计划

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

以下为与计划有关之其他资料:

于二零一三年十一月十五日授出之期权

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

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

于本财政年度结束时, 有关根据计划就本公司未发行普通股所授出期权之详情如下:

Date of grant of options 授出期权日期	Exercise price per share 每股行权价格	Options outstanding at 1/1/2017 于二零一七年一月一日尚未行使之期权	Options granted 已授出期权	Options exercised 已行使期权	Options outstanding at 31/12/2017 于二零一七年十二月三十一日尚未行使之期权
15/11/2013 二零一三年十一月十五日	S\$0.64 0.64新加坡元	-	-	-	-

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

于本财政年度结束时，本公司或其附属公司概无根据已授出之期权未发行的股份。

Warrants

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

认股权证

截至本财政年度结束时，本公司并未发行任何可承购本公司之未发行股份的认股权证。

Audit Committee

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

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

审计委员会

于本声明签署之日，审计委员会之委员如下：

林御能 (主席)
翟海涛 (委员)
郑凤仪 (委员)

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

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

Based on the internal control established and maintained by the Group, the work performed by the internal and external auditors (to the extent as required by them to form an opinion on the financial statements), and the reviews conducted by management, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls addressing financial, operational and compliance risks were adequate as at the forthcoming Annual General Meeting ("AGM") of the Company.

根据本集团所设立及维护之内部控制、内部及外部审计师执行之工作（在其对财务报表发表意见所要求的范围内），及管理层进行之审阅，于本公司之即将召开的年度股东大会（“年度股东大会”）上，董事会（与审计委员会意见一致）认为，本集团已就应对财务、运营及合规风险设立足够之内部控制。

The Audit Committee held four meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

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

DIRECTORS' STATEMENT

董事会声明

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

Audit Committee (cont'd)

The Audit Committee also reviewed the following:

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

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Ernst & Young LLP, be nominated for re-appointment as auditor of the Company at the forthcoming AGM of the Company.

Auditor

The auditor, Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Wang Tianyi
Non-Executive Director and Chairman

An Xuesong
Executive Director and Chief Executive Officer

22 March 2018

审计委员会 (续)

审计委员会亦已审阅以下各项:

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

审计委员会可以充分行使管理权, 并获得履行职能所需的资源。审计委员会有权酌情邀请任何董事及高级管理人员出席其会议。审计委员会亦推荐聘任外部审计师, 并审查审计及非审计服务之费用水平。

审计委员会对外部审计师的独立性和客观性感到满意, 审计委员会已向董事会推荐提名Ernst & Young LLP在本公司即将召开的年度股东大会上被重新聘任为本公司的审计师。

审计师

审计师Ernst & Young LLP表示愿意接受再次被聘任为审计师。

代表董事会

王天义
非执行董事兼董事长

安雪松
执行董事兼总裁

二零一八年三月二十二日

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

独立审计师报告

To the Members of China Everbright Water Limited
致中国光大水务有限公司股东

Report on the audit of the financial statements

Opinion

We have audited the financial statements of China Everbright Water Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2017, the consolidated statement of changes in equity of the Group, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with International Financial Reporting Standards (IFRSs) so as to present fairly, in all material respects the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (**ACRA Code**) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

独立审计师报告

意见

我们已审计中国光大水务有限公司（“**贵公司**”）及其附属公司（统称“**贵集团**”）的综合财务报表，此财务报表包括于二零一七年十二月三十一日贵集团的综合财务状况表及贵公司的财务状况表与截至该日止年度贵集团的综合权益变动表，综合损益表和综合现金流量表，以及综合财务报表附注，包括主要会计政策概要。

我们认为，该等贵集团之综合财务报表及贵公司之财务状况表在所有重大方面按照国际财务报告准则的规定编制，公允反映了于二零一七年十二月三十一日贵集团的综合财务状况及贵公司的财务状况与截至该日止年度贵集团的综合财务表现、综合权益变动及综合现金流量。

意见的基础

我们已根据国际审计准则的规定执行了审计工作。审计报告的“审计师对财务报表审计的责任”部分进一步阐述了我们在这些准则下的责任。根据新加坡会计与企业管理局颁布的《会计师及会计师事务所职业道德守则》（“**守则**”），连同我们审计新加坡财务报表相关之道德要求，我们独立于贵集团，并履行了职业道德方面的其他责任。我们相信，我们获取的审计证据是充分、适当的，为发表审计意见提供了基础。

关键审计事项

关键审计事项是我们根据专业判断，认为对本期综合财务报表的审计最为重要的事项。该等事项是在我们审计整体综合财务报表及出具意见时处理，且我们不对该等事项提供单独的意见。

INDEPENDENT AUDITOR'S REPORT

独立审计师报告

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

To the Members of China Everbright Water Limited
致中国光大水务有限公司股东

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

我们已经履行了本报告“注册会计师对财务报表审计的责任”部分阐述的责任，包括与这些关键审计事项相关的责任。相应地，我们的审计工作包括执行为应对评估的财务报表重大错报风险而设计的审计程序。我们执行审计程序的结果，包括应对下述关键审计事项所执行的程序，为财务报表整体发表审计意见提供了基础。

The key audit matter 关键审计事项

How the matter was addressed in our audit 我们的审计如何处理该事项

IFRIC 12 – Service Concession Arrangements (“IFRIC 12”) and Revenue Recognition 国际财务报告准则委员会解释第12号 - 服务特许权安排及收入确认

The Group enters into service concession arrangements with municipals in the People's Republic of China to build and/or operate water/waste water treatment plants. The Group recognises the consideration for the construction services as financial assets and/or intangible assets for service concession arrangements within the scope of IFRIC 12. As the related amounts are material and the application requires significant management judgement, we identified this as a key audit matter.

贵集团与地方政府部门就污水处理厂的建造及/或运营订立服务特许权安排。贵集团对在国际财务报告准则委员会解释第十二号范围内的服务特许经营安排中的建造服务对价确认为金融资产及/或无形资产。由于与国际财务报告准则委员会解释第十二号有关的收入和资产的金额重大且需要管理层作出重大判断，我们将该事项认定为关键审计事项。

The Group applies IFRIC 12 in its recognition of revenue from service concession arrangements, which includes revenue relating to construction services, operation income and finance income. Disclosure of the revenue is included in notes 3.12, 4 and 5 to the financial statements.

贵集团采用国际财务报告准则委员会解释第十二号确认与服务特许权安排有关的收入，包括建造服务收入、运营收入和财务收入。收入的披露列示在财务报表附注3.12，附注4和附注5。

We assessed the appropriateness of the Group's revenue recognition policies, evaluated the Group's process in assessing the applicability of IFRIC 12 and also reviewed the associated agreements to assess whether these agreements are appropriately identified as service concession arrangements within the scope of IFRIC 12.

我们评估贵集团的收入确认政策的适当性，评估贵集团判断国际财务报告准则委员会解释第十二号适用性的程序，并复核相关协议，以评估该等协议是否被适当地认定为属于国际财务报告准则委员会解释第十二号范围内的服务特许权安排。

We reviewed the progress report for projects under construction and the reasonableness of the revenue recognised using the percentage of completion method. In addition, we considered the competence, capability and objectivity of the independent consultant and surveyors engaged by management.

我们复核了在建项目的完工进度报告和按照完工百分比方法确认的建造收入的合理性。此外，我们还考虑了独立第三方评估顾问及监理公司的独立性、胜任能力和客观性。

We reviewed management computation of amortised cost of financial receivables and intangible assets and 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 to identify any inappropriate estimates.

我们复核了管理层对金融应收款项和无形资产的摊余成本计算、金融应收款项与无形资产的对价分配以及相关的收入确认；测试管理层作出的重要估计，包括将管理层使用的折现率与市场利率进行比较，确认管理层估计是否恰当合理。

To the Members of China Everbright Water Limited
致中国光大水务有限公司股东

The key audit matter (cont'd)
关键审计事项 (续)

How the matter was addressed in our audit (cont'd)
我们的审计如何处理该事项 (续)

IFRIC 12 – Service Concession Arrangements (“IFRIC 12”) and Revenue Recognition (cont'd)
国际财务报告财务诠释委员会诠释第12号 - 服务特许权安排及收入确认 (续)

Construction service revenue is measured based on the Group's estimation of the fair value of construction services and the percentage of construction completed during the year. Significant judgement is required in determining the fair value of the construction services and involves estimation of the total construction costs and the margin for each contract. The Group engaged an independent financial modeling consultant to assist in the estimation of the fair value of the construction services. The percentage of construction completed during the year is estimated based on the survey of work performed by independent surveyors with relevant qualifications and industry experience. Judgement is required in estimating the percentage of construction completed.

建造收入的计量乃根据贵集团估计的建造服务的公允价值及年内完工工程的百分比计算。确定建造服务的公允价值时需要管理层作出重大判断，包括评估每项合同的总建造成本和利润。贵集团聘任独立财务模型顾问协助估计建造服务的公允价值。工程完工百分比需依据具有相关资质和行业经验的第三方监理公司的进度报告来评估，该评估也涉及到管理层判断。

Recoverability of trade and other receivables
应收账款及其他应收款项可收回性

As at 31 December 2017, the Group had outstanding trade and other receivables amounting to HK\$805,859,000. As the recoverability assessment of these receivables requires the Group to exercise judgement after taking into consideration latest developments arising from ongoing negotiations with the customers, we identified this as a key audit matter. Disclosures of the trade and other receivables are included in notes 3.3, 4 and 17 to the financial statements.

截至二零一七年十二月三十一日，贵集团应收款项及其他应收款项账面余额为港币805,859,000元。由于应收款项可收回金额的评估需要管理层根据与客户谈判的最新进度作出判断，我们将该事项认定为关键审计事项。应收款项及其他应收款项的相关附注请参阅综合财务报表附注3.3，附注4及附注17。

We engaged our internal specialists to review the valuation methodology and the reasonableness of certain key assumptions such as the margin used and the industry comparable companies in the determination of the fair value of the construction services in the financial model.

我们聘任了安永内部专家对估值方法的恰当性以及估值时使用假设（如使用的利润率和评估建造服务公允价值时选取的业内可比公司）的合理性进行复核。

We also considered the adequacy of the disclosures related to service concession arrangements in the financial statements.

我们评估了贵集团在财务报表中与服务特许权安排相关披露的适当性和充分性。

We requested direct confirmations and considered receipts subsequent to the year end.

我们取得了应收款项及其他应收款项的函证回函，并检查了期后回款的情况。

We reviewed the ageing analysis of the debtors and reviewed management's assessment of the recoverability of trade and other receivables to assess the adequacy of the Group's allowance against trade and other receivables.

我们对应收款项及其他应收款项账龄分析进行复核，并复核了管理层对应账款项可收回性的评估，以确保贵集团计提了足够的坏账拨备。

INDEPENDENT AUDITOR'S REPORT

独立审计师报告

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

To the Members of China Everbright Water Limited
致中国光大水务有限公司股东

The key audit matter (cont'd) 关键审计事项 (续)

How the matter was addressed in our audit (cont'd) 我们的审计如何处理该事项 (续)

Recoverability of trade and other receivables (cont'd) 应收账款及其他应收款项可收回金额 (续)

We discussed with management about the status of significant overdue individual debtors' balances, reviewed the settlement history and considered the adequacy of the Group's disclosures regarding the estimation involved in determining the provision for doubtful debts.

与管理层就个别重大逾期债务人余额情况进行讨论，复核其历史收款情况，并且评估了贵集团就坏账拨备所作出的假设的披露是否充分。

Impairment assessment of goodwill 商誉减值测试

As at 31 December 2017, the goodwill carried in the Group's financial statements amounted to HK\$1,259,922,000. IAS 36 *Impairment of Assets* requires goodwill to be tested annually for impairment or more frequently when there is an indication that the cash-generating unit ("CGU") may be impaired. This assessment requires the exercise of significant judgement about the future market conditions, including future cash flows to be generated from the continuing use of the water/waste water treatment plants over the service concession period. The determination of the recoverable amount, requires judgement in both identification and valuation of the relevant CGU, we identified this as a key audit matter. The Group allocates the goodwill to a group of CGUs, the water environment management segment, for the purpose of impairment testing. The impairment assessment was determined using a value-in-use model based on the discounted cash flows projections. Assumptions such as estimated key financial data, the growth rate and discount rate used to determine the discounted cash flows required significant judgements by the Group. Disclosures of goodwill are included in notes 3.5, 3.9, 4 and 12 to the financial statements.

截至二零一七年十二月三十一日，贵集团财务报表所载商誉金额为港币1,259,922,000元。“国际会计准则第36号 - 资产减值”要求对商誉每年进行减值测试，若有迹象表明现金产出单元（“**现金产出单元**”）可能出现减值时应更频繁地进行减值测试。本测试要求对未来市场状况作出重大判断，包括在服务特许期内污水处理厂所产生的未来现金流量。可收回金额的厘定（即使用价值与公允价值减处置成本之较高者）需要对现金产出单元的识别及估值作出判断，我们将该事项认定为关键审计事项。贵集团将商誉分配至现金产出单元 - 水环境综合治理分部，进行减值测试。减值测试乃使用以折现现金流量为基础的使用价值模型厘定。确定折现现金流量所需要的假设，如估计的关键财务数据，增长率和贴现率等，均需要贵集团作出重大判断。商誉的披露列示在财务报表附注3.5，附注3.9，附注4及附注12。

We reviewed the appropriateness of the Group's determination of the CGU.

我们评估了贵集团厘定现金产出单元的适当性。

We assessed the discount rate used by assessing the cost of capital of the Company and comparable organizations in the industry, and where relevant, using our internal valuation specialists to independently develop expectations for the discount rate, and comparing the independent expectations to those used by management.

我们评估了贵集团及市场可比公司的资本成本以评价管理层使用的贴现率，并由安永内部估值专家对贴现率进项独立测试并将测试结果与管理层使用的贴现率进行对比。

We reviewed the cash flow forecasts used, by comparing them to recent performance and trend analysis. We also assessed the adequacy of the disclosures made in the financial statements on the impairment assessment, specifically on the key assumptions that have the most significant effect on the determination of the recoverable amount of the goodwill.

我们基于贵集团的运营情况和趋势，复核了所使用的预测现金流量，并且评估了贵集团就减值测试作出的披露是否充分适当，特别是对确定商誉可收回金额影响最为重大的主要假设。

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

独立审计师报告

To the Members of China Everbright Water Limited
致中国光大水务有限公司股东

Other matter

The financial statements for the financial year ended 31 December 2016 were audited by another firm of Chartered Public Accountants other than Ernst & Young LLP who expressed an unqualified opinion on the statements on 24 March 2017.

Other information

The other information consists of the information included in the annual report, other than the financial statements and our auditor's report thereon. Management is responsible for other information.

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

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

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Group's financial reporting process.

其他事项

截至二零一六年十二月三十一日止财政年度的财务报表已由非安永会计师事务所的一家独立会计师事务所审计，并于二零一七年三月二十四日对该等财务报表发表无保留意见。

其他信息

其他信息包括年度报告中涵盖的信息，但不包括财务报表和我们的审计报告。管理层对其他信息负责。

我们对财务报表发表的审计意见不涵盖其他信息，我们也不对其他信息发表任何形式的鉴证结论。

结合我们对财务报表的审计，我们的责任是阅读其他信息，在此过程中，考虑其他信息是否与财务报表或我们在审计过程中了解到的情况存在重大不一致或者似乎存在重大错报。基于我们已执行的工作，如果我们确定其他信息存在重大错报，我们应当报告该事实。在这方面，我们无任何事项需要报告。

管理层和董事对财务报表的责任

管理层负责按照国际财务报告准则的规定编制财务报表，使其实现公允反映，并设计、执行和维护必要的内部控制，保障资产不会因未获授权之使用或处置而产生损失，交易得到适当授权及记录，以使财务报表不存在由于舞弊或错误导致的重大错报。

在编制财务报表时，管理层负责评估贵集团的持续经营能力，披露与持续经营相关的事项（如适用），并运用持续经营假设，除非计划进行清算、终止运营或别无其他实际的替代方案。

董事的责任包括负责监督贵集团的财务报告过程。

INDEPENDENT AUDITOR'S REPORT

独立审计师报告

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

To the Members of China Everbright Water Limited
致中国光大水务有限公司股东

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

审计师对财务报表审计的责任

我们的目标是对财务报表整体是否不存在由于舞弊或错误而导致的重大错报获取合理保证，并出具包含审计意见的审计报告。合理保证是高水平的保证，但并不能保证按照国际审计准则执行的审计在某一重大错报存在时总能发现。错报可能由于舞弊或错误导致，如果合理预期错报单独或汇总起来可能影响财务报表使用者依据财务报表所作出的经济决策，则通常认为错报是重大的。

在按照国际审计准则执行审计工作的过程中，我们运用职业判断，并保持职业怀疑。同时，我们也执行以下工作：

- 识别和评估由于舞弊或错误而导致的财务报表重大错报风险，设计及执行审计程序以应对这些风险，并获取充分、适当的审计证据，作为发表审计意见的基础。由于舞弊可能涉及串通、伪造、故意遗漏、虚假陈述或凌驾于内部控制之上，未能发现由于舞弊导致的重大错报的风险高于未能发现由于错误导致的重大错报的风险。
- 了解与审计相关的内部控制，以设计适当的审计程序，但目的并非对贵集团内部控制的有效性发表意见。
- 评价管理层选用会计政策的恰当性和作出会计估计及相关披露的合理性。
- 对管理层使用持续经营假设的恰当性得出结论。同时，根据获取的审计证据，就可能对贵集团持续经营能力产生重大疑虑的事项或情况是否存在重大不确定性得出结论。如果我们得出结论认为存在重大不确定性，审计准则要求我们在审计报告中提请报表使用者注意财务报表中的相关披露；如果披露不充分，我们应当发表非无保留意见。我们的结论基于截至审计报告日可获得的信息。然而，未来事项或情况可能导致贵集团不能持续经营。

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

独立审计师报告

To the Members of China Everbright Water Limited
致中国光大水务有限公司股东

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Alvin Phua Chun Yen.

- 评价财务报表的总体列报方式、结构和内容，包括披露资料，并评价财务报表是否公允反映相关交易和事项。
- 就贵集团中实体或业务活动的财务信息获取充分、适当的审计证据，以对财务报表发表审计意见。我们负责指导、监督和执行集团审计，并对审计意见承担全部责任。

我们与董事就计划的审计范围、时间安排和重大审计发现等事项进行沟通，包括沟通我们在审计中识别出的值得关注的内部控制缺陷。

我们还就已遵守与独立性相关的职业道德要求向董事提供声明，并与董事沟通可能被合理认为影响我们独立性的所有关系和其他事项，以及相关的防范措施（如适用）。

从与董事沟通的事项中，我们确定哪些事项对本期财务报表审计最为重要，因而构成关键审计事项。我们在审计报告中描述这些事项，除非法律法规禁止公开披露这些事项，或在极少数情形下，如果合理预期在审计报告中沟通某事项造成的负面后果超过在公众利益方面产生的益处，我们确定不应在审计报告中沟通该事项。

出具本独立审计师报告的审计项目合伙人是潘俊彦。

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
22 March 2018

Ernst & Young LLP
公共会计师及特许会计师

新加坡
二零一八年三月二十二日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

综合全面收益表

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

		Note 附注	2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Revenue	收入	5	3,591,633	2,494,037
Cost of sales	销售成本		(2,361,046)	(1,588,385)
Gross profit	毛利		1,230,587	905,652
Other income	其他收入	6	129,809	127,666
Administrative and other operating expenses	行政及其他 经营费用		(287,021)	(298,250)
Finance income	财务收入	7	12,463	7,631
Finance costs	财务费用	7	(241,391)	(205,223)
Share of profit of an associate	所占联营公司盈利		158	–
Profit before tax	除税前盈利	8	844,605	537,476
Income tax expense	所得税开支	9	(263,812)	(164,861)
Profit for the year	本年度盈利		580,793	372,615
Other comprehensive income	其他全面收益			
Item that may be reclassified to profit or loss	其后可能重新分类 至损益表的项目			
Foreign currency translation differences	外币换算差额		587,891	(598,600)
Total comprehensive income for the year	本年度全面损益 总额		1,168,684	(225,985)
Profit for the year attributable to:	本年度应占盈利:			
Shareholders of the Company	本公司股东		513,356	349,343
Non-controlling interests	非控股权益		67,437	23,272
			580,793	372,615
Total comprehensive income for the year attributable to:	本年度应占 全面损益总额:			
Shareholders of the Company	本公司股东		1,070,925	(228,390)
Non-controlling interests	非控股权益		97,759	2,405
			1,168,684	(225,985)
Earnings per share	每股盈利			
Basic earnings per share (HK\$)	每股基本盈利 (港币)	25	0.196	0.134
Diluted earnings per share (HK\$)	每股摊薄盈利 (港币)	25	0.196	0.134

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
后附会计政策及附注为本财务报表的组成部分。

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2017
截至二零一七年十二月三十一日

财务状况表

		Group 本集团		Company 本公司	
	Note 附注	2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元	2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Non-current assets	非流动资产				
Property, plant and equipment	10	152,038	147,971	26	31
Intangible assets	11	1,489,718	1,259,449	–	–
Goodwill	12	1,259,922	1,185,478	–	–
Interests in subsidiaries	13	–	–	11,700,251	9,190,573
Interest in an associate	14	1,445	1,327	–	–
Other receivables	17	10,515	9,863	–	–
Service concession financial receivables	15	10,313,724	8,179,732	–	–
		13,227,362	10,783,820	11,700,277	9,190,604
Current assets	流动资产				
Inventories	16	14,342	14,323	–	–
Trade and other receivables	17	805,859	588,739	1,834,010	2,096,933
Service concession financial receivables	15	1,200,539	791,609	–	–
Fixed deposit with maturity period over three months	18	83,125	–	–	–
Cash and cash equivalents	19	2,716,692	1,902,741	27,783	30,716
		4,820,557	3,297,412	1,861,793	2,127,649
Total assets	总资产	18,047,919	14,081,232	13,562,070	11,318,253

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
后附会计政策及附注为本财务报表的组成部分。

STATEMENTS OF FINANCIAL POSITION

财务状况表

As at 31 December 2017
截至二零一七年十二月三十一日

		Note 附注	Group 本集团		Company 本公司	
			2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元	2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Current liabilities	流动负债					
Borrowings	贷款	20	1,903,722	1,521,407	1,356,402	756,892
Trade and other payables	应付账款及其他应付款项	21	1,553,565	937,238	155,531	20,655
Current tax liabilities	即期税项负债		49,951	13,102	—	—
			3,507,238	2,471,747	1,511,933	777,547
Net current assets	净流动资产		1,313,319	825,665	349,860	1,350,102
Non-current liabilities	非流动负债					
Borrowings	贷款	20	4,728,030	3,366,091	2,077,690	1,203,692
Deferred tax liabilities	递延税项负债	22	1,270,846	1,051,692	—	—
			5,998,876	4,417,783	2,077,690	1,203,692
Total liabilities	总负债		9,506,114	6,889,530	3,589,623	1,981,239
Net assets	净资产		8,541,805	7,191,702	9,972,447	9,337,014
Equity attributable to shareholders of the Company	本公司股东应占权益					
Share capital	股本	23	2,625,642	2,609,908	2,625,642	2,609,908
Reserves	储备	24	5,231,541	4,188,279	7,346,805	6,727,106
			7,857,183	6,798,187	9,972,447	9,337,014
Non-controlling interests	非控股权益		684,622	393,515	—	—
Total equity	总权益		8,541,805	7,191,702	9,972,447	9,337,014
Total equity and liabilities	权益及负债总额		18,047,919	14,081,232	13,562,070	11,318,253

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
后附会计政策及附注为本财务报表的组成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

综合权益变动表

Group 本集团	Attributable to shareholders of the Company 本公司股东应占		Foreign currency translation reserve 外币折算储备		Statutory reserve 法定储备		Contributed surplus reserve 缴入盈余储备		Other reserves 其他储备		Retained earnings 保留盈利		Total 总计		Non-controlling interests 非控股权益		Total equity 总权益	
	Share capital 股本	Share premium 股份溢价	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元
At 1 January 2017	2,609,908	1,240,300	(579,620)	155,635	1,229,302	(2,181)	2,144,843	6,798,187	393,515	7,191,702								
Total comprehensive income for the year																		
Profit for the year																		
Other comprehensive income																		
Foreign currency translation differences			557,569															
Total comprehensive income for the year			557,569															
Transactions with shareholders, recognised directly in equity																		
Contributions by and distributions to shareholders																		
Issue of shares pursuant to a scrip dividend scheme	15,734	26,116																
Share issue expenses		(168)																

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
后附会计政策及附注为本财务报表的组成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

综合权益变动表

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

Group 本集团	Attributable to shareholders of the Company 本公司股东应占									
	Share capital 股本	Share premium 股份溢价	Foreign currency translation reserve 外币折算储备	Statutory reserve 法定储备	Contributed surplus reserve 缴入盈余储备	Other reserves 其他储备	Retained earnings 保留盈利	Total 总计	Non-controlling interests 非控股权益	Total equity 总权益
	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元
Final 2016 dividend declared 已宣派二零一六年末期股息	-	-	-	-	-	(53,611)	(53,611)	-	(53,611)	
Capital contributions from non-controlling shareholders 非控股股东注资	-	-	-	-	-	-	-	214,798	214,798	
Dividends declared to a non-controlling shareholder 宣告予一名非控股股东之股息	-	-	-	-	-	-	-	(21,450)	(21,450)	
Total transactions with shareholders 与股东之间的交易的总额	15,734	25,948	-	-	-	(53,611)	(11,929)	193,348	181,419	
Transfer to statutory reserve 转拨至法定储备	-	-	-	45,164	-	(45,164)	-	-	-	
At 31 December 2017 于二零一七年十二月三十一日	2,625,642	1,266,248	(22,051)	200,799	1,229,302	(2,181)	2,559,424	7,857,183	684,622	8,541,805

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
后附会计政策及附注为本财务报表的组成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

