



Annual Report 2007



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

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重要提示 Important

1. 天津創業環保股份有限公司（「本公司」）董事會（「董事會」）、監事會（「監事會」）及董事（「董事」）、監事（「監事」）及高級管理人員保證本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. 獨立非執行董事謝榮先生因公無法出席本次董事會，委託獨立非執行董事高寶明先生代為表決。
 3. 普華永道中天會計師事務所有限公司和羅兵咸永道會計師事務所為本公司出具了標準無保留意見的審計報告。
 4. 本公司董事長馬白玉女士，主管會計工作負責人總經理顧啟峰先生及會計機構負責人（會計主管人員）總會計師陳銀杏女士聲明：保證2007年年度報告中財務報告的真實、完整。
1. The board of directors (the “Board”), supervisory committee (the “Supervisory Committee”), directors (the “Directors”), supervisors (the “Supervisors”) and senior management of Tianjin Capital Environmental Protection Company Limited (the “Company”) confirmed that the information in this 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 content.
 2. Mr. Xie Rong, the independent non-executive Director, has not attended this Board meeting due to other business commitments and has instructed the independent non-executive Director, Mr. Ko Poming, to vote on his behalf.
 3. PricewaterhouseCoopers Zhong Tian Certified Public Accountants Limited Company and PricewaterhouseCoopers issued standard unqualified audit report of the Company.
 4. Ms. Ma Baiyu, the Company’s chairman, Mr. Gu Qifeng, the officer in charge of the accounting work and the general manager and Ms. Chen Yinxing, the officer in charge of the accounting department (executive in charge for accounting) and the chief accountant, have declared that they are responsible for the truthfulness and completeness of the financial reports contained in the 2007 annual report.

本公司基本情況簡介 Company Profile

公司法定 中文名稱：	天津創業環保股份 有限公司	Legal Chinese name of the Company:	天津創業環保股份有限公司
公司中文 名稱縮寫：	創業環保	Abbreviation of the Chinese name of the Company:	創業環保
公司英文名稱：	Tianjin Capital Environmental Protection Company Limited	English name of the Company:	Tianjin Capital Environmental Protection Company Limited
公司英文名稱 縮寫：	TCEPC	Abbreviation of the English name of the Company:	TCEPC
公司法定代表人：	馬白玉 女士	Legal representative:	Ms. Ma Baiyu
公司董事會秘書：	付亞娜 女士	Company secretary to the Board:	Ms. Fu Yana
電話：	86-22-23930128	Telephone number:	86-22-23930128
傳真：	86-22-23930126	Facsimile number:	86-22-23930126
E-mail：	fu_yn@tjcep.com	E-mail:	fu_yn@tjcep.com
聯繫地址：	中華人民共和國（「中國」） 天津市南開區衛津南路 76 號 創業環保大廈	Correspondence address:	TCEP Building, 76 Weijin South Road, Nankai District, Tianjin, the People's Republic of China (the "PRC")
公司董事會秘書 （香港）：	關文輝先生	Company secretary to the Board (Hong Kong) :	Mr. Kwan Man Fai
電話：	852 2218 0920	Telephone number:	852-22180920
傳真：	852 2501 0028	Facsimile number:	852-25010028
Email：	cosec@tjcep.com	E-mail:	cosec@tjcep.com
聯繫地址：	香港中環環球大廈 22 樓	Correspondence address:	22/F, Worldwide House, Central, Hong Kong.
公司證券 事務代表：	郭鳳先女士	Company Securities Affairs Representative:	Ms. Guo Fengxian
電話：	86-22-23930128	Telephone number:	86-22-23930128
傳真：	86-22-23930126	Facsimile number:	86-22-23930126
E-mail：	guo_fx@tjcep.com	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	Correspondence address:	TCEP Building, 76 Weijin South Road, Nankai District, Tianjin, the PRC

本公司基本情況簡介 Company Profile

公司註冊地址：	中國天津市和平區 貴州路 45 號	Registered office address:	No. 45 Guizhou Road, Heping District, Tianjin, the PRC
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	Business address:	TCEP Building, 76 Weijin South Road, Nankai District, Tianjin, the PRC
郵政編碼：	300381	Postal code:	300381
公司國際互聯網 網址：	http://www.tjcep.com	Internet website:	http://www.tjcep.com
公司電子信箱：	tjcep@tjcep.com	E-mail address:	tjcep@tjcep.com
公司信息披露 報紙名稱：	中國《上海證券報》及香港 《文匯報》和《The Standard》	Name of the newspapers for the Company's announcements:	Shanghai Securities (PRC), Wen Wei Po and The Standard (Hong Kong)
登載公司年度報告 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	Website as required by the China Securities Regulatory Commission (the "CSRC") for issuing the Company's annual report:	http://www.sse.com.cn
登載公司年度報告 的香港聯合交易 所有限公司 （「聯交所」）之 國際互聯網網址：	http://www.hkex.com.hk	Website as required by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for issuing the Company's annual report:	http://www.hkex.com.hk
公司年度報告 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	Place where the Company's annual report is available for inspection:	Office of the Secretary to the Board, 16/F, TCEP Building, 76 Weijin South Road, Nankai District, Tianjin, the PRC
公司 A 股上市 交易所：	上海證券交易所 （「上交所」）	Stock Exchange for listing of A Shares of the Company:	Shanghai Stock Exchange (the "SSE")
公司 A 股簡稱：	創業環保	Short form of A Shares of the Company:	Tianjin Capital
公司 A 股代碼：	600874	Code of A Shares of the Company:	600874
公司 H 股上市交易所：	聯交所	Stock Exchange for listing of H Shares of the Company:	The Stock Exchange
公司 H 股簡稱：	天津創業環保	Short form of H Shares of the Company:	Tianjin Capital
公司 H 股代碼：	1065	Code of H Shares of the Company:	1065

其他有關資料

Other information

公司首次註冊 登記日期：	1993年6月8日	Date of initial business registration:	8th June, 1993
公司首次註冊 登記地點：	中國天津市和平區 湖北路十號	Place of initial business registration:	No. 10 Hubei Road, Heping District, Tianjin, the PRC
公司第1次變更 註冊登記日期：	1998年8月26日	Date of the first change in registration:	26th August 1998
公司第2次變更 註冊登記日期：	2001年1月8日	Date of the second change in registration:	8th January 2001
公司第3次變更 註冊登記日期：	2001年7月23日	Date of the third change in registration:	23rd July 2001
公司第4次變更 註冊登記日期：	2003年2月25日	Date of the fourth change in registration:	25th February 2003
公司第1次變更 註冊登記地址：	中國天津市和平區 貴州路45號	Place of the first change in registration:	No. 45 Guizhou Road, Heping District, Tianjin, the PRC
公司法人營業 執照註冊號：	企合津總字第009079號	Number of business licence of corporate legal person:	Qi He Jin Zong Zi No. 009079
公司稅務登記號碼：		Tax registration number of the Company:	
國稅登記號：	國稅津字120114103065501 號；	State registration number:	Guo Shui Jin Zi 120114103065501;
地稅登記號：	地稅津字120114103065501 號	Local registration number:	Di Shui Jin Zi 120114103065501
公司組織結構 代碼：	10306550-1	Organization structure code of the Company:	10306550-1
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	Name of the PRC accountant engaged by the Company:	PricewaterhouseCoopers Zhong Tian Certified Public Accountants Limited Company
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	Business address of the PRC accountant engaged by the Company:	11/E, PricewaterhouseCoopers Center, 202 Hu Bin Road, Shanghai, the PRC

本公司基本情況簡介 Company Profile

公司聘請的香港
會計師事務所
名稱：

羅兵咸永道會計師事務所

Name of the Hong Kong accountant
engaged by the Company:

PricewaterhouseCoopers

公司聘請的香港
會計師事務所
辦公地址：

香港中環太子大廈 22 樓

Business address of the Hong Kong
accountant engaged by the Company:

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

主要財務數據和指標 Major Financial Information and Benchmarks

(一) 本報告期主要財務數據

(1) Major financial data for the reporting period

單位：千元 幣種：人民幣
Unit: '000 Currency: RMB

項目	Item	金額 Amount
營業利潤	Operating profit	276,418
利潤總額	Total profit	274,959
歸屬於本公司股東的淨利潤	Net profit attributable to shareholders of the Company	183,813
歸屬於本公司股東的扣除非經常性 損益後的淨利潤	Net profit after deduction of extraordinary items attributable to shareholders of the Company	184,791
經營活動產生的現金流量淨額	Net cash flows from operating activities	255,914

(二) 國內外會計準則差異

(2) Difference in accounting standards between PRC and overseas

單位：千元 幣種：人民幣
Unit: '000 Currency: RMB

項目	Items	淨利潤 Net profit		淨資產 Net asset	
		本期數 Amount for the period	上期數 Amount for the previous period	期初數 Amount at the beginning of the period	期末數 Amount at the end of the period
按中國企業會計準則 (「中國企業會計規則」)	According to the PRC Corporate Accounting Standards (the "PRC CAS")	182,572	156,434	2,502,969	3,008,038
按香港財務報告準則 (「香港財務報告準則」)	According to Hong Kong Financial Reporting Standards (the "HKFRS")	182,572	156,434	2,502,969	3,008,038

(三) 扣除非經常性損益項目和金額

(3) Deduction of extraordinary profit and loss items and amounts

單位：千元 幣種：人民幣
Unit: '000 Currency: RMB

非經常性損益項目	Extraordinary profit and loss project	金額 Amount
營業外收入、支出淨額	Non-operating income and expenses-net	978
合計	Total	978

非經常性損益明細表編製基礎

Basis of preparation for breakdown table of extraordinary profit and loss items

根據《公開發行證券公司信息披露規範問答第01號-非經常性損益》的規定，非經常性損益是指本公司發生的與經營業務無直接關係，以及雖與經營業務相關，但由於其性質、金額或發生頻率，影響了正常反映本公司經營、盈利能力的各項交易、事項產生的損益。

Pursuant to the requirements of "Q&A No. 01 of Regulated Information Disclosure by Companies with Publicly Issued Securities – Extraordinary Profit and Loss", extraordinary profit and loss represents the profit and loss arisen from transactions and matters that have no direct relationship with the operations of the Company and those that although related to its operations, but that have affected the Company's operation and earning ability due to their nature, amount and frequency.

主要財務數據和指標 Major Financial Information and Benchmarks

(四) 報告期末本公司前三年主要會計數據和財務指標 (4) Principal Accounting Data and Financial Highlights For the Three Years Prior to the end of the Reporting Period

幣種：人民幣
Currency: RMB

主要會計數據	Principal accounting data	2007年	2006年		本年比上年增減 Increase(+) Decrease(-) from last year (%)	2005年	
			調整後 After adjustment	調整前 Before adjustment		調整後 After adjustment	調整前 Before adjustment
營業收入 (千元)	Operating income ('000)	1,004,117	812,184	807,381	23.63	619,405	611,835
利潤總額 (千元)	Total profit ('000)	274,959	236,006	253,025	16.51	259,981	266,666
歸屬於本公司股東的淨利潤 (千元)	Net profit attributable to Shareholders of the Company ('000)	183,813	158,689	170,091	15.83	177,475	175,857
歸屬於本公司股東的扣除非經常性損益的淨利潤 (千元)	Net profit after deduction of extraordinary items attributable to Shareholders of the Company ('000)	184,791	153,966	165,368	20.02	177,007	175,389
基本每股收益 (元)	Basic earnings per Share (Yuan)	0.13	0.12	0.13	8.33	0.13	0.13
稀釋每股收益 (元)	Diluted earnings per Share (Yuan)	0.13	0.12	0.13	8.33	0.13	0.13
扣除非經常性損益後的基本每股收益 (元)	Basic earnings per Share after deduction of extraordinary items (Yuan)	0.13	0.12	0.12	8.33	0.13	0.13
加權平均淨資產收益率(%)	Weighted average return ratio on equity (%)	6.67	6.57	7.08	增加0.1個百分點 Increased by 0.1 percentage points	7.6	7.7
扣除非經常性損益後的加權平均淨資產收益率(%)	Weighted average return ratio on equity after deduction of extraordinary items (%)	6.71	6.37	7.07	增加0.34個百分點 Increased by 0.34 percentage points	7.6	7.81
經營活動產生的現金流量淨額 (千元)	Net cash flow from operating activities ('000)	255,914	197,462	197,462	29.6	97,180	97,180
每股經營活動產生的現金流量淨額 (元)	Net cash flow from operating activities per Share (Yuan)	0.18	0.15	0.15	20	0.07	0.07
		2007年末 At the end of 2007	2006年末 At the end of 2006	2005年末 At the end of 2005	本年末比上年末增減(%) Increase (+) Decrease (-) from last year (%)	2005年末 At the end of 2005	2005年末 At the end of 2005
		調整後 After adjustment	調整前 Before adjustment	調整後 After adjustment	調整前 Before adjustment	調整後 After adjustment	調整前 Before adjustment
總資產 (千元)	Total assets ('000)	5,886,672	5,882,459	5,892,527	0.07	4,545,853	4,553,446
所有者權益 (或股東權益) (千元)	Owners' equity (or shareholders' equity) ('000)	3,008,038	2,502,969	2,402,070	20.18	2,330,493	2,285,171
歸屬於本公司股東的每股淨資產 (元)	Net asset value per Share attributable to shareholders of the Company (Yuan)	2.03	1.79	1.81	13.41	1.71	1.72

(五) 根據香港財務報告準則編製

5. Prepared in accordance with the HKFRS

業績

Results

		截至 12 月 31 日止年度 Year ended 31st December,				
		2007	2006	2005	2004	2003
		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
營業額	Turnover	938,644	770,098	580,495	713,737	594,645
除稅前盈利	Profit before taxation	274,959	236,006	259,981	465,965	412,938
稅項	Taxation	(92,387)	(79,572)	(84,345)	(154,856)	(136,379)
除稅後盈利	Profit after taxation	182,572	156,434	175,636	311,109	276,559
少數股東權益	Minority interests	1,241	2,255	1,839	802	333
股東應佔盈利	Profit attributable to equity holders of the Company	183,813	158,689	177,475	311,911	276,892
股息	Dividend	57,089	56,105	53,226	133,000	106,400

附註：

Note:

截至2007年12月31日止五個年度之業績乃摘錄自以往各年度之年報及載於本年報之經審核綜合損益表。

The results for each of the five years ended 31st December, 2007 have been extracted from the previous annual reports and the audited consolidated income statement as set out in this annual report.

資產及負債

Assets and Liabilities-Group

		於 12 月 31 日 As at 31st December,				
		2007	2006	2005	2004	2003
		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
固定資產	Property, plant and equipment, investment properties and land use rights	4,075,950	4,107,239	3,119,863	2,755,054	2,526,863
聯營企業	Associated company	63,979	61,660	—	—	9,000
可供出售財務資產	Available-for-sale financial assets	4,000	6,000	6,000	6,000	4,000
長期貿易應收款	Trade receivables due after one year	697,763	749,973	466,185	—	—
其他非流動資產	Other non-current assets	118,698	144,434	94,975	20,000	—
淨流動（負債）／資產	Net current (liabilities)/assets	(158,829)	(405,995)	(165,716)	1,336,861	202,138
		4,801,561	4,663,311	3,521,307	4,117,915	2,742,001
少數股東權益	Minority interests	114,870	116,111	49,132	16,581	1,383
長期負債	Long-term liabilities	1,793,523	2,160,342	1,190,814	1,776,642	721,652
淨資產	Net assets	2,893,168	2,386,858	2,281,361	2,324,692	2,018,966

股本變動及股東情況 Details of Share Capital and Shareholders

(一) 股本變動情況

(1) Changes in share capital

1. 股份變動情況表

1. Table of changes in share

單位：股

Unit: share

	股本變動前		本次變動增減 (+, -)					股本變動後	
	數量	比例 (%)	發行新股	送股	公積金轉股	其他	小計	數量	比例 (%)
	Quantity	Percentage (%)	New shares issued	Bonus issue	Transfer of surplus to capital	Others	Sub-total	Quantity	Percentage (%)
一、有限售條件股份									
1. Restricted Shares									
1. 國家持股									
1. State-owned shares	797,152,609	59.91	—	—	—	(66,533,005)	(66,533,005)	730,619,604	51.19
2. 國有法人持股									
2. State-owned legal person Shares									
3. 其他內資持股									
3. Shares held by other domestic entities	38,485,000	2.89	—	—	—	(38,485,000)	(38,485,000)	0	0
其中：									
Including:									
境內法人持股									
Shares held by domestic legal persons	38,485,000	2.89	—	—	—	(38,485,000)	(38,485,000)	0	0
境內自然人持股									
Shares held by domestic natural persons									
4. 外資持股									
4. Shares held by other foreign entities									
其中：									
Including:									
境外法人持股									
Shares held by overseas legal persons									
境外自然人持股									
Shares held by overseas natural persons									
有限售條件股份合計									
Total restricted Shares	835,637,609	62.80	—	—	—	(105,018,005)	(105,018,005)	730,619,604	51.19
二、無限售條件流通股份									
2. Non-restricted circulating Shares									
1. 人民幣普通股									
1. RMB ordinary Shares	155,028,410	11.65	—	—	—	201,580,416	201,580,416	356,608,826	24.99
2. 境內上市的外資股									
2. Domestic listed foreign Shares									
3. 境外上市的外資股									
3. Overseas listed foreign Shares	340,000,000	25.55	—	—	—	—	—	340,000,000	23.82
4. 其他									
4. Others									
無限售條件流通股份合計									
Total non-restricted circulating Shares	495,028,410	37.20	—	—	—	201,580,416	201,580,416	696,608,826	48.81
三、股份總數									
3. Total number of Shares	1,330,666,019	100	—	—	—	96,562,411	96,562,411	1,427,228,430	100

股份變動的批准情況：

- (1) 本公司股份總數增加 96,562,411 股，為由本公司發行的 A 股可轉債券（「A 股可轉債券」）（簡稱：創業轉債；代碼：110874）於本報告期內轉股所致。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，於 2005 年 7 月 1 日進入轉股期。A 股可轉債券於 2007 年 7 月 27 日收市後首次滿足贖回條件，經本公司第四屆董事會第七次會議決定，本公司行使贖回權。截止 2007 年 8 月 27 日（「贖回登記日」）收市，已有人民幣 375,786,000 元 A 股可轉債券轉換為本公司 A 股股票，累計轉股 97,228,430 股（其中本報告期內轉股 96,562,411 股）。
- (2) 根據本公司 2006 年 3 月 20 日召開的 A 股市場相關股東會議審議通過的《天津創業環保股份有限公司股權分置改革方案》的有關規定，於 2007 年 4 月 20 日，共有 105,018,005 股本公司有限售條件的流通 A 股上市流通。

Approvals for the changes in the share capital

- (1) The increase in the total number of shares of the Company by 96,562,411 shares was due to the conversion of A Share Convertible Bonds (“A Share Convertible Bonds”) (in short: Tianjin Convertible Bonds; Code: 110874) issued by the Company during the reporting period. As approved by the document “Zheng Jian Fa Xing Zi [2004] No. 100” issued by the CSRC, the Company issued A Share Convertible Bonds amounting to RMB1.2 billion on 1 July 2004 and the convertible period commenced on 1 July 2005. The A Share Convertible Bonds satisfied the redemption conditions for the first time at the close of trading on 27 July 2007. As determined at the seventh meeting of the fourth Board, the Company exercised the redemption right. At the close of trading on 27 August 2007 (“Redemption Registration Day”), A Share Convertible Bonds amounting to RMB375,786,000 were converted into A shares of the Company, and a total of 97,228,430 shares were converted, of which 96,562,411 shares were converted during the reporting period.
- (2) Pursuant to the relevant requirements of the Share Segregation Reform Proposal of Tianjin Capital Environmental Protection Company Limited approved at the relevant general meeting for the A shares shareholders of the Company held on 20th March 2006, as at 20 April 2007, there were an aggregate of 105,018,005 restricted circulating A shares of the Company circulating in the market.

股本變動及股東情況 Details of Share Capital and Shareholders

2. 有限售條件股份變動情況表

2. Table of change in restricted shares

單位：股
Unit: Shares

股東名稱	Name of shareholder of the year	年初限售股數 Number of restricted shares at the beginning during the year	本年解除限售股數 Number of restricted shares released during the year	本年增加限售股數 Number of restricted shares increased of the year	年末限售股數 Number of restricted shares at the end restriction	限售原因 Reasons for	解除限售日期 Release date
天津市政投資有限公司（「市政投資」）	Tianjin Municipal Investment Company Limited ("TMICL")	797,152,069	66,533,005	0	730,619,604	股權分置改革承諾 Share Segregation reform undertakings	20 April 2007 2007年 4月20日
其他非流通股股東	Shareholders of other non-circulating shares	38,485,000	38,485,000	0	0	股權分置改革承諾 Share Segregation reform undertakings	20 April 2007 2007年 4月20日
合計	Total	835,637,609	105,018,005	0	730,619,604	—	—

3. 證券發行與上市情況

3. Issue and listing of securities

(1) 前三年歷次證券發行情況

(1) Issue of securities in the past three years

幣種：人民幣
Currency: Yuan

股票及其衍生證券的種類	Type of share and its derivative securities	發行日期 Issue Date	發行價格 (元) Issue Price (Yuan)	發行數量 (張) Number of bonds issued	上市日期 Listing Date	獲准上市 交易數量 (張) Number of bonds allowed for listing	交易終止日期 Date for Termination of Trading
A股可轉債券	A Share Convertible Bonds	2004年7月1日 1st July, 2004	100	12,000,000	2004年7月1日 1st July, 2004	12,000,000	2007年8月28日 28th August, 2007

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。《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。

As approved by the CSRC under document Zheng Jian Fa Xing Zi [2004] No. 100, the Company issued A Shares Convertible Bonds in the sum of RMB1.2 billion on 1st July, 2004, which were listed and commenced dealings on the SSE on 19th July, 2004. The A Share Convertible Bonds have a convertible term of 5 years from 1st July, 2005 to 30th June, 2009. The "Prospectus for the issue of A Share Convertible Bonds" (the "Prospectus"), the "Notice of Issue" and the "Notice of Listing" have been published on the China Securities Journal, Shanghai Securities and the website of the SSE on 26th June, 2004 and 10th July, 2004 respectively.

