



*Interim Report for the six  
months ended 30th June 2007*



Tianjin Capital Environmental Protection Company Limited  
天津創業環保股份有限公司

## Important

1. The board (the “**Board**”) of directors (“**Directors**”), supervisory committee (“**Supervisory Committee**”) of Tianjin Capital Environmental Protection Company Limited (the “**Company**”) and its Directors, supervisors (“**Supervisors**”), senior management (“**Senior Management**”) confirmed that the information in this 2007 interim report (“**Interim Report**”) does not contain any false information, misleading statements or material omissions, and accept joint and several responsibility for the truthfulness, accuracy and completeness of the contents of this report.
2. Mr. Wang Zhanying, the Director was unable to attend the Board meeting due to business affairs, and had appointed Mr. Gu Qifeng, the vice Chairman to vote on his behalf. Mr. Gao Zongze and Mr. Ko Poming, both independent non-executive Directors, were unable to attend the Board meeting due to business trip, and had appointed Mr. Wang Xiangfei, the independent non-executive Director to vote on their behalf.
3. The Company interim financial reports are unaudited.
4. Ms. Ma Baiyu, the Chairman of the Company, Mr. Gu Qifeng, the person in charge of the accounting function, and Ms. Chen Yinxing, the person in charge of the accounting department of the Company, have declared that they shall be responsible for the truthfulness and completeness of the financial statements in this Interim Report.

## 重要提示

- 1、天津創業環保股份有限公司(「本公司」)董事(「董事」)會(「董事會」)、監事會(「監事會」)及其董事、監事(「監事」)、高級管理人員(「高級管理人員」)保證本2007年中期報告(「中期報告」)所載資料不存在任何虛假記載、誤導性陳述或者重大遺漏，並對其內容的真實性、準確性和完整性承擔個別及連帶責任。
- 2、董事王占英先生因公務無法出席本次董事會會議，他委托副董事長顧啟峰先生代為表決；獨立非執行董事高宗澤先生及高寶明先生因公務出差無法出席本次董事會會議，他們均委托獨立非執行董事王翔飛先生代為表決。
- 3、本公司半年度財務報告未經審計。
- 4、本公司主席馬白玉女士、主管會計工作負責人顧啟峰先生及會計機構負責人(會計主管人員)陳銀杏女士聲明：保證本中期報告中財務報告的真實及完整。

# I. Company Profile

## (I) Basic Information of the Company

### 1. Company name

**Legal Chinese name**

天津創業環保股份有限公司

**Abbreviation of the legal Chinese name**

創業環保

**English name**

Tianjin Capital Environmental Protection Company Limited

**Abbreviation of the English name**

TCEPC

### 2. Place for listing of the A Shares

Shanghai Stock Exchange (the "SSE")

**Short form of the A Shares**

創業環保

**Stock code of the A Shares**

600874

**Place for listing of the H Shares**

The Stock Exchange of Hong Kong Limited (the "HKSE")

**Short form of the H Shares**

Tianjin Capital

**Stock code of the H Shares**

1065

**Place for listing of the Company's A share convertible bonds ("A Share Convertible Bonds")**

SSE

**Short form of the Company's A Share Convertible Bonds**

Tianjin Convertible Bonds

**Code for the Company's A Share Convertible Bonds**

110874

### 3. Registered address

No. 45 Guizhou Road

Heping District

Tianjin

The People's Republic of China (the "PRC")

**Address of the Company's office**

TCEP Building, 76 Weijin South Road

Nankai District

Tianjin

The PRC

**Postal code**

300381

# 一、公司基本情況

## 二、本公司基本情況

### (一) 公司名稱

本公司法定中文名稱：

天津創業環保股份有限公司

本公司法定中文名稱縮寫：

創業環保

本公司英文名稱：

Tianjin Capital Environmental Protection Company Limited

本公司英文名稱縮寫：

TCEPC

### 2、本公司A股上市交易所：

上海證券交易所（「上交所」）

本公司A股簡稱：

創業環保

本公司A股代碼：

600874

本公司H股上市交易所：

香港聯合交易所有限公司（「聯交所」）

本公司H股簡稱：

天津創業環保

本公司H股代碼：

1065

本公司A股可轉債券（「A股可轉債券」）上市交易所：

上交所

本公司A股可轉債券簡稱：

創業轉債

本公司A股可轉債券代碼：

110874

### 3、本公司註冊地址：

中華人民共和國（「中國」）

天津市和平區

貴州路45號

本公司辦公地址：

中國天津市南開區

衛津南路76號

創業環保大廈

郵政編碼：

300381

**Website**

http://www.tjcep.com

**E-mail address**

tjcep@tjcep.com

**4. Legal representative of the Company**

Ms. Ma Baiyu

**5. Secretary to the Board**

Ms. Fu Yana

**Telephone number**

86-22-23930128

**Facsimile number**

86-22-23930126

**E-mail**

fu\_yn@tjcep.com

**Correspondence address**

TCEP Building, 76 Weijin South Road  
Nankai District  
Tianjin  
The PRC

**Company Secretary**

Mr. Kwan Man Fai

**Telephone number**

852-2218-0920

**Facsimile number**

852-2501-0028

**E-mail**

cosec@tjcep.com

**Correspondence address**

22/F, Worldwide House, Central, Hong Kong

**Securities Affairs Representative**

Ms. Guo Fengxian

**Telephone number**

86-22-23930128

**Facsimile number**

86-22-23930126

**E-mail**

guo\_fx@tjcep.com

**Correspondence address**

TCEP Building, 76 Weijin South Road  
Nankai District  
Tianjin  
The PRC

本公司國際互聯網網址：

http://www.tjcep.com

本公司電子信箱：

tjcep@tjcep.com

4、本公司法定代表人：

馬白玉女士

5、本公司董事會秘書：

付亞娜女士

電話：

86-22-23930128

傳真：

86-22-23930126

E-mail：

fu\_yn@tjcep.com

聯繫地址：

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衛津南路76號  
創業環保大廈

本公司公司秘書：

關文輝先生

電話：

852-2218-0920

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852-2501-0028

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聯繫地址：

香港中環環球大廈22樓

本公司證券事務代表：

郭鳳先女士

電話：

86-22-23930128

傳真：

86-22-23930126

E-mail：

guo\_fx@tjcep.com

聯繫地址：

中國天津市南開區  
衛津南路76號  
創業環保大廈

- 6. Newspapers for the Company's announcement:**  
Shanghai Securities, Hong Kong Wen Wei Po and The Standard

**Website designated by the China Securities Regulatory Committee ("CSRC") for the disclosure of the Interim Report:**

<http://www.sse.com.cn>

**Place where the Interim Report is available for Inspection**

Office of the Secretary to the Board at  
16/F, TCEP Building, 76 Weijin South Road, Nankai District,  
Tianjin, the PRC

**7. Other basic information:**

**Date of first registration of the Company**

8 June 1993

**The first registered address of the Company**

No. 10 Hubei Road, Heping District, Tianjin, the PRC

**Dates of changes in registration of the Company**

26 August 1998, 8 January 2001,  
23 July 2001 and 25 February 2003

**Change in registered address of the Company**

No. 45 Guizhou Road, Heping District, Tianjin, the PRC

**Number of Business Licence of the Company**

Qi He Jin Zong Zi No. 009079

**Tax Registration Number of the Company:**

**State tax registration number**

Guo Shui Jin Zi 120114103065501

**Local tax registration number**

Di Shui Jin Zi 120114103065501

**Name of PRC auditor appointed by the Company**

PricewaterhouseCoopers Zhong Tian Certified Public  
Accountants Limited Company

**Correspondence address of PRC auditor appointed by the Company**

11th Floor, PricewaterhouseCoopers Center  
202 Hu Bin Road  
Shanghai, the PRC

**Name of International auditor appointed by the Company**

PricewaterhouseCoopers

**Correspondence address of International auditor appointed by the Company**

22/F, Prince's Building  
Central, Hong Kong

- 6、本公司信息披露報紙名稱：  
《上海證券報》、香港《文匯報》和《The Standard》

登載本公司中期報告的中國證券監督委員會（「中國證監會」）指定國際互聯網網址：

<http://www.sse.com.cn>

本公司中期報告備置地點：

中國天津市南開區  
衛津南路76號創業環保大廈16樓  
董事會秘書辦公室

- 7、本公司其他基本情況：

本公司首次註冊登記日期：

1993年6月8日

本公司首次註冊登記地點：

中國天津市和平區湖北路十號

本公司變更註冊登記日期：

1998年8月26日、2001年1月8日、  
2001年7月23日、2003年2月25日

本公司變更註冊登記地點：

中國天津市和平區貴州路45號

本公司法人營業執照註冊號：

企合津總字第009079號

本公司稅務登記號碼：

國稅登記號：

國稅津字120114103065501號

地稅登記號：

地稅津字120114103065501號

本公司聘請的中國會計師事務所名稱：

普華永道中天會計師事務所有限公司

本公司聘請的中國會計師事務所辦公地址：

中國上海市湖濱路  
202號  
普華永道中心11樓

本公司聘請的國際會計師事務所名稱：

香港羅兵咸永道會計師事務所

本公司聘請的國際會計師事務所辦公地址：

香港中環  
太子大廈22樓

**(II) Principal accounting data and financial highlights (as prepared in accordance with the Accounting Standards and the Accounting System for Business Enterprise of the PRC (collectively the "PRC GAAP"))**

During the reporting period, the net profits of the Company and its subsidiaries (the "Group") as prepared under the PRC GAAP amounted to RMB109,374,000. The major financial information for the reporting period and the corresponding period of last year and the last year are as follows:

**(1) Major Financial Information and Benchmarks**

(二) 根據中國《企業會計準則》及《企業會計制度》(統稱「中國公認會計原則」)編製的主要會計數據和財務概要

根據中國公認會計原則編製，本公司及其子公司(「本集團」)在報告期內實現淨利潤為人民幣109,374千元。本報告期和上年同期及上年全年的主要財務指標如下：

(1) 主要財務數據和指標

Unit: '000 Currency: RMB  
單位：千元 幣種：人民幣

		At the end of last year 上年度期末			Increase/ Decrease (%) 本報告期末 比上年度 期末增減(%)
		At the end of the reporting period 本報告期末	After adjustment 調整後	Before adjustment 調整前	
Total assets	總資產	6,166,050.00	5,882,459.00	5,892,527.00	4.82
Equity interests (or shareholder's equity)	所有者權益 (或股東權益)	2,719,148.00	2,386,858.00	2,402,070.00	13.92
Net assets value per share (RMB)	每股淨資產 (元)	2.02	1.88	1.81	7.45
		Corresponding period of last year 上年同期			Increase/ Decrease (%) 本報告期 比上年同期 增減(%)
		Reporting period (January to June) 報告期 (1-6月)	After adjustment 調整後	Before adjustment 調整前	
Operating profit	營業利潤	156,099.00	141,633.00	146,401.00	10.21
Total profit	利潤總額	157,115.00	142,584.00	147,352.00	10.19
Net profit	淨利潤	110,585.00	93,030.00	96,225.00	18.87
Net profit after extraordinary items	扣除非經常性 損益的淨利潤	109,904.00	92,393.00	95,588.00	18.95
Basic earnings per Share (RMB)	基本每股收益 (元)	0.08	0.07	0.07	14.29
Diluted earnings per Share (RMB)	稀釋每股收益 (元)	0.08	0.07	0.07	14.29
Return on net assets (%)	淨資產收益率 (%)	4.07	3.90	4.13	Increase 0.17%
Net cash flow from operating activities	經營活動產生的 現金流量淨額	54,528.00	118,181.00	118,181.00	-53.86
Net cash flow from operating activities per Share	每股經營活動產生 的現金流量淨額	0.04	0.09	0.09	-55.56

**(2) Extraordinary items**

<b>Extraordinary items</b>	<b>非經常性損益項目</b>	<b>Amount</b> 金額
Other non-operating income and expenses save for the above, net	除上述各項之外的其他營業外收支淨額	681
Total	合計	<u>681</u>

**(3) Significant differences between accounts prepared under the PRC GAAP and Hong Kong Financial Reporting Standards (“HKFRS”)**

Net profit	淨利潤
Net assets	淨資產

The net profit and net assets calculated in accordance with the new corporation accounting principles adopted this year are the same as those calculated in accordance with HKFRS.

**(2) 非經常性損益項目和金額**

Unit: '000 Currency: RMB  
單位：千元 幣種：人民幣

**(3) 根據中國公認會計原則及香港財務報告準則的差異**

Unit: '000 Currency: RMB  
單位：千元 幣種：人民幣

<b>PRC GAAP</b>	<b>HKFRS</b>
按中國公認會計原則	按香港財務報告準則
109,374	109,374
2,834,048	2,834,048

本年度執行新企業會計準則，與按照香港財務報告準則核算的淨利潤和淨資產無差異。

### III. Changes in the Shares and Shareholders (the "Shareholders") of the Company 三、本公司股份及股東（「股東」）變動情況

#### (I) Changes in the Share Capital of the Company

#### (一) 股份變動情況表

		Before the changes 本次變動前		Increase/reduction during the reporting period (+,-) 本次變動增減(+,-)					After the changes 本次變動後	
		Number of Shares 數量 (Unit: Shares) (單位:股)	Percentage 百分比 (%)	Number of new Shares issued 發行新股 (Unit: Shares) (單位:股)	Transfer of			Sub-total 小計 (Unit: Shares) (單位:股)	Number of Shares 數量 (Unit: Shares) (單位:股)	Percentage 百分比 (%)
					Bonus issues 送股 (Unit: Shares) (單位:股)	share capital 公積金轉股 (Unit: Shares) (單位:股)	Others 其他 (Unit: Shares) (單位:股)			
I. Restricted circulating Shares	一、有限售條件流通股份									
1. State-owned Shares	1、國家持股	797,152,609	59.91	—	—	—	-66,533,005	-66,533,005	730,619,604	52.09
2. State-owned legal person Shares	2、國有法人持股	—	—	—	—	—	—	—	—	—
3. Shares held by other domestic entities	3、其他內資持股	38,485,000	2.89	—	—	—	-38,485,000	-38,485,000	0	0
Including:	其中:									
Shares held by domestic corporate entities	境內非國有法人持股	—	—	—	—	—	—	—	—	—
Shares held by domestic natural persons	境內自然人持股	—	—	—	—	—	—	—	—	—
4. Shares held by foreign entities	4、外資持股	—	—	—	—	—	—	—	—	—
Including:	其中:									
Shares held by overseas corporate entities	境外法人持股	—	—	—	—	—	—	—	—	—
Shares held by overseas natural persons	境外自然人持股	—	—	—	—	—	—	—	—	—
II. Non-restricted circulating Shares	二、無限售條件流通股份									
1. RMB ordinary Shares	1、人民幣普通股	155,028,410	11.65	—	—	—	176,988,925	176,988,925	332,017,335	23.67
2. Domestic listed foreign Shares	2、境內上市的外資股	—	—	—	—	—	—	—	—	—
3. H Shares	3、H股	340,000,000	25.55	—	—	—	0	0	340,000,000	24.24
4. Others	4、其他	—	—	—	—	—	—	—	—	—
Total number of Shares	股份總數	1,330,666,019	100	—	—	—	176,988,925	176,988,925	1,402,636,939	100

#### Approvals for the changes in the Shares

#### 股份變動的批准情況

- On 20 April 2007, the 12 months lock-up period of the Company's 105,018,005 restricted circulating A Shares expired, and such shares were converted into non-restricted circulating A Shares with circulating rights.
  - The non-restricted circulating A Shares of the Company have increased by 176,988,925 shares, of which 105,018,005 shares are converted into non-restricted circulating A Shares from restricted circulating A Shares upon the expiry of the lock-up period as mentioned above and the remaining 71,970,920 shares are due to the conversion from the Company's A Share Convertible Bonds.
- 2007年4月20日，本公司有限售條件流通A股105,018,005股鎖定期滿，獲得流通權，變更為無限售條件流通A股。
  - 本公司無限售條件流通A股增加176,988,925股，除上述105,018,005股為有限售條件流通A股鎖定期滿獲得流通權變更為無限售條件流通A股外，其餘71,970,920股為A股可轉債券轉股所致。



## (II) Changes in the Shareholders

### 1. Number of the Shareholders and their shareholdings

Total number of the Shareholders as at the end of the reporting period

97,662 Shareholders, including 83 Shareholders holding H Shares

### Shareholdings of the top ten Shareholders

## (二) 股東情況

### 1、股東數量和持股情況

報告期末股東總數

97,662戶，其中H股股東83戶

### 前十名股東持股情況

Shareholders 股東名稱	Nature of the Shareholders 股東性質	Percentage of shareholding 持股比例 (%) (%)	Total number of Shares held 持股總數 (Unit: Shares) (單位：股)	Increase/ Decrease during the reporting period 報告期內增減 (Unit: Shares) (單位：股)	Number of restricted Shares held 持有有限售條件流通股份數量 (Unit: Shares) (單位：股)	Number of Shares pledged or frozen 質押或凍結的股份數量 (Unit: Shares) (單位：股)
Tianjin Municipal Investment Company Limited ("TMICL") 天津市政投資有限公司 (「市政投資」)	State-owned Shareholder 國家	55.25	774,984,445	-22,168,164	730,619,604	Pledged 質押 279,520,000
HKSCC Nominees Limited 香港中央結算(代理人)有限公司	Unknown 未知	24.05	337,280,900	226,000	0	Unknown 未知
Zhou Jun 周軍	Domestic Natural Person 境內自然人	0.29	4,096,094	4,096,094	0	Unknown 未知
Shenyang Railway Bureau Economy Development Co., Ltd. 瀋陽鐵路局經濟發展總公司	State-owned 國有法人	0.25	3,500,000	0	0	Unknown 未知
China Huadian Power Plant Equipment Engineering (Group) Co., Ltd. 中國華電電站裝備工程(集團)總公司	State-owned 國有法人	0.18	2,557,596	0	0	Unknown 未知
Wei Jianzhong 魏建忠	Domestic natural person 境內自然人	0.17	2,425,859	2,425,859	0	Unknown 未知
Yu Fei 于菲	Domestic natural person 境內自然人	0.13	1,780,000	1,780,000	0	Unknown 未知
BOC – Harvest Bond Open-end Securities Investment Fund 中國銀行－嘉實債券開放式證券投資基金	Others 其他	0.13	1,759,067	1,759,067	0	Unknown 未知
Galaxy Securities Co. Ltd 中國銀河證券有限責任公司	Others 其他	0.11	1,500,000	0	0	Unknown 未知
BOC – Shanghai Shenzhen 300 Index Securities Investment Fund 中國銀行－嘉實滬深300指數證券投資基金	Others 其他	0.11	1,475,604	1,475,604	0	Unknown 未知

**Shareholdings of the top ten non-restricted circulating Shares Shareholders**

前十名無限售條件流通股份股東持股情況

<b>Shareholders</b> 股東名稱		<b>Number of the non-restricted circulating Shares held</b> 持有無限售條件流通股份數量 (Unit: Shares) (單位: 股)	<b>Type of Shares</b> 股份種類
HKSCC Nominees Limited	香港中央結算(代理人)有限公司	337,280,900	H Shares H 股
TMICL	市政投資	44,364,841	Ordinary Shares 人民幣普通股
Zhou Jun	周軍	4,096,094	Ordinary Shares 人民幣普通股
Shenyang Railway Bureau Economy Development Co., Ltd.	瀋陽鐵路局經濟發展總公司	3,500,000	Ordinary Shares 人民幣普通股
China Huadian Power Plant Equipment Engineering (Group) Co., Ltd.	中國華電電站裝備工程(集團)總公司	2,557,596	Ordinary Shares 人民幣普通股
Wei Jianzhong	魏建忠	2,425,859	Ordinary Shares 人民幣普通股
Yu Fei	于菲	1,780,000	Ordinary Shares 人民幣普通股
BOC – Harvest Bond Open-end Securities Investment Fund	中國銀行—嘉實債券開放式證券投資基金	1,759,067	Ordinary Shares 人民幣普通股
Galaxy Securities Co. Ltd.	中國銀河證券有限責任公司	1,500,000	Ordinary Shares 人民幣普通股
BOC – Shanghai Shenzhen 300 Index Securities Investment Fund	中國銀行—嘉實滬深 300 指數證券投資基金	1,475,604	Ordinary Shares 人民幣普通股

### **Notes on the connected relationship or parties acting in concert among the above Shareholders**

Of the 10 largest shareholders of non-restricted circulating Shares, BOC – Harvest Bond Open-end Securities Investment Fund and BOC – Shanghai Shenzhen 300 Index Securities Investment Fund are both related to Harvest Fund Management Co., Ltd. It is not certain whether there are any connected relationships among other shareholders and not certain whether they belong to concerted action persons under the “Regulations regarding information management disclosures on changes in shareholdings of listed companies”.

- (1) According to the register of members of the Company as provided by HKSCC Nominees Limited, those H Shares held by it were held on behalf of various clients. There was no client who owned 5% or more interest in the total issued share capital of the Company.
- (2) The top ten Shareholders are not strategic investors of the Company.
- (3) There are 2,725,000 A Shares which have been detained by the Securities Registration and Settlement System due to violation of settlement rules by the Southern Securities.

### **上述股東關聯關係或一致行動關係的說明**

前十名無限售條件流通股份股東中，中國銀行－嘉實債券開放式證券投資基金和中國銀行－嘉實滬深300指數證券投資基金同屬嘉實基金管理有限公司，其他股東之間未知是否存在關聯關係，也未知是否屬於《上市公司股東持股變動信息管理披露辦法》中規定的一致行動人。

1. 根據香港中央結算(代理人)有限公司(HKSCC NOMINEES LIMITED)提供的股東名冊，其持有之H股股份乃代表多個客戶所持有，並無任何個別客戶持有本公司總股本5%或以上之權益。
2. 前十名股東均不是本公司的戰略投資者。
3. 另有2,725,000股A股股票，因南方證券資金交收違約，證券被登記結算系統扣押。

**Shareholdings of the Company's restricted circulating Shares Shareholder and the restriction conditions**

本公司有限售條件流通股份股東持股數量及限售條件

Serial No.	Names of restricted circulating Shares Shareholders	Number of restricted circulating Shares held (Unit: Shares) (單位: 股)	Listing and trading in restricted circulating Shares 有限售條件股份可上市交易情況		Restriction conditions 限售條件
			Time permitted to be listed and traded in the market 可上市交易時間	Number of Shares permitted to be listed and traded in the market 新增可上市交易股份數量 (Unit: Shares) (單位: 股)	
1	TMICL 市政投資	730,619,604	20 April 2008 2008年4月20日	66,533,005	(1) All the A Shares of the Company held by TMICL shall not be listed, traded or transferred within 12 months commencing from the date of the implementation of the Share Segregation Reform Proposal of the Company. (1) 所持有的本公司A股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。
			20 April 2009 2009年4月20日	664,086,599	(2) The total number of restricted circulating Shares sold through the SSE shall not exceed 5% of the total number of issued Shares within 12 months after the expiry of the Restricted Period, while the total number of restricted circulating Shares sold through the SSE shall not exceed 10% of the total number of issued Shares within 24 months after the expiry of the Restricted period. (2) 在前項承諾期期滿後，通過上交所掛牌交易出售股份，出售數量佔本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。

## 2. Changes in the controlling Shareholder and the actual controllers of the Company

On 7 June 2007, the Company received a notice from TMICL, the controlling shareholder of the Company, that as agreed by the Tianjin Municipal Government, Tianjin Municipal Engineering Bureau (holder of the State-owned assets of TMICL) (“**Tianjin Municipal Bureau**”) will transfer the shares in TMICL owned by it to Tianjin Infrastructure Investment Group (“**Tianjin Investment Group**”).

Pursuant to the requirements under the “Company Law”, “Securities Law”, “Administration Measures for Acquisition of Listed Companies” and “Rules Governing the Listing of Securities on the Shanghai Stock Exchange” of the PRC, the related share transfer procedures are being processed. Upon the completion of the present transfer of the State-owned assets, Tianjin Investment Group shall directly own 100% equity interest in TMICL, and become the actual controller of the Company.

For details, please refer to the Shanghai Securities, Hong Kong Wen Wei Po and The Standard dated 8 June 2007.

## 2、 控股股東及實際控制人變更情況

本公司於2007年6月7日接到控股股東市政投資的通知，經天津市政府同意，天津市市政工程局（市政投資國有產權持有人）（「**市政局**」）將其持有的市政投資股份轉讓至天津城市基礎設施建設投資集團有限公司（「**城投集團**」）。

根據中國《公司法》、《證券法》、《上市公司收購管理辦法》及《上海證券交易所股票上市規則》的規定，相關股權劃轉手續正在辦理中。本次國有產權劃轉完成後，城投集團將直接持有市政投資100%的股權，成為本公司實際控制人。

具體內容詳見2007年6月8日的《上海證券報》、香港《文匯報》、《The Standard》。

**3. Substantial Shareholders' and other persons' interests and/or short positions in the shares and underlying shares of the Company**

As at 30th June 2007, the following entity, other than a Director, Supervisor or chief executive of the Company, had interests and/or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"):

Name of Shareholder	Capacity	Number and class of securities	Approximate percentage in the relevant class of securities	Approximate percentage in the total issued share capital of the Company
股東名稱	身份	證券數目及類別 (Note 1) (註1)	於有關證券類別的概約百分比	於本公司已發行的總股本的概約百分比
TMICL 市政投資	Beneficial owner 實益擁有人	774,984,445 Shares (Including 730,619,604 restricted circulating A Shares and 44,364,841 non-restricted circulating A Shares) (L) 774,984,445股 (包括730,619,604股有限售條件流通A股及44,364,841股無限售條件流通A股)(好倉)	72.93%	55.25%
Mirae Asset Global Investment Management Limited	Investment Manager 投資經理	20,736,000 H Shares (L) 20,736,000股 H股(好倉)	6.10%	1.48%
ISIS Asset Management Plc.	Investment Manager 投資經理	17,286,000 H Shares (L) 17,286,000股 H股(好倉)	5.08%	1.23%
HSBC Asset Management (Hong Kong) Limited 滙豐投資管理(香港)有限公司	Investment Manager 投資經理	20,000,000 H Shares (L) 20,000,000股 H股(好倉)	5.88%	1.43%

Note:

1. The letter "L" represents the entity's long positions in the Shares.

Save as disclosed above, there is no person (other than a Director, Supervisor or chief executive of the Company) who, as at 30th June 2007, had an interest and/or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

3、主要股東及其他人士於本公司股份及相關股份中的權益及／或淡倉

截至2007年6月30日，以下實體(本公司董事、監事或最高行政人員除外)於本公司股份及相關股份中擁有根據《證券及期貨條例》(香港法例第571章)(「證券及期貨條例」)第336條規定存置的登記冊上記錄之權益及／或淡倉：

Name of Shareholder	Capacity	Number and class of securities	Approximate percentage in the relevant class of securities	Approximate percentage in the total issued share capital of the Company
股東名稱	身份	證券數目及類別 (Note 1) (註1)	於有關證券類別的概約百分比	於本公司已發行的總股本的概約百分比
TMICL 市政投資	Beneficial owner 實益擁有人	774,984,445 Shares (Including 730,619,604 restricted circulating A Shares and 44,364,841 non-restricted circulating A Shares) (L) 774,984,445股 (包括730,619,604股有限售條件流通A股及44,364,841股無限售條件流通A股)(好倉)	72.93%	55.25%
Mirae Asset Global Investment Management Limited	Investment Manager 投資經理	20,736,000 H Shares (L) 20,736,000股 H股(好倉)	6.10%	1.48%
ISIS Asset Management Plc.	Investment Manager 投資經理	17,286,000 H Shares (L) 17,286,000股 H股(好倉)	5.08%	1.23%
HSBC Asset Management (Hong Kong) Limited 滙豐投資管理(香港)有限公司	Investment Manager 投資經理	20,000,000 H Shares (L) 20,000,000股 H股(好倉)	5.88%	1.43%

附註：

1. 「好倉」指該實體於股份中的好倉。

除上述者外，於2007年6月30日，概無人士(本公司董事、監事或最高行政人員除外)於本公司股份及相關股份中擁有根據證券及期貨條例第336條規定存置的登記冊上記錄之權益及／或淡倉。

### (III) A Share Convertible Bonds

#### 1. Issue of the A Share Convertible Bonds

As approved by CSRC under document Zheng Jian Fa Xing Zi [2004] No.100, the Company issued the A Share Convertible Bonds in the sum of RMB1,200,000,000 on 1 July 2004, which were listed on the SSE on 19 July 2004. The A Share Convertible Bonds have a convertible term of five years from 1 July 2005 to 30 June 2009. The "Prospectus relating to the Issue of the A Share Convertible Bonds" (the "**Prospectus**"), the "Notice of Issue" and the "Notice of Listing" have been published on the China Securities Journal, the Shanghai Securities and the website of the SSE on 26 June 2004 and 10 July 2004 respectively.

#### 2. Holders of the A Share Convertible Bonds during the reporting period

Number of holders of the A Share Convertible Bonds as at the end of the reporting period 168

The top ten holders of the A Share Convertible Bonds:

#### Holders of the A Share Convertible Bonds

A股可轉債券持有人名稱

		<b>Amount held at the end of the reporting period</b> 期末持債數量 (RMB) (人民幣元)	<b>Approximate percentage</b> 持有比例 (%)
ICBC – HKR Convertible Bonds Mixed Securities Investment Fund	中國工商銀行－興業可轉債混合型證券投資基金	19,270,000	1.61
Ping An Insurance (Group) Company of China, Ltd.	中國平安保險（集團）股份有限公司	11,475,000	0.96
ICBC – GTJA Allianz Desheng Small Scale Securities Investment Fund	中國工商銀行－國聯安德盛小盤精選證券投資基金	10,444,000	0.87
International Finance – Charter – CITIGROUP GLOBAL MARKETS LIMITED	國際金融－渣打－CITIGROUP GLOBAL MARKETS LIMITED	9,610,000	0.80
Tai Ping Life Insurance Co., Ltd.	太平人壽保險有限公司	8,499,000	0.71
Bank of Communications – Hua An Bao Li Securities Investment Fund	交通銀行－華安寶利配置證券投資基金	7,084,000	0.59
BOC – Harvest Bond Open-end Securities Investment Fund	中國銀行－嘉實債券開放式證券投資基金	5,464,000	0.46
National Social Insurance Fund 206 Package	全國社保基金二零六組合	5,260,000	0.44
National Social Insurance Fund 202 Package	全國社保基金二零二組合	5,000,000	0.42
BOC – Jiashi Service Increment Industries Security Investment Fund	中國銀行－嘉實服務增值行業證券投資基金	3,951,000	0.33

### (三) A股可轉債券情況

#### 1、 A股可轉債券發行情況

本公司經中國證監會（證監發行字[2004]100號）文件核准，於2004年7月1日發行人民幣12億元A股可轉債券，並於2004年7月19日在上交所掛牌交易，轉債期限5年，轉股期為2005年7月1日至2009年6月30日。本公司《發行A股可轉換公司債券募集說明書》（「**募集說明書**」）、《發行公告》和《上市公告書》已分別刊登於2004年6月26日和7月10日的《中國證券報》、《上海證券報》及上交所網站。

#### 2、 報告期A股可轉債券持有人情況

期末A股可轉債券持有人數 168

前十名A股可轉債券持有人情況如下：

<b>Amount held at the end of the reporting period</b> 期末持債數量 (RMB) (人民幣元)	<b>Approximate percentage</b> 持有比例 (%)
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**3. Changes in the A Share Convertible Bonds during the reporting period**

3、報告期A股可轉債券變動情況

**Unit: Dollar Currency: RMB**

單位：元 幣種：人民幣

		Prior to the current changes 本次變動前	Increase/reduction in the current changes 本次變動增減			After the current changes 本次變動後
			Conversion 轉股	Redemption 贖回	Sale back 回售	
A Share Convertible Bonds	A股可轉債券	372,062,000	277,810,000	—	—	94,252,000

**4. Accumulated share conversion of the A Share Convertible Bonds during the reporting period**

4、報告期A股可轉債券累計轉股情況

As at the end of the reporting period, A Share Convertible Bonds in the sum of RMB277,810,000 were converted into the A Shares of the Company, and the number of Shares converted during the reporting period was 71,970,920 Shares. As at the end of this reporting period, the aggregated number of Shares converted was 72,636,939 Shares, representing 5.46% of the total number of Shares issued by the Company before conversion. There were A Share Convertible Bonds in the sum of RMB94,252,000 that have not yet been converted into Shares, representing 7.85% of the total number of A Share Convertible Bonds issued.

截止本報告期末，已有277,810,000元人民幣的本公司發行的A股可轉債券轉成本公司股票，本期轉股數為71,970,920股，累計轉股數為72,636,939股，累計轉股數佔轉股前本公司已發行股份總數的5.46%；尚有94,252,000元人民幣的A股可轉債券未轉股，未轉股佔A股可轉債券發行總量的7.85%。

**5. Adjustments in the conversion price**

5、轉股價格歷次調整情況

Following the implementation of the profit appropriation plan of distributing RMB1.00 in cash for every 10 Shares in 2004, pursuant to the relevant provisions in respect of adjustments to the conversion price as set out in the Prospectus, adjustments were made to the conversion price on 28 July 2005, and the conversion price of the A Share Convertible Bonds was adjusted from the original RMB7.70 per Share to RMB7.60 per Share. For details, please refer to the announcements published on the Shanghai Securities, Hong Kong Wen Wei Po and The Standard on 22 July 2005, website of CSRC at <http://www.sse.com.cn>, and website of the HKSE at <http://www.hkex.com.hk>.