综合权益变动表

Group 本集团	Attributable to shareholders of the Company 本公司股东应占									
	Share capital 股本	Share premium 股份溢价	Foreign currency translation reserve 外币换算储备	Statutory reserve 法定储备	Contributed surplus reserve 缴入盈余储备	Other reserves 其他储备	Retained earnings 保留盈利	Total 总计	Non-controlling interests 非控股权益	Total equity 总权益
	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元
At 1 January 2016	2,608,014	1,210,050	(1,887)	121,317	1,243,508	(2,181)	1,882,122	7,060,943	236,077	7,297,020
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	349,343	349,343	23,272	372,615
Other comprehensive income										
Foreign currency translation differences	-	-	(577,733)	-	-	-	-	(577,733)	(20,867)	(598,600)
Total comprehensive income for the year										
Transactions with shareholders, recognised directly in equity	-	-	(577,733)	-	-	-	349,343	(228,390)	2,405	(225,985)
Contributions by and distributions to shareholders	10,177	30,250	-	-	-	-	-	40,427	-	40,427
Issue of shares pursuant to a scrip dividend scheme	-	-	-	-	-	-	-	-	-	-
Final 2015 dividend declared	-	-	-	-	-	-	(52,304)	(52,304)	-	(52,304)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
后附会计政策及附注为本财务报表的组成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

综合权益变动表

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

Group 本集团	Attributable to shareholders of the Company 本公司股东应占									
	Share capital 股本	Share premium 股份溢价	Foreign currency translation reserve 外币换算储备	Statutory reserve 法定储备	Contributed surplus reserve 缴入盈余储备	Other reserves 其他储备	Retained earnings 保留盈利	Total 总计	Non-controlling interests 非控股权益	Total equity 总权益
	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元
Share buy-back 股份回购	(8,283)	-	-	-	(14,206)	-	-	(22,489)	-	(22,489)
Capital contributions from non-controlling shareholders 非控股股东注资	-	-	-	-	-	-	-	-	169,583	169,583
Dividends paid to a non-controlling shareholder 支付予一名非控股股东之股息	-	-	-	-	-	-	-	-	(14,550)	(14,550)
Total transactions with shareholders 与股东之间的交易的总额	1,894	30,250	-	-	(14,206)	-	(52,304)	(34,366)	155,033	120,667
Transfer to statutory reserve 转拨至法定储备	-	-	-	34,318	-	-	(34,318)	-	-	-
At 31 December 2016 于二零一六年十二月三十一日	2,609,908	1,240,300	(579,620)	155,635	1,229,302	(2,181)	2,144,843	6,798,187	393,515	7,191,702

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
后附会计政策及附注为本财务报表的组成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

综合现金流量表

		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Cash flows from operating activities	经营活动现金流量		
Profit before tax	除税前盈利	844,605	537,476
Adjustments for:	经调整:		
Depreciation of property, plant and equipment	物业、厂房及设备折旧	14,960	14,986
Amortisation of intangible assets	无形资产摊销	80,119	86,290
Gain on disposal of equity interest in a subsidiary	出售一间附属公司权益之收益	-	(402)
(Gain)/loss on disposal of property, plant and equipment	出售物业、厂房及设备之(收益)/亏损	(23)	369
Share of profit of an associate	应占联营公司盈利	(158)	-
Effect of foreign exchange rate changes	汇率变动的影响	16,842	(40,658)
Net finance costs	净财务费用	228,928	197,592
Operating cash flows before working capital changes	营运资金变动前的经营现金流量	1,185,273	795,653
Changes in working capital:	营运资金变动:		
Inventories	存货	861	(5,465)
Service concession financial receivables	与服务特许经营权相关的金融应收款项	(1,915,443)	(934,982)
Trade and other receivables	应收账款及其他应收款项	(173,252)	9,868
Trade and other payables	应付账款及其他应付款项	712,157	288,913
Cash (used in)/generated from operations	经营活动所(动用)/产生的现金	(190,404)	153,987
Income tax paid	已付所得税	(73,856)	(133,792)
Net cash (used in)/generated from operating activities	经营活动所(动用)/产生的现金净额	(264,260)	20,195
Cash flows from investing activities	投资活动现金流量		
Proceeds from disposal of equity interest in a subsidiary, net of cash disposed of	出售一间附属公司权益所得之现金净额	-	(1,195)
Interest received	已收利息	12,463	7,631
Purchase of property, plant and equipment	购买物业、厂房及设备	(9,741)	(11,864)
Proceeds from disposals of property, plant and equipment	处置物业、厂房及设备所得款项	581	87
Purchase of intangible assets	购买无形资产	(221,411)	(988)
Increase in fixed deposit with maturity period over three months and balances in financial institutions	三个月以上定期存款及金融机构结余增加	(172,755)	-
Net cash used in investing activities	投资活动所动用的现金净额	(390,863)	(6,329)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
后附会计政策及附注为本财务报表的组成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

综合现金流量表

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Cash flows from financing activities	融资活动现金流量		
Proceeds from borrowings	贷款所得款项	3,104,036	4,431,374
Repayment of borrowings	偿还贷款	(1,592,312)	(4,121,687)
Interest paid	已付利息	(198,753)	(205,223)
(Decrease)/increase in amounts due to fellow subsidiaries	应付同系附属公司款项 (减少)/增加	(154,928)	8,256
(Decrease)/increase in amounts due to intermediate holding companies	应付中间控股公司款项 (减少)/增加	(79,034)	3,711
Increase in restricted bank balances	受限制银行存款增加	-	(94,734)
Payments of share buy-back	支付股份回购的款项	-	(22,489)
Dividend paid to shareholders	支付予股东之股息	(12,348)	(11,877)
Dividends paid to a non-controlling shareholder	已付非控股股东之股息	-	(14,550)
Capital contributions from non-controlling shareholders	非控股股东注资	214,798	169,583
Share issue expenses	股份发行支出	(168)	-
Net cash generated from financing activities	融资活动所产生的现金净额	1,281,291	142,364
Net increase in cash and cash equivalents	现金及现金等价物增加净额	626,168	156,230
Cash and cash equivalents at beginning of the year	年初之现金及现金等价物	1,359,401	1,288,550
Effects of exchange rate changes on cash and cash equivalents	汇率波动对现金及现金等价物的影响	88,845	(85,379)
Cash and cash equivalents at end of the year (note 19)	年末之现金及现金等价物 (附注19)	2,074,414	1,359,401

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.
后附会计政策及附注为本财务报表的组成部分。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

财务报表附注

1. Corporate information

The Company is incorporated in Bermuda as an exempt company with limited liability and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The immediate parent and ultimate controlling party of the Group are China Everbright Water Holdings Limited and China Investment Corporation, which are incorporated in the British Virgin Islands and the PRC respectively.

The registered address of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is at 26th Floor, Block A, Oriental Xintiandi Plaza, No. 1003 Shennan Avenue, Futian District, Shenzhen, People’s Republic of China (“**PRC**”).

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period (together referred to as the “**Group**” and individually as “**Group entities**”).

The Group is primarily involved in the water environment management business in the PRC. The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 13.

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

1. 公司资料

本公司于百慕大注册成立为一间获豁免有限责任公司，并在新加坡证券交易所有限公司（“**新加坡交易所**”）主板上市。本集团的母公司及最终控制方分别为于英属维尔京群岛及中国注册成立的中国光大水务控股有限公司及中国投资有限责任公司。

本公司的注册地址为Clarendon House, 2 Church Street, Hamilton HM11, Bermuda, 主要经营地点为中华人民共和国（“**中国**”）深圳市福田区深南大道1003号东方新天地广场A座26楼。

综合财务报表包括本公司及其附属公司截至本报告日止的财务报表（统称“**本集团**”，单独称为“**集团实体**”）。

本集团主要在中国从事水环境综合治理业务。本公司的主要业务是投资控股业务。旗下附属公司的主要业务参见附注13。

2. 编制基础

2.1 合规声明

本财务报表是按照《国际财务报告准则》（“**国际财务报告准则**”）编制。

2.2 计量基础

除下文附注另行说明者外，本财务报表是按历史成本法编制。

2.3 功能及列报货币

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

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

2. Basis of preparation (cont'd)

2.4 Use of judgements and estimates

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

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

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

3. Summary of significant accounting policies

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

3.1 Basis of consolidation and business combinations

(i) Business combinations

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2. 编制基础 (续)

2.4 使用判断及估计

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

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

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

3. 主要会计政策汇总

下列会计政策在本财务报表呈报的所有期间贯彻应用, 并由集团公司贯彻应用。

3.1 合并基础和业务合并

(i) 业务合并

综合财务报表包括本公司及其附属公司于二零一七年十二月三十一日及截至该日止的财政年度的财务报表。编制综合财务报表所用附属公司之财务报表的报告日期与本公司一致。类似情况下的交易和事件采用一致的会计政策。

本集团内部各公司之间的所有交易产生的结余、收入、费用、未实现损益及股息于合并时全额抵销。

附属公司自收购日(即本集团取得控制权当日)计入综合财务报表, 直至本集团对其控制权终止。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

财务报表附注

3. Summary of significant accounting policies (cont'd)

3.1 Basis of consolidation and business combinations (cont'd)

(i) Business combinations (cont'd)

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

The Group elects for each individual business combination, whether the non-controlling interests in the acquiree (if any) that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation are recognised on the acquisition date at fair value, or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another IFRS.

3. 主要会计政策汇总 (续)

3.1 合并基础和业务合并 (续)

(i) 业务合并 (续)

附属公司的应占亏损会分配至非控股权益, 即使如此处理会导致非控股权益出现亏损亦然。

对附属公司的控股权益发生了变动, 但未丧失控制权, 此等交易按权益性交易进行会计处理。如果本集团丧失对附属公司的控制权, 那么:

- 按账面价值终止确认资产 (包括商誉) 和负债;
- 按账面价值终止确认少数股东权益;
- 按账面价值终止确认计入权益的外币报表折算差额;
- 按公允价值确认处置对价;
- 按公允价值重新计量剩余投资的价值;
- 将处置损益计入利润表; 及
- 将与原有附属公司股权投资相关的其它综合收益转为当期损益或未分配利润。

就每项业务合并而言, 本集团会选择按公允价值或按其于被收购公司可辨认资产净值之应占比例, 计量被收购公司之非控股权益, 非控股权益代表现时拥有权权益, 并赋予其持有人在公司清算时享有按比例分配净资产的权利。非控股权益之其他组成部分按公允价值计量, 除非其他国际财务报告准则要求采用另外一种计量基础。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

3. Summary of significant accounting policies (cont'd)

3.1 Basis of consolidation and business combinations (cont'd)

(i) Business combinations (cont'd)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

(ii) Subsidiaries

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

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

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

(iii) Associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

3. 主要会计政策汇总 (续)

3.1 合并基础和业务合并 (续)

(i) 业务合并 (续)

支付的合并对价的公允价值(或发行的权益性证券的公允价值)与购买日之前持有的被购买方的股权的公允价值之和大于合并中取得的被购买方可辨认净资产公允价值份额的差额,确认为商誉。支付的合并对价的公允价值(或发行的权益性证券的公允价值)与购买日之前持有的被购买方的股权的公允价值之和小于合并中取得的被购买方可辨认净资产公允价值份额的,其差额计入当期损益。

(ii) 附属公司

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

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

在本公司的个别财务报表中,对附属公司的投资按成本扣除减值损失(如有)入账。

(iii) 联营公司

联营公司是指本集团对被投资方的财务和经营政策有参与决策的权利,但并不能够控制或者与其他方一起共同控制该等政策的制定。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

财务报表附注

3. Summary of significant accounting policies (cont'd)

3.1 Basis of consolidation and business combinations (cont'd)

(iii) Associates (cont'd)

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

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investments in associates are carried in the consolidated statements of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of the operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associates are eliminated to the extent of the interests in the associates.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

3. 主要会计政策汇总 (续)

3.1 合并基础和业务合并 (续)

(iii) 联营公司 (续)

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

取得投资时，投资成本大于本集团应占被投资方可辨认净资产的公允价值的差额计入商誉，并计入投资的账面价值；投资成本小于本集团应占被投资方可辨认净资产的公允价值的差额，应作为取得投资时的收入进行确认，以反映应占联营公司的损益。

在权益法核算下，对联营公司的投资在综合财务状况表上按照成本加上收购后集团应占联营公司净资产的变动确认。投资损益反映了应占联营公司的经营成果。从联营公司获得的股利分配会减少投资的账面价值。若联营公司其他全面收益发生变动，则本集团应确认其于其他全面收益变动中所占份额。本集团与联营公司之间交易产生的未实现利得和损失，以联营公司权益为限予以抵销。

若本集团应占联营公司或合营企业的亏损等于或超过其享有的权益时，本集团之权益将减至零，除非本集团已承担法律或推定责任，或代表被投资公司作出付款，否则将不再确认进一步亏损。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

3. Summary of significant accounting policies (cont'd)

3.1 Basis of consolidation and business combinations (cont'd)

(iii) Associates (cont'd)

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in an associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

(iv) Non-controlling interests

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

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

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

(v) Loss of control

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

3. 主要会计政策汇总 (续)

3.1 合并基础和业务合并 (续)

(iii) 联营公司 (续)

应用权益法后，本集团须判断是否有必要就本集团于联营公司的投资确认额外减值损失。本集团于各报告期末判断是否有客观证据表明对联营企业的投资出现减值迹象。如果出现减值迹象的，本集团应将对联营公司投资的可收回金额低于其账面价值之差额确认为资产减值损失，计入当期损益。

联营公司的财务报表日期与本公司的日期一致。联营公司的会计政策在有必要时会进行调整，以与本集团的会计政策保持一致。

(iv) 非控股权益

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

- 公允价值；或
- 按比例应占被收购方的可辨认净资产的价值。

未导致本集团失去附属公司控制权的权益变动，则按照拥有人之间交易入账，因此无须对商誉进行调整，也无须在损益中确认收益或亏损。并不涉及失去控制权的交易产生的非控股权益的调整是基于应占附属公司净资产比例而作出。

(v) 失去控制权

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

NOTES TO THE FINANCIAL STATEMENTS

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财务报表附注

3. Summary of significant accounting policies (cont'd)	3. 主要会计政策汇总 (续)
3.1 Basis of consolidation and business combinations (cont'd)	3.1 合并基础和业务合并 (续)
(vi) Transactions eliminated on consolidation	(vi) 并表时抵销的交易
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.	集团内部余额及交易和集团内部交易产生的任何未实现损益在编制综合财务报表过程中予以抵销。
(vii) Subsidiaries in the separate financial statements	(vii) 个别财务报表中的附属公司
Interests in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.	附属公司权益按成本减去累计减值损失在本公司的财务状况表中列示。
3.2 Foreign currency	3.2 外币
(i) Foreign currency transactions	(i) 外币交易
Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions.	使用外币进行的交易按交易日的汇率换算为本集团实体各自的功能货币。
Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.	以外币计价的货币资产及负债按报告期末的适用汇率换算为功能货币。以公允价值计量之外币计价的非货币性资产及负债则采用公允价值当日的适用汇率换算为功能货币。以历史成本计量之非货币性项目采用交易日期的适用汇率进行换算。外币差额在损益中确认。
(ii) Foreign operations	(ii) 海外业务
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into HK\$ at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into HK\$ at the exchange rates at the dates of the transactions.	海外业务的资产及负债（包括收购时产生的商誉及公允价值调整）采用报告日期的汇率换算为港币。海外业务的收入及支出按交易日期的汇率换算为港币。
Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.	外币差额在其他全面收益中确认，并在外币换算储备中累计，但交易差额分配至非控股权益的除外。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

3. Summary of significant accounting policies (cont'd)

3.2 Foreign currency (cont'd)

(ii) Foreign operations (cont'd)

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

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

3.3 Financial instruments

(i) Non-derivative financial assets

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

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

3. 主要会计政策汇总 (续)

3.2 外币 (续)

(ii) 海外业务 (续)

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

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

3.3 金融工具

(i) 非衍生金融资产

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

当自资产收取现金流量的合约权利已届满，或因交易而转让收取现金流量的合约权利，且于该交易中转让了金融资产的绝大部分风险及回报，或其既无转让亦无保留拥有权的绝大部分风险及回报，以及并未保留已转让资产的控制权，则本集团终止确认有关金融资产。本集团终止确认金融资产而产生或保留的任何权益会独立确认为一项资产或负债。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017
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财务报表附注

3. Summary of significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

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

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

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

Loans and receivables

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

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, short-term deposits and short-term balances in financial institutions with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the consolidated statement of cash flows, restricted bank balances are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

3. 主要会计政策汇总 (续)

3.3 金融工具 (续)

(i) 非衍生金融资产 (续)

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

本集团将非衍生金融资产归类为贷款及应收款项类别。

贷款及应收款项

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

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

现金及现金等价物

现金及现金等价物包括现金结余、短期存款及到期日为自购入日期起三个月或以下的短期金融机构结余，其可能面临公允价值变动的风险不重大，且本集团动用有关现金及现金等价物管理其短期承担。就综合现金流量表而言，受限制银行存款并不包括在内，而银行透支须按要求偿还，并构成本集团现金管理必不可少的一部分，须纳入现金及现金等价物。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2017
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3. Summary of significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

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

Service concession arrangements

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

If the Group is paid for the construction services partly by a financial asset and partly by an intangible asset, then each component of the consideration is accounted for separately and is recognised initially at the fair value of the consideration (see also note 3.5(ii)).

(ii) Non-derivative financial liabilities

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

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

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

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

Other financial liabilities comprise borrowings and trade and other payables.

3. 主要会计政策汇总 (续)

3.3 金融工具 (续)

(i) 非衍生金融资产 (续)

服务特许权安排

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

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

(ii) 非衍生金融负债

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

本集团于合约责任已解除、取消或届满时终止确认金融负债。

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

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

其他金融负债包括贷款及应付账款及其他应付款项。

NOTES TO THE FINANCIAL STATEMENTS

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财务报表附注

3. Summary of significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(iii) Share capital

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

(iv) Derivative financial instruments

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

3.4 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

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

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

3. 主要会计政策汇总 (续)

3.3 金融工具 (续)

(iii) 股本

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

(iv) 衍生金融工具

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

3.4 物业、厂房及设备

物业、厂房及设备项目均按成本入账。于初始确认后, 物业、厂房及设备按成本减累计折旧及累计减值损失计量。

物业、厂房及设备以直线法按资产的预计可使用年限计提折旧。预计可使用年限如下:

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

厂房及设备中尚未达到可使用状态的在建项目不计提折旧。

若有迹象显示物业、厂房及设备的账面价值可能无法收回, 则本集团应对其进行减值测试。

本集团至少于每年年度终了, 对物业、厂房及设备的预计净残值、使用寿命和折旧方法进行复核, 必要时进行调整。

物业、厂房及设备于出售或预期未来因使用或处置无法带来经济利益流入时终止确认。任何资产终止确认的收益或亏损均于资产终止确认的年度计入损益。

NOTES TO THE FINANCIAL STATEMENTS

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3. Summary of significant accounting policies (cont'd)

3.5 Intangible assets and goodwill

(i) Goodwill

Goodwill is the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the net identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the CGU (group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (group of CGUs) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a CGU (or group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

3. 主要会计政策汇总 (续)

3.5 无形资产及商誉

(i) 商誉

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

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

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

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

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财务报表附注

3. Summary of significant accounting policies (cont'd)

3.5 Intangible assets and goodwill (cont'd)

(ii) Service concession arrangements

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

(iii) Computer software

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

(iv) Patents and trademarks

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

(v) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

(vi) Amortisation

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

3. 主要会计政策汇总 (续)

3.5 无形资产及商誉 (续)

(ii) 服务特许经营权安排

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

(iii) 电脑软件

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

(iv) 专利及商标

专利及商标按成本减任何累计摊销及减值损失计量。

(v) 后续支出

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

(vi) 摊销

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

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

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3. Summary of significant accounting policies (cont'd)

3.5 Intangible assets and goodwill (cont'd)

(vi) Amortisation (cont'd)

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

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

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

3.6 Land use rights

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

3.7 Leased assets

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

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

3.8 Inventories

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

3. 主要会计政策汇总 (续)

3.5 无形资产及商誉 (续)

(vi) 摊销 (续)

本年度及比较年度的预计可使用年限如下:

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

摊销方法、使用年限及剩余价值于各报告期末复核及调整 (如适用)。

3.6 土地使用权

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

3.7 租赁资产

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

其他租赁为经营租赁, 并不在本集团的财务状况表内予以确认。

3.8 存货

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

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财务报表附注

3. Summary of significant accounting policies (cont'd)

3.9 Impairment

(i) Non-derivative financial assets

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

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

Loans and receivables

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

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

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

3. 主要会计政策汇总 (续)

3.9 减值

(i) 非衍生金融资产

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

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

贷款及应收款

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

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

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

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3. Summary of significant accounting policies (cont'd)

3.9 Impairment (cont'd)

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

Associates

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

(ii) Non-financial assets

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

3. 主要会计政策汇总 (续)

3.9 减值 (续)

(i) 非衍生金融资产 (续)

联营公司

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

(ii) 非金融资产

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

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

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财务报表附注

3. Summary of significant accounting policies (cont'd)

3.9 Impairment (cont'd)

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

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

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

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

3.10 Employee benefits

(i) Defined contribution plans

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

3. 主要会计政策汇总 (续)

3.9 减值 (续)

(ii) 非金融资产 (续)

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

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

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

3.10 员工福利

(i) 定额供款计划

定额供款计划为离职福利计划，在此计划下，一家实体向另一家独立实体支付固定供款，之后则无法定或推定责任须作出进一步供款。定额供款退休金计划的供款责任在员工提供相关服务的期间在损益中确认为员工福利开支。

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3. Summary of significant accounting policies (cont'd)

3.10 Employee benefits (cont'd)

(ii) Short-term employee benefits

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

(iii) Share-based payment transactions

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

3.11 Provisions

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

3. 主要会计政策汇总 (续)

3.10 员工福利 (续)

(ii) 短期员工福利

短期员工福利责任按未折现基准计量，并在提供相关服务期间确认为开支。若本集团因员工以往提供的服务而须承担法定或推定的付款责任，且责任金额能可靠地计量，便会就根据短期现金分红或分享盈利计划的预计支付金额确认为负债。

(iii) 股份支付交易

向员工授予的股份支付奖励按授予日期的公允价值，在员工无条件享有该等奖励的期间确认为员工开支，并于权益中作出相应增加。已确认为开支的金额将作调整，以反映预期符合相关服务及非市场表现条件的相关奖励数目。因此，最终确认为开支的金额按行权日期符合相关服务及非市场表现条件的奖励数目计算。对于无行权条件的股份支付的奖励，会计量股份支付于授予日期的公允价值以反映有关条件，且不会补足预期数目及实际数目之间的差额。

3.11 拨备

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

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财务报表附注

3. Summary of significant accounting policies (cont'd)

3.12 Revenue

(i) Construction contracts

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

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

(ii) Service concession arrangements

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

(iii) Operation income from service concession arrangements

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

(iv) Finance income from service concession arrangements

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

3. 主要会计政策汇总 (续)

3.12 收入

(i) 建造合同

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

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

(ii) 服务特许经营权安排

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

(iii) 服务特许经营权安排的运营收入

运营服务收入在提供相关服务时确认。

(iv) 服务特许经营权安排的财务收入

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

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

3. Summary of significant accounting policies (cont'd)

3.13 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where the grant relates to income, it is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

3.14 Lease payments

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

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

3.15 Finance income and finance costs

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

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

3.16 Tax

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

3. 主要会计政策汇总 (续)

3.13 政府补助

当可以合理保证本集团将会收到政府补助，且本集团将履行该补助的附带条件时，便会确认政府补助。

若政府补助与资产相关，会首先按照公允价值确认为递延收益，并于有关资产之预计可使用年限内每年等额在损益中确认为其他收入。

若政府补助与收益相关，用于补偿本集团以后期间的相关支出的，会在拟补偿开支确认的期间系统地于损益中确认为其他收入。

3.14 租赁付款

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

根据融资租赁作出的最低租赁付款在财务费用与扣减尚未偿还负债之间分配。财务费用分配至租期内各期间用以得出剩余负债的定期固定利率。

3.15 财务收入及财务费用

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

财务费用包括在损益中确认的贷款利息支出。非直接来自收购、建造或生产符合负债要求的资产的贷款成本使用有效利率法在损益中确认。

3.16 税项

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017
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财务报表附注

3. Summary of significant accounting policies (cont'd)

3.16 Tax (cont'd)

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

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

Deferred tax is not recognised for:

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

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

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

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

3. 主要会计政策汇总 (续)

3.16 税项 (续)

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

递延税项以财务报告中资产负债的账面价值与报税价值之间的暂时性差异计算而来。

概不会就下列各项确认递延税项：

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2017
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3. Summary of significant accounting policies (cont'd)

3.16 Tax (cont'd)

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

3.17 Earnings per share

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

3.18 Segment reporting

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

The Group operates in a single business segment which is the water environment management business in the PRC.

3. 主要会计政策汇总 (续)

3.16 税项 (续)

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

3.17 每股盈利

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

3.18 分部报告

经营分部及综合财务报表所报告的分部项目的金额是从定期提供予本集团最高管理层的财务资料中确定。本集团最高管理层获得分部报告后，以对本集团各项业务及经营地域进行资源分配及表现评估。

本集团运营单一业务分部，即在中国从事水环境综合治理服务。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

财务报表附注

3. Summary of significant accounting policies (cont'd)

3.19 Financial guarantee contracts

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

3.20 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but are not yet effective.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under IFRS 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The new revenue standard is effective for annual periods beginning on or after 1 January 2018.

The Group is primarily involved in the water environment management business. The Group has performed a preliminary impact assessment of adopting IFRS 15 based on currently available information. This assessment may be subject to changes arising from ongoing analysis until the Group adopts IFRS 15 in 2018.

The Group plans to apply the changes in accounting policies retrospectively to each reporting year presented, using the full retrospective approach. The Group expects that the cumulative effect of the initial adoption of IFRS 15 will not be material. The expected changes in accounting policies will not also have significant impact on the Group's financial statements from 2018 onwards.

