

會計報表附註 Notes to the Financial Statements

(根據中國會計規則編製)

(Prepared in accordance with PRC Accounting Regulations)

1 公司簡介及主要業務

天津創業環保股份有限公司(「本公司」)是於1993年6月8日在中華人民共和國(「中國」)註冊成立的股份有限公司。本公司及其子公司(「本集團」)現時的經營業務包括污水處理及污水處理廠建設業務，中水和建材生產及道路收費站業務。

以下是本集團主要業務的經營模式：

(a) 污水處理業務

污水處理委託協議：

依照相關協議，本集團通過以下三家污水處理廠提供污水處理服務：

位置 Plant Location	合同簽訂日期 Contract Date	客戶 Customer
天津 紀庄子 Ji Zhuang Zi, Tianjin	2000年10月10日 10 October 2000	排水公司 TSC
天津 東郊 Dong Jiao, Tianjin	2000年10月10日 10 October 2000	排水公司 TSC
貴州 Guizhou	2004年9月16日 16 September 2004	貴陽城管局 GCAB

1 COMPANY PROFILE AND PRINCIPAL ACTIVITIES

Tianjin Capital Environmental Protection Company Limited (the “Company”) was established on 8 June 1993 in the People’s Republic of China (the “PRC”) as a joint stock limited company. The activities of the Company and its subsidiaries (the “Group”) include sewage water processing, construction of sewage water processing plants, production of recycled water, construction materials and operation of road toll stations.

The operation mode of the Group’s principal activities is described below:

(a) Sewage water processing

Water Processing Agreement:

Pursuant to relevant agreements, the Group currently provides sewage water processing services via three plants as follows:

(根據中國會計規則編製)
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1 公司簡介及主要業務 (續)

(a) 污水處理業務 (續)

相關協議訂明的主要計價公式如下所述：

排水公司：排水公司是在中國成立的國有企業，並受天津市市政工程局（天津市政局）監控：

公司應全面彌補實際的經營成本，包括固定資產的折舊及攤銷，但不包括利息開支及匯兌損益，最少將：

- (i) 賺取按污水處理業務相關固定資產（定義見協議）的每月平均賬面淨值的年度平均數計算 15% 的回報；以及
- (ii) 獲得節省成本或當實際處理量超過協議規定的最低處理量時的獎勵計價調整。

貴陽城管局：貴陽市城市管理局
協議規定以 0.84 元/立方米的價格作為合同簽訂日後的前兩年的污水處理服務費單價，據此

- (i) 二年期滿後雙方按照協議中訂明的計價公式釐定初始價格。計價公式可令污水處理業務全面彌補實際的經營成本，包括運行成本、折舊、所得稅及 8% 的概算淨資產回報；以及
- (ii) 以後年度將考慮設施設備改造、新增投資及能源動力、勞動力等因素來調整價格。

1 COMPANY PROFILE AND PRINCIPAL ACTIVITIES (Continued)

(a) Sewage water processing (Continued)

The principal terms of the pricing formula as set out in the relevant contracts are briefly summarised below:

TSC: (“Tianjin Sewage Company is a state owned enterprise under supervisory control of Tianjin Municipal Engineering Bureau (TMEB)”):

The Company will have full recovery of actual operating costs, including depreciation and amortisation of fixed assets, excluding interest expenses and foreign exchange gains or losses and at minimum:

- (i) earn a return of 15% per annum of the average balance of the monthly net book value of fixed assets (as defined in the agreement) of the plants; and
- (ii) incentive pricing adjustments will be made for cost saving and/or when actual processing volume exceeds the minimum processing volume stipulated in the agreement.

GCAB: (“Guiyang City Administration Bureau”):

Initial price is Rmb0.84 per cubic meter for the first two years after the agreement date, thereafter

- (i) the price after two years will be determined by a pricing formula which will effectively allow to full recovery of the actual business costs, including operating cost, depreciation, income tax and a return of 8% on budgeted net assets of the plant; and
- (ii) the price might be revised after considering the factors of renovation of equipment, additional investment, power and energy and labour force etc.

1 公司簡介及主要業務 (續)

(b) 污水處理廠建設業務

建設收費協議：

根據本公司於2001年9月24日與排水公司簽訂的《污水處理(擴建)在建工程收費協議》(「建設收費協議」)，本公司向排水公司提供建設以下三個污水處理廠的服務：

項目名稱 Project	咸陽路 Xian Yang Lu	紀莊子 Ji Zhuang Zi	北倉 Bei Cang	總計 Total
建成後的每天處理量(立方米) Designed capacity (M ³ /day)	45萬 450,000	28萬 280,000	10萬 100,000	83萬 830,000
預計竣工日期 Estimated date of completion	2006年初 Early 2006	2006年初 Early 2006	2006年初 Early 2006	
	人民幣百萬元 Rmb' million	人民幣百萬元 Rmb' million	人民幣百萬元 Rmb' million	人民幣百萬元 Rmb' million
實際建設成本 Actual construction cost:				
- 於2004年12月31日 - Up to 31 December 2004	641	723	184	1,548
- 於2005年新增 - Additions during the year	200	121	153	474
- 於2005年12月31日 - Up to 31 December 2005	841	844	337	2,022
需投入的建設成本 Budgeted cost:				
- 經修訂(註釋(ii)) - As revised(note(ii))	958	1,027	408	2,393
- 如前呈報, 其中(註釋(i)) : - As previously reported(note(i))	1,199	1,055	366	2,620
排水公司佔(註釋(iii)) Owned by TSC (note(iii))	394	100	211	705
本公司佔 Owned by the Company	805	955	155	1,915
已確認建設收費(註釋(i)) Construction fees recognised (note(i)):				
- 於2004年12月31日 - Up to 31 December 2004	302	209	133	644
- 2005年度 - For year ended 31 December 2005	104	39	110	253
- 於2005年12月31日 - Up to 31 December 2005	406	248	243	897
未確認建設收費 - Total balance not due	61	60	51	172
合計 Total expected	467	308	294	1,069
如前呈報(註釋(i)) As previously reported(note(i))	589	317	264	1,170
已完成工程量百分比 % of completion of construction:				
- 於2004年12月31日 - As at 31 December 2004	53%	69%	50%	
- 於2005年12月31日 - As at 31 December 2005	88%	82%	83%	

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1 公司簡介及主要業務 (續)

(b) 污水處理廠建設業務 (續)

上述協議的主要條款如下：

- 根據協議，本公司在承擔污水處理廠在建工程建設期間，排水公司同意向本公司支付建設費用總額約為人民幣11.7億元，作為鼓勵本公司承擔建設污水處理廠在建工程之報酬。根據修訂後的成本，新建設費用總額為人民幣10.69億元；
- 按照建設收費協議，排水公司應每月根據本公司編撰的有關各項目當月之估計完成百分比向本公司預支建設費用，然後在每季度結束時，根據獨立測量師或工程師對已完成工程量之核定作出相應調整；
- 本公司亦負責污水處理廠在建工程所需資金的籌集；以及
- 依據本公司與排水公司簽訂的協議，在天津三個污水處理廠開始運營後，雙方的權利與義務將按照原污水處理委託協議的具體規定執行（如附註1(a)所述）。

1 COMPANY PROFILE AND PRINCIPAL ACTIVITIES (Continued)

(b) Construction of sewage water processing plants (Continued)

The principal terms of the Construction Agreement are summarised below:

- a fee will be paid by TSC during the period of constructing the plants as a reward to remunerate the Company for accepting the responsibility to construct the sewage plants. The aggregate construction fees payable to the Company for the construction of these three plants amount to approximately Rmb1,170 million, currently revised to Rmb1,069 million;
- fee is payable by TSC in advance on a monthly basis according to the percentage of completion of the respective construction projects estimated by the Company. The percentage of completion of each project will be adjusted on a quarterly basis according to the certifications issued by qualified independent surveyors or engineers;
- the Company is responsible for the funding of the construction cost of these plants, and
- upon commencement of operations of the three sewage water processing plants, the rights and obligations between the Company and TSC will follow the terms as specified in the Water Processing Agreement as applicable to the Tianjin plants (Note1(a)).

1 公司簡介及主要業務 (續)

(b) 污水處理廠建設業務 (續)

轉讓協議：

根據本公司於2001年9月24日與排水公司簽訂的相關的轉讓協議(「轉讓協議」)，本公司將收購原排水公司投資建設的三個污水處理廠在建工程，並承擔後續工程的建設及管理。前述在建工程轉讓工作已於2002年10月30日完成。

合作協議：

本公司於2003年8月25日與排水公司簽訂了一份合作協議(「合作協議」)。根據該合作協議：

- 本公司負責污水處理廠在建工程項目整體實施；
- 排水公司負責利用項目原外資貸款開展採購項下污水處理廠所需部分固定資產；
- 排水公司利用外資貸款採購的固定資產在完成安裝並經本公司驗收合格後一次性由排水公司以賬面價值轉讓予本公司。按照建設收費協議的規定，在確認建設費收入時應包括該等固定資產成本作為基礎；
- 於前述該等固定資產轉讓予本公司之前，在污水處理廠在建工程建設期間，本公司負責該等固定資產的維護和保養。

1 COMPANY PROFILE AND PRINCIPAL ACTIVITIES (Continued)

(b) Construction of sewage water processing plants (Continued)

Transfer Agreement:

Also, on 24 September 2001, respective agreements (“Transfer Agreements”) were signed whereby the Company would acquire the above three plants from TSC and would be responsible for the construction and management of the remaining uncompleted portion of the plants. The transfers were deemed completed on 30 October 2002.

Co-operative Agreement:

On 25 August 2003, the Company entered into an agreement with TSC (“Co-operative Agreement”) whereby:

- the Company would be responsible for the overall execution of the construction of the three plants;
- TSC would be responsible for making use of the original loans from two foreign banks (the “Foreign Loans”) to fund certain property, plant and equipment used in these plants;
- TSC would sell to the Company these Foreign Loans funded property, plant and equipment after their installation and the issuance of verification reports, at their carrying value. The construction fee charged by the Company pursuant to the above mentioned Construction Agreement, would include the cost of these property, plant and equipment as the base; and
- the Company would be responsible for the repairs and maintenance of these property, plant and equipment during the construction period.

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1 公司簡介及主要業務 (續)

(b) 污水處理廠建設業務 (續)

註釋：

- (i) 建設成本及收費係合同中估計金額，工程完工時將根據實際情況調整。
- (ii) 於2005年，本公司根據一獨立評估機構的評估報告修訂了上述三個污水處理廠的預計建設成本，並對相應預計建設費收入按照原定的回報率進行了修訂。修訂後的成本尚需股東大會的批准及排水公司的同意方能生效。
- (iii) 同時已完成工程量中包含排水公司使用國外銀行貸款採購的固定資產。

(c) 道路收費站業務

2003年度以前，本公司擁有於天津城市道路及入城的公路交界設立收費站的權利，並可於該等收費站向進入天津城市的所有汽車（於天津登記或根據有關中國法規及規例獲豁免支付路費的車輛除外）收取路費，期限至2029年2月28日止。

於2003年度內，隨著天津周邊公路網的改造，天津市政府決定遷移包括本公司所屬各收費站在內的所有道路收費站，並由天津市政局設立天津市車輛通行費徵收辦公室（「徵收辦」），統一對進入天津市的外地車輛徵收車輛通行費。根據天津市政府的統一安排，本公司的收費站已於2003年5月31日起停止經營，並實施拆除工程。據此，本公司已與天津市政局達成補償安排主要包括以下事項：

1 COMPANY PROFILE AND PRINCIPAL ACTIVITIES (Continued)

(b) Construction of sewage water processing plants (Continued)

Note:

- (i) Costs and fees as previously reported are only estimated numbers set out in the contracts which will be adjusted based on actual situation upon completion.
- (ii) In 2005, the Company revised the budgeted construction cost of the above three plants based on a valuation report issued by an independent valuer. Accordingly, the budgeted construction fees had been revised using the same return rate to reflect the change of cost. The revised construction costs and fees is pending approval from the Company's shareholders and agreement with TSC.
- (iii) Assets owned by TSC are those funded by certain foreign loans.

(c) Road toll stations

Prior to 2003, the Company owned the right to set up toll stations at the junctions between the Tianjin city roads and expressways leading to the city and to collect tolls generally from non-Tianjin registered motor vehicles (other than those exempted by law) passing these toll stations. The right was for a term expiring on 28 February 2029.

During 2003, following the reform of the public transportation network, the Tianjin Municipal Government decided to relocate certain toll stations, including those of the Company, to the boundary of the interstate highways surrounding Tianjin. The collection of tolls from non-Tianjin registered vehicles will be centralised at a Tianjin Toll Collection Office ("Toll Collection Office") set up by TMEB. As a result, the Company's toll stations were demolished since 31 May 2003 and TMEB agreed to compensate the Company principally as follows:

1 公司簡介及主要業務 (續)**(c) 道路收費站業務 (續)**

- 對本公司被拆除的收費站按其於2003年6月30日之賬面淨值人民幣3,300萬元給予了一次性現金補償。
- 自2003年5月31日起至新收費站(如下段所述)興建完成之日止,按照相當於本公司去年同期所得收益,就本公司的收益損失給予補償。本公司於2003年6月確認約人民幣550萬元的淨補償收益。
- 本公司現擁有6個新收費站的收益權,期限自2003年7月1日起至2029年2月28日止。未經天津市政局允許,本公司不得將該收費權轉讓、租賃或抵押。

本公司於2003年7月24日與徵收辦簽訂了通行費委託徵收協議。根據此協議:

- 本公司委託徵收辦對6個新收費站實行統一收費並支付其管理費;
- 本公司以一家專業顧問公司對該6個新收費站於2003年7月簽署的交通流量和通行費的預測報告中列明的各期間/年度收費金額作為核定應收各期間/年度最低收取通行費收入的標準。

1 COMPANY PROFILE AND PRINCIPAL ACTIVITIES (Continued)**(c) Road toll stations (Continued)**

- a one-off cash compensation by TMEB equivalent to the net book value of the assets of the demolished toll stations as at 30 June 2003 of about Rmb33 million;
- compensation for loss in revenue, during the period from 31 May 2003 to the date of completion of construction of the new toll stations(mentioned in following paragraph), equivalent to the revenue received in the same period of last year of about Rmb5.5 million net of expenses; and
- Company was granted the collection right of six new toll stations from 1 July 2003 to 28 February 2029. However, the Company is not allowed to transfer, lease or pledge the right to other parties without TMEB's consent.