本公司實施2004年度每10股派發現金1.00元人民幣的分配方案後，根據募集說明書轉股價格調整的有關規定，本公司於2005年7月28日調整轉股價格，A股可轉債券的轉股價格由原來的每股人民幣7.70元調整為每股人民幣7.60元（詳見2005年7月22日，《上海證券報》、香港《文匯報》和《The Standard》；中國證監會指定國際互聯網網址：<http://www.sse.com.cn>，聯交所之互聯網網址：<http://www.hkex.com.hk>）。



As 20 trading days have lapsed since the commencement of the conversion period of the A Share Convertible Bonds (i.e. from 1 July 2005 to 28 July 2005), and due to a continued downturn in the stock market, the conversion price of the A Share Convertible Bonds have been maintained at the level lower than 80% of the conversion price. Therefore, pursuant to the special provision regarding adjustment to the conversion price as set out in the Prospectus, the conversion price of the A Share Convertible Bonds was approved to adjust downward by 20% by the Board (i.e. a downward adjustment from RMB7.60 to RMB6.08). Pursuant to the relevant provisions regarding adjustments to the conversion price as set out in the Prospectus, the conversion price of the A Share Convertible Bonds was adjusted on 1 August 2005, and the adjusted conversion price was RMB6.08. For details, please refer to the announcements published on the Shanghai Securities, Hong Kong Wen Wei Po and The Standard on 29 July 2005, website of CSRC at <http://www.sse.com.cn>, and website of the HKSE at <http://www.hkex.com.hk>.

As the price of the Company's A Shares have been continuously lower than 80% of the conversion price of the A Share Convertible Bonds during the period from 1 August 2005 to 30 December 2005 (during such time, the conversion price of the A Share Convertible Bonds was RMB6.08), which triggered the provisions regarding the adjustment to the conversion price of the A Share Convertible Bonds as set out in the Prospectus, the Board decided to make downward adjustment of 19.90% to the conversion price of the A Share Convertible Bonds (i.e. a downward adjustment from RMB6.08 to RMB4.87). Pursuant to the relevant provisions regarding adjustments to the conversion price of the A Share Convertible Bonds as set out in the Prospectus, the conversion price of the A Share Convertible Bonds was adjusted on 9 January 2006, and the adjusted conversion price was RMB4.87. For details, please refer to announcements published on the Shanghai Securities, Hong Kong Wen Wei Po and The Standard on 6 January 2006, website of CSRC at <http://www.sse.com.cn>, and website of the HKSE at <http://www.hkex.com.hk>.

From 7 March 2006 to 22 May 2006, the price of the Company's A Share has triggered the provision regarding the adjustment to the conversion price of the A Share Convertible Bonds as set out in the Prospectus, the Board decided to make a downward adjustment of 19.92% to the conversion price of the A Share Convertible Bonds (i.e. a downward adjustment from RMB4.87 to RMB3.90). Pursuant to the relevant provisions regarding the adjustments to the conversion price of the A Share Convertible Bonds as set out in the Prospectus, the conversion price of the A Share Convertible Bonds was adjusted on 24 May 2006, and the adjusted conversion price of the A Share Convertible Bonds was RMB3.90. For details, please refer to the announcements published on the Shanghai Securities, Hong Kong Wen Wei Po and The Standard on 23 May 2006, website of CSRC at <http://www.sse.com.cn>, and website of HKSE at <http://www.hkex.com.hk>.

鑒於本公司A股可轉債券2005年7月1日進入轉股期至2005年7月28日已滿20個交易日，而由於市場持續低迷，致使本公司A股股價一直低於轉股價格的80%，因此按照募集說明書中有關轉股價格特別向下修正條款的規定，經本公司董事會審議決定將當期轉股價格向下修正20%，即由7.60元修正為6.08元。根據募集說明書轉股價格調整的有關規定，公司於2005年8月1日調整轉股價格，調整後的轉股價格為6.08元人民幣。（詳見2005年7月29日，《上海證券報》、香港《文匯報》和《The Standard》；中國證監會指定國際互聯網網址：<http://www.sse.com.cn>，聯交所之互聯網網址：<http://www.hkex.com.hk>）。

鑒於本公司A股股價自2005年8月1日至2005年12月30日持續低於當期轉股價格（當期轉股價格為6.08元）的80%，已滿足本公司募集說明書中有關轉股價格特別向下修正條款的規定，因此經本公司董事會審議決定將當期轉股價格向下修正19.90%，即由6.08元修正為4.87元。根據募集說明書轉股價格調整的有關規定，本公司於2006年1月9日調整轉股價格，調整後的轉股價格為4.87元人民幣。（詳見2006年1月6日，《上海證券報》、香港《文匯報》和《The Standard》；中國證監會指定國際互聯網網址：<http://www.sse.com.cn>，聯交所之互聯網網址：<http://www.hkex.com.hk>）。

2006年3月7日至2006年5月22日，本公司A股股價已滿足本公司募集說明書關於轉股價格修正條款的規定，因此經本公司董事會審議決定將當期轉股價格向下修正19.92%，即由4.87元修正為3.90元。根據募集說明書轉股價格調整的有關規定，本公司於2006年5月24日調整轉股價格，調整後的轉股價格為3.90元人民幣。（詳見2006年5月23日，《上海證券報》、香港《文匯報》和《The Standard》；中國證監會指定國際互聯網網址：<http://www.sse.com.cn>，港交所之互聯網網址：<http://www.hkex.com.hk>）。

Following the implementation of the profit appropriation plan of distributing RMB0.40 in cash for every 10 Shares in 2005, the conversion price of the A Share Convertible Bonds was adjusted from the original RMB3.90 per Share to RMB3.86 per Share. Pursuant to the relevant provisions in respect of adjustments to the conversion price as set out in the Prospectus, adjustments were made to the conversion price of the A Share Convertible Bonds on 31 July 2006 and the adjusted conversion price of the A Share Convertible Bonds was RMB3.86. For details, please refer to the announcements published on the Shanghai Securities, Hong Kong Wen Wei Po and The Standard on 25 July 2006, website of CSRC at <http://www.sse.com.cn>, and website of HKSE at <http://www.hkex.com.hk>.

Following the implementation of the profit appropriation plan of distributing RMB0.40 in cash for every 10 Shares in 2006, the conversion price of the A Share Convertible Bonds was adjusted from the original RMB3.86 to RMB3.82 per Share. Pursuant to the relevant provisions in respect of adjustments to the conversion price as set out in the Prospectus, adjustments were made to the conversion price of the A Share Convertible Bonds on 2 July 2007 and the adjusted conversion price of the A Share Convertible Bonds was RMB3.82. For details, please refer to the announcement published on the Shanghai Securities, Hong Kong Wen Wei Po and The Standards on 26 June 2007, website of CSRC at <http://www.sse.com.cn>, and website of HKSE at <http://www.hkex.com.hk>.

As at the end of the reporting period, the latest conversion price of the A Share Convertible Bonds was RMB3.86. Whereas, as at the date of this report, the latest conversion price of the A Share Convertible Bonds is RMB3.82.

#### **6. The guarantor of the A Share Convertible Bonds**

The A Share Convertible Bonds was guaranteed by Tianjin Branch of China Construction Bank.

#### **7. Other information of the A Share Convertible Bonds**

The closing prices of the Company's A Share for the 20 consecutive trading days from 1 July 2005 to 28 July 2005 were lower than 70% of the conversion price of the A Share Convertible Bonds (which was RMB7.70). Pursuant to the Prospectus, the Company's A Share Convertible Bonds have triggered the provision for the sale back of the A Share Convertible Bonds to the Company as set out in the Prospectus. Holders of the A Share Convertible Bonds applied for the sale back of their A Share Convertible Bonds through the transaction system of the SSE from 5 August 2005 to 11 August 2005, with accumulated sale back amount of 8,239,020 A Share Convertible Bonds. The price for the sale back of the A Share Convertible Bonds was 102% of the nominal value of the A Share Convertible Bonds (i.e. RMB102 per A Share Convertible Bond). Upon completion of the sale back, there were still 3,760,980 A Share Convertible Bonds outstanding.

本公司實施2005年度每10股派發現金0.40元人民幣的分配方案後，A股可轉債券的轉股價格由原來的每股人民幣3.90元調整為每股人民幣3.86元。根據募集說明書轉股價格調整的有關規定，本公司於2006年7月31日調整轉股價格，調整後的轉股價格為3.86元人民幣。（詳見2006年7月25日，《上海證券報》、香港《文匯報》和《The Standard》；中國證監會指定國際互聯網網址：<http://www.sse.com.cn>，聯交所之互聯網網址：<http://www.hkex.com.hk>）。

本公司實施2006年度每10股派發現金0.40元人民幣的分配方案後，A股可轉債券的轉股價格由原來的每股人民幣3.86元調整為每股人民幣3.82元。根據募集說明書轉股價格調整的有關規定，本公司於2007年7月2日調整轉股價格，調整後的轉股價格為3.82元人民幣。（詳見2006年6月26日，《上海證券報》、香港《文匯報》和《The Standard》；中國證監會指定國際互聯網網址：<http://www.sse.com.cn>，港交所之互聯網網址：<http://www.hkex.com.hk>）。

截止本報告期末，A股可轉債券的最新轉股價格為3.86元人民幣。截止本報告刊登日，A股可轉債券的最新轉股價格為3.82元人民幣。

#### **6、A股可轉債券的擔保人**

本公司A股可轉債券的擔保人是中國建設銀行天津分行。

#### **7、A股可轉債券其他情況說明**

本公司的A股股票自2005年7月1日至2005年7月28日連續20個交易日收盤價格低於當期轉股價格（當期轉股價格為人民幣7.70元）的70%。根據本公司券募集說明書的約定，本公司A股可轉債券已觸發回售條款。行使回售權的A股可轉債券持有人在2005年8月5日至2005年8月11日回售申報期內通過上交所交易系統進行回售申報，共有8,239,020張A股可轉債券進行回售。本次回售價格為A股可轉債券面值的102%，即人民幣102元/張。本次回售結束後，本公司A股可轉債券剩餘3,760,980張。

Pursuant to the “Implementation Method of the Issue of the Convertible Bonds by Listed Companies” and the “Rules Governing the Listing of Securities on the SSE”, the remaining A Share Convertible Bonds, which has not been sold back to the Company, will continue to be traded on the SSE.

As at 30 June 2007, the A Share Convertible Bonds had been issued for three years. Pursuant to the relevant provisions as set out in the Prospectus, the Company paid interests at the rate of 3.76% p.a. to those holders of the A Share Convertible Bonds (as at the closing in the SSE on 29 June 2007). For details, please refer to the relevant announcements published in Shanghai Securities, Hong Kong Wen Wei Po and The Standard on 26 June 2007.

In the 7th meeting of the Fourth Board of the Company held on 30 July 2007, the Board accepted and approved the “Resolution regarding redemption of the Company’s A Share Convertible Bonds”. Pursuant to the Prospectus and the relevant requirements under the “Administrative measures on the issue of securities by listed companies” and “Rules Governing the Listing of Shares on Shanghai Stock Exchange”, the Company decided to exercise the redemption right of the A Share Convertible Bonds, to fully redeem all the outstanding A Share Convertible Bonds after the close of trading on the Registration Date of Redemption (27 August 2007). For details of the redemption of the A Share Convertible Bonds, please refer to announcements regarding redemption of the A Share Convertible Bonds published by the Company on 31 July 2007, 1 August 2007 and 2 August 2007 respectively.

根據《上市公司發行可轉換公司債券實施辦法》及《上海證券交易所股票上市規則》，未回售的A股可轉債券將繼續在上交所交易。

截止2007年6月30日，A股可轉債券已發行滿三年，按照本公司募集說明書有關條款的規定，本公司對截至2007年6月29日上交所收市後的A股可轉債券持有者，按照3.76%的利率進行了派息。（詳細請見2007年6月26日的《上海證券報》、香港《文匯報》和《The Standard》上相關公告）。

本公司於2007年7月30日召開第四屆董事會第七次會議，審議通過了《關於對A股可轉債券進行贖回的議案》。根據本公司募集說明書中的約定和《上市公司證券發行管理辦法》及《上海證券交易所股票上市規則》等有關規定，本公司決定行使A股可轉債券贖回權，將截止贖回登記日（2007年8月27日）收市後尚未轉股的A股可轉債券全部贖回。關於A股可轉債券贖回的具體事宜，請詳見本公司於2007年7月31日、2007年8月1日和2007年8月2日發出的「關於A股可轉債券贖回事宜的公告」。

## IV. Directors, Supervisors, and the Senior Management

## 四、董事、監事和高級管理人員

### (I) Changes in the shareholding of the Directors, Supervisors and Senior Management

There was no change in the shareholding of the Directors, Supervisors and Senior Management during the reporting period.

### (一) 董事、監事和高級管理人員持股變動

報告期內本公司董事、監事、高級管理人員持股未發生變化。

### (II) Directors', Supervisors' and the Company's chief executives' interests and/or short positions in the shares, underlying shares and debentures of the Company or its associated corporations

As at 30th June 2007, the interests and/or short positions of the Directors, Supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or otherwise, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Hong Kong Stock Exchange were as follows:

### (二) 本公司董事、監事及最高行政人員於本公司或其相聯法團股份、相關股份及債券中的權益及／或淡倉

於2007年6月30日，本公司董事、監事及最高行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債務證券中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益(包括證券及期貨條例被當作或視為擁有的權益及淡倉)，或須根據證券及期貨條例第352條記錄於該條例所指的登記冊中的權益，或須根據上市規則有關《上市公司董事進行證券交易的標準守則》知會本公司及聯交所的任何權益及淡倉如下：

Name 姓名	The Company/ name of associated corporations 本公司/ 相關法團名稱	Capacity 身份	Number and class of securities 證券數目及類別 (Note) (附註)	Approximate percentage in the total issued share capital of the Company/ associated corporations 於本公司/ 相聯法團 已發行總股本中的 概約百分比
<b>Director</b> 董事				
Wang Zhanyang 王占英	The Company 本公司	Beneficial owner 實益擁有人	6,850 domestic Shares (non-restricted circulating Shares) (L) 6,850 股內資股 (無限售條件流通股份) (好倉)	0.00049
<b>Supervisor</b> 監事				
Nie Youzhuang 聶有壯	The Company 本公司	Beneficial owner 實益擁有人	959 domestic Shares (non-restricted circulating Shares) (L) 959 股內資股 (無限售條件流通股份) (好倉)	0.00007

Note: The letter "L" represents the person's long positions in the shares, underlying shares and debentures of the Company or its associated corporations.

附註：字母「好倉」為指於本公司或其相聯法團股份、相關股份及債務證券中的好倉。

Save as disclosed above, none of the Directors, Supervisors or chief executives of the Company, who, as at 30th June 2007, had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or otherwise, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Hong Kong Stock Exchange.

### **(III) Recruitment or removal of the Directors, Supervisors and Senior Management**

There was no recruitment or removal of the Directors, Supervisors and Senior Management during the reporting period.

除披露者外，於2007年6月30日，本公司董事、監事或最高行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債務證券中擁有根據證券及期貨條例第XV部第7及8分部規定須知會本公司及聯交所的任何權益或淡倉，或須根據證券及期貨條例第352條記錄於該條例所指之登記冊中之權益，或須根據上市規則有關《上市公司董事進行證券交易之標準守則》知會本公司及聯交所之任何權益或淡倉。

### **(三) 新聘或解聘本公司董事、監事、高級管理人員的情況**

本報告期內本公司無新聘或解聘本公司董事、監事、高級管理人員的情況。

## V. Directors' Report

## 五、董事會報告

### (I) An overview of the overall operations of the Group during the reporting period

During the first half year of 2007, the Group recorded an income from principal operations of RMB474,882,000, representing an increase of 29.40% over the corresponding period of 2006. The increase in income from principal operations was mainly attributable to the increase in both the Group's processed sewage water and sewage water processing business by 49.97% and 32.42% respectively over the same period last year. During the reporting period, the Group recorded a net profit of RMB110,585,000, representing an increase of 18.87% over the corresponding period of 2006.

### (II) Scope of the principal businesses of the Group and its operations

#### 1. Description of the principal businesses of the Group

The principal businesses of the Group are: the construction, design, management, operation, technological consultation and auxiliary services of sewage water treatment plants and their related infrastructural facilities; the construction, design, toll collection, repair and maintenance, management, technological consultant of toll roads and auxiliary services in relation to the operation of the South-eastern Half Ring Road of the Middle Ring of Tianjin, Tianjin City Indebted Road Construction for Vehicle-passage Toll Collection Office and their related auxiliary facilities; the development and operation of environmental protection technology and products.

#### 2. Operations of the principal businesses

##### (1) Sewage water processing business

The Group's sewage water processed in first half year of 2007

Tianjin District	天津地區
Companies in other cities	外埠公司
Total	合計

### (一) 報告期內本集團總體經營情況

2007年上半年，本集團實現主營業務收入人民幣47,488.20萬元，較2006年同期增加了29.40%；主營業務收入增長主要是由於本集團污水處理量較去年同期相比增加49.97%，污水處理業務收入較去年同期增加32.42%。報告期內，本集團實現淨利潤人民幣11,058.5萬元，較2006年同期增長18.87%。

### (二) 本集團主營業務的範圍及其經營狀況

#### 1. 本集團主營業務的說明

本集團的主營業務是：污水處理廠及相關的配套設施的建設、設計、管理、經營、技術諮詢及配套服務；天津市中環線東南半環城市道路，天津市貸款道路建設車輛通行費收費站及相關的配套設施建設、設計、收費、養護、管理、技術諮詢及配套服務；環保科技及環保產品的開發經營。

#### 2. 主營業務經營情況

##### (1) 污水處理業務

2007年上半年本集團污水處理量

Unit: '0000 cubic meters  
單位：萬立方米

	First half year of 2007 2007年上半年	First half year of 2006 2006年上半年	Increase/ decrease over the corresponding period of last year (%) 同比增減
Tianjin District	17,047.30	14,723.00	15.79%
Companies in other cities	9,228.61	2,797.96	229.83%
Total	26,275.91	17,520.96	49.97%



(a) Sewage water processing business in Tianjin District

During the reporting period, the four sewage water treatment plants in Tianjin District had processed 15.79% more sewage water over the same period last year, of which the sewage water processed in Jizhuangji Sewage Water Treatment Plant and Xianyanglu Sewage Water Treatment Plant, which had both expanded their water collection areas, increased by 11.32% and 32.1% respectively. In addition, in comparison with the corresponding period of last year, the sewage water volume processed in the five-month period by Beicang Sewage Water Treatment Plant was included in the reporting period (Beicang Sewage Water Treatment Plant commenced production of standard-level water from June 2006).

During the reporting period, the Group's four sewage water treatment plants in Tianjin District received a total income of RMB329,013,000 from the operation of processing sewage water, representing an increase of RMB44,861,000 or 15.79% over the corresponding period of last year.

(b) Sewage water processing business by companies in other cities

In the second half year of 2006, the volume of the processed sewage water of the subsidiaries in other cities increased by the volume treated by the three sewage water treatment plants, namely Honghu, Baoying and Hangzhou, which all commenced commercial operation from the second half year of 2006. During the reporting period, the subsidiaries in other cities processed 92,286,100 cubic meters of sewage water in aggregate, representing an increase of 229.83% over the corresponding period of last year.

(2) Recycled water business

During the reporting period, sales of recycled water by the Group were 1,367,700 cubic meters in aggregate, representing an increase of 727,700 cubic meters or 113.70% over the corresponding period of last year. Such increase over the same period last year was due to the increase in both the number of users and water consumption.

a、天津地區污水處理業務

報告期內天津地區4座污水處理廠完成處理水量較去年同期相比總體增加15.79%，其中紀莊子污水處理廠和咸陽路污水處理廠分別增長11.32%和32.1%，增長原因是由於兩廠收水範圍擴大。另外，與去年同期相比，增加了北倉污水處理廠5個月的處理水量（北倉污水處理廠2006年6月實現達標出水）。

報告期內，本集團天津地區4座污水處理廠共實現污水處理服務收入人民幣32,901.3萬元，比去年同期增加人民幣4,486.1萬元，同比增長15.79%。

b、外埠公司污水處理業務

2006年下半年，外埠子公司污水處理業務與去年同期相比，增加了洪湖、寶應、杭州項目3座污水處理廠的處理量（上述3座污水處理廠2006年下半年開始投入商業運營）。報告期內，外埠子公司共計處理污水9,228.61萬立方米，比去年同期增長229.83%，

(2) 再生水業務

報告期內，本集團共銷售再生水136.77萬立方米，比去年同期增加72.77萬立方米，同比增加113.70%。比去年同期增加的原因主要是用戶和用水量增加。

(3) Tap water business

The Group's tap water business maintained a steady growth to achieve a water supply of 16,552,300 cubic meters, representing an increase of 7.76% over the corresponding period of last year.

(4) Toll collection business

In the first half year of 2007, the Group's toll collection business realized an income of approximately RMB34,880,000, representing an increase of 5.87% over the corresponding period of last year. Since the change of toll collection arrangement to subcontracting toll collection on 1st July 2003 by the Company, incomes from toll collection have been stable, and there has been no major changes.

(3) 自來水業務

本集團自來水業務上半年完成供水量1,655.23萬立方米，比上年同期增長了7.76%，保持了穩步增長的態勢。

(4) 道路收費業務

2007上半年，本集團道路收費業務實現收入人民幣3,488萬元，比上年同期增長5.87%。本公司從2003年7月1日道路收費模式轉變為委託收費以來，收入情況基本平穩，未發生重大變化。

3. The principal business by industry

3、主營業務分行業情況表

By industry or by products 分行業或 分產品	Operating income 營業收入 (RMB'000) (人民幣千元)	Operating cost 營業成本 (RMB'000) (人民幣千元)	Profit margin 毛利率 (%) (%)	Increase/ decrease of decrease of operating income as compared over the corresponding period of last year 營業收入比 上年同期增減 (%) (%)	Increase/ decrease of decrease of operating cost as compared over the corresponding period of last year 營業成本比 上年同期增減 (%) (%)	Profit margin as compared over the corresponding period of last year 毛利率比上年 同期增減 (%) (%)	
<b>By industry</b>	<b>分行業</b>						
Sewage water processing business	污水處理業務	410,799	175,734	57.22	32.42	66.83	-8.82
Road and toll collection business	道路及收費站業務	34,880	7,634	78.11	5.87	81.12	-9.1



4. Principal business by geographical locations

4、主營業務分地區情況表

<b>Regions</b>	<b>地區</b>	<b>Operating income</b> 營業收入 (RMB'000) (人民幣千元)	<b>Increase/ decrease of operating income as compared over last year</b> 營業收入 比上年增減 (%) (%)
Tianjin	天津	379,725	19.75
Guizhou	貴州	15,697	20.23
Yunan Qujing	雲南曲靖	20,490	-8.3
Anhui Fuyang	安徽阜陽	12,217	66.22
Jiangsu Baoying	江蘇寶應	5,068	Not yet commenced commercial operation in the corresponding period of last year 上年同期未商業運營
Hubei Honghu	湖北洪湖	3,747	Not yet commenced commercial operation in the corresponding period of last year 上年同期未商業運營
Zhejiang Hangzhou	浙江杭州	37,835	Not yet commenced commercial operation in the corresponding period of last year 上年同期未商業運營

(III) Investments of the Company

(三) 本公司投資情況

1. Utilisation of the proceeds

Proceeds raised from the issue of the A Share Convertible Bonds by the Company in 2004 amounted to RMB1,165,390,000. In August 2005, the sale back of the A Share Convertible Bonds to the Company accumulated to RMB823,902,000, and the balance of the proceeds from the A Share Convertible Bonds amounted to RMB341,488,000. At the end of the reporting period, an aggregate of proceeds of RMB273,090,000 has been utilised, of which RMB32,450,000 was utilised during this year. The unutilised amount of RMB68,398,000 will continue to be invested in the projects committed.

1、募集資金使用情況

本公司於2004年通過發行A股可轉債券募集資金人民幣1,165,390,000元。2005年8月，本公司A股可轉債券募集資金累計回售人民幣823,902,000元，A股可轉債券募集資金餘額人民幣341,488,000元。本報告期末，募集資金已累計使用人民幣273,090,000元，其中本年度已使用32,450,000元，尚未使用募集資金總額68,398,000元，將繼續投入募集資金承諾項目上。

## 2. Utilisation of the proceeds in the committed projects

## 2、 募集資金承諾項目情況

Unit: dollar Currency: RMB

單位：元 幣種：人民幣

Name of the committed project name 承諾項目名稱	Intended investment amount 擬投入金額	Any change in the project 是否變更項目	Actual invested amount 實際投入金額	Progress of the project 項目進度	Revenue derived 產生收益情況	Compliance with schedule 是否符合計劃進度	Compliance with expected revenue 是否符合預計收益
Xiayanglu Sewage Water Treatment Plant Project 咸陽路污水處理廠工程項目	620,000,000	No 否	123,720,000	Various acceptance inspections have been basically completed. Trial operation of the project have been conducted, and water discharged met the qualified requirements, currently project completion account finalising is being conducted. 項目的各項驗收工作已基本完成。項目已經試運行，並且出水水質合格。目前正在進行項目的竣工決算工作。	—	No 否	—
Jizhuangzi Sewage Water Treatment Plant (expansion) Project (including sewage water discharge project around the south-eastern rural areas) 紀莊子污水處理廠(擴建)工程(含東南郊一帶排水工程)	321,000,000	No 否	73,720,000	Various acceptance inspections have been basically completed. Trial operation of the project have been conducted, and water discharged met the qualified requirements, currently project completion account finalising is being conducted. 項目的各項驗收工作已基本完成。項目已經試運行，並且出水水質合格。目前正在進行項目的竣工決算工作。	—	No 否	—
Beicang Sewage Water Treatment Plant Project 北倉污水處理廠工程項目	149,900,000	No 否	75,650,000	Various acceptance inspections have been basically completed. Trial operation of the project have been conducted, and water discharged met the qualified requirements, currently project completion account finalising is being conducted. 項目的各項驗收工作已基本完成。項目已經試運行，並且出水水質合格。目前正在進行項目的竣工決算工作。	—	Yes 是	—
Total 合計	1,090,000,000	—	273,090,000	—	—	—	—

Explanation for not complying with the progress and revenue as scheduled:

Due to reasons such as the explosion of Severe Acute Respiratory Syndrome (i.e. SARS) in 2003 and the complicated purchasing procedures for foreign banks, which resulted in the delay in the progress of the above projects as compared to those as stated in the Prospectus. The projects subsequently progressed smoothly without further delays. Since the preparation of the final accounts of the projects has not been completed, currently the sewage water processing service fees is charged in accordance with the "Sewage Water Processing Interim Service Agreement" entered into between the Company and Tianjin Sewage Water Company, and thus such revenue could not be compared with those as set out in the Prospectus.

3. Major investment made out of funds other than proceeds raised from subscription

During the reporting period, the Company contributed RMB48,000,000 for incorporating a wholly-owned subsidiary, Wengdeng Capital Water Company Limited ("**Wengdeng Capital**") at Wengdeng, Weihai, Shandong. Wengdeng Capital will acquire Phase I Project of Wengdeng Sewage Water Treatment Plant and obtain its licensed operation at a consideration of RMB120,000,000. Phase I Project of Wengdeng Sewage Water Treatment Plant has a treatment capacity of 40,000 cubic meters per day, and the term of licensed operation will be for 30 years. Drafts on the "Assets Transfer Agreement" and "Licensed Operation Agreement" have been entered into with Wengdeng Environmental Protection Bureau and Wengdeng Municipal Construction Bureau, and the Company is making efforts to get the formal agreements executed at the earliest possible.

During the reporting period, the Company invested in the construction of Beichen Recycled Water Plant. The total investment of Beichen Recycled Water Plant is RMB96,000,000, of which RMB1,200,000 was effectively invested in the reporting period. Beichen Recycled Water Plant has a constructed capacity of 20,000 cubic meters per day to supply water in the Beichen New High-tech Development Area, and is expected to be completed at the end of 2008.

4. Future plan for material investments or capital assets

Save for the investment mentioned above, the Company does not have any future plan for material investments or capital assets in the second half year of 2007.

未達到計劃進度和收益的說明：

由於2003年非典型肺炎及外資銀行採購程序複雜等原因，上述兩個募集資金項目工程進度與募集說明書所述的計劃進度相比相應順延，其後工程順利進行沒有新的拖延。由於尚未完成竣工決算，目前只是按照與天津市排水公司簽署的《污水處理臨時服務協議》收取污水處理服務費，因此無法與募集說明書中的收益進行比較。

3、非募集資金項目情況

報告期內，本公司出資人民幣4,800萬元在山東省威海市的文登市註冊成立全資子公司文登創業水務有限公司（「**文登創業**」）。文登創業將以1.2億元人民幣的價格收購並特許經營文登市污水處理廠一期工程，處理規模4萬立方米／日，特許經營期30年。目前已經與文登市環保局和文登市建設局分別草簽了《資產轉讓協議》和《特許經營協議》，爭取儘快簽署正式協議。

報告期內，本公司開始投資建設北辰再生水廠。北辰再生水廠總投資人民幣9,600萬元，報告期內已完成實際投資人民幣120萬元。北辰再生水廠建設規模2萬立方米／日，供水方向為北辰新技術開發區，預計2008年底建設完成。

4、未來重大投資或購入資本資產的計劃

除上述投資外，本公司於2007年下半年並無任何未來作重大投資或購入資本資產的計劃。

#### **(IV) Indebtedness, changes in credit facilities and cash repayment arrangement for the future years**

As at the end of the reporting period, the gear ratio of the Group is 54.04%. The credit position of the Company was good. The Company has a strong repayment ability. On 1 August 2007, the Company issued an announcement regarding the mandatory redemption of the A Share Convertible Bonds issued by the Company which have not been converted into A Shares before 28 August 2007. The amount which may incur on the redemption of the A Share Convertible Bonds may be funded by the Company's internal capital or bank facilities.

#### **(V) Liquidity and financial resources**

There were no seasonal changes in the Group's borrowings requirement. As at 30th June 2007, there were no outstanding bank loans and interests nor repayable upon maturity. Details of the bank borrowings of the Group are stated in the notes to the condensed consolidated financial statements for the six months ended 30 June 2007 of the Company.

In accordance with the Accounting Report prepared in accordance with the PRC GAAP, as at 30 June 2007, the gearing ratio was 54.04%.

#### **(VI) Foreign exchange risk**

Main receivables and payable items of the Group are denominated in RMB. Therefore, there is no material impact on the Group's operation resulting from the fluctuations in foreign exchange rates, and there was no hedge activity made in respect of the foreign exchange risks.

#### **(VII) Employee and Emolument Policy**

As at 30 June 2007, the Company had 521 employees. During the reporting period, remuneration paid to staff of the Company was approximately RMB 16,919,000. The Company determined the income of the management in accordance with their management skills, the content of the management work completed, the risk and responsibility borne by the management and corporate economic effectiveness. The Company adopted a salary-point system for wages. For operating staff, their incomes were determined in accordance with their skill level, labour intensity and difficulty and corporate economic effectiveness. Wages were paid according to their posts and skills.

#### **(四) 本公司的負債情況、資信變化情況及在未來年度還債的現金安排**

截至本報告期末，本集團資產負債率為54.04%。本公司資信情況良好，具有較強的償債能力。本公司於2007年8月1日發布公告，對本公司發行的於2007年8月28日前未轉換為A股股票的A股可轉債券將進行強制贖回。對於可能發生的A股可轉債券贖回款項，可通過本公司自有資金或銀行信貸資金支付。

#### **(五) 流動資金及財務資源**

本集團的借貸需要並無季節性變動。於2007年6月30日，概無已到期而尚未清還的銀行借款及利息。有關本集團的銀行借貸詳情載於本公司截至2007年6月30日簡明綜合財務報表附註。

根據中國企業會計準則所編製的會計報告，於2007年6月30日資產負債率為54.04%。

#### **(六) 外幣兌換風險**

本集團的主要應收及應付款項均為以人民幣計值。因此，本集團之運作並無受匯率波動的重大影響，且並無就任何外幣風險進行對沖的措施。

#### **(七) 僱員及酬金政策**

截至到2007年6月30日，本公司在職員工521名。本報告期內，支付本公司員工的酬金總額約為人民幣1,691.9萬元。本公司對於管理層根據其管理技能、完成的管理工作內容、承擔的管理責任風險及企業經濟效益確定其收入，實行薪點制工資，對於操作層員工根據其技能水平、勞動強度和難度以及企業的經濟效益情況確定其收入，實行崗位技能工資。

### **(VIII) Industry Analysis and Operation Plans of the Company for the Second Half of the Year**

The “11th Five-year Plan” of the PRC is aimed at “Constructing a Saving and Environmentally Friendly Society” as its basic national policy. At the same time, it proposes the concepts of “Devoting Major Efforts to Develop a Revolving Economy” and “Stepping Up Efforts in Environmental Protection”. Unprecedented emphasis has been placed on environmental protection and resources conservation, creating important development opportunities for the development of the water industry in the PRC. Following marketization for a couple of years, inter-industrial attraction and horizontal extension of technological connectivity to the industrial chain, and the consolidation of the water service industry have become the major development direction of the industry. Operation management capability, technological application and development capability and risk control capability have become key factors to succeed in the water service industry.

The prospects for the future development of the Company and the operation plan for 2007 have been explained and described in detail in the 2006 annual report of the Company. In the second half of the year, the Company will continue to implement its planned operation plans, strengthen the market development, completing the Group’s internal management system and regulate its operations so as to fully leverage on its edge in expertise, and thereby laying a solid foundation for the Company’s strategic development target.

### **(IX) Contingent liabilities**

The Group did not have any significant contingent liabilities as at 30 June 2007.

### **(X) Rights of Debt**

As at 30 June 2007, pursuant to the “Sewage Water Processing Agreement” and the “Sewage Water Processing Interim Service Agreement” and “Sewage Water Plants Fee Agreement” entered into between the Company and Tianjin Sewage Water Company, total receivables and long-term receivables of the Company from Tianjin Sewage Water Company amounted to RMB996,354,765.92, approximately 6.18% of the total market capitalization of the Company as at 30 June 2007. Tianjin Sewage Water Company is a State-owned enterprise and under the supervisory control of Tianjin Municipal Bureau, and is a connected person of the Company.

### **(XI) Charge on assets**

The Group did not charge any assets of the Company or its subsidiaries as at 30 June 2007.

### **(XII) Acquisition and disposal of subsidiaries**

During the reporting period, the Company did not acquire or dispose any of its subsidiaries.