3. 主要会计政策汇总 (续)

3.19 财务担保合同

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

3.20 已颁布但尚未生效的准则

本集团尚未应用下列已颁布但尚未生效的准则。

国际财务报告准则第15号「客户合约收入」

国际财务报告准则第15号建立了一个五步模型用作对客户合约产生所有收益进行会计处理。根据国际财务报告准则第15号，收入确认的金额应反映实体预期有权以向客户转让商品或服务而取得的对价。国际财务报告准则第15号的原则为衡量和确认收入提供了更加结构化的方法。该准则还引入了广泛的定性和定量披露要求，包括总收入的分解，有关履约义务的资料，不同期间的合约资产和负债科目余额的变化以及关键的判断和估计。新收入准则于2018年1月1日或之后开始的年度期间生效。

本集团主要提供为水环境综合治理服务。本集团已根据现有资料初步评估了应用国际财务报告准则第15号产生的影响。在本集团应用国际财务报告准则第15号之前，该评估可能会因持续分析而发生变化。

针对国际财务报告准则第15号的应用，本集团计划采纳完全追溯法。首次应用国际财务报告准则第15号后，该准则预计不会对本集团的累计财务报表产生重大影响，也不会对本集团自2018年起的财务报表产生重大影响。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

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截至二零一七年十二月三十一日止的财政年度

3. Summary of significant accounting policies (cont'd)

3.20 Standards issued but not yet effective (cont'd)

IFRS 9 Financial Instruments

IFRS 9 brings together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The impairment requirements in IFRS 9 are based on an expected credit loss model. The Group will adopt IFRS 9 from 1 January 2018. The Group will not restate comparative information and will recognise any transition adjustments against the opening balance of equity at 1 January 2018. Based on the preliminary assessment undertaken to date, the Group expects that the cumulative effect of the initial adoption of IFRS 9 will not be material and the Group does not expect that the adoption will have a significant impact on the Group's financial statements from 2018 onwards.

IFRS 16 Leases

IFRS 16, when effective, replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases - Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate

3. 主要会计政策汇总 (续)

3.20 已颁布但尚未生效的准则 (续)

国际财务报告准则第9号「金融工具」

国际财务报告准则第9号，汇集金融工具项目的各个阶段，以取代国际会计准则第39号和 国际财务报告准则第9号的所有先前版本。该准则引入分类及计量、减值及对冲会计的新规定。国际财务报告准则第9号要求基于预期信贷亏损模式考虑减值的影响。本集团将自二零一八年一月一日起应用国际财务报告准则第9号，本集团将不会重列比较信息，并将针对二零一八年一月一日权益的期初余额确认过渡调整。根据迄今为止的初步评估，首次应用国际财务报告准则第9号后，该准则预计不会对本集团的累计财务报表产生重大影响，也不会对本集团自2018年起的财务报表产生重大影响。

国际财务报告准则第16号「租赁」

国际财务报告准则第16号生效后将取代国际会计准则第17号租赁、国际财务报告准则第4号厘定安排是否包括租赁、国际会计准则委员会常设解释委员会解释公告第15号经营租赁 - 优惠和第27号评估和租赁有关的法律形式和交易内容。该准则载列有关租赁确认、计量、呈列及披露的原则，并要求承租人确认绝大部分租赁的资产及负债。该准则包括承租人免于确认的两项事项：租赁低价值资产及短期租赁。于租赁开始日期，承租人将租赁付款（即租赁负债）确认为负债，将于租期内使用相关资产的权利（即使用权资产）确认为资产。使用权资产按照成本减累计折旧及任何减值亏损进行后续计量，除非使用权资产符合于国际会计准则第40号中投资物业的定义，或与重估模式应用的物业、厂房及设备类别有关。租赁负债其后会有所增加以反映有关租赁负债利息，并因支付租赁付款而有所减少。承租人将须单独确认有关租赁负债的利息开支及有关使用权资产的折旧开支。承租人亦将须于发生若干事件（如租期变动、用于厘定未来租赁付款的指数或利率变动导致的该等付款变动）时重新计量租赁负债。承租人将一般确认重新计量租赁负债

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财务报表附注

3. Summary of significant accounting policies (cont'd)

3.20 Standards issued but not yet effective (cont'd)

IFRS 16 Leases (cont'd)

used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group expects to adopt IFRS 16 from 1 January 2019.

The Group is currently assessing the impact of IFRS 16 upon adoption and is considering whether it will choose to take advantage of the practical expedients available and which transition approach and reliefs will be adopted. As disclosed in note 28(b) to the financial statements, at 31 December 2017, the Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately HK\$ 6,887,000. Upon adoption of IFRS 16, certain amounts included therein may need to be recognised as new right-of-use assets and lease liabilities. Further analysis, however, will be needed to determine the amount of new rights of use assets and lease liabilities to be recognised, including, but not limited to, any amounts relating to leases of low-value assets and short term leases, other practical expedients and reliefs chosen, and new leases entered into before the date of adoption.

4. Critical judgements, accounting estimates, and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3. 主要会计政策汇总 (续)

3.20 已颁布且尚未生效的准则 (续)

国际财务报告准则第16号「租赁」(续)

的金额，作为对使用权资产的调整。国际财务报告准则第16号下的出租人会计处理与国际财务报告准则第17号下的会计处理相比并无大幅改变。出租人将继续使用国际会计准则第17号中的相同划分原则划分所有租赁及区分经营租赁及融资租赁。与国际会计准则第17号相比，国际财务报告准则第16号要求承租人及出租人作出的披露更加广泛。承租人可以选择使用完全追溯法或修改的追溯法应用标准。本集团将自二零一九年一月一日起应用国际财务报告准则第16号。

本集团正在评估应用国际财务报告准则第16号的影响。如财务报表附注28(b)所披露，于二零一七年十二月三十一日，本集团根据不可撤销经营租赁合同共约港币6,887,000元的未来最低租赁付款。应用国际财务报告准则第16号后，其中若干金额可能需要确认为新的使用权资产及租赁负债。然而，需要进行进一步分析以确定新的使用权资产和租赁负债的应确认的金额，包括但不限于与租赁低价值资产及短期租赁相关的任何数额，以及其他实际权宜做法和缓解措施，以及在应用国际财务报告准则第16号之前签订的新租约。

4. 重大判断、会计估计及假设

编制财务报表要求管理层作出判断、估计和假设，这些判断、估计和假设会影响收入、支出、资产和负债的列报金额及其披露，以及资产负债表日或有负债的披露。然而，这些假设和估计的不确定性所导致的结果可能造成对未来受影响的资产或负债的账面金额进行重大调整。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

4. Critical judgements, accounting estimates, and assumptions (cont'd)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Financial receivables and/or intangible assets under IFRIC 12 Service Concession Arrangements

The Group recognises the consideration received or receivable in exchange for the construction services as a financial receivable and/or an intangible asset under a service concession arrangement. However, if the Group is paid for the construction services partly by a financial asset and partly by an intangible asset, it is necessary to account separately for each component of the operator's consideration. The consideration received or receivable for both components shall be recognised initially at the fair value.

The segregation of the consideration for a service concession arrangement between the financial asset component and the intangible asset component, if any, requires the Group to make an estimate of a number of factors, which include, inter alia, fair value of the construction services, expected future water treatment volume of the relevant water treatment plant over its service concession period, future guaranteed receipts and unguaranteed receipts, and also to choose a suitable discount rate in order to calculate the present value of those cash flows. These estimates, including revenue recognition under the financial asset and intangible asset components are determined by the Group's management based on their experience and assessment on current and future market conditions. The carrying amounts of the intangible assets ("concession rights") and service concession financial receivables at the end of the financial year are disclosed in notes 11 and 15 respectively.

4. 重大判断、会计估计及假设 (续)

估计不确定性的主要来源

下文阐述有关未来之主要假设，以及于报告期末导致估计出现不确定性之其他主要来源，其具有可能导致须对下一个财政年度资产及负债账面金额作出重大调整之重大风险。

在国际财务报告诠释委员会诠释第12号“服务特许经营权安排”下的金融应收款项及/或无形资产

本集团将提供建造服务而获取及将获取的对价确认为在服务特许经营权安排下的金融应收款项及/或无形资产。然而，若本集团就提供建造服务而收取的费用部分以金融资产支付及部分以无形资产支付，则运营者必须将各个部分单独入账。两个部分的已收或应收对价须按公允价值初始计量。

如将服务特许经营权安排的对价拆分为金融资产部分及无形资产部分（如有），本集团需要对多项因素作出估计，包括建造服务的公允价值、相关水处理厂在其服务特许经营权期间的预期未来水处理量、未来保证收入及不保证收入，并需选择适当的折现率以便计算该等现金流量的现值。该等估计（包括金融资产及无形资产的收入确认）是由本集团管理层根据以往的经验及对目前及未来市场情况的评估而厘定。于财政年度末，无形资产（“特许经营权”）及与服务特许经营权相关的金融应收款项的账面价值分别于附注6及附注10披露。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

财务报表附注

4. Critical judgements, accounting estimates, and assumptions (cont'd)

Key sources of estimation uncertainty (cont'd)

Impairment of non-financial assets other than interests in subsidiaries and goodwill

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of property, plant and equipment and intangible assets (other than goodwill and concession rights) are disclosed in notes 10 and 11.

Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's loans and receivables are disclosed in notes 15, 17, 18 and 19.

Impairment of interests in subsidiaries

The Company assesses at each reporting date whether there is any objective evidence that the interest in a subsidiary is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the industry performance, technology changes, operational and financing cash flows. Management will also consider the financial conditions and business prospects of the interest.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on the forecasted performance of the subsidiary. The carrying amounts of the Company's interests in subsidiaries at the reporting date are disclosed in note 13.

4. 重大判断、会计估计及假设 (续)

估计不确定性的主要来源 (续)

非金融资产减值 (附属公司权益及商誉除外)

本集团于每个报告日评估所有非金融资产是否出现任何减值迹象。当有迹象显示非金融资产账面价值可能无法收回时，便会进行减值测试。

在估计使用价值时，管理层估计现有现金产出单元的预期未来现金流量，并需选用合适的折现率以计算该等现金流量的现值。物业、厂房及设备以及无形资产（商誉及特许经营权除外）的账面价值于附注10及附注11披露。

贷款及应收款项的减值

本集团于每个报告日评估是否存在金融资产减值的任何客观证据。为了确定是否存在客观的减值证据，本集团会考虑多项因素，例如：债务人破产或有重大财务困难，以及违约或严重逾期还款的可能性。如存在减值的客观证据，便会根据具有类似信贷风险特征的资产的过往减值情况，估计未来现金流量的金额及时间。本集团的贷款及应收款项的账面价值于附注15、附注17、附注18及附注19披露。

附属公司权益的减值

本公司于每个报告日评估是否存在附属公司权益减值的任何客观证据。为了确定是否存在客观的减值证据，本公司会考虑多项因素，例如：行业表现、技术变化、运营及融资现金流量。管理层亦会考虑附属公司的财务状况及业务前景。

如存在客观的减值证据，便会根据附属公司的预期业绩估计未来现金流量的金额及时间。本公司于报告日期的附属公司权益账面价值在附注13披露。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2017
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4. Critical judgements, accounting estimates, and assumptions (cont'd)

Key sources of estimation uncertainty (cont'd)

Percentage of completion of construction work

The Group recognises contract revenue by reference to the stage of completion of the contract activity at the end of the reporting period. Significant assumptions are required to estimate the recoverable variation works that will affect the stage of completion. The Group reviews and revises the estimates in each construction contract as the contract progresses.

Impairment losses for goodwill

Goodwill is allocated to the water environment management segment that are expected to benefit from the synergies of the combination for the purpose of impairment assessment, which requires significant judgement. The Group determined that the group of cash-generating units to which goodwill was allocated reflected the lowest level at which goodwill was monitored for internal reporting and was not larger than an operating segment in accordance with IAS 36 Impairment of Assets.

The Group determines whether goodwill is impaired at least on an annual basis. This involves an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the goodwill at the reporting date is disclosed in note 12.

5. Revenue

4. 重大判断、会计估计及假设 (续)

估计不确定性的主要来源 (续)

建造工程的完工百分比

本集团根据报告日工程完工进度而确认建造收入。在估计影响完工进度的可回收变动工作量时，须引入重大假设。本集团会随着合同工程的进展，复核并修改每份建造合同的估计。

商誉减值

根据国际会计准则第36号资产减值，商誉被分配至预期可受惠于合并协同效益的水环境综合治理分部以进行商誉减值评估，这需要作出重大判断。本集团确定获分配商誉之现金产出单元组别为本集团就内部报告目的而监察商誉的最低层次，且该组别不会大于一个经营分部。

本集团至少每年厘定一次商誉是否出现减值，这需要获分配商誉之现金产出单元组别的使用价值进行估计。在估计使用价值时，本集团需估计来自现金产出单元的预计未来现金流，并需选择合适的贴现率，以便计算有关现金流量的现值。于报告日，商誉的账面价值在附注12披露。

5. 收入

		Group 本集团	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Construction service revenue from service concession arrangements	服务特许经营权安排的建造服务	2,111,292	1,133,784
Finance income from service concession arrangements	服务特许经营权安排的财务收入	601,204	538,775
Operation income from service concession arrangements	服务特许经营权安排的运营收入	878,426	811,830
Construction contract revenue and technical services income	建造合同收入及技术服务收入	711	9,648
		3,591,633	2,494,037

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017
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财务报表附注

6. Other income

6. 其他收入

		Group 本集团	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Government grants*	政府补助*	11,422	6,491
VAT refund	增值税退税	114,049	106,834
Gain on disposal of equity interest in a subsidiary	出售一间附属公司权益 的收益	-	402
Sundry income	杂项收入	4,338	13,939
		129,809	127,666

* Government grants of HK\$11,422,000 (2016: HK\$6,491,000) were granted during the year ended 31 December 2017 to subsidise certain water/waste water treatment plants of the Group in the PRC. There were no unfulfilled conditions and other contingencies attached to the receipts of those grants. There is no assurance that the Group will continue to receive such grants in the future.

* 截至二零一七年十二月三十一日止年度，本集团获发放政府补助港币11,422,000元（二零一六年：港币6,491,000元），以补贴本集团在中国的若干水/污水处理厂。概无有关收取该等补助之未达成条件或其他或有事项。目前不能保证本集团于日后将继续获发该等补助。

7. Net finance costs

7. 财务费用净额

		Group 本集团	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Finance income	财务收入		
Interest income on bank deposits	银行存款的利息收入	12,463	7,631
Finance costs	财务费用		
Interest expense on:	利息支出:		
Bank borrowings	银行贷款	211,109	194,689
Corporate bonds	公司债券	22,971	-
Amounts due to intermediate holding companies	应付中间控股公司 款项	2,947	2,977
Amounts due to fellow subsidiaries	应付同系附属公司 款项	4,364	7,557
		241,391	205,223
Net finance costs	财务费用净额	228,928	197,592

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

8. Profit before tax

8. 除税前盈利

		Group 本集团	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Included in cost of sales:	计入销售成本:		
Amortisation of intangible assets	无形资产摊销	79,396	85,937
Included in administrative expenses:	计入行政费用:		
Amortisation of intangible assets	无形资产摊销	723	353
Depreciation on property, plant and equipment	物业、厂房及设备 折旧	14,960	14,986
(Gain)/loss on disposal of property, plant and equipment	处置物业、厂房及设备 之(盈利)/亏损	(23)	369
Operating lease charges:	经营租赁支出:		
Minimum lease payments – hire of premises	最低租赁付款- 租用物业	9,552	8,340
Included in other operating expenses:	计入其他经营 费用:		
Foreign exchange loss	汇兑损失	4,239	55,887
Staff costs:	员工成本:		
Wages and salaries	工资及薪金	170,717	175,807
Defined contribution plans	定额供款计划	44,678	46,219
Welfare and other benefits	福利及其他利益	20,507	21,451
Fees paid to auditor of the Company:	已付本公司审计师的 费用:		
Audit fees	审计费用	460	696
Non-audit fees	非审计费用	-	-
Fees paid to affiliates of auditor of the Company:	已付本公司审计师成员 所的费用:		
Audit fees	审计费用	1,920	2,763
Non-audit fees	非审计费用	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

财务报表附注

9. Income tax expense

9. 所得税开支

		Group 本集团	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Current tax expense:	即期税项支出:		
Current year	本年度	110,840	96,212
Under /(Over)-provision in prior years	过往年度拨备不足/ (超额拨备)	3,592	(1,380)
		114,432	94,832
Deferred tax expense:	递延税项支出:		
Movements in temporary differences	暂时性差异 变动	149,380	61,304
Under-provision in prior years	过往年度拨备不足	-	8,725
		149,380	70,029
Total income tax expense	所得税费用总额	263,812	164,861

The Group's tax assessable profits were entirely derived from the operations of the Group's subsidiaries in the PRC.

No provision for Singapore and Hong Kong income tax was made as the Group did not earn any income subject to Singapore and Hong Kong income tax during 2017 and 2016.

Taxation for the PRC operations is charged at the statutory rate of 25% of the assessable profits under taxation ruling of the PRC. During 2017 and 2016, certain PRC subsidiaries are subject to tax at 50% of the standard rates or fully exempt from income tax under the relevant tax rules and regulations.

本集团的应纳税盈利全部源于本集团中国附属公司的业务。

于二零一七年及二零一六年，由于本集团并无赚取任何须缴纳新加坡所得税及香港利得税的收入，故并无就新加坡所得税及香港利得税作出拨备。

根据中国的税务规定，中国业务的税项乃根据应纳税盈利25%的法定税率计算。于二零一七年及二零一六年，根据相关的税务规则及法规，若干中国附属公司按照标准税率的50%计缴所得税，或获豁免缴纳所得税。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

9. Income tax expense (cont'd)

9. 所得税费用 (续)

		Group 本集团	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Profit before tax	除税前盈利	844,605	537,476
Tax calculated at tax rate of 25% (2016: 25%)	按25%税率计算的税项 (二零一六年: 25%)	211,151	134,369
Effect of tax rates in foreign jurisdictions	外国司法权区的税率 影响	25,759	5,466
Tax concession	税项宽减	(12,296)	(14,124)
Profit attributable to an associate	归属于一间联营公司之利润	(26)	-
Non-taxable income	非应纳税收入	(15,952)	(12,559)
Non-deductible expenses	不可抵扣支出	24,536	17,090
Current year losses for which no deferred tax is recognised	并无确认递延税项的本年度 亏损	7,405	6,564
Utilisation of tax losses not recognised in prior years	动用过往年度未确认的税项 亏损	(5,897)	(943)
Under-provision in prior years	过往年度拨备不足	3,592	7,345
Withholding tax on undistributed profits of PRC subsidiaries	中国附属公司未分配盈利的 预提所得税	25,540	21,653
		263,812	164,861

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

财务报表附注

10. Property, plant and equipment

10. 物业、厂房及设备

Group	本集团	Buildings	Plant and machinery	Leasehold improvements, furniture and fixtures	Motor vehicles and office equipment	Construction in progress	Sub-total	Interest in leasehold land held for own use	Total
		楼宇	厂房及机器	租赁物业装修、家私及装置	汽车及办公室设备	在建工程	小计	持有作自用之租赁土地权益	总额
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港币千元	港币千元	港币千元	港币千元	港币千元	港币千元	港币千元	港币千元
Cost	成本								
At 1 January 2016	于二零一六年一月一日	97,841	47,790	4,802	52,602	12,956	215,991	7,826	223,817
Additions	增置	-	4	3,044	7,816	785	11,649	215	11,864
Disposal of a subsidiary	出售一间附属公司权益	-	(18)	(64)	(389)	-	(471)	-	(471)
Disposals	处置	-	-	(441)	(5,231)	-	(5,672)	-	(5,672)
Transferred from construction in progress	自在建工程转入	2,778	4,269	-	6,300	(13,347)	-	-	-
Exchange adjustments	汇兑调整	(6,613)	(3,353)	(410)	(4,027)	(316)	(14,719)	(528)	(15,247)
At 31 December 2016 and 1 January 2017	于二零一六年十二月三十一日及二零一七年一月一日	94,006	48,692	6,931	57,071	78	206,778	7,513	214,291
Additions	增置	105	24	3,062	6,550	-	9,741	-	9,741
Disposals	处置	-	(18)	(478)	(1,258)	-	(1,754)	-	(1,754)
Transferred from construction in progress	自在建工程转入	-	-	80	-	(80)	-	-	-
Exchange adjustments	汇兑调整	5,953	3,083	433	4,511	2	13,982	476	14,458
At 31 December 2017	于二零一七年十二月三十一日	100,064	51,781	10,028	66,874	-	228,747	7,989	236,736

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2017
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10. Property, plant and equipment (cont'd)

10. 物业、厂房及设备 (续)

Group	本集团	Buildings	Plant and machinery	Leasehold improvements, furniture and fixtures	Motor vehicles and office equipment	Construction in progress	Sub-total	Interest in leasehold land held for own use	Total
		楼宇	厂房及机器	租赁物业装修、家私及装置	汽车及办公室设备	在建工程	小计	持有作自用之租赁土地权益	总额
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港币千元	港币千元	港币千元	港币千元	港币千元	港币千元	港币千元	港币千元
Accumulated depreciation and amortisation	累计折旧及摊销								
At 1 January 2016	于二零一六年一月一日	14,735	9,462	3,179	32,495	-	59,871	1,359	61,230
Disposal of a subsidiary	出售一间附属公司权益	-	(17)	(20)	(146)	-	(183)	-	(183)
Disposals	处置	-	-	(424)	(4,792)	-	(5,216)	-	(5,216)
Charge for the year	本年度折旧及摊销	4,685	2,055	803	7,137	-	14,680	306	14,986
Exchange adjustments	汇兑调整	(1,157)	(716)	(226)	(2,292)	-	(4,391)	(106)	(4,497)
At 31 December 2016 and 1 January 2017	于二零一六年十二月三十一日及二零一七年一月一日	18,263	10,784	3,312	32,402	-	64,761	1,559	66,320
Disposals	处置	-	(3)	(248)	(945)	-	(1,196)	-	(1,196)
Charge for the year	本年度折旧及摊销	3,792	2,199	1,822	6,800	-	14,613	347	14,960
Exchange adjustments	汇兑调整	1,234	750	233	2,288	-	4,505	109	4,614
At 31 December 2017	于二零一七年十二月三十一日	23,289	13,730	5,119	40,545	-	82,683	2,015	84,698
Carrying amounts	账面净值								
At 31 December 2016	于二零一六年十二月三十一日	75,743	37,908	3,619	24,669	78	142,017	5,954	147,971
At 31 December 2017	于二零一七年十二月三十一日	76,775	38,051	4,909	26,329	-	146,064	5,974	152,038

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For the financial year ended 31 December 2017
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财务报表附注

10. Property, plant and equipment (cont'd)

10. 物业、厂房及设备 (续)

Company	本公司	Motor vehicles and office equipment 汽车及办公室设备 HK\$'000 港币千元
Cost	成本	
At 1 January 2016	于二零一六年一月一日	24
Additions	增置	34
Exchange adjustments	汇兑调整	(2)
At 31 December 2016 and 1 January 2017	于二零一六年十二月三十一日及 二零一七年一月一日	56
Disposal	处置	(15)
At 31 December 2017	于二零一七年十二月三十一日	41
Accumulated depreciation	累计折旧	
At 1 January 2016	于二零一六年一月一日	21
Charge for the year	本年度折旧及摊销	5
Exchange adjustments	汇兑调整	(1)
At 31 December 2016 and 1 January 2017	于二零一六年十二月三十一日及 二零一七年一月一日	25
Charge for the year	本年度折旧及摊销	7
Disposal	处置	(15)
Exchange adjustments	汇兑调整	(2)
At 31 December 2017	于二零一七年十二月三十一日	15
Carrying amounts	账面净值	
At 31 December 2016	于二零一六年十二月三十一日	31
At 31 December 2017	于二零一七年十二月三十一日	26

The analysis of carrying amounts of properties is as follows:

物业的账面价值分析如下:

		Group 本集团	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
In the PRC (outside Hong Kong):	在中国 (香港以外地方):		
– medium-term leases	– 中期租赁	82,749	81,697
Representing:	代表:		
Buildings	楼宇	76,775	75,743
Interest in leasehold land held for own use	持有作自用之租赁土地 权益	5,974	5,954
		82,749	81,697

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财务报表附注

For the financial year ended 31 December 2017
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11. Intangible assets

11. 无形资产

Group	本集团	Concession rights 特许经营权 HK\$'000 港币千元	Patents and trademarks 专利及商标 HK\$'000 港币千元	Computer software 电脑软件 HK\$'000 港币千元	Backlog contracts 储备合同 HK\$'000 港币千元	Total 总额 HK\$'000 港币千元
Cost	成本					
At 1 January 2016	于二零一六年一月一日	1,451,493	26,419	2,418	30,619	1,510,949
Additions	增置	–	–	988	–	988
Disposal of a subsidiary	出售一间附属公司	(3,385)	–	–	–	(3,385)
Exchange adjustments	汇兑调整	(96,046)	(2,098)	(203)	(2,029)	(100,376)
At 31 December 2016 and 1 January 2017	于二零一六年十二月三十一日及二零一七年一月一日	1,352,062	24,321	3,203	28,590	1,408,176
Additions	增置	219,993	–	1,418	–	221,411
Exchange adjustments	汇兑调整	97,288	1,540	246	1,810	100,884
At 31 December 2017	于二零一七年十二月三十一日	1,669,343	25,861	4,867	30,400	1,730,471
Accumulated amortisation	累计摊销					
At 1 January 2016	于二零一六年一月一日	53,825	4,687	1,305	11,057	70,874
Amortisation for the year	本年度摊销	71,750	4,224	353	9,963	86,290
Exchange adjustments	汇兑调整	(6,675)	(494)	(102)	(1,166)	(8,437)
At 31 December 2016 and 1 January 2017	于二零一六年十二月三十一日及二零一七年一月一日	118,900	8,417	1,556	19,854	148,727
Amortisation for the year	本年度摊销	66,095	4,166	849	9,009	80,119
Exchange adjustments	汇兑调整	9,582	663	125	1,537	11,907
At 31 December 2017	于二零一七年十二月三十一日	194,577	13,246	2,530	30,400	240,753
Carrying amounts	账面净值					
At 31 December 2016	于二零一六年十二月三十一日	1,233,162	15,904	1,647	8,736	1,259,449
At 31 December 2017	于二零一七年十二月三十一日	1,474,766	12,615	2,337	–	1,489,718

Service concession arrangements

Concession rights relate to the Group's service concession arrangements. The significant aspects of the service concession arrangements are summarized as follows:

- (a) The arrangements are concession arrangements for waste water treatment plants with various local government authorities in the PRC under IFRIC 12 *Service Concession Arrangements*.