(2) 本公司股份總數及結構的變動情況

本公司A股可轉債券於2005年7月1日進入轉股期。由於2005年8月5日至2005年8月11日進行回售，此次共有8,239,020張A股可轉債券進行回售，故剩餘A股可轉債券數量為3,760,980張。本公司於2007年7月31日、8月1日、8月2日、8月23日、8月24日、8月27日分別在《上海證券報》、上交所網站(<http://www.sse.com.cn>)及聯交所網站(<http://www.hkex.com.hk>)上刊登了《天津創業環保股份有限公司關於A股可轉債券贖回事宜的公告》。A股可轉債券已於2007年8月28日停止交易和轉股，未轉股的A股可轉債券全部被凍結，本公司按票面金額102%並另加所在記息年度年利息的價格（即人民幣106.94元/張，含當期利息，且當期利息含稅，扣稅後贖回價格為人民幣105.95元/張）贖回了全部未轉股的A股可轉債券，贖回款發放日為2007年9月3日。截止2007年8月27日收市，已有人民幣375,786,000元A股可轉債券轉換為本公司A股股票，累計轉股97,228,430股，佔A

(2) Changes in the total number and structure of shares of the Company

The conversion period of the Company's A Share Convertible Bonds commenced from 1st July, 2005. As sale back of the A Share Convertible Bonds was conducted from the period from 5th August, 2005 to 11th August, 2005, during which a total of 8,239,020 A Share Convertible Bonds were sold back, accordingly there were still 3,760,980 A Share Convertible Bonds outstanding. In 2007, the Company published the "Announcement Regarding Redemption of the A Share Convertible Bonds of Tianjin Capital Environmental Protection Company Limited" on Shanghai Securities, the SSE website (<http://www.sse.com.cn>) and the Stock Exchange website (<http://www.hkex.com.hk>) on 31st July, 1st August, 2nd August, 23rd August, 24th August, 27th August, respectively. The A Share Convertible Bonds discontinued trading and transfer on 28th August 2007 and the outstanding A Share Convertible Bonds were all frozen. The Company redeemed all outstanding A Share Convertible Bonds at price of 102% of the face value plus interests in the interest-bearing year (i.e. RMB106.94 per A Share Convertible Bond, which included interests for the current period and after deducting interest tax for the period; the redemption price after tax was RMB105.95). The redemption amount was paid on 3rd September 2007. As at the close of trading on 27th August, 2007, 375,786,000 A Share Convertible Bonds were converted into the Company's A Shares. The accumulated numbers of Shares converted was 97,228,430 A Shares, representing 7.31% of the Company's total issued share capital before the commencement of conversion of A Share Convertible Bonds. A total of 3,120 A Share Convertible Bonds were converted, with a principal amount of RMB312,000, representing only 0.026% of the total issued amount of A Share Convertible Bonds of RMB1.2 billion. The Company's A Share Convertible Bonds (stock code: 110874) and A Share Convertible Bonds (stock code: 190874) were delisted from the SSE on 7th September 2007.

股本變動及股東情況 Details of Share Capital and Shareholders

股可轉債券開始轉股前本公司已發行股份總額的7.31%；A股可轉債券本次贖回的數量為3,120張，本金為人民幣312,000元，僅佔A股可轉債券發行總額人民幣12億元的0.026%。本公司的A股可轉債券（證券代碼：110874）及「創業轉股」（證券代碼：190874）已於2007年9月7日在上交所摘牌。

截止本報告期末，本公司總股本為1,427,228,430股。

(3) 現存的內部職工股情況

本報告期末本公司無內部職工股。

As at the end of this report period, the total number of issued share capital of the Company is 1,427,228,430 shares.

(3) Existing internal employee shares

There was no internal employee share as at the end of the reporting period.

(二) 股東情況

(2) Details of shareholders

1. 股東數量和持股情況

1. Number of shareholders and shares held

單位：股

Unit: shares

本報告期末股東總數
Total number of shareholders as at the end of the reporting period

108,337 戶，其中 H 股股東 72 戶
the number of shareholders is 108,337 among
which 72 are shareholders of H circulating Shares

前十名股東持股情況
Shareholdings of the top ten shareholders

股東名稱 Name of Shareholders	股東性質 Type of Shareholders	持股比例 (%) Percentage of shares held (%)	持股總數 Number of shares held	報告期內增減 Total Increase/Decrease during the year	持有有限售條件 流通股份數量 Number of restricted Shares held	質押或凍結 的股份數量 Number of Shares pledged or frozen
市政投資 TMICL	國有股東 State-owned Shareholder	54.30	774,984,445	減少 22,168,164 Decreased by 22,168,164	730,619,604	質押 279,520,000 Pledged 279,520,000
香港中央結算(代理人)有限公司 HKSCC Nominees Limited	其他 Others	23.68	338,016,900	增加 962,000 Increased by 962,000	0	未知 Unknown
周軍 Zhou Jun	其他 Others	0.41	5,797,255	增加 5,797,255 Increased by 5,797,255	0	未知 Unknown
瀋陽鐵道煤炭經銷有限公司 Senyang Railway Coal Dealing Co., Ltd.	其他 Others	0.21	3,041,880	增加 3,041,880 Increased by 3,041,880	0	未知 Unknown
中國銀行－嘉實滬深 300 指數證券投資基金 BOC – Shanghai Shenzhen 300 Index Securities Investment Fund	其他 Others	0.17	2,360,991	增加 2,360,991 Increased by 2,360,991	0	未知 Unknown
於菲 Yu Fei	其他 Others	0.12	1,760,000	增加 1,760,000 Increased by 1,760,000	0	未知 Unknown
汪明麗 Wang Ming Li	其他 Others	0.11	1,569,832	增加 1,569,832 Increased by 1,569,832	0	未知 Unknown
中國銀河證券有限責任公司 Galaxy Securities Co. Ltd	其他 Others	0.11	1,500,000	無變化 unchanged	0	未知 Unknown
潘志紅 Pan Zhi Hong	其他 Others	0.07	1,001,720	增加 1,001,720 Increased by 1,001,720	0	未知 Unknown
賈華章 Jia Hua Zhang	其他 Others	0.07	1,000,000	增加 1,000,000 Increased by 1,000,000	0	未知 Unknown

股本變動及股東情況 Details of Share Capital and Shareholders

前十名無限售條件流通股份股東持股情況

Shareholdings of the top ten non-restricted circulating shares shareholders

股東名稱	Shareholders	持有無限售條件 流通股份數量 Number of the non-restricted circulating Shares held	股份種類 Type of Shares
香港中央結算（代理人）有限公司	HKSCC Nominees Limited	338,016,900	H 股 H Shares
市政投資	TMICL	44,364,841	人民幣普通股 Ordinary Rmb Shares
周軍	Zhou Jun	5,797,255	人民幣普通股 Ordinary Rmb Shares
瀋陽鐵道煤炭經銷有限公司	Senyang Railway Coal Dealing Co., Ltd.	3,041,880	人民幣普通股 Ordinary Rmb Shares
中國銀行－嘉實滬深 300 指數證券投資基金	BOC – Shanghai Shenzhen '300 Index Securities Investment Fund	2,360,991	人民幣普通股 Ordinary Rmb Shares
於菲	Yu Fei	1,760,000	人民幣普通股 Ordinary Rmb Shares
汪明麗	Wang Ming Li	1,569,832	人民幣普通股 Ordinary Rmb Shares
中國銀河證券有限責任公司	Galaxy Securities Co. Ltd	1,500,000	人民幣普通股 Ordinary Rmb Shares
潘志紅	Pan Zhi Hong	1,001,720	人民幣普通股 Ordinary Rmb Shares
賈華章	Jia Hua Zhang	1,000,000	人民幣普通股 Ordinary Rmb Shares

上述股東關聯關係或一致行動關係的說明

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

第 1 名至第 10 名股東之間未知是否存在關聯關係。

It is not certain whether there is any connected relationship among the top 10 shareholders.

前十名無限售條件流通股份股東和前十名股東之間未知是否存在關聯關係。

It is not certain whether there is any connected relationship between the top 10 unrestricted shares shareholders and the top 10 shareholders.

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。

1. According to the register of the Shareholders as provided by the HKSCC Nominees Limited, the H Shares held by it were held on behalf of various clients. No individual clients holds interests of 5% or above in the total share capital of the Company.

2. 前十名股東均不是本公司的戰略投資者。

2. The top ten shareholders were not strategic investors of the Company.

前十名有限售條件股份股東持股數量及限售條件

Shareholdings of the top ten restricted shares shareholders and the restriction

單位：股
Unit: shares

序號 Serial No.	有限售條件 股東名稱 Names of restricted Shares Shareholders	持有的有限售 條件股份數量 Number of restricted Shares held	有限售條件股份可上市交易情況 Listing and trading in restricted Shares		限 售 條 件 Restrictions
			可上市交易時間 Time permitted to be listed and traded in the market	新增可上市交易 股份數量 Number of Shares permitted to be listed and traded in the market	
1	市政投資 TMICL	730,619,604	2008年4月20日 20th April, 2008	66,533,005	(1) 所持有的本公司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。 (1) All the shares of the Company held shall not be listed, traded or transferred within 12 months commencing from the date of the implementation of the Share Segregation Reform Proposal.
			2009年4月20日 20th April, 2009	664,086,599	(2) 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。 (2) Upon expiry of the aforesaid commitment period, the number of Shares sold through SSE shall not exceed 5% of the total number of shares of the Company within 12 months and shall not exceed 10% within 24 months.

2. 本公司控股股東及實際控制人簡介

(1) 法人控股股東情況

控股股東名稱：市政投資

法人代表：馬白玉

註冊資本：人民幣
1,820,000,000 元

成立日期：1998 年 1 月 20 日

主要經營業務或管理活動：以自有資金對城市基礎設施、公路設施及配套設施進行投資、建設、經營及管理；房地產開發及經營、租賃；物業管理；以自有資金對銀河公園進行投資及管理；設備租賃（汽車除外）；自營和代理各類商品及技術的進出口業務（國家限定公司經營或禁止公司經營的商品和技術除外）（以上範圍內國家有專營專項規定的按規定辦理）。

2. Details of the controlling shareholder and the ultimate shareholder of the Company

(1) Description of the legal person controlling shareholder of the Company

Name: TMICL

Legal representative: Ma Baiyu

Registered capital: RMB 1,820,000,000

Date of incorporation: 20 January 1998

Principal operational and managing activities: The investment, construction, operation and management of city infrastructure, road construction and auxiliary facilities with internal funds; development, operation and leasing of real estates; property management; investment and management in Yin He Park with internal funds; leasing of facilities (except motor vehicles); import and export business of self-manufacturing and distribution of various commodities and technologies (except commodities and technologies restricted or prohibited by the State for trading) (in accordance with the State regulations for specific projects and operations).

(2) 法人實際控制人情況	(2) Description of the ultimate shareholder
<p>實際控制人：天津城市基礎設施 名稱 建設投資集團有限 公司（「城投集團」）</p>	<p>Name: Tianjin City Infrastructure Construction and Investment Group Company Limited (“Tianjin Investment Group”)</p>
<p>法人代表：王周喜</p>	<p>Legal representative: Wang Zhou Xi</p>
<p>註冊資本：人民幣 16,100,000,000 元</p>	<p>Registered Share capital: RMB16,100,000,000</p>
<p>成立日期：2004 年 7 月 23 日</p>	<p>Date of incorporation: 23 July 2004</p>
<p>主要經營 以自有資金對海河 業務或 綜合開發改造、地 管理活動： 鐵、城市路橋、地 下管網、城市環境 基礎設施進行投 資；投資策劃；企 業管理諮詢；市場 建設開發服務；自 有房屋租賃；基礎 設施租賃以及公用 設施項目開發經 營；經政府授權進 行基礎設施特許經 營及特許經營權的 轉讓；建築材料、 裝飾材料、機電產 品（不含汽車）生 產、開發、經營； 建設投資諮詢（以 上範圍內國家有專 營專項規定的按規 定辦理）。</p>	<p>Principal operations or management activities: It uses its own funds to invest in the development and reconstruction of seas and rivers, railways, city roads and bridges, underground tube network, urban environmental infrastructure facilities; investment and planning; corporate management and consulting; market establishment and development services; leasing of self-owned housing; leasing of infrastructural facilities and the development and operation of public facilities projects; operating infrastructure franchise under the authorisation of the government and franchise transfer; production, development and operation of construction materials, decoration materials, mechanical and electrical products (not including vehicles); construction investment consulting (in accordance with the State regulations for specific projects and operations).</p>

報告期內，本公司實際控制人發生變化。截至本報告刊登日，本公司控股股東市政投資由天津市市政工程局無償劃轉到城投集團，成為城投集團的全資子公司。本公司實際控制人變更為城投集團。

(3) 本公司控股股東及實際控制人變更情況

新實際控制人：城投集團
名稱

本公司於2007年6月7日接到控股股東市政投資的通知，經天津市人民政府同意，天津市市政工程局（市政投資國有產權持有人）將其持有的市政投資股份轉讓至城投集團。

本公司於2007年12月14日接到市政投資的通知，城投集團收到天津市人民政府國有資產監督管理委員會下發的《關於無償劃轉天津市高速公路投資建設發展公司和天津市市政投資有限公司產權有關問題的批覆》（津國資產權[2007]120號），同意將市政投資的全部產權從天津市市政工程局無償劃入至城投集團持有。無償劃轉的基準日為2006年12月31日。

During the reporting period, the ultimate shareholder of the Company underwent a change. As at the date of this report, the controlling shareholder of the Company, TMICL, was transferred from Tianjin Municipal Engineering Bureau to Tianjin Investment Group at nil consideration and became a wholly-owned subsidiary of Tianjin Investment Group. The ultimate shareholder of the Company was changed to Tianjin Investment Group.

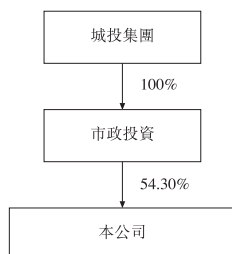
(3) Change in the controlling Shareholder and the ultimate shareholder of the Company

Name of the new ultimate shareholder: Tianjin Investment Group

On 7th June 2007, the Company was notified by its controlling shareholder, TMICL, that, with the approval of the municipal government of Tianjin, the Tianjin Municipal Engineering Bureau (holder of the state-owned assets of TMICL) transferred the shares in TMICL it held to Tianjin Investment Group.

On 14th December 2007, the Company was notified by TMICL that, Tianjin Investment Group received the “Approval related to the issues on the transfer of ownership rights of Tianjin Expressway Investment & Construction Development Company and Tianjin Municipal Investment Company Limited at nil consideration” (Jin Guo Asset Ownership [2007] No. 120) issued by the State-owned Assets Supervision and Administration Commission of the People’s Government of Tianjin, which has approved the transfer of the entire ownership rights of TMICL from Tianjin Municipal Engineering Bureau to Tianjin Investment Group at nil consideration. The transfer at nil consideration came into effect on 31 December 2006.

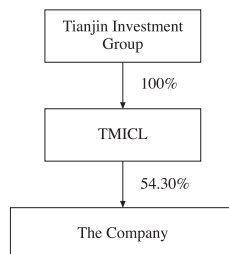
(4) 本公司與實際控制人之間的產權及控制關係的方框圖



3. 其他持股在百分之十以上的法人股東

截止本報告期末本公司無其他持股在百分之十以上的法人股東。

(4) Flowchart on the shareholding interests and relationship of control between the Company and its ultimate shareholder



3. Other legal shareholders holding more than 10% of the Shares

As at the end of the reporting period, there was no other legal shareholders holding more than 10% of the shares of the Company.

(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。《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》及上券交所網站。

(3) A Share Convertible Bonds

1. Issue of the A Share Convertible Bonds

As approved by the CSRC under document Zheng Jian Fa Xing Zi [2004] No. 100, the Company issued A Shares Convertible Bonds in the sum of RMB1.2 billion on 1st July, 2004, which were listed and commenced dealings on the SSE on 19th July, 2004. The A Share Convertible Bonds have a convertible term of 5 years from 1st July, 2005 to 30th June, 2009. The “Prospectus”, the “Notice of Issue” and the “Notice of Listing” have been published on the China Securities Journal, Shanghai Securities and the website of the SSE on 26th June, 2004 and 10th July, 2004 respectively.

2. 報告期 A 股可轉債券變動情況

2. Changes in the A Share Convertible Bonds during the reporting period

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

		本次變動前 Prior to the current changes	本次變動增減 Increase/reduction in the current changes			本次變動後 After the current changes
			轉股 converted	贖回 redeemed	回售 resold	
A 股可轉債券	A Share Convertible Bonds	372,062,000	371,750,000	312,000	0	0

3. 報告期 A 股可轉債券累計轉股情況

3. Aggregated conversion of the A Share Convertible Bonds during the reporting period

截止本報告期末，已有人民幣 371,750,000 元的本公司發行的 A 股可轉債券轉成本公司股票，本期轉股數為 96,562,411 股，累計轉股數為 97,228,430 股，累計轉股數佔轉股前本公司已發行股份總數的 7.31%；A 股可轉債券本次贖回的數量為 3,120 張，本金為人民幣 312,000 元，僅佔 A 股可轉債券發行總額人民幣 12 億元的 0.026%。

As at the end of this reporting period, A Share Convertible Bonds amounting to RMB371,750,000 issued by the Company have been converted into A Shares of the Company. The number of Shares converted during the period was 96,562,411 Shares, the accumulated number of Shares converted was 97,228,430 Shares, representing 7.31% of the total number of Shares issued by the Company before conversion. A total of 3,120 A Share Convertible Bonds were converted, with a principal amount of RMB312,000, representing only 0.026% of the total issued amount of A Share Convertible Bonds of RMB1.2 billion.

4. 轉股價格歷次調整情況

本公司實施2004年度每10股派發現金人民幣1.00元的分配方案後，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>）。

鑒於本公司A股可轉債券自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%，即由人民幣7.60元修正為人民幣6.08元。根據募集說明書轉股價格調整的有關規定，本公司於2005年8月1日調整轉股價格，調整後的轉股價格為人民幣6.08元。（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>）。

4. Adjustments in the conversion prices

After the Company's implementation of the distribution plan of distributing RMB1.00 in cash for every 10 shares in 2004, pursuant to the relevant provisions in respect of conversion price adjustments as set out in the "Prospectus", the Company adjusted the conversion price on 28th July, 2005 and the conversion price of A Share Convertible Bonds was adjusted from RMB7.70 per Share to RMB7.60 per Share. (For details, please see the Shanghai Securities, the Hong Kong Wen Wei Pao and The Standard in Hong Kong on 22nd July, 2005; the Internet website designated by the CSRC: <http://www.sse.com.cn>, the Internet website of the Stock Exchange: <http://www.hkex.com.hk>.)

As 20 trading days have elapsed since the A Share Convertible Bonds of the Company have entered the conversion period from 1st July, 2005 to 28th July, 2005 and in view of a continued market depression, causing the price of A Shares of the Company to be persistently lower than 80% of the conversion price. Therefore, pursuant to the amended provision of special reduction of the conversion price as set out in the Prospectus, after consideration by the Board, it was decided to make downward adjustment by 20% on the conversion price from RMB7.60 to RMB6.08. Pursuant to the relevant provisions in respect of conversion price adjustments as set out in the Prospectus, the Company adjusted the conversion price of the A Share Convertible Bonds on 1st August, 2005. The adjusted conversion price of the A Share Convertible Bonds was RMB6.08. (For details, please see the Shanghai Securities, Hong Kong Wen Wei Pao and The Standard in Hong Kong on 29th July, 2005; the Internet website designated by the CSRC: <http://www.sse.com.cn>, the Internet website of the Stock Exchange: <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（當期轉股價格為人民幣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%，即由人民幣6.08元修正為人民幣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人民幣4.87元。（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元修正為人民幣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人民幣3.90元。（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>，聯交所之互聯網網址：<http://www.hkex.com.hk>）。

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

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

本公司實施2005年度每10股派發現金人民幣0.40元的分配方案後，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人民幣3.86元。（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股派發現金人民幣0.40元的分配方案後，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人民幣3.82元。（詳見2007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>，聯交所之互聯網網址：<http://www.hkex.com.hk>）。

After the Company's implementation of the profit appropriation plan of distributing RMB0.40 in cash for every 10 Shares in 2005, the conversion price of A Share Convertible Bonds was adjusted from the original of 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 on 31st July 2006 and the adjusted conversion price was RMB3.86. (For details, please refer to the announcement published on the Shanghai Securities, Hong Kong Wen Wei Po and The Standard on 25th July 2006, website designated by CSRC at <http://www.sse.com.cn>, and website of Stock Exchange at <http://www.hkex.com.hk>.)