In tandem, the Company entered into an agreement ("Toll Collection Agreement") with Toll Collection Office on 24 July 2003 with following principal terms:

- the Company engaged the Toll Collection Office to collect the tolls at the six new toll stations on its behalf for which it will pay a management fee;
- the Company is to receive the actual tolls collected from the six new stations for the corresponding period/year, subject to minimum toll fee for each period/year based on the forecast traffic flow and tolls for the corresponding period/year as stipulated in a traffic flow and tolls forecast report for the six new toll stations issued by a professional consulting company in July 2003; and

(根據中國會計規則編製)
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1 公司簡介及主要業務 (續)

(c) 道路收費站業務 (續)

- 實際收入低於上述最低收入標準的差額將由徵收辦補給本公司。

2 會計政策、會計估計和合併會計報表的編製方法

(a) 會計報表的編製基準

本會計報表按照國家頒佈的企業會計準則和《企業會計制度》的規定編製。

截至2005年12月31日止，本集團及本公司的流動負債超過其流動資產分別約為人民幣1.19億元及人民幣2.59億元。

董事會相信本集團及本公司已經獲取的未使用銀行授信額度以及集團之關係銀行的持續支持已足夠支持本集團及本公司償還到期債務，因此本集團及本公司仍以持續經營假設為基礎編製本年度的財務報表。

(b) 會計年度

會計年度自公曆1月1日至12月31日止。

(c) 記賬本位幣

以人民幣為記賬本位幣。本會計報表的編製金額除特別說明外，單位為人民幣千元。

1 COMPANY PROFILE AND PRINCIPAL ACTIVITIES (Continued)

(c) Road toll stations (Continued)

- any shortfall to the Company between actual and the agreed minimum will be compensated to the Company by the Toll Collection Office.

2 ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(a) Basis of preparation

The financial statements have been prepared in accordance with the Accounting Standards and the Accounting System for Business Enterprises promulgated by the Central Government of the People's Republic of China.

As at 31 December 2005, the Group and the Company's current liabilities exceeded their current assets by approximately Rmb119 million and Rmb259 million respectively.

Despite the foregoing, these financial statements have been prepared on a going concern basis, because the Directors of the Company believe that the undrawn bank facilities together with the continuing supports of the Group's bankers are sufficient to support the Group and the Company to meet their respective liabilities as and when they fall due.

(b) Financial year

The financial year is from 1 January to 31 December of each calendar year.

(c) Reporting currency

The reporting currency is Renminbi ("Rmb") and amounts in the accounts are stated to the nearest thousand of Rmb unless otherwise stated.

2 會計政策、會計估計和合併會計報表的編製方法 (續)

(d) 記賬基礎和計價原則

以權責發生制為記賬基礎。除特別說明外，資產於取得時按實際成本入賬；如以後發生資產減值，則計提相應的資產減值準備。

(e) 現金

列示於現金流量表中的現金是指庫存現金及可隨時用於支付的銀行存款。

(f) 委託借款

委託借款指本公司通過金融機構提供給第三方的借款。一年內到期的餘額列示為短期投資。若到期未收回，將沖抵已計提的利息收入，並中止計提利息。

(g) 應收款項及壞賬準備

應收款項指應收賬款及其它應收款。

本集團對可能發生的壞賬損失採用備抵法核算。應收款項以實際發生額減去壞賬準備後的淨額列示。

壞賬準備在對應收款項的回收可能性作出具體評估後計提。對於有確鑿證據表明應收款項確實無法收回時，如債務單位已撤消、破產、資不抵債、現金流量嚴重不足等，確認為壞賬損失，並沖銷已提取的相應壞賬準備。

2 ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(d) Basis of accounting

The accrual concept is adopted as basis of accounting. Unless for special circumstance, assets are initially recorded at their acquired costs, and subsequently adjusted for impairment, if any.

(e) Cash

For the purpose of cash flow statement, cash comprises cash in hand and deposits repayable on demand.

(f) Entrusted lending

Entrusted lending refers to loans that the Company has provided to other parties via intermediary financial institutions. Balances due within one year are included as short-term investments. Interest income that has been accrued but can not be collected when due is reversed and further accrual for interest income is suspended.

(g) Receivables and provision for doubtful debts

Receivables comprise trade and other receivables.

The Group adopts the provision method to account for potential doubtful debts. Receivables are stated in net value after deducting provision for doubtful debts.

Provision for doubtful debts is made after the evaluation of the recoverability of receivables. When there is evidence that receivables are not recoverable, such as in the event that the entity is deregistered, bankrupt, has negative assets and insufficient working capital etc., the corresponding receivables are recognised as bad debts and net off the corresponding amounts of provision for doubtful debts.

(根據中國會計規則編製)
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2 會計政策、會計估計和合併會計報表的編製方法 (續)

(h) 存貨

存貨包括原材料、在產品、產成品、零部件及低值易耗品。

原材料、在產品和產成品按成本與可變現淨值孰低計價。零部件及低值易耗品按成本減陳舊庫存準備列賬。

原材料及產成品之成本值按加權平均法核算，在產品和產成品成本包括原材料、直接人工及按正常生產能力下適當比例分攤的所有間接生產費用。存貨跌價準備一般按單個存貨項目成本高於其可變現淨值的差額計提。可變現淨值乃按估計銷售所得款項減估計分銷及銷售開支計算。

(i) 長期股權投資

長期股權投資為準備持有超過一年的股權投資。

長期股權投資的成本按投資時實際支付的價款入賬。本集團對被投資企業的投資佔該企業有表決權資本總額的 20% 或以上、或雖投資不足 20% 但對其財務和經營決策有重大影響的，採用權益法核算；對被投資企業的投資佔該企業有表決權資本總額的 20% 以下、或對被投資企業的投資雖佔該企業有表決權資本總額 20% 或以上但對其財務和經營決策不具有重大影響的，採用成本法核算。

2 ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(h) Inventories

Inventories comprise raw materials, work in progress, finished goods, spare parts and consumables.

Raw materials and finished goods are stated at the lower of cost and net realisable value. Spare parts and consumables are stated at cost less provision for obsolescence.

Cost is determined on the weighed average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an allocation of all production overheads incurred based on normal operating capacity. Provision for declines in the values of inventories are determined on item-by-item basis when the carrying value of the inventories is higher than their net realisable value. Net realisable value is determined on the basis of anticipated sales proceeds less estimated distribution and selling expenses.

(i) Long-term equity investments

Long-term equity investments are equity investments held for more than one year.

Cost of long-term equity investments are accounted for based on the actual amounts paid. The Company adopts the equity method to account for the invested entities in which the Company holds 20% or more of the voting share capital, or holds less than 20% of the voting share capital but has significant influence on the entities' operating decisions. The Company adopts the cost method to account for the invested entities in which the Company holds 20% or less of the voting share capital, or holds more than 20% of the voting share capital but has no significant influence on the entities' operating decisions.

2 會計政策、會計估計和合併會計報表的編製方法 (續)

(i) 長期股權投資 (續)

在母公司的會計報表中，對子公司的投資採用權益法核算。子公司指本公司直接或間接擁有其 50% 以上的表決權資本，具有決定其財務和經營政策權力，並能據此從其經營活動中獲取利益的企業。

長期股權投資由於被投資公司經營狀況惡化等原因導致其可收回金額低於賬面價值時，按可收回金額低於長期股權投資賬面價值的差額，計提長期股權投資減值準備。可收回金額是指其銷售淨價與其使用價值兩者之中的較高者。銷售淨價是指在熟悉交易情況的交易各方之間自願進行的公平交易中，通過銷售該項資產而取得的收入扣除處置費用後的金額。使用價值指預期從資產的持續使用和使用壽命結束時的處置中形成的預計未來現金流量的現值。

如果有跡象表明以前年度據以計提減值準備的各種因素發生變化，使得該項投資的可收回金額大於其賬面價值，減值準備在以前年度已確認的減值損失範圍內予以轉回。

2 ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(i) Long-term equity investments (Continued)

The Company adopts the equity method to account for its subsidiary in the accounts of the Company. A subsidiary is an enterprise in which the Company holds directly or indirectly more than 50% of the voting share capital, has the power of decision making on the financing and operating strategies of the enterprise and accordingly is able to obtain benefits from its operating activities.

Provision for diminution in value of long-term equity investment is made based on the difference between carrying value and recoverable amount of long-term equity investment in the cases where there is deterioration in the operating results of the invested company. The recoverable amount is the higher of its net selling price and its value in use. The net selling price is the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable and willing parties, after deducting any incremental direct disposal costs. Value in use is the present value of estimated future cash flows expected to be derived from continuing use of the asset and from its disposal at the end of its useful life.

When there is an indication that the need for an impairment provision recorded in a prior year no longer exists or has decreased, which result in the recoverable amount exceeding the carrying value of the investment, the provision for impairment loss is reversed to the extent of the amount of impairment loss recognized in prior years.

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

2 會計政策、會計估計和合併會計報表的編製方法 (續)

(j) 固定資產計價和折舊

固定資產是按成本減累計折舊／攤銷及累計減值虧損列賬。

土地使用權的攤銷(不包括與道路收費站業務有關的土地使用權的攤銷)是按照土地使用權50年期以直線法攤銷其成本計算。

道路的折舊及有關道路的土地使用權攤銷是按照交通流量法計提。根據此種方法，折舊和攤銷乃按有關期間的預計交通流量佔該道路獲授經營權利30年期間的預計交通總流量的比例計提。

房屋及建築物的折舊是根據其預計的可使用期限按直線法攤銷成本減累計減值虧損計算。折舊所採納的期限介乎10至50年不等。

其它有形固定資產以直線法按其成本減去預計殘值後在估計的可使用年限內平均計提。估計可使用年限如下：

機器設備	10至20年
運輸車輛及其它	5至15年

恢復固定資產至其正常運作能力所發生的主要費用計入利潤表中。改善固定資產的有關開支則被資本化，並按其估計可使用期限攤銷。

出售固定資產的收入或虧損是指銷售所得款項淨額與有關資產的賬面值之間的差額，並於利潤表入賬。

2 ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(j) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated amortisation/depreciation and accumulated impairment losses, if any.

Amortisation of land use rights, other than those in relation to the toll stations business, is calculated to write off their cost, on a straight line basis over the period of land use rights of 50 years.

Depreciation of the road and amortisation of land use rights in relation to the toll stations business are calculated to write off their cost on a units-of-usage basis whereby the depreciation and amortisation are provided based on the share of estimated traffic volume for a particular period over the projected total traffic volume throughout the period of 30 years for which the right to operate the road is granted.

Depreciation of leasehold buildings and structures is calculated to write off their cost, on a straight line basis over their expected useful lives. The periods adopted for depreciation range from 10 to 50 years.

Other tangible fixed assets are depreciated at rates sufficient to write off the cost of the assets, less estimated residual value, over their estimated useful lives on a straight line basis. The estimated useful lives are as follows:

Machinery and equipment	10-20 years
Motor vehicles and others	5-15 years

Major costs incurred in restoring fixed assets to their normal working condition are charged to the profit and loss account. The expenses relating to improvements of fixed assets are capitalised and amortised over their expected useful lives.

The gain or loss on disposal of a fixed asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

2 會計政策、會計估計和合併會計報表的編製方法 (續)

(j) 固定資產計價和折舊 (續)

維修及保養費用按其實際發生額計入利潤表。

如果有跡象或環境變化顯示單項固定資產賬面價值可能超過其可收回金額時，本集團將對該項資產進行減值測試。若該單項資產的賬面價值超過其可收回金額，其差額確認為減值損失。

同時，如果有跡象表明以前年度據以計提資產減值的各種因素發生變化，使得該資產的可收回金額大於其賬面價值，減值準備在以前年度已確認的減值損失範圍內予以轉回。轉回後該資產的賬面價值不超過不考慮減值因素情況下計算的資產賬面淨值。

(k) 在建工程

在建工程指正在興建中或安裝中的資本性資產，以實際發生的支出作為工程成本入賬。成本的計價包括建築費用及其它直接費用、機器設備原價、安裝費用，還包括在達到預定可使用狀態之前為在建工程項目專門借款並實際用於該項目所發生的借款費用。在建工程在達到預定可使用狀態時轉入固定資產。

有關減值準備的提取如固定資產附註 2(j) 中所述。

2 ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(j) Fixed assets and depreciation (Continued)

Repair and maintenance expenses are charged to the income statement as incurred.

Individual assets for which there are indications that the carrying values are higher than their recoverable amounts, arising from the occurrence of events or changes in circumstances, are reviewed for impairment. If the carrying value of such assets is higher than the recoverable amount, the excess is recognized as an impairment loss.

When there is an indication that the need for an impairment provision recorded in a prior year no longer exists or has decreased, which result in the recoverable amount exceeding the carrying amount of the asset, the provision for impairment loss is reversed to the extent of the amount of impairment loss recognized in prior years. The increased carrying amount of the assets should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(k) Construction in progress

Construction in progress represents fixed assets under construction or being installed and is stated at cost. Cost comprises original cost of plant and equipment, installation, construction and other direct costs which include interest cost on specific borrowings used to finance the capital assets, prior to the date of reaching the expected usable condition. Construction in progress is transferred to fixed assets when the asset has been substantially completed and reaches the expected usable condition.