服务特许经营权安排

特许经营权是指本集团的服务特许经营权安排。服务特许经营权安排的重大方面概述如下：

- (a) 有关安排是根据国际财务报告诠释委员会诠释第12号「服务特许经营权安排」与多个中国当地政府机关订立的污水处理厂特许经营权安排。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017
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财务报表附注

11. Intangible assets (cont'd)

Service concession arrangements (cont'd)

- (b) The intangible assets of concession rights arose from waste water treatment plants located in different cities in the PRC. For these arrangements with concession periods ranging between 20 years to 32 years, the Group (the operator) receives the right to charge users a fee for using the services which the grantor collects and pays to the operator.
- (c) All the water/waste water treatment arrangements state the rights and obligations for the grantor and operator as follows:
- (i) The operator has the obligation to treat the required amount of water/waste water and also to ensure the treated water fulfills the standard quality requirements of the grantor.
- (ii) The infrastructure including the plant and equipment, "know-how", operations manual, handover report, design of infrastructure and related documents for the waste water treatment plant will be transferred to the grantor or any grantor appointed agencies at the end of the concession period.
- (iii) The arrangement is terminated only when a party breaches the contract or due to unforeseeable circumstances.
- (iv) The operator has the obligation to maintain and restore the water/waste water plant to its operational condition upon transferring to the grantor at the end of the concession period.
- (d) Waste water treatment plants with intangible assets amounting to HK\$283,953,000 (2016: HK\$267,231,000) as at 31 December 2017 were pledged to secure the loans taken up by the Group (note 20).

11. 无形资产 (续)

服务特许经营权安排 (续)

- (b) 特许经营权的无形资产来自位于中国不同城市的污水处理厂。就上述特许经营期限介于二十年至三十二年的安排而言，本集团（运营者）获授权可就使用有关服务而向使用者计收费用，该等费用由授权人收取并支付予运营者。
- (c) 所有水/污水处理安排均述明授权人及运营者的权利及责任如下：
- (i) 运营者有责任处理规定的水/污水量，以及确保经过处理的水符合授权人的质量标准要求。
- (ii) 污水处理厂的基础设施（包括厂房及设备、专业知识、操作说明、交接报告、基础设施的设计及相关文件）将于特许经营期结束时转交予授权人或授权人指定的任何代理人。
- (iii) 有关安排只有在在一方违约之情况下或由于不可预见的情况，方会被终止。
- (iv) 在特许经营期结束后向授权人转移水/污水处理厂时，运营者有责任维护及恢复水/污水处理厂至其运营状况。
- (d) 于二零一七年十二月三十一日，污水处理厂的港币283,953,000元的无形资产（二零一六年：港币267,231,000元）已质押为本集团获取贷款（附注20）。

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财务报表附注

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12. Goodwill

12. 商誉

		HK\$'000 港币千元
Cost	成本	
At 1 January 2016	于二零一六年一月一日	1,268,925
Exchange adjustments	汇兑调整	(83,447)
At 31 December 2016	于二零一六年十二月三十一日	<u>1,185,478</u>
At 1 January 2017	于二零一七年一月一日	1,185,478
Exchange adjustments	汇兑调整	74,444
At 31 December 2017	于二零一七年十二月三十一日	<u>1,259,922</u>

The goodwill arising from the acquisitions is attributable mainly to the expected synergies from combining operations of the acquiree and acquirer. None of the goodwill acquired is expected to be deductible for tax purposes.

Impairment testing of goodwill

For the purpose of impairment testing, goodwill has been allocated to the water environment management segment.

The recoverable amount of the group of cash-generating units within the water environment management segment was determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period using a growth rate of 6%-10% approved by management. The pre-tax discount rate applied to the cash flow projections was 11.5% and cash flows beyond the five-year period were extrapolated using a growth rate of 3%. Management determined the budgets based on service concession arrangements governing the relevant operations. Based on the assessment, no impairment provision was necessary as at 31 December 2017.

收购交易产生的商誉主要源于被收购方及收购方合并业务的预期协同效益。预期收购所得的商誉概不可抵税。

商誉减值测试

就减值测试而言，商誉已分配至水环境综合治理分部。

水环境综合治理分部的现金产出单元的可收回金额乃根据使用价值计算。计算方法按照管理层已核准的6%-10%年度增长率之五年财务预算之现金流量预测估计。用于计算现金流量预测的税前折现率为11.5%，超过五年期的现金流量预测按3%的增长率推算。管理层根据相关业务的服务协议确定预算。根据评估结果，于二零一七年十二月三十一日并未计提减值准备。

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For the financial year ended 31 December 2017
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财务报表附注

13. Interests in subsidiaries

13. 附属公司权益

		Company 本公司	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Unquoted equity instruments, at cost	非上市股本工具, 按成本	11,680,932	10,985,487
Impairment losses	减值损失	(4,488,176)	(4,220,965)
		7,192,756	6,764,522
Amounts due from subsidiaries	应收附属公司款项	4,507,495	2,426,051
		11,700,251	9,190,573

The amounts due from subsidiaries are unsecured, interest-free and the settlement is neither planned nor likely to occur in the foreseeable future. As the amounts are in substance a part of the Company's net investments in subsidiaries, they are stated at cost less accumulated impairment losses.

The changes in impairment losses in respect of interests in subsidiaries during the year are as follows:

应收附属公司款项无抵押、免息且于可见未来并无计划亦不大可能结算。由于有关金额实质上是本公司于附属公司的净投资额一部分，故按成本减去累计减值损失列示。

附属公司权益减值损失于年内之变动如下：

		Company 本公司	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
At the beginning of the year	年初	4,220,965	4,520,491
Exchange adjustments	汇兑调整	267,211	(299,526)
At the end of the year	年末	4,488,176	4,220,965

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财务报表附注

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13. Interests in subsidiaries (cont'd)

Details of the significant subsidiaries at the end of the financial year are as follows:

13. 附属公司权益 (续)

于财政年度末，重大附属公司的详情如下：

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion (%) of ownership interest 本集团所持所有权比例	
			2017 二零一七年 %	2016 二零一六年 %
Held by the Company 由本公司控股				
China Everbright Water Investments Limited (“CEWIL”) 中国光大水务投资有限公司 (“水务投资”)	Investment holding 投资控股	British Virgin Islands (“BVI”) 英属维尔京群岛	100	100
Ocean Force International Limited	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
Joyer International Limited 卓越国际有限公司	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
Aqua Shine Group Limited	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
China Everbright Water International Pte. Ltd. 中国光大水务国际私人有限公司	Investment holding, technology R&D, business development and management services 投资控股、科技研发、业务发展及管理服务	Singapore 新加坡	100	100
Everbright Sponge City Development (Zhenjiang) Limited# 光大海绵城市发展(镇江)有限公司#	Sponge City construction, operation and R&D 海绵城市建设、运营及研发	PRC 中国	70	70
Everbright Water Suizhou Water Environment Management Limited# 光大水务随州水环境治理有限公司#	River restoration works 河道治理工程	PRC 中国	78.4	N/A
Everbright Water (Nanning) Limited (“EB Water Nanning”)# 光大水务(南宁)有限公司# (“光大水务南宁”)	River restoration works 河道治理工程	PRC 中国	79.6	N/A

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财务报表附注

13. Interests in subsidiaries (cont'd)

13. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion (%) of ownership interest 本集团所持所有权比例	
			2017 二零一七年 %	2016 二零一六年 %
Held by CEWIL 由水务投资控股				
Everbright Water (Qingdao) Holdings Limited ("EW Qingdao Holdings") 光大水务(青岛)控股有限公司 (“光大水务青岛控股”)	Investment holding 投资控股	Hong Kong 香港	100	100
Everbright Water (Zibo) Holdings Limited 光大水务(淄博)控股有限公司	Investment holding 投资控股	Hong Kong 香港	100	100
Everbright Water (Ji'nan) Holdings Limited 光大水务(济南)控股有限公司	Investment holding 投资控股	Hong Kong 香港	100	100
Everbright Water (Wuxi) Holdings Limited 光大水务(无锡)控股有限公司	Investment holding 投资控股	Hong Kong 香港	100	100
Everbright Water (Dezhou) Holdings Limited 光大水务(德州)控股有限公司	Investment holding 投资控股	Hong Kong 香港	100	100
Everbright Water (Xuzhou) Holdings Limited 光大水务(徐州)控股有限公司	Investment holding 投资控股	Hong Kong 香港	100	100
China Everbright Water Management Limited 中国光大水务管理有限公司	Investment holding 投资控股	Hong Kong 香港	100	100
CEW Corporate Services Limited 中国光大水务服务有限公司	Corporate services 秘书服务	Hong Kong 香港	100	100
Everbright Water (Suizhou) Holdings Limited 光大水务(随州)控股有限公司	Investment holding 投资控股	Hong Kong 香港	100	N/A

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财务报表附注

For the financial year ended 31 December 2017
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13. Interests in subsidiaries (cont'd)

13. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion (%) of ownership interest 本集团所持所有权比例	
			2017 二零一七年 %	2016 二零一六年 %
Held by EW Qingdao Holdings 由光大水务青岛控股控股				
Everbright Water (Qingdao) Limited ("EB Water Qingdao")# 光大水务(青岛)有限公司 (“光大水务青岛”)	Waste water treatment 污水处理	PRC 中国	60	60
Held by Everbright Water (Zibo) Holdings Limited 由光大水务(淄博)控股有限公司控股				
Everbright Water (Zibo) Limited* 光大水务(淄博)有限公司*	Waste water treatment 污水处理	PRC 中国	100	100
Everbright Water (Zibo Zhoucun) Water Purification Co., Ltd.* 光大水务(淄博周村)净水有限公司*	Waste water treatment 污水处理	PRC 中国	100	100
Everbright Water (Boxing) Limited* 光大水务(博兴)有限公司*	Waste water treatment 污水处理	PRC 中国	100	100
Held by Everbright Water (Zibo) Limited 由光大水务(淄博)有限公司控股				
Zibo Everbright Water Energy Development Company Limited 淄博光大水务能源开发有限公司	Waste water source heat pump 污水源热泵	PRC 中国	100	100
Held by Everbright Water (Ji'nan) Holdings Limited 由光大水务(济南)控股有限公司控股				
Everbright Water (Zhangqiu) Operating Limited# 光大水务(章丘)运营有限公司#	Waste water treatment and operation services 污水处理及运营服务	PRC 中国	95	95
Everbright Water (Ji'nan Licheng) Limited* 光大水务(济南历城)有限公司*	Waste water treatment 污水处理	PRC 中国	100	100

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财务报表附注

13. Interests in subsidiaries (cont'd)

13. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion (%) of ownership interest 本集团所持所有权比例	
			2017 二零一七年 %	2016 二零一六年 %
Held by Everbright Water (Ji'nan) Holdings Limited (cont'd) 由光大水务 (济南) 控股有限公司控股 (续)				
Everbright Water (Ji'nan) Limited* 光大水务 (济南) 有限公司*	Waste water treatment 污水处理	PRC 中国	100	100
Everbright Water (Zhangqiu) Limited* 光大水务 (章丘) 有限公司*	Waste water treatment 污水处理	PRC 中国	100	100
Everbright Water (Juxian) Limited* 光大水务 (莒县) 有限公司*	Waste water treatment 污水处理	PRC 中国	100	100
Held by Everbright Water (Wuxi) Holdings Limited 由光大水务 (无锡) 控股有限公司控股				
Everbright Water (Jiangyin) Limited ("EB Water Jiangyin")# 光大水务 (江阴) 有限公司 ("光大水务江阴") #	Waste water treatment 污水处理	PRC 中国	70	70
Everbright Reusable Water (Jiangyin) Limited* 光大中水利用 (江阴) 有限公司*	Reusable water 中水再利用	PRC 中国	100	100
Everbright Water Treatment (Jiangyin) Limited* 光大水处理 (江阴) 有限公司*	Waste water treatment and construction and maintenance of pipeline network 污水处理及管网建设 和维护	PRC 中国	100	N/A

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财务报表附注

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

13. Interests in subsidiaries (cont'd)

13. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion (%) of ownership interest 本集团所持所有权比例	
			2017 二零一七年 %	2016 二零一六年 %
Held by Everbright Water (Dezhou) Holdings Limited 由光大水务(德州)控股有限公司控股				
Everbright Water (Dezhou) Limited* 光大水务(德州)有限公司*	Waste water treatment 污水处理	PRC 中国	100	100
Everbright Water (Lingxian) Limited* 光大水务(陵县)有限公司*	Waste water treatment 污水处理	PRC 中国	100	100
Held by Everbright Water (Xuzhou) Holdings Limited 由光大水务(徐州)控股有限公司控股				
Everbright Water (Xinyi) Limited* 光大水务(新沂)有限公司*	Waste water treatment 污水处理	PRC 中国	100	100
Everbright Water Operating (Xinyi) Limited# 光大水务运营(新沂)有限公司#	Waste water treatment and reusable water 污水处理及中水再利用	PRC 中国	51	51
Held by China Everbright Water Management Limited 由中国光大水务管理有限公司控股				
Everbright Reusable Water (Nanjing) Limited* 光大中水利用(南京)有限公司*	Reusable water 中水再利用	PRC 中国	100	100
Everbright Water (Shenzhen) Limited* 光大水务(深圳)有限公司*	Water investment and management 水务投资及管理	PRC 中国	100	100

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财务报表附注

13. Interests in subsidiaries (cont'd)

13. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion (%) of ownership interest 本集团所持所有权比例	
			2017 二零一七年 %	2016 二零一六年 %
Held by Everbright Water (Shenzhen) Limited 由光大水务 (深圳) 有限公司控股				
Beijing Hankesen Environmental Technology Co., Ltd. 北京汉柯森环境科技有限公司	R&D and consultation on water treatment technology 水处理技术研发及咨询 服务	PRC 中国	100	100
Everbright Water Investment Consulting (Shenzhen) Limited 光大水务投资顾问 (深圳) 有限 公司	Investment consulting 投资咨询	PRC 中国	100	N/A
Held by Beijing Hankesen Environmental Technology Co., Ltd. 由北京汉柯森环境科技有限公司控股				
Beijing Everbright Water Investment Management Co., Ltd. 北京光大水务投资管理有限公司	Investment and investment management 投资及投资管理	PRC 中国	100	100
Held by Beijing Everbright Water Investment Management Co., Ltd. 由北京光大水务投资管理有限公司控股				
Everbright Water (Beijing) Limited# 光大水务 (北京) 有限公司#	Waste water treatment 污水处理	PRC 中国	100	100
Everbright Water Purification Nanjing Limited 光大水质净化南京有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Everbright Water (Binzhou) Limited 光大水务 (滨州) 有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Sanmenxia Everbright Water Limited 三门峡光大水务有限公司	Waste water treatment 污水处理	PRC 中国	100	100

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

13. Interests in subsidiaries (cont'd)

13. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion (%) of ownership interest 本集团所持所有权比例	
			2017 二零一七年 %	2016 二零一六年 %
Held by Beijing Everbright Water Investment Management Co., Ltd. (cont'd) 由北京光大水务投资管理有限公司控股 (续)				
Dalian Dongda Water Co., Ltd. 大连东达水务有限公司	Waste water treatment 污水处理	PRC 中国	90	90
Everbright Water Technology Development (Nanjing) Limited 光大水务科技发展(南京)有限 公司	R&D and consultation on technology 环保技术研究开发以 及技术咨询	PRC 中国	100	N/A
Ji'nan Everbright Water Supply Limited# 济南光大供水有限公司#	Water supply, construction and operation of water source and water supply facility 水厂的建设运营以及 供水管道安装、运营维护	PRC 中国	80	N/A
Held by Dalian Dongda Water Co., Ltd. 由大连东达水务有限公司控股				
Dalian Dongda Environment Group Malanhe Waste Water Treatment Co., Ltd. 大连东达环境集团马栏河污水 处理有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Dalian Dongda Environment Group Chunliuhe Waste Water Treatment Co., Ltd. 大连东达环境集团春柳河污水 处理有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Dalian Siergou Water Co., Ltd. 大连寺儿沟水务有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Dalian Lvshun City Waste Water Treatment Co., Ltd. 大连旅顺城市污水处理有限公司	Waste water treatment 污水处理	PRC 中国	100	100

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For the financial year ended 31 December 2017
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财务报表附注

13. Interests in subsidiaries (cont'd)

13. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion (%) of ownership interest 本集团所持所有权比例	
			2017 二零一七年 %	2016 二零一六年 %
Held by Dalian Dongda Water Co., Ltd. (cont'd) 由大连东达水务有限公司控股 (续)				
Dalian Lvshun Sanjianpu Waste Water Treatment Co., Ltd. 大连旅顺三涧堡污水处理有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Dalian Dongda Environment Group Pulandian Water Co., Ltd. 大连东达环境集团普兰店水务有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Dongda Group Zhuanghe Water Co., Ltd. 东达集团庄河水务有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Panjin City Waste Water Treatment Co., Ltd. 盘锦城市污水处理有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Anshan City Water Operating Co., Ltd. 鞍山城市水务运营有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Dongda Group (Shenyang) Hunnan Water Co., Ltd. 东达集团(沈阳)浑南水务有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Dandong Dongda Waste Water Treatment Co., Ltd. 丹东东达污水处理有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Dongda Group Tongliao Water Co., Ltd. 东达集团通辽水务有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Dalian Puwan New District Dongda Waste Water Treatment Co., Ltd. 大连普湾新区东达污水处理有限公司	Waste water treatment 污水处理	PRC 中国	100	100

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财务报表附注

For the financial year ended 31 December 2017
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13. Interests in subsidiaries (cont'd)

13. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion (%) of ownership interest 本集团所持所有权比例	
			2017 二零一七年 %	2016 二零一六年 %
Held by Dalian Dongda Water Co., Ltd. (cont'd) 由大连东达水务有限公司控股 (续)				
Dalian Bonded Area Dongda Waste Water Treatment Co., Ltd. 大连保税区东达污水处理有限公司	Waste water treatment 污水处理	PRC 中国	100	100
Held by Ocean Force International Limited 由Ocean Force International Limited控股				
Newsussex International Limited 新萨西克斯国际有限公司	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
Biopower International Limited 生物动能国际有限公司	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
New Efficient Limited 新环境有限公司	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
Bio-Treat Resources Limited	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
Sky Billion Limited 天亿有限公司	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
Ocean Master International Limited	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
Bio-Treat International Limited 金迪国际有限公司	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
Held by Newsussex International Limited 由新萨西克斯国际有限公司控股				
Suqian City Cheng Bei Water Treatment Co., Ltd.* 宿迁市城北水务发展有限公司*	Waste water treatment 污水处理	PRC 中国	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017
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财务报表附注

13. Interests in subsidiaries (cont'd)

13. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion (%) of ownership interest 本集团所持所有权比例	
			2017 二零一七年 %	2016 二零一六年 %
Held by Biopower International Limited 由生物动能国际有限公司控股				
Suqian City Cheng Bei Wastewater Treatment Co., Ltd.* 宿迁市城北污水处理发展有限 公司*	Waste water treatment 污水处理	PRC 中国	100	100
Held by New Efficient Limited 由新环境有限公司控股				
Everbright Water (Yangzhou) Limited* 光大水务(扬州)有限公司*	Waste water treatment 污水处理	PRC 中国	100	100
Held by Bio-Treat Resources Limited 由Bio-Treat Resources Limited控股				
True Global Limited 万达集团有限公司	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
Held by True Global Limited 由万达集团有限公司控股				
Everbright Water (Xianyang) Limited* 光大水务(咸阳)有限公司*	Waste water treatment 污水处理	PRC 中国	100	100
Held by Sky Billion Limited 由天亿有限公司控股				
Everbright River Basin Remediation (Nanjing) Limited* 光大河道整治(南京)有限公司*	River-basin ecological restoration 河道整治	PRC 中国	100	100
Everbright Water (Nanjing) Limited* 光大水务(南京)有限公司*	Waste water treatment 污水处理	PRC 中国	100	100

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

13. Interests in subsidiaries (cont'd)

13. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion (%) of ownership interest 本集团所持所有权比例	
			2017 二零一七年 %	2016 二零一六年 %
Held by Everbright Water (Nanjing) Limited 由光大水务(南京)有限公司控股				
Everbright Industrial Waste Water Treatment Nanjing Limited 光大工业废水处理南京有限公司	Waste water treatment 污水处理	PRC 中国	60	60
Held by Ocean Master International Limited 由Ocean Master International Limited控股				
Oriental Fortune International Limited 东兆国际有限公司	Investment holding 投资控股	Hong Kong 香港	100	100
Held by Bio-Treat International Limited 由金迪国际有限公司控股				
World Pioneer Investments Limited 国际先锋有限公司	Investment holding 投资控股	BVI 英属维尔京群岛	100	100
Everbright Water (Lianyungang) Limited* 光大水务(连云港)有限公司*	Waste water treatment 污水处理	PRC 中国	100	100
Everbright Water (Suzhou) Limited# 光大水务(苏州)有限公司#	Waste water treatment 污水处理	PRC 中国	100	100
Held by World Pioneer Investments Limited 由World Pioneer Investments Limited控股				
Everbright Water (Kunshan) Limited* 光大水务(昆山)有限公司*	Waste water treatment 污水处理	PRC 中国	100	100
Held by Aqua Shine Group Limited 由Aqua Shine Group Limited 控股				
Victor Best Holdings Limited	Investment holding 投资控股	BVI 英属维尔京群岛	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017
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财务报表附注

13. Interests in subsidiaries (cont'd)

13. 附属公司权益 (续)

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion (%) of ownership interest 本集团所持所有权比例	
			2017 二零一七年 %	2016 二零一六年 %
Held by Victor Best Holdings Limited 由Victor Best Holdings Limited控股				
Tianjin Hanquan Environment Technology Limited* 天津汉泉环保科技有限公司*	Investment holding 投资控股	PRC 中国	100	100
Held by Tianjin Hanquan Environment Technology Limited 由天津汉泉环保科技有限公司控股				
Jiangsu Tongyong Environment Engineering Co., Ltd. 江苏通用环境工程有限公司	Construction engineering 建造工程	PRC 中国	100	100

* Registered under the laws of the People's Republic of China as foreign investment enterprises.

* 根据中国法律注册成立为外商投资企业。

Registered under the laws of the People's Republic of China as Sino-foreign co-operation joint ventures.

根据中国法律注册成立为中外合作经营企业。

Notes:

附注:

(a) All significant subsidiaries are audited by member firm of Ernst & Young Global in China for group consolidation purpose. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

(a) 所有主要附属公司均由安永就集团合并的目的而进行审计。就此而言, 诚如新加坡交易所上市手册所界定, 如果附属公司的有形资产净额占本集团综合有形资产净额的20%或以上, 或如附属公司除税前盈利占本集团综合除税前盈利的20%或以上, 则该附属公司会被视为重大。

(b) EW Qingdao Holdings, a wholly-owned subsidiary of the Company is committed to contributing 60% of EB Water Qingdao's registered capital. The remaining 40% registered capital is contributed by the PRC non-controlling interest stakeholder. EW Qingdao Holdings is fully entitled to the net profit of EB Water Qingdao for the first 14 years of the joint venture period. From the 15th year of the joint venture period onwards, the net profit of EB Water Qingdao is to be shared by EW Qingdao Holdings and the PRC non-controlling interest stakeholder on a 98:2 basis.

(b) 光大水务青岛控股承诺注入光大水务青岛60%注册资本。其余40%的注册资本由中国非控股权益股东出资。光大水务青岛控股于合营期首十四年可全数享有光大水务青岛之净盈利。而由第十五年合营期起, 光大水务青岛之净盈利将由光大水务青岛控股及中国非控股权益股东按98:2之比例分享。

The Company is committed to contributing 79.6474% of EB Water Nanning's registered capital. The remaining 20.3526% registered capital is contributed by three PRC non-controlling interest stakeholders. Except for one of non-controlling interest stakeholders, who is committed to contributing 0.0097% of registered capital, shall not be entitled to the net profit of EB Water Nanning, the Company and other two PRC non-controlling interest stakeholders share the net profit of EB Water Nanning on the basis of their respective proportion of registered capital contribution.

本公司承诺注入光大水务南宁79.6474%的注册资本。其余20.3526%的注册资本由三名中国非控股权益股东出资。除了承诺注入0.0097%注册资本的非控股权益股东, 无权享有光大水务南宁的净盈利外, 本公司及其他两名中国非控股权益股东按照承诺出资比例享有光大水务南宁的净盈利。

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财务报表附注

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13. Interests in subsidiaries (cont'd)

Notes: (cont'd)

- (c) As at 31 December 2017, the bank loans from International Finance Corporation were secured by shares of certain subsidiaries, which amounted to HK\$906,410,000 (2016: HK\$816,874,000).

14. Interest in an associate

Qindao Haibohe Water Operating Limited 青岛海泊河水务运营有限公司

In December 2016, the Group has disposed of its partial equity interest in Qingdao Haibohe Water Operating Limited (formerly known as Qingdao Everbright Water Operating Limited) (“**Qingdao Haibohe**”) to Qingdao Water Group Co., Ltd. Upon completion of the transfer, the Group’s equity interest in Qingdao Haibohe was reduced from 99% to 49% and Qingdao Haibohe was classified as an associate of the Group accordingly.

Qingdao Haibohe provides services to the Maidao Waste Water Treatment Plant and Haibohe Waste Water Treatment Plant in Qingdao.