After the Company's implementation of the profit appropriation plan of distributing RMB0.40 in cash for every 10 Shares in 2006, the conversion price of A Share Convertible Bonds was adjusted from the original of RMB3.86 per Share 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 on 2nd July 2007 and the adjusted conversion price was RMB3.82. (For details, please refer to the announcement published on the Shanghai Securities, Hong Kong Wen Wei Po and The Standard on 26th June 2007, website designated by CSRC at <http://www.sse.com.cn>, and website of Stock Exchange at <http://www.hkex.com.hk>.)

5. 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。

5. The guarantor of the A Share Convertible Bonds

The guarantor of the A Share Convertible Bonds was the Tianjin Branch of China Construction Bank.

6. 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。行使回售權的轉債持有人在 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。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。

6. Other situation of the A Share Convertible Bonds

The closing prices of the Company's A Share for the 20 consecutive trading days from 1st July 2005 to 28th July 2005 were lower than 70% of the conversion price (which was RMB7.70). 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 made the sale back of their A Share Convertible Bonds through the transaction system of the SSE from 5th August 2005 to 11th 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 are still 3,760,980 A Share Convertible Bonds outstanding. 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.

由於本公司A股股票自2007年7月2日至2007年7月27日，已連續20個交易日收盤價高於當期轉股價格（人民幣3.82元/股）的130%（人民幣4.97元/股），因此，根據《上市公司證券發行管理辦法》、《上海證券交易所股票上市規則》等有關規定，以及本公司募集說明書中的約定：「在A股可轉債券轉股期內的任一計息年度內，如果本公司A股股票在任何連續30個交易日中任意20個交易日的收盤價不低於當期轉股價格的130%，本公司有權按面值的102%並另加所在記息年度年利息，贖回全部或按一定比例贖回部分未轉股的可轉換債券。」，經本公司第四屆董事會第七次會議審議，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。

本公司已於2007年7月31日、8月1日、8月2日、8月23日、8月24日、8月27日在《上海證券報》、上交所網站(<http://www.sse.com.cn>)及聯交所網站(<http://www.hkex.com.hk>)上刊登了《天津創業環保股份有限公司關於A股可轉債券贖回事宜的公告》。

The closing prices of the Company's A Share for the 20 consecutive trading days from 2nd July 2007 to 27th July 2007 were lower than 130% (RMB4.97) of the conversion price (which was RMB3.82). Accordingly, pursuant to the relevant requirements of the "Administrative Measures of Issuing of Securities by Listed Companies" and "Rules Governing the Listing of Securities on the SSE" and the provision for the sale back of the A Share Convertible Bonds to the Company as set out in the Prospectus: "In any interest bearing year during the term of the A Share Convertible Bonds, if on any 30 trading days, the closing price of the Company's A Shares is not lower than 130% of the conversion price on any 20 trading days, the Company has the right to redeem all or, at a certain ratio, part of the outstanding convertible bonds at 102% of the face value plus the interests for the interest bearing years". After consideration at the seventh meeting of the 4th Board of the Company, the Company decided to exercise the right to redeem the A Share Convertible Bonds to redeem all the A Share Convertible Bonds outstanding at the close of trading on the redemption registration date (27th August 2007).

The Company has published the "Announcement Regarding Redemption of the A Share Convertible Bonds of Tianjin Capital Environmental Protection Company Limited" on Shanghai Securities, the SSE website (<http://www.sse.com.cn>) and the Stock Exchange website (<http://www.hkex.com.hk>) on 31st July, 1st August, 2nd August, 23rd August, 24th August, 27th August 2007.

股本變動及股東情況 Details of Share Capital and Shareholders

截止 2007 年 8 月 27 日收盤，已有人民幣 375,786,000 元 A 股可轉債券轉換為本公司 A 股股票，未轉股的 A 股可轉債券餘額為人民幣 312,000 元，2007 年 8 月 28 日起，A 股可轉債券停止交易和轉股，本公司對未轉股的 A 股可轉債券按每張人民幣 106.94 元的價格（含當期利息，且當期利息含稅，扣稅後贖回價格為人民幣 105.95 元／張）進行贖回，贖回款發放日為 2007 年 9 月 3 日。

本公司的 A 股可轉債券（證券代碼：110874）及「創業轉股」（證券代碼：190874）已於 2007 年 9 月 7 日在上交所摘牌。

As at the closing of trading on 27 August 2007, A Share Convertible Bonds amounted to RMB375,786,000 was converted into A Shares of the Company, and the remaining A Share Convertible Bonds outstanding was RMB312,000. The A Share Convertible Bonds discontinued trading and transfer on 28th August 2007. The Company redeemed all outstanding A Share Convertible Bonds at price of RMB106.94 each, which included interests for the current period and after deducting interest tax for the period; the redemption price after tax was RMB105.95). The redemption amount was paid on 3rd September 2007.

The Company's A Share Convertible Bonds (stock code: 110874) and A Share Convertible Bonds (stock code: 190874) were delisted from the SSE on 7th September 2007.

(四) 主要股東權益

(a) 於2007年12月31日，據本公司的董事、監事或最高行政人員所知或可於作出合理查詢後確定，以下實體（本公司的董事、監事或最高行政人員除外）於本公司的股份或相關股份（包括期權）中擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露的權益或淡倉：

(4) Substantial Shareholders Interests

(a) As at 31st December 2007, so far as is known to, or can be ascertained after reasonable enquiries by, the Directors, supervisors or chief executive of the Company, the following entities (other than a Director, supervisor or chief executive of the Company) had an interest or short position in the shares or underlying shares (including options) of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

股東名稱 Name of Shareholder	身份 Capacity	證券數目 及類別 Number and class of securities (附註) (Note)	佔有關證券 概約百分比 Approximate percentage in the relevant class of securities	佔本公司全部 已發行股本 概約百分比 Approximate percentage in the total issued share capital of the Company
市政投資 TMICL	實益擁有人 Beneficial Owner	774,984,445 A Shares (L) A 股 (L)	72.09%	54.30%
Alantis Investment Management Ltd	投資經理 Investment Manager	24,000,000 H 股 (L) H Shares (L)	7.06%	1.68%
ISIS Asset Management Plc	投資經理 Investment Manager	17,286,000 H 股 (L) H Shares (L)	5.08%	1.21%
滙豐投資管理 (香港) 有限公司 HSBC Investments (Hong Kong) Limited	投資經理 Investment Manager	20,000,000 H 股 (L) H Shares (L)	5.88%	1.40%

附註：字母「L」指該名人士於股份的好倉。

Note: The letter "L" represents the person's long position in the Shares.

(b) 除上文所披露者外，據本公司的董事、監事或最高行政人員所知，於2007年12月31日，並無其他人士（本公司的董事、監事或最高行政人員除外）於本公司的股份或相關股份（包括期權）中擁有根據證券及期貨條例第XV部第2及3分部須知會本公司的權益或淡倉，或直接或間接擁有附帶權利可在任何情況下於本集團任何成員公司股東大會上投票的任何類別股本面值10%或以上的權益。

(b) Save as disclosed above, there is no other person (other than a Director, supervisor or chief executive of the Company) so far as is known to the Directors, supervisors or chief executives of the Company who, as at 31 December 2007, had an interest or short position in the shares or underlying shares (including options) of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or had, directly or indirectly, interested in 10% or more of nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

董事、監事和高級管理人員 Directors, Supervisors and Senior Management

(一) 董事、監事及高級管理人員情況 (I) Situation regarding Directors, Supervisors and senior management

單位：股
Unit: Shares

報告期被授予的股權激勵情況

Option incentives granted during reporting period

姓名 Name	職務 Position	性別 Gender	年齡 Age	任期 Commencement of employment		年初 持股數 Shareholding at beginning of year	年末 持股數 Shareholding at end of year	持有 本公司 的股票期權 Share options of the Company held	被授予 的限制性 股票數量 No. of restricted shares granted	股份 增減數 Increment/reduction	變動原因 Reason for changes	報告期內從 本公司 領取的 報酬總額 (萬元) (稅前) Total remuneration before tax received from the Company during the period ('0000)		報告期被授予的股權激勵情況 Option incentives granted during reporting period		是否在股東 單位或 其他關聯 單位領取 報酬、津貼 Remuneration and subsidies received from shareholders' units or other related units
				終止日期 End of employment	年終 Shareholding at end of year							可行權股數 No. of options exercisable	已行權數量 No. of options exercised	行權價 Exercise price	期末 股票市價 Share price at the end of the period	
馬白玉 Ma Baiyu	董事長 Chairman	女 F	46	2006年 12月19日 19-12-2006	2009年 12月18日 18-12-2009	0	0	0	—	—	—	15	—	—	—	是 Y
顧啟峰 Gu Qifeng	副董事長及總經理 Vice Chairman and general manager	男 M	42	2006年 12月19日 19-12-2006	2009年 12月18日 18-12-2009	0	0	0	—	—	—	54.79	—	—	—	否 N
安品東 An Pindong	董事 Director	男 M	40	2006年 12月19日 19-12-2006	2009年 12月18日 18-12-2009	0	0	0	—	—	—	10	—	—	—	是 Y
王占英 Wang Chanying	董事 Director	男 M	53	2006年 12月19日 19-12-2006	2009年 12月18日 18-12-2009	6,850 股 內資股 Domestic Shares	6,850 股 內資股 6,580 Domestic Shares	0	—	—	—	10	—	—	—	是 Y
譚兆甫 Tan Zhaofu	董事 Director	男 M	53	2006年 12月19日 19-12-2006	2009年 12月18日 18-12-2009	0	0	0	—	—	—	10	—	—	—	是 Y
付亞娜 Fu Yana	董事、副總經理 及董事會秘書 Director, deputy general manager and Board secretary	女 F	37	2006年 12月19日 19-12-2006	2009年 12月18日 18-12-2009	0	0	0	—	—	—	36.38	—	—	—	否 N
高寶明 Ko Poming	獨立非執行董事 Independent Non-executive Director	男 M	50	2006年 12月19日 19-12-2006	2009年 12月18日 18-12-2009	0	0	0	—	—	—	20 萬港幣 HK\$200,000	—	—	—	否 N
高宗澤 Gao Zongze	獨立非執行董事 Independent Non-executive Director	男 M	69	2006年 12月19日 19-12-2006	2008年 12月18日 18-12-2009	0	0	0	—	—	—	20 萬港幣 HK\$200,000	—	—	—	否 N
王翔飛 Wang Xiangfei	獨立非執行董事 Independent Non-executive Director	男 M	57	2006年 12月19日 19-12-2006	2008年 12月18日 18-12-2009	0	0	0	—	—	—	20 萬港幣 HK\$200,000	—	—	—	否 N
張文輝 Zhang Wenhui	監事會主席 Chairman of Supervisory Committee	男 M	53	2006年 12月19日 19-12-2006	2009年 12月18日 18-12-2009	0	0	0	—	—	—	40.94	—	—	—	否 N
張明起 Zhang Mingqi	監事 Supervisor	男 M	51	2007年 9月19日 19-9-2007	2010年 9月18日 18-9-2010	0	0	0	—	—	—	15.71	—	—	—	否 N
羅有壯 Nie Youzhuang	監事 Supervisor	男 M	39	2006年 12月19日 19-12-2006	2009年 12月18日 18-12-2009	959 股 內資股 Domestic Shares	959 股 內資股 959 Domestic Shares	0	—	—	—	17.40	—	—	—	否 N

董事、監事和高級管理人員 Directors, Supervisors and Senior Management

姓名 Name	職務 Position	性別 Gender	年齡 Age	任期 of		年初 持股數 Shareholding at beginning of year	年末 持股數 Shareholding at end of year	持有 本公司 的股票 Share options of the Company held	被授予 的限制性 股票數量 No. of restricted shares granted	股份 增減數 Increment/ reduction	變動原因 Reason for changes	報告期內從 本公司 領取的 報酬總額 (萬元) (稅前) Total remuneration before tax received from the Company during the period ('0000)		報告期被授子的股權激勵情況 Option incentives granted during reporting period		是否 在股東 單位或 其他關聯 單位領取 報酬、津貼 Remuneration and subsidies received from shareholders' units or other related units	
				起始日期 Commencement of	終止日期 End of employment							可行權數 No. of options exercisable	已行權數量 No. of options exercised	行權價 Exercise price	期末 股票市價 Share price at the end of the period		
徐志勇 Yu Zhiyong	監事 Supervisor	男 M	37	2005年 10月16日 16-10-2005	2008年 10月15日 15-10-2008	0	0	0	—	—	—	16.02	—	—	—	否 N	
王艷敏 Wang Yanmin	監事 Supervisor	女 F	42	2006年 12月19日 19-12-2005	2009年 12月18日 18-12-2009	0	0	0	—	—	—	16.57	—	—	—	否 N	
張寶祥 Zhang Baoliang	監事 Supervisor	男 M	45	2006年 12月19日 19-12-2005	2009年 12月18日 18-12-2009	0	0	0	—	—	—	20.87	—	—	—	否 N	
羅建芳 Luo Jianfang	副總經理 Deputy general manager	男 M	60	2006年 12月19日 19-12-2006	2007年 9月20日 20-9-2007	0	0	0	—	—	—	27.26	—	—	—	否 N	
林文波 Lin Wenbo	副總經理 Deputy general manager	男 M	51	2006年 12月19日 19-12-2006	2009年 12月18日 18-12-2009	0	0	0	—	—	—	41.97	—	—	—	否 N	
朱雁伯 Zhu Yanbo	副總經理 Deputy general manager	男 M	60	2006年 12月19日 19-12-2006	2007年 9月20日 20-9-2007	0	0	0	—	—	—	26.86	—	—	—	否 N	
劉文亞 Liu Wenya	副總經理 Deputy general manager	男 M	50	2006年 12月19日 19-12-2006	2009年 12月18日 18-12-2009	0	0	0	—	—	—	38.26	—	—	—	否 N	
鄧彪 Deng Biao	總工程師 Chief engineer	男 M	42	2006年 12月19日 19-12-2006	2009年 12月18日 18-12-2009	0	0	0	—	—	—	26.98	—	—	—	否 N	
陳銀杏 Chen Yinxing	總會計師 Chief accountant	女 F	34	2006年 12月19日 19-12-2006	2009年 12月18日 18-12-2009	0	0	0	—	—	—	26.63	—	—	—	否 N	
常小蘭 Chang Xiaolan	總經濟師 Chief economist	女 F	40	2006年 12月19日 19-12-2006	2009年 12月18日 18-12-2009	0	0	0	—	—	—	26.45	—	—	—	否 N	
郭輝 Guo Hui	副總經理 Deputy general manager	男 M	34	2006年 12月19日 19-12-2006	2009年 12月18日 18-12-2009	0	0	0	—	—	—	25.52	—	—	—	否 N	
賈亮 Jia Liang	副總經理 Deputy general manager	男 M	43	2006年 12月19日 19-12-2006	2009年 12月18日 18-12-2009	0	0	0	—	—	—	20.44	—	—	—	否 N	
關文輝 Kwan Man Fai	董事會秘書 (香港) Board secretary (Hong Kong)	男 M	39	2006年 12月19日 19-12-2006	2009年 12月18日 18-12-2009	0	0	0	—	—	—	2萬美元 US\$20,000	—	—	—	否 N	
合計 Total	/	/	/	/	/	7,809股 內資股 7,809 Domestic Shares	7,809股 內資股 7,809 Domestic Shares	/	/	/	/	594.84	/	/	/	/	/

董事、監事及高級管理人員最近 5 年的主要工作經歷：

- (1) 馬白玉，現任本公司董事長，兼任城投集團總經理，1996 年至 1998 年，任天津市市政工程局外事外經處副處長，同時兼任天津公路建設發展公司總經濟師職務，1998 年至 2001 年 12 月任市政投資總經理，2003 年 8 月開始任天津市市政總公司總經濟師，2003 年 12 月開始任市政投資董事長，2007 年 1 月開始任城投集團總經理。馬白玉女士於城市市政建設管理方面擁有超過 20 年的豐富經驗。馬白玉女士自 2000 年 12 月 20 日起任本公司董事長。
- (2) 顧啟峰，現任本公司副董事長及總經理，1997 年任天津市政三公司總工程師助理，1998 年至 2000 年 12 月擔任市政投資副總工程師、總工程師。顧先生 2000 年 12 月任本公司總工程師，於 2002 年後開始兼任本公司副總經理，2003 年 2 月辭去本公司總工程師職務，2003 年 7 月任本公司常務副總經理，自 2003 年 12 月開始任本公司總經理。顧先生從 2000 年 12 月起任本公司董事。2006 年 12 月 19 日起任本公司副董事長。
- (3) 安品東，現任本公司董事，1997 年至 1999 年 12 月任天津津政交通發展公司的財務部經理。1999 年至 2000 年 12 月任市政投資助理總會計師。安先生從 2000 年 12 月開始任本公司總會計師，2005 年 2 月辭去本公司總會計師職務。2003 年 12 月開始任市政投資總經理。安先生自 2000 年 12 月起任本公司董事。

Major working experience of Directors, Supervisors, senior management in the recent five years:

- (1) Ma Baiyu, is the Chairman of the Company and general manager of Tianjin Investment Group. From 1996 to 1998, she was the deputy director of the Foreign Economic Division of Tianjin Municipal Engineering Bureau, at the same time was also the chief economist of Tianjin Road Construction Development Company Limited. From 1998 to December, 2001, Ms. Ma worked as the general manager in TMICL. In August, 2003, she was appointed as the chief economist of Tianjin Municipal Corporation. From December 2003, she was the chairman of TMICL. From January 2007, she was the general manager of Tianjin Investment Group. Ms. Ma has over twenty years experience in the urban construction and management. Ms. Ma is the Chairman of the Company since 20 December, 2000.
- (2) Gu Qifeng, is the vice Chairman and general manager of the Company. He was the assistant chief engineer of Tianjin No.3 Municipal Services Company in 1997, and was the deputy chief engineer and chief engineer of TMICL from 1998 to December, 2000. In December 2000, Mr. Gu worked as the chief engineer of the Company, and from 2002, he was also the deputy general manager of the Company. In February 2003, he resigned from his office as the chief engineer, and was the executive deputy general manager of the Company from July 2003. He was the general manager of the Company since December 2003 and is the Director of the Company since December 2000. He is the vice Chairman of the Company since 19 December 2006.
- (3) An Pindong, is the Director of the Company. From 1997 to December 1999, Mr. An was the manager of the financial department of Tianjin Jin Zheng Transport Development Company. From 1999 to December 2000, Mr. An worked as the assistant chief accountant in TMICL. From December 2000, he was the chief accountant of the Company. In February 2005, he resigned from the position as the Company's chief accountant. From December 2003, he was the general manager of TMICL. Mr. An was appointed the Director of the Company since December 2000.

董事、監事和高級管理人員 Directors, Supervisors and Senior Management

- (4) 王占英，現任本公司董事，自工作以來，歷任天津市第四市政工程公司財務科會計，天津市引灤入津指揮部會計，天津市市政總公司財務部會計、副部長、部長、天津市公路建設發展公司總會計師。2002年10月任本公司監事，於2003年10月辭去監事職務。王先生自2003年12月起任本公司董事。
- (4) Wang Zhanying, is a Director of the Company. He had been the accountant at the finance division of Tianjin No. 4 Urban Construction Bureau, the accountant of the command division for project on diverting water from Luan River to Tianjin, the accountant, deputy head and head of the finance department of Tianjin Municipal Corporation as well as the chief accountant of Tianjin Highway Construction and Development Company. In October 2002, he worked as the Supervisor of the Company, and in October 2003, he resigned from the position as the Supervisor. Mr. Wang is the Director of the Company since December 2003.
- (5) 譚兆甫，現任本公司董事，自1975年畢業並加盟天津市排水管理處至今，譚先生曾先後在天津市排管處財務科及其下屬單位從事財務管理工作。譚先生擔任排水管理處財務副主管期間，組織完成了排管處資產管理及改革調整工作，成功組建了天津市排水公司並先後擔任本公司總會計師和總經理職務。譚先生在城市基礎設施建設、管理、融資等方面的工作經驗超過25年。自2003年拓展本公司業務，代建市政排水項目，完成建設投資人民幣8億元，對提升城市基礎設施功能做出貢獻。譚先生自2003年12月起任本公司董事。
- (5) Tan Zhaofu, is the Director of the Company. Mr. Tan joined Tianjin Sewage Management Division since graduation in 1975. He has been in charge of financial management of Tianjin Sewage Company and its subsidiaries. During the period when he was the deputy head of the financial department of Tianjin Sewage Management Division, he organized and completed the management and reforms of the Tianjin Sewage Management Division, and successfully organized the Tianjin Sewage Company, and has been the chief accountant and general manager of the company. Mr. Tan has more than twenty-five years of experience in the construction, management and financing of urban infrastructure facilities. He started developing the Company's business in 2003, pending the construction of municipal water drainage project and he had completed investment of RMB800 million in construction, making contribution to the upgrading of function of municipal infrastructural facilities. Mr. Tan is a Director of the Company since December 2003.
- (6) 付亞娜，現任本公司董事、副總經理及董事會秘書，付女士自大學畢業後加盟天津市排水管理處，1998年8月至2000年12月在市政投資任綜合辦公室副主任、主任。付女士從2000年12月開始任本公司董事會秘書，自2003年12月起任本公司董事，副總經理。
- (6) Fu Yana, is the Director, deputy general manager and secretary of the Board of the Company. Ms. Fu joined Tianjin Sewage Management Division after graduation. From August 1998 to December 2000, she has been the deputy head and head of the General Office of TMICL, and has been the secretary of the Board since December 2000. She is the Director and the deputy general manager of the Company since December 2003.