Provision for impairment is considered as for fixed assets in Note 2(j) above.

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

2 會計政策、會計估計和合併會計報表的編製方法 (續)

(I) 借款費用

除下述附註 2(n)有關可轉換公司債券的發行費用外，為購建固定資產而發生專門借款所產生的利息、輔助費用及外幣匯兌差額等借款費用，在資產支出及借款費用已經發生、並且為使資產達到預定可使用狀態所必要的購建活動已經開始時，開始資本化，計入該資產的成本。當購建的固定資產達到預定可使用狀態時停止資本化，以後發生的借款費用計入當期損益。

借款費用中的每期利息費用，按當期購建固定資產累計支出加權平均數與相關借款的加權平均利率，在不超過當期專門借款實際發生的利息費用的範圍內，確定資本化金額。外幣專門借款的匯兌差額和重大的專門借款輔助費用等借款費用按實際發生額確認為資本化金額。

其它借款發生的借款費用，於發生時確認為當期財務費用。

2 ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(I) Borrowing costs

Except the issuance expense of convertible bonds (Note 2(n)), interest cost, ancillary costs, and exchange differences incurred in connection with specific borrowings obtained for the acquisition or construction of fixed assets are capitalised as costs of the assets beginning when the capital expenditures and borrowing costs have been incurred and the activities to enable the assets to reach their expected usable condition have commenced. The capitalisation of borrowing costs ceases when the construction in progress has reached the asset's expected usable condition. Borrowing costs incurred thereafter are recognised as expenses in the period in which they are incurred.

In each capitalisation period, the amount of interest cost included in the borrowing costs to be capitalised should be determined according to the weighted average amount of accumulated expenditures incurred for the acquisition or construction of a fixed asset up to the end of the current period and the weighted average interest rate of related borrowings, not exceeding the interest cost of the specific borrowings actually incurred during the current period. Borrowing costs such as exchange differences and significant ancillary costs in connection with specific borrowings in foreign currency are capitalised based on actual amount in the period in which they are incurred.

Borrowing costs in connection with other borrowings are recognised as expenses in the period in which they are incurred.

2 會計政策、會計估計和合併會計報表的編製方法 (續)

(m) 研究及開發費用

研究及開發費用按其實際發生額計入利潤表。

(n) 可轉換公司債券

發行的可轉換公司債券（「債券」）按實際發行價格總額確認為負債。

債券的發行費用扣除發行期間凍結資金所產生的利息收入後的差額，在債券存續期間內平均攤銷。應付的債券利息按期計提。利息費用及發行費用的攤銷按債券資金的使用對象予以資本化或計入當期的財務費用。債券轉換為股票時，按可轉換的股數與股票面值計算的總額轉換為股本，債券的賬面價值與轉換為股本額之間的差額計入資本公積。債券若提前回售或贖回，按回售或贖回比例沖減應付債券面值，同時發行費用按回售或贖回比例於回售或贖回當期計入利潤表。

(o) 職工社會保障及福利

本集團職工參加由中國各省市政府機構設立及管理的職工養老計劃並按月繳納保險金。各省市政府承擔納入職工養老計劃內的所有目前和將來退休職工的退休福利。集團繳納的保險金在發生時確認為費用。

本集團按工資總額的一定比例且在不超過規定上限的基礎上提取住房公積金，並向社會保障機構繳納，相應的支出計入當期成本或費用。

2 ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(m) Research and development expenses

Research and development expenses are charged to the income statement as incurred.

(n) Convertible bonds

Convertible bonds are classified as liabilities and are stated at principal amount.

The difference between issuing cost of the bonds and the interest income derived during the issuing period is amortised over the bonds' issue period on a straight line basis. Interest expense for the bonds is accrued periodically. Interest and issuance cost are capitalized or expensed according to the purpose/use of the issuance proceeds. Upon conversion into the Company's share, the converted quantity of share times par value is recognized as share capital whilst difference between share capital converted and par value of the bonds is recorded in capital surplus. If redeemed or repurchased in advance, bond payable will be offset in proportion whilst corresponding issuance cost will be charged to the income statement.

(o) Employee social security and benefits

The Group contributes on a monthly basis to various defined contribution retirement benefit plans organized by relevant municipal and provincial governments in the PRC. The municipal and provincial governments undertake to assume the retirement benefit obligation of all existing and future retired employees payable under these plans. Contributions to these plans are expensed as incurred.

The Group provides housing fund based on certain percentage of the wages and with no more than the upper limit of the requirement. The housing fund is paid to social security organisation, corresponding expenses are expensed or included in the cost of sales for the current year.

(根據中國會計規則編製)

(Prepared in accordance with PRC Accounting Regulations)

2 會計政策、會計估計和合併會計報表的編製方法 (續)

(p) 遞延稅項

遞延稅項依據負債法，對為稅務申報計算的利潤與會計報表列示的利潤因確認時間不同引起的差異，倘預期於可預見的未來需支付該負債或可收取該資產，則按當期稅率計算。

(q) 外幣交易

外幣交易按交易日中國人民銀行公佈的匯率換算為人民幣。於會計報表結算日以外幣為單位的貨幣性資產及負債按當日中國人民銀行公佈的匯率換算為人民幣。

除了和固定資產購建期間因專門外幣資金借貸相關的匯兌損益將資本化外，所有匯兌損益均在利潤表中處理。

2 ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(p) Deferred taxation

Deferred taxation is accounted for using the liability method, in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset is expected to be payable or receivable in the foreseeable future.

(q) Foreign currency transaction

Transactions denominated in foreign currencies are translated into Rmb at the exchange rates stipulated by the People's Bank of China prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Rmb at the exchange rates stipulated by the People's Bank of China at the balance sheet date.

Except for the exchange differences attributable to specific foreign currency borrowings and arising during the period of acquisition and construction of fixed assets are capitalised, all other exchange differences arising are taken to the income statement.

2 會計政策、會計估計和合併會計報表的編製方法 (續)

(r) 收入確認原則

- (i) 污水處理服務收入於提供服務時確認。污水處理廠建設費收入按照污水處理廠建設期間的完工百分比確認。完工百分比乃根據具備中國專業資質的獨立測量師或工程師所發出之證書而釐定。
- (ii) 公路收費收入於實際向公路使用者收取及從徵收辦取得補償 (如有) 時確認。
- (iii) 銷售產品收入在已將產品所有權上的主要風險和報酬轉移給購貨方，並且不再對該產品實施繼續管理和控制，與交易相關的經濟利益能夠流入本集團，相關的收入和成本能夠可靠計量時確認銷售收入的實現。
- (iv) 利息收入按存款已存入的期間和實際利率計算。

2 ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(r) Revenue recognition

- (i) Revenue from sewage water processing services is recognised when services are rendered. Revenue from sewage water processing plants construction services is calculated based on the percentage of completion during the construction period of the respective sewage water processing plants. The percentage of completion is determined with reference to the certification of qualified independent surveyors or engineers in the People's Republic of China.
- (ii) Toll fee income is recognised when fees are received from road users or compensated from collection office, if any.
- (iii) Revenue from the sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the buyer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and it is probable that the economic benefit associated with the transaction will flow to the Group and the relevant revenue and costs can be measured reliably.
- (iv) Interest income is calculated based on the period of the principal deposited and the effective interest rates.

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

2 會計政策、會計估計和合併會計報表的編製方法 (續)

(s) 租賃

融資租賃是指實質上轉移了與出租資產所有權有關的全部風險和報酬的租賃。經營租賃是指除融資租賃以外的其它租賃。

(i) 融資租賃

在租賃開始日，將租賃資產原賬面價值與最低租賃付款額的現值兩者中較低者作為租入資產的入賬價值，將最低租賃付款額作為長期應付款的入賬價值，並將兩者的差額記錄為未確認融資費用，在融資租賃期限內按直線法攤銷。融資租入的固定資產按本集團固定資產的折舊政策計提折舊。

(ii) 經營租賃

經營租賃的租金在租賃期內的各個期間按直線法確認為費用。

(t) 稅項

(i) 所得稅

所得稅的會計處理方法為納稅影響會計法中的負債法，稅率為 33%。

(ii) 營業稅

按業務收入的 5% 計提營業稅。

2 ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(s) Leases

A finance lease is a lease that transfers in substance all the risks and rewards incident to ownership of a leased asset. An operating lease is a lease other than a finance lease.

(i) Finance lease

At the inception of a lease, the leased assets are recorded at an amount equal to the lower of the carrying amount of the leased asset originally recorded in the books of the lessor and the present value of the minimum lease payments, and recognise a long-term liability at an amount equal to the gross amount of the minimum lease payments. The difference between the recorded amount of the leased asset and the liability is recognised as unrecognised finance charges and amortised during the lease term on a straight line basis. Depreciation policy for leased assets are consistent with that for depreciable assets which are owned by the group.

(ii) Operating lease

Lease payments under an operating lease should be recognised as an expense in the income statement on a straight-line basis over the lease term.

(t) Taxation

(i) Income tax

Corporate income tax is accounted for using the tax liability method under the effective tax method. The tax rate is 33% of taxable income.

(ii) Business tax

The business tax rate is 5% of gross service income.

2 會計政策、會計估計和合併會計報表的編製方法 (續)**(t) 稅項 (續)****(iii) 增值稅**

按銷售產品應納稅銷售額的17%扣除當期允許抵扣的進項稅後的餘額計繳。

(iv) 政府附加稅

政府附加稅包括城建稅及教育費附加，分別按營業稅額或增值稅額的7%及3%計提。

(u) 關聯方

關聯方指受天津市政局監控的國有企業或其它公司(詳見附註31)。

(v) 合併會計報表的編製方法

合併會計報表包括本公司及納入合併範圍的子公司的會計報表，係根據中華人民共和國財政部財會字(1995)11號文《關於印發合併會計報表的暫行規定》及相關規定編製。

從取得子公司的實際控制權之日起，本公司開始將其相應期間的收入、成本、利潤納入合併；從喪失實際控制權之日起停止合併。本公司和納入合併範圍的子公司之間所有重大往來餘額及交易在合併會計報表編製時已予以抵銷。在合併會計報表中，少數股東權益指納入合併範圍的子公司的所有者權益中不屬於本集團所擁有的部分。

2 ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**(t) Taxation (Continued)****(iii) Value added tax**

The value added tax (VAT) payable is calculated as 17% of taxable sales, net of deductible input VAT.

(iv) Government surcharges

Government surcharges comprise of city construction tax and education surcharge, calculated respectively at the tax rate of 7% and 3% of the amount of business tax or value added tax.

(u) Related parties

Related parties refer to state-owned companies or other companies under the supervisory control of TMEB (Note 31).

(v) Basis of preparation of consolidated financial statements

The consolidated accounts, including the accounts of the Company and its subsidiaries, are prepared in accordance with Cai Kuai Zi (1995) No. 11 "Temporary Regulations for Preparation of Consolidated Accounts" issued by the Ministry of Finance.

From the date of obtaining the effective control on a subsidiary, the Company begins to consolidate the subsidiary's revenue, cost, profit, and will cease the consolidation from the date of losing effective control. All significant intercompany transactions and balances are eliminated in the consolidated accounts. Minority interests represent the portion of the equity interests of the subsidiaries which does not belong to the Group.

(根據中國會計規則編製)

(Prepared in accordance with PRC Accounting Regulations)

2 會計政策、會計估計和合併會計報表的編製方法 (續)**(v) 合併會計報表的編製方法 (續)**

當納入合併範圍的子公司與本公司採用的會計政策不一致，且由此產生的差異對合併報表影響較大時，按本公司執行的會計政策予以調整。

3 貨幣資金

現金	Cash on hand	234	151	2	8
銀行存款	Cash in bank	800,060	1,341,848	544,460	1,259,611
其中：	Including:				
在建工程專用資金 (註釋(a))	-Special funds for construction in progress (note (a))	281,742	129,145	266,329	128,887
保證金 (註釋(b))	-Bank deposits (note (b))	56,182	23,332	56,000	23,332
		800,294	1,341,999	544,462	1,259,619

(a) 在建工程專用資金為污水處理廠建設專有借款賬戶尚未使用的銀行存款餘額 (附註 1(b))。

(b) 於2005年12月31日，保證金餘額包括為可轉換債券擔保的保證金計人民幣47,000千元 (2004年：20,000千元)；其餘款項為項目投標保證金存款共計人民幣9,182千元 (2004年：3,332千元)。

2 ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**(v) Basis of preparation of consolidated financial statements (Continued)**

When there is inconsistency in accounting policies between the subsidiaries and the Company, and when the discrepancies arising from the inconsistency have a material impact on the consolidated accounts, they will be adjusted according to the Company's accounting policies.

3 CASH AND BANK BALANCES

		合併 Group		公司 Company	
		於2005年 12月31日 31 December 2005 人民幣千元 Rmb'000	於2004年 12月31日 31 December 2004 人民幣千元 Rmb'000	於2005年 12月31日 31 December 2005 人民幣千元 Rmb'000	於2004年 12月31日 31 December 2004 人民幣千元 Rmb'000
Cash on hand		234	151	2	8
Cash in bank		800,060	1,341,848	544,460	1,259,611
Including:					
-Special funds for construction in progress (note (a))		281,742	129,145	266,329	128,887
-Bank deposits (note (b))		56,182	23,332	56,000	23,332
		800,294	1,341,999	544,462	1,259,619

(a) The special funds for construction in progress represent the unutilised balances of the special loans for sewage water processing projects (Note 1 (b)).

(b) Balance as at 31 December 2005 includes Rmb47 million (2004: Rmb20 million) held as guarantee for the issuance of the Company's convertible bonds. The remaining balance of Rmb9.18 million (2004: Rmb3.33 million) represented deposit for project bids.