Details of the associate at the end of the financial year are as follows:

Name of company 公司名称	Principal activities 主要业务	Principal place of business/ Country of incorporation 主要运营/ 注册成立地点	Proportion (%) of ownership interest 本集团所持所有权比例	
			2017 二零一七年 %	2016 二零一六年 %
Qingdao Haibohe Water Operating Limited 青岛海泊河水务运营有限公司	Waste water treatment 污水处理	PRC 中国	49	49

13. 附属公司权益 (续)

附注: (续)

- (c) 于二零一七年十二月三十一日, 本公司在国际金融公司的银行贷款以若干附属公司的股份作抵押, 金额为港币906,410,000元 (二零一六年: 816,874,000元)。

14. 联营公司权益

Group 本集团	
2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
1,445	1,327

于二零一六年十二月, 本集团已向青岛水务集团有限公司转让其于青岛海泊河水务运营有限公司 (前称青岛光大水务经营有限公司) (“**青岛海泊河**”) 的部分股权。转让完成后, 本集团于青岛海泊河的股权由99%减少至49%, 而青岛海泊河因此被分类为本集团的联营公司。

青岛海泊河为青岛的麦岛污水处理厂和海泊河污水处理厂提供服务。

于财政年度末, 联营公司之详情如下:

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截至二零一七年十二月三十一日止的财政年度

财务报表附注

14. Interest in an associate (cont'd)

The summarised financial information in respect of Qindao Haibohe Water Operating Limited, based on its financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised statements of financial position

		2017 二零一七年 HK\$'000 港币千元
Current assets	流动资产	45,545
Non-current assets	非流动资产	329
Total assets	总资产	45,874
Current liabilities	流动负债	(47,099)
Non-current liabilities	非流动负债	-
Total liabilities	总负债	(47,099)
Net assets	净资产	(1,225)
Proportion of the Group's ownership	本集团持股比例	49%
The Group's share of net assets	本集团应占净资产份额	(600)
Goodwill on acquisition	收购产生的商誉	2,045
Carrying amount of the investment	投资的账面价值	1,445

14. 联营公司权益 (续)

基于其财务报表以及与综合财务报表所载账面金额的对账，青岛海泊河之财务资料概要如下：

财务状况表概要

Summarised statement of comprehensive income

		2017 二零一七年 HK\$'000 港币千元
Revenue	收入	80,458
Profit after tax from continuing operations	持续经营税后利润	323
Other comprehensive income	其他全面收益	41
Total comprehensive income	全面收益总额	364

全面损益表概要

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2017
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15. Service concession financial receivables

Non-current 非流动
Current 流动

The significant aspects of the service concession arrangements are summarised as follows:

- (a) The subsidiaries of the Group entered into service concession arrangements with the local government authorities (the “grantors”) for water/waste water treatment plants which are located in the PRC for concession periods ranging between 10 years to 32 years. Pursuant to the service concession arrangements, the Group has to design, construct and/or upgrade, operate and maintain water/waste water treatment plants in the PRC. The Group has the obligation to maintain the waste water treatment plants in good condition. The grantors guarantee that the Group will receive minimum annual payments in connection with the arrangements. Upon expiry of the concession periods, the water/waste water treatment plants and the related facilities will be transferred to the grantors.

The service concession arrangements do not contain renewal options. The standard rights of the grantors to terminate include failure of the Group to construct, upgrade or operate the waste water treatment plants and in the event of a material breach of the terms of the agreements. The standard rights of the Group to terminate the agreements include failure to receive payments for water/waste water treatment service from the grantors and in the event of a material breach of the terms of the agreements.

15. 与服务特许经营权相关的金融应收款项

		Group 本集团	
		2017 二零一七年	2016 二零一六年
		HK\$'000 港币千元	HK\$'000 港币千元
Non-current	非流动	10,313,724	8,179,732
Current	流动	1,200,539	791,609
		11,514,263	8,971,341

服务特许经营权安排的重要方面概述如下:

- (a) 本集团之附属公司与当地政府机构 (“授权人”) 就位于中国的若干水/污水处理厂订立特许经营权安排, 特许经营期介于十年至三十二年。根据该等服务特许经营权安排, 本集团须设计、建造及/或升级改造、运营及维护位于中国的水/污水处理厂。本集团有责任维持污水处理厂的良好状况。授权人保证, 就有关安排而言, 本集团将可每年收取最低保证款项。待特许经营期届满后, 水/污水处理厂及相关设施将转归授权人所有。

服务特许经营权安排不包含续期选择。授权人终止特许经营权安排的标准权利包括: 本集团未能建造、升级改造或运营污水处理厂, 以及协议条款遭严重违反。本集团终止特许经营权安排协议的标准权利包括: 未能从授权人收取水/污水处理服务费, 以及协议条款遭严重违反。

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财务报表附注

15. Service concession financial receivables (cont'd)

- (b) Water/waste water treatment plants with service concession financial receivables amounting to HK\$3,958,932,000 (2016: HK\$2,163,047,000) as at 31 December 2017 are pledged to secure loans taken up by the Group (note 20). Service concession financial receivables totalling HK\$11,514,263,000 (2016: HK\$8,971,341,000) bear interest at rates ranging from 4.90% to 7.83% (2016: 4.90% to 7.83%) per annum, of which HK\$589,969,000 (2016: HK\$402,996,000) are due from a non-controlling shareholder and HK\$617,792,000 (2016: HK\$593,009,000) are due from a related company as at 31 December 2017. The amounts are not yet due for payment and will be settled by proceeds of water treatment to be generated during the operating periods of the service concession arrangements. Amounts billed will be transferred to trade receivables (note 17). No impairment loss was recognised by the Group at 31 December 2017 and 2016 in respect of the service concession financial receivables.

16. Inventories

At cost:	成本:
Raw materials and consumables	原材料及易耗品

15. 与服务特许经营权相关的金融应收款项 (续)

- (b) 于二零一七年十二月三十一日，拥有与服务特许经营权相关的金融应收款项港币3,958,932,000元（二零一六年：港币2,163,047,000元）的水/污水处理厂已作质押为本集团获取贷款（附注20）。于二零一七年十二月三十一日，与服务特许经营权相关的金融应收款项总额为港币11,514,263,000元（二零一六年：港币8,971,341,000元），其按年息率4.90%至7.83%（二零一六年：4.90%至7.83%）计息，其中港币589,969,000元（二零一六年：港币402,996,000元）为应收非控股股东款项及港币617,792,000元（二零一六年：港币593,009,000元）为应收关联公司款项。该等款项尚未到期支付，并将以服务特许经营权安排的运营期间所产生的水处理收入支付。已发生金额将转至应收账款（附注17）。于二零一七年及二零一六年十二月三十一日，本集团并无就与服务特许经营权相关的金融应收款项确认减值损失。

16. 存货

Group 本集团	
2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
14,342	14,323

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For the financial year ended 31 December 2017
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17. Trade and other receivables

17. 应收账款及其他应收款项

		Group 本集团		Company 本公司	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元	2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Non-current	非流动				
Other receivables	其他应收款项	10,515	9,863	–	–
Current	流动				
Trade receivables	应收账款	413,777	429,595	–	–
Amounts due from subsidiaries	应收附属公司款项	–	–	1,834,010	2,096,933
Other receivables and sundry deposits	其他应收款项及杂项按金	240,358	84,301	–	–
Prepayments	预付款项	151,724	74,843	–	–
		805,859	588,739	1,834,010	2,096,933
Total	总额	816,374	598,602	1,834,010	2,096,933

Trade receivables represent revenue from operation services and the billed amounts of the service concession financial receivables. Trade receivables are non-interest bearing and are generally on 30 to 90 days credit terms. Included in trade receivables of the Group, HK\$20,456,000 (2016: HK\$19,600,000) are due from a non-controlling shareholder and HK\$10,937,000 (2016: HK\$10,546,000) are due from a related company as at 31 December 2017.

The amounts due from subsidiaries of the Company are unsecured, interest-free and recoverable on demand.

All of the current portion of the above balances are expected to be recovered or realised within one year.

As at 31 December 2017, included in other receivables of the Group is a consideration receivable of HK\$29,657,000 (2016: HK\$29,790,000) due from third parties arising from disposals of service concession rights held by the Suqian plants.

The Group and the Company's exposure to credit risk is disclosed in note 30(c).

应收账款是指来自运营服务之收入及与服务特许经营权相关的金融应收款项的已发生款项。应收账款不计利息，其信用期限一般为30至90日。截至二零一七年十二月三十一日，在计入本集团应收账款的款项中，港币20,456,000元（二零一六年：港币19,600,000元）为应收非控股股东款项及港币10,937,000元（二零一六年：港币10,546,000元）为应收关联公司款项。

本公司之应收附属公司款项无抵押、免息及须按要求随时可收回。

上述余额中所有流动部分预计可于一年内收回或变现。

于二零一七年十二月三十一日，本集团其他应收款项包括应收第三方由于出售宿迁水厂所持服务特许经营权而产生的对价港币29,657,000元（二零一六年：港币29,790,000元）。

本集团及本公司所承担之信用风险于附注30(c)披露。

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18. Fixed deposit with maturity period over three months

18. 三个月以上定期存款

		Group 本集团		Company 本公司	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元	2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Fixed deposit	定期存款	83,125	-	-	-

As at 31 December 2017, the fixed deposit had a maturity of 180 days from the date of acquisition. The balances were principal-protected with an annual interest rate of 3.8%.

于二零一七年十二月三十一日，定期存款自购买日起180日到期。余额为本金保障，年回报率为3.8%。

19. Cash and cash equivalents

19. 现金及现金等价物

		Group 本集团		Company 本公司	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元	2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Cash on hand and bank balances	手持现金及银行余额	2,074,414	1,359,401	27,783	30,716
Short-term deposits	短期存款	547,278	543,340	-	-
Balances in financial institutions	金融机构结余	95,000	-	-	-
		2,716,692	1,902,741	27,783	30,716

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprised:

就综合现金流量表而言，现金及现金等价物包括：

		Group 本集团	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Cash and cash equivalents	现金及现金等价物	2,716,692	1,902,741
Less: Restricted bank balances	减：受限制银行存款	(547,278)	(543,340)
Less: Balances in financial institutions	减：金融机构结余	(95,000)	-
		2,074,414	1,359,401

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19. Cash and cash equivalents (cont'd)

As at 31 December 2017, the balances in financial institutions had a maturity period of 21 days from the date of acquisition. The balances were principal-protected and carry the expected rate of return of 4.4% per annum.

The restricted bank balances are pledged to banks for bank loans (note 20).

19. 现金及现金等价物 (续)

于二零一七年十二月三十一日，金融机构结余自购买日起21日到期。余额为本金保障，预计年化回报率为4.4%。

受限制银行存款已抵押给银行作为银行贷款抵押物（附注20）。

20. Borrowings

20. 贷款

		Group 本集团		Company 本公司	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元	2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Non-current	非流动				
Bank loans	银行贷款	3,546,995	3,366,091	896,655	1,203,692
Corporate bond	公司债券	1,181,035	–	1,181,035	–
		4,728,030	3,366,091	2,077,690	1,203,692
Current	流动				
Bank loans	银行贷款	1,903,722	1,521,407	1,356,402	756,892
		6,631,752	4,887,498	3,434,092	1,960,584

		Group 本集团		Company 本公司	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元	2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Repayable:	应付金额:				
– within 1 year	– 一年以内	1,903,722	1,521,407	1,356,402	756,892
– after 1 year but within 5 years	– 一年以后但五年以内	3,897,204	2,736,178	1,665,766	674,421
– after 5 years	– 五年以后	830,826	629,913	411,924	529,271
		6,631,752	4,887,498	3,434,092	1,960,584

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财务报表附注

20. Borrowings (cont'd)

Term and conditions of outstanding borrowings are as follows:

20. 贷款 (续)

未偿还贷款的条款及条件如下:

		Currency 货币	Year of maturity 到期年份	Nominal interest rate per annum 名义年利率	Face value 面值 HK\$'000 港币千元	Carrying amount 账面金额 HK\$'000 港币千元
Group	本集团					
2017	二零一七年					
Secured bank loans	有抵押银行贷款					
– floating interest rate	–浮动利率	USD 美元	2025	2.50% + LIBOR	1,032,986	1,017,838
– floating interest rate	–浮动利率	RMB 人民币	2019 - 2032	90% to 100% of PBOC rate* 中国人民银行利率 的90%至100%*	1,164,539	1,164,539
– fixed interest rate	–固定利率	RMB 人民币	2019	2.88% to 2.90% 2.88%至2.90%	525,184	525,184
Unsecured bank loans	无抵押银行贷款					
– floating interest rate	–浮动利率	RMB 人民币	2018 - 2038	88% to 100% of PBOC rate* 中国人民银行利率 的88%至100%*	1,281,158	1,276,764
– floating interest rate	–浮动利率	USD 美元	2018	1.20% to 1.90% + LIBOR 1.20%至1.90% + LIBOR	899,099	898,219
– floating interest rate	–浮动利率	HK\$ 港币	2018 - 2020	1.00% to 1.75% + HIBOR 1.00%至1.75% + HIBOR	569,500	568,173
Unsecured corporate bond	无抵押公司 债券					
– fixed interest rate	–固定利率	RMB 人民币	2022	4.55%	1,187,500	1,181,035
					<u>6,659,966</u>	<u>6,631,752</u>

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财务报表附注

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20. Borrowings (cont'd)

20. 贷款 (续)

		Currency 货币	Year of maturity 到期年份	Nominal interest rate per annum 名义年利率	Face value 面值 HK\$'000 港币千元	Carrying amount 账面金额 HK\$'000 港币千元
Group (cont'd)	本集团 (续)					
2016	二零一六年					
Secured bank loans	有抵押银行贷款					
– floating interest rate	–浮动利率	USD 美元	2025	2.50% + LIBOR	1,086,680	1,068,827
– floating interest rate	–浮动利率	RMB 人民币	2019 - 2023	90% to 100% of PBOC rate* 中国人民银行利率 的90%至100%*	834,994	830,034
– fixed interest rate	–固定利率	RMB 人民币	2019	2.88% to 2.90% 2.88%至2.90%	498,920	498,920
Unsecured bank loans	无抵押银行贷款					
– floating interest rate	–浮动利率	RMB 人民币	2017 - 2026	90% to 120% of PBOC rate* 中国人民银行利率 的90%至120%*	1,597,960	1,597,960
– floating interest rate	–浮动利率	USD 美元	2017 - 2018	1.20% to 1.90% + LIBOR 1.20%至1.90% + LIBOR	892,630	891,757
					<u>4,911,184</u>	<u>4,887,498</u>

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财务报表附注

20. Borrowings (cont'd)

20. 贷款 (续)

Company		Currency 货币	Year of maturity 到期年份	Nominal interest rate per annum 名义年利率	Face value	Carrying amount
					HK\$'000 港币千元	HK\$'000 港币千元
2017	二零一七年					
Secured bank loans	有抵押银行贷款					
– floating interest rate	– 浮动利率	USD 美元	2025	2.50% + LIBOR	1,032,986	1,017,838
Unsecured bank loans	无抵押银行贷款					
– floating interest rate	– 浮动利率	USD 美元	2018	1.20% to 1.90% + LIBOR	899,099	898,219
– floating interest rate	– 浮动利率	HK\$ 港币	2018 - 2020	1.20%至1.90% + LIBOR	337,000	337,000
– floating interest rate	– 浮动利率	HK\$ 港币	2018 - 2020	1.00% to 1.50% + HIBOR	337,000	337,000
– floating interest rate	– 浮动利率	HK\$ 港币	2018 - 2020	1.00%至1.50% + HIBOR	337,000	337,000
Unsecured corporate bond	无抵押公司债券					
– fixed interest rate	– 固定利率	RMB 人民币	2022	4.55%	1,187,500	1,181,035
					<u>3,456,585</u>	<u>3,434,092</u>
2016	二零一六年					
Secured bank loans	有抵押银行贷款					
– floating interest rate	– 浮动利率	USD 美元	2025	2.50% + LIBOR	1,086,680	1,068,827
Unsecured bank loans	无抵押银行贷款					
– floating interest rate	– 浮动利率	USD 美元	2017 - 2018	1.20% to 1.90% + LIBOR	892,630	891,757
– floating interest rate	– 浮动利率	USD 美元	2017 - 2018	1.20%至1.90% + LIBOR	892,630	891,757
					<u>1,979,310</u>	<u>1,960,584</u>

* PBOC rate denotes the People's Bank of China base lending rate
HIBOR denotes the Hong Kong Interbank Offered Rate
LIBOR denotes the London Interbank Offered Rate

* 中国人民银行利率是指中国人民银行的基准贷款利率。
HIBOR是指香港银行同业拆借利率。
LIBOR是指伦敦银行同业拆借利率。

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20. Borrowings (cont'd)

On 22 June 2017, the Company was approved to issue the corporate bonds with an aggregate principal amount of up to RMB 2,500,000,000 in a single or multiple tranches within 24 months. The first tranche of the corporate bonds of RMB 1,000,000,000 was issued to qualified investors in the PRC on 24 July 2017 with a nominal interest rate of 4.55% and a maturity of 5 years. The interest shall be paid annually and the principal of RMB 1,000,000,000 would be paid after the maturity. According to the terms of the corporate bonds, the Company is entitled to adjust the interest rate of the corporate bonds after three years from the issue date and the bondholders have an option to sell the corporate bonds back to the Company at a nominal price in the meanwhile.

Secured banking facilities of the Group are secured by certain revenue, receivables and intangible assets in connection with the Group's service concession arrangements and bank balances of the Group. Such banking facilities, amounting to HK\$2,924,874,000 (2016: HK\$2,554,133,000), were utilised to the extent of HK\$2,707,561,000 (2016: HK\$2,397,781,000). Among the secured banking facilities, HK\$352,157,000 (2016: HK\$522,662,000) are guaranteed by the Company with such facilities of HK\$352,157,000 (2016: HK\$522,662,000) utilised at 31 December 2017.

At 31 December 2017, the unsecured banking facilities, amounting to HK\$4,589,334,000 (2016: HK\$4,398,347,000), were utilised to the extent of HK\$2,743,156,000 (2016: HK\$2,489,717,000). All of the non-current interest-bearing borrowings are carried at amortised cost. None of the non-current interest-bearing borrowings is expected to be settled within one year. Among the unsecured banking facilities, HK\$949,610,000 (2016: HK\$1,536,736,000) are guaranteed by the Company and such facilities of HK\$866,485,000 (2016: HK\$915,776,000) were utilised at 31 December 2017.

20. 贷款 (续)

于二零一七年六月二十二日，本公司获批准于二十四个月内以单笔或多笔方式发行本金总额最高为人民币2,500,000,000元的公司债券。于二零一七年七月二十四日，本公司向中国合格投资者发行第一批人民币1,000,000,000元公司债券，名义利率为4.55%，期限为五年。利息按年支付，到期后支付本金人民币1,000,000,000元。根据公司债券的条款，公司有权在发行日期起三年后调整公司债券的利率，与此同时，债券持有人可选择将公司债券以名义价格出售给公司。

本集团之有抵押银行授信是以若干与本集团服务特许经营权安排相关的收入、应收款项及无形资产以及银行存款作抵押。该等银行授信为港币2,924,874,000元（二零一六年：港币2,554,133,000元），当中已动用港币2,707,561,000元（二零一六年：港币2,397,781,000元）。在有抵押银行授信中，其中港币352,157,000元（二零一六年：港币522,662,000元）由本公司提供担保。于二零一七年十二月三十一日，上述授信中已动用金额为港币352,157,000元（二零一六年：港币522,662,000元）。

于二零一七年十二月三十一日，无抵押银行授信为港币4,589,334,000元（二零一六年：港币4,398,347,000元），当中已动用港币2,743,156,000元（二零一六年：港币2,489,717,000元）。所有非流动计息贷款按摊余成本入账。预计非流动计息贷款皆不会于一年内清偿。在无抵押银行授信中，其中港币949,610,000元（二零一六年：港币1,536,736,000元）由本公司提供担保。于二零一七年十二月三十一日，上述授信中已动用金额为港币866,485,000元（二零一六年：港币915,776,000元）。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

财务报表附注

20. Borrowings (cont'd)

Banking facilities of HK\$3,377,205,000 (2016: HK\$3,237,392,000) are subject to the fulfilment of covenants relating to certain of the Group's financial ratios as at 31 December 2017. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. At 31 December 2017, such facilities were utilised to the extent of HK\$2,878,162,000 (2016: HK\$2,616,432,000). The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 30(d). As at 31 December 2017, none of the covenants relating to drawn down facilities had been breached. Certain banking facilities also restrict some of the Company's subsidiaries from declaring or paying dividends to shareholders without obtaining prior written approval of the banks or require the Group to process waste water treatment operating fees via respective financial institutions.

Included in "Bank loans" are the following loans from a related party bank:

Loans from a related party bank 关联银行提供的贷款

Company

The Company provided guarantees to banks to secure banking facilities provided to certain Company's subsidiaries. Intra-group financial guarantees comprise guarantees granted by the Company to banks in respect of banking facilities amounting to HK\$1,301,767,000 (2016: HK\$2,059,398,000), which include HK\$1,218,642,000 (2016: HK\$1,438,438,000) drawn down as at 31 December 2017. The periods in which the financial guarantees expire are as follows:

Within 1 year 一年以内
After 1 year but within 5 years 一年以后但五年以内

20. 贷款 (续)

于二零一七年十二月三十一日，金额为港币3,377,205,000元（二零一六年：港币3,237,392,000元）的银行授信须符合若干有关本集团财务比率的制约条款。若本集团违反有关制约条款，则已提取的授信额须应要求偿还。于二零一七年十二月三十一日，有关授信已动用港币2,878,162,000元（二零一六年：港币2,616,432,000元）。本集团会定期监控有关制约条款的遵循情况。本集团管理流动风险的进一步详情载于附注30(d)。于二零一七年十二月三十一日，本集团并无违反有关提取授信的制约条款。若干银行授信亦限制本公司若干附属公司不得在未获银行事前书面批准下，向股东宣派或支付股息，或要求本集团通过指定的财务机构来处理污水处理运营费。

银行贷款包括下列由关联银行提供的贷款：

		Group 本集团	
		2017 二零一七年	2016 二零一六年
		HK\$'000 港币千元	HK\$'000 港币千元
Loans from a related party bank	关联银行提供的贷款	-	32,499

本公司

本公司向银行提供担保，作为若干附属公司获得银行授信的担保。集团内公司间的财务担保包括由本公司就金额为港币1,301,767,000元（二零一六年：港币2,059,398,000元）的银行授信而向银行提供的担保其中包括截至二零一七年十二月三十一日已提取的港币1,218,642,000元（二零一六年：港币1,438,438,000元）。财务担保的届满期如下：

		Company 本公司	
		2017 二零一七年	2016 二零一六年
		HK\$'000 港币千元	HK\$'000 港币千元
Within 1 year	一年以内	235,844	490,275
After 1 year but within 5 years	一年以后但五年以内	982,798	948,163
		1,218,642	1,438,438

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财务报表附注

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

21. Trade and other payables

21. 应付账款及其他应付款项

		Group 本集团		Company 本公司	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元	2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Current	流动				
Trade payables	应付账款	1,124,924	499,315	–	–
Amounts due to fellow subsidiaries	应付同系附属公司款项	–	150,182	–	–
Amounts due to subsidiaries	应付附属公司款项	–	–	105,889	345
Amounts due to intermediate holding companies	应付中间控股公司款项	–	78,336	–	–
Amounts due to an associate	应付一间联营公司款项	7,116	1,555	–	–
Dividend payable	应付股利	22,444	–	–	–
Interest payable	应付利息	43,963	6,467	43,805	6,429
Other creditors and accrued expenses	其他应付款项及预提费用	355,118	201,383	5,837	13,881
		1,553,565	937,238	155,531	20,655

As at 31 December 2017, other creditors include a guarantee deposit of HK\$14,144,000 (2016: HK\$14,249,000) from a former director of a subsidiary.

于二零一七年十二月三十一日，其他应付款项包括由附属公司一名前董事提供的担保按金港币14,144,000元（二零一六年：港币14,249,000元）。

Trade payables totalling HK\$982,950,000 (2016: HK\$411,797,000) represent construction payables for the Group's Build-Transfer, Build-Operate-Transfer and certain Build-Own-Operate arrangements as at 31 December 2017.

于二零一七年十二月三十一日，共计港币982,950,000元（二零一六年：港币411,797,000元）的应付账款为本集团建造-转移、建造-运营-转移及若干建造-拥有-运营安排下之建造工程应付款项。

As at 31 December 2017, amounts due to the intermediate holding companies was Nil (2016: HK\$78,336,000).

于二零一七年十二月三十一日，应付中间控股公司款项余额为零（二零一六年：港币78,336,000元）。

As at 31 December 2017, amounts due to fellow subsidiaries was Nil (2016: HK\$150,182,000).

于二零一七年十二月三十一日，应付同系附属公司款项余额为零（二零一六年：港币150,182,000元）。

The amounts due to an associate of the Group and the amounts due to subsidiaries of the Company are unsecured, interest-free and repayable on demand.

本集团应付一间联营公司的款项及本公司应付附属公司的款项无抵押、免息，并须按要求随时偿还。

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For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

财务报表附注

22. Deferred tax liabilities

22. 递延税项负债

		Group 本集团	
		2017 二零一七年	2016 二零一六年
		HK\$'000 港币千元	HK\$'000 港币千元
Deferred tax liabilities	递延税项负债	1,270,846	1,051,692

Movements in deferred tax liabilities during the year:

年内递延税项负债的变动如下:

Group	本集团	Service concession arrangements and intangible assets	Undistributed profits of subsidiaries	Others	Total
		服务特许经营权安排及无形资产	附属公司未分配利润	其他	总额
		HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元
At 1 January 2016	于二零一六年一月一日	956,118	113,364	(14,259)	1,055,223
Exchange adjustments	汇兑调整	(66,053)	(8,782)	1,275	(73,560)
Recognised in profit or loss (note 9)	于损益中确认(附注9)	48,376	21,653	–	70,029
At 31 December 2016 and 1 January 2017	于二零一六年十二月三十一日及二零一七年一月一日	938,441	126,235	(12,984)	1,051,692
Exchange adjustments	汇兑调整	61,811	8,785	(822)	69,774
Recognised in profit or loss (note 9)	于损益中确认(附注9)	123,841	25,539	–	149,380
At 31 December 2017	于二零一七年十二月三十一日	1,124,093	160,559	(13,806)	1,270,846

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

22. Deferred tax liabilities (cont'd)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

22. 递延税项负债 (续)

未确认递延税项资产

本集团并未就下列项目确认递延税项资产，原因为本集团认为于未来不大可能获得应纳税盈利而令本集团得以运用。

		Group 本集团	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Tax losses expiring within 1 year	将于一年内到期的税务亏损	14,970	22,330
Tax losses expiring after 1 year but within 5 years	将于一年后但五年内到期的税务亏损	83,184	81,870
		98,154	104,200

23. Share capital

23. 股本

Group and Company 本集团及本公司

		2017 二零一七年		2016 二零一六年	
		No. of ordinary shares 普通股数目 '000 千股	HK\$'000 港币千元	No. of ordinary shares 普通股数目 '000 千股	HK\$'000 港币千元
Authorised share capital:	法定股本:				
At the beginning and end of the year	年初及年末	10,000,000	10,000,000	10,000,000	10,000,000
Ordinary shares of HK\$1.00 each, issued and fully paid:	每股面值港币 1.00元, 已发行及缴足:				
At the beginning of the year	年初	2,609,908	2,609,908	2,608,014	2,608,014
Issue of shares pursuant to a scrip dividend scheme	根据以股代息计划发行股份	15,734	15,734	10,177	10,177
Share buy-back	股份回购	—	—	(8,283)	(8,283)
		2,625,642	2,625,642	2,609,908	2,609,908

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

财务报表附注

23. Share capital (cont'd)

During the year, the Company declared the dividend of SGD0.0037 per ordinary share for the financial year ended 31 December 2016. According to the result of an election between a cash dividend and a scrip dividend by shareholders of the Company, dividends of SGD2,183,081 were settled in cash and 15,733,870 shares were issued on 22 June 2017 to settle the remaining dividend payable of SGD7,473,578. Accordingly, the number of issued ordinary shares of the Company was increased by 0.6% to 2,625,641,871 shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at meetings. All shares rank equally with regard to the Company's residual assets.

