

(一) 重大訴訟仲裁事項

本年度公司無重大訴訟、仲裁事項。

(1) Material litigation or arbitration

During the year, there is no litigation or arbitration that is material to the Company.

(二) 報告期內公司收購及出售資產、吸收合併事項

關於本項內容，請參見董事會報告中公司投資情況部分。除上述披露外，報告期內，公司無出售資產、吸收合併事項發生。

(2) Asset acquisitions and sales, mergers during the reporting period

Please refer to the section headed “The Company’s Investments” in the Directors’ Report for details of this section. Save as disclosed above, there have been no asset sales and mergers of the Company.

(三) 報告期內公司重大關聯交易事項**1、與日常經營相關的關聯交易**

本公司東郊污水處理污水處理業務是按照《污水處理委託協議》執行的。根據該協議，東郊污水處理廠將按《污水處理委託協議》中訂明的計價公式釐定的價格向天津市排水公司（「排水公司」）提供污水處理服務。排水公司是在中國成立的國有企業，排水公司及市政投資受天津市政局監控；市政投資為本公司的控股股東，實益擁有本公司已發行股本約59.91%，為本公司之關連人士。計價公式可令污水處理業務全面彌補實際的經營成本，包括固定資產的折舊及攤銷（但不包括利息開支及外匯損益）和賺取按污水處理業務相關固定資產的每月平均帳面淨值的年度平均數計算的15%回報，以及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。

(3) Major connected transactions of the Company during the reporting period**1. Connected transactions related to daily operations**

The sewage water processing business of the Dongjiao Sewage Water Treatment Plant of the Company are carried out according to the “Sewage Water Processing Agreement” entered into between the Company and Tianjin Sewage Company (“TSC”) on 10th October, 2000. Pursuant to such agreement, the Dongjiao Sewage Water Treatment Plant will provide sewage water processing services to TSC according to the prices determined by the pricing formula as stated in the “Sewage Water Processing Agreement”. TSC is a state-owned enterprise established in the PRC and TSC and TMICL are both under the supervisory control of the Urban Construction Bureau; TMICL is the controlling shareholder of the Company and beneficially owns an aggregate of approximately 59.91% of the issued share, thus connected person to the Company. The pricing formula allows the Company to compensate fully the actual operating costs from sewage water processing business, including the depreciation and amortization of fixed assets (which excludes interest charges and foreign exchange losses) and to earn the 15% return calculated from the annual average of the monthly average carrying value of the relevant fixed assets of the sewage water processing business, as well as to earn the saving costs, and the incentive reward on the price adjustment when the actual volume of sewage water processed exceeds the minimum volume of sewage water processed as stipulated in such agreement.

本公司咸陽路污水處理廠、紀莊子污水處理廠、北倉污水處理廠的污水處理業務是按照本公司於2006年3月20日與排水公司簽署的《污水處理臨時服務協議》執行的。根據該協議，咸陽路污水處理廠、紀莊子污水處理廠、北倉污水處理廠將按照2005年本公司與排水公司之間執行的污水處理服務費單價（即1.93元/立方米）計算，結算水量為上述污水處理廠達標處理的污水計量水量。

報告期內，根據《污水處理委託協議》中訂明的計價公式，本公司與排水公司確認執行的污水處理服務費單價為1.93元/立方米，與《污水處理臨時服務協議》中所訂單價相同，因此，報告期內，本公司東郊污水處理廠、咸陽路污水處理廠、紀莊子污水處理廠及北倉污水處理廠共處理污水30655萬立方米，根據《污水處理委託協議》及《污水處理臨時服務協議》獲得人民幣59166.3萬元的污水處理服務費收入。

The sewage water processing businesses of the Xianyanglu Sewage Water Treatment Plant, the Jizhuangzi Sewage Water Treatment Plant and the Beicang Sewage Water Treatment Plant are carried out according to the “Sewage Water Processing Interim Service Agreement” entered into by the Company and TSC on 20th March 2006. Pursuant to such agreement, the Xianyanglu Sewage Water Treatment Plant, the Jizhuangzi Sewage Water Treatment Plant and the Beicang Sewage Water Treatment Plant shall charge the sewage water processing service fee at the unit price implemented by the Company and TSC in 2005 (i.e. RMB1.93 per cubic meter). The volume for calculating the service fee shall base on those volume of sewage water processed from above sewage water treatments plants which have reached the required standards.