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)**3 貨幣資金 (續)**

列示於現金流量表的現金包括：

		合併 Group	公司 Company
		於 2005 年 12 月 31 日 31 December 2005 人民幣千元 Rmb'000	於 2004 年 12 月 31 日 31 December 2004 人民幣千元 Rmb'000
貨幣資金	Cash and bank balances	800,294	1,341,999
減：非銀行金融機構存款	Less: Deposit with non-bank financial institution	—	(400,000)
保證金	Restricted deposits	(56,182)	(23,332)
列示於現金流量表的現金	Cash shown on the cash flow statement	<u>744,112</u>	<u>918,667</u>

3 CASH AND BANK BALANCES (Continued)

For the purpose of the cash flow statement, cash comprises the following:

		合併 Group	公司 Company
		於 2005 年 12 月 31 日 31 December 2005 人民幣千元 Rmb'000	於 2004 年 12 月 31 日 31 December 2004 人民幣千元 Rmb'000
Cash and bank balances		800,294	1,341,999
Less: Deposit with non-bank financial institution		—	(400,000)
Restricted deposits		(56,182)	(23,332)
Cash shown on the cash flow statement		<u>744,112</u>	<u>918,667</u>

4 短期投資

於 2005 年 12 月 31 日的短期投資為本公司對一家第三方公司提供的委託貸款，到期日為 2006 年 3 月 23 日，年利率約為 5%。此筆委託貸款已於到期日得到償還。

4 SHORT-TERM INVESTMENT

The loan as at 31 December 2005 of Rmb16 million (2004:nil) represents entrusted loan to a third party with interest rate of about 5% per annum and maturity on 23 March 2006. This entrusted loan has been fully recovered on maturity.

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

5 應收賬款

應收賬款賬齡分析如下：

		合併 Group		公司 Company	
		於 2005 年 12 月 31 日 31 December 2005 人民幣千元 Rmb'000	於 2004 年 12 月 31 日 31 December 2004 人民幣千元 Rmb'000	於 2005 年 12 月 31 日 31 December 2005 人民幣千元 Rmb'000	於 2004 年 12 月 31 日 31 December 2004 人民幣千元 Rmb'000
1 年以內	Within 1 year	346,810	380,484	340,857	377,864
1-2 年	Between 1 and 2 years	187,195	13,318	187,195	13,318
應收賬款淨值	Net accounts receivable	<u>534,005</u>	<u>393,802</u>	<u>528,052</u>	<u>391,182</u>
應收賬款明細如下：	Details of the trade receivables are set out as follows:				
應收排水公司	Due from TSC				
- 污水處理收入	-Revenue from sewage water processing services	45,544	133,541	45,544	133,541
- 污水處理廠建設費收入	-Revenue from sewage water processing plants construction services	466,185	238,484	466,185	238,484
應收天津市車輛通行費徵收辦公室	Due from Tolls Collection Office				
- 車輛通行費收入	-Tolls	16,323	19,157	16,323	19,157
- 其它	-Others	—	639	—	—
應收貴陽城管局	Due from GCAB				
- 污水處理收入	-Revenue from sewage water processing service	5,953	1,981	—	—
		<u>534,005</u>	<u>393,802</u>	<u>528,052</u>	<u>391,182</u>
減：預計收回日期超過一年的 污水處理廠建設費收入 (註釋(i))	Less: Receivables of construction fee due in more than one year(note (i))	<u>(466,185)</u>	<u>—</u>	<u>(466,185)</u>	<u>—</u>
		<u>67,820</u>	<u>393,802</u>	<u>61,867</u>	<u>391,182</u>

年末應收賬款中無持有本公司 5% (含 5%) 以上表決權股份的股東的欠款。

註釋(i)：

根據與排水公司簽署的合作協議，排水公司將於相關資產完工和驗收後轉讓給本公司(附註1(b))。於2006年4月17日，排水公司就還款作出保證，排水公司會自2005年年底起兩年內用上述資產置換積欠本公司的建設費收入(最終協議尚需另定合約及經股東大會的批准)。截止2005年12月31日，這些由本公司正在使用及管理的資產金額約為人民幣6.18億元。因此，董事們相信對排水公司的應收款項能夠全部收回。

根據還款計劃，應收建設費收入的餘額人民幣4.66億元被重分類至長期應收款。

Ageing analysis of accounts receivable is as follows:

		合併 Group		公司 Company	
		於 2005 年 12 月 31 日 31 December 2005 人民幣千元 Rmb'000	於 2004 年 12 月 31 日 31 December 2004 人民幣千元 Rmb'000	於 2005 年 12 月 31 日 31 December 2005 人民幣千元 Rmb'000	於 2004 年 12 月 31 日 31 December 2004 人民幣千元 Rmb'000
1 年以內	Within 1 year	346,810	380,484	340,857	377,864
1-2 年	Between 1 and 2 years	187,195	13,318	187,195	13,318
應收賬款淨值	Net accounts receivable	<u>534,005</u>	<u>393,802</u>	<u>528,052</u>	<u>391,182</u>
應收賬款明細如下：	Details of the trade receivables are set out as follows:				
應收排水公司	Due from TSC				
- 污水處理收入	-Revenue from sewage water processing services	45,544	133,541	45,544	133,541
- 污水處理廠建設費收入	-Revenue from sewage water processing plants construction services	466,185	238,484	466,185	238,484
應收天津市車輛通行費徵收辦公室	Due from Tolls Collection Office				
- 車輛通行費收入	-Tolls	16,323	19,157	16,323	19,157
- 其它	-Others	—	639	—	—
應收貴陽城管局	Due from GCAB				
- 污水處理收入	-Revenue from sewage water processing service	5,953	1,981	—	—
		<u>534,005</u>	<u>393,802</u>	<u>528,052</u>	<u>391,182</u>
減：預計收回日期超過一年的 污水處理廠建設費收入 (註釋(i))	Less: Receivables of construction fee due in more than one year(note (i))	<u>(466,185)</u>	<u>—</u>	<u>(466,185)</u>	<u>—</u>
		<u>67,820</u>	<u>393,802</u>	<u>61,867</u>	<u>391,182</u>

As at 31 December 2005, there were no accounts receivables from any of the Company's shareholders who hold 5% or more of voting shares.

Note (i):

Under the Co-operative Agreement, TSC would sell certain of its assets to the Company upon completion and verification (Note 1(b)). Accordingly on 17 April 2006, TSC confirmed to the Company that it would pay all the construction fees owed to the Company using the above mentioned assets within two years from the year end of 2005 (final agreement is subject to the Company shareholders' approval). As at 31 December 2005, these assets, which are currently used and managed by the Company, amount to about Rmb618 million. As such, the Directors believe that the amount due from TSC is fully recoverable.

Following the repayment plan, the balance of Rmb466 million representing construction fee income has been reclassified to long-term receivables.

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)**6 其它應收款**

其它應收款賬齡主要在一年以內，年末餘額中無持有本公司5%（含5%）以上表決權股份的股東的欠款。

6 OTHER RECEIVABLES

As at 31 December 2005, the majority of other receivables are aged within one year and there were no other receivables from any of the Company's shareholders who hold 5% or more of voting shares.

7 預付賬款**7 PREPAYMENTS TO SUPPLIERS**

		合併 Group		公司 Company	
		於 2005 年 12 月 31 日 31 December 2005 人民幣千元 Rmb'000	於 2004 年 12 月 31 日 31 December 2004 人民幣千元 Rmb'000	於 2005 年 12 月 31 日 31 December 2005 人民幣千元 Rmb'000	於 2004 年 12 月 31 日 31 December 2004 人民幣千元 Rmb'000
預付購樓款	Prepayment for purchase of a building	—	115,411	—	115,411
其它	Others	4,016	3,042	1,467	404
		<u>4,016</u>	<u>118,453</u>	<u>1,467</u>	<u>115,815</u>

截止 2004 年 12 月 31 日，預付款餘額中包括約 1.15 億元為本公司目前所用之辦公樓繳付的預付款（附註 10），該金額已於 2005 年度轉入固定資產。

Prepayments as at 31 December 2004 included about Rmb115 million being the prepayment for the office building (Note 10). This amount has been transferred to fixed assets during 2005.

年末預付賬款中無持有本公司 5%（含 5%）以上表決權股份的股東的欠款。

As at 31 December 2005, there were no prepayments to suppliers from any of the Company's shareholders who hold 5% or more of voting shares.

8 存貨**8 INVENTORIES**

		合併 Group		公司 Company	
		於 2005 年 12 月 31 日 31 December 2005 人民幣千元 Rmb'000	於 2004 年 12 月 31 日 31 December 2004 人民幣千元 Rmb'000	於 2005 年 12 月 31 日 31 December 2005 人民幣千元 Rmb'000	於 2004 年 12 月 31 日 31 December 2004 人民幣千元 Rmb'000
原材料	Raw materials	2,918	1,954	2,510	1,646
產成品	Finished goods	6,423	3,725	—	—
零部件和低值易耗品	Spare parts and consumables	2,487	121	104	121
		<u>11,828</u>	<u>5,800</u>	<u>2,614</u>	<u>1,767</u>

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

9 長期股權投資

9 LONG-TERM EQUITY INVESTMENTS

		合併 Group		公司 Company	
		於 2005 年 12 月 31 日 31 December 2005 人民幣千元 Rmb'000	於 2004 年 12 月 31 日 31 December 2004 人民幣千元 Rmb'000	於 2005 年 12 月 31 日 31 December 2005 人民幣千元 Rmb'000	於 2004 年 12 月 31 日 31 December 2004 人民幣千元 Rmb'000
子公司投資 (註釋(a))	Investment in subsidiaries (note (a))	—	—	437,036	133,243
其它長期股權投資 (註釋(b))	Other long-term equity investments (note (b))	6,000	6,000	4,000	4,000
		<u>6,000</u>	<u>6,000</u>	<u>441,036</u>	<u>137,243</u>

子公司本年度投資變動情況如下：

The movement of equity investment in subsidiaries for year 2005 is set out below:

12 月 31 日 31 December 2004 人民幣千元 Rmb'000	原始成本 Initial cost	12 月 31 日 31 December 2005 人民幣千元 Rmb'000	12 月 31 日 31 December 2004 人民幣千元 Rmb'000	權益累計變動 Accumulated changes in equity 本年應佔 投資損失/ 資本溢價 Share loss/ contribution surplus for the year 人民幣千元 Rmb'000	12 月 31 日 31 December 2005 人民幣千元 Rmb'000	帳面價值 Book value	
						12 月 31 日 31 December 2004 人民幣千元 Rmb'000	12 月 31 日 31 December 2005 人民幣千元 Rmb'000
<u>139,500</u>	<u>310,880</u>	<u>450,380</u>	<u>(6,257)</u>	<u>(7,087)</u>	<u>(13,344)</u>	<u>133,243</u>	<u>437,036</u>

9 長期股權投資 (續)

(a) 子公司投資

除天津創業環保(香港)有限公司在香港註冊外,本公司其它子公司均在中國境內註冊設立。

子公司名稱 Name of subsidiary	主要業務 Principal activities	註冊資本 Paid-up capital 人民幣 百萬元 (In million)	公司 投資成本 Investment 人民幣 百萬元 (In million)	所佔權益 Interest held (%)
貴州創業水務有限公司 (貴州水務) Guizhou Capital Water Co., Ltd.	市政污水處理廠設施開發建設及 相關污水處理設施的諮詢 Development and construction of municipal sewage water plants	Rmb100	95	95
天津中水有限責任公司(中水) (註釋 i) Tianjin Water Recycling Co., ("TWRC") (note(i))	中水生產、中水設施開發建設及 中水技術諮詢 Production of recycled water, equipment development and technical consulting for water recycling business.	Rmb100	98	98
天津創業建材有限公司 (創業建材)(註釋 ii) Tianjin Capital New Materials Co., Ltd. ("TCNM") (note(ii))	新型建築材料的製造、銷售 Manufacture of new types of construction materials	Rmb45	26	58
2005年新成立: Established during 2005:				
赤壁創業水務有限公司 Chibi Capital Water Co., Ltd.	開辦期 Pre-operating	Rmb35	33	99.75
寶應創業水務有限公司 Baoying Capital Water Co., Ltd.	開辦期 Pre-operating	Rmb38	27	70
阜陽創業水務有限公司 Fuyang Capital Water Co., Ltd.	開辦期 Pre-operating	Rmb45	44	99.90
洪湖創業水務有限公司 Honghu Capital Water Co., Ltd.	開辦期 Pre-operating	Rmb20	18	90
曲靖創業水務有限公司 Qujing Capital Water Co., Ltd.	開辦期 Pre-operating	Rmb120	108	90
天津創業環保(香港)有限公司 Tianjin Capital Environmental Protection (HK) Co., Ltd.	開辦期 Pre-operating	美金 USD7.8	1	100

9 LONG-TERM EQUITY INVESTMENTS (Continued)

(a) Investment in subsidiaries

The Company's subsidiaries are registered and established in China other than Tianjin Capital Environmental Protection (Hong Kong) Co., Ltd. which is registered in Hong Kong.

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

9 長期股權投資 (續)

(a) 子公司投資 (續)

註釋：

- (i) 於2005年8月24日，本公司決定向中水增加投資人民幣8,000萬元。此次增資後，中水的註冊資本增加至人民幣1億元，本公司所佔權益增加到98%。
- (ii) 於2005年12月29日，創業建材要求增資人民幣800萬元。本公司並未響應其增資要求，故所佔股份比例由71%下降至58%。

(b) 其它長期股權投資

9 LONG-TERM EQUITY INVESTMENTS (Continued)

(a) Investment in subsidiaries (Continued)

Note:

- (i) On 24 August 2005, the Company resolved to increase its investment in TWRC by Rmb80 million. After this additional capital contribution, the registered capital of TWRC increased to Rmb100 million and the Company's equity interest increased to 98%.
- (ii) On 29 December 2005, TCNM made a further call for capital of Rmb8 million. As the Company did not take up its share of call, the Company's shareholding was diluted from 71% to 58%.