23. 股本 (续)

本公司于年内宣告以每股0.0037新加坡元向股东分配二零一六年财政年度的利润。根据本公司股东对现金股息和以股代息的选择结果，本公司分配现金股利2,183,081新加坡元，于二零一七年六月二十二日通过向选择参与以股代息计划的股东配发及发行15,733,870股普通股股份以支付剩余7,473,578新加坡元的股利。从而，本公司已发行普通股股数增加至2,625,641,871股，增长0.6%。

普通股股东有权收取不时宣派的股息，并且有权在股东大会上按照每持有一股可投一票的比例参与投票。所有股份在分占本公司剩余资产方面享有同等权益。

24. Reserves

		Group 本集团		Company 本公司	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元	2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Share premium	股份溢价	1,266,248	1,240,300	56,198	30,250
Foreign currency translation reserve	外币换算储备	(22,051)	(579,620)	(492,810)	(1,084,703)
Statutory reserve	法定储备	200,799	155,635	-	-
Contributed surplus reserve	缴入盈余储备	1,229,302	1,229,302	7,639,082	7,639,082
Other reserves	其他储备	(2,181)	(2,181)	64,953	64,953
Retained earnings	保留盈利	2,559,424	2,144,843	79,382	77,524
		5,231,541	4,188,279	7,346,805	6,727,106

24. 储备

(a) Share premium

The share premium account may be applied only for the purposes specified in the Companies Act 1981 of Bermuda.

During the year, the Company allotted and issued 15,733,870 new ordinary shares to ordinary shareholders who had elected to participate in the scrip dividend scheme. Accordingly, the Company recognised share premium of HK\$26,116,299 arising from the issuance of such shares and the additional listing fee of SGD30,000 (HK\$167,993) would be recognised as a reduction to share premium.

(a) 股份溢价

股份溢价账户仅可用于《百慕大一九八一年公司法》的指定用途。

本公司于年内向选择参与以股代息计划之普通股股东配发及发行15,733,870股新普通股。从而，本公司已确认发行上述股份所产生之股份溢价港币26,116,299元，为发行新普通股发生的承销费30,000新加坡元（港币167,993元）将从股份溢价中扣除。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

24. Reserves (cont'd)

(b) *Foreign currency translation reserve*

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) *Statutory reserve*

In accordance with the Foreign Enterprise Law applicable to the subsidiaries in the PRC, wholly-owned subsidiaries are required to make appropriation to a statutory reserve. At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the statutory reserve until the cumulative total of the reserve reaches 50% of the subsidiaries' registered capital. Subject to approval from the relevant PRC authorities, the statutory reserve may be used to offset any accumulated losses or increase the registered capital of the subsidiaries. The statutory reserve is not available for dividend distribution to shareholders of the PRC subsidiaries.

(d) *Contributed surplus reserve*

The balance arose from the reduction of share premium after offsetting the accumulated losses. Pursuant to the special resolution at the Special General Meeting of the Company on 15 December 2015, the entire amount standing to credit of the Company's share premium was transferred to the contributed surplus reserve and the contributed surplus reserve of HK\$4,470,556,000 was utilized to offset against the accumulated losses of the Company as of that date.

(e) *Other reserves*

Other reserves comprise share option reserve, capital reserve and other reserves.

24. 储备 (续)

(b) *外币换算储备*

外币换算储备指换算功能货币与本集团列报货币不同的海外业务财务报表所产生的汇兑差额。

(c) *法定储备*

根据适用于中国附属公司的《外资企业法》，全资附属公司须对法定储备作出拨备。根据适用的中国会计准则及规定，至少10%的法定除税后盈利须分配至法定储备，直至累计储备总额达至附属公司注册资本的50%为止。待相关中国机关审批后，法定储备可用于抵销任何累计亏损或增加附属公司的注册资本。法定储备不得用于向中国附属公司股东派付股息。

(d) *缴入盈余储备*

此余额为弥补累计亏损后结余的股份溢价。根据二零一五年十二月十五日举行的本公司特别股东大会所通过的特别决议案，本公司股份溢价的全部进账金额减至零及转拨至缴入盈余储备。同日，港币4,470,556,000元的缴入盈余储备被用于抵销本公司截至该日的累计亏损。

(e) *其他储备*

其他储备包括期权储备、资本储备及其他储备。

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017
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财务报表附注

25. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated on the Group's profit for the year attributable to shareholders of the Company divided by the weighted average number of ordinary shares outstanding during the financial year.

		Group 本集团	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Profit for the year attributable to shareholders of the Company	本年度本公司股东应占盈利	513,356	349,343
Weighted average number of ordinary shares outstanding during the year (thousand shares)	年内已发行普通股的加权平均数 (千股)	2,618,228	2,605,887
Basic earnings per share (HK\$)	每股基本盈利 (港币)	0.196	0.134

(b) Diluted earnings per share

The calculation of diluted earnings per share is the same as the basic earnings per share for the years ended 31 December 2017 and 31 December 2016 as the Company did not have any dilutive potential ordinary shares which were outstanding for both financial years.

25. 每股盈利

(a) 每股基本盈利

每股基本盈利按年度本公司股东应占本集团盈利除以财政年度内已发行普通股的加权平均数计算。

(b) 每股摊薄盈利

截至二零一七年十二月三十一日及二零一六年十二月三十一日止年度，由于本公司并无已发行具潜在摊薄影响的普通股，因此上述两个财政年度的每股摊薄盈利的计算方法与每股基本盈利的计算方法相同。

26. Notes to the consolidated statement of cash flows

(a) Major non-cash transactions

(i) During the year, the dividend of HK\$21,450,000 declared to the non-controlling shareholders are not yet settled by the Group, and recorded in "Trade and other payables" in the consolidated statement of financial position as at 31 December 2017, and has no cash flow impact to the Group (2016: Nil).

26. 综合现金流量表附注

(a) 重大非现金交易

(i) 于本年度内，本集团尚未支付向非控股股东宣告的股息港币21,450,000元，于二零一七年十二月三十一日，在综合财务状况表的应付账款及其他应付款项中记录，对本集团无现金流量影响（二零一六年：无）。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2017
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26. Notes to the consolidated statement of cash flows (cont'd)

(a) Major non-cash transactions (cont'd)

- (ii) During the year, the interest accrued for corporate bonds of HK\$22,971,000 are not yet settled by the Group, and recorded in "Trade and other payables" with other interest payable of HK\$20,278,000 in the consolidated statement of financial position as at 31 December 2017, and has no cash flow impact to the Group (2016: Nil).
- (iii) During the year, the Company issued 15,733,870 new ordinary shares to settle the dividend of HK\$41,850,000 for the financial year ended 31 December 2016, which were paid to ordinary shareholders who had elected to participate in the scrip dividend scheme, and has no cash flow impact to the Group (2016: HK\$40,427,000).

(b) Changes in liabilities arising from financing activities

26. 综合现金流量表附注 (续)

(a) 重大非现金交易 (续)

- (ii) 于本年度内, 本集团尚未支付预提的公司债券的利息港币22,971,000元, 于二零一七年十二月三十一日, 与其他应付利息港币20,278,000元一同在综合财务状况表的应付账款及其他应付款项中记录, 对本集团无现金流量影响 (二零一六年: 无)。
- (iii) 于本年度内, 本公司发行15,733,870股新普通股以支付截至二零一六年十二月三十一日止财政年度之股息港币41,850,000元, 该等股息已支付予选择参与以股代息计划之普通股股东, 对本集团无现金流量影响 (二零一六年: 港币40,427,000元)。

(b) 融资活动产生的负债变动

		Borrowings 贷款	Interest payable 应付利息	Amounts due to fellow subsidiaries 应付同系附属 公司款项	Amounts due to intermediate holding companies 应付中间控股 公司款项
		HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元
At 1 January 2017	于二零一七年 一月一日	4,887,498	6,467	150,182	78,336
Changes from financing cash flows	融资现金流量 产生的变动	1,511,724	(198,753)	(154,928)	(79,034)
Interest expense	利息支出	—	241,391	—	—
Foreign exchange movement	汇兑调整	232,530	(5,142)	4,746	698
At 31 December 2017	于二零一七年 十二月三十一日	6,631,752	43,963	—	—

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017
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财务报表附注

27. Related party transactions

During the financial year, other than those disclosed elsewhere in the financial statements, the Group had the following significant transactions with related parties on terms agreed between the parties:

Compensation of directors and key management personnel

		Group 本集团	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Salaries, bonuses and related benefits	薪金、花红及相关福利	19,285	12,420
Directors' fees	董事袍金	1,163	1,071
Defined contribution plans	定额供款计划	283	175
		20,731	13,666
Comprising amounts paid/payable to:			
Directors of the Company	包括已付/应付下列各方金额： 本公司董事	9,267	8,313
Other key management personnel	其他主要管理人员	11,464	5,353
		20,731	13,666

(a) The Group entered into the following related party transactions with a related party bank which is under the common control of its ultimate controlling party:

		Group 本集团	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Interest expense	利息支出	1,238	2,362

27. 关联方交易

于本财政年度，除了本财务报表其他部分所披露的交易外，本集团曾与关联方按双方协定的条款进行下列重大交易：

董事及主要管理人员报酬

		Group 本集团	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Salaries, bonuses and related benefits	薪金、花红及相关福利	19,285	12,420
Directors' fees	董事袍金	1,163	1,071
Defined contribution plans	定额供款计划	283	175
		20,731	13,666
Comprising amounts paid/payable to:			
Directors of the Company	包括已付/应付下列各方金额： 本公司董事	9,267	8,313
Other key management personnel	其他主要管理人员	11,464	5,353
		20,731	13,666

(a) 本集团与同受最终控股方控制的关联银行进行了下列关联方交易：

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2017
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27. Related party transactions (cont'd)

- (b) The Group entered into the following related party transaction with a related party securities company which is under the common control of its ultimate controlling party:

		Group 本集团	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Underwriting fee	承销费	5,759	-

- (c) The Group entered into the following related party transactions with non-controlling shareholders of the Group:

		Group 本集团	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Revenue from operation	运营服务收入	45,775	47,668
Finance income	财务收入	21,462	24,809

- (d) The Group entered into the following related party transactions with a related company of the Group:

		Group 本集团	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Revenue from operating services	运营服务收入	47,720	39,773
Finance income	财务收入	45,616	47,157

27. 关联方交易 (续)

- (b) 本集团与同受最终控股方控制的证券公司进行了下列关联方交易：

- (c) 本集团与其非控股股东进行了下列关联方交易：

- (d) 本集团与其关联公司进行了下列关联方交易：

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

财务报表附注

27. Related party transactions (cont'd)

- (e) The Group entered into the following related party transactions with fellow subsidiaries of the Group:

Rental expenses	租金支出
Interest expenses	利息支出

- (f) The Group entered into the following related party transactions with an associated company of the Group:

Service expense for operation of waste water treatment plants	污水处理厂的运营维护费
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- (g) The ultimate controlling party of the Group is a PRC state-owned entity. The Group operates in an economic regime currently dominated by entities directly or indirectly controlled by the PRC government through its government authorities, agencies, affiliations and other organizations (collectively "other government-related entities"). The Group engages in a wide variety of transactions with the other government-related entities including, but not limited to the provision of water/waste water treatment and construction services, bank deposits and borrowings, and utilities consumptions. Such transactions are conducted in the ordinary course of the Group's business and having due regard to the substance of the relationships, the directors are of the opinion that there are no other material related party transactions that require separate disclosure other than the transactions and balances disclosed in these financial statements.

27. 关联方交易 (续)

- (e) 本集团与其同系附属公司进行了下列关联方交易:

		Group 本集团	
		2017 二零一七年	2016 二零一六年
		HK\$'000 港币千元	HK\$'000 港币千元
Rental expenses	租金支出	5,245	3,804
Interest expenses	利息支出	7,311	10,533

- (f) 本集团与其联营公司进行了下列关联方交易:

		Group 本集团	
		2017 二零一七年	2016 二零一六年
		HK\$'000 港币千元	HK\$'000 港币千元
Service expense for operation of waste water treatment plants	污水处理厂的运营维护费	41,717	—

- (g) 本集团最终控股方为中国国企。本集团目前在一个以国家政府控制实体占主导地位的经济体系下运营, 有关国家控制实体由中国政府通过辖下政府机构、代理机构、附属机构或其他机构直接或间接控制(统称“其他政府相关实体”)。本集团与其他政府相关实体进行类别广泛的交易, 包括(但不限于)提供水环境综合治理及建造服务、银行存款及贷款、公用事业消费。该等交易是在本集团的日常业务过程中进行。经充分考虑本集团与该等实体的关系后, 董事认为, 除了本财务报表所披露的交易及余额外, 并无其他需要单独披露的重大关联方交易。

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财务报表附注

For the financial year ended 31 December 2017
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28. Commitments

(a) Capital commitments

The Group has the following commitments as at the reporting date:

Capital expenditure on purchase of property, plant and equipment and construction of plants:	购买物业、厂房及设备与建造厂房的资本开支:
Contracted, but not provided, for in the financial statements	已订约但尚未在财务报表内拨备

(b) Operating lease commitments

At the reporting date, the Group was entered into several operating lease commitments for office premises and staff accommodation. These leases do not contain renewal options and there were no restrictions placed upon the Group by entering into these leases. At the reporting date, the future minimum lease payables under these non-cancellable operating leases are as follows:

Within 1 year	一年以内
After 1 year but within 5 years	一年以后但五年以内
After 5 years	五年以后

28. 承担

(a) 资本承担

于报告日期，本集团的承担如下：

Group 本集团	
2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
681,615	857,124

(b) 经营租赁承担

于报告日期，本集团已就办公室物业及员工宿舍订立数项经营租赁承担。有关租赁不包含续租选择权，亦没有透过订立有关租赁而对本集团施加任何限制。于报告日期，根据不可解除的经营租赁在日后应付的最低租赁应付款项总额如下：

Group 本集团	
2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
11,079	6,807
4,575	5,239
2,312	544
17,966	12,590

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For the financial year ended 31 December 2017
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财务报表附注

29. Segment information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Executive Committee and the Board of Directors for the purpose of resource allocation and performance assessment.

The accounting policies of the reportable segments are disclosed in note 3.18. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and expense, interest-bearing borrowings and related expenses and income and deferred taxes. No operating segments have been aggregated to form the following reportable operating segments.

Business segments

There is only one operating segment as the Group's operations relate to water environment management for the years ended 31 December 2017 and 2016:

- Water environment management – Engaged in sponge city construction, river-basin ecological restoration, waste water treatment, water supply, reusable water, waste water source heat pump, sludge treatment and disposal, research and development of water environment technologies and engineering construction.

Geographical segments

All of the Group's revenue are derived from the Group's operations in the PRC. All non-current assets are located in the PRC.

Major customers

For the year ended 31 December 2017, the Group had transactions with two local government authorities in the PRC (2016: two), the revenue from which individually exceeded 10% of the Group's revenue. The revenue from these customers during the year ended 31 December 2017 amounted to a total of HK\$ 1,000,850,000 (2016: HK\$966,103,000).

29. 分部信息

经营分部是根据本集团组成部分的内部报告确定。执行委员会及董事会会定期审阅该等报告，以便分配资源及评估表现。

须予报告分部的会计政策载于附注3.18。分部业绩、资产及负债包括直接归属于某一分部的项目，以及能够在合理基础上进行分配的项目。未分配的项目主要包括企业资产及费用、计息贷款与相关的支出、收入及递延税项。并无合并任何经营分部以组成下列须予报告之经营分部。

业务分部

截至二零一七年及二零一六年十二月三十一日止年度，本集团的业务涉及水环境综合治理并只有一个须予报告的运营分部：

- 水环境综合治理 – 从事海绵城市建设、流域生态修复、污水处理、供水、可再生水、废水源热泵、污泥处置、水环境技术与开发和工程建设。

地区分部

本集团的所有收入均源自本集团的中国业务。所有非流动资产均位于中国境内。

主要客户

截至二零一七年十二月三十一日止年度，本集团曾与两个（二零一六年：两个）中国当地政府机构进行交易，其单独交易额均占本集团收入的10%以上。截至二零一七年十二月三十一日止年度，来自上述客户的收入总额为港币1,000,850,000元（二零一六年：港币966,103,000元）。

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财务报表附注

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

29. Segment information (cont'd)

Major customers (cont'd)

The aggregated revenue from construction services, finance income and operation income derived from local government authorities in the PRC amounted to HK\$3,531,522,000 (2016: HK\$2,387,031,000) for the year ended 31 December 2017. Details of concentrations of credit risk arising from these customers are set out in note 30(c).

30. Financial risk management objectives and policies

The Group's and the Company's activities are exposed to a variety of financial risks such as market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Group's and the Company's overall risk management strategy, which remain unchanged from the prior year, seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group and the Company continually monitor the risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's and Company's activities.

The Board is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company. The Board will review and agree on policies for managing each of these risks as summarized below.

(a) Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposures to interest rate risk relates primarily to the Group's interest-bearing assets and liabilities. The Group does not enter into interest rate swaps to manage its interest rate risk.

29. 分部信息 (续)

主要客户 (续)

截至二零一七年十二月三十一日止年度，来自中国当地政府机构的建造服务收入、财务收入及运营收入合计为港币3,531,522,000元（二零一六年：港币2,387,031,000元）。有关客户的信用集中风险详情载于附注30(c)。

30. 财务风险管理目标及政策

本集团及本公司的业务涉及多项财务风险，例如市场风险（包括利率风险及货币风险）、信用风险及流动风险。本集团及本公司的整体风险管理策略于过往年度并无差异，并务求尽量减少金融市场的不可预见性对本集团财务表现的不利影响。本集团及本公司持续监察风险管理程序，以确保在风险与监控之间取得适当的平衡。本集团及本公司定期复核风险管理政策及系统，以反映市场状况及本集团及本公司业务的变动。

董事会负责为本集团及本公司设定财务风险管理目标及基本原则。董事会将审阅及认同各项风险管理政策，而该等政策概述如下。

(a) 利率风险

利率风险是指金融工具的公允价值或未来现金流量因市场利率变动而波动的风险。本集团及本公司的利率风险主要与本集团的计息资产及负债有关。本集团并未采用利率掉期以管理其利率风险。

NOTES TO THE FINANCIAL STATEMENTS

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财务报表附注

30. Financial risk management objectives and policies (cont'd)

30. 财务风险管理目标及政策 (续)

(a) Interest rate risk (cont'd)

(a) 利率风险 (续)

The table below sets out the Group's and Company's exposure to interest rate risk at the reporting date.

下表载列了本集团及本公司于报告日期所承受的利率风险。

		Group 本集团		Company 本公司	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元	2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Fixed rate instruments	固定利率工具				
Fixed deposit with maturity period over three months	三个月以上定期存款	83,125	—	—	—
Cash and cash equivalents	现金及现金等价物	642,278	543,340	—	—
Borrowings	贷款	(1,706,219)	(498,920)	(1,181,035)	—
		(980,816)	44,420	(1,181,035)	—
Variable rate instruments	浮动利率工具				
Cash and cash equivalents	现金及现金等价物	2,074,414	1,359,401	27,783	30,716
Borrowings	贷款	(4,925,533)	(4,388,578)	(2,253,057)	(1,960,584)
Trade and other payables	应付账款及其他应付款项	—	(228,518)	—	—
		(2,851,119)	(3,257,695)	(2,225,274)	(1,929,868)

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财务报表附注

For the financial year ended 31 December 2017
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30. Financial risk management objectives and policies (cont'd)

(a) Interest rate risk (cont'd)

Sensitivity analysis

A change of 100 basis points in interest rates of the Group's and the Company's floating rate borrowings would (decrease)/increase the Group's and the Company's profit before tax by the amounts as shown below. This analysis assumes that all other variables, in particular foreign currency and tax rates, remain constant.

		Group 本集团		Company 本公司	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元	2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Floating rate instruments:	浮息工具:				
100 basis points increase	上升一百个基点	(28,511)	(32,577)	(22,253)	(19,299)
100 basis points decrease	下降一百个基点	28,511	32,577	22,253	19,299

(b) Foreign currency risk

Foreign currency risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group and the Company are exposed to foreign currency risk when transactions such as expenses and borrowings are denominated in currencies other than the functional currency of the Group entities. The currencies giving rise to this risk are primarily Singapore dollar ("SGD"), Hong Kong dollar ("HK\$") United States dollar ("USD") and European dollar ("EUR").

30. 财务风险管理目标及政策 (续)

(a) 利率风险 (续)

敏感性分析

如本集团及本公司浮息贷款的利率出现一百个基点的变动，本集团及本公司的除税前盈利将因此（减少）/增加下列金额。此敏感性分析假设所有其他变量（特别是外币及税率）保持不变。

(b) 外币风险

外币风险是指金融工具的公允价值或未来现金流量因汇率变动而波动的风险。当交易（如费用及贷款）以集团实体的功能货币以外的货币计价时，本集团及本公司便须承受外币风险。导致该风险的有关货币主要为新加坡元、港币、美元及欧元。

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财务报表附注

30. Financial risk management objectives and policies (cont'd)

(b) Foreign currency risk (cont'd)

Exposure to currency risk

The following tables indicate the instantaneous change in the Group's profit before tax that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the HK\$ and the USD would be materially unaffected by any changes in movement in value of the USD against other currencies. The impact of foreign exchange rate fluctuations with respect to the assets and liabilities denominated in USD is insignificant as HK\$ is pegged to the USD.

30. 财务风险管理目标及政策 (续)

(b) 外币风险 (续)

须承担之货币风险

下表显示假设于报告期末对本集团有重大影响之汇率于当日出现变动，而所有其他风险不定因素维持不变，届时本集团之除税前盈利可能产生之即时变动。就此而言，本集团假设美元兑其他货币之币值变动将不会对港元与美元之间的联动汇率构成重大影响。就以美元计价之资产及负债而言，由于港元与美元挂钩，故此汇率波动之影响甚微。

		RMB 人民币 HK\$'000 港币千元	SGD 新加坡元 HK\$'000 港币千元	HK\$ 港币 HK\$'000 港币千元	USD 美元 HK\$'000 港币千元	EUR 欧元 HK\$'000 港币千元
Group	本集团					
2017	二零一七年					
Financial assets	金融资产					
Cash and cash equivalents	现金及现金等价物	9,294	1,916	140,917	226	5,036
Amounts due from group companies (net)	应收集团公司款项 (净额)	394,324	–	267,142	2,214,012	–
		403,618	1,916	408,059	2,214,238	5,036
Financial liabilities	金融负债					
Borrowings	贷款	–	–	(337,000)	(1,916,057)	–
Trade and other payables	应付账款及其他应付款	(7,685)	(918)	(6,034)	(22,667)	–
Amounts due to group companies (net)	应收集团公司款项 (净额)	–	(55)	–	–	–
		(7,685)	(973)	(343,034)	(1,938,724)	–
Net exposure	风险净额	395,933	943	65,025	275,514	5,036

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财务报表附注

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30. Financial risk management objectives and policies (cont'd) 30. 财务风险管理目标及政策 (续)

(b) Foreign currency risk (cont'd)

Exposure to currency risk (cont'd)

(b) 外币风险 (续)

须承担之货币风险 (续)

		RMB 人民币 HK\$'000 港币千元	SGD 新加坡元 HK\$'000 港币千元	HK\$ 港币 HK\$'000 港币千元	USD 美元 HK\$'000 港币千元
Group	本集团				
2016	二零一六年				
Financial assets	金融资产				
Cash and cash equivalents	现金及现金等价物	91,969	2,511	149	127,106
Amounts due from group companies (net)	应收集团公司款项 (净额)	226,724	10,267	35,703	2,202,240
		318,693	12,778	35,852	2,329,346
Financial liabilities	金融负债				
Borrowings	贷款	-	-	-	(1,960,584)
Trade and other payables	应付账款及其他应付款	(6,981)	(1,675)	(10,924)	(7,710)
		(6,981)	(1,675)	(10,924)	(1,968,294)
Net exposure	风险净额	311,712	11,103	24,928	361,052

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财务报表附注

30. Financial risk management objectives and policies (cont'd) 30. 财务风险管理目标及政策 (续)

(b) Foreign currency risk (cont'd)

(b) 外币风险 (续)

Exposure to currency risk (cont'd)

须承担之货币风险 (续)

		RMB 人民币 HK\$'000 港币千元	SGD 新加坡元 HK\$'000 港币千元	HK\$ 港币 HK\$'000 港币千元	USD 美元 HK\$'000 港币千元
Company	本公司				
2017	二零一七年				
Financial assets	金融资产				
Cash and cash equivalents	现金及现金等价物	–	506	26,114	114
Amounts due from group companies (net)	应收集团公司款项 (净额)	–	4,591	325,795	556,357
		–	5,097	351,909	556,471
Financial liabilities	金融负债				
Borrowings	贷款	–	–	(337,000)	(1,916,057)
Trade and other payables	应付账款及其他应付款	–	(324)	(6,034)	(22,667)
		–	(324)	(343,034)	(1,938,724)
Net exposure	风险净额	–	4,773	8,875	(1,382,253)
2016	二零一六年				
Financial assets	金融资产				
Cash and cash equivalents	现金及现金等价物	–	1,299	149	23,038
Amounts due from group companies (net)	应收集团公司款项 (净额)	–	32,692	185,350	2,202,240
		–	33,991	185,499	2,225,278
Financial liabilities	金融负债				
Borrowings	贷款	–	–	–	(1,960,584)
Trade and other payables	应付账款及其他应付款	–	(1,675)	(10,924)	(7,710)
		–	(1,675)	(10,924)	(1,968,294)
Net exposure	风险净额	–	32,316	174,575	256,984

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财务报表附注

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30. Financial risk management objectives and policies (cont'd)

(b) Foreign currency risk (cont'd)

Sensitivity analysis

A reasonably possible strengthening (weakening) of RMB, SGD, HK\$, USD and EUR against the respective entity's functional currency at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and increased/(decreased) profit before taxation by the amounts shown below. This analysis assumes that all other variables, in particular interest and tax rates, remain constant.