### **(八) 行業分析及本公司下半年經營計劃情況**

中國第十一個五年規劃將「建設節約型、環境友好型社會」作為基本國策，並提出要「大力發展循環經濟」和「加大環境保護力度」，環境保護和資源保護受到了前所未有的重視，為中國水務行業的發展提供了重要的發展機遇。經過幾年的市場化進程，依據行業吸引力和技術關聯度向產業鏈縱向延伸，以及水務一體化成為行業主要發展方向，運營管理能力、技術應用與開發能力和風險控制能力已經成為水務行業的關鍵成功要素。

關於本公司未來發展展望及2007年經營計劃，已經在2006年年度報告中作了詳細的說明和描述。下半年，本公司將繼續履行既定的經營計劃，加強市場開發工作，完善集團內部管理體系，規範運營，繼續強化本公司的專業優勢，為實現本公司的戰略發展目標奠定基礎。

### **(九) 或然負債**

於2007年6月30日，本集團並無任何重大或然負債。

### **(十) 債權**

截至2007年6月30日，依據本公司與天津市排水公司簽署的《污水處理委托協議》和《污水處理臨時服務協議》及《在建工程收費協議》，本公司對天津市排水公司的應收帳款和長期應收帳款總額為人民幣996,354,765.92元，約為本公司截至2007年6月30日總市值的6.18%。天津市排水公司為一家國有控股公司，屬市政局控制，為本公司的關聯人士。

### **(十一) 資產抵押**

於2007年6月30日，本集團並無就本公司及其附屬公司的資產增設任何抵押。

### **(十二) 收購及出售附屬公司**

於報告期內，本公司並無購買及出售附屬公司。

## VI. Major Events

## 六、重要事項

### (I) Corporate governance of the Company

During the reporting period, the Company strictly complied with the requirements under the Company Law, Securities Law of the PRC, the relevant rules and regulations of the CSRC, the provisions under the relevant listing rules of SSE and the “Code on Corporate Governance Practices” as set out in the Appendix 14 to the Rules Governing the Listing of Securities on the HKSE (the “**Listing Rules**”). The Company devoted a lot of effort to improve its corporate governance structure and established a contemporary corporate system so as to standardize the operation of the Company.

Pursuant to the “Code on Corporate Governance Practices” as set out in the Appendix 14 to the Listing Rules, the Company has made detailed disclosures on the Company’s corporate governance in the section headed “Corporate Governance Report” in the Company’s 2006 Annual Report. The Board is of the view that during the reporting period, the Company has complied with all code provisions stipulated in the “Code on Corporate Governance Practices” as set out in the Appendix 14 to the Listing Rules.

Pursuant to the relevant requirements of SSE, in order to regularize the Company’s information disclosures, the Company has made amendments to the “Management System on Information Disclosures”, and published the amended “Management System on Information Disclosures” on the website of SSE and the Company’s designated website for information disclosures of H Shares [www.ifn/ir/tjcep.com](http://www.ifn/ir/tjcep.com) on 29 June 2007.

The Company authorizes the secretary to the Board and securities affairs representatives of the Company to disclose information, handle visits and enquiries from the Shareholders and visitors, and report the relevant matters to the relevant supervisory authorities in a timely and accurate manner. During the reporting period, the Company held 4 Board’s meetings pursuant to the Articles of Association and the Rules Governing the Procedures of Meetings of the Company. Out of the 4 Board meetings held, Ms. Ma Baiyu and Mr. Tan Zhaofu were absent from the Second Meeting of the Fourth Board held on 18 April 2007 due to business affairs, and have authorised Mr. Gu Qifeng to attend and vote as their representatives. Mr. Gao Zongze, an independent non-executive Director, who was on business trip, authorised Mr. Wang Xiangfei, an independent non-executive Director, to attend and vote as his representative. Save for the above, in the other three Board meetings, all 9 Directors attended and voted in the meetings. Independent non-executive Directors did not make any objection against the proposals and issues as considered in the Board meetings during the reporting period. During the reporting period, the Company has held one shareholders’ general meeting, being the 2006 Annual General Meeting held on 8 June 2007.

The meeting (for reviewing the 2007 interim results) of the Audit Committee and the Fourth meeting of the Fourth Supervisory Committee were held on 14 August 2007 to consider and approve this Interim Report.

### (一) 本公司治理的情況

報告期內，本公司嚴格按照中國《公司法》、《證券法》和中國證監會有關法律法規，以及上交上市規則和聯交所證券上市規則（「上市規則」）附錄14所載《企業管治常規守則》所列表載條文的要求，不斷完善法人治理結構，建立現代企業制度，規範本公司運作。

根據《上市規則》附錄14所載《企業管治常規守則》，本公司在2006年年度報告中的《企業管治報告》部分，對本公司的企業管治狀況進行了詳細披露。董事會認為，本報告期內，本公司已遵守《上市規則》附錄14所載《企業管治報告》所規定的所有守則條文。

根據上交所的相關要求，為進一步規範本公司的信息披露工作，本公司對《信息披露管理制度》進行了修訂，並將修訂後的《信息披露管理制度》於2007年6月29日刊登於上交所網站及本公司H股信息披露指定網站 [www.ifn/ir/tjcep.com](http://www.ifn/ir/tjcep.com)。

本公司授權董事會秘書、證券事務代表負責諮詢披露工作，接待股東、投資者來訪和諮詢，及時準確地向監管部門報告有關情況。報告期內，本公司按照本公司章程和議事規則共召開四次董事會，其中於2007年4月18日舉行的第四屆董事會第二次會議，馬白玉女士、譚兆甫先生因公無法參加，均授權顧啟峰先生代理出席並表決，獨立非執行董事高宗澤先生因出差無法參加，委托獨立非執行董事王翔飛先生代理出席並表決。除上述外，其餘三次董事會，9位董事均正常出席並表決。本公司獨立非執行董事未對報告期內董事會議案及其他事項提出異議。報告期內，本公司共召開一次股東大會，即於2007年6月8日召開的2006年年度股東大會。

本公司於2007年8月14日召開2007年中期業績審核委員會及第四屆監事會第四次會議，審議本中期業績報告。



## **(II) Implementation of the profit appropriation plan during the reporting period**

In the 2006 Annual General Meeting, the 2006 profit appropriation plan was considered and approved. The Company made a payment of RMB0.04 (including tax) in cash per Share to holders of domestic Shares and RMB0.04 (equivalent to HK\$0.0408) per Share to holders of H Shares. The Company published an announcement relating to interest payment to domestic shareholders in the PRC on 26 June 2007. The shareholding registration date was 29 June 2007. The Company also published an announcement on the resolutions passed at the 2006 Annual General Meeting in Hong Kong on 19 April 2007. The shareholding registration date was 8 May 2007. Distributions of the final dividends to the holders of the domestic Shares and H Shares have been completed on 6 July 2007 and 13 July 2007 respectively.

## **(III) Significant litigation and arbitration**

The Company has no significant litigation or arbitration during the reporting period.

## **(IV) Asset transaction**

For details, please refer to the "Major investment made out of funds other than proceeds raised from subscription".

## **(V) Significant 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". Pursuant to such agreement, the Dongjiao Sewage Water Treatment Plant will provide sewage water processing services to Tianjin Sewage Water Company according to the prices determined by the pricing formula as stated in the "Sewage Water Processing Agreement". During the reporting period, the unit price of sewage water processing fee implemented by the Company and Tianjin Sewage Water Company was RMB1.93 per cubic meter.

## **(二) 報告期實施的利潤分配方案執行情況**

本公司2006年度股東大會審議通過了本公司2006年度利潤分配方案：向內資股股東每1股派發現金人民幣0.04元(含稅)；向H股股東每1股派發人民幣0.04元，即0.0408港幣。本公司於2007年6月26日在境內刊登了內資股分紅派息公告，股權登記日為2007年6月29日；於2007年4月19日在香港刊登了關於召開2006年年度股東大會的公告，股權登記日為2007年5月8日；內資股和H股的紅利分別於2007年7月6日和2007年7月13日分派完畢。

## **(三) 重大訴訟仲裁事項**

本報告期本公司無重大訴訟、仲裁事項。

## **(四) 資產交易事項**

詳見非募集資金項目情況。

## **(五) 報告期內本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廠污水處理業務是按照《污水處理委托協議》執行的。根據該協議，東郊污水處理廠將按《污水處理委托協議》中訂明的計價公式釐定的價格向天津市排水公司提供污水處理服務。報告期內，本公司與天津市排水公司確認執行的污水處理服務費單價為人民幣1.93元/立方米。

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 Tianjin Sewage Water Company on 20 March 2006. Pursuant to such agreement, the above Three Sewage Water Treatment Plants shall charge the sewage water processing service fee at the unit price of 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, 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 170,473,000 cubic meters in aggregate and accordingly sewage water processing service fee amounted to RMB 329,013,000 was generated pursuant to the "Sewage Water Processing Agreement" and "Sewage Water Processing Interim Service Agreement".

## 2. Other significant connected transactions

The Company has no other significant connected transactions during the reporting period.

### (VI) Custody

The Company did not provide any custodian during the reporting period.

### (VII) Subcontracting

The Company did not provide any subcontracting during the reporting period.

### (VIII) Leasing

The Company did not have any leasing matters during the reporting period.

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按照本公司於2006年3月20日與天津市排水公司簽署的《污水處理臨時服務協議》執行的。根據該協議，上述三座污水處理廠將按照污水處理服務費單價人民幣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，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17,047.3萬立方米，根據《污水處理委托協議》及《污水處理臨時服務協議》獲得人民幣32,901.3萬元的污水處理服務費收入。

## 2、其他重大關聯交易

報告期內，本公司無其他重大關聯交易

### (六) 托管情況

本報告期本公司無托管事項。

### (七) 承包情況

本報告期本公司無承包事項。

### (八) 租賃情況

本報告期本公司無租賃事項。



**(IX) Guarantee****(九) 擔保情況**

Unit: dollar Currency: RMB  
單位：元 幣種：人民幣

**External guarantee granted by the Company  
(excluding guarantee provided to the subsidiaries of the Company)**

本公司對外擔保情況(不包括對子公司的擔保)

Total amount of guarantee granted during the reporting period 0  
報告期內擔保發生額合計

Total amount of outstanding guarantee as at the end of the reporting period (A) 0  
報告期末擔保餘額合計(A)

**Guarantee provided to the subsidiaries of the Company**

本公司對子公司的擔保情況

Total amount of guarantee provided to the subsidiaries of the Company during the reporting period 0  
報告期內對子公司擔保發生額合計

Total amount of outstanding guarantee provided to the subsidiaries as at the end of the reporting period (B) 785,000,000  
報告期末對子公司擔保餘額合計(B)

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

本公司擔保總額(包括對子公司的擔保)

Total amount of guarantee (A+B) 785,000,000  
擔保總額(A+B)

Percentage of the total amount of guarantee to the net assets of the Company 27.70%  
擔保總額佔本公司淨資產的比例

Of which:  
其中：

Amount of guarantee provided to the Shareholders, actual controller and other related parties (C) 0  
為股東、實際控制人及其關聯方提供擔保的金額(C)

Amount of guarantee provided directly or indirectly to the borrowers with gear ratio of over 70% (D) 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(D)

Total amount of guarantee exceeds 50% of net assets (E) 0  
擔保總額超過淨資產50%部分的金額(E)

Total amount of the above three guarantees (C+D+E) 0  
上述三項擔保金額合計(C+D+E)

### (X) Trust arrangement

The Company did not make any trust arrangements during the reporting period.

### (XI) Implementation of commitments

1. Pursuant to the requirements under Article 27 of 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 of the Company.
2. TMICL has undertaken that the total number of restricted circulating Shares sold through the SSE shall not exceed 5% of the total number of issued Shares within 12 months after the expiry of the above restricted period, while the total number of restricted circulating Shares sold through the SSE shall not exceed 10% of the total number of issued Shares within 24 months after the expiry of the restricted period.
3. In the event if the amount of restricted circulating Shares sold through the SSE by TMICL attained 1% of the total number of issued Shares, an announcement shall be made within two working days of the occurrence of such event.

### (十) 委托理財情況

本報告期本公司無委托理財事項。

### (十一) 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) 市政投資承諾，在前項承諾期滿後，通過上交所掛牌交易出售股份，出售數量佔本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) 通過上交所掛牌交易出售的股份數量，達到本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。

**Special commitments made by the original Shareholders of non-circulating Shares in the course of the Share Segregation Reform and its implementation**

原非流通股股東在股權分置改革過程中做出的承諾事項及其履行情況

Name of Shareholder 股東名稱	Special commitments 承諾事項	Implementation of special commitments 承諾履行情況	Remark 備註
TMICL 市政投資	<p>(1) All the A Shares of the Company shall not be traded or transferred within 12 months from the date of the implementation of the Share Segregation Reform.</p> <p>(1) 所持有的本公司 A 股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。</p> <p>(2) The total number of Shares sold through the stock exchange shall not exceed 5% of the total number of issued Shares within 12 months after the expiry of the above restricted period, and shall not exceed 10% of the total number of issued Shares within 24 months after the expiry of the above restricted period.</p> <p>(2) 在前項承諾期期滿後，通過上交所掛牌交易出售股份，出售數量佔本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。</p> <p>(3) In the event if the amount of restricted circulating Shares sold through the SSE by TMICL 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> <p>(3) 通過上交所掛牌交易出售的股份數量，達到本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。</p>	<p>Under strict implementation as undertaken</p> <p>嚴格按照承諾事項履行</p>	

**(XII) Appointment and removal of auditors**

**(十二) 聘任、解聘會計師事務所情況**

During the reporting period, the Company did not change its auditors. In 2007, the existing PRC auditor of the Company is PricewaterhouseCoopers Zhong Tian Certified Public Accountants Limited Company and the existing international auditor of the Company is PricewaterhouseCoopers.

報告期內，本公司未改聘會計師事務所。2007年度，本公司續聘普華永道中天會計師事務所有限公司為本公司的中國審計機構，續聘香港羅兵咸永道會計師事務所為本公司的國際審計機構。

**(XIII) Punishments and rectification to the Company, Directors, Supervisors, Senior Management, Shareholders and Actual Controllers**

**(十三) 本公司及董事、監事、高級管理人員、股東、實際控制人處罰及整改情況**

During the reporting period, the Company, Directors, Supervisors, Senior Management, Shareholders and actual controller of the Company were not subject to any investigation, administrative punishments, criticisms by CSRC or public reprimand by the SSE.

報告期內本公司及其董事、監事、高級管理人員、股東、實際控制人均未受中國證監會的稽查、行政處罰、通報批評及上交所的公開譴責。

**(XIV) Other major events**

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

**(十四) 其它重大事項及其影響和解決方案的分析說明**

報告期內本公司無其他重大事項。

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

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

**(十五) 本公司A股可轉債券擔保人盈利能力、資產狀況和信用狀況發生重大變化的情況**

本公司A股可轉債券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。

**(XVI) Index for disclosable information****(十六) 信息披露索引**

<b>Items</b> 事項	<b>Names and pages of the publishing newspapers</b> 刊載的報刊名稱及版面	<b>Dates of Publication</b> 刊載日期	<b>Website</b> 刊載的互聯網網站及檢索路徑
Announcement relating to changes in the Shares	Page A9 of "Shanghai Securities News", page A21 of "Wen Wei Po", page B27 of "The Standard"	8th January 2007	Website of SSE (www.sse.com.cn); website of HKSE (www.hkex.com.hk)
關於股份變動情況的公告	《上海證券報》A9版、《香港文匯報》A21版、《The Standard》B27版	2007年1月8日	上交所網站www.sse.com.cn；聯交所網站www.hkex.com.hk
Extension of waiver period in relation to the appointment of the Qualified Accountant	Page B9 of "Wen Wei Po", page B37 of "The Standard"	11th January 2007	Website of HKSE (www.hkex.com.hk)
延長遵守有關委聘合資會計師之豁免期間	《香港文匯報》B9版、《The Standard》B37版	2007年1月11日	聯交所網站www.hkex.com.hk
Announcement relating to changes in the Shares	Page D6 of "Shanghai Securities News", page B12 of "Wen Wei Po", page N49 of "The Standard"	4th April 2007	Website of SSE (www.sse.com.cn); website of HKSE (www.hkex.com.hk)
關於股份變動情況的公告	《上海證券報》D6版、《香港文匯報》B12版、《The Standard》N49版	2007年4月4日	上交所網站www.sse.com.cn；聯交所網站www.hkex.com.hk
Announcement relating to the listing of Restricted Circulating A Shares of the Company	Page A14 of "Shanghai Securities News", page B8 of "Wen Wei Po", page N40 of "The Standard"	16th April 2007	Website of SSE (www.sse.com.cn); website of HKSE (www.hkex.com.hk)
有限售條件的流通股上市公告	《上海證券報》A14版、《香港文匯報》B8版、《The Standard》N40版	2007年4月16日	上交所網站www.sse.com.cn；聯交所網站www.hkex.com.hk

<b>Items</b>	<b>Names and pages of the publishing newspapers</b>	<b>Dates of Publication</b>	<b>Website</b>
Announcement in relation to the resolutions passed at the Second Meeting of the Fourth Board 第四屆董事會第二次會議決議公告	Page D65 of "Shanghai Securities News", page A28 of "Wen Wei Po", page N80 of "The Standard" 《上海證券報》D65版、《香港文匯報》A28版、《The Standard》N80版	19th April 2007 2007年4月19日	Website of SSE (www.sse.com.cn); website of HKSE (www.hkex.com.hk) 上交所網站www.sse.com.cn ; 聯交所網站www.hkex.com.hk
Announcement in relation to the resolutions passed at the Second Meeting of the Fourth Supervisory Committee 第四屆監事會第二次會議決議公告	Page A65 of "Shanghai Securities News", page A28 of "Wen Wei Po", page N81 of "The Standard" 《上海證券報》D65版、《香港文匯報》A28版、《The Standard》N81版	19th April 2007 2007年4月19日	Website of SSE (www.sse.com.cn); website of HKSE (www.hkex.com.hk) 上交所網站www.sse.com.cn ; 聯交所網站www.hkex.com.hk
Notice on 2006 Annual General Meeting 關於召開2006年年度股東大會的通知	Page D65 of "Shanghai Securities News", page A27 of "Wen Wei Po", page N79 of "The Standard" 《上海證券報》D65版、《香港文匯報》A27版、《The Standard》N79版	19th April 2007 2007年4月19日	Website of SSE (www.sse.com.cn); website of HKSE (www.hkex.com.hk) 上交所網站www.sse.com.cn ; 聯交所網站www.hkex.com.hk
Notice on 2006 Annual General Meeting 關於召開2006年年度股東大會的通知	Page B21 of "Wen Wei Po" 《香港文匯報》B21版	20th April 2007 2007年4月20日	Website of Hong Kong Stock Exchange (www.hkex.com.hk) 聯交所網站www.hkex.com.hk
Summary of 2006 Annual Report 2006年年度報告摘要	Pages D65-D66 of "Shanghai Securities News", pages A24-A27 of "Wen Wei Po", pages N72-N79 of "The Standard" 《上海證券報》D65-D66版、《香港文匯報》A24-A27版、《The Standard》N72-N79版	19th April 2007 2007年4月19日	Website of SSE (www.sse.com.cn); website of HKSE (www.hkex.com.hk) 上交所網站www.sse.com.cn ; 聯交所網站www.hkex.com.hk
Summary of 2006 Annual Report 2006年年度報告摘要	Pages B18-B21 of "Wen Wei Po" 《香港文匯報》B18-B21版	20th April 2007 2007年4月20日	Website of HKSE (www.hkex.com.hk) 聯交所網站www.hkex.com.hk
Resumption of Trading 恢復買賣	Page A42 of "Wen Wei Po", page A17 of "The Standard" 《香港文匯報》A42版、《The Standard》A17版	20th April 2007 2007年4月20日	Website of HKSE (www.hkex.com.hk) 聯交所網站www.hkex.com.hk

<b>Items</b>	<b>Names and pages of the publishing newspapers</b>	<b>Dates of Publication</b>	<b>Website</b>
First Quarterly Report 2007	Page D73 of "Shanghai Securities News", page A29 of "Wen Wei Po", pages B30-B32 of "The Standard"	27th April 2007	Website of SSE (www.sse.com.cn); website of HKSE (www.hkex.com.hk)
2007年第一季報告	《上海證券報》D73版、《香港文匯報》A29版、《The Standard》B30—B32版	2007年4月27日	上交所網站www.sse.com.cn； 聯交所網站www.hkex.com.hk
Announcement in relation to the Resolutions passed at the Third Meeting of the Fourth Board	Page D73 of "Shanghai Securities News", page A28 of "Wen Wei Po", page B33 of "The Standard"	27th April 2007	Website of SSE (www.sse.com.cn); website of HKSE (www.hkex.com.hk)
第四屆董事會第三次會議決議公告	《上海證券報》D73版、《香港文匯報》A28版、《The Standard》B33版	2007年4月27日	上交所網站www.sse.com.cn； 聯交所網站www.hkex.com.hk
Supplemental Notice of 2006 Annual General Meeting	Page A18 of "Wen Wei Po", page B34 of "The Standard"	29th May 2007	Website of HKSE (www.hkex.com.hk)
2006年股東大會補充公告	《香港文匯報》A18版、《The Standard》B34版	2007年5月29日	聯交所網站www.hkex.com.hk
Announcement in relation to the Resolutions passed at the Fourth Meeting of the Fourth Board	Page D8 of "Shanghai Securities News", page A18 of "Wen Wei Po", page B35 of "The Standard"	29th May 2007	Website of SSE (www.sse.com.cn); website of HKSE (www.hkex.com.hk)
第四屆董事會第四次會議決議公告	《上海證券報》D8版、《香港文匯報》A18版、《The Standard》B35版	2007年5月29日	上交所網站www.sse.com.cn； 聯交所網站www.hkex.com.hk；
Announcement in relation to the unusual price and volume movements	Page 25 of "Shanghai Securities News"	2nd June 2007	Website of SSE (www.sse.com.cn)
關於本公司A股股票交易異常波動的公告	《上海證券報》25版	2007年6月2日	上交所網站www.sse.com.cn
Announcement in relation to the transfer of shares in the controlling shareholder of the Company	Page D6 of "Shanghai Securities News", page A20 of "Wen Wei Po", page B27 of "The Standard"	8th June 2007	Website of SSE (www.sse.com.cn); website of HKSE (www.hkex.com.hk)
關於控股股東國有產權劃轉事項的公告	《上海證券報》D6版、《香港文匯報》A20版、《The Standard》B27版	2007年6月8日	上交所網站www.sse.com.cn； 聯交所網站www.hkex.com.hk
Announcement on the resolutions passed at the 2006 Annual General Meeting of the Company	Page A17 of "Shanghai Securities News", page B10 of "Wen Wei Po", pages N4-N5 of "The Standard"	11th June 2007	Website of SSE (www.sse.com.cn); website of HKSE (www.hkex.com.hk)
本公司2006年年度股東大會決議公告	《上海證券報》A17版、《香港文匯報》B10版、《The Standard》N4-N5版	2007年6月11日	上交所網站www.sse.com.cn； 聯交所網站www.hkex.com.hk

<b>Items</b>	<b>Names and pages of the publishing newspapers</b>	<b>Dates of Publication</b>	<b>Website</b>
Announcement of the Board of Directors 董事會公告	Page D9 of "Shanghai Securities News", page A44 of "Wen Wei Po", page B32 of "The Standard" 《上海證券報》D9版、《香港文匯報》A44版、《The Standard》B32版	15th June 2007 2007年6月15日	Website of SSE (www.sse.com.cn); website of HKSE (www.hkex.com.hk) 上交所網站www.sse.com.cn ; 聯交所網站www.hkex.com.hk
Announcement in relation to the erroneous purchase of Shares of the Company by Tianjin Municipal Investment Company Limited, the controlling shareholder of the Company 關於本公司股東天津市政投資有限公司誤買入本公司股票的公告	Page A20 of "Shanghai Securities News", page A44 of "Wen Wei Po", page N18 of "The Standard" 《上海證券報》A20版、《香港文匯報》A44版、《The Standard》N18版	18th June 2007 2007年6月18日	Website of SSE (www.sse.com.cn); website of HKSE (www.hkex.com.hk) 上交所網站www.sse.com.cn ; 聯交所網站www.hkex.com.hk
Announcement in relation to the reduction of shareholding by Tianjin Municipal Investment Company Limited, the controlling shareholder of the Company 關於天津市政投資有限公司減持股份的公告	Page A20 of "Shanghai Securities News", page A44 of "Wen Wei Po", page N18 of "The Standard" 《上海證券報》A20版、《香港文匯報》A44版、《The Standard》N18版	18th June 2007 2007年6月18日	Website of SSE (www.sse.com.cn); website of HKSE (www.hkex.com.hk) 上交所網站www.sse.com.cn ; 聯交所網站www.hkex.com.hk
Announcement in relation to the distribution of dividends for the A Shares and adjustment on the Conversion Price of the A Share Convertible Bonds of the Company 關於A股紅利發放及A股可轉債券轉股價格調整提示性公告	Page D16 of "Shanghai Securities News" 《上海證券報》D16版	20th June 2007 2007年6月20日	Website of SSE (www.sse.com.cn) 上交所網站www.sse.com.cn
Announcement in relation to the distribution of 2007 dividends for the A Share Convertible Bonds of the Company 關於A股可轉債券2007年付息事宜的公告	Page D22 of "Shanghai Securities News", page A42 of "Wen Wei Po", page A18 of "The Standard" 《上海證券報》D22版、《香港文匯報》A42版、《The Standard》A18版	26th June 2007 2007年6月26日	Website of SSE (www.sse.com.cn); website of HKSE (www.hkex.com.hk) 上交所網站www.sse.com.cn ; 聯交所網站www.hkex.com.hk

<b>Items</b>	<b>Names and pages of the publishing newspapers</b>	<b>Dates of Publication</b>	<b>Website</b>
Announcement in relation to the implementation of 2006 Dividend Distribution for the A Shares of the Company A股2006年度分紅派息實施公告	Page D22 of "Shanghai Securities News", page A42 of "Wen Wei Po", page A18 of "The Standard" 《上海證券報》D22版、《香港文匯報》A42版、《The Standard》A18版	26th June 2007 2007年6月26日	Website of SSE (www.sse.com.cn); website of HKSE (www.hkex.com.hk) 上交所網站www.sse.com.cn ; 聯交所網站www.hkex.com.hk
Special announcement relating to the adjustment on the Conversion Price of A Share Convertible Bonds A股可轉債券轉股價格調整特別提示公告	Page D22 of "Shanghai Securities News", page A42 of "Wen Wei Po", page A18 of "The Standard" 《上海證券報》D22版、《香港文匯報》A42版、《The Standard》A18版	26th June 2007 2007年6月26日	Website of SSE (www.sse.com.cn); website of HKSE (www.hkex.com.hk) 上交所網站www.sse.com.cn ; 聯交所網站www.hkex.com.hk
Announcement in relation to the Resolutions passed at the Fifth Meeting of the Fourth Board of Directors of the Company 第四屆董事會第五次會議決議公告	Page D43 of "Shanghai Securities News", page D17 of "Wen Wei Po", page N14 of "The Standard" 《上海證券報》D43版、《香港文匯報》D17版、《The Standard》N14版	29th June 2007 2007年6月29日	Website of SSE (www.sse.com.cn); website of HKSE (www.hkex.com.hk) 上交所網站www.sse.com.cn ; 聯交所網站www.hkex.com.hk



## VII. Financial Accounting Report (unaudited)

## 七、財務會計報告（未經審計）

(I) Prepared in accordance with HKFRS

(一) 根據香港財務報告準則編製

### CONSOLIDATED INTERIM BALANCE SHEET

AS AT 30 JUNE 2007

(All amounts in RMB thousand unless otherwise stated)

### 綜合中期資產負債表

於2007年6月30日

(除非特別指明所有金額單位均為人民幣千元)

	Note	As at	
		30 June 2007 Unaudited	31 December 2006 Audited
	附註	2007年 6月30日 未經審計	2006年 12月31日 已經審計
<b>ASSETS</b>			
			<b>資產</b>
<b>Non-current assets</b>			<b>非流動資產</b>
Property, plant and equipment	5	3,294,065	3,288,848
Investment property		113,828	113,925
Land use rights		693,707	704,466
Investment in an associate	6	64,159	61,660
Deferred income tax assets		792	2,288
Available-for-sale financial assets		6,000	6,000
Trade receivables due after one year	7	749,973	749,973
Other non-current assets	8	117,191	142,146
		<u>5,039,715</u>	<u>5,069,306</u>
<b>Current assets</b>			<b>流動資產</b>
Inventories		6,876	7,839
Trade receivables	7	254,482	43,210
Other receivables and prepayments		45,293	28,360
Cash and bank balances		819,684	733,744
		<u>1,126,335</u>	<u>813,153</u>
<b>Total assets</b>		<b><u>6,166,050</u></b>	<b><u>5,882,459</u></b>
			<b>資產總額</b>

		Note	As at	
			<b>30 June 2007</b>	<b>31 December 2006</b>
		附註	<b>Unaudited</b>	<b>Audited</b>
			2007年 6月30日 未經審計	2006年 12月31日 已經審計
<b>EQUITY</b>	<b>權益</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>	本公司權益持有人應佔資本及儲備			
Share capital	股本	9	1,402,637	1,330,666
Reserves	儲備		1,316,511	1,056,192
			<u>2,719,148</u>	<u>2,386,858</u>
<b>Minority interests</b>	少數股東權益		114,900	116,111
<b>Total equity</b>	<b>權益總額</b>		<u>2,834,048</u>	<u>2,502,969</u>
<b>LIABILITIES</b>	<b>負債</b>			
<b>Non-current liabilities</b>	非流動負債			
Borrowings	貸款	10	2,086,480	2,157,980
Deferred income tax liabilities	遞延所得稅負債		1,493	2,362
			<u>2,087,973</u>	<u>2,160,342</u>
<b>Current liabilities</b>	流動負債			
Trade and other payables	貿易及其它應付款	11	293,999	253,258
Income tax payables	所得稅負債		60,532	67,376
Borrowings	貸款	10	889,498	898,514
			<u>1,244,029</u>	<u>1,219,148</u>
<b>Total liabilities</b>	<b>負債總額</b>		<u>3,332,002</u>	<u>3,379,490</u>
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>		<u>6,166,050</u>	<u>5,882,459</u>
<b>Net current liabilities</b>	流動負債淨值		<u>(117,694)</u>	<u>(405,995)</u>
<b>Total assets less current liabilities</b>	總資產減流動負債		<u>4,922,021</u>	<u>4,663,311</u>

**CONSOLIDATED INTERIM INCOME STATEMENT**

FOR THE SIX MONTHS ENDED 30 JUNE 2007

(All amounts in RMB thousand unless otherwise stated)

**綜合中期損益表**

截至2007年6月30日止六個月期間

(除非特別指明所有金額單位均為人民幣千元)

		Note	<b>Unaudited</b>	
			<b>Six months ended 30 June</b>	
			未經審計	
			截至6月30日止六個月	
			<b>2007</b>	<b>2006</b>
		附註	2007年	2006年
Revenue	銷售	4	452,949	345,177
Cost of sales	銷售成本		(201,346)	(130,104)
<b>Gross profit</b>	<b>毛利</b>		<b>251,603</b>	<b>215,073</b>
Other gains, net	其他收益—淨值	4	7,601	6,880
Administrative costs	行政費用		(41,836)	(37,545)
<b>Operating profit</b>	<b>經營盈利</b>	12	<b>217,368</b>	<b>184,408</b>
Finance costs	融資成本	13	(62,752)	(41,824)
Share of profits of an associate	應佔聯營公司盈利		2,499	—
<b>Profit before income tax</b>	<b>除所得稅前盈利</b>		<b>157,115</b>	<b>142,584</b>
Income tax expense	所得稅	14	(47,741)	(50,257)
<b>Profit for the period</b>	<b>半年度盈利</b>		<b>109,374</b>	<b>92,327</b>
<b>Attributable to:</b>	<b>應佔：</b>			
Equity holders of the Company	本公司權益持有人		110,585	93,030
Minority interests	少數股東權益		(1,211)	(703)
			<b>109,374</b>	<b>92,327</b>
<b>Earnings per share for profit attributable to the equity holders of the Company during the period (in RMB per share)</b>	<b>期間內本公司權益持有人應佔盈利的每股盈利 (以每股人民幣元計)</b>			
– basic and diluted	– 基本及攤薄	15	RMB0.08	RMB0.07
<b>Interim dividends</b>	<b>中期股息</b>	16	—	—

**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**

FOR THE SIX MONTHS ENDED 30 JUNE 2007

(All amounts in RMB thousand unless otherwise stated)

## 綜合中期權益變動報表

截至2007年6月30日止六個月期間

(除非特別指明所有金額單位均為人民幣千元)

		<b>Unaudited</b>				
		未經審計				
		<b>Equity holders</b>				
		<b>of the Company</b>				
		本公司權益持有人				
		Note	<b>Share</b>	<b>Reserves</b>	<b>Minority</b>	
		附註	<b>capital</b>	<b>其他儲備</b>	<b>interests</b>	
			股本		少數股東權益	
					<b>Total</b>	
					<b>總權益</b>	
<b>Balance at 1 January 2007</b>	2007年1月1日結餘		1,330,666	1,056,192	116,111	2,502,969
Profit for the period	當期盈利		—	109,374	—	109,374
Profit attributable to minority interest for the period	當期少數股東損益		—	1,211	(1,211)	—
Conversion of convertible bonds	行使轉換權利的可轉換債券	10(d)	71,971	205,839	—	277,810
Dividends	股息	16	—	(56,105)	—	(56,105)
<b>Balance at 30 June 2007</b>	2007年6月30日結餘		<b>1,402,637</b>	<b>1,316,511</b>	<b>114,900</b>	<b>2,834,048</b>
<b>Balance at 1 January 2006</b>	2006年1月1日結餘		1,330,658	950,703	49,132	2,330,493
Profit for the period	當期盈利		—	93,030	—	93,030
Profit attributable to minority interest for the period	當期少數股東損益		—	—	(703)	(703)
Conversion of convertible bonds	行使轉換權利的可轉換債券		6	23	—	29
Dividends	股息	16	—	(53,226)	—	(53,226)
Minority shareholders' investment in subsidiaries	少數股東對附屬公司的投資		—	—	68,520	68,520
<b>Balance at 30 June 2006</b>	2006年6月30日結餘		<b>1,330,664</b>	<b>990,530</b>	<b>116,949</b>	<b>2,438,143</b>

**CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT**

FOR THE SIX MONTHS ENDED 30 JUNE 2007

(All amounts in RMB thousand unless otherwise stated)

**簡明綜合中期現金流量表**

截至2007年6月30日止六個月期間

(除非特別指明所有金額單位均為人民幣千元)

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
		未經審計	
		截至6月30日止六個月	
		<b>2007</b>	<b>2006</b>
		2007年	2006年
<b>Net cash generated from/(used in)</b>	現金產生／(支用)之淨額		
– operating activities	– 營運活動	54,528	118,181
– investing activities	– 投資活動	(128,653)	(551,925)
– financing activities	– 融資活動	154,765	463,613
		<hr/>	<hr/>
<b>Net increase in cash and bank balances</b>	現金及銀行結餘之增加淨額	80,640	29,869
Cash and bank balances at beginning of the period	期初現金及銀行結餘	718,744	744,112
		<hr/>	<hr/>
<b>Cash and bank balances at end of the period*</b>	期終現金及銀行結餘*	<b>799,384</b>	<b>773,981</b>
		<hr/> <hr/>	<hr/> <hr/>

\* Excluding restricted cash and bank balances of RMB20.3 million for 2007, representing collateral deposit as guarantee for project bidding (2006: RMB6 million).