(b) Other long-term equity investments

		合併 Group		公司 Company	
		Percentage of interest in registered capital 佔被投資公司 註冊資本比例 百分比 %	Cost 股權成本 人民幣千元 Rmb'000	Percentage of interest in registered capital 佔被投資公司 註冊資本比例 百分比 %	Cost 股權成本 人民幣千元 Rmb'000
天津市寶通輕集料 有限公司(*)	Tianjin Baotong Qinjiliao Co., Ltd.(*).	20	2,000	20	2,000
天津北方人才港股份 有限公司	Tianjin Northern Human Resources Co., Ltd.	6.1	2,000	6.1	2,000
天津城網工程管理 有限公司(*)	Tianjin Pipeline Engineering Management Co., Ltd.(*).	20	2,000	—	—
			6,000		4,000
			6,000		4,000

* 本集團對其無重大影響。

* The Group has no significant influence on these entities.

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)10 固定資產及累計折舊／攤銷 10 FIXED ASSETS AND ACCUMULATED DEPRECIATION/
AMORTISATION

		合併 Group					合計 Total
		土地使用權 Land use rights 人民幣千元 Rmb'000	道路 Road 人民幣千元 Rmb'000	房屋及 建築物 Buildings and structures 人民幣千元 Rmb'000	機器設備 Machinery and equipment 人民幣千元 Rmb'000	運輸車輛 及其它 Motor vehicles and others 人民幣千元 Rmb'000	
原值	Cost						
2005年1月1日餘額	At 1 January 2005	649,891	185,418	687,041	277,840	75,852	1,876,042
固定資產重分類	Fixed assets reclassification	—	—	4,412	(21,879)	17,467	—
本年增加	Additions	—	—	281,834	44,469	17,141	343,444
其中：在建工程轉入	Include: transferred from CIP	—	—	102,124	41,229	14,409	157,762
本年減少	Disposals	—	—	(2,022)	(5,742)	(1,658)	(9,422)
2005年12月31日餘額	At 31 December 2005	649,891	185,418	971,265	294,688	108,802	2,210,064
累計折舊／攤銷	Accumulated depreciation/ amortisation						
2005年1月1日餘額	At 1 January 2005	(71,337)	(39,448)	(291,389)	(144,165)	(35,987)	(582,326)
本年計提	Additions	(14,666)	(3,453)	(25,539)	(14,521)	(12,713)	(70,892)
本年減少	Disposals	—	—	2,012	5,468	863	8,343
2005年12月31日餘額	At 31 December 2005	(86,003)	(42,901)	(314,916)	(153,218)	(47,837)	(644,875)
淨值	Net book value						
2005年12月31日餘額	At 31 December 2005	563,888	142,517	656,349	141,470	60,965	1,565,189
2004年12月31日餘額	At 31 December 2004	578,554	145,970	395,652	133,675	39,865	1,293,716

本集團的所有土地、道路、房屋及建築物均位於中國境內。

於2005年12月31日，本公司之子公司天津中水有限責任公司之固定資產及在建工程賬面淨值約為人民幣1.38億元。儘管該子公司持續虧損，鑒於中水業務為政府鼓勵之產業，本公司董事們認為在現階段沒有發現對此類資產計提減值準備的跡象。

All of the Group's land use rights, road, buildings and structures are located in the PRC.

Of the Group's net book value of fixed assets and construction in progress as at 31 December 2005, about Rmb138 million relates to the Company's subsidiary, Tianjin Water Recycling Co., Ltd., which has been incurring continuous losses since commencement of its operations. Given the promising prospects of water recycling industry as encouraged by the PRC government, the Directors of the Company believe there is no indication at the current stage that these assets may be permanently impaired.

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

10 固定資產及累計折舊／攤銷 10 FIXED ASSETS AND ACCUMULATED DEPRECIATION/ AMORTISATION (Continued)

		公司 Company					合計 Total
		土地使用權 Land use rights 人民幣千元 Rmb'000	道路 Road 人民幣千元 Rmb'000	房屋及 建築物 Buildings and structures 人民幣千元 Rmb'000	機器設備 and Machinery and equipment 人民幣千元 Rmb'000	運輸車輛 及其它 Motor vehicles and others 人民幣千元 Rmb'000	
原值	Cost						
2005年1月1日餘額	At 1 January 2005	645,804	185,418	628,101	205,823	68,089	1,733,235
本年增加	Additions	—	—	164,800	1,544	8,063	174,407
其中：在建工程轉入	Include: transferred from CIP	—	—	12,105	—	4,061	16,166
本年減少	Disposals	—	—	(2,022)	(5,742)	(1,666)	(9,430)
2005年12月31日餘額	At 31 December 2005	645,804	185,418	790,879	201,625	74,486	1,898,212
累計折舊／攤銷	Accumulated depreciation/ amortisation						
2005年1月1日餘額	At 1 January 2005	(71,112)	(39,448)	(289,527)	(137,376)	(34,863)	(572,326)
本年增加	Additions	(14,581)	(3,453)	(19,966)	(9,358)	(5,830)	(53,188)
本年減少	Disposals	—	—	2,012	5,468	863	8,343
2005年12月31日餘額	At 31 December 2005	(85,693)	(42,901)	(307,481)	(141,266)	(39,830)	(617,171)
淨值	Net book value						
2005年12月31日餘額	At 31 December 2005	560,111	142,517	483,398	60,359	34,656	1,281,041
2004年12月31日餘額	At 31 December 2004	574,692	145,970	338,574	68,447	33,226	1,160,909

本年度新增辦公樓的購置總價為人民幣1.56億元。截至本年末，其剩餘款項約人民幣3,700萬元將於該辦公樓之所有權轉讓給本公司後付清。

該辦公樓相關的產權轉讓手續正在辦理中。根據本集團法律顧問的意見，董事們確信最終能取得相關的產權而不會產生任何額外的重大成本。

The total price for the new office building acquired in 2005 has been agreed at Rmb156 million. As at 31 December 2005 the remaining amount due of about Rmb37 million will be settled when the ownership of the building is transferred to the Company.

Transfer of the ownership of the building is in process. Based on the legal advice from the Group's legal counsel, the Directors of the Company believe that the title will be received in due course without additional significant cost to the Group, if any.

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

11 在建工程

11 CONSTRUCTION IN PROGRESS

工程項目名稱 Water Recycling Project	預算數 Budget costs 人民幣千元 Rmb'000	於 2005 年 1 月 1 日 As at 1 January 2005 人民幣千元 Rmb'000	本年增加 Additions 人民幣千元 Rmb'000	本年轉出 Transferred out 人民幣千元 Rmb'000	於 2005 年 12 月 31 日 As at 31 December 2005 人民幣千元 Rmb'000	資金來源 Source of funds	工程投入佔 預算的比例 Incurred costs to budget costs ratio (%)	
咸陽路 污水處理廠	Xian Yang Lu	1,199,720	544,536	52,574	—	597,110	自籌及銀行貸款 Bank loans and self-raised fund	50
紀庄子污水 處理廠 (擴建)	Ji Zhuang Zi (Expansion)	1,054,722	634,477	39,635	—	674,112	自籌及銀行貸款 Bank loans and self-raised fund	64
北倉污水處理廠	Bei Cang	366,327	104,845	26,979	—	131,824	自籌及銀行貸款 Bank loans and self-raised fund	36
研發中心	Research and Development Center	16,546	6,525	1,613	(932)	7,206	自籌 Self-raised fund	44
紀庄子污水 處理廠 (改建)	Ji Zhuang Zi (Reconstruction)	58,990	5,175	53,246	—	58,421	自籌 Self-raised fund	99
員工宿舍樓項目	Staff Dormitory	8,907	5,401	576	—	5,977	自籌 Self-raised fund	67
赤壁污水處理廠	Chibi	23,000	6,591	—	(6,591)	—	自籌 Self-raised fund	
其它	Others	—	12,353	3,510	(15,234)	629	自籌 Self-raised fund	
公司合計	Total (Company)	2,728,212	1,319,903	178,133	(22,757)	1,475,279		
紀庄子污水 回用工程	Ji Zhuang Zi Water Recycling Project	138,348	138,348	161	(138,509)	—	自籌、銀行貸款 及專項貸款 Specific bank loans and self-raised fund	
寶應污水處理廠	Baoying	93,400	—	47,982	—	47,982	自籌 Self-raised fund	51
其它	Others	—	3,087	31,413	(3,087)	31,413	自籌 Self-raised fund	
合併合計	Total (Group)	2,959,960	1,461,338	257,689	(164,353)	1,554,674		
其中：借款費用 資本化金額	Including: Capitalised borrowing costs							
—公司	-Company		38,231	35,254	—	73,485		
—合併	-Group		43,543	35,254	(7,536)	71,261		

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

11 在建工程 (續)

咸陽路、紀庄子及北倉污水處理廠已於2006年第一季度內基本完工，其正式投入運營尚需通過相關主管部門的驗收。預計驗收工作將於未來12個月內完成。

根據建設收費協議中的相關條款（附註1(b)），排水公司會在污水處理廠竣工驗收後支付污水處理費。在2006年3月20日，本公司董事們提議污水處理費應在出水水質驗收合格後開始收取而不是竣工驗收後的商業運營日。這個提議取決於本公司為此相關的臨時股東大會批准。

12 長期預付款

根據本公司之子公司阜陽創業水務有限公司（「阜陽水務」）與阜陽市建設委員會於2005年12月18日簽訂的協議，阜陽水務取得原屬阜陽市政府所有的阜陽市污水處理廠30年期的資產部分權益權利，並為此支付人民幣1.02億元的對價。2005年12月31日的長期預付款人民幣41百萬元為阜陽水務根據該協議向阜陽市建設委員會支付的部分預付款項。

11 CONSTRUCTION IN PROGRESS (Continued)

All the three sewage water processing plants in Tianjin were substantially completed during the first quarter 2006 and will be subject to inspection by relevant authorities before commencing commercial operations. The inspection process is expected to be completed within the next twelve months.

Under the terms of the Construction Agreement (Note 1(b)), the Company will collect processing fees upon commencement of the plants' operations. On 20 March 2006, the Directors of the Company proposed that processing fees be payable from completion date of construction rather than completion of the inspection date. This proposal is pending approval by the Company's shareholders at the forthcoming Extraordinary General Meeting.

12 LONG-TERM PREPAYMENT TO SUPPLIERS

Pursuant to the agreement dated 18 December 2005, the Company is committed to a total consideration of Rmb102 million to Fuyang Construction Committee for the 30-year asset beneficiary right of sewage plant originally owned by Fuyang Government. The balance of long-term prepayment as at 31 December 2005 of Rmb41 million represents a portion of prepayment to Fuyang Construction Committee.

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

13 短期借款

中國民生銀行	China Minsheng Bank	300,000	—	5	1 億元借款為天津市政投資有限公司擔保
深圳發展銀行	Shen Zhen Development Bank	100,000	—	5.6	—
中信實業銀行	CITIC Industrial Bank	90,000	—	5	—
上海浦東發展銀行	Shanghai Pudong Development Bank	100,000	100,000	5.6	—
公司合計	Total-Company	590,000	100,000		
其它銀行	Other banks	5,000	15,000	5.3-6.4	天津市政投資有限公司 TMICL
合併合計	Total-Group	595,000	115,000		

13 SHORT-TERM LOANS

		於 2005 年 12 月 31 日 As at 31 December 2005 人民幣千元 Rmb'000	於 2004 年 12 月 31 日 As at 31 December 2004 人民幣千元 Rmb'000	2005 年度 年利率 Interest Rate Year 2005 %	擔保人 Guarantor
		300,000	—	5	1 億元借款為天津市政投資有限公司擔保 Including 100 million guaranteed by the Company's controlling shareholder-Tianjin Municipal Investment Company Limited ("TMICL")
		100,000	—	5.6	—
		90,000	—	5	—
		100,000	100,000	5.6	—
		590,000	100,000		
		5,000	15,000	5.3-6.4	天津市政投資有限公司 TMICL
		595,000	115,000		

14. 應付賬款

年末應付賬款中無應付持有本公司 5% (含 5%) 以上表決權股份的股東的款項。

15 預收賬款

年末預收賬款中無預收持有本公司 5% (含 5%) 以上表決權股份的股東的款項。

14 ACCOUNTS PAYABLE

As at 31 December 2005, there were no accounts payable to any of the Company's shareholders who hold 5% or more of the voting shares.

15 ADVANCES FROM CUSTOMERS

As at 31 December 2005, there were no advances from any of the Company's shareholders who hold 5% or more of voting shares.

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

16 應付股利

本公司於2005年5月31日召開的股東大會通過決議，以截至2004年12月31日止之總股本13.3億股為基數，每10股派發現金紅利人民幣1元(含稅)予股東，共計人民幣1.33億元(2004年：每10股派發現金紅利人民幣8角(含稅)予股東，共計人民幣1.06億元)。

年末應付股利的餘額為尚未支付給部分境內法人股之股利。

16 DIVIDEND PAYABLE

Pursuant to the shareholders meeting held on 31 May 2005, the Directors proposed to distribute a final dividend of Rmb1.00 (tax included) for every ten shares held by shareholders based on the total number of shares of 1,330 million as at 31 December 2004, totalling Rmb133 million (2004: Rmb0.80 (tax included) for every ten shares held by shareholders, totalling Rmb106 million).

The balance as at 31 December 2005 represents the dividend for prior years not yet paid to the legal person shareholders in China.