30. 财务风险管理目标及政策 (续)

(b) 外币风险 (续)

敏感性分析

于十二月三十一日，人民币、新加坡元、港币、美元及欧元兑相关实体功能货币的可能合理升值/（贬值）将会影响以外币计价的金融工具的计量，并增加/（减少）除税前盈利的金额如下。此敏感性分析假设所有其他变量（特别是利率及税率）保持不变。

		Group 本集团		Company 本公司	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元	2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
RMB against HK\$	人民币兑港币				
- strengthened 10%	-升值10%	39,593	31,171	-	-
- weakened 10%	-贬值10%	(39,593)	(31,171)	-	-
SGD against HK\$	新加坡元兑港币				
- strengthened 10%	-升值10%	94	1,110	477	3,232
- weakened 10%	-贬值10%	(94)	(1,110)	(477)	(3,232)
HK\$ against RMB	港币兑人民币				
- strengthened 10%	-升值10%	6,503	2,493	888	17,458
- weakened 10%	-贬值10%	(6,503)	(2,493)	(888)	(17,458)
USD against RMB	美元兑人民币				
- strengthened 10%	-升值10%	27,551	36,105	(138,225)	25,698
- weakened 10%	-贬值10%	(27,551)	(36,105)	138,225	(25,698)
EUR against RMB	欧元兑人民币				
- strengthened 10%	-升值10%	504	-	-	-
- weakened 10%	-贬值10%	(504)	-	-	-

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For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

财务报表附注

30. Financial risk management objectives and policies (cont'd)

(c) Credit risk

Credit risk refers to the risk that a customer or counterparty fails to discharge an obligation resulting in a financial loss to the Group and the Company.

As the Group does not hold any collateral, the maximum exposure to credit risk is the carrying amounts of the related financial assets presented on the consolidated statements of financial position.

The Group's credit risk is primarily attributable to its service concession financial receivables and trade and other receivables. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of service concession financial receivables and trade and other receivables. This allowance account in respect of service concession financial receivables and trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

For service concession financial receivables, the counterparties are local government authorities in different provinces in the PRC. The service concession financial receivables are monitored on an ongoing basis.

Trade and other receivable balances are monitored on an ongoing basis and whether the trade and other receivables are recoverable are estimated by the Group's management based on prior experience and the current economic environment.

Cash and fixed deposits are placed with banks and financial institutions which are regulated. For other financial assets, the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

30. 财务风险管理目标及政策 (续)

(c) 信用风险

信用风险是指客户或对手方未能履行责任并对本集团及本公司造成财务损失的风险。

由于本集团并无持有任何抵押品，本集团面临的最高信用风险为财务状况表所列报各项相关金融资产的账面价值。

本集团的信用风险主要来自与服务特许经营权相关的金融应收款项及应收账款及其他应收款项。本集团设立了减值拨备，其为与服务特许经营权相关的金融应收款项及应收账款及其他应收款项产生的损失而使用。与服务特许经营权相关的金融应收款项及应收账款及其他应收款项相关的拨备账户用以记录减值损失，但如本集团认为不大可能收回结欠金额则除外。在此情况下，金融资产会被视为不可收回，而计入拨备账户的金额将抵销已减值金融资产的账面价值。

就与服务特许经营权相关的金融应收款项而言，对手方为中国不同省份的当地政府机构。本集团持续监控与服务特许经营权相关的金融应收款项。

本集团的管理层会持续监控应收账款及其他应收款项的余额，以及根据过往经验及当前的经济环境估计应收账款及其他应收款项是否可以收回。

现金及定期存款乃存放于受监控的银行及金融机构。就其他金融资产而言，本集团只与高信用评级的对手方合作，借以把信用风险减至最低。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

30. Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

Significant concentration of credit risk

Concentration of credit risk exists when changes in economic, industry or geographic factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's credit exposure is concentrated mainly in the PRC, where its operations are based.

The ageing of trade receivables that were past due at the reporting date is as follows:

30. 财务风险管理目标及政策 (续)

(c) 信用风险 (续)

重大信用集中风险

如经济、行业或地域因素的转变对不同类别的交易对手方产生类似影响，而结合该等交易对手方的信用风险对本集团的整体信用风险而言属重大时，便为出现信用风险集中。本集团的信用风险集中在中国，即其运营地点。

于报告日期已逾期的应收账款的账龄如下：

		Group 本集团	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Not past due	未逾期	222,142	183,956
Past due:	已逾期:		
- 1 to 30 days	- 一至三十日	40,250	54,864
- 31 to 90 days	- 三十一至九十日	32,578	35,520
- 91 to 180 days	- 九十一至一百八十日	13,685	43,749
- 181 to 365 days	- 一百八十一至三百六十五日	25,391	54,314
- more than 1 year but within 2 years	- 一年以上但二年以内	74,860	48,800
- over 2 years	- 二年以上	4,871	8,392
		413,777	429,595

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财务报表附注

30. Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

Significant concentration of credit risk (cont'd)

As disclosed in note 17, the Group had a consideration receivable of HK\$29,657,000 (2016: HK\$29,790,000) due from third parties arising from disposal of service concession rights, the ageing of which is as follows:

		Group 本集团	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Current	流动	12,433	13,591
Past due:	已逾期:		
– within 1 year	– 一年以内	–	4,841
– more than 1 year but within 2 years	– 一年以上但二年以内	5,147	4,841
– over 2 years	– 二年以上	12,077	6,517
		29,657	29,790

Based on historical default rates and customers' credit quality, the Group believes that no impairment allowance is necessary in respect of trade receivables, including those which are past due, as the counterparties are local government authorities with insignificant credit risk.

(d) Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group monitors its liquidity risk and maintains a level of cash and cash equivalents and credit facilities deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

30. 财务风险管理目标及政策 (续)

(c) 信用风险 (续)

重大信用集中风险 (续)

诚如附注17所披露，本集团具有第三方所结欠因出售服务特许经营权而产生的应收对价港币29,657,000元（二零一六年：港币29,790,000元），其账龄分析如下：

		Group 本集团	
		2017 二零一七年 HK\$'000 港币千元	2016 二零一六年 HK\$'000 港币千元
Current	流动	12,433	13,591
Past due:	已逾期:		
– within 1 year	– 一年以内	–	4,841
– more than 1 year but within 2 years	– 一年以上但二年以内	5,147	4,841
– over 2 years	– 二年以上	12,077	6,517
		29,657	29,790

根据过往违约率及客户的信用质量，本集团认为无须就应收账款（包括已逾期的应收账款）计提减值拨备，原因为对手方为信用风险并不重大的当地政府机构。

(d) 流动风险

流动风险是指本集团及本公司未能履行其到期财务义务的风险。本集团监控本身的流动风险，并维持管理层认为足够的现金及现金等价物及信贷额度，以便为本集团运营提供资金及降低现金流量波动影响。

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财务报表附注

For the financial year ended 31 December 2017
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30. Financial risk management objectives and policies (cont'd)

(d) Liquidity risk

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows.

30. 财务风险管理目标及政策 (续)

(d) 流动风险 (续)

下表载列按订约未折现现金流量分析本集团及本公司的金融负债到期情况。

		Cash flows 现金流量				
		Carrying amount 账面金额	Contractual cash flows 订约现金流量	Within 1 year 一年以内	Between 2 to 5 years 二至五年	After 5 years 五年以上
		HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元	HK\$'000 港币千元
Group	本集团					
2017	二零一七年					
Borrowings	贷款	6,631,752	7,462,103	2,143,558	4,384,549	933,996
Trade and other payables	应付账款及其他应付款	1,553,566	1,553,566	1,553,566	—	—
		<u>8,185,318</u>	<u>9,015,669</u>	<u>3,697,124</u>	<u>4,384,549</u>	<u>933,996</u>
2016	二零一六年					
Borrowings	贷款	4,887,498	5,527,833	1,722,863	3,102,516	702,454
Trade and other payables	应付账款及其他应付款	937,238	947,468	947,468	—	—
		<u>5,824,736</u>	<u>6,475,301</u>	<u>2,670,331</u>	<u>3,102,516</u>	<u>702,454</u>
Company	本公司					
2017	二零一七年					
Borrowings	贷款	3,434,092	3,878,444	1,469,559	1,968,978	439,907
Trade and other payables	应付账款及其他应付款	155,531	155,531	155,531	—	—
		<u>3,589,623</u>	<u>4,033,975</u>	<u>1,625,090</u>	<u>1,968,978</u>	<u>439,907</u>
2016	二零一六年					
Borrowings	贷款	1,960,584	2,232,417	824,031	817,906	590,480
Trade and other payables	应付账款及其他应付款	20,655	20,655	20,655	—	—
		<u>1,981,239</u>	<u>2,253,072</u>	<u>844,686</u>	<u>817,906</u>	<u>590,480</u>

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财务报表附注

31. Fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Determination of fair values

(a) Non-current borrowings

Fair value is calculated based on discounted expected future principal and interest cash flows. The discount rates used are based on market rates for similar instruments at the reporting date.

(b) Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted at the market rate to determine their fair values.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument at the reporting date.

Fair value of financial assets and financial liabilities

Service concession financial receivables (note 15), trade and other receivables (excludes prepayments) (note 17), fixed deposit with maturity period over three months (note 18), cash and cash equivalents (note 19), trade and other payables (note 21) and borrowings (note 20)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

31. 公允价值

本集团的多项会计政策及披露须确定金融及非金融资产及负债的公允价值。公允价值出于计量及/或披露之目的，按以下方法厘定。若适用公允价值，则其所作假设的进一步资料于相关资产或负债的特定附注中披露。

公允价值的确定

(a) 非流动贷款

公允价值是根据预期未来本金及利息的现金流量折现计算而来。所使用的折现率是基于报告日期类似工具的市场利率。

(b) 其他金融资产及负债

到期日不足一年的金融资产及负债（包括应收账款及其他应收款项、现金及现金等价物以及应付账款及其他应付款项）因到期期限短，因此其账面价值被假定为与其公允价值相若。所有其他金融资产及负债以市场利率折现，以确定其公允价值。

当使用折现现金流量方法时，估计未来现金流量是以管理层的最佳估计为基础，而折现率则为于报告日期类似工具的市场相关利率。

金融资产和金融负债的公允价值

与服务特许经营权相关的金融应收款项（附注15）、应收账款及其他应收款项（不包括预付款项）（附注17）、三个月以上定期存款（附注18）、现金及现金等价物（附注19）、应付账款及其他应付款项（附注21）及贷款（附注20）

因其短期的性质，流动性金融资产和金融负债账面价值与公允价值相若；于报告日，由于利率与市场利率相若，非流动的贷款及应收款项、计息贷款及其他应付款项的账面价值与其公允价值相若。

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32. Capital management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, issue new shares or obtain new borrowings. There is no change in capital management policies during the year.

The Group's and Company's strategies are to maintain a prudent balance between the advantage and flexibility afforded by a sound capital position and the higher return on equity that is possible with greater leverage.

Consistently, the Group monitors capital based on a net debt against equity ratio. The net debt against equity ratio is calculated by dividing net debt by total equity. Net debt is calculated as total liabilities (as shown in the consolidated statements of financial position of the Group, excluding current tax liabilities and deferred tax liabilities) less cash and cash equivalents. Total equity comprises share capital, reserves and non-controlling interests.

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 December 2017 and 31 December 2016.

The Group's subsidiaries in the PRC are required to contribute to and maintain a non-distributable statutory reserve fund whose utilization is subject to approval by the relevant PRC authorities. This has been complied with by the relevant subsidiaries for the financial years ended 31 December 2017 and 31 December 2016.

32. 资本管理

本集团管理资本的主要目的是保障本集团可持续经营的能力及维持理想的资本结构，力求为股东创造最大的价值。为维持或实现理想的资本结构，本集团可能调整股息分派金额、发行新股份或取得新贷款。年内，资本管理政策并无变动。

本集团及本公司的策略是在稳健资本状况所提供之好处及灵活性与杠杆较大而可能获得较高股东回报两者之间维持审慎平衡。

同样，本集团利用净债务对权益比率监控资本。净债务对权益比率是按净债务除以总权益计算。净债务按总负债（如财务状况表所示，不包括即期税项负债及递延税项负债）减现金及现金等价物计算。总权益包括股本、储备及非控股权益。

截至二零一七年十二月三十一日及二零一六年十二月三十一日止财政年度，本集团符合所有外界施加的资本要求。

本集团于中国的附属公司须注资及维持一个不可分派的法定储备。该法定储备的使用须获中国有关当局批准。截至二零一七年十二月三十一日及二零一六年十二月三十一日止财政年度，各有关附属公司均遵行了该项规定。

		Group 本集团	
		2017 二零一七年	2016 二零一六年
		HK\$'000 港币千元	HK\$'000 港币千元
Net debt	净债务	5,468,625	3,921,995
Total equity	权益总额	8,541,805	7,191,702
Net debt against equity ratio	净债务对权益比率	0.64	0.55

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

财务报表附注

33. Subsequent events

Establishment of a new subsidiary

On 23 February 2018, the Company announced that it had incorporated a subsidiary known as E+B Umwelttechnik GmbH in Germany to carry out technology research and development and provide engineering, procurement and construction services.

Dividends

After the reporting date, the following exempt (one-tier) dividends were proposed by the directors. As the proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting, it has not been recognised as a liability at the end of the reporting period.

For the year ended 31 December

33. 期后事项

成立一家全新的附属公司

于二零一八年二月二十三日，本公司宣布在德国成立了一家附属公司E+B Umwelttechnik GmbH，用于开展技术研发并提供工程、采购和建设服务。

股息

于报告日后，本公司董事已建议派发二零一七财政年度之一级税项豁免普通股股息。本年度建议分派之末期股息须待本公司股东在应届年度股东大会上批准后方可作实，因此未在报告期末将其确认为负债。

截至十二月三十一日

		Group and Company 本集团及本公司	
		2017	2016
		HK\$'000	HK\$'000
SGD0.0049 (2016: SGD0.0037) per ordinary share	每股普通股0.0049新加坡元 (2016: 0.0037新加坡元)	77,003	53,611

34. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on 22 March 2018.

34. 财务报表之批准

本财务报表业经本公司董事会于二零一八年三月二十二日决议批准。

STATISTICS OF SHAREHOLDINGS

股权统计资料

As at 21 March 2018
截至二零一八年三月二十一日

Authorised share capital 法定股本	:	HK\$10,000,000,000 港币10,000,000,000元
Issued and fully paid-up capital 已发行并已全额缴足的股本	:	HK\$2,625,641,871 港币2,625,641,871元
Class of shares 股票种类	:	Ordinary shares of HK\$1.00 each 普通股，每股票面价值港币1.00元
Number of shares 股份数量	:	2,625,641,871
Voting rights 投票权	:	One vote per ordinary share 每股一权

DISTRIBUTION OF SHAREHOLDINGS

股权分配

SIZE OF SHAREHOLDINGS 股权规模	NO. OF SHAREHOLDERS 股东数量	% 百分比	NO. OF SHARES 股份数量	% 百分比
1 ~ 99	426	7.55	11,095	0.00
100 ~ 1,000	1,204	21.34	609,614	0.03
1,001 ~ 10,000	2,306	40.86	11,064,597	0.42
10,001 ~ 1,000,000	1,681	29.79	101,133,387	3.85
1,000,001 AND ABOVE	26	0.46	2,512,823,178	95.70
TOTAL 总计	5,643	100.00	2,625,641,871	100.00

As at 21 March 2018, no shares issued in the share capital of the Company (“Shares”) were held as treasury shares or by any of the Company’s subsidiary.

截至二零一八年三月二十一日，在本公司股本中发行的股份（“本公司股份”）未被作为库存股持有，也未被本公司的任何附属公司所持有。

Based on the information available to the Company, approximately 25.06% of the equity securities of the Company are held in the hands of the public. This is in compliance with Rule 723 of the Listing Rules of the SGX, which requires at least 10% of a listed issuer’s equity securities to be held by the public.

基于本公司所掌握的数据，本公司约25.06%的股份由公众持有。该数据符合新交所上市规则第723条的要求，即公众至少须持有上市公司权益性证券的10%以上。

STATISTICS OF SHAREHOLDINGS

As at 21 March 2018
截至二零一八年三月二十一日

股权统计资料

TWENTY LARGEST SHAREHOLDERS

前二十大股东

	NAME 名称	NO. OF SHARES 持股数量	% 百分比
1.	CHINA EVERBRIGHT WATER HOLDINGS LIMITED 中国光大水务控股有限公司	1,965,344,904	74.85
2.	CITIBANK NOMINEES SINGAPORE PTE LTD	132,079,641	5.03
3.	RAFFLES NOMINEES (PTE) LIMITED	124,640,442	4.75
4.	DBS NOMINEES (PRIVATE) LIMITED	93,851,722	3.57
5.	DB NOMINEES (SINGAPORE) PTE LTD	70,284,300	2.68
6.	HSBC (SINGAPORE) NOMINEES PTE LTD	24,522,461	0.93
7.	PHILLIP SECURITIES PTE LTD	20,169,749	0.77
8.	OCBC SECURITIES PRIVATE LIMITED	19,609,280	0.75
9.	MAYBANK KIM ENG SECURITIES PTE. LTD.	19,505,517	0.74
10.	DBSN SERVICES PTE. LTD.	6,929,630	0.26
11.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	5,387,869	0.21
12.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	4,779,021	0.18
13.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	3,683,404	0.14
14.	PU WEIDONG	3,308,100	0.13
15.	CHIEW CARLTON	2,800,000	0.11
16.	ABN AMRO CLEARING BANK N.V.	2,724,317	0.10
17.	UOB KAY HIAN PRIVATE LIMITED	1,941,458	0.07
18.	MERRILL LYNCH (SINGAPORE) PTE LTD	1,914,693	0.07
19.	CHEONG SAE PENG	1,511,684	0.06
20.	KOH HOCK SENG OR KOH PENG YEOW CHARLES	1,206,114	0.05
	TOTAL 总计	2,506,194,306	95.45

STATISTICS OF SHAREHOLDINGS

股权统计资料

As at 21 March 2018
截至二零一八年三月二十一日

SUBSTANTIAL SHAREHOLDERS

主要股东

NAME OF SUBSTANTIAL SHAREHOLDER 主要股东名称	DIRECT INTEREST 直接权益		DEEMED INTEREST 间接权益	
	NO. OF SHARES HELD 持股数量	% 百分比	NO. OF SHARES HELD 持股数量	% 百分比
China Everbright Water Holdings Limited 中国光大水务控股有限公司	1,965,344,904	74.85	–	–
China Everbright Environmental Protection Holdings Limited ⁽¹⁾ 中国光大环保控股有限公司	–	–	1,965,344,904	74.85
China Everbright International Limited ⁽²⁾ 中国光大国际有限公司	–	–	1,965,344,904	74.85
Guildford Limited ⁽³⁾	–	–	1,965,344,904	74.85
Datten Investments Limited ⁽⁴⁾	–	–	1,965,344,904	74.85
China Everbright Holdings Company Limited ⁽⁵⁾ 中国光大集团有限公司	–	–	1,965,344,904	74.85
China Everbright Group Ltd. ⁽⁶⁾ 中国光大集团股份公司	–	–	1,965,344,904	74.85
Central Huijin Investment Limited ⁽⁷⁾ 中央汇金投资有限责任公司	–	–	1,965,344,904	74.85

Notes:

注释:

- China Everbright Environmental Protection Holdings Limited, which is the holding company of China Everbright Water Holdings Limited, is deemed to have an interest in the Shares held by China Everbright Water Holdings Limited.
中国光大环保控股有限公司为中国光大水务控股有限公司之控股公司，并对中国光大水务控股有限公司持有的本公司股份享有间接权益。
- China Everbright International Limited is the holding company of China Everbright Environmental Protection Holdings Limited and is deemed to have an interest in the Shares in which China Everbright Environmental Protection Holdings Limited has an interest.
中国光大国际有限公司为中国光大环保控股有限公司之控股公司，并对中国光大环保控股有限公司持有的本公司股份享有间接权益。
- Guildford Limited holds more than 20 per cent. but not more than 50 per cent. of the total issued shares of China Everbright International Limited and is deemed to have an interest in the Shares in which China Everbright International Limited has an interest.
Guildford Limited 持有中国光大国际有限公司总股份数的20%以上（但不超过50%），并对中国光大国际有限公司持有的本公司股份享有间接权益。
- Datten Investments Limited is the holding company of Guildford Limited and is deemed to have an interest in the Shares in which Guildford Limited has an interest.
Datten Investments Limited 为Guildford Limited之控股公司，并对Guildford Limited持有的本公司股份享有间接权益。
- China Everbright Holdings Company Limited is the holding company of Datten Investments Limited and is deemed to have an interest in the Shares in which Datten Investments Limited has an interest.
中国光大集团有限公司为Datten Investments Limited之控股公司，并对Datten Investments Limited持有的本公司股份享有间接权益。
- China Everbright Group Ltd. is the holding company of China Everbright Holdings Company Limited and is deemed to have an interest in the Shares in which China Everbright Holdings Company Limited has an interest.
中国光大集团股份公司为中国光大集团有限公司之控股公司，并对中国光大集团有限公司持有的本公司股份享有间接权益。
- Central Huijin Investment Limited holds 55.67 per cent. of the shares in China Everbright Group Ltd. and is deemed to have an interest in the Shares in which China Everbright Group Ltd. has an interest.
中央汇金投资有限责任公司持有中国光大集团股份公司总股份数的55.67%，并对中国光大集团股份公司持有的本公司股份享有间接权益。

STATISTICS OF SHAREHOLDINGS

As at 21 March 2018
截至二零一八年三月二十一日

股权统计资料

(i) Relationship between the Company and each of China Investment Corporation and Central Huijin Investment Limited

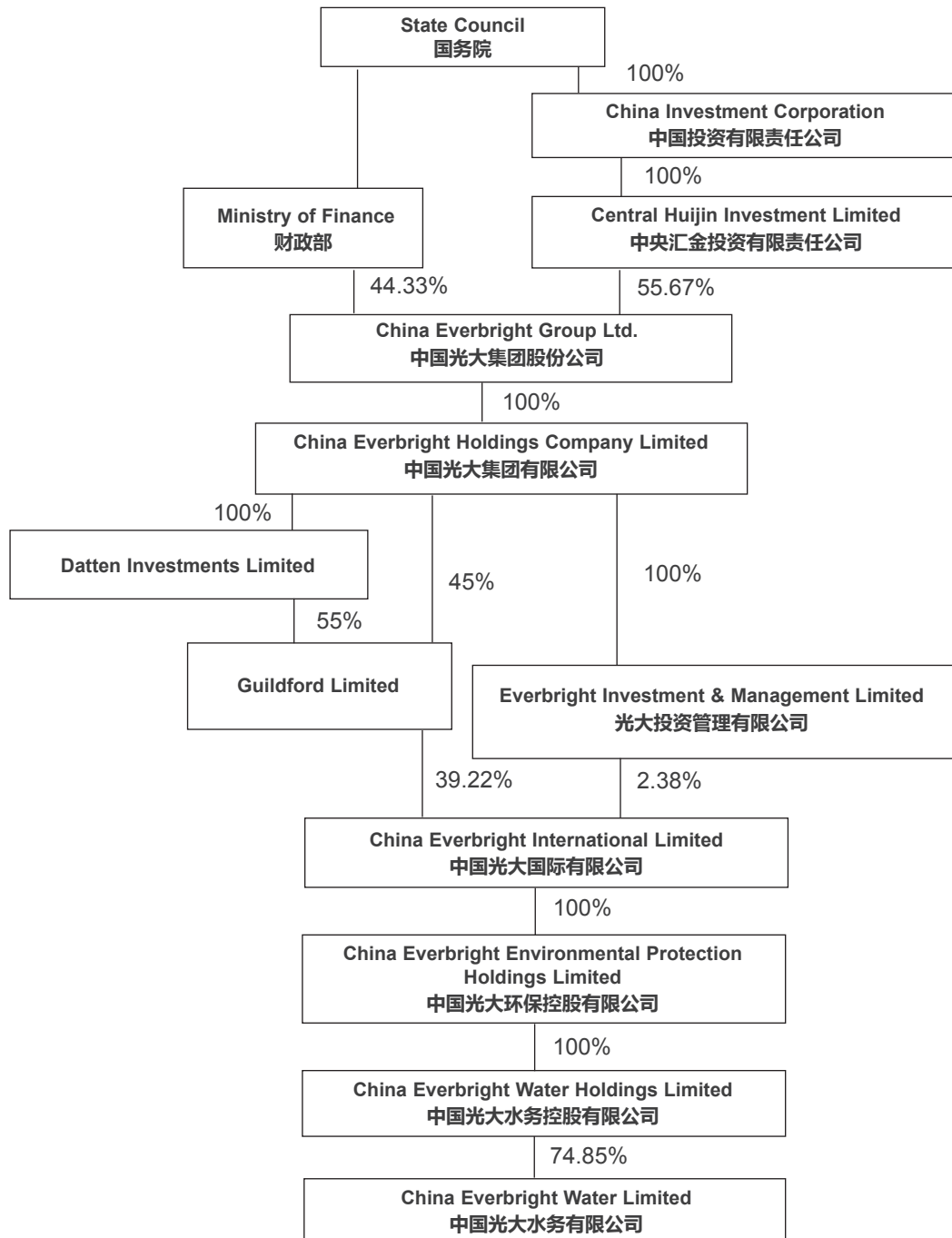
Each of China Investment Corporation (“CIC”) and Central Huijin Investment Limited (“Huijin”), which are each ultimately owned by the State Council of the People’s Republic of China (“State Council”), is deemed to have a controlling interest (via Everbright International) in the issued share capital of the Company.