- (7) 高寶明，現任派傑亞洲集團有限公司之行政總裁，高先生於1982年畢業於香港中文大學並獲得工商管理學士學位。高先生分別曾任南京熊貓電子股份有限公司(1996至1999年)、上海大眾交通(集團)有限公司(1997至2003年)及菱控電子商業有限公司(2000至2004年)的獨立非執行董事，並現任金鷹基金管理公司及天津創業環保股份有限公司的獨立非執行董事。此外，高先生亦被委任為香港聯交所主板及創業板之上市委員會委員。
- (7) Ko Poming, is the chief executive officer of Piper Jaffray Asia Limited. Mr. Ko graduated from the Chinese University of Hong Kong with a bachelor degree in business administration. Mr. Ko has been the independent non-executive director of Nanjing Panda Electronics Co., Ltd. (1996-1999), Shanghai Dazhong Transportation (Group) Co., Ltd. (1997-2003) and iMerchants Limited (2000-2004), and is currently an independent non-executive director of Jin Ying Asset Management Co. and Tianjin Capital Environmental Protection Company Limited. In addition, Mr. Ko has been appointed as member of the Main Board and Growth Enterprise Market Listing Committee of the Stock Exchange.
- (8) 高宗澤，現任本公司獨立非執行董事，高先生1998年至2001年11月任中國法律服務(香港)公司董事長兼總經理，2001年12月至2004年7月任北京孚晟律師事務所律師，2004年8月至今任金杜律師事務所律師。高先生長期從事法律業務，精通海商法、國際貿易法、證券法律，曾擔任中國人民銀行總行、華能國際電力股份有限公司、中國工商銀行總行、中國石化工業總公司等多家公司法律顧問。高先生1995年至2005年擔任華能國際電力股份有限公司獨立董事，2000年至2006年擔任漳澤電力股份有限公司獨立董事，2003年至2006年擔任深圳大通股份有限公司獨立董事，2006年開始擔任深圳信隆股份有限公司獨立董事，2007年開始擔任北京天橋北大青鳥科技股份有限公司獨立董事。高先生自2002年4月開始擔任本公司獨立非執行董事。
- (8) Gao Zongze, is the independent non-executive Director of the Company. Since 1998 until November 2001, Mr. Gao was the chairman and general manager of China Legal Services (Hong Kong) Company. From December 2001 to July 2004, he served at Beijing Fusheng Law Firm as a solicitor. Since August 2004, he was a solicitor of Jindu Law Firm. Mr. Gao has years of experience in legal practice. He specializes in maritime law, international trade law and securities law. Mr. Gao was a general counsel with various companies such as the Central Office of the People's Bank of China, Huaneng Power International, Inc., Headquarters of the Industrial and Commercial Bank of China and China Petroleum Chemical Industrial Company. Mr. Gao was an independent director of Huaneng Power International Inc. from 1995 to 2005, an independent director of Zhangze Electric Power Co., Ltd from 2000 to 2006, an independent director of Shenzhen Capstone Industrial Co., Ltd. from 2003 to 2006 and an independent director of HL (Shenzhen) Corp. from 2006 and an independent director of Beijing Tianquao Beida Jade Bird Sci-tech Holding Company Limited from 2007. Mr. Gao was appointed as the independent non-executive Director of the Company since April 2002.

- (9) 王翔飛，現任本公司獨立非執行董事，王先生自1983年開始就職光大集團，曾任香港中國光大集團有限公司董事兼助理總經理，歷任下屬多家控股的上市公司的執行董事和一間上市公司的行政總裁職位，亦先後在光大集團控股的信託投資及相關金融服務業務的公司和實業投資的子公司擔當高級管理職務。王先生在投資、管理、金融、財務和會計等方面具有豐富的經驗。王先生現任安中石油國際有限公司財務副總監、安中石油國際控股有限公司財務顧問，同時，王先生還兼任中信銀行股份有限公司、重慶鋼鐵股份有限公司（該兩間公司均為聯交所H股和上交所A股的上市公司）及財訊傳媒集團有限公司（該公司為聯交所的上市公司）以及深圳農村商業銀行股份有限公司的獨立非執行董事。王先生為高級會計師，自2002年4月開始擔任本公司獨立非執行董事。
- (9) Wang Xiangfei, is an independent non-executive Director of the Company. Mr. Wang joined China Everbright Group in 1983, and worked as a director and an assistant managing director of China Everbright Group. He was an executive director of a number of holding listed companies and the chief executive of a listed company, and also held senior management positions at companies held by the China Everbright Group that are engaged in trust investment and related financial service businesses and subsidiaries that are engaged in industrial investment. Mr. Wang has extensive experience in investment, management, finance, financial affairs and accounting, etc. Mr. Wang is currently the deputy financial director of China Sonanagol International Limited, financial advisor of China Sonangol International Holding Limited. At the same time, Mr. Wang is also an independent non-executive director of China CITIC Bank Corporation Limited, Chongqing Iron and Steel Co., Ltd. (both companies' H shares and A shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively) and SEEC Media Group Limited (a company listed on the Hong Kong Stock Exchange) and Shenzhen Rural Commercial Bank Holdings Limited. Mr. Wang is a senior accountant and was an Independent Non-executive Director of the Company since April 2002.
- (10) 張文輝，現任本公司監事會主席，自1980年以來，張先生先後歷任天津市排水管理處四所副所長、天津市排水管理處副處長、處長、黨委書記及天津市市政工程局工會副主席等職務，具有近三十年市政公用管理行業的工作經驗。張先生從2000年12月20日開始至2003年12月19日任本公司董事，自2003年12月19日起任本公司監事會主席，2006年10月起任本公司黨委書記。
- (10) Zhang Wenhui, is the chairman of the Supervisory Committee of the Company. Since 1980, Mr. Zhang served as the deputy head of No.4 Branch of Tianjin Sewage Management Division, deputy chief, deputy chief and party secretary of Tianjin Sewage Management Division, and the vice-chairman of the labour union of Urban Construction Bureau, and has nearly 30 years experience in municipal public administration industry. From 20 December 2000 to 19 December 2003, Mr. Zhang was a Director of the Company, and was appointed the chairman of the Supervisory Committee of the Company since 19 December 2003. He was the party secretary of the Company since October 2006.

- (11) 張明起，現任本公司黨群工作部部長。張先生2000年畢業於中共中央黨校經濟管理專業，自1980年始在天津市排水管理處工作，歷任天津市排水管理處組織部黨務幹事、排水二所、汽車隊黨支部副書記，處紀委專職紀檢委員，東郊污水處理廠副廠長、黨支部副書記。2001年加盟本公司，並於同年9月出任本公司監事。
- (11) Mr. Zhang Mingqi, is the Officer of the Company's party community working division. Mr. Zhang graduated from The Party School of the Central Communist Party in 2000, majoring in economic management, and served in Tianjin Sewage Management Division since 1980, holding various positions ranging from committee member for party affairs, deputy secretary of party sub-committee of motor vehicle team, member of party discipline committee, deputy factory manager and deputy secretary of party sub-committee of Dongjiao Sewage Water Treatment Plant. Mr. Zhang joined the Company in 2001, and became a Supervisor in September 2001.
- (12) 聶有壯，現任本公司監事，本科學歷，項目管理碩士，高級工程師。先後任職於天津東郊污水處理廠機電部，運行部，負責運行管理工作，2000年3月任職於天津排水公司開發建設分公司，參加海河流域污水治理工程，2001年1月加入本公司，任職於生產運營部，先後擔任部門副經理、經理及公司副總工程師，主要從事水處理廠運營管理工作，管理經驗較豐富，並在集團化運營管理上有一定的創新。聶先生自2003年12月19日起任本公司監事，現任本公司水務一分公司總經理。
- (12) Nie Youzhuang, is the Officer of the Company. He obtained a bachelor degree and a master degree in project management and is a senior engineer. He served at the electric machinery department, operation department of Tianjin Dongjiao Sewage Water Treatment Plant in charge of operation management. Mr. Nie served at the development and construction branch of Tianjin Sewage Company since March 2000, and participated in the sewage treatment projects for Haihe River. He joined the Company in January 2001 as worked in the production operation department, and held positions as departmental deputy general manager, manager and deputy chief engineer, primarily engaging in the operation of water treatment plants. He has extensive management experience and contributes to certain innovations in respect of the Group-wide operation and management. Mr. Nie has been a Supervisor since 19 December 2003. He is currently the general manager of a water business branch of the Company.
- (13) 徐志勇，現任本公司監事，自1994年加入天津市政工程局排水管理處計劃科工作，2002年8月加盟本公司總工程師辦公室，負責海河流域污水處理工程項目和北倉污水處理廠工程的計劃管理工作以及總工程師的秘書工作。曾任工程管理部副經理，綜合辦公室副主任。現任本公司總務部主任。自2005年10月16日起經本公司職工代表大會選舉出任本公司監事。
- (13) Xu Zhiyong, is the Supervisor of the Company. Mr. Xu joined the Planning Division of Tianjin Sewage Management Division since 1994, and joined the chief engineer's office of the Company in August, 2002, in charge of the sewage water treatment engineering project of the Haihe waters, planning management of Beicang Sewage Water Treatment Plant project and the secretary to the chief engineer. He has been the deputy manager of the Engineering Management Division, deputy head of general office. He is currently the head of the general office of the Company, and has been elected as the Supervisor of the Company by the general meeting of the staff representative of the Company on 16 October 2005.

- (14) 王豔敏，現任本公司監事，1987年畢業於天津財經學院，獲會計學學士學位。先後任職於天津市紡織工業公司和天津市商業委員會，一直致力於財務與審計工作，歷任科長和副處長職務，具有近二十年的財經管理工作經驗，曾多次被評為天津市商業委員會先進工作者。王女士2004年9月加入本公司。現任本公司審計部經理。自2006年12月19日起任本公司監事。
- (14) Wang Yanmin, is the Supervisor of the Company, graduated from Tianjin Academy of Finance and Economics in 1987 with a bachelor degree in accounting. She had served in Tianjin Textile Industry Company and Tianjin Commercial Committee respectively, and had been dedicated in the finance and audit sectors in the capacities of department head and deputy supervisor. She has nearly 20 years of management experience in finance and economics, and has been appraised as an Advanced Worker by Tianjin Commercial Committee for a number of times. Ms. Wang jointed the Company in September 2004, and is currently the manager of the Audit Department of the Company, and was appointed as the Supervisor of the Company since 19 December 2006.
- (15) 張寶祥，現任本公司監事，自1983年大學畢業後，先後任職於天津市紀莊子污水處理廠、天津市排水管理處建設項目管理分公司，從事污水處理技術和運營管理方面的工作。張先生自2000年11月加入本公司，歷任本公司紀莊子污水處理廠副廠長、東郊污水處理廠廠長、總工程師辦公室主任、研發中心主任、創業環保博士後工作站站長和公司副總工程師等職。張先生曾組織領導污水處理廠的運營管理，公司科技規劃、科技項目制定工作，研發中心的研究項目實施工作。組織並參與多項城市污水處理、污泥處置、惡臭氣體治理與應用等科技項目的研究工作，具有豐富的城市污水處理廠生產運營管理、技術管理及科技研發組織與實施等工作經驗。現任本公司副總工程師和西安創業水務有限公司總經理。自2006年12月19日起任本公司監事。
- (15) Zhang Baoxiang, is the Supervisor of the Company, and served at Tianjin Jizhuangzhi Sewage Water Treatment Plant, Construction Project Management Branch of Tianjin Sewage Management Division since graduation from the university in 1983, engaging in sewage water treatment techniques and operation management. Mr. Zhang joined the Company in November 2000, and has been the deputy head of the Company's Jizhuangzhi Sewage Water Treatment Plant, head of Dongjiao Sewage Water Treatment Plant, officer of the chief engineer office, officer of the research and development centre, station manager of the post-doctoral work station of Tianjin Capital Environmental Protection Company and deputy chief engineer of the Company, etc. Mr. Zhang has organized and led the operation management of sewage water treatment plants, the technology planning of the Company, formulation work of technological projects, implementation of study projects of research and development centre. He organized and participated in numerous urban sewage water treatment, disposal of sludge, control of foul gases, with extensive experience in the production and operation of urban sewage water treatment plants, technological management and the organization and implementation of technological research and development. He is currently the chief engineer of the Company and the general manager of Xi'an Chuang Ye Water Limited. Mr. Zhang participated in a number of municipal sewage water treatment development and application projects, is experienced in the production operation management of municipal sewage water treatment, technical management and scientific research organizations. He is currently the Company's deputy chief engineer and the general manager of Xian Capital Water Company Limited. He has been the Supervisor of the Company since 19 December 2006.

- (16) 羅連芳，羅先生自1978年起至1999年4月，於天津市政二公司任職期間，歷任二分公司副經理、一分公司副經理、杭州分公司副經理、機械運輸廠廠長、集體經濟服務公司經理、七分公司經理等職務。1999年4月起任天津市政投資有限公司副總經理。羅先生從事市政管理工作20餘年，直接組織指揮實施大型工程項目19餘項，榮獲（建設）部優和（天津）市優工程，並多次獲天津市市政工程局科研成果一等獎。羅先生在市政管理及工程建設方面擁有豐富的經驗。羅先生自2000年12月起加盟本公司，並於同年12月起至2007年9月任本公司副總經理。
- (17) 林文波，現任本公司副總經理，林先生自1980年加入天津市市政工程局，歷任天津市紀莊子、東郊、咸陽路污水處理廠調度室主任、副廠長、廠長職務。曾主持天津市海河流域天津污水處理項目中咸陽路污水處理廠的籌建工作，任項目經理。歷任貴州創業水務有限公司、杭州天創水務有限公司、寶應創業水務有限責任公司、文登創業水務有限公司總經理、董事長等職務。林先生在污水處理運營及管理方面擁有豐富的經驗。林先生自2000年12月開始加盟本公司，任本公司副總經理，負責本公司運營及市場及開發外埠水務公司等工作。
- (16) Luo Lianfang worked at the Second Branch of TMICL from 1978 to April 1999 and he was appointed as the deputy manager of the Second Branch, deputy manager of the First Branch, deputy manager of Hongzhou Branch, head of the Machinery Transportation Factory, manager of the Collective Economy Service Company, manager of the Seventh Branch. He was the deputy general manager of TMICL since April, 1999. Mr. Luo has been engaged in municipal administration for over 20 years, and has been directly involved in organizing and commanding of over 19 large engineering projects which were accredited as Ministerial Excellent Construction and Tianjin Municipal Excellent Project, and obtained Class I Award in Scientific Research Results from Tianjin Municipal Engineering Bureau for a number of occasions. Mr. Luo joined the Company in December 2000 and was the deputy general manager of the Company from December that year to September 2007.
- (17) Lin Wenbo, is the deputy general manager of the Company. Mr. Lin joined Tianjin Municipal Engineering Bureau in 1980, and had been the head of the dispatch office, deputy factory head and factory head of Tianjin Jizhuangzhi, Dongjiao, Xianyanglu Sewage Water Treatment Plants. He headed in the preparation for the construction of the Xianyanglu Sewage Water Treatment Plant in the Tianjin Sewage Water Treatment Projects of the Haihe River Basin in Tianjin in the capacity as project manager. He held positions as general manager and board chairman, etc. at Guizhou Capital Company Limited, Hangzhou Tianchuang Water Co., Ltd., Baoying Capital Water Co., Ltd. and Wengdeng Capital Water Company Limited. Mr. Lin has extensive experience in sewage water operation and management. Mr. Lin joined the Company since December 2000 as deputy general manager, in charge of the Company's operations and market development.

- (18) 朱雁伯，朱先生自1974年起加盟天津市排水管理處，歷任科技科科長、副處長、紀莊子污水處理試驗廠廠長、紀莊子污水處理廠廠長、天津市污水研究所所長及排水管理處總工程師職務。朱先生在給排水、污水處理領域具有30多年的工作經驗。朱先生主持或參加了國家「七五」、「八五」、「九五」科技攻關課題的研究工作，並獲省、部級科技進步二、三等獎五項，成功的運轉了我國當時最大的污水處理廠，採取膜技術組合再生水利用新工藝，主持編製了《城市污水處理廠運行維護及其安全技術規程》部頒行業標準，參加了給水排水產品標準制定及評審工作，承擔天津市大型污水處理廠建設的前期工作。朱先生2005被建設部聘為市政公用行業專家委員會城鎮水務專家組成員。2005年天津市政府授予朱先生污水處理專家稱號。朱先生2002年3月起加盟本公司，並於同年3月起至2007年9月任本公司副總經理。
- (18) Zhu Yanbo joined Tianjin Sewage Water Management Division in 1974, and had been the head and deputy supervisor of the scientific division, head of Jizhuangzhi Sewage Water Treatment Plant, head of Jizhuangzhi Sewage Water Treatment Plant, head of Tianjin Sewage Water Research Institute and chief engineer of Tianjin Sewage Management Division. Mr. Zhu has over 30 years working experience in the sewage water treatment sector. Mr. Zhu headed or participated in the researches of the national “Seventh-Five”, “Eighth-Five”, “Ninth-Five” scientific key subjects, and was accredited with five Second and Third Technology Advancement Awards of provincial and ministerial levels, and succeeded in operating the largest sewage water treatment plants of the State at the time which adopted new process of membrane techniques in water recycling, headed in the preparation of industrial standards of “Maintenance of the operation of Municipal Sewage Water Treatment Plant and its safety technical regulations”, participated in the setting and appraisal of water supply and sewage water product standards, undertaken the initial works in the construction of large sewage water treatment plants in Tianjin. Mr. Zhu was appointed as member of the expert team of City and Township Water Supplies of the Municipal Utility Expert Committee in 2005, and was accredited with the title of “Expert in Sewage Water Treatment” by Tianjin Municipal Government. Mr. Zhu joined the Company since March, 2002 and was a deputy general manager from March that year until September 2007.
- (19) 劉文亞，現任本公司副總經理，劉先生自1980起就職於天津排水管理處，歷任天津紀莊子污水處理廠技術科主任、廠長、天津市污水研究所副所長等職。劉先生一直從事城市污水處理設施、再生水利用設施的工程建設、運行管理、技術研究等工作，在城市污水處理廠、再生水廠的運行管理方面擁有豐富的管理技術經驗。劉先生自2000年12月起加盟本公司，並任本公司副總經理。
- (19) Liu Wenya, is the deputy general manager of the Company. Mr. Liu joined Tianjin Sewage Management Division since 1980, and has been the supervisor of the technology division and factory head of Tianjin Jizhuangzhi Sewage Water Treatment Plant, deputy head of Tianjin Sewage Water Research Institute. Mr. Liu has been engaged in the engineering construction, operation management and technical research of municipal sewage water treatment facilities, water recycling facilities, and has extensive management and technical experience in the operation and management of municipal sewage water treatment plants and water recycling plants. Mr. Liu joined the Company since December 2000 as the deputy general manager of the Company.

- (20) 鄧彪，現任本公司總工程師，一直從事城市污水處理設施建設、運行管理、技術研究等工作，在城市污水處理廠的建設運行及科研管理等方面擁有豐富的經驗。鄧先生曾主持完成多項建設部、天津市等關於污水處理技術及運行管理的課題研究，作為第一發明人已申請並獲得批准了多項污水處理技術方面的專利，還曾主持編寫了國家級標準—城市污水再生利用工程工業用水水質標準。鄧先生2002年3月加盟本公司，任本公司副總工程師，2003年12月開始任本公司總工程師。
- (20) Deng Biao, is the chief engineer of the Company. Mr. Deng has been engaged in the construction, operation management, technical research of municipal sewage water treatment facilities, and has extensive experience in the construction, operation and technical research of municipal sewage water treatment plants. Mr. Deng had headed in the completion of various topics regarding sewage water treatment techniques of the Ministry of Construction and in Tianjin City, and had been granted with various patents in sewage treatment techniques as the first inventor. Mr. Deng had also headed in setting the national standards for industrial water from the recycling of municipal sewage water. Mr. Deng joined the Company in March, 2002 as deputy chief engineer, and has been the chief engineer of the Company since December, 2003.
- (21) 陳銀杏，現任本公司總會計師，1998年至2000年，任職於市政投資，參與了本公司資產重組、境內外上市的全過程。2000年至2003年11月，先後出任本公司董事會秘書辦公室副主任、主任、副總經濟師職務。2003年12月至2004年12月，任市政投資副總經濟師，兼綜合辦公室主任、資產管理部經理。2005年1月加盟本公司，並於同年2月起任本公司總會計師。
- (21) Chen Yinxiang, is the chief accountant of the Company. From 1998 to 2000, she worked in TMICL and was involved in the whole process of the asset reorganization and domestic and foreign listing of the Company. From 2000 to November 2003, she worked as the assistant supervisor and supervisor of the Board secretariat, and deputy chief economist of the Company. From December 2003 to December 2004, she was appointed as the deputy chief economist, general administrative officer, and manager of the asset management department of TMICL. She joined the Company in January 2005 and was the chief accountant of the Company since February, 2005.