\* 不含2007年受限制之銀行結餘約人民幣2,030萬元，此受限制銀行結餘為項目投標保證金(2006年：人民幣600萬元)。

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB thousand unless otherwise stated)

### 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, tap water supply, production of recycled water and construction materials and operation of toll roads.

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

#### (a) Sewage water processing

Pursuant to relevant agreements (“**Sewage Water Processing Agreements**”), the Group provides sewage water processing services via the following operating plants:

<b>Plant Location</b> 位置	<b>Contract commencement date</b> 合同簽訂日期	<b>Customer</b> 客戶
Dong Jiao, Tianjin 天津 東郊	10 October 2000 2000年10月10日	Tianjin Sewage Company (“ <b>TSC</b> ”) 天津市排水公司(「排水公司」)
Ji Zhuang Zi, Tianjin 天津 紀莊子	10 October 2000 2000年10月10日	TSC 排水公司
Xian Yang Lu, Tianjin 天津 咸陽路	10 October 2000 2000年10月10日	TSC 排水公司
Bei Cang, Tianjin 天津 北倉	10 October 2000 2000年10月10日	TSC 排水公司
Guiyang, Guizhou 貴州 貴陽	16 September 2004 2004年9月16日	Guiyang City Administration Bureau (“ <b>GCAB</b> ”) 貴陽市城市管理局(「貴陽城管局」)
Fuyang, Anhui 安徽 阜陽	18 December 2005 2005年12月18日	Anhui Fuyang Construction Committee (“ <b>AFCC</b> ”) 安徽省阜陽市建設委員會(「阜陽建委」)
Qujing, Yunnan 雲南 曲靖	25 December 2005 2005年12月25日	Qujing City Water General Company (“ <b>QCWG</b> ”) 曲靖市城市供排水總公司(「曲靖供排水公司」)
Hong Hu, Hubei 湖北 洪湖	29 December 2005 2005年12月29日	Honghu Construction Bureau 洪湖市建設局
Hang Zhou, Zhejiang 浙江 杭州	12 November 2006 2006年11月12日	Hangzhou Sewage Company 杭州市排水有限公司

TSC is a state owned enterprise under supervisory control of Tianjin Municipal Engineering Bureau (“**TMEB**”).

## 簡明綜合中期財務資料附註

(除非特別指明所有金額單位均為人民幣千元)

### 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。本公司及其附屬公司(「本集團」)現時的經營業務包括污水處理服務、自來水供水、再生水供水及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

依照相關協議(「《污水處理委託協議》」)，本集團通過以下污水處理廠提供污水處理服務：

排水公司—天津市排水公司，為國有企業，並受天津市市政工程局(「天津市政局」)監控。

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

*Dong Jiao*

The Group 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) earns a return of 15% per annum of the average balances of the monthly net book value of property, plant and equipment (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 as stipulated in the agreement.

*Ji Zhuang Zi, Xian Yang Lu and Bei Cang:*

Based on the supplementary agreement reached with TSC on 10 March 2006, the Company is entitled to sewage processing fee at RMB1.93 per cubic meter from the completion date of construction to the completion date of inspection of Ji Zhuang Zi, Xian Yang Lu and Bei Cang plants. Processing fee after the completion of inspection of these three plants will be collected from TSC using the same principle as for Dong Jiao plant.

The construction of these plants was substantially completed during the first quarter 2006 and inspection which was expected to be finalised no later than end 2007.

相關協議訂明的主要計價公式如下所述：

東郊：

本集團應全面彌補實際之經營成本，包括固定資產之折舊及攤銷，但不包括利息開支及滙兌損益，最少將：

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

紀莊子、咸陽路及北倉：

根據於2006年3月10日與排水公司達成之補充協議，本公司於紀莊子、咸陽路及北倉的污水處理廠自竣工日至竣工驗收日的期間內，按照人民幣1.93元／立方米收取污水處理費。於此三家污水處理廠竣工驗收日後，本公司將向排水公司按照與東郊污水處理廠等同的原則收取污水處理費。

此等污水處理廠的在建工程大致於2006年首季基本完工，而預期將不會遲於2007年底完成工程驗收。

*All sewage water processing plants outside Tianjin:*

Initial sewage water processing price ranges from RMB0.60 to RMB1.12 per cubic meter, thereafter processing price may be revised after considering various factors including renovation of equipment, additional investment power and energy and labour force, and other significant changes of government policy, etc.

All sewage processing plants outside Tianjin are guaranteed a minimum processing volume by their respective customers except for Gui Yang. If the actual volume is lower than the guaranteed volume, processing fee will be settled using the guaranteed volume.

In the case of Gui Yang, the new price shall be commenced from 1 January 2007 and determined by a pricing formula which will effectively allow full recovery of the actual costs, including operating cost, depreciation, income tax and a return of 8% on budgeted net assets of the plant. On 6 December 2006, Guiyang Price Bureau confirmed the new price at RMB0.83 per cubic meter for the year 2007.

On 24 April 2007, the Company established a new subsidiary engaging in sewage water processing services in Wendeng, Shandong Province. No Sewage Water Processing Agreements were signed as at 30 June 2007.

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

The construction of Ji Zhuang Zi, Xian Yang Lu and Bei Cang was completed in late 2005. The Company did not incur sewage water processing plant construction fee since 2006. The background to the relevant agreements of sewage water processing plants since 2003 refers to Note 1(b) of the annual financial statements of the Group for the year ended 31 December 2006.

天津以外的所有污水處理廠：

初始污水處理費介乎人民幣0.60元至1.12元／立方米，其後處理費可能需考慮各項因素而調整，包括設施設備改造、新增投資及能源動力、勞動力及政府政策的其他重大變化等。

除貴陽外，其他地區客戶均會擔保本集團天津以外的所有污水處理廠的最低污水處理量。如果實際處理量低於該擔保水量，則污水處理費按照擔保水量結算。

如在貴陽，應從2007年1月1日開始按計價公式釐定新的價格。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%的預算淨資產回報。於2006年12月6日，經貴陽市物價局核定的2007年度新的價格為人民幣0.83元／立方米。

於2007年4月24日，本公司在山東省文登市新設立了一家從事污水處理服務的子公司。截至2007年6月30日止，相關的污水處理服務協定尚未簽定。

**(b) 污水處理廠建設業務**

由於紀莊子、咸陽路及北倉三項工程已於2005年末完工，本公司從2006年開始不再確認污水處理廠建設費收入。自2003年度污水處理廠相關協議背景詳見本集團2006年報(2006年報附註1(b))。



### (c) Road toll stations

There are no changes of terms in the following agreements since 2003, the background is detailed as below:

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 relocated 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 was then 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:

- 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, equivalent to the revenue received in the same period of last year of about RMB5.5 million net of expenses (confirmed by the Company in June 2003); 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.

### (c) 道路及收費站業務

自2003年以來，下列協議的條款並無變更，背景資料詳述如下：

2003年度以前，本公司擁有於天津城市道路及入城之公路交界設立收費站之權利，並可於該等收費站向進入天津城市之外埠車輛(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。該權利期限至2029年2月28日止。

於2003年度內，隨著天津周邊公路網之改造，天津市政府決定將包括本公司所屬各收費站在內之所有道路收費站外遷至天津市與外省市公路交界處，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**」)，統一對進入天津市之外地車輛徵收車輛通行費。據此，本公司之收費站已於2003年5月31日起停止經營，並實施拆除工程。本公司與天津市政局達成補償安排包括(但不限於)以下事項：

- 對本公司被拆除之收費站按其於2003年6月30日之賬面淨值人民幣3,300萬元天津市政局給予了一次性現金補償；
- 自2003年5月31日起至新收費站建造完成之日，按照相當於本公司去年同期所得收益，就本公司之收益損失給予補償。本公司於2003年6月確認約人民幣550萬元之淨收益；及
- 本公司現擁有6個新收費站之收益權，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。

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

#### (d) Tap water processing

Pursuant to agreement reached with Qujing City Water General Company on 25 December 2005, a subsidiary of the Company, Qujing Capital Water Co., Ltd., provides tap water supply service to Qujing City via the Yunnan Qujing tap water processing plant.

Tap water supply price is RMB1.1 per cubic meter for the three years prior to 2008, and will increase in stage to RMB1.25 per cubic meter by 2036. In addition:

- (i) Supply price as determined above may be revised after considering various cost factors based on contract terms;
- (ii) Qujing City Water General Company guarantees a minimum supply volume. If the actual volume is lower than the guaranteed volume, supply fee will be settled based on the guaranteed volume.

同時，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定（「委託徵收協定」），主要條款如下：

- 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；
- 本公司就相應期間／年度向6個新收費站收取實際通行費，惟不得低於按相應期間／年度得預測交通流量及通行費計費的各期間／年度最低通行費（如一家專業顧問公司於2003年7月就該6個新收費站發表的交通流量和通行費預測報告所規定者）；以及
- 實際收入低於上述最低收入標準之差額將由徵收辦補給本公司。

#### (d) 自來水供水業務

依照與曲靖市城市供排水總公司於2005年12月25日簽訂的協定，本公司之附屬公司曲靖創業水務有限公司通過雲南曲靖自來水處理廠提供自來水供水服務。

於截至2008年止的前三年內，自來水供水單價為1.1元／立方米，此後將分階段至2036年提高至1.25元／立方米。此外：

- (i) 上述供水服務單價將按照合同條款根據多項成本因素而進行調整；
- (ii) 曲靖市供排水總公司會確保最低自來水供水量，如果實際供水量低於該擔保水量，則供水服務費按照擔保水量結算。

## 2 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2007 has been prepared in accordance with HKAS 34, "Interim financial reporting". The interim condensed financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2006.

As at 30 June 2007, the Group's current liabilities exceeded its current assets by approximately RMB117.7 million.

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

## 3 Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2006, as described in the annual financial statements for the year ended 31 December 2006 except that:

- (a) the Group adopted the following new standards, amendments to standards and interpretations, which are effective 1 January 2007:

HKAS1	Amendments to Capital Disclosures
HKFRS7	Financial Instruments: Disclosures
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29, Financial Reporting in Hyperinflationary Economies
HK(IFRIC)-Int 8	Scope of HKFRS 2, Share-based Payment
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment

The adoption of these new standards, amendments and interpretations did not have a significant impact on the Group's results and financial position. Full disclosure as required by HKFRS 7 will be disclosed in the year-end financial statements.

- (b) the Group have not adopted the following new standards, amendments to standards and interpretations have been issued but are not effective for 2007:

HKAS 23 (Revised)	Borrowing Costs
HKFRS8	Operating Segments
HK(IFRIC)-Int 11	HKFRS2-Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements

## 2 編製基準

截至2007年6月30日止6個月之半年度簡明綜合中期財務資料系依據香港財務報告準則(財務準則)34號中期財務報告編製。本簡明中期財務報告應與截止於2006年12月31日之年度財務報表一併閱讀。

截至2007年6月30日止，本集團流動負債超過其流動資產約人民幣1.17億元。

董事會相信本集團已經獲取之未使用銀行授信額度以及集團之關係銀行之持續支持已足夠支持本集團償還到期債務，因此本集團仍以持續經營假設為基礎編製本期間的財務報表。

## 3 會計政策

除下文載列外，編製本簡明綜合財務資料所採用之會計政策與截至二零零六年十二月三十一日止年度之年度財務報表所採用的會計政策一致。

- (a) 本集團已採納的於2007年1月1日生效之新訂／經修訂準則及詮釋如下：

香港會計準則1(修訂)	資本披露
香港財務報告準則7	金融工具：披露
香港(國際財務報告詮釋委員會)－詮釋7	應用香港會計準則29下的重列法
香港(國際財務報告詮釋委員會)－詮釋8	香港財務報告準則2的範圍
香港(國際財務報告詮釋委員會)－詮釋9	重新評估嵌入式衍生工具
香港(國際財務報告詮釋委員會)－詮釋10	中期財務報告及資產減值

採納上述新訂／經修訂準則及詮釋對本集團經營業績及財務狀況無任何重大影響。按香港財務報告準則7的要求將在年度財務報表全面披露影響。

- (b) 本集團並無採納已發出但在2007年度仍未生效之新訂／經修訂準則及詮釋如下：

香港會計準則23(修訂)	借貸成本
香港財務報告準則8	經營性分部
香港(國際財務報告詮釋委員會)－詮釋11	香港財務報告準則2－集團及庫藏股交易
香港(國際財務報告詮釋委員會)－詮釋12	服務優惠安排

#### 4. Revenue and segment information

The Group is organised into the following main business segments:

- (a) Sewage water processing;
- (b) Road toll;
- (c) Tap water processing
- (d) Water recycling and pipeline; and
- (e) Others, mainly including construction materials.

An analysis of sales, stated net of business tax, and contributions to operating profit for the period by principal activities is as follows:

##### (a) Analysis of the Group's turnover and other gains (net)

#### 4. 營業額及分部資料

本集團業務主要分為下列部分：

- a) 污水處理業務；
- b) 道路收費業務；
- c) 自來水業務；
- d) 中水及管道接駁；及
- e) 其他業務，主要包括建築材料。

以下為按主要業務劃分之除營業稅後營業額及業績分析：

##### (a) 本集團的營業額及其他收入淨額分析

		<b>Unaudited</b>	
		<b>For the six months ended</b>	
		未經審計	
		截至6月30日止六個月	
		<b>30 June 2007</b>	<b>30 June 2006</b>
		2007年	2006年
Turnover	營業額	452,949	345,177
Other gains, net	其他收入，淨額		
– Rental income from investment property	– 投資物業租金收入	2,546	2,050
– Interest income	– 利息收入	1,935	1,761
– Subsidy income	– 補貼收入	1,340	—
– Others	– 其他	1,780	3,069
		<u>7,601</u>	<u>6,880</u>
		<u>460,550</u>	<u>352,057</u>

**(b) Business segment analysis****(b) 業務分部分析**

		<b>Unaudited</b>	
		<b>For the six months ended</b>	
		未經審計	
		截至6月30日止六個月	
		<b>30 June 2007</b>	<b>30 June 2006</b>
		2007年	2006年
<b>Turnover</b>	<b>營業額</b>		
Sewage water processing	污水處理業務	392,545	292,578
Tolls	道路收費業務	32,962	32,945
Tap water processing	自來水業務	13,008	—
Water recycling and pipeline connection	中水及管道接駁	13,224	17,517
Others	其他	1,210	2,137
		<u>452,949</u>	<u>345,177</u>
<b>Segment results</b>	<b>分部業績</b>		
Sewage water processing	污水處理業務	188,720	175,904
Tolls	道路收費業務	24,619	16,301
Tap water processing	自來水業務	2,234	—
Water recycling and pipeline connection	中水及管道接駁	1,904	(6,569)
Others	其他	(109)	(1,185)
		<u>217,368</u>	<u>184,408</u>
Finance costs	融資成本	(62,752)	(41,824)
Share of profits of an associate	應佔聯營公司盈利	2,499	—
		<u>157,115</u>	<u>142,584</u>
<b>Profit before income tax</b>	<b>除所得稅前盈利</b>		
Income tax expense	所得稅	(47,741)	(50,257)
		<u>109,374</u>	<u>92,327</u>
<b>Profit for the period</b>	<b>半年度盈利</b>		

Other segment items included in the income statement are as follows:

其他在損益表中列賬的分部項目如下：

		<b>Unaudited</b>	
		<b>For the six months ended</b>	
		未經審計	
		截至6月30日止六個月	
		<b>30 June 2007</b>	<b>30 June 2006</b>
		2007年	2006年
<b>Depreciation</b>	<b>折舊</b>		
Sewage water processing services	污水處理業務	59,209	26,221
Tolls	道路收費業務	1,900	1,726
Tap water processing	自來水業務	5,042	—
Water recycling and pipeline connection	中水及管道接駁	4,113	3,929
Others	其他	941	1,045
Unallocated	未分部	8,180	—
		<u>79,385</u>	<u>32,921</u>
<b>Amortisation</b>	<b>攤銷</b>		
Sewage water processing services	污水處理業務	10,676	5,163
Tolls	道路收費業務	1,370	2,105
Others	其他	40	42
		<u>12,086</u>	<u>7,310</u>

The segment assets and liabilities as at 30 June 2007 and capital expenditure for the period then ended are as follows:

於2007年6月30日之分部資產和負債以及截至該日止六個月期間之資本開支如下：

		<b>30 June 2007 Unaudited</b>	<b>31 December 2006 Audited</b>
		2007年 6月30日 未經審計	2006年 12月31日 已經審計
<b>Total assets</b>	<b>總資產</b>		
Sewage water processing	污水處理業務	4,931,388	4,714,602
Tolls	道路收費業務	322,798	323,397
Tap water processing	自來水業務	238,564	242,630
Water recycling and pipeline connection	中水及管道接駁	368,897	296,891
Others	其他	31,868	33,845
Associate	聯營公司	70,159	61,660
Unallocated	未分部	202,376	209,434
		<u>6,166,050</u>	<u>5,882,459</u>
<b>Total liabilities</b>	<b>總負債</b>		
Sewage water processing	污水處理業務	2,884,029	2,978,668
Tolls	道路收費業務	10,244	17,020
Tap water processing	自來水業務	149,216	152,790
Water recycling and pipeline connection	中水及管道接駁	284,566	212,752
Others	其他	2,133	12,922
Unallocated	未分部	1,814	5,338
		<u>3,332,002</u>	<u>3,379,490</u>
		<b>Unaudited</b>	
		<b>For the six months ended</b>	
		未經審計	
		截至6月30日止六個月	
		<b>30 June 2007</b>	<b>30 June 2006</b>
		2007年	2006年
<b>Capital expenditure</b>	<b>資本開支</b>		
Sewage water processing	污水處理業務	72,400	381,521
Water recycling and pipeline connection	中水及管道接駁	11,516	35,417
Others	其他	—	1,150
Unallocated	未分部	2,233	—
		<u>86,149</u>	<u>418,088</u>

No geographical segment analysis is presented since all of the Group's assets, operations and customers are located in the PRC.

由於本集團所有之資產、業務及客戶均在中國存在或發生，故未編製分地區業績報告。



## 5. Capital expenditure

## 5 資本開支

		<b>Unaudited</b>	
		<b>For the six months ended</b>	
		未經審計	
		截至 6 月 30 日止六個月	
		<b>30 June</b>	<b>30 June</b>
		<b>2007</b>	<b>2006</b>
		2007 年	2006 年
Net book value, at beginning of period	期初淨值	3,288,848	2,430,690
Additions in construction in progress in respect of:	在建工程增加：		
– sewage plant construction projects	– 污水處理廠建設工程	23,862	81,574
– sewage water recycling project of subsidiaries	– 子公司中水處理工程	1,697	35,309
– others	– 其他	1,958	4,046
Additions of other property, plant and equipment	其他物業、機器及設備增加	58,632	297,159
Disposals	報廢	(1,547)	(8)
Depreciation	折舊	(79,385)	(45,889)
Net book value, at end of period	期末淨值	<u>3,294,065</u>	<u>2,802,881</u>

## 6. Investment in an associate

## 6 聯營企業投資

		<b>2007</b>
		2007 年
<b>Beginning of the period</b>	期初	61,660
Share of net profits	應佔盈利	2,499
<b>End of the period</b>	期末	<u>64,159</u>

The Group has a 45% interest in an unlisted associate, incorporated in Tianjin, PRC.

本集團於一家於中國天津註冊成立的非上市聯營公司擁有45%權益。

## 7. Trade receivables

## 7 貿易應收款

Details of the trade receivables are as follows:

		<b>30 June 2007 Unaudited</b>	<b>31 December 2006 Audited</b>
		2007年 6月30日 未經審計	2006年 12月31日 已經審計
Due from TSC for :	應收排水公司 :		
– water processing services (Note 1(a))	– 污水處理服務 (附註 1(a))	485,085	283,788
– construction of plants (Note 1(b))	– 污水處理廠建設 (附註 1(b))	466,185	466,185
		<u>951,270</u>	<u>749,973</u>
Others	其他	53,185	43,210
		<u>1,004,455</u>	<u>793,183</u>
Less: non-current portion	減：非流動部分	(749,973)	(749,973)
Current portion	流動部分	<u>254,482</u>	<u>43,210</u>

Under the Co-operative Agreement, TSC will sell certain of its assets to the Company upon completion and verification (Note 1(b)). Accordingly, in April 2007, the Company reached an agreement with TSC on a repayment plan, whereby TSC will use the mentioned assets to settle the construction fees and part of sewage water processing fees of 2006 owed to the Company. As at 31 December 2006, these assets amounted to about RMB750 million. As such, the Directors believe that the amount due from TSC is mainly recoverable by asset swap.

Pursuant to the repayment plan, the carrying value of balance due from TSC as at 30 June 2007 includes about RMB750 million (2006: RMB750 million) which has been reclassified to trade receivables due after one year resulting in aging of the total trade receivables as follows:

		<b>Unaudited 30 June 2007</b>	<b>Audited 31 December 2006</b>
		未經審計 2007年 6月30日	已經審計 2006年 12月31日
One to two years	1-2 年	749,973	749,973
Within one year	1 年以內	254,482	43,210
		<u>1,004,455</u>	<u>793,183</u>

根據合作協定，排水公司會在相關資產完工和驗收後，將其若干資產售予本公司（附註 1(b)）。因此，在 2007 年 4 月，本公司與排水公司就還款計畫達成協議，據此排水公司將會用上述資產支付積欠本公司的建設費及 2006 年度部分污水處理費。截至 2006 年 12 月 31 日止，這些資產的金額約為人民幣 7.50 億元。因此，董事相信應收排水公司的款項能夠透過資產掉期全部收回。

根據還款計畫，於 2007 年 6 月 30 日應收排水公司款項的賬目值中人民幣 7.50 億元（2006 年：人民幣 7.50 億元）已被重新分類為一年後到期的貿易應收款，因此貿易應收款的賬齡如下：

## 8. Other non-current assets

## 8 其他長期資產

		<b>Unaudited</b>	<b>Audited</b>
		<b>30 June</b>	<b>31 December</b>
		<b>2007</b>	<b>2006</b>
		2007年	2006年
		6月30日	12月31日
		未經審計	已經審計
Restricted bank deposits ( <i>note (i)</i> )	受限制銀行存款 (註釋(i))	17,600	40,067
Proceeds for Fuyang project ( <i>note (ii)</i> )	阜陽專案轉讓金 (註釋(ii))	96,630	98,321
Others	其他	2,961	3,758
		<u>117,191</u>	<u>142,146</u>

notes:

- (i) These deposits represent collateral deposited with a financial institution as guarantee for the issuance of the Company's convertible bonds stated at fair value.
- (ii) Pursuant to an agreement dated 18 December 2005, the Group obtained the right to use, operate and maintain assets of a sewage plant in Fuyang, PRC ("Fuyang project") at a consideration of RMB102 million for a term of 30 years effective 18 December 2005. The proceeds for Fuyang project are amortised using straight-line method within its operating periods. As at 30 June 2007, RMB10.2 million remains to be settled.

註釋：

- (i) 按公允價值列賬的該等存款指存放於金融機構作為本公司的可轉換債券擔保的抵押品。
- (ii) 根據於2005年12月18日簽訂的協定，本集團以人民幣1.02億元的對價取得自該日起使用、經營中國阜陽市污水處理廠(「阜陽專案」)及其資產30年的權利。該等阜陽項目轉讓金在其經營期限內採用直線法攤銷。截至2007年6月30日止，該等未付款項為人民幣1,020萬元。

## 9. Share capital

## 9 股本

<b>Issued and fully paid up capital</b> 已發行及繳足股本	<b>Number of shares</b> (‘000) 股份數 千股	<b>Unaudited 30 June 2007</b> 未經審計 2007年 6月30日	<b>Audited 31 December 2006</b> 已經審計 2006年 12月31日
A shares with par value of RMB1: 每股面值為人民幣 1 元之 A 股：			
– Circulating shares 已流通股份	332,017	332,017	155,028
– Restricted circulating shares 限制性流通股份	730,620	730,620	835,638
	<u>1,062,637</u>	<u>1,062,637</u>	<u>990,666</u>
H shares with par value of RMB1: 每股面值為人民幣 1 元之 H 股：			
Circulating shares outside China 中國境外流通股份	<u>340,000</u>	<u>340,000</u>	<u>340,000</u>
	<u>1,402,637</u>	<u>1,402,637</u>	<u>1,330,666</u>

“A” share represent shares listed on the Shanghai Securities Exchange and “H” shares represent shares listed on the Main Board of The Stock Exchange of Hong Kong. All the “A” and “H” shares rank pari passu in all respects.

The restricted circulating “A” Shares is in respect of the shares held by TMICL, whereby TMICL can only sell a maximum of 10% of its total shares within 3 years after the stock reform in March 2006.

During this period, in addition to the conversion of a portion of convertible bonds to circulating “A” Shares (Note 10(d)) resulted in an increase of share capital, another 105,018,005 restricted circulating shares were become non-restricted, amongst which 22,168,000 shares belonging to TMICL were sold. Consequently, TMICL’s equity interest in the Company were reduced from 59.91% to 55.25% by end of period

A股是指在上海證券交易所上市的股份，而H股是指在香港聯合交易所上市的股份。所有A股及H股在各方面均享有同等權益。

此限制性流通股份系控股股東持有之股份，控股股東於2006年3月股權改置完成後三年內最多可出售其所持有股份之10%。

本期間，除部分可轉換債券轉換成已流通A股(附註10(d))造成了本公司股本的擴大外，另有105,018,005股限制性流通股取消限制，控股股東減持了其中22,168,000股。因此，截至本期末本公司股本中控股股東所持有之股份從59.91%下降至55.25%。

## 10. Borrowings

## 10 貸款

			<b>Unaudited 30 June 2007</b>	<b>Audited 31 December 2006</b>
		<i>Note 註釋</i>	6月30日 2007年 未經審計	12月31日 2006年 已經審計
<i>Long-term:</i>	<i>長期：</i>			
Bank borrowings	銀行貸款	(a)	2,046,625	1,718,750
Loans payable	應付貸款	(c)	163,636	163,636
Convertible bonds	可轉換債券	(d)	85,469	374,844
			<u>2,295,730</u>	<u>2,257,230</u>
Less: current portion	減：短期部分		(209,250)	(99,250)
			<u>2,086,480</u>	<u>2,157,980</u>
<i>Short-term:</i>	<i>短期：</i>			
Current portion of long-term bank borrowings	長期銀行貸款 一年內到期部分	(a)	209,250	99,250
Short-term bank borrowings	短期銀行貸款	(b)	556,000	691,000
Loans payable	應付貸款	(c)	124,248	108,264
			<u>889,498</u>	<u>898,514</u>
<i>Note:</i>	<i>註釋：</i>			
(a) Long-term bank borrowings	(a) 長期銀行貸款			
			<b>Unaudited 30 June 2007</b>	<b>Audited 31 December 2006</b>
		<i>Note 註釋</i>	2007年 6月30日 未經審計	2006年 12月31日 已經審計
Borrowings from:	貸款包括：			
State Development Bank	國家開發銀行	(i)	538,000	545,000
China Everbright Bank	中國光大銀行	(ii)	450,000	450,000
Industrial Commerce Bank of China	中國工商銀行	(iii)	408,000	250,000
China Construction Bank	中國建設銀行	(iv)	225,625	233,750
CITIC Industrial Bank	中信實業銀行	(v)	200,000	200,000
Shanghai Pudong Development Bank	上海浦東發展銀行	(vi)	120,000	—
Bank of China	中國銀行	(vii)	55,000	40,000
Agriculture Development Bank of China	中國農業銀行	(viii)	50,000	—
			<u>2,046,625</u>	<u>1,718,750</u>

These borrowings mature as follows:

該等貸款的具體還款期如下：

		<b>Unaudited</b>	<b>Audited</b>
		<b>30 June</b>	<b>31 December</b>
		<b>2007</b>	<b>2006</b>
		6月30日	12月31日
		2007年	2006年
		未經審計	已經審計
Within one year	一年以內	209,250	99,250
In the second year	第二年內	624,250	416,250
In the third to fifth year	第三年至第五年內	837,760	466,750
After the fifth year	五年以後	375,365	736,500
		<u>2,046,625</u>	<u>1,718,750</u>

notes:

- (i) This borrowing is secured by TMEB's guarantee together with certain of its fee collection rights and bears interest at 7.2%. (2006: 6.1% to 6.4%) per annum.
- (ii) This borrowing is secured by the TSC's right to receive sewage water processing fees together with TMICL's guarantee and bears interest rate ranging from 6.5% to 7.2% (2006: 5% to 6.8%) per annum.
- (iii) This borrowing is secured by the Company's guarantee and bears interest ranging from 6.2% to 6.3% (2006: 6.2%) per annum.
- (iv) The balance includes RMB190 million secured by the right to receive tap water and sewage water processing fees. The remaining balance of about RMB36 million is secured by the Company's guarantee. These borrowings bear interest at 7.2% (2006: 6.1% to 6.4%) per annum.
- (v) The borrowing is an unsecured loan and bears interest at 6.8% (2006: 6.1% to 6.4%) per annum.
- (vi) The borrowing is an unsecured loan and bears interest ranging from 6.1% to 6.5% per annum.
- (vii) This borrowing is secured by the Company's guarantee and bears interest at 6.1% (2006: 6.1% to 6.4%) per annum.
- (viii) The borrowing is initially secured by the Company's guarantee during the construction period of plant and further secured by fixed assets upon commencement of operation of plant, which bears interest at 7.3% per annum.

註釋：

- (i) 該借款由天津市政局提供保證擔保並以其擁有業務中之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之長期借款利率而變動，現時平均年利率為7.2% (2006年：6.1%到6.4%)。
- (ii) 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天津市政投資有限公司提供保證擔保，年利率為6.5%到7.2% (2006年：5%到6.8%)。
- (iii) 該借款由本公司提供保證擔保。現時年利率為6.2%到6.3% (2006年：6.2%)。
- (iv) 其中約人民幣1.9億元之貸款以曲靖創業借款自來水收入權和污水處理收入權作為質押；另外約人民幣3,600萬元貸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7.2% (2006年：6.1%到6.4%)。
- (v) 該借款為無抵押貸款。現時年率為6.8% (2006年：6.1%到6.4%)。
- (vi) 該借款為無抵押貸款。現時年率為6.1%到6.5%。
- (vii) 該借款由本公司提供保證擔保。現時年利率為6.1% (2006年：6.1%到6.4%)。
- (viii) 該等借款在污水處理廠建設期間由本公司提供保證擔保，在污水處理廠運營期追加固定資產作為抵押擔保。現時年利率為7.3%。

## (b) Short-term bank borrowings

Borrowings from:	貸款銀行：
China Minsheng Bank	中國民生銀行
Industrial Bank	興業銀行
Beijing Bank	北京銀行
Shanghai Pudong Development Bank	上海浦東發展銀行
Bohai Bank	渤海銀行
Huaxia Bank	華夏銀行
Industrial Commerce Bank of China	中國工商銀行

## notes:

- (i) Guaranteed by TMICL.
- (ii) Guaranteed by Tianjin Expressway Investment and Construction Development Company.
- (iii) Include RMB15 million secured by a bank deposit of RMB17 million.
- (iv) All short-term borrowings bear interest ranging from 5.5% to 6.1% per annum.

The carrying amounts of all bank borrowings approximate their fair values as at 30 June 2007 either due to their short-term maturity or because they bear interest at prevailing market rates throughout their maturity period.

## (c) Loans payable:

<i>Long-term,</i> due to:	長期 應付：
– TMEB ( <i>note(i)</i> )	– 天津市政局 ( <i>註釋(i)</i> )
<i>Short-term,</i> due to:	短期 應付：
– TMEB	– 天津市政局
• Current portion ( <i>note(i)</i> )	• 一年內到期部分 ( <i>註釋(i)</i> )
• Others ( <i>note(ii)</i> )	• 其他 ( <i>註釋(ii)</i> )
– Tianjin Municipal Government ( <i>note(iii)</i> )	– 天津市政府 ( <i>註釋(iii)</i> )

## (b) 短期銀行貸款

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 June</b>	<b>31 December</b>
<i>Note</i>	<b>2007</b>	<b>2006</b>
<i>註釋</i>	6月30日	12月31日
	2007年	2006年
	未經審計	已經審計
(i)	200,000	200,000
	100,000	100,000
(ii)	100,000	100,000
(iii)	65,000	65,000
	55,000	—
(i)	36,000	36,000
	—	190,000
	<u>556,000</u>	<u>691,000</u>

## 註釋：

- (i) 由天津市政投資有限公司提供擔保。
- (ii) 由天津市高速公路投資建設發展公司提供擔保。
- (iii) 其中人民幣1,500萬元的貸款由人民幣1,700萬元的銀行存款提供質押擔保。
- (iv) 所有短期銀行貸款的年利率從5.5%到6.1%。

截至2007年6月30日止，以上所有銀行貸款的將於短期內到期或按現行市場利率計息，故其帳面價值近似於公平值。

## (c) 應付貸款

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2007</b>	<b>2006</b>
	6月30日	12月31日
	2007年	2006年
	未經審計	已經審計
	163,636	163,636
	16,364	16,364
	81,215	81,215
	26,669	10,685
	<u>124,248</u>	<u>108,264</u>



notes:

- (i) The RMB180 million from TMEB taken during 2005 is specifically for construction of sewage water processing plants. The loan is repayable in equal instalments over eleven years from 2007. The loan bears interest at 5% per annum 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.
- (ii) Of the total amount loaned by TMEB, RMB81 million (2006: 81 million) is specifically for the same purpose and under same terms as loan stated in note (iii) below.
- (iii) The RMB27 million (2006: RMB11 million) borrowed from the Tianjin Municipal Government was for the construction of the Group's water recycling plant. The loan is interest free and the method and date of repayment which is supposed to be determined after the completion of the said plant has yet to be finalised.
- (iv) The repayment scheme for the RMB81 million and RMB27 million loans mentioned in (ii) and (iii) above is still under negotiation. As the terms are uncertain, these loans have been classified as current liabilities.