17 應交稅金

17 TAXES PAYABLE

		合併 Group		公司 Company	
		於2005年 12月31日 31 December 2005 人民幣千元 Rmb'000	於2004年 12月31日 31 December 2004 人民幣千元 Rmb'000	於2005年 12月31日 31 December 2005 人民幣千元 Rmb'000	於2004年 12月31日 31 December 2004 人民幣千元 Rmb'000
應交所得稅	Income tax	71,445	88,186	69,787	87,301
應交營業稅及其它	Business tax and others	4,962	6,066	5,666	5,287
		<u>76,407</u>	<u>94,252</u>	<u>75,453</u>	<u>92,588</u>

18 其它應付款

18 OTHER PAYABLES

		合併 Group		公司 Company	
		於2005年 12月31日 31 December 2005 人民幣千元 Rmb'000	於2004年 12月31日 31 December 2004 人民幣千元 Rmb'000	於2005年 12月31日 31 December 2005 人民幣千元 Rmb'000	於2004年 12月31日 31 December 2004 人民幣千元 Rmb'000
應付建設成本	Construction costs payable	70,547	97,720	70,547	97,720
應付購買固定資產款項	Payable for purchase of fixed assets	50,512	55,000	36,589	—
其它	Others	7,984	3,864	4,758	3,774
合計	Total	<u>129,043</u>	<u>156,584</u>	<u>111,894</u>	<u>101,494</u>

年末其它應付款中無應付持有本公司5%(含5%)以上表決權股份的股東的款項。

As at 31 December 2005, there were no other payables to the Company's shareholders who hold 5% or more of voting shares.

19 長期借款

長期借款具體還款期如下：

19 LONG-TERM LOANS

The loans mature as follows:

		合併 Group		公司 Company	
		於 2005 年 12 月 31 日 31 December 2005 人民幣千元 Rmb'000	於 2004 年 12 月 31 日 31 December 2004 人民幣千元 Rmb'000	於 2005 年 12 月 31 日 31 December 2005 人民幣千元 Rmb'000	於 2004 年 12 月 31 日 31 December 2004 人民幣千元 Rmb'000
一年以內	Payable within one year	62,500	50,000	60,000	50,000
第二年在內	Payable in the second year	136,500	60,000	134,000	60,000
第三年至第五年在內	Payable in the third year to fifth year	448,500	502,000	391,000	452,000
五年以後	Payable after the fifth year	57,500	43,000	50,000	43,000
		<u>705,000</u>	<u>655,000</u>	<u>635,000</u>	<u>605,000</u>
減：已列入流動負債的 一年內到期金額	Less: Portion of long-term liabilities due within one year	(62,500)	(50,000)	(60,000)	(50,000)
		<u>642,500</u>	<u>605,000</u>	<u>575,000</u>	<u>555,000</u>
其中包括：	Including:				
國家開發銀行（註釋(a)）	State Development Bank (note(i))	585,000	555,000	585,000	555,000
中國光大銀行（註釋(b)）	China Everbright Bank (note(ii))	100,000	100,000	50,000	50,000
中國建設銀行（註釋(c)）	China Construction Bank (note(iii))	20,000	—	—	—
		<u>705,000</u>	<u>655,000</u>	<u>635,000</u>	<u>605,000</u>

(a) 該借款由天津市政局提供保證擔保及其擁有業務中的部分收費權作為質押。該銀行貸款利率依據中國人民銀行頒佈的長期借款利率而變動，現時年利率為 5.8% 到 6.1%（2004 年：5.8%）。

(b) 該借款由排水公司提供污水處理費收費權作為質押以及由本公司控股股東提供保證擔保，年利率為 5% 到 5.8%（2004 年：5% 到 5.8%）。

(c) 該借款由本公司提供保證擔保。借款利率為中國人民銀行長期借款利率，現時平均年利率為 6.1%（2004 年：無）。

(i) This borrowing is secured by TMEB guarantee together with certain of its fee collection rights, and bears an interest floating in accordance with the rates for long-term loans as promulgated by the People's Bank of China. The average prevailing interest rate ranges from 5.8% to 6.1% (2004: 5.8%) per annum.

(ii) The borrowing is secured by the right to receive sewage water processing fees of TSC together with guarantee from TMICL and bears interest rate ranging from 5% to 5.8% (2004: 5% to 5.8%) per annum.

(iii) This borrowing is secured by the Company's guarantee and bears interest in accordance with the rates for long-term loans as promulgated by the People's Bank of China. The average prevailing interest rate is 6.1% (2004: nil) per annum.

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

20 應付債券

20 CONVERTIBLE BONDS

		發行 Issuance	2004年 12月31日 31 December 2004	贖回與 轉股部分 Portion of redemption and conversion	2005年 12月31日 31 December 2005
債券數量 (千張)	No. of bonds (units in '000)	12,000	12,000	(8,279)	3,721
債券金額 (千元)	Value of bonds (Rmb '000)	1,200,000	1,200,000	(827,903)	372,097

本公司於2004年7月1日公開發行1,200萬張可轉換公司債券，每張面值人民幣100元，共計發行可轉換公司債券金額人民幣12億元。扣除發行費用約人民幣3,500萬元後，發行債券所融資之淨金額為人民幣11.65億元。該債券在上海證券交易所上市交易。

On 1 July 2004, the Company issued 12 million "A share" convertible bonds certificates at face value of Rmb100 each ("Bonds"), which was listed on Shanghai Stock Exchange. The aggregate amount of the Bonds issued was Rmb1,200 million. The net cash received from issuance of bonds is about Rmb1,165 million after deducting the issuance expenses of about Rmb35 million.

- **回售**

2005年8月期間可轉換債券持有人向本公司回售了約人民幣8.24億元的可轉債，同時本公司支付了約人民幣1,650萬元的回售補償金。

- **Redemption during the year:**

About 8.24 million of Bonds were redeemed during August 2005. The premium for the redemption is Rmb16.5 million.

- **轉股**

截至2005年12月31日，累計約有400萬元可轉換公司債券轉換成了A股股票，轉股價格為人民幣6.08元。轉股後，本公司的股本和股本溢價分別增加人民幣658,058元和人民幣3,342,942元。

- **Conversion during the year:**

During 2005, Bonds with aggregate value of about Rmb4 million were converted into the Company's A shares at Rmb6.08 per share. As a result of conversion, the Company's share capital and capital reserve increased by Rmb658,058 and Rmb3,342,942 respectively.

20 應付債券 (續)• **主要條款**

- (i) 此可轉換公司債券由中國建設銀行天津市分行（「擔保人」）提供全額擔保，並由本公司控股股東向該擔保人提供反擔保。轉股期自發行之日（2004年7月1日）12個月後的第一個交易日（2005年7月1日）起（含當日），至可轉換公司債券到期日（2009年6月30日）前的一個交易日止（含當日），持有人可在轉股期內申請轉股，本公司可轉換債券的初始轉股價格為每股人民幣7.7元。在轉股期內，本公司董事會有權根據公司股票的市场價格修正轉股價格。如果轉股期間沒有贖回、轉股、回售或者中止交易行為的發生，在公司可轉債到期之後的5個交易日內，本公司除全額償還到期未轉股的債券的本金及第五年的利息外，還將補償支付到期債券持有人第5年票面利息之5倍和其5年持有期間內實際所獲利息之間的差額。

20 CONVERTIBLE BONDS (Continued)• **Principal terms of bonds:**

- (i) The Bonds, guaranteed by the Construction Bank of China, Tianjin Branch (“the guarantor”) and counter-guaranteed by TMICL to the guarantor, are convertible into shares of the Company at any time on and after 1 July 2005 and prior to 30 June 2009. The initial conversion price of the bonds is set as Rmb7.7 per share and the Company is entitled to revise the conversion price during the conversion period based on the market price of the Company’s shares. Unless previously redeemed, converted or purchased and cancelled, the bonds will be redeemed within 5 days after maturity date on 30 June 2009 at 100% of the principal amount and accrued interest in the fifth year plus an interest compensation for the difference between the five times of bond interest of the fifth year and actual total interest paid in the 5 years.

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

20 應付債券 (續)

- 主要條款 (續)

本公司發行的債券的票面年利率為 1.7% 至 2.7%，實際支付與債券持有人的利息將在票面利率的基礎上根據國家法定五年期存款利率的當時水平予以調整。截至 2005 年 12 月 31 日止年度，本公司計提了債券利息約為人民幣 1,900 萬元 (2004 年度：人民幣 1,400 萬元)。

本公司在可轉換公司債券發行日一年後至債券存續期滿有提前贖回債券的權利。如果本公司 A 股股票在任何連續 30 個交易日中任意 20 個交易日的收盤價格不低於當期轉股價格的 130%，本公司有權按面值的 102% 並另加所在計息年度年利息的價格贖回全部或部分未轉股的可轉換債券。

可轉換公司債券持有人擁有在可轉換公司債券轉股期內回售債券的權利。如果本公司 A 股股票在任何連續 30 個交易日中任意 20 個交易日的收盤價格低於當期轉股價格的 70% 時，債券持有人有權將其持有的可轉換公司債券全部或部分回售給本公司。

20 CONVERTIBLE BONDS (Continued)

- Principal terms of bonds: (Continued)

These Bonds bear interest ranging from 1.7% to 2.7%. The actual interest payable to the bond holders will be based on the carrying bond interest rate and adjusted according to the five-year fixed deposit rate published by the State. As at 31 December 2005, the Company accrued the related bonds interest of about Rmb19 million (2004: Rmb14 million).

The Company has the option to redeem the bonds one year after its issuance through its maturity in whole or in part at 102% of par value plus current year's interest, provided that during conversion period, the closing prices of the A shares for any 20 days in 30 consecutive trading days are more than 130% of the conversion price.

The Bonds holder has the option to resell the bond to the Company in the conversion period in whole or in part, provided that during the conversion period, the closing prices of the A shares for any 20 days in 30 consecutive trading days are less than 70% of the conversion price.

20 應付債券 (續)

- **主要條款 (續)**
 - (ii) 根據可轉債募集說明書有關轉股價格調整的條款，截至2005年12月31日止，轉股價格由初始人民幣7.7元累計下調至人民幣6.08元。

21 一年內到期的長期負債

一年內到期的長期負債主要包括本公司之子公司從天津市政局獲得的專項資金，共計人民幣8,100萬元，用於紀庄子污水回用工程建設。其餘應付款項約人民幣1,083萬元，為從天津市政府其它部門獲得，其中1,000萬元用於紀庄子污水回用工程建設。以上專項應付款自其各自取得之日起至本期末不計息，並只需在具體項目完成後才商議確定還款日期和方法。

上述長期負債的還款計劃尚在商討中。由於相關條款尚未確定，上述應付款項已轉入流動負債。

22 長期應付款

於2005年度本公司自天津市政工程局獲得轉貸國債資金人民幣1.8億元，用於污水處理廠建設。該貸款自2005年起分12年等額償還。貸款年利率前6年為5%，從第七年起利率為當年起息日中國人民銀行公佈的一年期存款年利率加0.3%。

20 CONVERTIBLE BONDS (Continued)

- **Principal terms of bonds: (Continued)**
 - (ii) Pursuant to the provision relating to the downward adjustment to the conversion price in the prospectus, the conversion price has been revised downward from the initial Rmb7.7 to Rmb6.08 as at 31 December 2005.

21 LONG-TERM LIABILITIES DUE WITHIN ONE YEAR

Specific payables mainly include specific fund totalling Rmb81 million (2004: Rmb81 million), granted by TMEB to one of the Company's subsidiaries for the construction of Tianjin Ji Zhuang Zi Sewage Water Recycling Project. The remaining balance of about Rmb10.83 million was obtained from other authorities of Tianjin Municipal Government, of which Rmb10 million was used for the construction of Tianjin Ji Zhuang Zi Sewage Water Recycling Project. These specific payables are interest free, and the method and date of repayment will only be determined after the completion of the construction project.

The repayment scheme for the long-term liabilities mentioned above is still under negotiation. As the terms are uncertain, these payables have been reclassified to current liabilities

22 LONG-TERM PAYABLES

The Rmb180 million loan from TMEB was taken during 2005 specifically for construction of Sewage Water processing plants. The loan is repayable in equal instalments within twelve years from 2005. The loan bears interest at 5% per annual for the first six years. From the seventh year to maturity, the interest will be based on the one-year deposit plus 0.3% premium.

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

23 股本

23 SHARE CAPITAL

		公司 Company		
		於 2005 年 12 月 31 日 31 December 2005		於 2004 年 12 月 31 日 31 December 2004
		股份數 No. of shares 千股 '000	人民幣千元 Rmb'000	人民幣千元 Rmb'000
已發行及繳足股本	Issued and paid up capital			
(1) 每股面值為人民幣 1 元之 A 股：	(1) A shares with per value Rmb1:			
尚未流通股份	Non-circulating shares			
國家股	State shares	839,020	839,020	839,020
境內法人股	Legal person shares	38,485	38,485	38,485
已流通股份	Circulating shares			
社會公眾股	Public shares	113,153	113,153	112,495
		<u>990,658</u>	<u>990,658</u>	<u>990,000</u>
(2) 每股面值為人民幣 1 元之 H 股：	(2) H shares with per value Rmb1:			
已流通境外外資股份	Circulating shares outside China			
社會公眾股	Public shares	340,000	340,000	340,000
		<u>1,330,658</u>	<u>1,330,658</u>	<u>1,330,000</u>

所有 A 股及 H 股在各方面均享有同等權益。

All the A and H shares rank pari passu in all respects.