- (22) 常小蘭，現任本公司總經濟師，1990年7月至2004年11月，先後任職於天津公路工程總公司計劃處、經營開發部、企管辦，並擔任總經濟師。2004年12月至2006年4月，常女士在本公司任副總經濟師、人力資源部經理，參與公司的經濟工作，並且為配合2005年初重要的組織機構的調整，常女士作為主要負責人建立起了新的薪酬分配和績效考核體系。常女士多年擔任企業的副總經濟師、總經濟師，在企業的經濟管理方面積累了豐富的經驗，並且熟悉企業的融資模式，在企業的資本運作方面也有很好的經驗。常女士自2006年4月20日起任本公司總經濟師，主要負責本公司的經濟工作和資本運作。
- (22) Chang Xiaolan, is the chief economist of the Company. From July 1990 to November 2004, she served as the chief economist in the planning division, operation development division, enterprise office of Tianjin Highway Engineering Company. From December 2004 to April 2006, Ms. Chang was the deputy chief economist, manager of the human resources department of the Company, participating in economic functions of the Company, and in line with the important adjustments to the organization structure early 2005, Ms. Chang as the major person in charge, set up a new remuneration distribution and performance-based system. Through her roles as deputy chief economist, chief economist over the years, she has accumulated extensive experience in corporate economic management, and is familiar with the investment and financing models of the enterprise, also having sound experience in corporate capital operations. Ms. Chang has been the chief economist of the Company since 20 April 2006, mainly in charge of the Company's economic and capital operations.
- (23) 郭輝，現任本公司副總經理，1995年至2000年先後任職於天津北方信託投資公司國際業務部、投資銀行部。多次參與天津市上市公司的債券發行方案製作及實施。2000年至2003年11月，供職於本公司市場開發部、證券部經理、資產管理部經理和副總經濟師職務，作為主要成員參與本公司的可轉債融資工作。2003年12月至2005年1月任市政投資副總經濟師。2005年2月22日至2006年4月19日任本公司總經濟師。2006年4月20日起任本公司副總經理，主要負責本公司的全資子公司——天津創業環保(香港)有限公司的整體工作。
- (23) Guo Hui, is the deputy general manager of the Company. He worked for the International Business Department and the Investment Banking Department of Northern Tianjin Trust Investment Company from 1995 to 2000. He participated in planning and implementing the bond issuance of listed companies in Tianjin in a number of occasions. From 2000 to November 2003, Mr. Guo worked as a manager in the Market Development Department, the Securities Department and the Asset Management Division of the Company and was appointed as the deputy chief economist of the Company. He was a core member participating in the financing project of the Company's Convertible Bonds. From December 2003 to January 2005, he worked as the deputy chief economist of TMICL. He was the chief economist of the Company from 22nd February 2005 to 19 April 2006, and was appointed as the deputy general manager of the Company since 20 April 2006, in charge of the overall operation of Tianjin Capital Environmental Protection (Hong Kong) Limited, a wholly-owned subsidiary of the Company.

- (24) 賈亮，現任本公司副總經理，高級工程師，國家一級建造師。1994年12月至2006年8月，歷任天津第三市政公路工程有限公司五分公司主任工程師、道路分公司及六分公司經理、天津第三市政公路工程有限公司副總經理。賈先生一直從事市政基礎設施的建設管理工作，參與和主持多項市政和交通工程的建設，熟悉市政基礎設施的建設程序及項目經營管理工作，並在實際工作中積累了豐富的項目建設和管理經驗。2006年8月29日起任本公司副總經理，主管本公司項目建設業務。
- (24) Jia Liang, is a deputy general manager of the Company, senior engineer and Grade 1 architect of the PRC. From December 1994 to August 2006, he had been the chief engineer of the Fifth Branch of Tianjin Third Municipal Highway Engineering Co., Ltd., manager of the Highway Branch and Sixth Branch, deputy general manager of Tianjin Third Municipal Highway Engineering Co., Ltd. Mr. Jia has been engaged in the construction management of municipal infrastructures, participated and headed in the construction of various municipal and communication projects, was familiar of the construction program and project operation management of municipal infrastructure, and has accumulated extensive experience in project construction and management in the actual works. He was appointed as the deputy general manager of the Company since 29 August 2006 in charge of the project construction operations of the Company.
- (25) 關文輝，現任本公司董事會秘書（香港），持有香港大學法律學士學位，亦持有英國倫敦大學經濟及政治科學院法律碩士學位及香港城市大學法律碩士學位（中國法），關先生於香港取得律師資格。關先生於過往在處理有關上市公司合規事宜方面積累了豐富的經驗。關先生為李偉斌律師行合夥人。
- (25) Kwan Man Fai, is the secretary to the Board of the Company (Hong Kong), holding a bachelor degree in law from the Hong Kong University, also holding a master degree in laws from the Faculty of Economy and Politics of London University and master degree in law (PRC Law) from the City University of Hong Kong. Mr. Kwan obtained the qualification as a lawyer in Hong Kong. Mr. Kwan has accumulated extensive experience from the handling of compliance issues of listed companies. Mr. Kwan is a partner of Messrs. Li & Partners.

本公司已收到各獨立非執行董事根據上市規則第3.13條就彼等各自之獨立性發出之年度確認書。本公司認為全體獨立非執行董事均為獨立。

The Company has received annual confirmation from each independent non-executive Director given in accordance with Rule 3.13 of the Listing Rules confirming their independence. The Company believes that all independent non-executive Directors are independent parties.

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12月31日，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：

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 31st December 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 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 Stock Exchange were as follows:

姓名 Name	本公司／相聯法團名稱 The Company/ name of associated corporations	身份 Capacity	證券數目及類別 Number and class of securities (附註) (Note)	於本公司／相聯法團已發行總股本中的概約百分比 Approximate percentage in the total issued share capital of the Company/ associated corporations
董事 Director				
王占英 Wang Zhanying	本公司 The Company	實益擁有人 Beneficial owner	6,850 股內資股 (無限售條件流通股份) (好倉) 6,850 domestic Shares (non-restricted circulating Shares) (L)	0.00048% 0.00048%
監事 Supervisor				
聶有壯 Nie Youzhuang	本公司 The Company	實益擁有人 Beneficial owner	959 股內資股 (無限售條件流通股份) (好倉) 959 domestic Shares (non-restricted circulating Shares) (L)	0.000067% 0.000067%

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。

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

於2007年12月31日，本公司的董事、監事或最高行政人員或彼等的配偶或18歲以下的子女概無獲授或曾行使任何權利，認購本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股本或債務證券。

除上述披露者外，於2007年12月31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。

As at 31st December 2007, none of the Directors, supervisors or chief executives of the Company or their spouses or children under 18 years of age were granted or had exercised any right to subscribe for any equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Save as disclosed above, none of the Directors, Supervisors or chief executives of the Company, who, as at 31st December 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.

(二) 在股東單位任職情況

姓名 Name	股東單位名稱 Name of shareholders' entity
馬白玉 Ma Baiyu	市政投資 TMICL
安品東 An Pindong	市政投資 TMICL

除以上任職外，本公司董事、監事和高級管理人員均不在控股股東擔任除董事以外的任何職務。

在其他單位任職情況

除以上任職外，本公司董事、監事和高級管理人員的其他任職情況，請參見本節之「董事、監事及高級管理人員最近5年的主要工作經歷」。

(II) Positions held at the Shareholder's entity

擔任的職務 Positions held	任期 起始日期 Commencement of employment	任期 終止日期 End of employment	是否領取 報酬津貼 Any remuneration, allowance received
董事長 Chairman	2003年11月21日 21.11.2003		否 No
總經理 General Manager	2005年2月22日 22.2.2005		是 Yes

Save as the above, the Directors, Supervisors and senior management of the Company did not take up any non-director positions for the controlling Shareholder.

Positions held at other entities

Apart from the above positions, for details of positions held by the Directors, Supervisors and senior management of the Company, please refer to "Major working experience of Directors, Supervisors, senior management in the recent five years" in this section.

(三) 董事、監事、高級管理人員報酬情況

1. 董事、監事及高級管理人員報酬的決策程序：本公司董事及監事的報酬依據股東大會審議通過的董事及監事服務協議和本公司的經營績效確定其報酬。本公司高級管理人員根據其經營和管理業績以及所承擔的責任、風險確定其收入，實行「年薪制」。
2. 董事、監事及高級管理人員報酬確定依據：本公司高管人員的報酬根據生產經營任務及其日常管理工作完成情況發放，並根據年度經營目標和績效指標的完成情況和考核結果兌現年薪。
3. 本公司並無在會計年度內支付董事、監事及高級管理人員房屋津貼、其他津貼及非現金利益以及花紅，亦無為促使董事、監事及高級管理人員加盟或補償董事因失去董事、監事或高管職位而支付的款項。本公司無董事、監事及高級管理人員放棄或同意放棄任何薪酬安排；本公司亦無為董事、監事，高管人員提供任何貸款，除薪酬外，本公司董事、監事和高級管理人員也沒有從其他合約中獲得其他利益。本公司並無於報告期內就本公司全部業務或其中重要部分訂立任何管理及行政合約。

各董事或監事與本公司均無訂立限制本公司於一年內不作賠償（法定賠償除外）便不可終止之服務合約。

(III) Remunerations of Directors, Supervisors and senior management

1. The procedures for determining the remuneration of the Directors, Supervisors and the senior management of the Company: the remuneration of the Directors and Supervisors will be determined in accordance with the service agreements entered into with the Directors and Supervisors as approved in the Company's general meetings and the Company's operating results. The incomes of the senior management officers were determined on the basis of their operational and management result performances, responsibilities and risk exposures and an annual income system was implemented.
2. The basis for determining the remuneration of the Directors, Supervisors and the senior management: the remuneration of the Company's senior management will be distributed in accordance with the achievements in production and operation and the usual management activities. The annual remuneration will be determined upon the achievement of annual operating targets and performance indicators and performance appraisal results.
3. During the reporting period, the Company did not pay any housing allowance, other allowance and benefits in kind and bonus to Directors, Supervisors and senior management, nor any payment to them as an inducement to join the Company or as compensation for loss of office of Directors, Supervisors, senior management. None of the Directors, Supervisors and senior management of the Company waived or agreed to waive any emoluments. The Company has not provided any loans to Directors, Supervisors or senior management. Apart from remuneration, the Directors, Supervisors and senior management of the Company have not derived other benefits from other contracts. The Company, during the reporting period, did not enter into any administration or management contracts for all or material part of its business.

None of the Directors or Supervisors has entered into service contracts with the Company that are not terminable by the Company within a year without paying compensation (other than statutory compensation).

(四) 本公司董事、監事、高級管理人員變動情況 (IV) Change of Directors, Supervisors and senior management of the Company

姓名 Name	擔任的職務 Position held	離任原因 Reasons for leaving the post
朱雁伯 Zhu Yanbo	副總經理 deputy general manager	年齡原因 age
羅連芳 Luo Lianfang	副總經理 deputy general manager	年齡原因 age
王翔飛 Wang Xiangfei	獨立非執行董事 Independent non-executive Director	任屆期滿 Expiry of term
高宗澤 Gao Zongze	獨立非執行董事 Independent non-executive Director	任屆期滿 Expiry of term

於2007年9月20日，本公司以傳真形式召開第四屆董事會第十次會議，參加會議的董事全票通過了《關於免去朱雁伯先生、羅連芳先生本公司副總經理職務的議案》。

為促進本公司領導班子年輕化，因年齡原因，經本公司總經理提議，免去朱雁伯先生、羅連芳先生本公司副總經理職務。經董事會審議，決定同意以上人事安排。

獨立非執行董事王翔飛先生和高宗澤先生任期於2008年4月15日結束，經本公司第四屆董事會第十六次會議提名，於2008年4月15日召開的2008年第一次臨時股東大會選舉通過，由謝榮先生和邸曉峰先生任本公司第四屆董事會獨立非執行董事。

On 20 September 2007, the Company held the tenth meeting of the fourth Board by way of fax transmission. The “Resolution regarding the relief of the duty of Mr. Zhu Yanbo and Mr. Luo Lianfang as deputy general managers of the Company” was passed by all Directors who attended the meeting.

In order to speed up the injection of young blood into the Company's leadership, the general manager of the Company proposed that Mr. Zhu Yanbo and Mr. Luo Lianfang be relieved of their duties of deputy general managers of the Company due to age reasons. After consideration, the Board have agreed to the above arrangements.

The terms of office of the independent non-executive Directors, Mr. Wang Xiangfei and Mr. Gao Zongze, ended on 15 April 2008. Upon nomination by the 16th meeting of the Fourth Board and after approval by the 2008 First Extraordinary General Meeting held on 15 April 2008, Mr. Xie Rong and Mr. Di Xiaofeng were appointed as the independent non-executive Directors of the Fourth Board of the Company.

(五) 本公司員工情況

截止報告期末，本公司在職員工為 550 人，需承擔費用的離退休職工為 0 人。本公司擁有國際企業與國際投資、環境工程、道路橋樑、工程管理等專業的高級人才，各個層次的專業結構合理。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以及所創造的經濟效益確定其收入，實行「薪點制」工資。對於操作層根據其技能水平、勞動強度和難度以及企業完成產值與經濟效益情況確定其收入，實行「崗位技能工資」。

員工的結構如下：

1. 專業構成情況

專業類別	人數
行政人員	97
財務人員	18
技術人員	163
污水廠及其他人員	272
合計	550

2. 教育程度情況

教育類別	人數
博士	1
碩士	25
本科	241
大專	129
高中及以下	154
合計	550

(V) Employees of the Company

As at the end of the reporting period, the Company had a total of 550 employees and retirement expenses to be undertaken by the Company was nil. The Company has senior expertise with international enterprise and investment exposures, environment engineering, road and bridge, engineering management professional qualification, and the professional structures in the various levels were reasonable. In respect of the senior management, the Company implements “Salary Point System” to ascertain the salaries based on the managing skills of the management, contents of the management works completed, the management obligation risks undertaken and the economic efficiency created. In respect of the operation staff, the Company implements “Salary by post and skills” to ascertain the salaries basing on the level of skill, strength and difficulty of labour and production values and economic efficiency of the enterprise.

Staff structure was as follows:

1. By profession

Category of profession	Number of persons
Administration	97
Finance	18
Technical	163
Sewage water treatment plants and others	272
Total	550

2. By education

Category of education	Number of persons
Doctor	1
Master	25
Undergraduate	241
Tertiary	129
Senior Secondary School and under	154
Total	550

(一) 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的要求，以及聯交所《證券上市規則》（「上市規則」）以及《企業管治常規守則》所轉載的條文，積極完善本公司公司治理結構，建立現代企業制度，規範本公司運作。

報告期內，由於A股可轉債券轉股引起的總股本變動等情況，本公司修訂了《公司章程》，並據此修訂了《股東大會議事規則》、《董事會議事規則》和《監事會議事規則》，並經本公司2007年第一次臨時股東大會審議通過。

報告期內，根據中國證監會、上交所關於完善上市公司信息披露制度的要求，本公司修訂了《信息披露制度》，並經第四屆董事會第五次會議審議通過後實施。

報告期內，根據中國證監會、天津證監局關於開展公司治理專項活動的要求，本公司對於公司治理情況進行了自我審視和檢查，找出不足之處，並提出整改計劃。關於本公司治理活動情況請詳見本公司於2007年8月23日在上交所網站發佈的《專項治理活動自查報告與整改計劃》，以及於2007年10月30日在上交所發佈的《公司治理專項活動整改報告》。

1. The conditions of corporate governance

During the reporting period, the Company strictly complied with the requirements under the Company Law, Securities Law of the PRC and the relevant rules and regulations of the CSRC and the provisions under the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and “Code on Corporate Governance for Listed Companies”. 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.

During the reporting period, since the conversion of A Share Convertible Bonds led to movements in the total share capital, the Company amended the Articles of Association, pursuant to which the Company also amended the “Rules of the Procedures of Shareholders’ General Meetings”, “Rules of the Procedures of Board Meetings” and “Rules of the Procedures of Supervisory Committee Meetings”, which were passed at the 2007 first extraordinary general meeting of the Company.

During the reporting period, pursuant to requirements related to the information disclosure system by the CSRC and the SSE, the Company amended the “System of Information Disclosure”, which was implemented after consideration and passing at the fifth meeting of the fourth Board.

During the reporting period, pursuant to requirements related to the development of special activities on corporate governance by the CSRC and Tianjin Securities Bureau, the Company reviewed and examined its own corporate governance position to pinpoint any shortcomings in order to suggest a rectification plan. Details of the Company’s corporate governance activities, please refer to the “Report on Self-Examination of Special Governance Activities and Rectification Plan” published on the SSE website on 23 August 2007 and “Report on the Rectification of Special Corporate Governance Activities” published on the SSE website on 30 October 2007.

(一) 公司治理的情況 (續)

報告期內，根據中國證監會、天津證監局的相關規定，按照本公司《公司章程》，本公司成立了董事會提名委員會和董事會戰略委員會，制訂了《提名委員會工作細則》及《戰略委員會工作細則》，並經2007年第一次臨時股東大會審議通過後實施。上述兩個專業委員會的成立，對於董事提名及聘任的合規，董事會投資決策的科學合理提供了保障。

(二) 獨立非執行董事履行職責情況

1、獨立非執行董事參加董事會的出席情況

獨立非執行 董事姓名	Independent non-executive Directors	本年應參加 董事會次數 Number of attendance to be made in the year	親自 出席 (次) Attendance in person (times)	委託 出席 (次) Attendance by proxies (times)	缺席 (次) Absence (times)	備註 Remarks
高寶明	Ko Poming	13	11	2	0	
高宗澤	Gao Zongze	13	11	2	0	
王翔飛	Wang Xiangfei	13	12	1	0	

2、獨立非執行董事對本公司有關事項提出異議的情況

報告期內，本公司獨立非執行董事未對本公司本年度的董事會議案及其他非董事會議案事項提出異議。

(三) 本公司相對於控股股東在業務、人員、資產、機構、財務等方面的獨立情況

1、業務方面：本公司在業務方面獨立於控股股東，具有獨立完整的業務及自主經營能力。

1. The conditions of corporate governance (Continued)

During the reporting period, according to the relevant requirements by the CSRC and Tianjin Securities Bureau and in accordance with the Articles of Association of the Company, the Company set up the Nomination Committee of the Board and the Strategic Planning Committee of the Board, and formulated "Detailed Working Rules of the Nomination Committee" and "Detailed Working Rules of the Strategic Planning Committee", which were implemented after consideration and passing at the 2007 first extraordinary general meeting. The setting up of the two professional committees above have safeguarded the compliance of rules in respect of the nomination and appointment of Directors and the scientific reasonableness of investment decisions made by Directors.

2. Performance of duties by independent non-executive Directors

(1) Attendance of independent non-executive Directors at the Board meetings

(2) Issues on disagreement by the independent non-executive Directors with the Company

During the reporting period, the Company's independent non-executive Directors did not disagree with the resolutions proposed in the meeting of the Board and other meetings apart from those of the meeting of the Board held in the year.

3. Independence between the Company and the controlling Shareholder with respect to the matters including business, staff, assets, organisation and finance

1. Business: The Company was independent from the controlling Shareholder in conducting of its business, with independent capability on business and self-operation.

(三) 本公司相對於控股股東在業務、人員、資產、機構、財務等方面的獨立情況 (續)

- 2、人員方面：本公司高級管理人員由本公司董事會聘任，並由董事會決定其薪酬及考核；高級管理人員以下人員由總經理聘任，並按照董事會批准的薪酬與考核制度進行薪酬與考核工作。本公司設立了獨立的勞動人事部。除本公司董事長兼任控股股東市政投資董事外，本公司總經理、副總經理、財務總監、董事會秘書等高級管理人員均在本公司領取薪酬，且均未在控股股東單位擔任除董事以外的重要職務。因此，本公司在人員及工資管理方面是獨立於控股股東的。
- 3、資產方面：所有與本公司生產經營有關的資產均歸本公司所有，完全獨立於控股股東，本公司除為控股子公司提供擔保外，沒有為控股股東及其他公司提供過擔保。本公司對其資產有完全的控制和支配權，不存在其資產、資金被控股股東佔有而損害本公司利益的情況。
- 4、機構方面：本公司設立了完全獨立於控股股東的組織機構，設有股東大會、董事會、監事會、總經理等機構，本公司的經營管理施行董事會授權下的總經理負責制，有獨立的辦公經營場所。
- 5、財務方面：本公司設立了獨立的財務及會計部門，在銀行開設獨立的帳戶，並建立了獨立的會計審核體系和財務管理制度。

3. Independence between the Company and the controlling Shareholder with respect to the matters including business, staff, assets, organisation and finance (Continued)

2. Staffs: The Company's senior management is employed by the Board of the Company, and their remuneration and assessment is determined by the Board; staffs below senior management level are employed by the general manager, with their remuneration and assessment determined by the Board in accordance with the system of remuneration and assessment approved by the Board. The Company has set up an independent human resource department. Save as except for the chairman of the Company who was also a director of TMICL, the controlling Shareholder, all senior management officers such as the general manager, deputy general manager, financial controller, secretary to the Board received their salaries from the Company and they have not taken up any important positions other than directors in the entities of the controlling shareholder. Therefore, in terms of personnel and pay management, the Company is independent of the controlling shareholder.
3. Assets: All assets relating to the production and operation of the Company were owned by the Company and completely independent from the controlling Shareholder. The Company did not provide any guarantee to its controlling Shareholder and other companies except to its controlling subsidiaries. The Company has complete control and right of its assets. There were no circumstances of its assets and capital being occupied by the controlling Shareholder which would adversely affect the interest of the Company.
4. Organisation: The Company established an organizational structure which was absolutely independent from the controlling Shareholder, and has set up organizations such as Shareholders' general meetings, the Board, the Supervisory Committee and the general manager of the Company. The operation and management of the Company were subject to an accountability system of the general manager under the authorization of the Board. The Company has a separate place of business.
5. Finance: The Company has set up an independent financial and accounting department, and established a separate bank account and an independent accounting and audit system and financial management system.