During the reporting period, according to the pricing formula as stipulated in the “Sewage Water Processing Agreement”, the unit price of sewage water processing service fee was RMB 1.93 per cubic meter (as implemented by the Company and TSC) which is identical with the unit price as stipulated in the “Sewage Water Processing Interim Service Agreement”. During the reporting period, the Dongjiao Sewage Treatment Plant, the Xianyanglu Sewage Water Treatment Plant, the Jizhuangzi Sewage Water Treatment Plant and the Beicang Sewage Water Treatment Plant have processed 306,550,000 cubic meter in aggregate and accordingly sewage water processing service fee amounted to RMB591,663,000 was generated pursuant to the “Sewage Water Processing Agreement” and “Sewage Water Processing Interim Service Agreement”.

2、本年度公司無重大關聯交易事項。

3、在截至2006年12月31日止年度附註31中涉及「關聯交易」的財務報表所述的於天津市排水公司取得之收入—污水處理服務費及建設收入人民幣591百萬元與上述關連交易有關。

除上文所述以外，根據上市規則，截至2006年12月31日止年度的財務報表附註31中披露的關連方交易均不構成須予披露的非豁免持續關連交易或非豁免持續關連交易。

經過審閱本年度上述之關連交易後，本公司獨立非執行董事作出確認如下：

- (1) 本集團是在正常及一般業務情況下達成各項交易；
- (2) 交易是按一般條款（及參照相關公司所做的類似性質的交易）或（尚無足夠可做比較的交易情況）則按本集團可獲得不遜於獨立第三方的條款達成的；及
- (3) 交易是按公平合理，符合本公司股東整體利益的條款而訂立的。

經審閱上述本年度關連交易後，本公司核數師確認上市規則第14A.38條所載事項。

本公司確認上述關連交易已根據上市規則遵守披露規定。

2. The Company did not have other significant connected transactions during the year.

3. In note 31 concerning “Related Party Transactions” to the financial statements for the year ended 31 December 2006, the revenue earned from TSC for sewage water processing services and construction of sewage plant amounted RMB591 million was referred to the aforesaid connected transaction.

Save as aforesaid, note of the “Related Party Transactions” as disclosed in note 31 to the financial statements for the year ended 31 December 2006 did not constitute discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules.

After reviewing the above current year’s connected transaction, the independent non-executive Directors confirmed that such connected transactions were:

- (1) entered into in the ordinary and usual course of business of the Group;
- (2) conducted either (a) on normal commercial terms (as compared with transactions of similar nature carried out by similar entities in the PRC) or (b) (if no available comparison) on terms no less favorable than those available to or from independent third parties; and
- (3) entered into on terms that are fair and reasonable so far as the Shareholders are concerned.

After reviewing the above current year’s connected transactions, the auditors of the Company confirmed the matters stated in rule 14A.38 of the Listing Rules.

The Company confirms that it has complied with the disclosure requirements in accordance with the Listing Rules for the above connected transactions.

(四) 託管情況

本年度公司無託管事項。

(4) Custody

The Company did not provide any custodian during the year.

(五) 承包情況

本年度公司無承包事項。

(5) Subcontracting

The Company did not provide any subcontracting during the year.

(六) 租賃情況

本年度公司無租賃事項。

(6) Leasing

The Company did not have any leasing matters during the year.