(d) Convertible bonds payable:

Liability component of convertible bonds      可轉換債券—負債部分

No. of units ('000)      債券張數 (千計)

The value of the liability component, included in long-term borrowings, was carried at amortised cost and calculated using a market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity in other reserves net of deferred income taxes. Interest expense on the bonds is calculated using the effective interest method by applying the effective interest rate of 5.6% to the liability component.

During this period, RMB 277,810,000 bonds were converted into the Company's A share at RMB3.86 per share. As a result of the conversion, the Company's share capital and capital reserve increased by RMB71,971,000 and RMB205,839,000, respectively.

註釋：

- (i) 2005年從天津市政局取得之人民幣1.8億元為污水處理廠建設專項資金。該資金從2007年起分11年均衡償付。貸款利率前6年為5%，從第7年起利率為一年期存款利率加0.3%。
- (ii) 在從天津市政局取得之全部貸款中，人民幣8,100萬元(2005年：人民幣8,100萬元)之用途及條款同如下註釋(iii)所示。
- (iii) 人民幣2,700萬元(2006年：人民幣1,100萬元)為子公司中水公司從天津市政府部門獲得，用於本集團中水廠建設。該貸款不計息，具體還款日期和方法在中水廠完工後與貸款方商議。
- (iv) 以上在註釋(ii)和(iii)中列示的人民幣8,100萬元和人民幣2,700萬元貸款之還款計畫尚在與貸款方商討中。因還款期限尚未確定，這些貸款被分類至流動負債。

(d) 應付可轉換債券

<b>Unaudited</b>	<b>Audited</b>
<b>30 June</b>	<b>31 December</b>
<b>2007</b>	<b>2006</b>
6月30日	12月31日
2007年	2006年
未經審計	已經審計
85,469	374,844
943	3,721

列示於長期貸款之可轉換債券負債部分之價值，根據無轉換權利之類似普通公司債券之市場利率計算得出，並以攤餘價值列示，其餘部分除稅後分派為權益部分之價值。負債部分之利息費用以5.6%之折現率按實際利率法計算。

本期間內共有人民幣277,810,000元可轉換公司債券轉換為本公司A股股票，轉股價格為人民幣3.86元每股。轉股後，本公司之股本和股本溢價分別增加人民幣71,971,000元和人民幣205,839,000元。

## 11. Trade and other payables

## 11 貿易應付款及其他應付款

		<b>Unaudited 30 June 2007</b>	<b>Audited 31 December 2006</b>
		6月30日 2007年 未經審計	12月31日 2006年 已經審計
Dividend payable ( <i>note (a)</i> )	應付股利 (註釋(a))	57,384	1,299
Construction costs payable	應付建設成本	10,992	64,696
Payable for purchase of property, plant and equipment	應付購買物業、機器及設備		
Advances received	預收賬款	49,044	30,371
Advances from TSC	預收排水公司款項	86,986	50,431
Payable to Fuyang Construction Committee ( <i>Note 8(ii)</i> )	應付阜陽市建委 (附註8(ii))	27,385	27,385
Accrued expenses	預提費用	10,200	10,200
Trade payables ( <i>note(b)</i> )	貿易應付款 (註釋(b))	10,975	11,879
Others	其他	6,227	9,852
		34,806	47,145
		<u>293,999</u>	<u>253,258</u>

The carrying value of trade and other payables approximates to their fair value due to their short-term maturities.

由於均為短期內到期，以上應付賬款及其他應付款的賬面價值和公允價值十分接近。

notes:

註釋：

- (a) The balance as at 30 June 2007 represented RMB56,105,000 dividend declared for the year ended 31 December 2006 and RMB1,279,000 dividend declared in prior years.
- (b) Ageing of trade payables are as follows:

- (a) 2007年6月30日之餘額包括2006年度股利人民幣56,105,000元及以前年度股利人民幣1,279,000元；
- (b) 貿易應付款賬齡如下：

		<b>Unaudited 30 June 2007</b>	<b>Audited 31 December 2006</b>
		6月30日 2007年 未經審計	12月31日 2006年 已經審計
One to two years	1-2年	—	—
Within one year	1年以內	6,227	9,852
		<u>6,227</u>	<u>9,852</u>

## 12. Operating profit

Operating profit is stated after (crediting)/ charging the following:

## 12 經營盈利

經營盈利已計入及扣除下列項目：

		<b>Unaudited</b>	
		<b>For the six months ended</b>	
		未經審計	
		截至6月30日止六個月	
		<b>30 June 2007</b>	<b>30 June 2006</b>
		2007年	2006年
Crediting:	收入：		
Rental	租金收入	(4,632)	(2,050)
Interest income	利息收入	(1,935)	(1,761)
Charging:	支出：		
Depreciation and amortisation expenses	折舊及攤銷費用	91,471	54,667
Staff costs	員工成本	13,501	16,515
Raw materials and consumables used	原材料及消耗品使用	12,382	6,315
Repair and maintenance expenses	修理費	8,050	8,217
		<u>          </u>	<u>          </u>

## 13. Finance costs

## 13 融資成本

		<b>Unaudited</b>	
		<b>For the six months ended</b>	
		未經審計	
		截至6月30日止六個月	
		<b>30 June 2007</b>	<b>30 June 2006</b>
		2007年	2006年
Interest expense on :	利息費用：		
– bank borrowings	– 銀行貸款利息	64,381	48,861
– liability component of convertible bonds	– 負債部分列賬的可轉換債券	999	9,405
Less: capitalised interest	減：資本化利息	—	(17,609)
		<u>          </u>	<u>          </u>
Other (gains)/borrowing costs	其他（收益）／融資成本	65,380	40,657
		(2,628)	1,167
		<u>          </u>	<u>          </u>
		<u>62,752</u>	<u>41,824</u>

#### 14. Income tax expense

No Hong Kong profits tax has been provided as the Group has no assessable profit in Hong Kong (2006: Nil). PRC income tax has been charged at between 7.5% to 33% on the respective assessable profits of the Company and its subsidiaries (2006: 33%).

#### 14 所得稅費用

由於本集團截至2007年6月30日止六個月期間並無在香港地區的應課稅盈利(2006年：無)，所以本期間無香港所得稅。中國盈利之稅款則按照本公司及其附屬公司本期間各自估計應課稅盈利按照7.5%至33%的稅率計算(2006年：33%)。

Tax charge comprises:

所得稅構成如下：

Current PRC income tax  
Deferred income tax

當期中國所得稅  
遞延所得稅

<b>Unaudited</b>	
<b>For the six months ended</b>	
未經審計	
截至6月30日止六個月	
<b>30 June 2007</b>	<b>30 June 2006</b>
2007年	2006年
47,114	51,830
627	(1,573)
<u>47,741</u>	<u>50,257</u>

#### 15. Earnings per share

(a) The calculation of basic earnings per share is based on profit attributable to shareholders of RMB110,585,000 (2006:RMB93,030,000) and 1,366,651,500 shares (2006: 1,330,664,000) in issue during the period.

#### 15 每股盈利

(a) 每股盈利根據本期間股東應佔盈利人民幣110,585,000元(2006年：人民幣93,030,000元)以及期內已發行股份1,366,651,500股計算(2006年：1,330,664,000股)。

Profit attributable to equity holders  
of the Company

本公司權益持有人應佔盈利

Weighted average number of ordinary  
shares in issue (million)

已發行普通股的加權平均數(百萬股)

Basic earnings per share (RMB per share)

每股基本盈利(每股人民幣元)

<b>Unaudited</b>	
<b>For the six months ended</b>	
未經審計	
截至6月30日止六個月	
<b>30 June 2007</b>	<b>30 June 2006</b>
2007年	2006年
110,585	93,030
<u>1,367</u>	<u>1,331</u>
<u>0.08</u>	<u>0.07</u>

(b) Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: convertible debt. The convertible debt is assumed to have been converted into ordinary shares and the net profit is adjusted to eliminate the interest expense less the tax effect. The relevant calculation is set out as follows:

(b) 每股攤薄盈利是假設所有可攤薄的潛在普通股已被兌換，根據已發行普通股的加權平均股數計算。本公司有一類可攤薄潛在普通股：可轉換債券。假設這些可轉換債券被兌換為普通股，而淨盈利經調整抵消扣除稅務影響後的利息費用。相關的計算如下：

		<b>Unaudited</b>	
		<b>For the six months ended</b>	
		未經審計	
		截至6月30日止六個月	
		<b>30 June 2007</b>	<b>30 June 2006</b>
		2007年	2006年
Profit attributable to equity holders of the Company	本公司債券持有人應佔盈利	110,585	93,030
Interest expense on convertible debt (net of tax)	可轉換債券的利息費用 (扣除稅項)	1,484	3,141
Profit used to determine diluted earnings per share	用以釐定每股攤薄盈利的盈利	<u>112,069</u>	<u>96,171</u>
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權 平均數 (千股計)	1,366,651	1,330,664
Adjustments for - assumed conversion of convertible debt (thousands)	調整－假設可轉換債券 被兌換 (千股計)	<u>24,419</u>	<u>95,402</u>
Weighted average number of ordinary shares for diluted earnings per share (thousands)	計算每股攤薄盈利的普通股的加權平均數 (千股計)	<u>1,391,070</u>	<u>1,426,066</u>
Diluted earnings per share (RMB per share)	每股攤薄盈利 (每股人民幣元)	<u>0.08</u>	<u>0.07</u>

## 16. Interim dividends

## 16 中期股息

		<b>Unaudited</b>	
		<b>For the six months ended</b>	
		未經審計	
		截至 6 月 30 日止六個月	
		<b>30 June 2007</b>	<b>30 June 2006</b>
		2007年	2006年
2006 final, declared of RMB0.04 (2005 final, paid of RMB0.04) per share	2006 年度，宣告股息人民幣 0.04 元每股 (2005 年度，支付股息 人民幣 0.04 元每股)	56,105	53,226
No dividend was proposed by the Board of Directors of the Company for the six months ended 30 June 2007 (2006: nil).		本公司董事會於截止 2007 年 6 月 30 日止六個月期間並無建議派發股息 (2006 年：無)。	

## 17. Commitments

## 17 承擔事項

The Group's capital commitments at the balance sheet date in respect of construction projects is as follows:

於結算日有關污水處理廠建設的資本承擔如下所列：

		<b>Contracted but not provided for</b>		<b>Authorised but not contracted for</b>	
		已簽約未撥備		已批准未簽約	
		<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>
		未經審計	已經審計	未經審計	已經審計
		<b>30 June 2007</b>	<b>31 December 2006</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
		2007年	2006年	2007年	2006年
		6月30日	12月31日	6月30日	12月31日
		<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>
		人民幣百萬元	人民幣百萬元	人民幣百萬元	人民幣百萬元
Sewage water processing plants in:	污水處理廠項目：				
– Ji Zhuang Zi	– 紀莊子	—	4	—	—
– Xian Yang Lu	– 咸陽路	—	2	—	—
– Bei Cang	– 北倉	—	2	—	—
– Chi Bi	– 赤壁	34	59	—	—
– Hang Zhou	– 杭州	341	341	—	—
– Hong Hu	– 洪湖	16	16	—	—
– Wen Deng	– 文登	—	—	120	—
Recycled water factories:	中水廠：				
– Xian Yang Lu	– 咸陽路	17	67	50	—
– Bei Chen	– 北辰	18	2	77	107
– Dong Jiao	– 東郊	—	—	129	—
		426	493	376	10
		426	493	376	10

## 18. Related party transactions

The majority of the business activities of the Company and its subsidiaries are conducted with state-owned enterprises (hereafter "SOE"). The Company and its subsidiaries have established procedures to determine, to the extent possible, the identification of the ownership structures of its customers and suppliers as to whether they are SOE. Management believes that all material related party balances and transactions have been adequately disclosed.

In addition to the related party information shown elsewhere in the condensed consolidated interim financial information, the following is a summary of significant related party transactions entered into in the ordinary course of the business between the Company and its subsidiaries and their related parties during the period and balances arising from related party transactions at the end of the period.

(a) Transactions with TMICL and its supervisory entities:

Revenue earned from TSC for sewage water processing services	於排水公司取得之 污水處理服務收入
---	----------------------

(b) Transactions with other state-owned enterprises:

Payment for plants construction	支付工程費
Drawdown of short-term loan	獲得短期貸款
Drawdown of long-term loan	獲得長期貸款
Interest expenses	利息支出

## 18 關聯交易

本公司及其子公司之主要商業活動都是與國有企業進行。本公司及其子公司已盡可能地通過適當之程式來識別客戶與供應商是否為國有企業。管理層相信所有重大數額之關聯方餘額及交易都已經被充分地披露。

除了在本簡明綜合中期財務資料其他部分列示之關聯方資訊外，下文歸納了本公司及其子公司與其關聯方在本期發生之通過正常商業途徑進行之重大關聯方交易和因為關聯方交易產生之期末餘額。

(a) 與天津市政投資有限公司及其監控企業：

<b>Unaudited</b>	
<b>For the six months ended</b>	
未經審計	
截至 6 月 30 日止六個月	
<b>30 June 2007</b>	<b>30 June 2006</b>
2007年	2006年
<i>Rmb'million</i>	<i>Rmb'million</i>
人民幣百萬元	人民幣百萬元

		311	284
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(b) 與其他國有企業交易發生額

<b>Unaudited</b>	
<b>For the six months ended</b>	
未經審計	
截至 6 月 30 日止六個月	
<b>30 June 2007</b>	<b>30 June 2006</b>
2007年	2006年
<i>Rmb'million</i>	<i>Rmb'million</i>
人民幣百萬元	人民幣百萬元

		44	68
--	--	----	----

		234	260
--	--	-----	-----

		350	60
--	--	-----	----

		64	26
--	--	----	----



The period end balances with TMICL and other state-owned enterprises are included in the financial statements as follows:

在本賬目中，與天津市政投資有限公司及其他國有企業交易年末餘額如下所示：

		<b>Unaudited</b>	<b>Audited</b>
		<b>30 June</b>	<b>31 December</b>
		<b>2007</b>	<b>2006</b>
		6月30日	12月31日
		2007年	2006年
		<i>RMB'million</i>	<i>RMB'million</i>
		人民幣百萬元	人民幣百萬元
Convertible bonds held by TMICL	天津市政投資有限公司 所持有可轉換債券	—	209
		<u>          </u>	<u>          </u>
<b>Current liabilities</b>	<b>流動負債</b>		
Trade and other payables	應付賬款及其他應付賬款	56	202
		<u>          </u>	<u>          </u>

(c) Key management compensation for the period ended 30 June 2007 is summarised as follows:

核心管理層截至於2007年6月30日止之報酬匯總如下：

		<b>Unaudited</b>	
		<b>For the six months ended</b>	
		未經審計	
		截至6月30日止六個月	
		<b>30 June 2007</b>	<b>30 June 2006</b>
		2007年	2006年
Salaries and other short-term employee benefits	工資及短期員工福利	2,741	2,554
Other long-term benefits	其他長期福利	460	61
		<u>          </u>	<u>          </u>
		<u>3,201</u>	<u>2,615</u>

## 19. Subsequent events

On 31 July 2007, the Board of Directors of the Company resolved to exercise its option to redeem all the outstanding convertible bonds issued by the Company as at 27 August 2007, at a consideration of 106.7% (including interest and premium of 4.7% and 2%, respectively) of each bond's face value, in accordance with the term of the issuance.

## 19 期後事項

於2007年7月31日，本公司董事會決議根據本公司可轉換公司債券募集說明書發行條款之有關規定，公司將向截至2007年8月27日止之可轉換債券之持有人以每張債券面值之106.7%（包括4.7%的利息及2%的補償金）的代價行使回購權。

**(II) Prepared in accordance with PRC GAAP**

(二) 根據中國公認會計原則編製

**BALANCE SHEETS**

AS AT 30 JUNE 2007

**資產負債表**

2007年6月30日

	Notes	Group 合併		Company 公司	
		Unaudited 30 June 2007 未經審計 於2007年 6月30日 Rmb'000 人民幣千元	Audited 31 December 2006 已經審計 於2006年 12月31日 Rmb'000 人民幣千元	Unaudited 30 June 2007 未經審計 於2007年 6月30日 Rmb'000 人民幣千元	Audited 31 December 2006 已經審計 於2006年 12月31日 Rmb'000 人民幣千元
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash balances	1	819,684	733,744	545,433	607,136
Notes receivables		8,100	—	8,100	—
Trade receivables	2	246,382	43,210	218,792	16,473
Other receivables	3	24,710	16,927	64,627	83,584
Prepayments to suppliers		20,582	11,433	780	535
Inventories	4	6,877	7,839	2,530	2,699
<b>Total current assets</b>		<b>1,126,335</b>	<b>813,153</b>	<b>840,262</b>	<b>710,427</b>
<b>NON-CURRENT ASSETS</b>					
Long-term equity investments	5	70,159	67,660	744,751	696,751
Fixed assets	7	3,154,238	2,873,430	2,097,871	1,810,254
Investment property	6	113,828	113,925	96,520	97,611
Construction in progress	8	139,822	415,418	3,770	302,519
Fixed assets pending disposal		4	—	4	—
Trade receivables due after one year	2	749,973	749,973	749,973	749,973
Long-term prepaid expense	10	99,531	102,079	—	—
Intangible assets	9	693,768	704,466	571,263	578,741
Other long-term assets		17,600	40,067	17,600	40,067
Deferred tax assets		792	2,288	792	2,288
<b>Total of non current assets</b>		<b>5,039,715</b>	<b>5,069,306</b>	<b>4,282,544</b>	<b>4,278,204</b>
<b>TOTAL ASSETS</b>		<b>6,166,050</b>	<b>5,882,459</b>	<b>5,122,806</b>	<b>4,988,631</b>

	Notes	Group 合併		Company 公司	
		Unaudited 30 June 2007	Audited 31 December 2006	Unaudited 30 June 2007	Audited 31 December 2006
	附註	未經審計 於2007年 6月30日 Rmb'000 人民幣千元	已經審計 於2006年 12月31日 Rmb'000 人民幣千元	未經審計 於2007年 6月30日 Rmb'000 人民幣千元	已經審計 於2006年 12月31日 Rmb'000 人民幣千元
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short-term loans	11	556,000	691,000	541,000	676,000
Accounts payable	12	6,227	9,852	2,200	3,563
Advances from customers	13	114,748	79,417	28,901	28,901
Wage payables		8,578	9,541	7,217	8,139
Dividend payable	14	57,384	1,299	57,384	1,299
Taxes payable	15	65,118	71,452	62,621	67,327
Other payables	16	88,207	133,020	29,190	97,188
Interest payable		4,069	5,853	4,069	5,853
Current portion of long-term loans	17	209,250	99,250	134,000	74,000
Current portion of long term payables	19	134,448	118,464	16,364	16,364
<b>Total current liabilities</b>		<b>1,244,029</b>	<b>1,219,148</b>	<b>882,946</b>	<b>978,634</b>
<b>LONG-TERM LIABILITIES</b>					
Long-term loans	17	1,837,375	1,619,500	1,262,000	1,071,000
Convertible bonds	18	85,469	374,844	85,469	374,844
Long term payables	20	163,636	163,636	163,636	163,636
Specific payables		—	—	—	—
Deferred income tax liabilities		1,493	2,362	1,493	2,362
<b>Total long-term liabilities</b>		<b>2,087,973</b>	<b>2,160,342</b>	<b>1,512,598</b>	<b>1,611,842</b>
<b>TOTAL LIABILITIES</b>		<b>3,332,002</b>	<b>3,379,490</b>	<b>2,395,544</b>	<b>2,590,476</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital	21	1,402,637	1,330,666	1,402,637	1,330,666
Capital reserve fund	22	307,137	101,297	307,137	101,297
General reserves	22	220,356	220,356	217,734	217,734
Undistributed profits	23	789,018	734,539	799,754	748,458
Minority interests		114,900	116,111	—	—
<b>Total shareholders' equity</b>		<b>2,834,048</b>	<b>2,502,969</b>	<b>2,727,262</b>	<b>2,398,155</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>6,166,050</b>	<b>5,882,459</b>	<b>5,122,806</b>	<b>4,988,631</b>

The accompanying notes form an integral part of these financial statements.

後附會計報表附註為本會計報表的組成部分。

## INCOME STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2007

## 利潤表

截至2007年6月30日止6個月

	Notes	Group 合併		Company 公司	
		Unaudited Six months Ended 30 June 2007 未經審計 截至 2007年 6月30日 止6個月 Rmb'000 人民幣千元	Unaudited Six months Ended 30 June 2006 未經審計 截至 2006年 6月30日 止6個月 Rmb'000 人民幣千元	Unaudited Six months Ended 30 June 2007 未經審計 截至 2007年 6月30日 止6個月 Rmb'000 人民幣千元	Unaudited Six months Ended 30 June 2006 未經審計 截至 2006年 6月30日 止6個月 Rmb'000 人民幣千元
<b>1. Income from operations</b>		<b>474,882</b>	<b>366,986</b>	<b>367,700</b>	<b>319,364</b>
Less: Cost for operations	24	(198,262)	(130,104)	(123,489)	(93,561)
Business tax and surcharges		(20,367)	(17,641)	(20,014)	(17,440)
Selling and Administrative expenses		(41,799)	(37,509)	(30,081)	(26,029)
Financial expenses - net	25	(60,854)	(40,099)	(41,302)	(36,742)
Add: Investment income	26	2,499	—	—	—
Including: Share of profit of an associate		2,499	—	—	—
<b>2. Profit from operations</b>		<b>156,099</b>	<b>141,633</b>	<b>152,814</b>	<b>145,592</b>
Add: Non-operating income		1,352	1,013	6	7
Less: Non-operating expenses		(336)	(62)	(46)	(61)
<b>3. Total profit</b>		<b>157,115</b>	<b>142,584</b>	<b>152,774</b>	<b>145,538</b>
Less: Income tax		(47,741)	(50,257)	(45,372)	(48,639)
<b>4. Net profit</b>		<b>109,374</b>	<b>92,327</b>	<b>107,402</b>	<b>96,899</b>
Attributable to Equity holders of the Company		110,585	93,030		
Minority interests		(1,211)	(703)		
<b>5. Earnings per share for profit attributable to the equity holders of the Company during the period</b>					
(i) Basic		0.08	0.07		
(ii) Diluted		0.08	0.07		

The accompanying notes form an integral part of these financial statements.

後附會計報表附註為本會計報表的組成部分。

**CASH FLOW STATEMENTS**

FOR THE SIX MONTHS ENDED 30 JUNE 2007

**現金流量表**

截至2007年6月30日止6個月

		<b>Group Unaudited Six months Ended 30 June 2007</b>	<b>Company Unaudited Six months Ended 30 June 2007</b>
		合併 未經審計 截至 2007年 6月30日 止6個月 Rmb'000 人民幣千元	公司 未經審計 截至 2007年 6月30日 止6個月 Rmb'000 人民幣千元
<b>1. Cash flows from operating activities</b>	<b>一、經營活動產生的現金流量</b>		
Cash received from rendering of services	銷售商品、提供勞務受到的現金	289,961	153,441
Refund of tax and levies	收到的稅費返還	340	—
Other cash received relating to operating activities	收到的其他與經營活動有關的現金	16,304	6,764
<b>Sub-total of cash inflows</b>	<b>經營活動現金流入小計</b>	<b>306,605</b>	<b>160,205</b>
Cash paid for goods and services	購買商品、接受勞務支付的現金	(92,077)	(52,025)
Cash paid to and on behalf of employees	支付給職工以及為職工支付的現金	(27,396)	(15,242)
Taxes paid	支付的各項稅費	(77,701)	(70,239)
Other cash paid relating to operating activities	支付其他與經營活動有關的現金	(54,903)	(41,835)
<b>Sub-total of cash outflows</b>	<b>經營活動現金流出小計</b>	<b>(252,077)</b>	<b>(179,341)</b>
<b>Net cash flows from operating activities</b>	<b>經營活動產生的現金流量淨額</b>	<b>54,528</b>	<b>(19,136)</b>
<b>2. Cash flows from investing activities</b>	<b>二、投資活動產生的現金流量：</b>		
Cash received from disposal of fixed assets	處置固定資產收回的現金	121	97
Other cash received from investing activities	收到其他與投資活動有關的現金	17,227	17,135
<b>Sub-total of cash inflows</b>	<b>投資活動現金流入小計</b>	<b>17,348</b>	<b>17,232</b>
Cash paid to invest in new subsidiaries	投資支付的現金	—	(48,000)
Cash paid to acquire fixed assets and other long-term assets	構建固定資產和其他長期資產支付的現金	(141,701)	(98,358)
Other cash payments from investing activities	支付的其他與投資活動有關的現金	(4,300)	—
<b>Sub-total of cash outflows</b>	<b>投資活動現金流出小計</b>	<b>(146,001)</b>	<b>(146,358)</b>
<b>Net cash flows from investing activities</b>	<b>投資活動產生的現金流量淨額</b>	<b>(128,653)</b>	<b>(129,126)</b>

		<b>Group Unaudited Six months Ended 30 June 2007</b> 合併 未經審計 截至 2007年 6月30日 止6個月 Rmb'000 人民幣千元	<b>Company Unaudited Six months Ended 30 June 2007</b> 公司 未經審計 截至 2007年 6月30日 止6個月 Rmb'000 人民幣千元
<b>3. Cash flows from financing activities</b>	<b>三、籌資活動產生的現金流量：</b>		
Cash received from borrowings	取得借款收到的現金	403,000	313,000
Other cash receipts relating to financing activities	收到的其他與籌資活動有關的現金	37,933	21,933
<b>Sub-total of cash inflows</b>	<b>籌資活動現金流入小計</b>	<b>440,933</b>	<b>334,933</b>
Cash repayments of amounts borrowed	償還債務支付的現金	(210,125)	(197,000)
Cash payments for interest expenses	償付利息支付的現金	(75,201)	(55,831)
Other cash payments relating to financing activities	支付的其他與籌資活動有關的現金	(842)	(842)
<b>Sub-total of cash outflows</b>	<b>籌資活動現金流出小計</b>	<b>(286,168)</b>	<b>(253,673)</b>
<b>Net cash flows from financing activities</b>	<b>籌資活動產生的現金流量淨額</b>	<b>154,765</b>	<b>81,260</b>
<b>4. Net increase/(decrease) in cash</b>	<b>四、現金淨增加／（減少）額</b>	<b>80,640</b>	<b>(67,002)</b>

The accompanying notes form an integral part of these financial statements.

後附會計報表附註為本會計報表的組成部分。

## 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 Company’s address is TCEP Building, 76 Weijin South Road, Nankai District, Tianjin, the PRC. The activities of the Company and its subsidiaries (the “Group”) include sewage water processing, tap water supply, production of recycled water and operation of toll roads.

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 following plants:

<b>Plant Location</b> 位置	<b>Contract Date</b> 合同簽訂日期	<b>Customer</b> 客戶
Dong Jiao, Tianjin 天津 東郊	10 October 2000 2000年10月10日	Tianjin Sewage Company (“TSC”) 天津市排水公司(「排水公司」)
Ji Zhuang Zi, Tianjin 天津 紀莊子	10 October 2000 2000年10月10日	TSC 排水公司
Xian Yang Lu, Tianjin 天津 咸陽路	10 October 2000 2000年10月10日	TSC 排水公司
Bei Cang, Tianjin 天津 北倉	10 October 2000 2000年10月10日	TSC 排水公司
Guiyang, Guizhou 貴州 貴陽	16 September 2004 2004年9月16日	Guiyang City Administration Bureau 貴陽城市管理局
Baoying, Jiangsu 江蘇 寶應	13 June 2005 2005年6月13日	Baoying construction Bureau 寶應縣建設局
Fuyang, Anhui 安徽 阜陽	18 December 2005 2005年12月18日	Anhui Fuyang Construction Committee 阜陽市建設委員會
Qujing, Yunnan 雲南 曲靖	25 December 2005 2005年12月25日	Qujing City Water General Company 曲靖市供排水總公司
Honghu, Hubei 湖北 洪湖	29 December 2005 2005年12月29日	Honghu construction Bureau 洪湖市建設局
Hangzhou, Zhejiang 浙江 杭州	20 November 2006 2006年11月20日	Hangzhou Sewage Company 杭州市排水有限公司

## 一、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。本公司的辦公地址為中國天津市南開區衛津南路76號創業環保大廈。本公司及其子公司(「本集團」)現時的經營業務包括污水處理，自來水供水，中水和道路收費站業務。

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，本集團通過以下污水處理廠提供污水處理服務：

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

**Dong Jiao:**

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) earns 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.

**Ji Zhuang Zi , Xian Yang Lu and Bei Cang:**

Based on the supplementary agreement reached with TSC on 10 March 2006, the Company is entitled to sewage processing fee at Rmb1.93 per cubic meter from the completion date of construction to the completion date of inspection of Ji Zhuang Zi, XianYang Lu and Bei Cang Plants. Processing fee after the completion of inspection of these plants will be collected from TSC using the same principle as Dong Jiao plant.

The water quality of sewage water processing of the three projects mentioned above basically reached the required standards in January 2006. The three projects were not completed in early 2007 as expected, but according to current estimate, the completion is expected to be no later than the end of 2007.

**Other sewage processing plants:**

Initial sewage water processing price ranges from RMB0.60 to RMB1.12 per cubic meter. In addition:

- (i) processing price as determined above may be revised pursuant to the price adjustment formula agreed in the contract after considering various factors including renovation of equipment, additional investment, power and energy and labour force, and other significant changes of government policy;
- (ii) except for Guizhou, customers in their regions guaranteed a minimum processing volume. If the actual volume is lower than the guaranteed volume, processing fee will be settled based on the guaranteed volume;

相關協議訂明的主要計價公式如下所述：

**東郊：**

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。

**紀莊子、咸陽路及北倉：**

根據與天津市排水公司（「排水公司」）在2006年3月10日達成的臨時協議，本公司於紀莊子、咸陽路及北倉污水處理廠處理污水水質達標後至竣工驗收日的期間內，按照1.93元/噸的單價收取污水處理費。竣工驗收日後本公司將向排水公司按照與東郊污水處理廠等同的原則收取污水處理費。

上述三項工程處理污水水質於2006年1月基本達標。三項工程未能如原預計於2007年初竣工，但根據目前預計竣工日期不會晚於2007年末。

**其他污水處理廠：**

協議規定以0.60元/立方米至1.12元/立方米不等的價格作為初始污水處理服務費單價，並且：

- (i) 上述處理費單價將按照合同約定的調價公式視設施設備改造、新增投資及能源動力、勞動力、政府政策的重大變化等因素進行調整；
- (ii) 除貴州外，其他地區客戶會對本集團確保最低污水處理量，如果實際處理量低於該擔保水量，則污水處理費按照擔保水量結算；



(iii) following the official operation of the Guizhou Sewage Water Processing Plant for two years, the initial price will be determined by both parties using the price determination formula stipulated in the relevant agreement. The price determination formula allows the actual operating costs to be covered in full by sewage water processing operations, including operating cost, depreciation, income tax and a return of 8% on budgeted net assets of the plant. On 6 December 2006, Guiyang Price Bureau confirmed the new price at Rmb0.83 per cubic meter for the year 2007.

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

The construction of Ji Zhuang Zi, Xian Yang Lu and Bei Cang was completed in late 2005. The Company did not incur sewage water processing plant construction fee since 2006. For the background to the relevant agreements of sewage water processing plants since 2003, refers to the annual financial statements of the Group for the year ended 31 December 2006.

#### (c) Road toll stations

There are no changes of terms in the following agreements since 2003, the background is detailed as below:

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 relocated 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 was then 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:

- 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, equivalent to the revenue received in the same period of last year of about Rmb5.5 million net of expenses; and

(iii) 貴州污水處理廠於正式經營兩年後，雙方按照相關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。於2006年12月6日，經貴陽市物價局核定的2007年度新的價格為人民幣0.83元/立方米。

#### (b) 建設收費協議

由於紀莊子、咸陽路及北倉三項工程已於2005年末完工，本公司從2006年開始不再確認污水處理廠建設費收入。自2003年度污水處理廠建設業務相關協議背景詳見本集團2006年報。

#### (c) 道路收費站業務

下文所述協議條款自2003年簽訂後沒有發生變更，具體背景如下：

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車輛（於天津登記或根據有關中國法規及條例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包括（但不限於）以下事項：

- 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；及

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

#### (d) Tap water processing

Pursuant to agreement reached with Qujing City Water General Company on 25 December 2005, a subsidiary of the Company, Qujing Capital Water Co., Ltd., provides tap water supply service to Qujing City via the Yunnan Qujing tap water processing plant. Tap water processing price is Rmb1.1 per cubic meter for the three years to 2008, and will increase in stage to Rmb1.25 per cubic meter by 2036. In addition:

- (i) Processing price as determined above may be revised after considering various cost factors based on contract terms;
- (ii) Qujing City Water General Company guarantees a minimum supply volume. If the actual volume is lower than the guaranteed volume, supply fee will be settled using the guaranteed volume.

- 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；及
- 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。

#### (d) 自來水供水業務

依照與曲靖市城市供排水總公司簽訂的協議，本公司之子公司曲靖創業水務有限公司通過雲南曲靖自來水處理廠提供自來水供水服務，從2006年1月1日起最初的三年內，自來水供水單價為1.1元/立方米，此後將分階段至2036年提高至1.25元/立方米。並且：

- (i) 上述供水服務單價將按照合同約定的條款根據影響水價成本因素的變動而進行調整；
- (ii) 曲靖市供排水總公司會對本公司確保最低自來水供水量，如果實際供水量低於該擔保水量，則供水服務費按照擔保水量結算。

## 2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

### — Adoption of Accounting Standards

The Group originally prepared the financial statements in accordance with the Accounting Standards and the Accounting System for Business Enterprises (collective as “Old Accounting Standards”) promulgated by the Central Government of the People’s Republic of China prior to 15 February 2006 and on 25 December 2000 respectively. The Group adopted the China Accounting Standards (“CAS”) promulgated by the Ministry of Finance on 15 February 2006 effective from 1 January 2007. These interim financial statements are the first financial statements prepared under CAS.