(四) 高級管理人員的考評及激勵情況

本公司每年初根據本公司目標和高級管理人員簽訂目標責任書，年終由本公司績效考核委員會對其年度目標完成情況進行考核，視目標完成情況決定獎懲及額度。

本公司會計年度內，獲最高薪酬的五位人士的退休金供款資料如下：

姓名	Name
顧啟峰	Gu Qifeng
張文輝	Zhang Wenhui
林文波	Lin Wen Bo
劉文亞	Liu Wenya
付亞娜	Fu Yana

註：

- (1) 本公司其他董事並未從本公司獲得退休金供款；
- (2) 以上五位人士基本薪酬均在 100 萬元港幣以內，詳細情況請參見董事、監事及高級管理人員情況。

4. Appraisal and motivation mechanism for senior management

The Company has entered into a Target Responsibility Manual with the senior management based on the Company objectives, and an assessment shall be made by the Performance Assessment Committee of the Company every year end on the completion of their annual targets to decide the award and punishment and the amounts based on the completion of the target.

During the accounting period, the contributions made to the pension scheme for the highest paid individuals by the Company are as follows:

單位：人民幣元

退休金供款 Contribution to pension (人民幣元) scheme (RMB)
13,728
13,728
13,728
13,728
13,728

Notes:

- (1) Other Directors of the Company have not received any pension contributions from the Company;
- (2) The basic remuneration for the above five persons is less than HK\$1 million. For details, please refer to the section headed "Situation Regarding Directors, Supervisors and senior management".

(五) 企業管治報告**5. Corporate governance report****1、《企業管治常規守則》遵循情況**

上市以來，本公司按照境內外監管的要求，逐步建立起規範的法人治理結構並不斷完善。根據《企業管治常規守則》及其他法規的要求，本公司不斷修改和完善《公司章程》、《股東大會議事規則》、《董事會議事規則》等相關制度，同時不斷健全內部控制制度，嚴格遵守《企業管治常規守則》的規定，積極做好各項工作，使本公司治理水平不斷提高。

2、企業管治報告詳細內容**企業管治報告要求****Requirements of the Corporate Governance Report****一、企業管治常規****I. Corporate Governance Practices**

- 1、陳述說明上市發行人如何應用《企業管治常規守則》(「守則」)列載的原則，並須加以闡釋，讓其股東可衡量有關原則是如何應用的

Stating how the listed issuer applied the principles as set out in the “Code of Corporate Governance Practice” (the “code”), with further explanations on how the shareholders’ deliberation of the relevant principals (and its Audit Committee, Remuneration and Assessment is applied

1. Compliance with the “Code of Corporate Governance Practices”

Since the listing of the Company, the Company has complied with domestic and overseas regulatory requirements, and gradually set up and upgraded a regularized corporate governance structure. Pursuant to the “Code of Corporate Governance Practices” and other legal requirements, the Company has continuously amended and upgraded the related systems under the Articles of Association, Rules of the Procedures of Shareholders’ General Meetings, Rules of the Procedures of the Board Meetings, and at the same time continued to upgrade its internal control system, and strictly complied with the “Code of Corporate Governance Practices”. The Company proactively carried out various assignment to continuously enhance the Company’s governance level.

2. Details of Corporate Governance Report**報告期內本公司的管治報告內容****Contents of the Company’s Corporate Governance Report during the reporting period**

《公司章程》、《董事會議事規則》、《股東大會議事規則》等公司治理相關制度嚴格執行《企業管治常規守則》的規定，董事會（及其下轄審核委員會、薪酬與考核委員會、提名委員會、戰略委員會）、監事會、股東大會的決策程序和依據完全遵守公司治理的相關制度。

The Articles of Association, the Rules of the Procedures of Board Meetings, the Rules of the Procedures of General Meetings have strictly implemented the requirements under the Codes of Corporate Governance Practices. The decision making procedures of the Board Committees Nomination Committee and Strategic Planning Committee, Supervisory Committee and the general meeting, and have fully complied with the related system of Corporate Governance.

(五) 企業管治報告 (續)

2、 企業管治報告詳細內容 (續)

企業管治報告要求

Requirements of the

Corporate Governance Report

- 2、 說明上市發行人是否遵守《守則》載列的守則條文。若上市發行人自行採納本身比《守則》列載的守則條文更為嚴格的守則，則該上市發行人須在年報中促使他人注意該等事實

Whether the listed issuer has complied with the code provisions as set out in the Code of Corporate Governance Practices. In the event the listed issuer has adopted its own code which is stricter than the Code of Corporate Governance Practices, the listed issues shall in its annual report procure others to pay attention to such facts

- 3、 如偏離《守則》所載的守則條文，須說明在有關財政年度中任何偏離守則條文的詳情（包括就偏離守則條文的行為提供經過深思熟慮得出的理由）

In the event of deviations from the code provisions as set out in the “Code of Corporate Governance Practices”, explanation should be given on the details of any deviation from the code provisions in the relevant financial year (including reasons for such deviation action after deliberations)

5. Corporate governance report (Continued)

2. Details of Corporate Governance Report

報告期內本公司的管治報告內容

Contents of the Company's Corporate Governance

Report during the reporting period

《公司章程》、《董事會議事規則》、《股東大會議事規則》等公司治理相關制度嚴格遵守《企業管治常規守則》。於現實或在本期間內，本公司遵守《企業管治常規守則》。

The Articles of Association, the Rules of the Procedures of Board Meetings, the Rules of the Procedures of General Meetings have complied with the requirements under the “Codes of Corporate Governance Practices”. The Company has complied with the “Codes of Corporate Governance Practices” both at the present or during the reporting period.

報告期內，本公司所有經營、管理事項均未偏離《公司管治常規守則》所載的條文。

There was no deviation from the “Code of Corporate Governance Practices” in all the Company's operations and management during the reporting period.

(五) 企業管治報告 (續)

2、 企業管治報告詳細內容 (續)

企業管治報告要求

Requirements of the

Corporate Governance Report

二、 董事的證券交易 (有關上市規則附錄十所載的《上市公司董事進行證券交易的標準守則》(「標準守則」))

1、 上市發行人是否有採納一套比《標準守則》所訂的標準更高的董事進行證券交易的行為準則

Whether the Listed issuer has adopted a set of principles for securities transaction by directors with standards higher than the “Model Code”

2、 在向所有董事作出特定查詢後，上市發行人的董事是否有遵守或不遵守《標準守則》所訂有關董事進行證券交易的標準及其本身所訂有關的行為守則

After making specific enquiries to all directors, whether the directors of the listed issuer have or have not complied with the Model Code for securities transactions by the relevant directors or their own code of actions

5. Corporate governance report (Continued)

2. Details of Corporate Governance Report

報告期內本公司的管治報告內容

Contents of the Company's Corporate Governance

Report during the reporting period

本公司已經採納一套管理董事進行證券交易的應用守則，其要求近似於上市規則附錄十《標準守則》。《公司章程》規定：董事、監事、經理以及其他高級管理人員應當在其任職期間內，定期向本公司申報其所持有的本公司股份；在其任職期間以及離職後六個月內不得轉讓其所持有的本公司的股份。

The Company has adopted a code of practice in respect of securities transactions by Directors, the standards of which are similar to the Model Code as set out in Appendix 10 to the Listing Rules. The Articles of Association requires that the Directors, Supervisors, managers and other senior management shall during their terms of office make regular reports to the Company on the Company's Shares they hold, and shall not transfer the Company's Shares they hold during their terms of office and within six months after their resignation.

董事會經仔細查詢後認為，本公司只有一名董事和一名監事分別持有本公司 A 股股票 6,850 股和 959 股 (詳情見本年報第五部分)，報告期內並無交易行為，其他董事、監事和高級管理人員報告期內並無購買本公司股票和債券行為。故此，於報告期內全體董事均遵守有關董事進行證券交易的《標準守則》

After making specific enquiries to all Directors, there were only 1 Director and 1 Supervisor holding 6,850 and 959 A Shares of the Company respectively (Please see section 5 in this annual report for details), and there have been no transactions during the reporting period. No other Directors, Supervisors and senior management of the Company has purchased the Company's shares and debentures during the reporting period. Accordingly, all the Directors have complied with the Model Code during the reporting period.

(五) 企業管治報告 (續)

2、 企業管治報告詳細內容 (續)

企業管治報告要求

Requirements of the

Corporate Governance Report

- 3、 如有不遵守《標準守則》所訂標準的情況，則須說明有關不遵守的詳情以及闡釋上市發行人就此採取的任何補救步驟

In the event of non-compliance with the Model Code, explanation should be made for the non-compliance, elaborating any remedial steps to be taken by the listed issuer in this respect

5. Corporate governance report (Continued)

2. Details of Corporate Governance Report

報告期內本公司的管治報告內容

Contents of the Company's Corporate Governance

Report during the reporting period

報告期內，無不遵守《標準守則》所訂標準的情況

During the reporting period, there was no non-compliance with the Model Code.

(五) 企業管治報告 (續)

2、 企業管治報告詳細內容 (續)

企業管治報告要求

Requirements of the

Corporate Governance Report

三、 董事會

- 1、 上市發行人董事會的組成 (按董事類別劃分)，當中包括主席、執行董事、非執行董事及獨立非執行董事的姓名

Composition (by category of Directors) of the board of directors of listed issuer, including the names of the chairman, executive, Directors non-executive Directors and independent non-executive Directors

5. Corporate governance report (Continued)

2. Details of Corporate Governance Report

報告期內本公司的管治報告內容

Contents of the Company's Corporate Governance

Report during the reporting period

董事會由9名成員組成，包括主席馬白玉女士，5名執行董事，分別為顧啟峰先生、付亞娜女士、安品東先生、王佔英先生、譚兆甫先生和3名獨立非執行董事分別為高宗澤先生、王翔飛先生、高寶明先生。其中獨立非執行董事高宗澤先生和王翔飛先生任期於2008年4月15日結束，經本公司第四屆董事會第十六次會議提名，於2008年4月15日召開的股東大會選舉通過，由謝榮先生和邸曉峰先生任本公司第四屆董事會獨立非執行董事。所有董事會成員均擁有豐富的專業和管治經驗。董事會成員的詳細情況請見本年報第五部分董事、監事和高級管理人員近5年工作簡歷。

The Board comprises nine members, including Ms. Ma Baiyu (Chairman) and 5 executive Directors, namely Mr. Gu Qifeng, Ms. Fu Yana, Mr. An Pindong, Mr. Wang Zhanying, Mr. Tan Zhaofu and 3 independent non-executive Directors, Mr. Gao Zongze, Mr. Wang Xiangfei, Mr. Ko Poming. The term of appointment of Mr. Gao Zongze and Mr. Wang Xiangfei, who are independent non-executive directors, ended on 15th April 2008. As nominated at the 16th meeting of the 4th Board of the Company and passed by way of election at the general meeting held on 15th April 2008, Mr. Xie Rong and Mr. Di Xiao Feng were appointed as independent non-executive Directors of the 4th Board of the Company. All members of the Board have professional and governance experience. For details of the Board members, please see "Major working experience of Directors, Supervisors and senior management in the recent five years" in this annual report.

(五) 企業管治報告 (續)

2、 企業管治報告詳細內容 (續)

企業管治報告要求

Requirements of the

Corporate Governance Report

- 2、 在財政年度內舉行董事會的次數

Number of board meetings held during the financial year

- 3、 具名列載每名董事於董事會會議的出席率

List of directors with their attendance rates of the board meetings

- 4、 陳述董事如何運作，包括涉及高層次的聲明書陳述哪類決定會由董事會作出，哪類決定會交由管理層作出

How the board of directors operate, including a statement of which type of decisions are to be taken by the board of directors, and which type of decisions are to be delegated to the management

5. Corporate governance report (Continued)

2. Details of Corporate Governance Report

報告期內本公司的管治報告內容

Contents of the Company's Corporate Governance

Report during the reporting period

報告期內本公司共舉行董事會 13 次，議案及董事出席

The Company held 13 Board meetings during the reporting period.

情況詳細見董事會工作報告中董事會日常工作情況。

Details of the resolutions and attendance of Directors are set out in the "Review of Board Activities" under the "Directors' Report".

《公司章程》中對董事會和管理層的職責有清晰的界定描述；《董事會議事規則》、《總經理議事規則》分別對董事會和管理層的決策程序和決策依據作出明確的規定，以保證董事和董事會、高級管理人員和管理層的決策科學、合法。

There are clear demarcation on the duties of the Board and the management in the Articles of Association. The Rules of the Procedures of Board Meetings and the Rules of the Procedures of the General Manager have made specific requirements on the decision making procedure and basis of decisions for the Board, the management, so as to ensure the decisions of the Directors, the Board, the senior management and the management to be scientific and legal.

(五) 企業管治報告 (續)

2、 企業管治報告詳細內容 (續)

企業管治報告要求

Requirements of the

Corporate Governance Report

- 5、 是否遵守《上市規則》第3.10(1)及(2)
Compliance with Rules 3.10(1) and (2) of
the Listing Rules

- 6、 當獨立非執行董事未能符合《上市規則》第3.13條列載的其中一項或多項評估獨立性的指引，須解釋為何上市發行人仍認同獨立非執行董事的獨立性

Where the independent non-executive directors fail to comply with any or more of the guidelines for assessment of independence under Rule 3.13 of the Listing Rules, explanation should be made on how the listed issuers still recognize the independence of the independent non-executive directors

- 7、 若董事會成員之間（特別是主席與行政總裁之間）存有任何關係，包括財務、業務、家屬或其他重大／相關的關係，則須披露有關關係。

Relationship, including financial, business, family or other material/relevant relationship between the members of the board of directors (in particular between the chairman and the chief executive officer)

5. Corporate governance report (Continued)

2. Details of Corporate Governance Report

報告期內本公司的管治報告內容

Contents of the Company's Corporate Governance

Report during the reporting period

三名獨立非執行董事的資格和專業經驗完全符合《上市規則》的要求，三名獨立非執行董事的詳細情況請見本年報第五部分董事、監事、高級管理人員近5年工作簡歷
The qualifications and professional experiences of the three independent non-executive Directors have fully complied with the requirements under the Listing Rules. For details of the three independent non-executive Directors, please see "Major working experience of Directors, Supervisors and senior management in the recent five years" in this annual report.

本公司董事會已經接受各位獨立非執行董事二零零七年度的獨立聲明書，確認他們符合聯交所上市規則3.13條所列載有關獨立性的規定。董事會認為全體獨立非執行董事均為獨立人士。

The Board has received annual confirmation of independence in 2007 from each of the independent non-executive Directors, and confirmed that they complied with the relevant independence requirements as set out under Rule 3.13 of the Listing Rules of the Stock Exchange. The Board considers that all the independent non-executive Directors are independent parties.

本公司董事會各成員之間無任何包括財務、業務、家屬或其他重大／相關的關係。

There was no relationship including financial, family or business, other material/relevant relationship between the members of the Board.

四、主席及行政總裁

1、主席及行政總裁的身份

1. Identity of the chairman and the chief executive officer

2、主席及行政總裁的角色是否分開以及並非由同一人士出任

2. Whether the roles of the chairman and the chief executive officer are segregated and are not exercised by the same individual

IV. The Chairman and the Chief Executive

馬白玉女士任本公司董事會主席；顧啟峰先生任總經理。本公司董事長由全體董事過半數選舉產生；本公司總經理由董事長提名，董事會聘任。

Ms. Ma Baiyu is the Chairman of the Board, Mr. Gu Qifeng is the general manager of the Company. The Chairman is elected by over half of all the Directors, while the general manager is nominated by the Chairman, and appointed by the Board.

董事會主席和總經理的主要職責區分明確，董事會主席負責召集、主持董事會會議，董事會的高效運作，而本公司行政主席負責本公司的各項經營活動、發展戰略、目標和計劃，並向本公司董事會負責。

The main duties of the Chairman of the Board and the general manager of the Company is clearly separated. The chairman of the Board is responsible for holding and presiding the Board meetings, and the effective operation of the Board, while the general manager of the Company is responsible for plan for various operation activities and development of strategies, objectives and plan for the Company, and is accountable to the Board.

五、非執行董事的任期

《公司章程》規定：非執行董事任期三年，可以連選連任，但連任時間不得超過6年。獨立非執行董事高宗澤先生和王翔飛先生於2008年4月15日任期滿6年，經本公司第四屆董事會第十六次會議提名，於2008年4月15日召開的股東大會選舉通過，由謝榮先生和邱曉峰先生任本公司第四屆董事會獨立非執行董事，首次任期至第四屆董事會任期結束日。

V. Terms of non-executive Directors

The Articles of Association requires that the terms of non-executive Directors shall be for three years, and can be available for re-election for a period of not exceeding six years. Mr. Gao Zongze and Mr. Wang Xiangfei had served as independent non-executive Directors for 6 years as at 15 April 2008. As nominated at the 16th meeting of the 4th Board and passed by way of election at the general meeting held on 15th April 2008, Mr. Xie Rong and Mr. Di Xiao Feng were appointed as independent non-executive Directors at the 4th Board of the Company until the end of the 4th Board.

六、董事薪酬

VI. Remuneration of Directors

1、薪酬委員會（如有）的角色及職能，或沒有設立薪酬委員會的原因

1. The role and function of the Remuneration Committee (if any), or reasons for not setting up a Remuneration Committee

2、薪酬委員會（如有）的組成（包括各委員的姓名，尤其要識別薪酬委員會主席姓名）

2. Composition of the Remuneration Committee (if any), including the names of the members, in particular, the Chairman of the Remuneration Committee

本公司成立了薪酬與考核委員會，其主要職責是向董事會建議董事及高級管理人員的薪酬方案。其書面職權範圍可參見《薪酬與考核委員會工作細則》，該《工作細則》已經第三屆董事會第二十五次會議討論通過。

The Company has established a Remuneration and Assessment Committee, its primary duties is to propose remuneration plan of Directors and senior management of the Company to the Board. For its scope of rights in written form, please refer to the “Details for the works of the Remuneration and Assessment Committee” which was approved at the 25th Meeting of the Third Board.

報告期內，薪酬委員會由三名獨立非執行董事組成，分別是高寶明先生、王翔飛先生、高宗澤先生，其中高宗澤先生任薪酬委員會主席。獨立非執行董事高宗澤先生和王翔飛先生於2008年4月15日任期滿6年，經本公司第四屆董事會第十六次會議提名，於2008年4月15日召開的股東大會選舉通過，由謝榮先生和邱曉峰先生任本公司第四屆董事會獨立非執行董事，並擔任薪酬委員會委員，由邱曉峰先生任薪酬委員會主席。

During the reporting period, the Remuneration and Assessment Committee comprises three independent non-executive Directors, being Mr. Ko Poming, Mr. Wang Xiangfei, Mr. Gao Zongze, and Mr. Ko Poming is the chairman of the Remuneration and Assessment Committee. Mr. Gao Zongze and Mr. Wang Xiangfei had served as independent non-executive directors for 6 years as at 15 April 2008. As nominated at the 16th meeting of the 4th Board of the Company and passed by way of election at the general meeting held on 15th April 2008, Mr. Xie Rong and Mr. Di Xiao Feng were appointed as independent non-executive Directors and members of the Remuneration and Assessment Committee (with Mr. Di Xiao Feng as the Chairman) at the 4th Board of the Company.

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|---|--|
| <p>3、薪酬委員會或董事會（如沒有設立薪酬委員會）年內舉行會議以討論薪酬相關事宜的次數，以及具名列載個別委員會（或董事）出席該等會議的記錄</p> | <p>報告期內舉行一次薪酬委員會會議，審議通過了關於調整高管薪酬議案；委員高宗澤先生因出差在外無法出席，其餘委員全部出席。</p> |
| <p>3. The number of meetings held by the Remuneration Committee or the board of directors (if the Remuneration Committee has not been set up) during the year to discuss the remuneration and related matters, and the record of individual attendance of members)</p> | <p>The Remuneration and Assessment Committee held one meeting during the reporting period to consider and approve the resolution related to the adjustment of remuneration of senior management. The member Mr. Gao Zongze was unable to attend the meeting due to a business trip and all other members were present.</p> |
| <p>4、薪酬委員會或董事會（如沒有設立薪酬委員會）年內的工作摘要，工作包括制定執行董事薪酬政策、評估執行董事的表現及批准執行董事服務和約的條款</p> | <p>報告期內，本公司召開了一次薪酬委員會，審議通過了關於調整高管薪酬議案。《公司章程》規定：本公司應當就報酬事項與本公司董事、監事訂立書面合同，並經股東大會事先批准。</p> |
| <p>4. A summary of the work of the Remuneration Committee or the board of directors (if the Remuneration Committee has not been set up) during the year, including determining the policy for the remuneration of executive directors, assessing performance of executive directors and approving the terms of executive Directors' service contracts</p> | <p>During the reporting period, the Company held one Remuneration Committee meeting to consider and pass the resolution related to the adjustment of remuneration of senior management. The Articles of Association requires that the Company should enter into written contracts with the Directors and Supervisors in respect of the remuneration issues, subject to approval by the general meeting in advance.</p> |

七、董事提名（提名委員會） 報告期內，未發生董事任免情 況。

1、 董事會年內採用的提名程序及處理過程，以及
挑選及推薦董事候選人的準則

1. The nomination procedure and the process
and criteria adopted by the board of directors
to select and recommend candidates for
directorship during the year

2、 董事會年內的工作摘要，工作包括制定董事
提名的政策

2. Summary of the works of the board of
directors during the year, including determining
of the policy for the nomination of directors

3、 董事會年內舉行會議的次數，以及具名列載
個別董事出席該等會議的記錄

3. the number of board meetings held during
the year, and the list of attendance record of
individual directors in such meetings

VII. Nomination of Directors (Nomination Committee)

報告期內，按照《公司章程》以及上交所及聯交所的相關規定，本公司董事會成立了提名委員會，制訂了《提名委員會工作細則》，並經公司於2007年12月27日召開的股東大會審議通過。獨立非執行董事高宗澤先生和王翔飛先生於2008年4月15日任期滿6年，經本公司董事會提名委員會2008年第一次會議提名及第四屆董事會第十六次會議通過，於2008年4月15日召開的股東大會選舉，聘任謝榮先生和邱曉峰先生任本公司第四屆董事會獨立非執行董事。關於報告期內董事會工作情況，請詳見董事會報告中董事會日常工作部分。

During the reporting period, no director was appointed or removed. During the reporting period, and in accordance with the Articles of Association of the Company and the requirements of the SSE and the Stock Exchange, the Board of the Company set up the Nomination Committee and formulated the “Detailed Working Rules of the Nomination Committee”, which were considered and approved at the general meeting held on 27th December 2007. Mr. Gao Zongze and Mr. Wang Xiangfei had served as independent non-executive Directors for 6 years as at 15 April 2008. As nominated by the Nomination Committee of the Board of the Company at its first meeting in 2008 and approved by the 16th meeting of the Fourth Board, Mr. Xie Rong and Mr. Di Xiao Feng were elected independent non-executive Directors of the Fourth Board of the Company at the general meeting held on 15 April 2008. For details of the work of the Board during the reporting period, please refer to the section “Review of Board Activities” in the Directors’ Report.