(七) 擔保情況

(7) Guarantee

單位：億元 幣種：人民幣
Unit: 100 million dollars Currency: RMB

本公司對控股子公司的擔保情況
Guarantee provided to the subsidiaries of the Company

報告期內對控股子公司擔保發生額合計	Total amount of guarantee provided to the subsidiaries of the Company during the reporting period	6.6
報告期末對控股子公司擔保餘額合計	Total amount of outstanding guarantee provided to the subsidiaries as at the end of the reporting period	7.2

本公司擔保總額情況（包括對控股子公司的擔保）

Total amount of guarantee granted by the Company (including guarantee provided to the subsidiaries of the Company)

擔保總額	Total amount of guarantee	7.2
擔保總額佔公司淨資產的比例(%)	Percentage of the total amount of guarantee to the net assets of the Company (%)	29.97
其中：	Of which:	
為股東、實際控制人及其關聯方提供擔保的金額	Amount of guarantee provided to the Shareholders, actual controller and other related parties	0
直接或間接為資產負債率超過 70% 的被擔保對象提供的債務擔保金額	Amount of guarantee provided directly or indirectly for the guaranteed parties with gear ratio of over 70%	0
擔保總額超過淨資產 50% 部分的金額	Total amount of guarantee exceeding 50% of net assets	0
上述三項擔保金額合計	Total amount of the above three guarantees	0

(八) 委託理財

本年度公司無委託理財事項。

(九) 其他重大合同

本年度公司無其他重大合同。

(十) 承諾事項履行情況

- (1) 根據《上市公司股權分置改革管理辦法》第二十七條的規定，所有原非流通股股份自股權分置改革方案實施之日起，十二個月內不上市交易或者轉讓。
- (2) 天津市政投資有限公司承諾，在前項承諾期期滿後，通過證券交易所掛牌交易出售股份，出售數量佔公司股份總數的比例在十二個月內不超過百分之五，在二十四個月內不超過百分之十。
- (3) 通過證券交易所掛牌交易出售的股份數量，達到公司股份總數百分之一的，在自該事實發生之日起兩個工作日內做出公告。

(8) Trust arrangement

The Company did not make any trust arrangements during the year.

(9) Other major contracts

During the year, there were no other major contracts entered into by the Company.

(10) Implementation of commitments

- (1) Pursuant to the requirements under Article 27 in the “Administration method in respect of Share Segregation Reform of Listed Companies”, all the original non-circulating Shares shall not be traded or transferred within 12 months commencing from the date of implementation of the Share Segregation Reform.
- (2) TMICL undertakes that upon expiry of the aforesaid commitment period, the number of Shares sold through The Stock Exchange shall not exceed 5% of the total number of Shares of the Company within 12 months and shall not exceed 10% within 24 months.
- (3) In the event if the amount of restricted circulating Shares sold through The Shanghai Stock Exchange attained 1% of the total number of issued Shares, an announcement shall be made within two working days of the occurrence of such event.

原非流通股股東在股權分置改革過程中作出的承諾事項及其履行情況

Commitments made by the original Shareholders of noncirculating Shares in the course of the Share Segregation Reform and its implementation

股東名稱 Name of shareholder	承諾事項 Commitment	承諾履行情況 Implementation of commitments	備註 Notes
天津市政投資有限公司 TMICL	<p>(1) 所持有的創業環保股份自股權分置改革方案實施之日起，12個月內不上市交易或者轉讓。 All the "Tianjin Capital" Shares held by it shall not be listed, traded or transferred within 12 months commencing from the date of the implementation of the Share Segregation Reform Proposal.</p> <p>(2) 在前項承諾期滿後，通過證券交易所掛牌交易出售股份，出售數量佔公司股份總數的比例在十二個月內不超過百分之五，在二十四個月內不超過百分之十。 Upon expiry of the aforesaid commitment period, the number of Shares sold through The Shanghai Stock Exchange shall not exceed 5% of the total number of Shares of the Company within 12 months and shall not exceed 10% within 24 months.</p> <p>(3) 通過證券交易所掛牌交易出售的股份數量，達到公司股份總數百分之一的，在自該事實發生之日起兩個工作日內做出公告。 In the event if the amount of restricted circulating Shares sold through The Shanghai Stock Exchange attained 1% of the total number of the issued Shares, an announcement shall be made within two working days of the occurrence of such event.</p>	正常履行中 Under normal implementation	