Pursuant to the relevant regulation of “No.1 Comments From Specialist Team of Implementation of CAS”, the 2006 comparatives are restated accordingly.

Major effective items are described as below:

- (1) The Groups originally accounted for secured bank deposits of convertible bonds as “Cash and bank balances”. Pursuant to the relevant regulations of CAS, such bank deposit shall be classified as “Loans and receivables”, and measured at amortised cost using the effective interest method.
- (2) Pursuant to the relevant regulations of CAS, The Group’s convertible bonds shall be classified as “Financial liabilities”, which subsequent measured at amortised cost using the effective interest method.
- (3) Pursuant to the regulations of “CAS 33 – Consolidated Financial Statements”, the Group’s minority interest of consolidated financial statements shall be presented within shareholders’ equity.

### — Going concern

As at 30 June 2007, the Group and the Company’s current liabilities exceeded its current assets which amounted to approximately Rmb118 million and Rmb43 million respectively. Despite the forgoing, these financial statements have been prepared on a going concern basis, because the Directors of the Company believe that the undrawn banking facilities together with the continuing support of the Group’s banker are sufficient to enable the Group and the Company to meet their respective liabilities as and when they fall due.

## 二、財務報表的編製基礎

### — 依據的會計準則

本集團原以2006年2月15日以前頒佈的企業會計準則和2000年12月29日頒佈的《企業會計制度》(以下合稱「原會計準則和制度」)編製財務報表。自2007年1月1日起，本集團執行財政部於2006年2月15日頒佈的企業會計準則(以下簡稱「企業會計準則」)。2007半年度財務報表為本集團首份按照企業會計準則編製的半年度財務報表。

在編製本財務報表時，2006年度同期的相關比較數據已按照《企業會計準則實施問題專家工作組意見第一號》的第十個問答的規定採用了全面追溯的方法。

涉及項目主要為：

1. 本集團賬面包含為可轉換債券擔保的保證金，原計入「貨幣資金」科目核算，根據企業會計準則的規定屬於金融工具中的「應收款項」，採用實際利率法按攤餘成本計量。
2. 本集團賬面包含可轉換公司債券，根據企業會計準則，屬於金融工具中的「金融負債」。採用實際利率法，按攤餘成本進行後續計量。
3. 本集團賬面按照原企業會計準則核算的合併報表少數股東權益，根據《企業會計準則第33號—合併財務報表》的規定應統一計入股東權益。

### — 持續經營假設

截至2007年6月30日止，本集團及本公司的流動負債超過其流動資產分別為人民幣1.18億元及人民幣0.43億元。董事們相信本集團及本公司已經獲取足夠的銀行授信額度以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期間的會計報表。

### 3 STATEMENT OF COMPLIANCE OF CAS

These interim financial statements present fairly, the financial positions of the Group and the Company as at 30 June 2007, and information respecting their financial performances and cash flows for the six months ended June 2007 in accordance with the relevant requirements of CAS.

### 4 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATE

#### (1) Financial year

The financial year is from 1 January to 31 December of each calendar year. These accounts represent the interim accounts of the year 2007 and therefore are prepared only up to the period ended 30 June.

#### (2) Reporting currency

The reporting currency is Renminbi ("Rmb").

#### (3) Cash

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

#### (4) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, which comprise trade and other receivables. The Group's trade receivables arising from sale of goods and rendered services are initially recognized on the amount for the fair value of contracted amount with customers. The trade receivables are presented at amortised cost using effective interest method less provision for doubtful debts.

For those receivables with significant amount, the provision is made against differences of present value of its estimated future cash flows lower than its carrying value as a result of separate impairment test, when there are evidences to indicate that the Group is unable to collect all the outstanding balances according to the term of receivables.

For the remaining receivables, together with those receivables without impairment risk as a result of separate impairment test described as above, are divided into certain groups according to their respective feature of credit risk. The provision is made according to respective groups' percentages of provision for doubtful debts, which are determined based on current circumstances and the actual loss rate of the respective groups with same or similar feature of credit risk during previous periods.

### 三、遵循企業會計準則的聲明

本集團和本公司2007半年度合併及母公司財務報表符合企業會計準則的要求，真實、完整地反映了本集團和本公司2007年6月30日的財務狀況以及2007年1-6月的經營成果和現金流量等有關信息。

### 四、重要會計政策和會計估計

#### 1、會計年度

會計年度為公曆1月1日起至12月31日止。本會計報表為2007年度半年報，因此只編製至6月30日止。

#### 2、記賬本位幣

記賬本位幣為人民幣。

#### 3、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存款。

#### 4、應收款項

應收款項是指在活躍市場中沒有報價、回收金額固定或可確定的非衍生金融資產，包括應收賬款和其他應收款等。本集團對外銷售商品或提供勞務形成的應收賬款，按從購貨方應收的合同或協議價款的公允價值作為初始確認金額。應收款項採用實際利率法，以攤餘成本減去壞賬準備後的淨額列示。

對於單項金額重大的應收款項，當存在客觀證據表明本集團將無法按應收款項的原有條款收回所有款項時，根據其預計未來現金流量現值低於其賬面價值的差額，單獨進行減值測試，計提壞賬準備。

對於單項金額非重大的應收款項，與經單獨測試後未減值的應收款項一起按信用風險特徵劃分為若干組合，根據以前年度與之相同或相類似的、具有類似信用風險特徵的應收賬款組合的實際損失率為基礎，結合現時情況確定本期間各項組合計提壞賬準備的比例，據此計算本期間應計提的壞賬準備。

## (5) Inventories

Inventories comprise raw materials, work in progress, finished goods and consumables, which are state at the lower of cost and net realisable value.

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. Consumables comprises low value consumables and package materials, which are recognized in the production cost as used at 50% and 100% of its cost respectively.

Provision for declines in the values of inventories are determined on the differences between the carrying value of the inventories higher than their net realisable value. Net realisable value is determined on the basis of anticipated sales proceeds less estimated distribution and selling expenses.

The Group adopts perpetual inventory system to maintain its inventories.

## (6) Long-term equity investments

Long-term equity investments comprise the Company's investment in subsidiaries and associate and other investments without control, joint control or significant influence to investee, without quotation in an active market and its fair value cannot be measured reliably.

### (i) Investment in subsidiaries

Subsidiaries are all entities over which the Company is able to control, the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights of convertible bonds or exercisable warrants that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. In the Company's separate financial statements, the investments in subsidiaries are stated at cost, which are changed to equity accounting when the consolidated financial statements are prepared.

The investments in subsidiaries are recognized at initial cost under cost method. The cash dividends or profit declared by the investee are recognized as investment income in the declared period. The recognized investment income are not exceeded the appropriation of accumulated profit of investee since investment made, any excessive portion as above are regarded as return of initial investment cost.

## 5、存貨

存貨包括原材料、在產品、產成品和周轉材料等，按成本與可變現淨值孰低列示。

存貨發出時的成本按加權平均法核算，產成品和在產品成本包括原材料、直接人工以及在正常生產能力下按照一定方法分配的製造費用。周轉材料包括低值易耗品和包裝物等，低值易耗品在領用時採用五五攤銷法核算成本，包裝物在領用時採用一次轉銷法核算成本。

存貨跌價準備按存貨成本高於其可變現淨值的差額計提。可變現淨值按日常活動中，以存貨的估計售價減去至完工時估計將要發生的成本、估計的銷售費用以及相關稅費後的金額確定。

本集團的存貨盤存制度採用永續盤存制。

## 6、長期股權投資

長期股權投資包括本公司對子公司的股權投資、本集團對合營企業和聯營企業的股權投資以及本集團對被投資單位不具有控制、共同控制或重大影響，並且在活躍市場中沒有報價、公允價值不能可靠計量的長期股權投資。

### (1) 子公司

子公司是指本公司能夠對其實施控制，即有權決定其財務和經營政策，並能據以從其經營活動中獲取利益的被投資單位。在確定能否對被投資單位實施控制時，被投資單位當期可轉換公司債券、當期可執行認股權證等潛在表決權因素亦同時予以考慮。對子公司投資，在本公司個別財務報表中按照成本法確定的金額列示，在編製合併財務報表時按權益法調整後進行合併。

採用成本法核算的長期股權投資按照初始投資成本計量。被投資單位宣告分派的現金股利或利潤，確認為當期投資收益。確認的投資收益，僅限於被投資單位接受投資後產生的累積淨利潤的分配額，所獲得的利潤或現金股利超過上述數額的部分作為初始投資成本的收回。



(ii) Interest in joint ventures and Investment in associates

Joint ventures are all entities jointly controlled by the Group and other parties. Associates are all entities over which the Group has significant influence on the financial and operating policies.

Interests in joint ventures and investment in associates are accounted for using the equity method of accounting and are initially recognised at cost. If the cost of investment exceeds the investor's share of the fair value of the associate's identifiable net assets, the differences are included in the cost of the investment. Any excess of the investor's share of the fair value of the associate's identifiable net assets over the cost of the investment is excluded from the carrying amount of the investment and is instead included in the income statement.

Under the equity method, the investor's share of the profit or loss of the investee is recognised in the investor's profit or loss. If an investor's share of losses of an associate equals or exceeds its interest in the associate, the investor discontinues recognising its share of further losses, unless the Group has obligation to undertake any additional loss according to the criteria of provision under the relevant accounting standard of contingency. Otherwise, the carrying amount of the investment and other long term equities in the investee is reduced to the extent of zero. The changes of investee's equity other than net profit are directly recognized as capital surplus according to the investor's share in the investee if it remains unchanged, Distributions of cash dividend or profit declared by an investee reduce the carrying amount of the investment to the extent of investor's share. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are not also eliminated if the transaction provides evidence of an impairment of the asset transferred.

(iii) Other long-term equity investment

Other investments without significant influence to investee, without quotation in an active market and its fair value cannot be measured reliably are stated cost.

(iv) Impairment for long-term equity investment

The carrying value of long-term equity investment is reduced to its recoverable amount when its estimated recoverable amount is lower than its carrying value (Note 5(5)).

(2) 合營企業和聯營企業

合營企業是指本集團與其他方對其實施共同控制的被投資單位；聯營企業是指本集團對其財務和經營決策具有重大影響的被投資單位。

對合營企業和聯營企業投資按照實際成本進行初始計量，並採用權益法進行後續計量。初始投資成本大於投資時應享有被投資單位可辨認淨資產公允價值份額的，其差額包含在初始投資成本中；初始投資成本小於投資時應享有被投資單位可辨認淨資產公允價值份額的，其差額計入當期損益，同時調整長期股權投資成本。

採用權益法核算時，本集團按應享有或應分擔的被投資單位的淨損益份額確認當期投資損益。確認被投資單位發生的淨虧損，以長期股權投資的賬面價值以及其他實質上構成對被投資單位淨投資的長期權益減記至零為限，但本集團負有承擔額外損失義務且符合或有事項準則所規定的預計負債確認條件的，繼續確認投資損失和預計負債。被投資單位除淨損益以外股東權益的其他變動，在持股比例不變的情況下，本集團按照持股比例計算應享有或承擔的部分直接計入資本公積。被投資單位分派的利潤或現金股利於宣告分派時按照本集團應分得的部分，相應減少長期股權投資的賬面價值。本集團與被投資單位之間的交易產生的未實現損益在本集團擁有被投資單位的權益範圍內予以抵銷，但該交易所轉讓的資產發生減值的，相應的未實現損失不予抵銷。

(3) 其他長期股權投資

其他本集團對被投資單位不具有控制、共同控制或重大影響，並且在活躍市場中沒有報價、公允價值不能可靠計量的長期股權投資，採用成本法核算。

(4) 長期股權投資減值

當長期股權投資的可收回金額低於其賬面價值時，賬面價值減記至可收回金額(附註五(5))。

## (7) Investment property

The investment property comprises leased land use rights, land use rights held for sale upon appreciation and leased buildings, and is stated at cost model initially. The subsequent expenditures relating to investment property are recorded in cost of investment property when it is probable that the relevant economic benefit will flow to the Group and the cost can be measured reliably, otherwise, the expenditures are recognized in the income statements as incurred.

The Group adopts cost model to measure all the investment property. The land use rights or buildings are amortised or depreciated on a straight-line method over its respecting estimated useful lives and residual value. The estimated useful lives, estimated residual value and depreciate (amortisation) rate per annum are as follows:

	<b>Estimated useful lives</b> 預計使用壽命	<b>Estimated residual value</b> 預計淨殘值率	<b>Depreciation rate per annum</b> 年折舊(攤銷)率
Buildings	30-50 years	5%	1.9% to 3.2%
建築物	30-50年	5%	1.9%至3.2%

For a transfer of investment property to own-occupied property, the investment property is reclassified as fixed asset or intangible asset on the date of change in use. For a transfer of own-occupied property to earn rental or capital appreciation, the fixed asset or intangible asset is reclassified as investment property. The carrying value of an asset before and after the change in use remains the same.

The estimated useful lives, estimated residual value and depreciation (amortisation) method are reviewed, and adjusted if appropriate, at each balance sheet date.

Investment property is derecognized when it is disposed or no economic benefit arises from ceasing its use permanently or disposal. The gain or loss on disposal of investment property is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

The investment property's carrying amount is written down immediately to its recoverable amount if its estimated recoverable amount is lower than its carrying value (Note 5(6)).

## (8) Fixed assets and depreciation

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

Depreciation of the road in relation to the toll stations business are calculated to write off their cost on a units-of-usage basis whereby the depreciation 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.

## 7、投資性房地產

投資性房地產包括已出租的建築物，以實際成本進行初始計量。與投資性房地產有關的後續支出，在相關的經濟利益很可能流入本集團且其成本能夠可靠的計量時，計入投資性房地產成本；否則，在發生時計入當期損益。

本集團採用成本模式對所有投資性房地產進行後續計量，按其預計使用壽命及淨殘值率對建築物和土地使用權計提折舊或攤銷。投資性房地產的預計使用壽命、淨殘值率及年折舊(攤銷)率列示如下：

投資性房地產的用途改變為自用時，自改變之日起，將該投資性房地產轉換為固定資產或無形資產。自用房地產的用途改變為賺取租金或資本增值時，自改變之日起，將固定資產或無形資產轉換為投資性房地產。發生轉換時，以轉換前的賬面價值作為轉換後的入賬價值。

對投資性房地產的預計使用壽命、預計淨殘值和折舊(攤銷)方法於每年年度終了進行復核並作適當調整。

當投資性房地產被處置、或者永久退出使用且預計不能從其處置中取得經濟利益時，終止確認該項投資性房地產。投資性房地產出售、轉讓、報廢或毀損的處置收入扣除其賬面價值和相關稅費後的金額計入當期損益。

當投資性房地產的可收回金額低於其賬面價值時，賬面價值減記至可收回金額(附註五(6))。

## 8、固定資產

固定資產按照成本減累計折舊/攤銷及累計減值虧損列賬。

道路的折舊按照交通流量法計提。根據此種方法，折舊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。

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. Among which the period for the depreciation of external pipe system is 25 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

The subsequent expenditures relating to fixed assets are recorded in cost of fixed assets when it is probable that the relevant economic benefit will flow to the Group and the cost can be measured reliably, the carrying value of replaced portion is derecognized and all other subsequent expenditures are recognized in the income statements as incurred.

The fixed asset's carrying amount is written down immediately to its recoverable amount if its estimated recoverable amount is lower than its carrying value (Note 5(7)).

The available-for-sale fixed assets are presented at lower of its carrying value and its fair value less cost to sell. The amount of fair value less cost to sell lower than carrying value is recognized as impairment loss.

The fixed asset is derecognized when it is disposed or no economic benefit arises from expecting use or disposal. 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. When the receivables of the construction in progress are less than its book value, the book value will be recorded to the receivables.

## (9) Construction in progress ("CIP")

Construction in progress is stated at cost. Cost comprises original cost of plant and equipment, installation, construction and other necessary costs which include borrowing cost allowing capitalisation, 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 and commenced its depreciation from the following month.

When the receivables of the construction in progress are less than its book value, the book value will be recorded to the receivables.

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。其中廠外管網折舊年限為25年。

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

與固定資產有關的後續支出，在相關的經濟利益很可能流入本集團且其成本能夠可靠的計量時，計入固定資產成本；對於被替換的部分，終止確認其賬面價值；所有其他後續支出於發生時計入當期損益。

當固定資產的可收回金額低於其賬面價值時，賬面價值減記至可收回金額(附註5(7))。

符合持有待售條件的固定資產，以賬面價值與公允價值減去處置費用孰低的金額列示。公允價值減去處置費用低於原賬面價值的金額，確認為資產減值損失。

當固定資產被處置、或者預期通過使用或處置不能產生經濟利益時，終止確認該固定資產。固定資產出售、轉讓、報廢或毀損的處置收入扣除其賬面價值和相關稅費後的金額計入當期損益。

## 9、在建工程

在建工程按實際發生的成本計量。實際成本包括建築費用、其他為使在建工程達到預定可使用狀態所發生的必要支出以及在資產達到預定可使用狀態之前所發生的符合資本化條件的借款費用。在建工程在達到預定可使用狀態時，轉入固定資產並自次月起開始計提折舊。

當在建工程的可收回金額低於其賬面價值時，賬面價值減記至可收回金額。



## (10) Intangible assets

Intangible assets mainly include land use rights, which are stated at cost.

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.

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 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.

## (11) Long-term prepaid expenses

Long-term prepaid expenses include 30-year asset beneficiary right and other prepayments that should be amortized over more than one year (excluding one year). Long-term prepaid expenses are amortized on the straight-line basis over the expected beneficial periods and are presented at cost net of accumulated amortization.

## (12) Impairment of assets

The impairment test is performed on the goodwill and intangible assets with indefinite useful life separately presented in the financial statements annually, irrespective of whether there is any indication of impairment. The impairment test is performed for fixed assets, intangible assets, investment property under measured at cost and long-term equity investments, when there is an indication of impairment on the balance sheet date. An impairment loss is recognized for the amount by which the assets' recoverable amount is lower than its carrying amount as result of impairment test. The recoverable amount of an asset is determined at the higher of its fair value less cost to sell and its expected discounted future cash flows. Provision for asset impairment is provided on the individual asset, if it is difficult to estimate the recoverable amount of an individual asset, its recoverable amount is determined by the recoverable amount of its assets group which the individual asset belongs to. Assets group is the smallest separately identifiable cash-generating units.

The impairment provision is recognized and can not be reversed, even if the value of an asset is resumed in the future periods.

## 10、無形資產

無形資產包括土地使用權等，以實際成本計量。

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。

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，攤銷仍按有關期間的預計交通流量佔該道路獲授權經營權利30年期間的預計交通總流量的比例計提。

## 11、長期待攤費用

長期待攤費用包括預付30年資產部分權益轉讓金及已經支出但攤銷期限在1年以上(不含1年)的各項費用，按預計受益期限分期平均攤銷，並以實際支出減去累計攤銷後的淨額列示。

## 12、資產減值

在財務報表中單獨列示的商譽和使用壽命不確定的無形資產，無論是否存在減值跡象，至少每年進行減值測試。固定資產、無形資產、以成本模式計量的投資性房地產及長期股權投資等，於資產負債表日存在減值跡象的，進行減值測試。減值測試結果表明資產的可收回金額低於其賬面價值的，按其差額計提減值準備並計入減值損失。可收回金額為資產的公允價值減去處置費用後的淨額與資產預計未來現金流量的現值兩者之間的較高者。資產減值準備按單項資產為基礎計算並確認，如果難以對單項資產的可收回金額進行估計的，以該資產所屬的資產組確定資產組的可收回金額。資產組是能夠獨立產生現金流入的最小資產組合。

上述資產減值損失一經確認，如果在以後期間價值得以恢復，也不予轉回。

### (13) Borrowing costs

Borrowing costs incurred in connection with the acquisition or construction of an asset necessarily taking a substantial period of time to get ready for its intended use or sale 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. If the activities of acquisition or construction of an asset are suspended unusually and suspended period over three months, the capitalisation of borrowing costs is ceased until the aforesaid activities is resumed.

### (14) Employee benefits

Employee benefits include wages, salaries, allowances, subsidy, welfare, social security contributions, housing fund, union fee, staff education fee and other expenditures relating to in exchange for service rendered by employees.

Employee benefits payable are recognized and either as cost of relevant assets or expenses according to their respecting beneficial parties during the period of service rendered by employees.

### (15) Provisions

Provisions for product warranties and onerous contracts are recognized when the Group has a present obligation as a result of past transactions or events, and it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provision is not recognized for future operating losses.

Provisions are determined using best estimates based on historical experience. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation. The best estimate of provision is taking into account of the risks and uncertainties that inevitably surround many events and circumstances. Where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

Provisions shall be reviewed at each balance sheet date and adjusted to reflect the current best estimate.

### 13、借款費用

發生的可直接歸屬於需要經過相當長時間的購建活動才能達到預定可使用狀態之固定資產的購建的借款費用，在資產支出及借款費用已經發生、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，開始資本化並計入該資產的成本。當購建的資產達到預定可使用狀態時停止資本化，其後發生的借款費用計入當期損益。如果資產的購建活動發生非正常中斷，並且中斷時間連續超過3個月，暫停借款費用的資本化，直至資產的購建活動重新開始。

### 14、職工薪酬

職工薪酬主要包括工資、獎金、津貼和補貼、職工福利費、社會保險費及住房公積金、工會經費和職工教育經費等其他與獲得職工提供的服務相關的支出。

於職工提供服務的期間確認應付的職工薪酬，並根據職工提供服務的受益對象計入相關資產成本和費用。

### 15、預計負債

因產品質量保證、虧損合同等形成的現時義務，其履行很可能導致經濟利益的流出，在該義務的金額能夠可靠計量時，確認為預計負債。對於未來經營虧損，不確認為預計負債。

預計負債按照履行相關現時義務所需支出的最佳估計數進行初始計量，並綜合考慮與或有事項有關的風險、不確定性和貨幣時間價值等因素。貨幣時間價值影響重大的，通過對相關未來現金流出進行折現後確定最佳估計數；因隨著時間推移所進行的折現還原而導致的預計負債賬面價值的增加金額，確認為利息費用。

於資產負債表日，對預計負債的賬面價值進行復核並作適當調整，以反映當前的最佳估計數。

## (16) Convertible bonds

Convertible bonds are divided by liability component and equity component at inception. The liability component is initially recognized at discounted future cash flows, the equity component is net of liability component and total proceeds. The liability component of convertible bonds is subsequently measured at amortised cost using the effective interest method.

## (17) Deferred tax assets and deferred liabilities

Deferred tax assets and liabilities are provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. A deferred tax asset is recognised for the carrying forward of unused tax losses allowed by tax laws to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The deferred tax liability is not provided on temporary differences arising from initial recognition of goodwill. The deferred tax assets or liabilities are not provided on those temporary differences arising from initial recognition of assets or liabilities of non business combination and at the time of transactions, affects neither accounting profit nor taxable income (deductible tax loss). Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled on the balance sheet date.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit obtained by the Group will be available against which the deductible temporary difference can be utilised.

A deferred tax asset and liability is recognized for all taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, except that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

## (18) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminated sales within the Group.

## 16、可轉換公司債券

可轉換公司債券於發行時分拆相關負債和權益成份，負債成份按未來現金流量進行折現確定，權益成份按發行收入扣除負債金額後的金額確認。可轉換公司債券中的負債金額採用實際利率法，按攤餘成本計量。

## 17、遞延所得稅資產和遞延所得稅負債

遞延所得稅資產和遞延所得稅負債根據資產和負債的計稅基礎與其賬面價值的差額（暫時性差異）計算確認。對於按照稅法規定能夠於以後年度抵減應納稅所得額的可抵扣虧損，視同暫時性差異確認相應的遞延所得稅資產。對於商譽的初始確認產生的暫時性差異，不確認相應的遞延所得稅負債。對於既不影響會計利潤也不影響應納稅所得額（或可抵扣虧損）的非企業合併的交易中產生的資產或負債的初始確認形成的暫時性差異，不確認相應的遞延所得稅資產和遞延所得稅負債。於資產負債表日，遞延所得稅資產和遞延所得稅負債，按照預期收回該資產或清償該負債期間的適用稅率計量。

遞延所得稅資產的確認以本集團很可能取得用來抵扣可抵扣暫時性差異、可抵扣虧損和稅款抵減的應納稅所得額為限。

對子公司、聯營企業及合營企業投資相關的暫時性差異產生的遞延所得稅資產和遞延所得稅負債，予以確認。但本集團能夠控制暫時性差異轉回的時間且該暫時性差異在可預見的未來很可能不會轉回的，不予確認。

## 18、收入確認

收入的金額按照本集團在日常經營活動中銷售商品和提供勞務時，已收或應收合同或協議價款的公允價值確定。收入按扣除增值稅、商業折扣、銷售折讓及銷售退回的淨額列示。

Revenue is recognized when it is probable that the economic benefit associated with the transaction will flow to the Group, the relevant revenue can be measured reliably and the criteria of respective specific operating revenue can be met as follows:

- (i) Revenue from sewage water processing and tap water supply services is recognised when services are rendered.
- (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.

#### **(19) 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) Operating lease**

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

##### **(ii) Finance 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 net amount of the minimum lease payments and unrecognized finance charges. The difference between the recorded amount of the leased asset and the liability is recognised as unrecognized finance charges and amortised during the lease term on a straight line basis.

#### **(20) Dividend distribution**

Cash dividend to the Company's shareholders is recognized as a liability in the period in which the dividends are approved by the general meeting of the Company's shareholders.

與交易相關的經濟利益能夠流入本集團，相關的收入能夠可靠計量且滿足下列各項經營活動的特定收入確認標準時，確認相關的收入。

- (i) 污水處理服務和自來水供水服務收入於提供服務時確認。
- (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。

#### **19、租賃**

實質上轉移了與資產所有權有關的全部風險和報酬的租賃為融資租賃。其他的租賃為經營租賃。

##### **(1) 經營租賃**

經營租賃的租金支出在租賃期內按照直線法計入相關資產成本或當期損益。

##### **(2) 融資租賃**

按租賃資產的公允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，租入資產的入賬價值與最低租賃付款額之間的差額為未確認融資費用，在租賃期內按實際利率法攤銷。最低租賃付款額扣除未確認融資費用後的餘額以長期應付款列示。

#### **20、股利分配**

現金股利於股東大會批准的當期，確認為負債。

## (21) Related parties

Related parties refer to state-owned companies or other companies under the supervisory control of TMEB (Note 5(27)).

## (22) Basis of preparation of consolidated financial statements

The consolidated accounts, including the accounts of the Company and its subsidiaries

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 are presented in shareholders' equity in the consolidated financial statements separately.

When there is inconsistency in accounting policies or accounting period between the subsidiaries and the Company, they will be adjusted where necessary according to the Company's accounting policies or accounting period when preparing consolidated financial statements.

## (23) Taxation

Major applicable taxes and their rates for the Group for the year are shown as follows:

### (i) Income tax

Corporate income tax is accounted for using the tax liability method under the effective tax method. The tax rate is ranging from 7.5% to 33% of taxable income.

### (ii) Business tax

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

### (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.

## 21、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(詳見附註五(27))。

## 22、合併財務報表的編製方法

合併財務報表的合併範圍包括本公司及子公司。

從取得子公司的實際控制權之日起，本集團開始將其予以合併；從喪失實際控制權之日起停止合併。集團內所有重大往來餘額、交易及未實現利潤在合併財務報表編製時予以抵銷。子公司的股東權益中不屬於母公司所擁有的部分作為少數股東權益在合併財務報表中股東權益項下單獨列示。

子公司與本公司採用的會計政策或會計期間不一致的，在編製合併財務報表時，按照本公司的會計政策或會計期間對子公司財務報表進行必要的調整。

## 23、稅項

本集團本年度適用的主要稅種及其稅率列示如下：

### (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7.5%至33%。

### (ii) 營業稅

按業務收入的5%計提營業稅。

### (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。

5 NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS

五、主要財務報表項目附註

(1) CASH BALANCES

1 貨幣資金

		Group 合併		Company 公司	
		30 June 2007	31 December 2006	30 June 2007	31 December 2006
		於2007年 6月30日	於2006年 12月31日	於2007年 6月30日	於2006年 12月31日
		Rmb'000	Rmb'000	Rmb'000	Rmb'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cash on hand	現金	204	191	28	3
Cash in bank Including	銀行存款	819,480	733,553	545,405	607,133
– Special funds for construction in progress (note (a))	其中：在建工程專用資金 (註釋(a))	63,599	103,846	25,108	96,022
– Bank deposits (note (b))	保證金 (註釋(b))	20,300	15,000	11,300	6,000
		<u>819,684</u>	<u>733,744</u>	<u>545,433</u>	<u>607,136</u>

note:

註釋：

- (a) The special funds for construction in progress represent the unutilised balances of the special loans for sewage water processing projects.
- (b) The bank deposits of Rmb20.3 million (2006: Rmb15 million) mainly represent deposits for project bids, agreements execution and letter of credit.

- (a) 在建工程專用資金主要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。

- (b) 保證金為項目投標保證金、履約保證金以及信用證保證金共計人民幣20,300千元(2006年：15,000千元)

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

列示於現金流量表的現金包括：

		Group 合併		Company 公司	
		30 June 2007	31 December 2006	30 June 2007	31 December 2006
		於2007年 6月30日	於2006年 12月31日	於2007年 6月30日	於2006年 12月31日
		Rmb'000	Rmb'000	Rmb'000	Rmb'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cash balances	貨幣資金	819,684	733,744	545,433	607,136
Less: Restricted deposits	減：保證金	(20,300)	(15,000)	(11,300)	(6,001)
Cash shown on the cash flow statements	列示於現金流量表 的現金	<u>799,384</u>	<u>718,744</u>	<u>534,133</u>	<u>601,135</u>



## (2) ACCOUNTS RECEIVABLE

## 2 應收賬款

Details of accounts receivable are as follows:

應收賬款明細如下：

		Group 合併		Company 公司	
		30 June 2007	31 December 2006	30 June 2007	31 December 2006
		於2007年 6月30日	於2006年 12月31日	於2007年 6月30日	於2006年 12月31日
		Rmb'000	Rmb'000	Rmb'000	Rmb'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Due from TSC for:	應收排水公司				
- Water processing services	- 污水處理收入	485,085	283,788	485,085	283,788
- Construction of plants	- 污水處理廠建設費收入	466,185	466,185	466,185	466,185
		<u>951,270</u>	<u>749,973</u>	<u>951,270</u>	<u>749,973</u>
Others	其他	45,085	43,210	17,495	16,473
		<u>996,355</u>	<u>793,183</u>	<u>968,765</u>	<u>766,446</u>
Less: Receivables in respect of sewage water processing and construction of plants services incorporated in prospective assets swap	減：擬進行資產置換的 污水處理費收入和 污水處理廠建設費收入	<u>(749,973)</u>	<u>(749,973)</u>	<u>(749,973)</u>	<u>(749,973)</u>
		<u>246,382</u>	<u>43,210</u>	<u>218,792</u>	<u>16,473</u>

As at 30 June 2007, there were no accounts receivables from any of the Company's shareholders who hold 5% or more of voting shares.

Under the Co-operative Agreement, TSC will sell certain of its assets loaned by foreign banks to the Company upon completion and verification of Ji Zhuang Zi, Xian Yang Lu & Bei Cang plants. In April 2007, an agreement on a repayment plan was reached whereby TSC will, subject to the approval of the shareholders of the Company, use these assets to settle those outstanding sewage water processing fees and construction fees owed to the Company. As at 30 June 2007, cost of these assets amounted to about Rmb750 million. As such, the Directors believe that the amount due from TSC is fully recoverable by assets swap.

期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。

根據與排水公司簽署的合作協議，排水公司將於紀莊子、咸陽路及北倉污水處理廠竣工驗收後將其利用外資銀行貸款形成的資產轉讓給本公司。於2007年4月，經主管機關確認，排水公司會用上述資產置換積欠本公司的污水處理費收入和建設費收入 (最終協議尚需另定合約及經公司股東大會批准)。截止2007年6月30日，這些資產的金額約為人民幣7.5億元。因此，本公司相信對排水公司的應收款項能夠以資產置換方式全部收回。

Pursuant to the repayment plan, the carrying value of balances due from TSC as at 30 June 2007 amounting to Rmb750 million (2006: Rmb750 million) has been reclassified to accounts receivable due after one year resulting in aging of the total accounts receivable as follows:

根據還款計劃，應收污水處理費和建設費收入的餘額共計人民幣7.5億元(2006年：7.5億元)被重分類至長期應收款，重分類前的應收帳款帳齡如下：

		<b>Group</b>		<b>Company</b>	
		合併		公司	
		<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>
		<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
		於2007年	於2006年	於2007年	於2006年
		6月30日	12月31日	6月30日	12月31日
		Rmb'000	Rmb'000	Rmb'000	Rmb'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Within one year	1年以內	246,382	43,210	218,792	16,473
One to two years	1-2年	677,162	749,973	677,162	749,973
Over two years	2年以上	72,811	—	72,811	—
Total net receivables	應收賬款淨值	<u>996,355</u>	<u>793,183</u>	<u>968,765</u>	<u>766,446</u>

### (3) OTHER RECEIVABLES

As at 30 June 2007 the ageing of 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.