八、核數師酬金

有關核數師向上市發行人提供核數及非核數服務所得酬金的分析。有關分析必須包括每項用重大非核數服務的性質及所支付費的詳情

Regarding analysis of the remuneration received by the auditors in respect of the provision of auditing and non-auditing services to the listing issuers, it shall include details of the nature of each material non-auditing service and the expenses paid

VIII. Remuneration of Auditors

董事會下轄的審核委員會一項重要職責是就外聘核數師的委任、重新委任及罷免向董事會提供建議、批准核數師的薪酬及聘用條款。報告期內，審核委員會建議繼續聘請普華永道為公司外部審計機構並得到股東大會的批准，聘用協議詳細列明普華永道的核數內容及所得報酬，並在報告期內嚴格按照該聘用協議執行。報告期內核數師並未向本公司提供非核數服務。

One of the important duties of the Audit Committee of the Board is to provide proposal in respect of the appointment, reappointment and removal of external auditors and to approve remuneration and employment terms of the auditor. During the reporting period, the Audit Committee proposed to re-elect PricewaterhouseCoopers as the Company's external auditors and was approved at the general meeting. The appointment agreement sets out the details of the audit content and remuneration of PricewaterhouseCoopers. The appointment agreement was implemented strictly during the reporting period. During the reporting period, the Auditors have not provided non-audit services to the Company.

九、審核委員會

IX. Audit Committee

- 1、審核委員會的角色、職能以及組成（包括各成員的姓名，尤其要註明誰是委員會主席）
1. The role, functions and composition of the Audit Committee, including names of the members, in particular, the chairman of the committee
- 2、年內審核委員會開會的次數，以及具名列載個別成員出席會議的記錄
2. Number of meetings held by the Audit Committee during the year, and the record of individual attendance of members
- 3、審核委員會年內就履行其審議季度（如有）、半年度及年度業績以及檢討內部監控系統的職責時和履行《守則》所列的其他責任時所做工作的報告
3. Report of the work performed by the Audit Committee during the year in discharging its responsibilities its review of quarterly (if relevant), half yearly and annual results and system of internal control, its other duties set out in Model Code

董事會審核委員會的主要職責包括作出外部審計師的任命建議、審閱年度、半年度財務報表，其書面職責範圍詳細請見《審核委員會工作細則》。為完善公司內部監控系統，本公司制定了《內部審計制度》，具體配合審核委員會的工作。審核委員會由本公司三名獨立非執行董事組成，高寶明先生、高宗澤先生、王翔飛先生，高寶明先生任審核委員會主席。報告期內本公司共召開兩次會議，分別審議了本公司2006年度報告及2007年半年度報告，並出具了工作報告。2008年4月15日，高宗澤先生及王翔飛先生任期結束，新任獨立非執行董事謝榮先生及邱曉峰先生任審核委員會委員。

The Primary duties of the Audit Committee include making proposal for the appointment of external auditors, reviewing of annual, interim and quarterly financial statements. For details of its written terms of duties, please see the “Articles of the Works of the Audit Committee”. In order to upgrade the Company’s internal control system, the Company has set up an “Internal Audit System”, which is in line with the works of the Audit Committee. The Audit Committee comprises three independent non-executive Directors, Mr. Ko Poming, Mr. Gao Zongze, Mr. Wang Xiangfei, and Mr. Ko Poming is the chairman of the Audit Committee. During the reporting period, the Audit Committee has held two meetings to consider the Company’s 2006 annual report and 2007 interim report, and has issued a working report. The terms of office of Mr. Gao Zongze and Mr. Wang Xiangfei ended on 15 April 2008. The new independent non-executive Directors, Mr. Xie Rong and Mr. Di Xiaofeng, were appointed as committee members of the Audit Committee.

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| 4、未能遵守（如有）《上市規則》第 3.21 條的詳情，以及解釋上市發行人因未能符合關於設立審核委員會的規定而採取的補救步驟。（上市發行人有責任遵守《上市規則》第 3.21 條，若上市發行人未能遵守有關規則，即構成違反《上市規則》） | 無不遵守《上市規則》第 3.21 條的情況。 |
| 4. Non-compliance (if any) with Rule 3.21 of the Listing Rules, and explain the remedial steps adopted by the listed issuer for not establishing an audit committee in compliance with there levant requirements. (The listed issuer has the duty to comply with Rule 3.21 of the Listing Rules. If the listed issuer does not comply with the relevant rules, the Listing Rules were breached). | There was no non-compliance of Rule 3.21 of the Listing Rules. |
| 5、董事須承認其有編製帳目的責任，以及核數師發表有關其申報責任的聲明 | 董事負責監督編製每個財政期間的帳目，使該帳目能真實公平地反映本公司在該期間的業務狀況、業績等情況。在編製截至二零零七年十二月三十一日止年度帳目時，董事已選擇適合的會計政策並貫徹應用且已作出審慎合理判斷及估計，並按持續經營基準編製帳目。 |
| 5. The directors shall confirm their responsibility to prepare the accounts, and the auditors shall issue a statement regarding its reporting responsibility | The Directors shall be responsible to supervise the preparation of accounts for each financial period, so that the accounts can truly and fairly reflect the business situation and results of the Company during the period. When preparing the accounts for the year ended 31st December, 2007, the Directors have selected the suitable accounting policies, and have implemented and made prudent and reasonable judgments and estimations, and prepared the accounts on the basis of continuous operations. |
| 6、若有重大不明朗事件或情況可能會嚴重影響上市發行人持續經營的能力，須匯報此等不明朗因素 | 董事認為，報告期內未發生可能會影響本公司持續經營能力的重大不明朗事件或情況。 |
| 6. Report should be made in the event of material uncertainties or situations which may seriously affect the ability of the listed issuer as a going concern | The Directors consider that there was no occurrence of uncertainties or situations which may affect the ability of the Company as a going concern during the reporting period. |

- 7、說明董事會經已檢討發行人及其附屬公司的內部監控系統是否有效
7. Whether the board of directors has reviewed the effectiveness of the internal control systems of the listed issuer and its subsidiaries
- 8、審核委員會說明解釋其對挑選、委任、辭退或解僱外聘核數師事宜的意見，以及董事會持不同意見的原因。
8. The Audit Committee has explained its opinions on the selection, appointment, removal or termination of external auditors, and reasons for disagreement with the board of directors.
- 詳細請見（六）本公司內部控制制度的建立健全情況。
- For details, please see (6) below Establishment and the effectiveness of the internal control system of the Company.
- 普華永道中天會計師事務所有限公司和羅兵咸永道會計師事務所一直擔任本公司的境內外審計服務機構，鑒於其對本公司的持續瞭解以及其專業水平很高，審核委員會建議續聘以上審計機構於2008年繼續為本公司提供審計服務，並且該建議獲得了第四屆董事會第二次會議審議通過。
- PricewaterhouseCoopers Zhong Tian Certified Public Accountants Limited Company and PricewaterhouseCoopers have been the Company's domestic and overseas auditors respectively. In view of their continued understanding to the Company and their high professional level, the Audit Committee has proposed to re-appoint the above audit firms to provide audit services to the Company in 2008, and such proposal has been considered and passed at the 2nd Meeting of the Fourth Board.

(六) 本公司內部控制制度的建立健全情況

報告期內，根據中國《公司法》、《證券法》、《企業管治常規守則》等有關規定，本公司修訂了本公司《章程》、《股東大會議事規則》、《董事會議事規則》、《監事會議事規則》，制訂了《提名委員會實施細則》、《戰略委員會實施細則》，並嚴格遵照執行。繼續執行《審核委員會實施細則》、《薪酬與考核委員會實施細則》。上述公司治理方面制度的實施，促進了本公司法人治理結構的完善和規範運作。

報告期內，本公司聘請了專業管理諮詢公司，從本公司層面控制、業務流程層面控制對本公司內部控制系統進行了有效性檢查，並幫助本公司對各項制度及流程進行了完善。

報告期內，本公司所有重大事項均已建立了健全、合理的內部控制制度，包括了涵蓋銷售及收款、生產及採購、固定資產管理、建設工程管理、科技研發、貨幣資金管理、擔保與融資、對附屬公司的管理、全面預算、財務報告及信息披露、關聯交易、市場與公共關係、人事管理、行政管理、信息技術管理等主要業務流程60餘個管理制度。並順利得以貫徹執行，不存在重大缺陷，符合當前生產經營實際情況的需要，能夠合理的防範和控制風險，預防和及時發現、糾正公司運營過程可能出現的錯誤，保護公司資產的安全和完整，保證會計記錄和會計信息的真實性、準確性和及時性。

(6) Establishment and the effectiveness of the internal control system of the Company

During the reporting period, pursuant to the PRC Company Laws, Securities Law and Code on Corporate Governance Practices, the Company made amendments to the “Articles of Association”, “Rules of the Procedures of Board Meetings”, “Rules of the Procedures of Shareholders’ General Meetings”, “Rules of the Procedures of Supervisory Committee Meetings” and formulated the “Detailed Working Rules of the Nomination Committee” and “Detailed Working Rules of the Strategic Planning Committee”, which were strictly implemented. It continued to implement the “Detailed Implementation Rules of the Audit Committee” and “Detailed Implementation Rules of the Remuneration and Assessment Committee”. The implementation of the above systems in relation to corporate governance has enhanced the improvement and regulated operation of the Company’s governance by legal persons.

During the reporting period, the Company has engaged professional management consultancy companies to conduct effective examinations on the Company’s internal control system from control at company level and business flow level, which facilitated the improvement of the different systems and business flow by the Company.

During the reporting period, a well established and reasonable system of internal control has been established for all major events of the Company, including more than 60 management systems that cover sales and receipt of payment, production and purchase, management of fixed assets, management of construction works, research and development of technology, management of monetary funds, guarantees and financing, management of subsidiaries, comprehensive budgeting, financial reports and information disclosure, connected transactions, market and public relations, personnel management, administrative management and information technology management, etc., which have been fully implemented without major setbacks, and conforming with the actual needs of the present production and operation. Risks can be reasonably prevented and controlled and possible mistakes made by the Company during its operation can be prevented, discovered and rectified in a timely manner, ensuring the security and completeness of the assets of the Company and the truthfulness, accuracy and timeliness of accounting records and accounting information.

本公司目前正處於發展期，經營規模的擴大對本公司內部控制提出了更高的要求，本公司將通過不斷完善內部控制制度，強化規範運作意識，加強內部監督機制，促進公司健康、穩定、快速地發展。

The Company is under a stage of development, and the expansion in scale of operation presents higher demands of internal control of the Company. The Company will continue to improve its system of internal control, strengthen its awareness of regulated operation and reinforce the internal supervision mechanism to promote the healthy, stable and rapid development of the Company.

(七) 本公司披露董事會對本公司內部控制的自我評估報告和審計機構的核實評價意見

本公司不披露董事會對本公司內部控制的自我評估報告和審計機構的核實評價意見。

(7) Disclosure by the Company of the Board's opinion on the self-assessment report of the system of internal control of the Company and the audit by the auditors

The Company does not disclose the Board's opinion on the self-assessment report of the system of internal control of the Company and the audit by the auditors.

股東大會情況簡介 Shareholders' General Meetings

(一) 年度股東大會情況

本公司於2007年6月8日召開2006年年度股東大會，決議公告刊登在2007年6月11日的《上海證券報》。

本公司於2007年6月8日在天津市南開區衛津南路76號天津創業環保大廈五樓會議室召開2006年年度股東大會。出席會議的股東及股東代理人代表股份803,700,937股，佔本公司有表決權股份總數的57.70%。會議由董事長馬白玉女士主持，本公司部分董事、監事和高級管理人員出席了會議，本公司律師列席了會議。會議召開程序符合中國《公司法》及本公司《公司章程》的有關規定。

經會議審議通過的普通決議案如下：

- (1) 審議通過了本公司2006年度報告及其摘要；
- (2) 審議通過了本公司2006年度財務會計報告；
- (3) 審議通過了本公司2006年度董事會工作報告及2007年度經營發展計劃；
- (4) 審議通過了本公司2006年度財務決算及2007年度財務預算；
- (5) 審議通過了本公司2006年度利潤分配預案；
- (6) 審議通過了關於繼續聘請普華永道中天會計師事務所有限公司和羅兵咸永道會計師事務所為本公司境內外審計師的議案；

(1) Annual general meeting

The Company convened the 2006 annual general meeting on 8 June 2007. Announcement of the resolutions of the general meeting was published on Shanghai Securities on 11 June 2007.

The 2006 annual general meeting was convened on 8 June 2007 at the Conference Room of the Company at 5th Floor, TCEP Building, 76 Weijin South Road, Nankai District, Tianjin. Shareholders and their proxies holding 803,700,937 Shares, representing 57.70% of the total voting Shares of the Company, attended the meeting. The meeting was chaired by Ms. Ma Baiyu, the chairman and was attended by certain Directors, Supervisors and senior management. The solicitor of the Company was present. The procedures for convening the meeting were in compliance with the requirements of the PRC Company Law and the Articles of Association.

Ordinary resolutions considered and passed at the meeting were as follows:

- (1) Considered and approved the 2006 Annual Report and Summary of the 2006 Annual Report;
- (2) Considered and approved the 2006 financial accounting report of the Company;
- (3) Considered and approved the 2006 Board Working Report and 2007 operation development plan of the Company;
- (4) Considered and approved the 2006 financial final report and 2007 financial budget report;
- (5) Considered and approved the 2006 profit distribution plan of the Company;
- (6) Considered and approved the resolution regarding the reappointment of PricewaterhouseCoopers Zhong Tian Certified Public Accountants Limited Company and PricewaterhouseCoopers as the Company's domestic and overseas auditors;

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| (7) 審議通過了購買責任保險方案； | (7) Considered and approved the plan to take out liability insurance; |
| (8) 審議通過了監事會工作報告。 | (8) Considered and approved the working report of the Supervisory Committee. |
- 經會議審議通過的特別決議案如下：
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| (1) 審議通過了向股東大會申請授權配發及發行新股份（H股）的議案； | (1) Considered and approved the proposal regarding application to the general meeting for authorization to allot and issue new Shares (H Shares); |
| (2) 審議通過了關於將本公司名稱變更為集團公司的議案。 | (2) Considered and approved the resolution regarding the change of the Company's name to a "Group Company" |

（二）臨時股東大會情況

1、2007年第一次臨時股東大會

本公司於2007年12月27日召開2007年第一次臨時股東大會，股東大會決議公告刊登在2007年12月28日的《上海證券報》。

本公司於2007年12月27日在天津市南開區衛津南路76號天津創業環保大廈五樓會議室召開2007年第一次臨時股東大會。出席會議的股東及股東代理人代表股份794,880,254股，佔本公司有表決權股份總數的55.69%。由於董事長馬白玉女士因故無法出席，會議經臨時股東大會現場推舉由董事顧啟峰先生主持，本公司部分董事、監事和高級管理人員出席了會議，本公司律師列席了會議。會議召開程序符合中國《公司法》及《公司章程》的規定。

(2) Extraordinary general meeting

1. First extraordinary general meeting in 2007

The Company convened the 2007 First extraordinary general meeting on 27 December 2007. Announcement of the resolutions of the general meeting was published on Shanghai Securities on 28 December 2007.

The First extraordinary general meeting in 2007 was convened on 27 December 2007 at the Conference Room of the Company at 5th Floor, TCEP Building, 76 Weijin South Road, Nankai District, Tianjin. There were Shareholders holding 794,880,254 Shares present in person or by proxy, representing 55.69% of the total Shares with voting rights in the Company. As Ms. Ma Baiyu, the Chairman was unable to attend the meeting due to her personal accord, the meeting was chaired by the Director, Mr. Gu Qifeng (being elected at the meeting). The meeting was attended by certain Directors, Supervisors and senior management. The solicitor of the Company was present. The procedures for convening the meeting were in compliance with the requirements of the PRC Company Law and the Articles of Association.

經股東大會審議通過的普通決議如下：

- (1) 審議通過了關於成立董事會提名委員會的議案；
- (2) 審議通過了關於制定《董事會提名委員會實施細則》的議案；
- (3) 審議通過了關於成立董事會戰略委員會的議案；
- (4) 審議通過了關於制定《董事會戰略委員會實施細則》的議案；

經股東大會通過的特別決議案如下：

- (1) 審議通過了關於修訂《公司章程》的議案；
- (2) 審議通過了關於修訂公司《股東大會議事規則》的議案；
- (3) 審議通過了關於修訂公司《董事會議事規則》的議案；
- (4) 審議通過了關於修訂公司《監事會議事規則》的議案；
- (5) 審議通過了關於發行不超過人民幣 11 億元公司債的議案。

Ordinary resolutions considered and passed at the general meeting were as follows:

- (1) Considered and approved the resolution regarding the establishment of the Nomination Committee of the Board;
- (2) Considered and approved the resolution regarding the formulation of “Detailed Working Rules of the Nomination Committee”;
- (3) Considered and approved the resolution regarding the establishment of the Strategic Planning Committee of the Board;
- (4) Considered and approved the resolution regarding the formulation of “Detailed Working Rules of the Strategic Planning Committee”;

Special resolutions considered and passed at the general meeting were as follows:

- (1) Considered and approved the resolution regarding the amendment to the Articles of Association;
- (2) Considered and approved the resolution regarding the amendment to the “Rules of the Procedures of General Meetings”;
- (3) Considered and approved the resolution regarding the amendment to the “Rules of the Procedures of Board Meetings”;
- (4) Considered and approved the resolution regarding the amendment to the “Rules of the Procedures of Supervisory Committee Meetings”;
- (5) Considered and approved the resolution regarding the issuing of company bonds amounted to not more than RMB1.1 billion.

(一) 報告期內本公司經營情況的回顧

1. 概述本公司報告期內總體經營情況

2007 年是本公司及本公司附屬公司（「本集團」）實施五年戰略規劃的開局之年，也是為本公司未來集團化發展夯實基礎的一年。本公司堅持以發展為主線，以市場開發為中心，全面強化自身業務流程管理，加強成本控制和運營審計工作，完善績效考核制度和獎勵機制，充分調動了廣大員工的工作積極性和創造性，本集團整體經營狀況呈現了穩中有升的態勢。

2007 年，本集團實現主營業務收入人民幣 9.81 億元，較 2006 年增加了 21.56%；實現淨利潤人民幣 1.838 億元，較 2006 年增加了 15.83%。

2. 分析本公司主營業務及其經營狀況

本公司的主營業務是：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。

(1) Review of Operations of the Company during the reporting period

1. An overview of the overall operations of the Company during the reporting period

In 2007, the Company and its subsidiaries (the "Group") started implementing the 5-year strategic plan. The Company also laid down the foundation for future development as a group during the year. The Company insists on making development as its main task and market development as its core and fully strengthens its own business flow management, reinforces cost control and the audit of operations, perfects the performance assessment system and reward mechanism, and fully utilizes the enthusiasm and creativeness of employees at large. The Group's overall operating position is stable and in an upward trend.

In 2007, the Group recorded income from principal operations of RMB981 million, increasing 21.56% when comparing the figure of 2006, and recorded net profit of RMB183.8 million, increasing 15.83% when comparing the figure of 2006.

2. Analysis of the Company's principal businesses and its operating conditions

The principal businesses of the Company are: the construction, design, management, operation, technological consultation and auxiliary services of sewage water treatment plant 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.

(1) 本公司主營業務經營情況的說明

a. 污水處理服務業務

報告期內，本集團投資運營的污水處理廠處理規模達到248.5萬立方米／日，報告期內共處理污水5.7億立方米，實現收入人民幣8.53億元。

在天津地區，本公司依照《污水處理委託協議》和《污水處理臨時服務協議》，全年共處理污水34,012萬立方米，實現污水處理服務收入人民幣65,645萬元，均比去年同期增長10.95%。處理量的增加一方面是因為咸陽路污水處理廠2007年來水量增加，另一方面是因為北倉污水處理廠2006年6月1日才開始正常運行，所以2007年該廠的處理水量比2006年大幅增長。

(1) Description of the principal businesses of the Company

a. Sewage water processing business

During the reporting period, the sewage water processing plants invested and operated by the Group had a processing capacity of 2.485 million cubic metres per day. The plants processed a total of 570 million cubic metres of sewage water during the reporting period and recorded an income of RMB 853 million.