(十一) 聘任、解聘會計師事務所情況

報告期內，公司未改聘會計師事務所，公司原聘任普華永道中天會計師事務所為公司的境內審計機構，原聘任羅兵咸永道會計師事務所為公司的境外審計機構，支付兩家審計機構上一年度審計工作的酬金共約人民幣400萬元；截止上一報告期末，以上兩會計師事務所已為本公司提供了12年審計服務。在過去三年內，公司沒有更換審計師。

(11) Appointment and removal of the accountants of the Company

During the reporting period, the Company did not change its accountants. The original domestic auditor of the Company is PricewaterhouseCoopers Zhong Tian Certified Public Accountants Limited Company. The original international auditor of the Company is PricewaterhouseCoopers. A total of approximately RMB4 million were paid to the two auditors for auditing services rendered in the previous year. As at the end of the previous reporting period, the above two accountants have rendered auditing services to the Company for 12 years. During the past three years, the Company did not change its auditors.

(十二) 上市公司及其董事、監事、高級管理人員、公司股東、實際控制人處罰及整改情況

報告期內公司及其董事、監事、高級管理人員、公司股東、實際控制人均未受中國證監會的稽查、行政處罰、通報批評及證券交易所的公開譴責。

(十三) 其它重大事項

報告期內公司無其它重大事項。

(十四) 本公司轉債擔保人盈利能力、資產狀況和信用狀況發生重大變化的情況

本公司轉債的擔保人是中國建設銀行天津分行，報告期內擔保人盈利能力、資產狀況和信用狀況未發生重大變化。

(12) Punishments and rectification to listed Companies and its directors, supervisors, senior management, shareholders and actual controllers

During the reporting period, the Company and its Directors, supervisors, senior management, shareholders and actual controllers were not subject to any investigation, administration punishments, criticisms by CSRC or public reprimand by any stock exchange.

(13) Other major events

During the reporting period, there were no other major events of the Company.

(14) Major changes in the profitability, assets and credit position of the guarantor of the A Share Convertible Bonds of the Company

The guarantor of the A Share Convertible Bonds of the Company is Tianjin Branch, China Construction Bank. During the reporting period, there was no change in the profitability, assets and credit position of the guarantor.

(十五) 公司內部控制制度的建設情況

公司自05年開始就已經著手內部控制制度的建設和完善工作，根據公司的生產經營及戰略發展規劃情況，陸續出台了信息系統、資金管理、子公司管理、長期投資、工程建設、計劃統計等幾十項制度，並通過了ISO9000、ISO14000、OHSAS18000管理體系認證。

報告期內，根據上交所《上市公司內控指引》的要求，公司聘請了專業的管理諮詢公司，幫助進一步完善公司內部控制體系。第一階段對公司現有內控體系進行評估；第二階段是在第一階段評估的基礎上，彌補已發現的控制缺陷及重點業務流程的梳理和評價工作，進而完善公司的內部控制體系，建立內部控制自我評估能力和機制。第三階段持續提升整個內部控制質量，培養風險管理能力，構架全面的企業風險管理體系。此項工作預計於2007年底左右完成。公司審計部門負責對內部控制的獨立評價與監督。

(15) Establishment of the internal control system of the Company

The Company has undertaken the construction and improvement of the internal control system since the beginning of 2005 and implemented various systems such as information system, capital management, subsidiary management, long-term investment, project construction and planned statistics in accordance with the production, operation and strategic development planning of the Company. The Company also passed the ISO9000, ISO14000 and OHSAS18000 management system certification.

During the reporting period, pursuant to the requirements stipulated in the “Guideline on Internal Control of Listed Companies” issued by the SSE, the Company has engaged a professional management consultancy to help further refine the internal control system of the Company. The first stage is to evaluate the existing internal control system of the Company; the second stage is to rectify the control defects identified as well as regulating and evaluating the key business flow based on the evaluation made at the first stage so as to improve the internal control system of the Company and establish the self-assessment capability and mechanism for internal control. The third stage is to continue to upgrade the quality of internal control, cultivate capabilities for risk management and construct a comprehensive corporate risk management system. This task is expected to be completed around the end of 2007. The audit division of the Company is responsible for independent evaluation and supervision of internal control.