### 3 其它應收款

其它應收款賬齡主要在一年以內，期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。

### (4) INVENTORIES

### 4 存貨

		<b>Group</b>		<b>Company</b>	
		合併		公司	
		<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>
		<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
		於2007年	於2006年	於2007年	於2006年
		6月30日	12月31日	6月30日	12月31日
		Rmb'000	Rmb'000	Rmb'000	Rmb'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Raw materials	原材料	4,142	4,233	2,444	2,610
Finished goods	產成品	6,156	5,424	—	—
Spare parts and consumables	零部件和低值易耗品	579	2,182	86	89
		<u>10,877</u>	<u>11,839</u>	<u>2,530</u>	<u>2,699</u>
Less: Provision for declines	減：存貨減值準備	(4,000)	(4,000)	—	—
in the value of inventories		<u>6,877</u>	<u>7,839</u>	<u>2,530</u>	<u>2,699</u>



**(5) LONG-TERM EQUITY INVESTMENTS****5 長期股權投資**

		<b>Group</b>		<b>Company</b>	
		<b>合併</b>		<b>公司</b>	
		<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>
		<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
		於2007年	於2006年	於2007年	於2006年
		6月30日	12月31日	6月30日	12月31日
		Rmb'000	Rmb'000	Rmb'000	Rmb'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Investment in subsidiaries (note (a))	子公司投資 (註釋(a))	—	—	740,751	692,751
Investment in an associate (note (b))	聯營企業 (註釋(b))	64,159	58,474	—	—
Other long-term equity investments (note (c))	其它長期股權投資 (註釋(c))	6,000	9,186	4,000	4,000
		<u>70,159</u>	<u>67,660</u>	<u>744,751</u>	<u>696,751</u>

The movement of equity investment in subsidiaries for the period is set out below:

子公司投資本期變動情況如下：

		<b>31 December</b>	<b>Addition</b>	<b>Disposal</b>	<b>30 June</b>
		<b>2006</b>			<b>2007</b>
		2006年	本期增加	本期減少	2007年
		12月31日	Rmb'000	Rmb'000	6月30日
		Rmb'000	人民幣千元	人民幣千元	Rmb'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost	原始投資成本	690,201	48,000	—	738,201
Changes of capital surplus of subsidiaries	子公司資本公積變動	2,550	—	—	2,550
Total	合計	<u>692,751</u>	<u>48,000</u>	<u>—</u>	<u>740,751</u>

**(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.

**(a) 子公司**

本公司所有子公司均為有限責任公司。除天津創業環保(香港)有限公司在香港註冊外，其它子公司均在中國境內註冊設立。

	<b>Registered capital</b> 註冊資本 Rmb'million 人民幣百萬元	<b>Interest held</b> 所佔權益 % 百分比(%)	<b>Nature and Principal activities</b> 性質及經營範圍	<b>Investment cost</b> 公司投資成本 Rmb'million 人民幣百萬元
Qujing Capital Water Co., Ltd. 曲靖創業水務有限公司	120	90	Municipal sewage water processing and water plant construction operation and management 市政污水處理和自來水配套設施開發、經營、管理	108
Guizhou Capital Water Co., Ltd. 貴州創業水務有限公司	100	95	Construction of municipal sewage water plants and provision of related consulting services for water processing facilities 市政污水處理廠設施開發建設及相關污水水處理設施的諮詢	95
Tianjin Water Recycling Co., Ltd. 天津中水有限責任公司	100	98	Production and sales of recycled water and technical consulting for water recycling business. 中水生產銷售、中水設施開發建設、中水技術諮詢	98
Tianjin Capital New Materials Co., Ltd. 天津創業建材有限公司	38	71	Production and sales of new types of construction materials 新型建築材料的製造及銷售	26
Fuyang Capital Water Co., Ltd. 阜陽創業水務有限公司	45	99.9	Municipal sewage water processing and water plant construction operation and management 市政污水處理和自來水配套設施開發、經營、管理	44
Baoying Capital Water Co., Ltd. 寶應創業水務有限責任公司	38	70	Municipal sewage water processing and water plant construction operation and management 市政污水處理和自來水配套設施開發、經營、管理	27
Chibi Capital Water Co., Ltd. 赤壁創業水務有限公司	35	99.75	Municipal sewage water processing and water plant construction operation and management. 市政污水處理和自來水配套設施開發、經營、管理	34
Honghu Capital Water Co., Ltd. 洪湖市創業水務有限公司	20	90	Municipal sewage water processing and water plant construction operation and management 市政污水處理和自來水配套設施開發、經營、管理	18

	<b>Registered capital</b> 註冊資本 Rmb'million 人民幣百萬元	<b>Interest held</b> 所佔權益 % 百分比(%)	<b>Principal activities</b> 性質及經營範圍	<b>Investment cost</b> 公司投資成本 Rmb'million 人民幣百萬元
Tianjin Capital Environmental Protection (Hong Kong) Co., Ltd. 天津創業環保(香港)有限公司	USD7.8 million 美金百萬	100	Sewage water treatment and water recycling business 水資源污水處理項目運營服務等	63
Hangzhou Tianchuang Water Co., Ltd. 杭州天創水務有限公司	257	70	Municipal sewage water processing and recycled water plant construction operation, maintenance and training 市政污水處理和再生水利用設施的運營維護及技術服務和培訓	180
Established during 2007: 2007年新成立：				
Wendeng Capital Water Co., Ltd. 文登創業水務有限公司	48	100	Sewage water processing, solid waste treatment facilities, development, construction, operation and maintenance of water recycling facilities; exploration and promotion of conservation technology. 污水處理及配套設施、固體廢棄物處理設施、中水回用設施的開發、建設、經營、管理；環保科研技術的研發和推廣	48
				741

**(b) Investment in an associate****(b) 聯營企業**

		<b>Group</b> 合併				
		<b>Investment period</b> 投資年限	<b>Percentage of interest in registered capital of the invested companies</b> 佔被投資公司 註冊資本比例 %	<b>Cost</b> 權益成本 Rmb'000 人民幣千元	<b>Adjustment</b> 權益調整 Rmb'000 人民幣千元	<b>Total</b> 合計 Rmb'000 人民幣千元
Tianjin International Machinery Co., Ltd.	天津國際機械有限公司	30	45	57,186	6,973	64,159

Tianjin International Machinery Co., Ltd. (TIMC) is a sino-foreign joint venture registered in the Tianjin Economics Development Area, with a registered capital of Rmb120 million. The principal activities of TIMC includes research and development, production and sale of environment protection equipment; engineering technical consultation; trading; manufacturing and sale of general equipment. Share of profit of associated company is the accumulated investment income for the periods from acquisition to period end recognised based on the equity accounting method.

天津國際機械有限公司為一家註冊於天津市經濟技術開發區的中外合資企業，註冊資本為人民幣120百萬元，其業務範圍為環保機械設備的研發製造和銷售、環保機電設備成套項目及工程技術諮詢、進出口貿易、通用設備的生產銷售等。權益調整為自取得時按權益法累計確認的淨投資收益。

**(c) Other long-term equity investments****(c) 其它長期股權投資**

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

(\*) The Group or the Company has no significant influence on these entities.

\* 本集團或本公司對其無重大影響。

**(6) INVESTMENT PROPERTIES****6 投資性房地產**

		<b>Group Buildings</b> 合併 建築物 <i>Rmb'000</i> 人民幣千元	<b>Company Buildings</b> 公司 建築物 <i>Rmb'000</i> 人民幣千元
<b>Cost</b>	<b>原價</b>		
At 31 December 2006	2006年12月31日	118,707	102,279
Addition	本期增加	1,004	—
Disposal	本期減少	—	—
At 30 June 2007	2007年6月30日	<u>119,711</u>	<u>102,279</u>
<b>Amortisation</b>	<b>累計折舊</b>		
At 31 December 2006	2006年12月31日	(4,782)	(4,668)
Addition	本期計提	(1,101)	(1,091)
Disposal	本期減少	—	—
At 30 June 2007	2007年6月30日	<u>(5,883)</u>	<u>(5,759)</u>
<b>Net book value</b>	<b>淨值</b>		
At 30 June 2007	2007年6月30日	<u>113,828</u>	<u>96,520</u>
At 31 December 2006	2006年12月31日	<u>113,925</u>	<u>97,611</u>

- (a) All the Group's investment properties are located in PRC;  
 (b) Investment properties mainly represent the Company's office building and certain properties of a subsidiary leased to third parties.

- a) 本集團所有的投資性房地產均位於中國境內。  
 b) 主要為母公司所屬辦公樓以及下屬子公司房產中用於出租的部分。

**(7) FIXED ASSETS AND ACCUMULATED DEPRECIATION****7 固定資產及累計折舊**

		<b>Group</b>				
		合併				
		<b>Road</b>	<b>Buildings and structures</b>	<b>Machinery and equipment</b>	<b>Motor vehicles and others</b>	<b>Total</b>
		道路	房屋及建築物	機器設備	運輸車輛及其它	合計
		Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost	原值					
At 31 December 2006	2006年12月31日餘額	185,418	2,635,416	608,995	118,979	3,548,808
Additions	本期增加	—	357,066	2,411	2,263	361,740
Include: transferred from CIP	其中：在建工程轉入	—	300,690	616	—	301,306
Disposals	本期減少	—	(1,004)	(17)	(1,712)	(2,733)
At 30 June 2007	2007年6月30日餘額	185,418	2,991,478	611,389	119,530	3,907,815
Accumulated depreciation	累計折舊					
At 31 December 2006	2006年12月31日餘額	(46,354)	(392,345)	(177,118)	(55,801)	(671,618)
Additions	本期計提	(1,726)	(49,091)	(21,866)	(6,702)	(79,385)
Disposals	本期減少	—	9	1	1,176	1,186
At 30 June 2007	2007年6月30日餘額	(48,080)	(441,427)	(198,983)	(61,327)	(749,817)
Impairment provision	減值準備					
At 31 December 2006	2006年12月31日餘額	—	—	(3,760)	—	(3,760)
Current period charges	本期計提	—	—	—	—	—
At 30 June 2007	2007年6月30日餘額	—	—	(3,760)	—	(3,760)
Net book value	淨值					
At 30 June 2007	2007年6月30日餘額	137,338	2,550,051	408,646	58,203	3,154,238
At 31 December 2006	2006年12月31日餘額	139,064	2,243,071	428,117	63,178	2,873,430

(a) All of the Group's road, buildings and structures and plants are located in the PRC.

(b) Of the Group's net book value of fixed assets as at 30 June 2007 about Rmb225 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.

(a) 本集團的所有道路、房屋及建築物和廠房均位於中國境內。

(b) 於2007年6月30日，本公司之子公司天津中水有限責任公司之固定資產和在建工程賬面淨值約為人民幣2.25億元。儘管該子公司持續虧損，鑒於中水業務為政府鼓勵之產業，本公司董事認為在現階段沒有發現對此類資產計提減值準備的跡象。

		<b>Company</b>				
		公司				
		<b>Road</b>	<b>Buildings and structures</b>	<b>Machinery and equipment</b>	<b>Motor vehicles and others</b>	<b>Total</b>
		道路	房屋及建築物	機器設備	運輸車輛及其它	合計
		<i>Rmb'000</i>	<i>Rmb'000</i>	<i>Rmb'000</i>	<i>Rmb'000</i>	<i>Rmb'000</i>
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost	原值					
At 31 December 2006	2006年12月31日餘額	185,418	1,956,662	204,282	75,758	2,422,120
Additions	本期增加	—	335,472	1,415	1,050	337,937
Include: transferred from CIP	其中：在建工程轉入	—	300,690	—	—	300,690
Disposals	本期減少	—	—	—	(986)	(986)
At 30 June 2007	2007年6月30日餘額	185,418	2,292,134	205,697	75,822	2,759,071
Accumulated depreciation/ amortisation	累計折舊					
At 31 December 2006	2006年12月31日餘額	(46,354)	(371,337)	(150,296)	(43,879)	(611,866)
Additions	本期增加	(1,726)	(40,189)	(3,828)	(4,356)	(50,099)
Disposals	本期減少	—	—	—	765	765
At 30 June 2007	2007年6月30日餘額	(48,080)	(411,526)	(154,124)	(47,470)	(661,200)
Net book value	淨值					
At 30 June 2007	2007年6月30日餘額	137,338	1,880,608	51,573	28,352	2,097,871
At 31 December 2006	2006年12月31日餘額	139,064	1,585,325	53,986	31,879	1,810,254

**(8) CONSTRUCTION IN PROGRESS****8 在建工程**

Project Names 工程項目名稱	Budget costs 預算數	As at	Transferal of construction		Other	As at	Source of funds 資金來源	Incurred costs to budget costs ratio 工程投入佔預算的比例 (%)
		31 December 2006 於2006年12月31日	in process into fixed assets 本期在建工程轉固	Additions 本期增加	into fixed assets 本期在建工程轉固	transferred out 轉出		
	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 人民幣千元		
Ji Zhuang Zi Sewage Water Treatment Plant (Expansion) (Note 1(a)) 紀莊子污水處理廠(擴建)(附註一(a))		189,471	—	(189,471)	—	—	Bank loans and self-raised fund 自籌及銀行貸款	*
Bei Cang Sewage Water Treatment Plant (Note 1(a)) 北倉污水處理廠(附註一(a))		42,205	—	(42,205)	—	—	Bank loans and self-raised fund 自籌及銀行貸款	*
Xian Yang Lu Sewage Water Treatment Plant (Note 1(a)) 咸陽路污水處理廠(附註一(a))		66,287	—	(66,287)	—	—	Bank loans and self-raised fund 自籌及銀行貸款	*
Others 其它		4,556	1,941	(2,727)	—	3,770	Self-raised fund 自籌	
<b>Total (Company)</b> 公司合計		<b>302,519</b>	<b>1,941</b>	<b>(300,690)</b>	<b>—</b>	<b>3,770</b>		
Xian Yang Lu Water Recycling Project 咸陽路污水回用工程	140,000	73,112	1,697	—	—	74,809	Specific loans, bank loans and self-raised fund 自籌、銀行貸款及專項貸款	53
Chibi Sewage Water Treatment Plant 赤壁污水處理廠	97,000	37,583	23,862	—	(1,808)	59,637	Self-raised fund 自籌	61
Others 其它		2,204	18	(616)	—	1,606		
<b>Total (Group)</b> 合併合計		<b>415,418</b>	<b>27,518</b>	<b>(301,306)</b>	<b>(1,808)</b>	<b>139,822</b>		
Including: Capitalised borrowing costs 其中：借款費用資本化金額								
- Company - 公司		16,114	—	(16,114)	—	—		
- Group - 合併		18,059	1,797	(16,114)	—	3,742		

\* As at 30 June 2007, these projects are substantially completed and in process of completion and verification. The cost incurred was within the budget.

\* 截至2007年6月30日止，該等項目已基本完工，目前處於項目驗收決算階段，其成本發生額均在原預算範圍內。



## 9 無形資產

## (9) INTANGIBLE ASSETS

		Group 合併				
		31 December 2006	Addition for the period	Amortisation for the period	30 June 2007	Accumulated amortisation
		2006年 12月31日	本期增加	本期攤銷	2007年 6月30日	累計攤銷額
Land use rights	土地使用權	704,466	—	(10,759)	693,707	(112,064)
Others	其他	—	61	—	61	—
		<u>704,466</u>	<u>61</u>	<u>(10,759)</u>	<u>693,768</u>	<u>(112,064)</u>
		Company 公司				
		31 December 2006	Addition for the period	Amortisation for the period	30 June 2007	Accumulated amortisation
		2006年 12月31日	本期增加	本期攤銷	2007年 6月30日	累計攤銷額
Land use rights	土地使用權	578,741		(7,478)	571,263	(107,849)

## (10) LONG-TERM PREPAID EXPENSES

## 10 長期待攤費用

		Group 合併					
		Initial cost	31 December 2006	Addition for the period	Amortisation for the period	30 June 2007	Year of Unamortized
		原始發生額	於2006年 12月31日	本期增加額	本期攤銷額	於2007年 6月30日	剩餘攤銷年限
		Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
30-year asset beneficiary right-Fu yang	阜陽30年期 權益轉讓金	102,004	98,321	—	(1,842)	96,479	28.5
Others	其他	42,592	3,758	—	(706)	3,052	
			<u>102,079</u>	<u>—</u>	<u>(2,548)</u>	<u>99,531</u>	

Pursuant to the agreement reached between the Company's subsidiary - Fuyang Capital Water Co., Ltd. ("Fuyang Water") and Fuyang Construction Committee on 18 December 2005, Rmb102 million was paid to Fuyang Construction Committee for a 30-year right to operate Fuyang sewage water plant. As at 30 June 2007, about Rmb10.2 million remains to be settled by year end 2007 (Note 5(19)).

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。截至2007年6月30日止，剩餘款項計約人民幣1,020萬元將於2007年底支付（附註五(19)）。

**(11) SHORT-TERM LOANS****11 短期借款**

		<b>30 June 2007</b>	<b>31 December 2006</b>	<b>Guarantor</b>
		於2007年 6月30日 Rmb'000 人民幣千元	於2006年 12月31日 Rmb'000 人民幣千元	擔保人
China Minsheng Bank	中國民生銀行	200,000	200,000	Tianjin Municipal Investment Company Limited ("TMICL") 天津市政投資有限公司 (「市政投資」)
Industrial Commerce Bank of China	中國工商銀行	—	190,000	—
Industrial Bank	興業銀行	100,000	100,000	—
Beijing Bank	北京銀行	100,000	100,000	Tianjin Expressway Investment and Construction Development Company 天津市高速公路投資建設發展公司
Shanghai Pudong Development Bank	上海浦東發展銀行	50,000	50,000	—
Huaxia Bank	華夏銀行	36,000	36,000	TMICL 市政投資
Bohai Bank	渤海銀行	55,000	—	—
<b>Total (Company)</b>	<b>公司合計</b>	<b>541,000</b>	<b>676,000</b>	
Shanghai Pudong Development Bank	上海浦東發展銀行	15,000	15,000	Secured by a deposit receipt of Rmb17 million provided by Tianjin Water Recycling Co., Ltd. 由天津中水有限責任公司提供人民幣1,700萬元存單作為質押
<b>Total (Group)</b>	<b>合併合計</b>	<b>556,000</b>	<b>691,000</b>	

The above short-term loans bear interest rate ranging from 5.5% to 6.1% per annum.

上述短期借款之平均年利率5.5%至6.1%。

**(12) ACCOUNTS PAYABLE**

As at 30 June 2007, there were no accounts payable to any of the Company's shareholders which hold 5% or more of the voting shares.

**12 應付賬款**

期末應付賬款帳齡主要在一年以內且無應付持有本公司5% (含5%) 以上表決權股份的股東的款項。

**(13) ADVANCES FROM CUSTOMERS**

As at 30 June 2007, there were no advances from any of the Company's shareholders which hold 5% or more of voting shares.

**13 預收賬款**

期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) DIVIDEND PAYABLE

Pursuant to the shareholders meeting held on 8 June 2007, the Directors proposed to distribute a final dividend of Rmb0.4 (tax included) for every ten shares held by shareholders based on the total number of shares of 1,403 million as at date of registration of dividend on 29 June 2007, totalling Rmb56 million (2006:Rmb0.4 (tax included) for every ten shares held by shareholders, totalling Rmb53 million).

#### 14 應付股利

本公司於2007年6月8日召開的股東大會通過決議，以截至2007年6月29日止之總股本14.03億股為基數，每10股派發現金紅利人民幣0.4元(含稅)予股東，共計人民幣0.56億元(2006年：每10股派發現金紅利人民幣0.4元(含稅)予股東，共計人民幣0.53億元)。

#### (15) TAXES PAYABLE

#### 15 應交稅費

		Group		Company	
		合併	公司	合併	公司
		30 June 2007 於2007年 6月30日 Rmb'000 人民幣千元	31 December 2006 於2006年 12月31日 Rmb'000 人民幣千元	30 June 2007 於2007年 6月30日 Rmb'000 人民幣千元	31 December 2006 於2006年 12月31日 Rmb'000 人民幣千元
Income tax payable	應交所得稅	60,352	67,376	58,411	63,971
Business tax payable and others	應交營業稅及其它	4,766	4,076	4,210	3,356
		<u>65,118</u>	<u>71,452</u>	<u>62,621</u>	<u>67,327</u>

#### (16) OTHER PAYABLES

#### 16 其它應付款

		Group		Company	
		合併	公司	合併	公司
		30 June 2007 於2007年 6月30日 Rmb'000 人民幣千元	31 December 2006 於2006年 12月31日 Rmb'000 人民幣千元	30 June 2007 於2007年 6月30日 Rmb'000 人民幣千元	31 December 2006 於2006年 12月31日 Rmb'000 人民幣千元
Construction costs payable	應付建設成本	23,946	64,696	8,591	47,261
Payable for purchase of fixed assets	應付購買固定資產款項	30,701	30,371	—	—
Others	其它	33,560	37,953	20,599	49,927
Total		<u>88,207</u>	<u>133,020</u>	<u>29,190</u>	<u>97,188</u>

As at 30 June 2007, there were no other payables to the Company's shareholders which hold 5% or more of voting shares.

期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。

**(17) LONG-TERM LOANS****17 長期借款**

The long-term loans mature as follows:

長期借款具體還款期如下：

		<b>Group</b>		<b>Company</b>	
		<b>合併</b>	<b>合併</b>	<b>公司</b>	<b>公司</b>
		30 June 2007 於2007年 6月30日 Rmb'000 人民幣千元	31 December 2006 於2006年 12月31日 Rmb'000 人民幣千元	30 June 2007 於2007年 6月30日 Rmb'000 人民幣千元	31 December 2006 於2006年 12月31日 Rmb'000 人民幣千元
Payable within one year	一年以內支付	209,250	99,250	134,000	74,000
Payable in the second year	第二年內支付	624,250	416,250	592,000	334,000
Payable in the third year to fifth year	第三年至第五年內支付	837,760	466,750	670,000	337,000
Payable after the fifth year	五年以後支付	375,365	736,500	—	400,000
		<u>2,046,625</u>	<u>1,718,750</u>	<u>1,396,000</u>	<u>1,145,000</u>
Including:	其中包括：				
State Development Bank (note(a))	國家開發銀行 (註釋(a))	538,000	545,000	538,000	545,000
China Everbright Bank (note(b))	中國光大銀行 (註釋(b))	450,000	450,000	400,000	400,000
Industrial Commerce Bank of China (note(c))	中國工商銀行 (註釋(c))	408,000	250,000	158,000	—
China Construction Bank (note(d))	中國建設銀行 (註釋(d))	225,625	233,750	—	—
CITIC Industrial Bank (note(e))	中信實業銀行 (註釋(e))	200,000	200,000	200,000	200,000
Agriculture Development Bank of China (note(f))	中國農業銀行 (註釋(f))	50,000	—	—	—
Shanghai Pudong Development Bank (note(g))	上海浦東發展銀行 (註釋(g))	120,000	—	100,000	—
Bank of China (note(h))	中國銀行 (註釋(h))	55,000	40,000	—	—
		<u>2,046,625</u>	<u>1,718,750</u>	<u>1,396,000</u>	<u>1,145,000</u>

note:

註釋：

- |  |  |
|--|--|
| <p>(a) This borrowing is secured by TMEB's guarantee together with certain of its fee collection rights and bears interest at 7.20%. (2006: 6.10% to 6.40%) per annum.</p>   | <p>(a) 該借款由天津市政局提供保證擔保及以其擁有業務中的部分收費權作為質押。該銀行貸款現時年利率為7.20% (2006年：6.10%到6.40%)。</p>                                 |
| <p>(b) This borrowing is secured by the TSC's right to receive sewage water processing fees together with TMICL's guarantee and bears interest rate ranging from 6.48% to 7.2% (2006: 5.02% to 6.84%) per annum.</p>   | <p>(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6.48%至7.2% (2006年：5.02%到6.84%)。</p>                              |
| <p>(c) This borrowing is secured by the Company's guarantee and bears interest ranging from 6.15% to 6.3% (2006: 6.15%) per annum.</p>   | <p>(c) 該借款為本公司借款及本公司子公司杭州天創水務有限公司之借款，由本公司提供保證擔保。該借款現時年利率為6.15%至6.3% (2006年：6.15%)。</p>                             |
| <p>(d) The balance includes Rmb190 million secured by the right to receive tap water and sewage water processing fees. The remaining balance of about Rmb36 million is secured by the Company's guarantee. These borrowings bear interest at 7.20% (2006: 6.10% to 6.40%) per annum.</p> | <p>(d) 其中人民幣190百萬元的貸款以集團子公司之一的自來水收入權和污水處理收入權作為質押；另外約人民幣36百萬元的貸款由本公司提供保證擔保。該等借款現時年利率為7.20% (2006年：6.10%到6.40%)。</p> |
| <p>(e) The borrowing is an unsecured loan and bears interest at 6.75% (2006: 6.10% to 6.40%) per annum.</p>  | <p>(e) 該借款為信用貸款。該借款現時年利率為6.75% (2006年：6.10%到6.40%)。</p>  |

- (f) The borrowing is initially secured by the Company's guarantee during the construction period of plant and further secured by fixed assets upon commencement of operation of plant, which bears interest at 7.33% per annum.
- (g) The borrowing is an unsecured loan and bears interest ranging from 6.075% to 6.48% per annum.
- (h) This borrowing is secured by the Company's guarantee and bears interest at 6.12% (2006: 6.10% to 6.40%) per annum.

- (f) 該借款為本公司子公司赤壁創業水務公司之借款，在項目建設期由本公司提供保證擔保，項目運營期除本公司提供擔保外以項目形成的固定資產追加質押擔保，現時年利率為7.33%。
- (g) 該借款為信用貸款。該借款現時年利率為6.075%至6.48%。
- (h) 該借款由本公司提供保證擔保，現時年利率為6.12% (2006年：6.10% 到6.40%)。

## (18) CONVERTIBLE BONDS

		Equity component at inception 發行時確認的權益金額	Liability component at inception 發行時確認的負債金額
Convertible bonds	可轉換公司債券	149,574	1,050,426

## 18 應付債券

Interest accrued 本期應計利息	Interest payable 本期應付利息	Redemption and conversion 贖回與轉股	30 June 2007 2007年6月30日
2,609	(1,609)	(965,957)	85,469

- (a) The Company prepared its prior years' financial statements in accordance with Hong Kong Accounting Standards, pursuant to the relevant regulation of "No.1 Comments From Specialist Team of Implementation of CAS", the Company adopts retrospective method to adjust these financial liabilities.

- (a) 由於本公司於以往年度按照香港會計準則對外提供財務報告，根據《企業會計準則實施問題專家工作組意見第一號》的第十個問答的規定，本公司對此金融負債採用追溯調整法處理。

Pursuant to the regulation of CAS 37 – Financial Instruments Presentation, these financial liabilities should be divided into equity component and liability component, at the inception of issuance of the Company's convertible bonds. The liability component and equity component was approximately Rmb1,050 million and Rmb150 million respectively.

本公司於初始發行可轉換公司債券時，按照《企業會計準則第37號-金融工具列報》的規定，對此金融負債的權益和負債部分應進行分拆，其中負債部分約為人民幣10.5億元，權益部分約為人民幣1.5億元。

Pursuant to the regulation of CAS 22 – Financial Instruments Recognition and Measurement, the Company should subsequently measure these financial liabilities at amortised cost using effective interest method. As at 30 June 2007, the face value of these outstanding bonds is approximately Rmb94,252 thousand, which should be reduced by Rmb85,469 thousand to its amortized cost retrospectively.

按照《企業會計準則第22號-金融工具確認和計量》的規定，本公司應採用實際利率法按攤餘成本對此金融負債進行後續計量。截止2007年6月30日，此應付債券票面餘額約為人民幣94,252千元，其攤餘成本為人民幣85,469千元。

- (b) During this period, Rmb277,810,000 bonds were converted into for consideration of 71,970,920 shares of the Company's A share. After the conversion, the Company's share capital and capital premium are increased by Rmb71,971,000 and Rmb205,839,000 respectively.

- (b) 本期，共有票面金額人民幣277,810,000元的可轉換公司債券轉換為本公司A股股票計71,970,920股。轉股後，本公司之股本和股本溢價分別增加人民71,971,000元和人民幣205,839,000元。

As at 30 June 2007, the aggregated converted bonds are approximated to Rmb281,850 thousand of bonds of total bonds of Rmb1.2 billion, with conversion prices per share at Rmb6.08, Rmb4.87, and Rmb3.86 respectively.

截至2007年6月30日止，本公司發行的人民幣12億元可轉換公司債券中累計約有28,185萬元可轉換公司債券轉換成了本公司A股股票，轉股價格分別為人民幣6.08元每股、4.87元每股、3.86元每股。

The Company accrued bonds interest of Rmb1.61 million for the period (2006: Rmb4.64 million).

本期本公司計提了債券利息約為人民幣160.92萬元 (2006年同期：人民幣464萬元)

- (c) On 31 July 2007, the Board of Directors of the Company resolved to redeem all of the outstanding convertible bonds as at 27 August 2007, in accordance with the term of the issuance.

- (c) 期後於2007年7月31日，根據可轉換公司債券募集說明書的條款，本公司董事會決議回購截至2007年8月27日止所有未轉股的可轉換債券。

**(19) LONG-TERM LIABILITY DUE WITHIN ONE YEAR****19 一年內到期的長期負債**

		<b>Group</b>		<b>Company</b>	
		<b>合併</b>		<b>公司</b>	
		30 June 2007 於2007年 6月30日 Rmb'000 人民幣千元	31 December 2006 於2006年 12月31日 Rmb'000 人民幣千元	30 June 2007 於2007年 6月30日 Rmb'000 人民幣千元	31 December 2006 於2006年 12月31日 Rmb'000 人民幣千元
Specific purpose fund	專項資金	124,248	108,264	16,364	16,364
Including:	其中：				
Specific fund granted by Tianjin Municipal Engineering Bureau (note (a))	天津市政局 專項資金 (註釋(a))	97,000	81,215	—	—
Specific fund granted by other authorities of Tianjin Municipal Government (note (b))	天津市政府其他部門 專項資金 (註釋(b))	10,884	10,685	—	—
Loan of state treasury bonds due within one year (note (c))	一年內到期的轉貸 國債資金 (註釋(c))	16,364	16,364	16,364	16,364
Anhui Fuyang Construction Committee (Note 5(10))	安徽阜陽建設委員會 (附註五(10))	10,200	10,200	—	—
		<u>134,448</u>	<u>118,464</u>	<u>16,364</u>	<u>16,364</u>

note:

註釋

- (a) Specific purpose fund granted by TMEB to the Company's subsidiary Tianjin Recycled Water Co., Ltd. for the construction of Tianjin Jizhuangzi Sewage Water Recycling Project.
- (b) Specific fund obtained from other authorities of the Tianjin Municipal Government mainly for the construction of Tianjin Jizhuangzi Sewage Water Recycling Project.

(a) 本公司之子公司天津中水公司從天津市政局獲得的專項資金，用於紀莊子污水回用工程建設：

(b) 從天津市政府其他部門獲得的專項資金，主要用於紀莊子污水回用工程建設。

The specific payables described in (a), (b) above are interest free as at end of the period and the date and method of repayment will only be determined after the completion of the construction project.

以上(a)、(b)中所述之專項應付款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。

The repayment scheme for those loans mentioned above is still under negotiation. As the terms are uncertain, these loans have been classified as current liabilities

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。

- (c) The portion of due within one year of loans of state treasury bonds from TMEB amounted approximately Rmb16 million (Note 5(20)).

(c) 從天津市政局獲得的轉貸國債資金中一年內到期部分約人民幣16百萬元(附註五(20))。

**(20) LONG-TERM PAYABLES****20 長期應付款**

	<b>Group</b>		<b>Company</b>	
	<b>合併</b>		<b>公司</b>	
	30 June 2007 於2007年 6月30日 <i>Rmb'000</i> 人民幣千元	31 December 2006 於2006年 12月31日 <i>Rmb'000</i> 人民幣千元	30 June 2007 於2007年 6月30日 <i>Rmb'000</i> 人民幣千元	31 December 2006 於2006年 12月31日 <i>Rmb'000</i> 人民幣千元
Specific fund granted by Tianjin Municipal Engineering Bureau (note (a))	180,000	180,000	180,000	180,000
Current portion of long-term payables (Note 5(19)(c))	(16,364)	(16,364)	(16,364)	(16,364)
	<u>163,636</u>	<u>163,636</u>	<u>163,636</u>	<u>163,636</u>

note:

註釋

- (a) The Rmb180 million from TMEB taken during 2005 is specifically for construction of Sewage Water processing plants. The loan is repayable in equal instalments over eleven years from 2007. 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 published by the People's Bank of China on the effective date.

The portion due within one year amounting to approximately Rmb16 million has been transferred to current portion of long-term payables (Note 5(19)).

- (a) 於2005年度本公司自天津市政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2007年起分11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%。

一年內到期的部分計人民幣約16百萬元已轉至一年內到期的長期負債(附註五(19))。

## (21) SHARE CAPITAL

## 21 股本

The changes in share capital are set out below (unit:'000 Shares)

股本變動情況如下(單位：千股)：

Type of shares	股份類別	As at 31 December 2006 2006年 12月31日	Increase (Note 18) 本期增加 附註(18)	Reduction 本期減少	As at 30 June 2007 2007年 6月30日
Restricted circulating shares	限制性流通股	835,638	—	(105,018)	730,620
Circulating A shares	流通A股	155,028	176,989	—	332,017
Circulating H shares	流通H股	340,000	—	—	340,000
		<u>1,330,666</u>	<u>176,989</u>	<u>(105,018)</u>	<u>1,402,637</u>

“A” share represent shares listed on the Shanghai Securities Exchange and “H” shares represent shares listed on the Main Board of The Stock Exchange of Hong Kong. All the “A” and “H” shares rank pari passu in all respects.

On 20 March 2006, the revised stock reform plan proposed by the Company's controlling shareholder, Tianjin Municipal Investment Co., Ltd. (thereafter “TMICL”), was approved by the Company's shareholders of A shares. According to the stock reform plan, TMICL paid to the Company's shareholders of A shares as registered as at 8 March 2006, 3.7 shares for each 10 shares held resulting in total payment of 41,867,391 shares. After the stock reform, TMICL's equity interest in the Company reduced from 63.05% to 59.91%. TMICL sold certain of the Company's A share through Shanghai Stock Exchange Company Limited during the period. As at 30 June 2007, TMICL's equity interest in the Company further reduced to 55.25%. After the Company's stock reform, all of the non-circulating shares were converted into restricted circulating shares except for the 41,867,391 shares paid to the Company's A share holders which became non-restricted circulating shares. The restriction is in respect of sales of the shares held by TMICL, to the extent that within 3 years after the stock reform TMICL can only sell a maximum of 10% of its total shares. Other non-circulating A share holders can sell the Company's A share stock with restriction one year after completion of stock reform.