不同類別股本變動情況如下：

The changes in shares by classification are set out below:

		股份數量 Number of shares			估總 股本比例(%) % of total share capital
		2004 年 12 月 31 日 As at 31 December 2004	本年增加 附註 20 Increase (Note 20)	2005 年 12 月 31 日 As at 31 December 2005	
非流通股	Non-circulating shares	877,505,000	—	877,505,000	65.95
流通 A 股	Circulating A shares				
— 社會公眾股	- Public shares	112,495,000	658,058	113,153,058	8.50
流通 H 股	Circulating H shares				
— 社會公眾股	- Public shares	340,000,000	—	340,000,000	25.55
		<u>1,330,000,000</u>	<u>658,058</u>	<u>1,330,658,058</u>	<u>100</u>

23 股本 (續)

本公司於 2003 年 12 月 23 日已與紐約銀行(作為託管銀行)建立一級美國存托憑證計劃(ADR)。美國證券交易委員會已宣佈該美國存托憑證計劃之註冊說明書生效。該美國存托憑證計劃中之每份美國存托憑證相等於二十股本公司於香港聯合交易所有限公司上市的 H 股股份。該美國存托憑證計劃中之美國存托憑證將不會在美國的任何證券交易所上市，而只會在美國場外市場進行買賣。

於 2003 年起，本公司沒有亦不會因為該美國存托憑證計劃而發行新股份。

23 SHARE CAPITAL (Continued)

The Company established a Sponsored Level I American Depositary Receipts (“ADR”) Program with the Bank of New York (as the Depositary Bank). The Securities and Exchange Commission of The United States declared that the registration statement of the ADR Program has become effective on 23 December 2003. Each ADR under the ADR Program shall represent 20 H shares of the Company listed on The Stock Exchange of Hong Kong Limited, trading of the Company’s ADR will only be made in the over-the-counters markets in the United States.

Since 2003, the Company did not and will not issue any new shares under such ADR Program.

24 資本公積及盈餘公積**24 CAPITAL RESERVE FUND AND GENERAL RESERVES**

		合併及公司 Group and Company		
		資本公積 Capital reserve fund (註釋 a) 人民幣千元 (note (a)) Rmb'000	法定盈餘 公積金 Statutory common reserve (註釋 b) 人民幣千元 (note (b)) Rmb'000	法定公益金 Statutory provident fund (註釋 b) 人民幣千元 (note (b)) Rmb'000
2005 年 1 月 1 日	At 1 January 2005	69,289	116,232	58,117
資本公積本年增加數 (註釋(a))	Contributed surplus (note(a))	5,893	—	—
由利潤分配轉入 (註釋(b))	Transferred from profit appropriation (note(b))	—	17,581	—
— 提取法定盈餘公積金	-Transfer to statutory common reserve	—	17,581	—
— 提取法定公益金	-Transfer to statutory provident fund	—	—	8,791
		<u>75,182</u>	<u>133,813</u>	<u>66,908</u>
2005 年 12 月 31 日	At 31 December 2005			

(a) 資本公積年末餘額為發行股份的股本溢價，可用於彌補以前年度虧損或增加股本。

(b) 法定盈餘公積金和法定公益金

根據本公司章程，應按中國會計制度計算的淨利潤的 10% 計提法定盈餘公積金 (直至此項公積金結餘達註冊資本的 50% 為止)，及淨利潤的 5%-10% 計提法定公益金。此等金額須在派發股息之前計提。

(a) Capital reserve fund comprises share premium arising from the issuance of shares, and it can be utilised to offset prior years’ losses or for issuance of bonus shares.

(b) The statutory common reserve and the statutory provident fund.

According to the Company’s Articles of Association, it is required to transfer 10% and 5% to 10% of the net profit of the Company as shown in the accounts prepared under PRC accounting regulations to the statutory common reserve (until the reserve reaches 50% of the registered capital) and statutory provident fund, respectively. The transfers to these reserves must be made before the distribution of dividends to shareholders.

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

24 資本公積及盈餘公積 (續)

本公司董事會決定本年度按中國會計制度計算的淨利潤的10%及5%分別計提了法定盈餘公積金人民幣17,581,297元(2004年：人民幣32,320,000元)和法定公益金人民幣8,790,648元(2004年：人民幣16,160,000元)。

法定盈餘公積金用途限於：

- (1) 彌補虧損；
- (2) 擴充本公司生產設備；
- (3) 擴充股本。

如經本公司股東在股東大會通過決議將法定盈餘公積金轉為股本，所留存的該項法定盈餘公積金數額須不低於註冊資本的25%。

法定公益金只用於公司職工的集體福利，且屬於股東權益的一部分，在清算前不作分配。

24 CAPITAL RESERVE FUND AND GENERAL RESERVES (Continued)

The Company's Directors have proposed to transfer 10% and 5% of the net profit of the Company for 2005 prepared under PRC accounting regulations to the statutory common reserve of Rmb17,581,297(2004: Rmb32,320,000) and to the statutory provident fund of Rmb8,790,648(2004:Rmb16,160,000), respectively.

The statutory common reserve shall only be used as follows:

- (1) to make up losses;
- (2) to expand the Company's production operation; or
- (3) to increase the capital of the Company.

Upon approval of its shareholders, the Company may convert its statutory common reserve into share capital. When converting the Company's statutory common reserve into capital, the amount of such reserve remaining unconverted must not be less than 25% of the registered capital.

The statutory provident fund shall only be used for the collective welfare of employees. This fund forms part of the shareholders' equity and is non-distributable other than upon liquidation.

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

25 未分配利潤

25 UNDISTRIBUTED PROFITS

		合併 Group		公司 Company	
		2005 年度 2005 人民幣千元 Rmb'000	2004 年度 2004 人民幣千元 Rmb'000	2005 年度 2005 人民幣千元 Rmb'000	2004 年度 2004 人民幣千元 Rmb'000
年初未分配利潤	Original amount of undistributed profit at the beginning of the year	662,125	493,808	662,125	493,808
加：本年淨利潤	Add: Current year's profit	175,857	323,197	175,815	323,197
		837,982	817,005	837,940	817,005
減：提取法定盈餘公積金 (附註(24))	Less: Transfer to statutory common reserve (Note (24))	(17,581)	(32,320)	(17,581)	(32,320)
提取法定公益金 (附註(24))	Transfer to statutory welfare fund (Note 24)	(8,791)	(16,160)	(8,791)	(16,160)
應付普通股股利—股東大會批准的上年度現金股利	Cash dividend distribution by general shareholder meeting	(133,000)	(106,400)	(133,000)	(106,400)
年末未分配利潤	Undistributed profit at the end of the year	678,610	662,125	678,568	662,125

26 主營業務收入及分業務資料

26 INCOME FROM PRINCIPAL OPERATIONS AND SEGMENT INFORMATION

(a) 主營業務收入

(a) Income from principal operations

		合併 Group		公司 Company	
		2005 年度 Year ended 31 December 2005 人民幣千元 Rmb'000	2004 年度 Year ended 31 December 2004 人民幣千元 Rmb'000	2005 年度 Year ended 31 December 2005 人民幣千元 Rmb'000	2004 年度 Year ended 31 December 2004 人民幣千元 Rmb'000
污水處理收入	Sewage water processing services	278,710	460,056	253,000	437,768
污水處理廠建設費收入	Sewage water processing plants construction services	253,001	225,144	253,001	225,144
		531,711	685,200	506,001	662,912
路費收入*	Tolls income*	65,290	67,374	65,290	67,374
銷售建築材料收入	Sales of construction materials	1,777	2,574	—	—
中水及管道接駁收入	Recycled water and pipeline connection	13,057	—	—	—
		611,835	755,148	571,291	730,286

* 路費收入人民幣 6,529 萬元是根據通行費委託徵收協議保證的最低通行費收入 (附註 1(c))，其中包括了大約為人民幣 400 萬元的通行費徵收辦公室的補償。

* The tolls income of Rmb65.29 million represents the minimum toll fee guaranteed under the Toll Fee Collection Subcontracting Agreement (Note 1(c)), which includes about Rmb4 million compensation by the Toll Collection Office.

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

26 主營業務收入及分業務資料 26 INCOME FROM PRINCIPAL OPERATIONS AND SEGMENT INFORMATION (Continued)

(b) 分業務資料

(b) Segment information

		污水處理及 污水處理廠建設 Sewage water processing and sewage water plant construction	道路 收費站 Road toll stations	建材業務 Construction materials	中水及 管道接駁 Recycled water and pipeline connection	其它業務 Unallocated	合併 Group
		人民幣千元 Rmb'000	人民幣千元 Rmb'000	人民幣千元 Rmb'000	人民幣千元 Rmb'000	人民幣千元 Rmb'000	人民幣千元 Rmb'000
主營業務收入	Income from principal operations	531,711	65,290	1,777	13,057	—	611,835
減：主營業務成本	Less: Costs for principal operations	(153,843)	(15,070)	(1,860)	(15,721)	—	(186,494)
主營業務稅金及附加	Business tax and surcharges	(27,172)	(3,591)	(2)	(575)	—	(31,340)
主營業務利潤	Profit from principal operations	350,696	46,629	(85)	(3,239)	—	394,001
減：銷售費用	Less: Selling expense	—	—	(675)	—	—	(675)
管理費用	Administrative expenses	(44,779)	(2,985)	(4,424)	(3,439)	—	(55,627)
財務費用	Financial expense - net	(75,424)	—	(644)	(3,233)	—	(79,301)
加：其它收入	Add: Other gains	—	—	—	—	8,268	8,268
利潤／（虧損）總額	Total profit/(loss)	230,493	43,644	(5,828)	(9,911)	8,268	266,666
減：所得稅	Less: Income taxes	(75,517)	(14,403)	—	—	(2,728)	(92,648)
淨利潤／（虧損）	Net profit/(loss) before minority interests	154,976	29,241	(5,828)	(9,911)	5,540	174,018
加：少數股東損益以前	Minority interests	(170)	—	1,709	300	—	1,839
淨利潤／（淨虧損）	Net profit/(loss)	154,806	29,241	(4,119)	(9,611)	5,540	175,857

26 主營業務收入及分業務資料 (續) 26 INCOME FROM PRINCIPAL OPERATIONS AND SEGMENT INFORMATION (Continued)

(b) 分業務資料 (續)

(b) Segment information (Continued)

	污水處理及 污水處理廠建設 Sewage water processing and sewage water plant construction	道路收費站 Road toll stations	建材業務 Construction materials	合併 Group	
	人民幣千元 Rmb'000	人民幣千元 Rmb'000	人民幣千元 Rmb'000	人民幣千元 Rmb'000	
主營業務收入	Income from principal operations	685,200	67,374	2,574	755,148
減：主營業務成本	Less: Costs for principal operations	(133,382)	(13,128)	(2,048)	(148,558)
主營業務稅金及附加	Business tax and surcharges	(37,683)	(3,728)	—	(41,411)
主營業務利潤	Profit from principal operations	514,135	50,518	526	565,179
減：管理費用	Less: Administrative expenses	(46,198)	(4,147)	(3,280)	(53,625)
財務費用	Financial expense - net	(23,795)	(3,320)	(154)	(27,269)
其它 (支出) / 收入	Other (loss)/gains	(2,480)	1,006	—	(1,474)
利潤 / (虧損) 總額	Total profit/(loss)	441,662	44,057	(2,908)	482,811
減：所得稅	Less: Income taxes	(145,907)	(14,509)	—	(160,416)
淨利潤 / (虧損)	Net profit/(loss) before minority interests	295,755	29,548	(2,908)	322,395
一少數股東損益以前	Add: Minority interests	(51)	—	853	802
加：少數股東損益					
淨利潤 / (虧損)	Net profit/(loss)	295,704	29,548	(2,055)	323,197

27 營業稅金及附加

27 BUSINESS TAX AND SURCHARGES

		合併 Group		公司 Company	
		2005 年度 Year ended 31 December 2005 人民幣千元 Rmb'000	2004 年度 Year ended 31 December 2004 人民幣千元 Rmb'000	2005 年度 Year ended 31 December 2005 人民幣千元 Rmb'000	2004 年度 Year ended 31 December 2004 人民幣千元 Rmb'000
營業稅金	Business tax	(28,458)	(37,647)	(28,564)	(36,536)
城建稅	City construction tax	(2,017)	(2,635)	(2,000)	(2,557)
教育費附加	Education surcharge	(865)	(1,129)	(857)	(1,096)
		(31,340)	(41,411)	(31,421)	(40,189)

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

28 其它業務利潤

28 PROFIT FROM OTHER OPERATIONS

		合併 Group		公司 Company	
		2005 年度 Year ended 31 December 2005 人民幣千元 Rmb'000	2004 年度 Year ended 31 December 2004 人民幣千元 Rmb'000	2005 年度 Year ended 31 December 2005 人民幣千元 Rmb'000	2004 年度 Year ended 31 December 2004 人民幣千元 Rmb'000
租賃	Rental	10,169	—	10,169	—
其它	Others	(2,599)	3,058	(1,601)	973
		<u>7,570</u>	<u>3,058</u>	<u>8,568</u>	<u>973</u>

租賃業務利潤為本公司在2005年度內取得的辦公樓出租收入扣除相關費用後的淨額。

Rental profit represents the net income from office building lease after deducting the related expenses.