Based on the information furnished to the Company, below is shareholding structure of the Company:

(i) 本公司与中国投资有限责任公司和中央汇金投资有限责任公司的关系

中国投资有限责任公司（“中投”）和中央汇金投资有限责任公司（“汇金”）均最终由中华人民共和国国务院（“国务院”）持有，中投和汇金通过光大国际对本公司的已发行股本具有间接控股权益。

基于提供给本公司的信息，下表反映了本公司的股权结构：



Management Philosophy of Huijin and CIC

Article 11 of the *Law on State-Owned Assets* provides that the State Council and the local people's governments may, if necessary, authorise other departments or bodies (“**Authorised Bodies**”) to perform the function of an investor in respect of state-owned enterprises on behalf of such government. Article 14 of the *Law on State-Owned Assets* further provides that such Authorised Bodies shall not intervene in the business activities of the enterprises in which they invest except to legally perform the function of investors.

Huijin

Huijin was established in December 2003. The members of Huijin's board of directors and board of supervisors are appointed by and are accountable to the State Council. Huijin, in accordance with authorisation by the State Council, makes equity investments in major state-owned financial enterprises and shall, to the extent of its capital contribution, exercise the rights and perform the obligations as an investor on behalf of the State in accordance with applicable laws, to achieve the goal of preserving and enhancing the value of state-owned financial assets. It does not conduct any other business or commercial activity, except for its equity investments in the state-owned enterprises, and does not intervene in the day-to-day business operations of the enterprises in which it invests.

CIC

CIC holds the shares of Huijin in accordance with a directive issued by the State Council. However, the investment business of CIC and the share management function conducted on behalf of the State Council by Huijin are completely separated. CIC is a financial investor and does not seek control of the companies in its portfolio.

Laws setting out the duties of Huijin and CIC in relation to their portfolio companies

The articles of association of each of Huijin and CIC provide that each of Huijin and CIC “shall not interfere in the day-to-day business operations of the state-owned major financial enterprises it controls”. The articles of association of CIC further provide that “as a matter of principle, [CIC] shall not actively seek investment in domestic non-financial enterprises, except for purchasing overseas listed stocks, *passive* shareholdings and other circumstances as approved by the relevant governmental authorities”.

Under Article 11 of the *Company Law of the People's Republic of China*, the articles of association of a company are binding on the company and its shareholders, directors, supervisors and senior management. Accordingly, the provisions of the articles of association of each of Huijin and CIC as set out above are binding on each of Huijin and CIC and their respective shareholders, directors, supervisors and senior management.

汇金和中投的经营理念

中国《企业国有资产法》第十一条规定，国务院和地方人民政府根据需要，可以授权其他部门、机构（“**被授权机构**”）代表本级人民政府对国家出资企业履行出资人职责。《企业国有资产法》第十四条进一步规定，被授权机构除依法履行出资人职责外不得干预企业经营活动。

汇金

汇金于二零零三年十二月成立，其董事会和监事会成员由国务院任命，对国务院负责。汇金根据国务院授权，对国有重点金融企业进行股权投资，以出资额为限代表国家依法对国有重点金融企业行使出资人权利和履行出资人义务，实现国有金融资产保值增值。除对国有企业进行股权投资外，汇金不开展其他任何商业性经营活动，不干预其投资的企业的日常经营活动。

中投

中投根据国务院指令持有汇金的股份。然而，中投的投资业务和汇金代表国务院行使的股权管理职能完全分离。中投作为财务投资者，并不寻求对其间接投资之公司的控制。

关于规定汇金和中投对其所投资公司之义务的法律规范

汇金和中投的公司章程均规定汇金和中投“不得干预其控股的国有重点金融企业的日常经营活动”。中投的章程进一步规定“【中投】原则上不主动参股境内非金融企业，但购买境外上市股票、被动持股或经国家有关部门批准的除外”。

根据《中华人民共和国公司法》第十一条的规定，公司章程对该公司及其股东、董事、监事和高级管理人员具有约束力。因此，汇金和中投章程中的规定对其自身及其股东、董事、监事和高级管理人员均具有约束力。

Board of Directors of Everbright International and the Company

In addition, neither CIC nor Huijin has any nominees sitting on the board of directors of Everbright International. Similarly, neither CIC nor Huijin has any nominees sitting on the board of directors of the Company.

(ii) Not regarded as “controlling shareholders”

On the basis that each of Huijin and CIC does not in fact, and is unable, under the laws of PRC, to, exercise control over the Company, the SGX has confirmed that each of Huijin and CIC will not be regarded as “controlling shareholders” of the Company for the purposes of the Listing Rules of the SGX (the “**Listing Rules**”).

Accordingly, each of the State Council, Huijin and CIC and their respective associates (other than Everbright Group and its associates) will not be regarded as “interested persons” of the Company and consequently, will not be subject to the rules and requirements under Chapter 9 of the Listing Rules governing interested person transactions. For the avoidance of doubt, Everbright Group is regarded as a “controlling shareholder” of the Company for the purposes of the Listing Rules and accordingly, Everbright Group and its associates are subject to the rules and requirements under Chapter 9 of the Listing Rules governing interested person transactions.

光大国际及本公司的董事会

此外，中投和汇金均未提名董事参与光大国际的董事会。同样，中投和汇金均未提名董事参与本公司的董事会。

(ii) 汇金和中投不属于“控股股东”

根据中国法律的规定，汇金和中投不得对本公司实施控制，且事实上汇金和中投未能对本公司实施控制，因此新交所已依据其上市规则确认，汇金和中投不属于本公司的“控股股东”。

因此，国务院、汇金和中投及其各自的关联方（不包括光大集团及其关联方）均不属于本公司的“关联人士”，因此均不受新交所上市规则第九章关于关联人士交易规范和要求的规制。为免疑义，就新交所上市规则而言，光大集团将被视为本公司的“控股股东”，因此，光大集团及其关联方均将受新交所上市规则第九章关于关联人士交易规范和要求的规制。

NOTICE OF ANNUAL GENERAL MEETING

年度股东大会通知

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of China Everbright Water Limited will be held at The Pan Pacific Singapore, Pacific 2, Level 1, 7 Raffles Boulevard, Marina Square, Singapore 039595 on Wednesday, 25 April 2018 at 9.30 a.m. to transact the following businesses:

兹通知，中国光大水务有限公司年度股东大会将于二零一八年四月二十五日星期三上午九时三十分在新加坡莱佛士大道七号滨海广场泛太平洋酒店一楼Pacific 2宴会厅（邮编：039595）召开，以讨论通过以下事项：

AS ORDINARY BUSINESS

普通事项

1. To receive and consider the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2017 and the Auditor's Report thereon.
接收并审议董事会声明以及截至二零一七年十二月三十一日止的财政年度经审计公司财务报表及其审计师报告。 **(Resolution 1)**
(第1项决议)
2. To declare a final tax exempt 1-Tier dividend of S\$0.0049 per ordinary share for the financial year ended 31 December 2017 as recommended by the Directors.
根据董事会建议，宣布派发截至二零一七年十二月三十一日止的财政年度的每股普通股0.0049新加坡元的单一免税末期股息。 **(Resolution 2)**
(第2项决议)
3. To approve the payment of Directors' fees of S\$200,000 for the financial year ended 31 December 2017. (2016: S\$200,000/-)
批准支付截至二零一七年十二月三十一日止的财政年度的董事袍金200,000新加坡元整。（二零一六年：200,000新加坡元整） **(Resolution 3)**
(第3项决议)
4. To re-elect the following Directors retiring pursuant to the following Company's Bye-laws, and who, being eligible, will offer themselves for re-election:
改选以下根据公司章程规定即将告退的董事，且适格者将竞选连任：
 - (a) Mr. Zhai Haitao [Bye-law 86(1)];
翟海涛先生【公司章程第86 (1) 条】； **(Resolution 4a)**
(第4a项决议)
 - (b) Mr. Lim Yu Neng Paul [Bye-law 86(1)];
林御能先生【公司章程第86 (1) 条】； **(Resolution 4b)**
(第4b项决议)
 - (c) Ms. Cheng Fong Yee [Bye-law 86(1)]; and
郑凤仪女士【公司章程第86 (1) 条】；和 **(Resolution 4c)**
(第4c项决议)
 - (d) Ms. Hao Gang [Bye-law 85(6)].
郝刚女士【公司章程第85 (6) 条】。 **(Resolution 4d)**
(第4d项决议)
5. To re-appoint Ernst & Young LLP as Auditor of the Company, to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.
重新委任Ernst & Young LLP为本公司审计师，任期直至下个年度股东大会结束为止，并授权董事会确定其薪酬。 **(Resolution 5)**
(第5项决议)

NOTICE OF ANNUAL GENERAL MEETING

For the financial year ended 31 December 2017
截至二零一七年十二月三十一日止的财政年度

年度股东大会通知

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:

6. Authority to allot and issue shares

(a) That, pursuant to the Company's Bye-laws, and the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

- (i) issue shares in the capital of the Company ("**Shares**") whether by way of right, bonus or otherwise;
- (ii) make or grant offers, agreements or options that might or would require Shares to be issued or other transferable rights to subscribe for or purchase Shares (collectively, "**Instruments**") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares;
- (iii) issue additional instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) (notwithstanding THAT the authority conferred by the shareholders may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while the authority was in force.

provided always that:

- (i) the aggregate number of Shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed fifty per cent. (50%) of the total number of issued Shares excluding treasury shares of the Company, of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to existing shareholders of the Company does not exceed twenty per cent. (20%) of the total

特别事项

考虑并通过 (如认为恰当) 以下普通决议 (经修改或不经修改) :

6. 分配和发行股份之权力

(a) 根据本公司章程和新加坡交易所证券交易有限公司 ("**新交所**") 上市规则, 授权本公司董事会随时向其全权酌情认为适合的人士以合适目的按其认为适合的条款:

- (i) 通过供股、红利或其他方式发行公司股份 ("**公司股份**") ;
- (ii) 作出或授予可能或将会要求发行股份的要约、协议或期权, 或其他可转让的认购或购买公司股份的权利 (合称 "**文据**") , 包括但不限于创设并发行权证、债券或其他可转换成公司股份的文据;
- (iii) 关于供股、红利或资本化发行, 因调整之前发行的文据数目而发行额外的文据; 和

(b) (尽管股东授权可能已不再有效) 当授权有效时, 根据董事会所作出或授予的文据发行公司股份。

须符合下列事项:

- (i) 根据本决议将予发行的公司股份总数 (包括根据本决议所作出或授予的文据将予发行的股份) 不超过已发行公司股份总数 (不含公司库存股) 的50%, 其中非按比例向本公司现有股东发行的公司股份总数 (包括根据本决议所作出或授予的文据将予发行的股份) 不超过已发行公司股份总数 (不含公司库存股) 的20%, 且就本决

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number of issued Shares excluding treasury shares of the Company, and for the purpose of this resolution, the issued share capital shall be the Company's total number of issued Shares excluding treasury shares at the time this resolution is passed, after adjusting for;

a) new Shares arising from the conversion or exercise of any convertible securities, or

b) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST (the "Listing Manual"); and

c) any subsequent bonus issue, consolidation or subdivision of Shares, and

(ii) such authority shall, unless revoked or varied by the Company at a General Meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. **(Resolution 6)**

(See Explanatory Note i)

7. Authority to allot and issue shares under the China Everbright Water Limited Scrip Dividend Scheme (the "Scrip Dividend Scheme").

That authority be and is hereby given to the Directors to allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to the Scrip Dividend Scheme. **(Resolution 7)**

(See Explanatory Note ii)

8. Authority to grant options and issue Shares under the China Everbright Water Limited Employee Share Option Scheme (the "ESOS").

议而言，已发行公司股本应为通过本决议案时、经以下各项调整后的已发行公司股份总数（不含库存股）：

a) 转换或行使任何可转换证券产生的新公司股份，或

b) 如果期权或股份奖励是遵照新交所《上市手册》（“上市手册”）第八章第VIII部分授予的，在本决议通过时尚未行权的期权或被授予且仍存续的股份奖励由于被行权产生的新公司股份；及

c) 任何后续的红利股份发行、公司股份合并或拆分，以及

(ii) 除非被本公司在股东大会上撤回或更改，该等授权持续有效直至下个年度股东大会结束或法律规定最晚举行下个年度股东大会之日（以其中较早者为准）为止。 **(第6项决议)**

(见附注说明i)

7. 在中国光大水务有限公司以股代息计划（“以股代息计划”）项下分配和发行股份的权力。

授权董事会不时地分配和发行根据以股代息计划可能需要分配和发行的相应数量的公司股份。 **(第7项决议)**

(见附注说明ii)

8. 在中国光大水务有限公司员工股份认购计划（“员工认股计划”）项下授予期权和发行公司股份的权力。

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That, the Directors of the Company be and are hereby empowered to offer and grant options, and to allot and issue from time to time such number of Shares as may be required to be issued or transferred pursuant to the exercise of options granted under the ESOS provided always that the aggregate number of Shares in respect of which such options may be granted and which may be issued pursuant to the Scheme shall not exceed fifteen per cent. (15%) of the total number of issued Shares excluding treasury shares of the Company from time to time.

(Resolution 8)

(See Explanatory Note iii)

9. Renewal of the share buy-back mandate

That:

(a) the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire issued Shares not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

- (i) market purchase(s) on the SGX-ST; and/or
- (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall, as required under the Listing Manual, satisfy all the conditions prescribed by section 76C of the Companies Act, Chapter 50 of Singapore,

in accordance with the Companies Act 1981 of Bermuda (as amended) and all other laws and regulations and rules of the SGX-ST as may for the time being be applicable (the “Share Buy-back Mandate”);

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

- (i) the date on which the next Annual General Meeting of the Company is held;

授权公司董事会提供和授予期权、以及不时地根据行使员工认股计划下授予的期权可能需要发行和转让的公司股份数量来分配和发行该等数量的公司股份（前提是可与被授予的期权相关的公司股份和根据员工认股计划可发行的公司股份总数不应超过公司已发行股份总数（不含库存股）的15%）。

(第8项决议)

(见附注说明iii)

9. 股份回购授权续期

即:

(a) 授权董事会行使本公司通过下列方式、以董事会不时决定的不超过最高限价（定义见下文）的价格购买或以其它方式收购总计不超过最高限额（定义见下文）的已发行公司股份的全部权力:

- (i) 在新交所市场上购买；和/或
- (ii) 按照董事会认为适当而可能决定或制定的任何平等购买计划在市场外购买（如果购买不是在新交所市场上实施，该等计划应如《上市手册》所要求、满足新加坡法律第50章《公司法》第76C条规定的所有条件。

需遵守百慕大一九八一年《公司法》（修订版）和所有其他法律法规以及届时适用的新交所规则（“股份回购授权”）；

(b) 除非被本公司在股东大会上更改或撤回，根据股份回购授权授予董事会的权力可由董事会自通过本项决议时起至以下日期中较早者为止的期间内随时行使:

- (i) 本公司下个年度股东大会举行之日；

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- (ii) the date on which the next Annual General Meeting of the Company is required by law to be held; and
- (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Buy-back Mandate are carried out to the full extent mandated;
- (c) in this Resolution:
- “Average Closing Price”** means the average of the closing market prices of the Shares over the last five market days on which the Shares were transacted on the SGX-ST, before the date of the market purchase by the Company, or as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five-day period;
- “date of the making of the offer”** means the date on which the Company makes an offer for the purchase or acquisition of Shares from shareholders, stating therein the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;
- “Maximum Limit”** means that number of Shares representing 10 per cent. of the total number of issued Shares as at the date of the passing of this Resolution (excluding any treasury shares and any Shares held by subsidiaries of the Company in the circumstances referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Singapore Companies Act); and
- “Maximum Price”** in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses), which shall not exceed:
- (i) in the case of a market purchase of a Share, five per cent. above the Average Closing Price; and
- (ii) in the case of an off-market purchase of a Share, five per cent. above the Average Closing Price; and
- (ii) 法律规定的最晚举行本公司下个年度股东大会之日; 和
- (iii) 根据股份回购授权购买和收购的公司股份达到所授权的最大限度之日;
- (c) 在本项决议中:
- “平均收盘价”**是指在本公司进行市场购买之日前, 或视情况而定, 根据市场外购买作出要约之日前, 公司股份在新交所交易的近五个交易日的平均收盘市场价, 且该等平均收盘价视为已经根据新交所上市规则和相关五日期间之后发生的公司行动进行了调整;
- “作出要约之日”**是指本公司作出要约向股东购买或收购公司股份之日, 该等要约中需说明每股购买价格(不应超过最高限价)以及实施市场外购买的平等购买计划的相关条款;
- “最高限额”**是指代表了通过本决议之日已发行公司股份总数的10%的公司股份数量(不含任何库存股以及在《新加坡公司法》第21(4)条; 21(4B)条; 21(6A)条和21(6C)条描述的情况下, 所有由本公司的子公司持有的股份); 和
- 关于购买或收购公司股份的**“最高限价”**, 是指每股购买价格(不含经纪人佣金、手续费、适用的商品和服务税以及其他相关费用), 该价格不得超出:
- (i) 在市场上购买公司股份的情况下, 平均收盘价的105%; 和
- (ii) 在市场外购买股份的情况下, 平均收盘价的105%; 以及

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- (d) the Directors and each of them be hereby authorised to complete and do all such acts and things (including, but not limited to, executing all such agreements and documents as may be required in connection with this Resolution and the Share Buy-back Mandate) as they or he/she may consider necessary, desirable or expedient or in the interests of the Company to give effect to this Resolution and the Share Buy-back Mandate. **(Resolution 9)**

(See Explanatory Note iv)

10. Adoption of the interested person transaction mandate

That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual (“**Chapter 9**”) of the SGX-ST, for the Company, its subsidiaries and associated companies that are entities at risk (as defined in Chapter 9), or any of them, to enter into any of the transactions falling within the categories of interested person transactions described in Appendix 1 to the Company’s Letter to Shareholders dated 6 April 2018 (the “**Letter**”) with any party who is of the class of interested persons described in Appendix 1 to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions (the “**IPT Mandate**”);
- (b) the approval of the IPT Mandate above shall unless revoked or varied by the Company in General Meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (c) the Directors and each of them be hereby authorised to complete and do all such acts and things (including, but not limited to, executing all such agreements and documents as may be required in connection with this Resolution and the IPT Mandate) as they or he/she may consider necessary, desirable or expedient or in the interests of the Company to give effect to this Resolution and the IPT Mandate. **(Resolution 10)**

(See Explanatory Note v)

11. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

AN XUESONG
Executive Director and Chief Executive Officer

6 April 2018
Singapore

- (d) 授权董事会完成和作出所有其认为必要、合适或有效或有利于本公司的使本决议和股份回购授权生效的行为（包括但不限于签署可能需要的关于本决议和股份回购授权的全部协议和文件）。 **(第9项决议)**

(见附注说明iv)

10. 通过关联人士交易的授权

即:

- (a) 为《上市手册》第九章（“**第九章**”）之目的，授权本公司及其子公司和联营公司（当它们是第九章所定义的风险实体时），或其中任何一方，与本公司于二零一八年四月六日发出的致股东函（“**致股东函**”）的附件1中所载明的任何一类关联人士进行致股东函中所载明的任何一类关联人士交易，前提是该等交易是按照正常商业条款进行并已通过相关审阅程序（“**关联人士交易授权**”）；
- (b) 除非被本公司在股东大会上撤回或更改，该等授权持续有效直至下个年度股东大会结束为止；
- (c) 授权董事会完成和做出所有其认为必要、合适或有效或有利于本公司的使本决议和关联人士交易授权生效的行为（包括但不限于签署可能需要的关于本决议和关联人士交易授权的全部协议和文件）。 **(第10项决议)**

(见附注说明v)

11. 处理任何其他可在年度股东大会妥善处理的普通事项。

承董事会命令

安雪松
执行董事兼总裁

二零一八年四月六日
新加坡

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Notes:

1. A member of the Company (other than The Central Depository (Pte) Limited) entitled to attend and vote at the Annual General Meeting and who holds two or more Shares shall be entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy respectively.
3. The instrument appointing a proxy or proxies must be under the hand of the appointer or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
4. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the Share Registrar's office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 48 hours before the time set for the Annual General Meeting.

Explanatory Notes:

- i. The ordinary resolution 6 proposed in item 6 is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue Shares and convertible securities in the Company up to an amount not exceeding in aggregate 50 percent of the total number of issued Shares excluding treasury shares of the Company, of which the total number of Shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20 percent of the total number of issued Shares excluding treasury shares of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a General Meeting, expire at the next Annual General Meeting of the Company.
- ii. Pursuant to the Special General Meeting of the Company held on 28 October 2005, the shareholders of the Company approved the passing of the ordinary resolution relating to the Scrip Dividend Scheme. In the circular dated 11 October 2005, the Scrip Dividend Scheme provides members with the option to elect to receive Shares in lieu of the cash amount of any dividend declared on their holding of Shares. The Ordinary Resolution 7 proposed in item 7, if passed, will empower the Directors of the Company to allot and issue Shares in the Company pursuant to the terms and conditions of the Scrip Dividend Scheme.
- iii. The ordinary resolution 8 proposed in item 8 above, if passed, will empower the Directors of the Company, to offer and grant options and to allot and issue or transfer Shares upon the exercise of such options in accordance with the Scheme not exceeding 15% of the total number of issued Shares excluding treasury shares of the Company from time to time.

附注:

1. 有权出席年度股东大会并投票的公司成员（中央托收私人有限公司除外），若持有两股或两股以上的公司股份，应有权委托不超过两名代理人代替其出席并投票。代理人无需为公司成员。
2. 如果成员委托两名代理人，则该成员应列明各代理人分别代表的其所持股份的分摊比例（以总数的百分比表示）。
3. 委托代理人的文书须由委托人或经其书面妥为授权的人签发。如果委托代理人的文书由公司签署，则须加盖公司公章或由经其妥为授权的人员签署。
4. 委托代理人的文书和作为其签署依据的授权委托书或其他授权书（如有），或公证人签署证明之副本，必须于不晚于年度股东大会计划召开前48小时存放于位于新加坡莱佛士坊50号新置地大厦#32-01室（邮编：048623）的股份过户登记处。

附注说明:

- i. 第六条中所提议的第6项普通决议是为授权本公司董事会根据其认为对本公司有利之目的，自上述会议日期开始至下个年度股东大会为止发行公司股份和可转换证券，发行总数不超过已发行公司股份总数（不含公司库存股）的50%，其中非按比例向本公司现有股东发行的总数不超过该决议通过时已发行公司股份总数（不含公司库存股）的20%。该项授权除非在股东大会上被撤回或更改，将于本公司下个年度股东大会时期满终止。
- ii. 根据二零零五年十月二十八日举行的本公司特别股东大会，本公司股东批准通过了关于以股代息计划的普通决议。在二零零五年十月十一日的通函中，以股代息计划为成员提供选择以收取公司股份的方式代以收取其根据持有公司股份可获分配的股息现金。第七条中所提议的第7项普通决议如果获通过，将授权本公司董事会根据以股代息计划的条款和条件分配和发行公司股份。
- iii. 第八条中所提议的第8项普通决议如果获通过，将授权本公司董事会提供和授予期权以及当该等期权根据员工认股计划得以行权而不时分配和发行不超过已发行公司股份总数（不含公司库存股）15%的公司股份。

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- iv. The Company intends to use internal sources of funds, external borrowings or a combination of internal resources and external borrowings, to finance the purchases or acquisitions of its Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on, *inter alia*, the manner in which the purchase or acquisition is funded, the aggregate number of Shares purchased or acquired, and the consideration paid at the relevant time. For illustrative purposes only, the financial effects of an assumed purchase or acquisition by the Company of 10 per cent. of its issued Shares as at 22 March 2018, at a purchase price equivalent to the Maximum Price per Share, based on the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2017 and certain assumptions, are set out in paragraph 3.8 of the Letter.
- v. The ordinary resolution 10 proposed in item 10 is to approve the adoption of the IPT Mandate to enable the Company, its subsidiaries and associated companies that are entities at risk (as defined in Chapter 9 of the Listing Manual), or any of them, to enter into certain interested person transactions with specified classes of interested persons, as described in the Letter. Please refer to the Letter for more details.
- iv. 本公司打算使用内部资金来源、外部借款或二者兼而有之的方式作为购买或收购公司股份的资金。本公司购买或收购其股份所需要的资金数额以及对本公司财务状况的影响在本通知之日尚不能确定，因为该等数额和影响尤其取决于购买或收购资金来源取得方式、购买或收购的公司股份总数以及在相关时间支付的对价。仅为说明之目的，股东通函第3.8段列示了，假设以等同于每股最高限价的购买价格购买或收购本公司截至二零一八年三月二十二日已发行股份的10%，基于本公司及其子公司截至二零一七年十二月三十一日的财政年度的已审计财务报表和特定假设，该等购买或收购对本公司的财务影响。
- v. 第十条中所提议的第10项普通决议是为批准关联人士交易授权，使得本公司及其子公司和联营公司（当它们是第九章所定义的风险实体时）或其中任何一方，如致股东函中所载，与特定的关联人士进行特定的关联人士交易。更多详情请参见致股东函。

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

个人资料隐私权:

通过提交代理人表格委托一名或多名代理人和/或代表出席年度股东大会和/或其任何续会并发言和投票，本公司成员 (i) 同意让本公司 (或其代理) 收集、使用及披露股东的个人资料，以让本公司 (或其代理) 能够就因年度股东大会 (包括其任何续会) 而受委托的代理人 and 代表事宜进行管理和处理，并准备和整理出席名单、会议记录和其他有关年度股东大会 (包括其任何续会) 的文件，以及让本公司 (或其代理) 能够遵循适用法律、上市规则、规定和/或指导原则 (统称“目的”)，(ii) 就上述目的，保证当本公司股东向本公司 (或其代理) 披露其代理人和/或代表的个人资料时，股东已获得该等代理人和/或代表的事先同意，允许本公司 (或其代理) 收集、使用和披露该等代理人和/或代表的个人资料，并且 (iii) 同意将就因股东违反承诺而引致的任何处罚、责任、索赔、要求、损失及损害对本公司作出赔偿。

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