A股指本公司在上海證券交易所上市的股票。H股指本公司在香港聯合交易所有限公司主板上市的股票。每股面值為人民幣1元的所有A股及H股在各方面均享有同等權益。

本公司A股股東於2006年3月20日批准了本公司控股股東天津市政投資有限公司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，天津市政投資有限公司將向本公司截至於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41,867,391股。股權分置改革後，本公司股本中天津市政投資有限公司所持有的股份從63.05%下降為59.91%，本期天津市政投資有限公司通過上海證交所掛牌交易系統出售本公司A股股份，造成該公司所持本公司股份比例發生變化，截至2007年6月30日，天津市政投資有限公司的持股比例為55.25%。同時除了支付給A股股東41,867,391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。對控股股東的限制性系針對其持有股份的出售行為，即控股股東在股權改置完成後三年內最多可出售其所持有股份的10%。其他原非流通股股東可在股權改置完成一年後自由出讓所持本公司股票。



**(22) CAPITAL RESERVE FUND AND GENERAL RESERVES****22 資本公積及盈餘公積**

		<b>Group</b>		<b>Company</b>	
		合併		公司	
		Capital reserve fund	Statutory Common reserve	Capital reserve fund	Statutory Common reserve
		資本 公積	法定盈餘 公積金	資本 公積	法定盈餘 公積金
		(note(a))	(note(b))	(note(a))	(note(b))
		(註釋(a))	(註釋(b))	(註釋(a))	(註釋(b))
		Rmb'000	Rmb'000	Rmb'000	Rmb'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 31 December 2006	2006年12月31日餘額	101,297	220,356	101,297	217,734
Addition of Capital Reserve in this period	資本公積本期增加數	205,840	—	205,840	—
At 30 June 2007	2007年6月30日餘額	307,137	220,356	307,137	217,734

note:

註釋:

(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. Please refer to Note (18)(b) for the reason of addition for this period.

(a) 資本公積期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。本期增加原因詳見附註18(b)

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

(b) 法定盈餘公積金及法定公益金

According to the Company's Articles of Association, it is required to transfer 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). The transfers to these reserves must be made before the distribution of dividends to shareholders.

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）。此等金額須在派發股息之前計提。

The statutory common reserve shall only be used to make up losses; to expand the Company's production facilities; or to increase the capital of the Company. Upon approval by a resolution of shareholders' general meeting, 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.

法定盈餘公積金用途限於：彌補虧損，擴充本公司生產設備或轉為股本。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%。

**(23) UNDISTRIBUTED PROFITS****23 未分配利潤**

		<b>Group</b>	<b>Company</b>
		30 June 2007 合併 於2007年 6月30日 <i>Rmb'000</i> 人民幣千元	30 June 2007 公司 於2007年 6月30日 <i>Rmb'000</i> 人民幣千元
Undistributed profits at the beginning of period	期初未分配利潤	775,839	778,461
Less: adjustments of adoption of CAS	新準則調整	(41,300)	(30,003)
Adjusted undistributed profits at the beginning of period	調整後期初未分配利潤：	734,539	748,458
Add: net profit for the period	加：本期淨利潤	110,585	107,402
Less: prior year's cash dividend distribution by generalshareholder meeting	減：應付普通股股利—股東大會 批准的上年度現金股利	(56,106)	(56,106)
Undistributed profits at the end of period	期末未分配利潤	<u>789,018</u>	<u>799,754</u>

**(24) INCOME FROM OPERATIONS****24 營業收入**

		<b>Group</b>	
		合併	
		<b>Six months Ended 30 June 2007</b>	<b>Six months Ended 30 June 2006</b>
		截至2007年 6月30日止6個月 <i>Rmb'000</i> 人民幣千元	截至2006年 6月30日止6個月 <i>Rmb'000</i> 人民幣千元
Income from principal operation	主營業務收入	461,804	362,818
Other operating income	其他業務收入	13,078	4,168
		<u>474,882</u>	<u>366,986</u>

**(a) Income from principal operations and segment information** (a) 主營業務收入及分行業資料

		<b>Group</b> 合併	
		<b>Six months</b> <b>Ended</b> <b>30 June 2007</b> 截至2007年 6月30日止6個月 <i>Rmb'000</i> 人民幣千元	<b>Six months</b> <b>Ended</b> <b>30 June 2006</b> 截至2006年 6月30日止6個月 <i>Rmb'000</i> 人民幣千元
Sewage water processing services income	污水處理收入	410,799	310,219
Tolls income	路費收入	34,880	32,945
Tap water supply income	自來水供水收入	13,169	—
Recycled water and pipeline connection income	中水及管道接駁收入	1,745	19,654
Income from sales of construction materials	銷售建築材料收入	1,211	—
		<u>461,804</u>	<u>362,818</u>

**(b) Segment information**

(b) 分業務資料

		<b>Sewage water</b> <b>processing</b> 污水處理	<b>Toll stations</b> 道路 收費站	<b>Construction</b> <b>materials</b> 建材業務	<b>Recycled water</b> <b>and pipeline</b> <b>connection</b> 中水及 管道接駁	<b>Tap</b> <b>water supply</b> <b>and others</b> 自來水及 其他業務	<b>Group</b> 合併
<b>For the six months ended 30 June 2007</b> 截至2007年6月30日止6個月							
		<i>Rmb'000</i> 人民幣千元	<i>Rmb'000</i> 人民幣千元	<i>Rmb'000</i> 人民幣千元	<i>Rmb'000</i> 人民幣千元	<i>Rmb'000</i> 人民幣千元	<i>Rmb'000</i> 人民幣千元
Income from principal operations	主營業務收入	410,799	34,880	1,211	1,745	13,169	461,804
Cost for principal operations	主營業務成本	(175,734)	(7,634)	(1,121)	(6,169)	(7,604)	(198,262)
Business tax and surcharges	主營業務稅金及附加	(18,359)	(1,918)	—	(33)	(57)	(20,367)
Profit/(loss) from principal operations	主營業務利潤/(虧損)	216,706	25,328	90	(4,457)	5,508	243,175
Less: Administration expenses	減：管理費用	(33,926)	(2,833)	(1,281)	(2,709)	(1,050)	(41,799)
Financial expenses	財務費用	(56,158)	—	4	(1,561)	(3,139)	(60,854)
Other gain	其它收入	7,173	393	—	9,070	(43)	16,593
Total profit/(loss)	利潤/(虧損)總額	133,795	22,888	(1,187)	343	1,276	157,115
Less: Income taxes	減：所得稅	(43,492)	(4,249)	—	—	—	(47,741)
Net profit/(loss)	淨利潤/(虧損)	<u>90,303</u>	<u>18,639</u>	<u>(1,187)</u>	<u>343</u>	<u>1,276</u>	<u>109,374</u>

		<b>Sewage water processing and sewage water plant construction</b> 污水處理	<b>Road and toll stations</b> 道路 及收費站	<b>Construction materials</b> 建材業務	<b>Recycled water and others</b> 中水及 其他業務	<b>Group 合併</b>
<b>Six months ended 30 June 2006</b>						
截至2006年6月30日止6個月						
		<i>Rmb'000</i> 人民幣千元	<i>Rmb'000</i> 人民幣千元	<i>Rmb'000</i> 人民幣千元	<i>Rmb'000</i> 人民幣千元	<i>Rmb'000</i> 人民幣千元
Income from principal operations	主營業務收入	310,219	32,945	2,137	17,517	362,818
Costs for principal operations	主營業務成本	(105,339)	(4,215)	(1,969)	(18,581)	(130,104)
Business tax and surcharges	主營業務稅金及附加	(15,745)	(1,812)	—	(84)	(17,641)
Profit from principal operations	主營業務利潤	189,135	26,918	168	(1,148)	215,073
Less: General and Administrative expenses	減：管理費用	(26,282)	(3,969)	(2,866)	(4,392)	(37,509)
Financial expenses	財務費用	(38,140)	2	(1,961)	(40,099)	
Other gains	其它收入	974	—	—	4,145	5,119
Total profit/(loss)	利潤／（虧損）總額	125,687	22,949	(2,696)	(3,356)	142,584
Less: Income taxes	減：所得稅	(42,485)	(7,046)	—	(726)	(50,257)
Net profit/(loss)	淨利潤／（虧損）	83,202	15,903	(2,696)	(4,082)	92,327

**(25) FINANCIAL EXPENSES – NET****25 財務費用 – 淨額**

		<b>Group</b>		<b>Company</b>	
		<b>合併</b>		<b>公司</b>	
		<b>Six months ended 30 June 2007</b>	<b>Six months ended 30 June 2006</b>	<b>Six months ended 30 June 2007</b>	<b>Six months ended 30 June 2006</b>
		截至2007年6月30日止6個月	截至2006年6月30日止6個月	截至2007年6月30日止6個月	截至2006年6月30日止6個月
		Rmb'000	Rmb'000	Rmb'000	Rmb'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Interest expense of bank borrowings and convertible bonds	銀行貸款及可轉換公司債券利息支出	(62,753)	(58,266)	(42,436)	(53,972)
Less: Interest capitalised	減：資本化利息	—	17,609	—	17,609
Interest expense – net	利息支出淨額	(62,753)	(40,657)	(42,436)	(36,363)
Less: Interest income	減：利息收入	1,935	1,761	1,158	798
Others	其它	(36)	(1,203)	(24)	(1,177)
		<u>(60,854)</u>	<u>(40,099)</u>	<u>(41,302)</u>	<u>(36,742)</u>

**(26) INVESTMENT INCOME****26 投資收益**

		<b>Group</b>		<b>Company</b>	
		<b>合併</b>		<b>公司</b>	
		<b>Six months ended 30 June 2007</b>	<b>Six months ended 30 June 2006</b>	<b>Six months ended 30 June 2007</b>	<b>Six months ended 30 June 2006</b>
		截至2007年6月30日止6個月	截至2006年6月30日止6個月	截至2007年6月30日止6個月	截至2006年6月30日止6個月
		Rmb'000	Rmb'000	Rmb'000	Rmb'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Equity accounting: Share of net profit of an associate	按權益法：應佔聯營公司利潤	2,499	—	—	—
		<u>2,499</u>	<u>—</u>	<u>—</u>	<u>—</u>

**(27) RELATED PARTIES****27 關聯方關係****(a) Related parties that have controlling relationship****(a) 存在控制關係的關聯方**

<b>Name of related party</b> 關聯方名稱	<b>Place of registration</b> 註冊地點	<b>Principal businesses:</b> 主要業務	<b>Relationship with the Company:</b> 與本公司關係	<b>Type of enterprise:</b> 經濟性質	<b>Legal representative</b> 法定代表人
TMICL	Tianjin, the PRC	Development, construction and management of municipal infrastructures	Controlling shareholder of the Company	Limited company	Ma Bai Yu
市政投資	中國天津	市政基礎設施的開發建設及經營管理	控股股東	有限公司	馬白玉
TMEB	Tianjin, the PRC	Supervisory management of the infrastructure and road construction in Tianjin	Supervisory controller of the Group's businesses	Government authority	Sun Zeng Yin
天津市市政工程局	中國天津	主管天津市市政、公路的建設和管理	業務受其監控	國家機關	孫增印
Qu Jing Capital	note: These companies are subsidiaries of the Company and their principal businesses are detailed in Note 5(5)(a).			Limited company	Zhang Wen Hui
曲靖創業水務有限公司	注：此等公司為本公司控股子公司，詳見附註五5(a)。			有限公司	張文輝
Guizhou Capital				Limited company	Gu Qi Feng
貴州創業水務有限公司				有限公司	顧啟峰
Water Recycling				Limited company	Zhang Wen Hui
天津中水有限責任公司				有限公司	張文輝
New Materials				Limited company	Luo Lian Fang
天津創業建材有限公司				有限公司	羅連芳
Fu Yang Capital				Limited company	Zhang Wen Hui
阜陽創業水務有限公司				有限公司	張文輝
Bao Ying Capital				Limited company	Lin Wen Bo
寶應創業水務有限責任公司				有限公司	林文波
Chi Bi Capital				Limited company	Zhang Wen Hui
赤壁創業水務有限公司				有限公司	張文輝
Hong Hu Capital				Limited company	Zhang Wen Hui
洪湖市創業水務有限公司				有限公司	張文輝
Hong Kong Capital				Limited company	Gu Qi Feng
天津創業環保(香港)有限公司				有限公司	顧啟峰
Hang Zhou Capital				Limited company	Gu Qi Feng
杭州天創水務有限公司				有限公司	顧啟峰
Wendeng Capital				Limited company	Lin Wenbao
文登創業水務有限公司				有限公司	林文波

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

(b) 存在控制關係的關聯方的註冊資本及其變化

		<b>As at 31 December 2006</b>	<b>Additions in this period</b>	<b>As at 30 June 2007</b>
		於2006年 12月31日	本期增加數	於2007年 6月30日
		<i>Rmb'000</i>	<i>Rmb'000</i>	<i>Rmb'000</i>
		人民幣千元	人民幣千元	人民幣千元
TMICL	市政投資	1,820,000	—	1,820,000
Qu Jing Capital	曲靖創業水務有限公司	120,000	—	120,000
Guizhou Capital	貴州創業水務有限公司	100,000	—	100,000
Water Recycling	天津中水有限責任公司	100,000	—	100,000
TCNM	天津創業建材有限公司	37,500	—	37,500
Fu Yang Capital	阜陽創業水務有限公司	45,000	—	45,000
Bao Ying Capital	寶應創業水務有限責任公司	38,000	—	38,000
Chi Bi Capital	赤壁創業水務有限公司	35,000	—	35,000
Hong Hu Capital	洪湖市創業水務有限公司	20,000	—	20,000
Hang Zhou Capital	杭州天創水務有限公司	257,445	—	257,445
Wendeng Capital	文登創業水務有限公司	—	48,000	48,000
		<u>          </u>	<u>          </u>	<u>          </u>
		<i>USD'000</i>	<i>USD'000</i>	<i>USD'000</i>
		美元千元	美元千元	美元千元
Hong Kong Capital	天津創業環保（香港）有限公司	7,840	—	7,840
		<u>          </u>	<u>          </u>	<u>          </u>

**(c) Share or equity of the Company held by a related party and its movements**

(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

		<b>As at 31 December 2006</b>		<b>Reduction in this period</b>		<b>As at 30 June 2007</b>	
		於2006年12月31日		本期減少數		於2007年6月30日	
		<i>Rmb'000</i>	%	<i>Rmb'000</i>	%	<i>Rmb'000</i>	%
		人民幣千元	百分比	人民幣千元	百分比	人民幣千元	百分比
TMICL	市政投資	797,153	59.91%	(22,168)	-4.66%	774,985	55.25%
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**(d) Major related parties that have no controlling relationship**

(d) 不存在控制關係的主要關聯方

	<b>Relationship with the Group</b> 與本集團關係
Tianjin Urban Infrastructure Construction Investment Group Co., Ltd. ("TUICIG") 天津城市基礎設施建設投資集團有限公司	Other enterprise significantly influenced by key management of the Company 受本公司關鍵管理人員重大影響的其他企業
Tianjin Sewage Company 天津市排水公司	State-owned company under the supervisory control of TMEB 同受市政局監控的國營企業或公司
Tianjin Sewage Management Bureau No.8 Management Office 天津市排水管理處第八排水管理所	State-owned company under the supervisory control of TMEB 同受市政局監控的國營企業或公司
Tianjin Sewage Engineering Company 天津市排水工程公司	State-owned company under the supervisory control of TMEB 同受市政局監控的國營企業或公司
Tianjin Road & Bridge Management Bureau 天津市道路橋樑管理處	State-owned company under the supervisory control of TMEB 同受市政局監控的國營企業或公司
Tianjin Municipal Engineering Design Research Institute 天津市市政工程設計研究院	State-owned company under the supervisory control of TMEB 同受市政局監控的國營企業或公司
Scott Willson (Tianjin) Consultancy Company 偉信(天津)工程諮詢有限公司	Associated Company of Tianjin Municipal Investment Co., Ltd 本公司控股股東的聯營公司

**(28) RELATED PARTY TRANSACTIONS**

**28 關聯交易**

Except for those as mentioned elsewhere of this condensed interim financial information, the following is a summary of significant transactions with related companies which were carried out in the normal course of operations of the Group.

本期，除本會計報表中已披露的關聯方交易信息外，本集團與若干關聯方在日常營運中進行的其他重大交易如下：

<b>Related parties</b> 關聯方的名稱	<b>Nature of transaction</b> 交易性質	<b>Six months ended</b> <b>30 June 2007</b> 截至 2007年 6月30日 至六個月 Rmb'000 人民幣千元	<b>Six months ended</b> <b>30 June 2006</b> 截至 2006年 6月30日 至六個月 Rmb'000 人民幣千元
<b>Income:</b> 收入：			
TSC 天津市排水公司	Revenue from sewage water processing services (Note 1(a)) 污水處理服務費收入(附註一(a))	329,013	284,152
TUICIG 天津城市基礎設施建設投資集團有限公司	Rental income 租金收入	2,837	—



**(29) CAPITAL COMMITMENTS****29 資本承擔**

		<b>Contracted but not provided for</b> 已簽約未撥備		<b>Authorised but not contracted for</b> 已批准未簽約	
		<b>30 June 2007</b>	<b>31 December 2006</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
		截至 2007年 6月30日止	截至 2006年 12月31日止	截至 2007年 6月30日止	截至 2006年 12月31日止
		<i>Rmb' million</i>	<i>Rmb' million</i>	<i>Rmb' million</i>	<i>Rmb' million</i>
		人民幣百萬元	人民幣百萬元	人民幣百萬元	人民幣百萬元
Water processing plants in:	污水處理廠項目：				
- Ji Zhuang Zi	— 紀莊子	—	4	—	—
- Xian Yang Lu	— 咸陽路	—	2	—	—
- Bei Cang	— 北倉	—	2	—	—
- Chi Bi	— 赤壁	34	59	—	—
- Hang Zhou	— 杭州	341	341	—	—
- Hong Hu	— 洪湖	16	16	—	—
- Wendeng	— 文登	—	—	120	—
Water recycling plants:	中水廠項目：				
- Xian Yang Lu water recycling project	— 咸陽路污水回用工程	17	67	50	—
- Bei Chen water recycling plants	— 北辰中水廠	17.8	2	77	107
- Dong Jiao water recycling plants	— 東郊中水廠	—	—	129	—
Total-Group	合併	<u>425.8</u>	<u>493</u>	<u>376</u>	<u>107</u>

**(30) DIRECTORS' REMUNERATION****30 董事酬金**

The Company and its subsidiaries have paid an aggregate remuneration (including salaries, housing allowance and other allowance) of Rmb1,021,000 to the Company's directors (2006: Rmb902,000). The total amount includes director fees of Rmb298,000 (2006: Rmb312,000) paid to independent non-executive directors for the period ended 30 June 2007.

截至2007年6月30日止6個月，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1,021千元(2006年：人民幣902千元)，其中包括向獨立非執行董事支付之酬金人民幣298千元(2006年：人民幣312千元)。

**(31) SUBSEQUENT EVENTS****31 期後事項**

On 31 July 2007, the Board of Directors of the Company resolved to exercise its option to redeem all the outstanding convertible bonds issued by the Company as at 27 August 2007 (Note 5(18)(c)), in accordance with the term of the issuance.

於2007年7月31日，本公司董事會決議根據本公司可轉換公司債券募集說明書發行條款之有關規定，公司將向截至2007年8月27日止之可轉換債券之持有人行使回購權(詳見附註五18(c))。

**(32) AUTHORISATION FOR THE ISSUE OF THE ACCOUNTS****32 會計報表的核准發出**

The accounts were authorized for issue by the Directors on 15 August 2007.

本會計報表於2007年8月15日經由本公司董事會核准發出。

6 SUPPLEMENTARY INFORMATION

六、補充資料

(i) Supplementary information of cash flow statements for the six months ended 30 June 2007

(一) 截至2007年6月30日止六個月現金流量表附表

Supplementary Information  
補充資料

<b>Group</b>	<b>Company</b>
<b>Unaudited</b>	<b>Unaudited</b>
<b>Six months</b>	<b>Six months</b>
<b>Ended 30</b>	<b>Ended 30</b>
<b>June 2007</b>	<b>June 2007</b>
合併	公司
未經審計	未經審計
截至	截至
2007年	2007年
6月30日	6月30日
止6個月	止6個月
Rmb'000	Rmb'000
人民幣千元	人民幣千元

**(1) Reconciliation of net profit to net cash flows from operating activities**

1、將淨利潤調節為經營活動現金流量：

Net profit	淨利潤	110,585	107,402
Add/(Less):	加/（減）：		
Minority interests	少數股東損益	(1,211)	—
Depreciation and amortisation of fixed assets	固定資產折舊	91,719	61,277
Amortisation of intangible assets	無形資產攤銷	10,759	7,478
Losses on disposal of fixed assets	固定資產報廢損失	269	46
Interest expenses – net	財務費用	62,753	42,436
Investments loss (less: income)	投資損失（減：收益）	(2,499)	—
Decrease in inventories (less: increase)	存貨的減少（減：增加）	1,101	223
Decrease in operating receivables (less: increase)	經營性應收項目的減少（減：增加）	(244,864)	(225,758)
Increase/(Decrease) in operating payables (less: decrease)	經營性應付項目的增加（減：減少）	25,916	(12,240)
<b>Net cash flows from operating activities</b>	<b>經營活動產生的現金流量淨額</b>	<b>54,528</b>	<b>(19,136)</b>

**(2) Net Changes in cash and cash equivalent**

2、現金及現金等價物淨變動情況：

Cash at end of the period	現金的期末餘額	799,384	534,133
Less: Cash at beginning of the period	減：現金的期初餘額	718,744	601,135
<b>Net increase/ (decrease) in cash</b>	<b>現金淨增加/（減少）額</b>	<b>80,640</b>	<b>(67,002)</b>

(ii) Consolidated statements of changes in equity for the six months ended 30 June 2007

(二) 2007年1-6月合併所有者權益變動表

		Current period amount 本期金額					
		Attributable to equity holders of the Company 歸屬於母公司股東權益					
項目 Items		Share capital 股本 Rmb'000 人民幣千元	Capital reserve fund 資本公積 Rmb'000 人民幣千元	General reserve 盈餘公積 Rmb'000 人民幣千元	Undistributed profit 未分配利潤 Rmb'000 人民幣千元	Minority Interests 少數股東權益 Rmb'000 人民幣千元	Total 股東權益合計 Rmb'000 人民幣千元
Balance at 31 December 2006	2006年 12月31日餘額	1,330,666	101,297	220,356	734,539	116,111	2,502,969
Changes of accounting policies	會計政策變更	—	—	—	—	—	—
Restatement of accounting errors for prior periods	前期差錯更正	—	—	—	—	—	—
Balance at 1 January 2007	2007年1月1日餘額	<u>1,330,666</u>	<u>101,297</u>	<u>220,356</u>	<u>734,539</u>	<u>116,111</u>	<u>2,502,969</u>
Addition for January-June 2007:	2007年1-6月增加:						
Net profit	淨利潤	—	—	—	110,585	(1,211)	109,374
Conversion of convertible bonds	債轉股	71,971	205,840	—	—	—	277,811
Sub-total	小計	<u>71,971</u>	<u>205,840</u>	<u>—</u>	<u>110,585</u>	<u>(1,211)</u>	<u>387,185</u>
Reduction for January-June 2007:	2007年1-6月減少:						
Dividend	對股東的分配	—	—	—	(56,106)	—	(56,106)
Sub-total	小計	<u>—</u>	<u>—</u>	<u>—</u>	<u>(56,106)</u>	<u>—</u>	<u>(56,106)</u>
<b>Balance at 30 June 2007</b>	2007年6月30日 餘額	<b><u>1,402,637</u></b>	<b><u>307,137</u></b>	<b><u>220,356</u></b>	<b><u>789,018</u></b>	<b><u>114,900</u></b>	<b><u>2,834,048</u></b>

**Comparative period amount**

上年同期金額

**Attributable to equity holders of the Company**

歸屬於母公司股東權益

項目 Items		Share capital	Capital	General	Undistributed	Minority	Total
		股本	reserve fund	reserve	profit	Interests	
		Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at	2005年						
31 December 2005	12月31日餘額	1,330,658	101,270	200,721	648,712	49,132	2,330,493
Changes of	會計政策變更	—	—	—	—	—	—
accounting policies							
Restatement of	前期差錯更正	—	—	—	—	—	—
accounting errors							
for prior periods							
Balance at 1 January 2006	2006年1月1日餘額	<u>1,330,658</u>	<u>101,270</u>	<u>200,721</u>	<u>648,712</u>	<u>49,132</u>	<u>2,330,493</u>
Addition for	2006年1-6月增加：						
January-June 2006:							
Net profit	淨利潤	—	—	—	93,030	(703)	92,327
Conversion of	債轉股						
convertible bonds		6	23	—	—	—	29
Minority shareholders'	少數股東						
investment in subsidiaries	於附屬公司的投資	—	—	—	—	68,520	68,520
Sub-total	小計	<u>6</u>	<u>23</u>	<u>—</u>	<u>93,030</u>	<u>67,817</u>	<u>160,876</u>
Reduction for	2006年1-6月減少：						
January-June 2006:							
Transfer to statutory	提取盈餘公積						
common reserve		—	—	—	—	—	—
Dividend	對股東的分配	—	—	—	(53,226)	—	(53,226)
Sub-total	小計	<u>—</u>	<u>—</u>	<u>—</u>	<u>(53,226)</u>	<u>—</u>	<u>(53,226)</u>
Balance at 30 June 2006	2006年6月30日餘額	<u>1,330,664</u>	<u>101,293</u>	<u>200,721</u>	<u>688,516</u>	<u>116,949</u>	<u>2,438,143</u>

(iii) The Company's statements of changes in equity for the six months ended 30 June 2007

(三) 2007年1-6月母公司所有者權益變動表

項目 Items		Current period amount 本期金額				Total 股東權益合計 Rmb'000 人民幣千元
		Share capital 股本 Rmb'000 人民幣千元	Capital reserve fund 資本公積 Rmb'000 人民幣千元	General reserve 盈餘公積 Rmb'000 人民幣千元	Undistributed profit 未分配利潤 Rmb'000 人民幣千元	
Balance at 31 December 2006	2006年12月31日餘額	1,330,666	101,297	217,734	748,458	2,398,155
Changes of accounting policies	會計政策變更	—	—	—	—	—
Restatement of accounting errors for prior periods	前期差錯更正	—	—	—	—	—
Balance at 1 January 2007	2007年1月1日餘額	<u>1,330,666</u>	<u>101,297</u>	<u>217,734</u>	<u>748,458</u>	<u>2,398,155</u>
Addition for January-June 2007:	2007年1-6月增加：					
Net profit	淨利潤	—	—	—	107,402	107,402
Conversion of convertible bonds	債轉股	71,971	205,840	—	—	277,811
Sub-total	小計	<u>71,971</u>	<u>205,840</u>	<u>—</u>	<u>107,402</u>	<u>385,213</u>
Reduction for January-June 2007:	2007年1-6月減少：					
Dividend	對股東的分配	—	—	—	(56,106)	(56,106)
Sub-total	小計	<u>—</u>	<u>—</u>	<u>—</u>	<u>(56,106)</u>	<u>(56,106)</u>
<b>Balance at 30 June 2007</b>	2007年6月30日餘額	<b><u>1,402,637</u></b>	<b><u>307,137</u></b>	<b><u>217,734</u></b>	<b><u>799,754</u></b>	<b><u>2,727,262</u></b>

項目 Items		Comparative period amount 上年同期金額					Total 股東權益合計 Rmb'000 人民幣千元
		Share capital 股本 Rmb'000 人民幣千元	Capital reserve fund 資本公積 Rmb'000 人民幣千元	General reserve 盈餘公積 Rmb'000 人民幣千元	Undistributed profit 未分配利潤 Rmb'000 人民幣千元		
Balance at 31 December 2005	2005年12月31日餘額	1,330,658	98,721	200,721	664,560	2,294,660	
Changes of accounting policies	會計政策變更	—	—	—	—	—	
Restatement of accounting errors for prior periods	前期差錯更正	—	—	—	—	—	
Balance at 1 January 2006	2006年1月1日餘額	<u>1,330,658</u>	<u>98,721</u>	<u>200,721</u>	<u>664,560</u>	<u>2,294,660</u>	
Addition for January-June 2006:	2006年1-6月增加:						
Net profit	淨利潤	—	—	—	96,899	96,899	
Reversal of investment income from subsidiaries under CAS	新準則子公司投資收益沖回	—	—	—	—	—	
Conversion of convertible bonds	債轉股	6	23	—	—	29	
Sub-total	小計	<u>6</u>	<u>23</u>	<u>—</u>	<u>96,899</u>	<u>96,928</u>	
Reduction for January-June 2006:	2006年1-6月減少:						
Transfer to statutory common reserve	提取盈餘公積	—	—	—	—	—	
Dividend	對股東的分配	—	—	—	(53,226)	(53,226)	
Sub-total	小計	<u>—</u>	<u>—</u>	<u>—</u>	<u>(53,226)</u>	<u>(53,226)</u>	
Balance at 30 June 2006	2006年6月30日餘額	<u>1,330,664</u>	<u>98,744</u>	<u>200,721</u>	<u>708,233</u>	<u>2,338,362</u>	

**(iv) The Group's statement of provision for assets impairment for the six months ended 30 June 2007**

(四) 截至2007年6月30日本集團減值準備明細表

Item Items	項目	As at 31 December 2006	Addition in this period	Reduction in this period		As at 30 June 2007
		2006年 12月31日 賬面餘額 Rmb'000 人民幣千元		Reversed 轉回 Rmb'000 人民幣千元	Used 轉銷 Rmb'000 人民幣千元	2007年 6月30日 賬面餘額 Rmb'000 人民幣千元
Provision for declines in the value of inventories	存貨跌價準備	4,000	—	—	—	4,000
Provision for fixed assets impairment	固定資產減值準備	3,760	—	—	—	3,760
Total	合計	<u>7,760</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>7,760</u>

**(v) Reconciliation of the Group's net profit for comparative period in 2006**

**(五) 本集團2006年同期淨利潤差異調節表**

Items	項目	Amount 金額 Rmb'000 人民幣千元
Net profit for the period from 1 January 2006 to 30 June 2006 (old accounting standards)	2006年1月1日至6月30日期間 淨利潤(原會計準則)	96,225
Add: Total impact of retrospective adjustments Including: income taxes	加: 追溯調整項目影響合計數 其中: 所得稅	(3,195) (1,573)
Profits attributable to the equity owners of the Company for the period from 1 January 2006 to 30 June 2006 (CAS)	2006年1月1日至6月30日期間歸屬於母公司 所有者的淨利潤(新會計準則)	93,030
Add: Minority interests presented in previous interim financial statements	加: 原中期財務報表列示的少數股東損益	(703)
Pro-forma net profit from 1 January 2006 - 30 June 2006	2006年1月1日至6月30日期間模擬淨利潤	92,327

## VIII. Purchase, Sale or Redemption of the Company's listed securities

The Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company during the reporting period.

## IX. Audit Committee

On 31st July 2001, the Board approved the establishment of the Audit Committee to review and supervise the Company's financial reporting procedure and internal controls. The Audit Committee comprises the independent non-executive Directors Messrs. Ko Poming, Wang Xiangfei and Gao Zongze. The Audit Committee, together with the management of the Group have reviewed the accounting principles and practices adopted by the Group and discussed with the management of the Group the internal controls and financial reporting matters including the review of the unaudited interim results and the Interim Report. The Audit Committee agreed with the accounting principles, standards and methods adopted in the preparation of the Group's unaudited interim accounts for the six months ended 30th June 2007.

## X. Code on Corporate Governance Practices

None of the Directors is aware of any information that would reasonably indicate that the Company is not or was not, for any part of the reporting period, in compliance with the code provisions of the Code on Corporate Governance Practices as set out in the Appendix 14 to the Listing Rules.

## XI. Model Code for Securities Transactions by the Directors

The Company has adopted a code of conduct regarding the securities transactions by the Directors and Supervisors on the term exactly the same as the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Appendix 10 to the Listing Rules. The Company, having made specific enquiry of all the Directors and Supervisors, confirmed that all the Directors and Supervisors have complied with the code of conduct regarding the securities transactions by the Directors and Supervisors during the reporting period.

## XII. Documents Available for Inspection

1. Text and summary of the 2007 Interim Report signed by the chairman of the Company;
2. Financial statements signed and sealed by the legal representative, officer in charge of the accounting function and the officer in charge of the accounting department of the Company;
3. Original copies of the documents and announcements of the Company which were publicly disclosed on newspapers specified by CSRC during the period covered by this report; and
4. The Articles of Association of the Company.

By order of the Board  
**Ma Baiyu**  
Chairman

Tianjin, the PRC

15 August 2007

## 八、購回、出售或贖回本公司上市證券

報告期內，本公司及其附屬公司概無購回，出售或贖回本公司任何上市證券。

## 九、審核委員會

董事會於2001年7月31日批准設立審核委員會，負責審閱及監察本公司的財務報告程序及內部監控。本公司審核委員會成員由獨立非執行董事高寶明先生、王翔飛先生及高宗澤先生組成。審核委員會已與管理層已審閱本集團所採納的會計原則及方法，並已討論內部監控及財務匯報等事宜，包括審閱未經審核中期業績及中期報告。審核委員會同意本集團截至二零零七年六月三十日止六個月的未經審計半年度賬目所採納的財務會計原則、準則及方法。

## 十、企業管治常規守則

董事概不知悉任何有合理跡象顯示本公司現時或在本報告期任何時間內未有遵守《上市規則》附錄14企業管治常規守則的規定。

## 十一、董事進行證券交易的標準守則

本公司已採納董事及監事證券交易的標準守則，其條款與《上市規則》附錄10上市發行人的董事證券交易標準守則所規定的標準為完成相同。本公司已對所有董事及監事作出個別查詢，並確認所有董事及監事於報告期內均已遵守本公司的董事及監事證券交易的標準守則。

## 十二、備查文件目錄

- 1、經本公司董事長簽署的2007年中期報告正文及其摘要；
- 2、經本公司法定代表人、主管會計工作的負責人和會計機構負責人簽名並蓋章的財務報告；
- 3、報告期內在中國證監會指定報刊上公開披露過的所有文件正本及公告原稿；
- 4、本公司公司章程。

承董事會命  
**馬白玉**  
董事長

中國，天津

2007年8月15日