29 財務費用 - 淨額

29 FINANCIAL EXPENSES – NET

		合併 Group		公司 Company	
		2005 年度 Year ended 31 December 2005 人民幣千元 Rmb'000	2004 年度 Year ended 31 December 2004 人民幣千元 Rmb'000	2005 年度 Year ended 31 December 2005 人民幣千元 Rmb'000	2004 年度 Year ended 31 December 2004 人民幣千元 Rmb'000
銀行貸款及 可轉換公司債券利息支出	Interest expense of bank borrowings and convertible bonds	(79,502)	(52,566)	(75,314)	(49,746)
加：資本化利息	Add: Interest capitalised	<u>35,254</u>	<u>24,107</u>	<u>35,254</u>	<u>21,482</u>
利息支出淨額	Interest expense – net	(44,248)	(28,459)	(40,060)	(28,264)
加：利息收入	Add: Interest income	<u>8,843</u>	<u>6,466</u>	<u>8,013</u>	<u>6,275</u>
減：債券發行費用攤銷及 回售溢價	Less: Amortization of bonds issuance cost and redemption premium	(40,033)	(3,460)	(40,033)	(3,460)
擔保費	Security fees	(3,250)	(1,750)	(3,250)	(1,750)
其它	Others	(613)	(66)	(605)	(63)
		<u>(79,301)</u>	<u>(27,269)</u>	<u>(75,935)</u>	<u>(27,262)</u>

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

30 投資損失

30 INVESTMENT LOSS

		合併 Group		公司 Company	
		2005 年度 Year ended 31 December 2005 人民幣千元 Rmb'000	2004 年度 Year ended 31 December 2004 人民幣千元 Rmb'000	2005 年度 Year ended 31 December 2005 人民幣千元 Rmb'000	2004 年度 Year ended 31 December 2004 人民幣千元 Rmb'000
按權益法 應佔子公司虧損	Share of loss of subsidiary based on equity accounting	—	—	(9,634)	(700)

31 關聯方關係

31 RELATED PARTIES

(a) 存在控制關係的關聯方

(a) Related parties that have controlling relationship

關聯方名稱 Name of related party	註冊地點 Place of registration	主要業務 Principal businesses:	與本公司關係 Relationship with the Company:	經濟性質 Type of enterprise:	法定代表人 Legal representative
天津市政投資有限公司 TMICL	中國天津 Tianjin, the PRC	市政基礎設施的 開發建設及 經營管理 Development, construction and management of municipal infrastructures	控股股東 Controlling shareholder of the Company	有限公司 Limited company	馬白玉 Ma Bai Yu
天津市市政工程局 TMEB	中國天津 Tianjin, the PRC	主管天津市市政、 公路的建設 和管理 Supervisory management of the infrastructure and road construction in Tianjin	業務受其監控 Supervisory controller of the Group's businesses	國家機關 Government authority	孫增印 Sun Zeng Yin

注：此等公司為本公司控股子公司，詳見附註9(a)。

Note: These companies are subsidiaries of the Company and their principal businesses are detailed in Note 9(a).

曲靖創業水務 有限公司 Qu Jing Capital				有限公司 Limited company	張文輝 Zhang Wen Hui
貴州創業水務有限公司 Guizhou Capital				有限公司 Limited company	顧啟峰 Gu Qi Feng
天津中水有限責任公司 Water Recycling				有限公司 Limited company	張文輝 Zhang Wen Hui
天津創業建材有限公司 New Materials				有限公司 Limited company	羅連芳 Luo Lian Fang
阜陽創業水務有限公司 Fu Yang Capital				有限公司 Limited company	張文輝 Zhang Wen Hui
寶應創業水務 有限責任公司 Bao Ying Capital				有限公司 Limited company	林文波 Lin Wen Bo

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

31 關聯方關係 (續)

(a) 存在控制關係的關聯方 (續)

關聯方名稱 Name of related party	註冊地點 Place of registration	主要業務 Principal businesses:	與本公司關係 Relationship with the Company:	經濟性質 Type of enterprise:	法定代表人 Legal representative
赤壁創業水務有限公司 Chi Bi Capital				有限公司 Limited company	張文輝 Zhang Wen Hui
洪湖市創業水務有限公司 Hong Hu Capital				有限公司 Limited company	張文輝 Zhang Wen Hui
天津創業環保(香港)有限公司 Hong Kong Capital				有限公司 Limited company	顧敬峰 Gu Qi Feng

(b) 存在控制關係的關聯方的註冊資本及其變化

31 RELATED PARTIES (Continued)

(a) Related parties that have controlling relationship (Continued)

(b) Paid up capital of related parties that has controlling relationship and their movements

		於 2005 年 1 月 1 日 As at 1 January 2005 人民幣千元 Rmb'000	本年增加數 Additions 人民幣千元 Rmb'000	於 2005 年 12 月 31 日 As at 31 December 2005 人民幣千元 Rmb'000
天津市政投資有限公司	TMICL	1,820,000	—	1,820,000
曲靖創業水務有限公司*	Qu Jing Capital*	—	120,000	120,000
貴州創業水務有限公司	Guizhou Capital	100,000	—	100,000
天津中水有限責任公司	Water Recycling	20,000	80,000	100,000
天津創業建材有限公司	New Materials	37,500	8,000	45,500
阜陽創業水務有限公司*	Fu Yang Capital*	—	45,000	45,000
寶應創業水務有限責任公司*	Bao Ying Capital*	—	38,000	38,000
赤壁創業水務有限公司*	Chi Bi Capital*	—	35,000	35,000
洪湖市創業水務有限公司*	Hong Hu Capital*	—	20,000	20,000
		美元千元 USD'000	美元千元 USD'000	美元千元 USD'000
天津創業環保(香港)有限公司*	Hong Kong Capital*	—	7,840	7,840

* 該等子公司均為本公司於2005年度新設立的子公司。

* These companies are all subsidiaries newly established in 2005.

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

31 關聯方關係 (續)

(c) 存在控制關係的關聯方所持本公司股份或權益及其變化

		於 2005 年 1 月 1 日		本年增加數		於 2005 年 12 月 31 日	
		As at 1 January 2005		Additions		As at 31 December 2005	
		Rmb'000	%	Rmb'000	%	Rmb'000	%
		人民幣千元	百分比	人民幣千元	百分比	人民幣千元	百分比
天津市政投資有限公司	TMICL	839,020	63.08	—	—	839,020	63.05

(d) 不存在控制關係的主要關聯方

排水公司	Tianjin Sewage Company
天津市排水管理處第八排水管理所	Tianjin Sewage Management Bureau No.8 Management Office
天津市排水工程公司	Tianjin Sewage Engineering Company
天津市道路橋樑管理處	Tianjin Road & Bridge Management Bureau
天津市市政工程設計研究院	Tianjin Municipal Engineering Design Research Institute
偉信(天津)工程諮詢有限公司	Scott Willson (Tianjin) Consultancy Company

(d) Major related parties that have no controlling relationship

與本集團關係
Relationship with the Group

同受市政局監控的國營企業或公司	State-owned company under the supervisory control of TMEB
同受市政局監控的國營企業或公司	State-owned company under the supervisory control of TMEB
同受市政局監控的國營企業或公司	State-owned company under the supervisory control of TMEB
同受市政局監控的國營企業或公司	State-owned company under the supervisory control of TMEB
同受市政局監控的國營企業或公司	State-owned company under the supervisory control of TMEB
本公司控股股東的聯營公司	Associated Company of Tianjin Municipal Investment Co., Ltd

32 關聯交易

於 2005 年內，本集團與若干關聯方在日常營運中進行的重大交易如下：

32 RELATED PARTY TRANSACTIONS

The following is a summary of significant transactions with related companies during the year 2005, which were carried out in the normal course of operations of the Group.

關聯方的名稱	交易性質	2005 年度	2004 年度
		Year ended 31 December 2005	Year ended 31 December 2004
Related parties	Nature of transaction	人民幣千元	人民幣千元
		Rmb'000	Rmb'000
收入：			
Income			
排水公司	污水處理服務費收入 (註釋(a))	253,000	437,768
TSC	Revenue from sewage water processing services (note (a))		
排水公司	承建污水處理廠工程收入 (註釋(b))	253,001	225,144
TSC	Revenue from construction of sewage water processing plants (note (b))		
支出：			
Expense			
天津市政投資有限公司	辦公室租賃費用 (於 2004 年內終止)	—	963
TMICL	Operating lease rental in respect of office premises(ceased during 2004)		

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

32 關聯交易

32 RELATED PARTY TRANSACTIONS (Continued)

關聯方的名稱 Related parties	交易性質 Nature of transaction	2005 年度 Year ended 31 December 2005 人民幣千元 Rmb'000	2004 年度 Year ended 31 December 2004 人民幣千元 Rmb'000
其它： Others			
污水處理廠建設 Related contractors	應支付污水處理廠建設成本 —天津市排水工程公司 Amounts payable for sewage water processing plants construction costs -Tianjin Sewage Engineering Company	—	2,733
天津市政投資有限公司 TMICL	持有可轉換公司債券 (單位：千張) Holding of convertible bonds (Unit: in thousand)	209	209

(a) 此乃本公司按照一份《污水處理委託協議》提供污水處理服務予排水公司所應取得的收入，詳見附註 1(a)。

(b) 此乃本公司根據與排水公司簽訂的《污水處理(擴建)在建工程收費協議》而承建三個污水處理廠工程所應取得的收入，詳見附註 1(b)。

(a) This represents revenue derived from the sewage water processing services rendered by the Company to TSC according to Sewage Water Processing Agreement, details of which are set out in Note 1(a).

(b) This represents revenue derived from the construction of sewage water processing plants services rendered by the Company to TSC according to Sewage Water Plants Construction Fee Agreement, details of which are set out in Note 1(b).

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

33 資本承擔

33 CAPITAL COMMITMENTS

	已簽約未撥備		已批准未簽約	
	截至 2005 年 12 月 31 日止 31 December 2005 人民幣百萬元 Rmb' million	截至 2004 年 12 月 31 日止 31 December 2004 人民幣百萬元 Rmb' million	截至 2005 年 12 月 31 日止 31 December 2005 人民幣百萬元 Rmb' million	截至 2004 年 12 月 31 日止 31 December 2004 人民幣百萬元 Rmb' million
污水處理廠項目：				
- 咸陽路		56	註釋 Note(i)	589
- 紀庄子		5	註釋 Note(i)	401
- 北倉		18	註釋 Note(i)	164
- 赤壁		—	—	5
- 曲靖	290	—	—	—
- 阜陽	61	—	—	—
- 杭州	—	—	180	—
辦公樓	—	39	—	20
中水	—	—	—	5
香港公司	62	—	—	—
其它	—	—	—	26
	<u>492</u>	<u>235</u>	<u>180</u>	<u>1,210</u>

註釋：

- (i) 有關收購屬於天津市排水公司的剩餘資產的意向如附註 5(i) 所述。

Note:

- (i) The intention to acquire the remaining assets belonging to TSC is as described in note 5(i).

34 董事酬金

34 DIRECTORS' REMUNERATION

於 2005 年內，本集團向本公司董事支付了酬金（包括薪金、房屋津貼及其它津貼）人民幣 1,833 千元（2004 年度：人民幣 1,855 千元），其中包括向獨立非執行董事支付之酬金人民幣 624 千元（2004 年度：人民幣 636 千元）。

The Company and its subsidiaries have paid an aggregate remuneration (including salaries, housing allowance and other allowance) of Rmb1,832,800 to the Company's directors (2004: Rmb1,855,000). The total amount includes director fees of Rmb624,180 (2004: Rmb636,000) paid to independent non-executive directors during the year.

(根據中國會計規則編製)
(Prepared in accordance with PRC Accounting Regulations)

35 期後事項

本公司A股股東於2006年3月20日批准了本公司控股股東提出的經修訂的股權分置改革方案。根據該股權分置改革方案，本公司控股股東將向本公司截至於2006年3月8日註冊的A股股東支付每10股3.7股的股份，共計41,866,631股。股權分置改革後，本公司股本中控股股東所持有的股份從63.05%下降為59.91%。同時除了支付給A股股東41,866,631的股份變為非限制性流通股外，其餘所有非流通股轉換為限制性流通股。此限制性系針對控股股東對其持有股份的出售行為，即控股股東在股權改制完成後三年內最多可出售其所持有股份的10%。

根據董事會於2006年4月20日通過的決議，本公司擬按已發行股本1,330,658,058股為基數，向全體股東每10股派發現金股利人民幣4角(含稅)作為2005年度股利，共計人民幣53,226,322元。由於此項提議尚待股東大會批准，按照經修訂的《企業會計準則—資產負債表日後事項》，此項股利分派建議不在本會計報表中作為應付股利處理。待即將舉行的2005年度股東大會通過此項方案，股利分配將反映在2006年度會計報表中的應付股利賬戶。

36 會計報表的核准發出

本會計報表於2006年4月20日經由本公司董事會核准發出。

35 EVENTS AFTER BALANCE SHEET DATE

Subsequent to year end, on 20 March 2006, the revised stock reform plan proposed by the Company's controlling shareholder, TMICL, was approved by the Company's shareholders of A shares. According to the stock reform plan, TMICL will pay to the Company's shareholders of A shares as registered as at 8 March 2006, 3.7 shares for each 10 shares held and total payment is 41,866,631 shares. After the stock reform, TMICL's equity interest in the Company reduced from 63.05% to 59.91%. After the Company's stock reform, all of the non-circulating shares were converted into restricted circulating shares except for the 41,866,631 shares paid to the Company's A share holders which became non-restricted circulating shares. Shares held by TMICL are restricted to the extent that, within 3 years after the stock reform, TMICL can only sell a maximum of 10% of its total shares.

Pursuant to the Board of Directors' meeting held on 20 April 2006, the company proposed to distribute a final cash dividend of Rmb0.4 (tax included) for every ten shares held by shareholders, totalling Rmb53,226,322, based on the total number of shares of Rmb1,330,658,058 as at 31st December 2005. The above proposal is subject to the shareholders' approval. According to revised "Accounting Standards for Business Enterprises – Events Occurring After the Balance Sheet Date", such distribution of dividend has not been presented as liability in the accounts. Upon the approval at the coming shareholders meeting to be conducted, dividend distribution will be recorded as dividend payable in the 2006 accounts.

36 AUTHORISATION FOR THE ISSUE OF THE ACCOUNTS

The accounts were authorized for issue by the Directors on 20 April 2006.