The Company processed 340.12 million cubic metres of sewage water for the whole year in the Tianjin region pursuant to the "Sewage Water Processing Agreement" and "Sewage Water Processing Interim Service Agreement" and recorded an income of RMB656.45 million, with a year-on-year growth of 10.95%. The increase in processing volume was, on one hand, due to the increase in water input in Xianyanglu Sewage Water Treatment Plant, and on the other hand, due to the commencement of normal operation of the Beicang Sewage Water Treatment Plant from 1 June 2006 and as a result, the processing volume of that plant increased significantly in 2007.

報告期內，本公司所屬子公司污水處理業務均按照與當地政府和本公司簽署的污水處理特許經營協議和污水處理服務協議提供污水處理服務。貴陽小河污水處理廠、曲靖兩江口污水處理廠、阜陽第一污水處理廠、寶應仙荷污水處理廠、洪湖污水處理廠、杭州七格污水處理廠等 6 個污水處理廠共處理污水 23,086 萬立方米，實現污水處理服務收入人民幣 19,663 萬元，較去年同期增長 66.72% 及 111.93%。水量的增長主要來自於杭州公司和洪湖公司，杭州公司 2006 年 11 月投入商業運營，洪湖公司 2006 年 7 月投入商業運營。報告期內，本公司投資建設的赤壁污水處理廠完成投資人民幣 3,500 萬元，截止 2007 年底該項目已完成投資計劃的 65.04%。

During the reporting period, the sewage water processing business of the Company's subsidiaries provided sewage water processing services pursuant to the sewage water processing licence agreements and sewage water processing service agreements entered into with local governments. The six sewage water treatment plants, namely Guiyang Xiaohe Sewage Water Treatment Plant, Qujing Lianjiangkou Sewage Water Treatment Plant, Fuyang No.1 Sewage Water Treatment Plant, Baoying Xianhe Sewage Water Treatment Plant, Honghu Sewage Water Treatment Plant and Hangzhou Qige Sewage Water Treatment Plant, in aggregate processed sewage water of 230.86 million cubic metres and received an income of RMB196.63 million from processing sewage water, an increase of 66.72% and 111.93% over the same period last year respectively. The increase in water processing volume mainly came from the companies in Hangzhou and the companies in Honghu; the companies in Hangzhou commenced commercial operation in November 2006 and the companies in Honghu commenced commercial operations in July 2006. During the reporting period, the Company completed investment of RMB35 million in the construction of Chibi Sewage Water Treatment Plant. As at the end of 2007, 65.04% of the investment plans of the project has been completed.

報告期內，本集團新增委託運營規模共計24萬立方米／日，委託運營規模達到38萬立方米／日，實現委託運營服務收入人民幣1,300萬元。完成了調試運營、技術服務及培訓等項目9項。

報告期內，聯合中標的天津濱海新區漢沽營城污水處理廠DBO項目協議正式簽署。聯合中標湛江市赤坎水質淨化廠二期工程總承包項目（5萬立方米／日）。

報告期內，本公司中標山東文登污水處理廠TOT項目（8萬立方米／日，資產轉讓價人民幣1.2億元），註冊成立文登創業水務有限公司。2008年1月1日該項目開始商業運營。

報告期內，本公司獲得了天津靜海天宇科技園污水處理廠（1.5萬立方米／日）BOT項目，註冊成立了天津靜海創業水務有限公司，該項目已經開始建設工作。

During the reporting period, the Group achieved an aggregate additional entrustment operating capacity of 240,000 cubic metres per day, reaching an entrustment operating capacity of 380,000 cubic metres per day. Income from entrustment operation services was RMB13 million. Nine projects in respect of trial operations, technological services and training, etc. were completed.

During the reporting period, an agreement was officially signed in respect of the joint tender in Han Gu Ying Cheng Sewage Water Treatment Plant at Tianjin Binhai Xin Qu DBO project. The joint tender in the master contracting project of the 2nd phrase Zhan Jiang City Chi Kan Sewage Water Purification Plant (50,000 cubic metres per day) was won.

During the reporting period, the Company won the tender of Shandong Wen Deng Sewage Water Processing Plant TOT project (80,000 cubic metres per day, the price of asset transfer amounted to 120 million). Wendeng Capital Water Company Limited was incorporated. The project commenced commercial operation on 1 January 2008.

During the reporting period, the Company was awarded the BOT project in respect of the Tianjin Jing Hai Tian Yu Science and Technology Park Sewage Water Processing Plant (15,000 cubic metres per day) and Jing Hai Capital Water Company Ltd. was incorporated. The project has commenced construction.

報告期內，本公司中標西安市污水處理廠、西安市北石橋污水淨化中心TOT項目（兩廠處理總規模31萬立方米／日，資產轉讓價人民幣6.43億元）。2008年3月18日，項目公司已正式簽署《資產轉讓協議》、《污水處理服務協議》、《特許經營協議》及《職工安置協議》。

報告期內，本公司獲得工業廢水甲級運營資質，為本公司進入工業廢水處理領域創造了條件。2008年1月，本公司北倉污水處理廠項目參評二〇〇七年度國家優質獎，獲得銀質獎。

During the reporting period, the Company won the tender in the TOT project of the Xi'an City Sewage Water Processing Plant and Xi'an City Beishiqiao Purification Centre (two plants with a total capacity of 310,000 cubic metres per day, the price of asset transfer amounted to RMB643 million). On 18 March 2008, the Project Company officially signed the Asset Transfer Agreement, Sewage Water Processing Services Agreement, License Agreement and Staff Reallocation Agreement.

During the reporting period, the Company obtained Level 1 qualification for industrial waste water operation, creating a favourable condition for the Company's entering into the industrial waste water treatment area. In January 2008, the Company's Beicang Sewage Water Treatment Plant project participated in the national merit awards 2007 and was awarded the silver merit prize.

b. 再生水業務

報告期內，天津中水有限公司紀莊子再生水廠實現售水量328萬立方米，實現再生水銷售收入人民幣427萬元，比去年同期分別增長81.43%和82.53%。售水量大幅提高原因：一是增加了用水量較大的新用戶；二是部分臨水用戶轉為綜合用水用戶後用水量較臨時用水有大幅提升。

報告期內，本集團北倉再生水廠、東郊再生水廠土建工程均已完工，完成投資人民幣3,092萬元。咸陽路再生水廠進入試運行階段。

c. 自來水業務

報告期內，曲靖創業水務公司自來水上網水量3,400萬立方米，同去年同期基本持平，實現自來水業務收入人民幣2,800萬元。為本集團培養和儲備了自來水業務專業技術人員和管理人員，為本集團自來水業務的拓展提供了人才保障。

b. Recycled water business

During the reporting period, Zhong Shui Company's Jizhuangji Recycled Water Plant recorded water sales of 3.28 million cubic metres and recorded income from recycled water sales of RMB 4.27 million, representing a growth of 81.43% and 82.53% respectively over the same period last year. The significant growth in water sales was due to: first, new customers with higher water usage volume; second, some users of temporary water became users of all-purpose water, following which their water usage volume recorded a significant increase.

During the reporting period, the Group's Beicang Recycled Water Plant and Dong Jiao Recycled Water Plant had completed underground construction, and completed investments amounted to RMB30.92 million. The Xianyanglu Recycled Water Plant has commenced trial operations.

c. Tap water business

During the reporting period, the tap water uploading volume of Qujing Capital Water Co., Ltd. was 34 million cubic metres, which was level with the same period last year, and recorded income from the tap water business of RMB 28 million. The training and retention of professional technical personnel and management personnel of the Group has safeguarded the supply of talents for the development of the Group's tap water business.

d. 道路收費業務情況

報告期內，本公司道路收費業務實現收入人民幣6,976萬元，較2006年的收入人民幣6,589萬元略有增長。從2003年7月1日本公司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。本公司與天津市貸款道路建設車輛通行費徵收辦公室簽訂的《委託收費協議》，收費辦公室為本公司提供收費服務並負責收費站的運營、管理、維修、養護等。

d. Operations of toll collection business

During the reporting period, the Company recorded an income of RMB69.76 million from the toll collection business, a slight increase from income of RMB65.89 million for 2006. Since the change of toll collection arrangement to subcontracting toll collection on 1 July 2003, income has been stable, and there have been no major changes. Pursuant to the "subcontracting toll collection agreement" entered into between the Company and Tianjin City Indebted Road Construction for Vehicle-passage Toll Collection Office, the toll collection office will provide toll collection service to the Company and is responsible for the operation, management, repair and maintenance of toll stations.

(2) 主營業務分行業情況表

(2) Principal businesses by industry

單位：千元
幣種：人民幣
Unit: '000
Currency: RMB

分行業或分產品 By industry or by product	營業收入 Operating income	營業成本 Cost of operations	營業利潤率 Profit margin from operations (%)	營業收入比上年增減 Increase/decrease in operating income compared to last year (%)	營業成本比上年增減 Increase/decrease in cost of operations compared to last year (%)	營業利潤率比上年增減 Increase/decrease in profit margin from operations compared to last year (%)
行業 Industry						
污水處理收入 Income from sewage operating treatment	853,080	359,873	57.81	24.64	31.42	減少 2.18 個百分點 Decrease by 2.18 percentage points
路費收入 Toll fee income	69,760	22,797	67.32	5.87	46.17	減少 9.01 個百分點 Decrease by 9.01 percentage points
自來水供水收入 Income from provision of tap water	27,879	20,765	25.52	-10.44	-15.39	增加 4.36 個百分點 Increase by 4.36 percentage points
中水管道接駁及供水收入 Income from water recycling pipe connection and water supply	28,671	19,998	30.25	20.65	38.13	減少 8.82 個百分點 Decrease by 8.82 percentage points
銷售建築材料收入 Income from sales of construction materials	1,638	1,657	-1.16	-23.96	-16.44	減少 9.1 個百分點 Decrease by 9.1 percentage points

(3) 主營業務分地區情況表

(3) Principal businesses by region

		單位：千元 幣種：人民幣 Unit: '000 Currency: RMB	
		營業收入比 上年增減 Increase/decrease in operating income compared to last year (%)	
地區	Region	營業收入 Operating income	
天津	Tianjin	782,740	14.52
貴州	Guizhou	32,497	23.34
曲靖	Qujing	42,330	1.97
阜陽	Fuyang	26,097	52.94
寶應	Baoying	10,226	138.7
杭州	Hangzhou	105,292	252.11
洪湖	Honghu	8,197	70.77

3. 報告期資產構成、主要財務數據
同比發生重大變動的說明（按照
中國企業會計準則編制）

截至2007年12月31日，本集團資產總額為人民幣5,886,672千元，比2006年末增加人民幣4,213千元，增加0.07%；負債總額為人民幣2,878,634千元；股東權益總額為人民幣3,008,038千元；2007年實現淨利潤為人民幣183,813千元。現將變動較大的科目進行如下分析：

3. Description of material change in asset composition and principal financial data during the reporting period as compared with the corresponding period of last year (prepared in accordance with the PRC Corporate Account Standards)

As at 31 December 2007, the total assets of the Group amounted to RMB5,886.672 million, an increase of 0.07% or RMB4.213 million over 2006; the total liabilities amounted to RMB2,878.634 million; total shareholders' equity was RMB3,008.038 million. A net profit of RMB183.813 million was recorded in 2007. The following is an analysis of items with more significant changes:

單位：千元
幣種：人民幣
Unit: '000
Currency: RMB

項目名稱 Items	期末數 Amount at the end of the period	期初數 Amount at the beginning of the period	增減額 Changes (+/-)	增減幅度 Percentage change (%)	變動說明 Details of changes
應收賬款 Accounts receivables	442,944	43,210	399,734	925.10	報告期內，本集團的收入大幅增長，而下半年的回款將會集中在08年1季度左右，且上年同期杭州、寶應、洪湖等子公司均有幾個月處於籌建期，而未投入運營，上述原因造成去年同期應收賬款相對小很多。 During the reporting period, the Group's income increased significantly, and return payments in the second half of the year will primarily come in the first quarter of 2008. Our subsidiaries in Hangzhou, Baoying and Honghu were in construction period for several months and have not yet operated. The above reasons resulted in a significant decrease in the accounts receivables than that in the same period of last year.
預付帳款 Prepayments	57,964	11,430	46,534	407.12	報告期內，子公司天津中水有限公司以及新成立的文登創業水務有限公司等有新的工程項目，故增加了預付的工程和設備款。 During the reporting period, subsidiaries of the Company such as Tianjin Water Recycling Company Limited and the newly established Wendeng Capital Water Company Limited were engaged in new construction projects, which led to an increase in prepayments of construction and equipment.

項目名稱 Items	期末數 Amount at the end of the period	期初數 Amount at the beginning of the period	增減額 Changes (+/-)	增減幅度 Percentage change (%)	變動說明 Details of changes
在建工程 Construction-in-progress	193,130	415,418	-222,288	-53.51	<p>報告期內，天津市紀莊子污水處理廠擴建、咸陽路污水處理廠、北倉污水處理廠和東南郊廠外管網四個工程尚有小部分工程未完工，處在收尾階段，2007年底對該部分未完工程進行預估轉固，完成了財務決算。此外，子公司寶應公司年初的在建工程餘額也已轉固。上述原因造成期末在建工程減幅較大。</p> <p>During the reporting period, Jizhuangji Sewage Water Treatment Plant of Tianjin City underwent an expansion and the works on the external piping network of Xianyanglu Sewage Water Treatment Plant, Beicang Sewage Water Treatment Plant and Dong Nan Plant have basically completed, only a little part has not yet been completed. They are at the final stage. An estimated consolidation for that uncompleted part was done in late 2007 and the financial statement was completed. In addition, the remaining construction-in-progress of our subsidiary in Baoying at the beginning of the year has been consolidated. The above reasons resulted in a more significant decrease in the construction-in-progress at the end of the year.</p>
短期借款 Short-term borrowings	155,000	691,000	-536,000	-77.57	<p>報告期內本公司積極調整負債結構，償還部分短期借款，減少流動負債比例，以便提高營運資金，優化資本結構。</p> <p>During the reporting period, the Company actively adjusted its liability structure, repaid part of its short-term borrowings, decreased the proportion of current liabilities in order to increase its working capital and optimize its asset structure.</p>
預收賬款 Advance payments	171,341	79,417	91,924	115.75	<p>報告期內，子公司天津中水有限公司以及新成立的文登創業水務有限公司等有新的工程項目，故預收工程款也有所增加。</p> <p>During the reporting period, Tianjin Water Recycling Company Limited and the newly established Wendeng Capital Water Company Limited, etc. were engaged in new construction projects, which led to an increase in advance payments of construction and equipment.</p>

項目名稱 Items	期末數 Amount at the end of the period	期初數 Amount at the beginning of the period	增減額 Changes (+/-)	增減幅度 Percentage change (%)	變動說明 Details of changes
應付債券 Bonds payables	—	374,844	-374,844	-100	<p>報告期內，本公司已發佈公告，對於截至2007年8月27日未轉股的A股可轉債券已全部贖回，且A股可轉債券已於2007年9月7日摘牌（具體摘牌及股份變動情況詳見本集團2007年9月3日發佈的公告）。上述事項造成與A股可轉債券有關的如：應付債券、股本、資本公積等項目餘額均有變動。</p> <p>During the reporting period, the Company has issued an announcement regarding the redemption of all outstanding A Share Convertible Bonds as at 27 August 2007; and the A Share Convertible Bonds were delisted on 7 September 2007 (for details of the delisting and changes in shares, please refer to the Group's announcement dated 3 September 2007). The above matter has resulted in changes related to A Share Convertible Bonds such as changes in balance of bonds payables, paid-up capital and capital reserve fund, etc.</p>
股本 Share capital	1,427,228	1,330,666	96,562	7.26	見「應付債券」說明。 For explanation, please see "Bonds payables".
項目名稱 Items	2007	2006	增減額 Changes (+/-)	增減幅度 Percentage change (%)	變動說明 Details of changes
營業收入 Operating income	1,004,117	812,184	191,933	23.63	<p>本期本公司收入有所增加，且上年同期，杭州、寶應、洪湖等子公司均有幾個月處於籌建期，而未投入運營，造成去年同期營業收入相對較小。</p> <p>During the period, the Company recorded an increase in income and since our subsidiaries in Hangzhou, Baoying and Honghu were under construction and had not commenced operation for several months, thus the operating income were relatively lower than in the same period of last year.</p>
營業成本 Operating costs	432,789	332,160	100,629	30.30	<p>隨著營業收入的增加而增加。 The increase corresponds to the increase in operating income.</p>

項目名稱 Items	2007	2006	增減額 Changes (+/-) (+/-)	增減幅度 Percentage change (%) (%)	變動說明 Details of changes
財務費用 Finance costs	146,283	125,048	21,235	16.98	<p>報告期內紀莊子、咸陽路、北倉等在建工程處於收尾階段，2007年底對尚餘的小部分未完工程進行了預估轉固，相應費用化的借款利息較上期有所增加，同時本公司的借款總額也有所增加，造成財務費用有所增長。</p> <p>During the reporting period, all construction-in-progress of Jizhuangji, Xianyanglu, Beicang, etc. were at final stage. An estimated consolidation for the little remaining uncompleted part were done in late 2007. There is an increase in corresponding expended borrowing interests compared to the previous period. At the same time, total borrowings of the Company also increased, resulting in an increase in finance charges.</p>
投資收益 Investment gains	2,693	4,474	-1,781	-39.81	<p>系報告期內子公司天津創業環保（香港）有限公司對天津國際機械有限公司權益入帳的投資收益，以及子公司天津中水有限公司於報告期撤回投資所確認的投資損失。</p> <p>They represent the investment gains accounted for by our subsidiary, Tianjin Capital Environmental Protection (Hong Kong) Limited, in respect of the equity interests in respect of Tianjin International Machinery Co., Ltd. and the investment losses recognized in respect of the withdrawal of investment by our subsidiary, Tianjin Water Recycling Company Limited.</p>

4. 報告期本公司現金流構成情況、
同比發生重大變動的說明：

4. Description of the substantial changes in cash flow of the Company during the reporting period as compared over with the corresponding period of last year:

單位：千元
幣種：人民幣
Unit: '000
Currency: RMB

科目名稱 Items	2007年 2007	2006年 2006	增減額 Change (+/-)	增減幅度 Percentage change (%)	變動說明 Details of changes
經營活動產生的 現金流量淨額 Net cash flow from operating activities	255,914	197,462	58,452	29.60	報告期內，本公司以及寶應、杭州、洪湖等子公司收入比上期均有大幅增長，故而經營活動現金流入同比增長，並足以彌補相應的支出形成淨流量的增長。 During the reporting period, income from the Company and our subsidiaries in Baoying, Hangzhou and Honghu increased significantly compared with the previous period, and with the year-on-year increase of cash flow from operating activities, relevant expenses were compensated and resulted in the net increase in cash flow.
投資活動產生的 現金流量淨額 Net cash flow from investment activities	-285,475	-1,228,701	943,226	-76.77	報告期內，本公司對外投資、收購等性質的資金流出較上期有所減少，故淨額升幅較大。 During the reporting period, the Company's outflow of funds in respect of external investments and acquisitions has decreased compared with the previous period, resulting in a more significant increase in the net amount.
籌資活動產生的 現金流量淨額 Net cash flow from financing activities	-364,212	1,005,871	-1,370,083	-136.21	報告期內由於本公司積極調整資本結構，償還部分短期借款，故造成報告期內的淨流量有所減少。 During the reporting period, the Company actively adjusted its capital structure, repaid part of its short-term loans, which resulted in a decrease in such net cash flow during the reporting period.
現金及現金等價物 淨增加額 Net increase in cash and cash equivalent	-393,773	-25,368	-368,405	1,452.24	上述三大項業務的現金流動情況，特別是本期籌資活動現金流出的大幅增長，造成本期現金淨增加額較上年同期減幅較大。 The cash flow position of the three main businesses above, especially the significant increase of cash flow from financing activities during the period, has resulted in a more significant reduction in net increase in cash during this period as compared to the previous period.

5. 主要控股公司及參股公司的經營情況及業績

(1) 主要控股公司的經營情況及業績

5. Operations and results of the major companies in which the Company has controlling interests and has invested

(1) Operations and results of the companies in which the Company has controlling interests

單位：千元
幣種：人民幣
Unit: '000
Currency: RMB

公司名稱 Company names	主要營業地 Principal place of business	主要產品或服務 Major products or services	註冊資本 Registered capital	法人類別 Kind of legal entity	所佔權益比例 Percentage of interest	資產規模 Scale of assets	淨利潤 Net profit
天津中水有限公司 Tianjin Water Recycling Company Limited	天津 Tianjin	中水生產、銷售；中水設施的開發、建設；中水設備製造、安裝、調試、運行等 Production and sales of recycled water, development and construction of facilities for recycled water; manufacture, installation, commissioning and operation of equipment for recycled water	100,000	有限公司 Limited Company	98%	403,843.30	1,041.02
貴州創業水務有限公司 Guizhou Capital Company Limited	貴州貴陽 Guiyang, Guizhou	市政污水處理廠和自來水廠及其配套設施、固體廢棄物處理設施的開發、建設、經營、管理；環保技術的研發和推廣；水處理設施、環境工程等項目諮詢服務 Development, construction, operation and management of urban sewage water treatment plants, drinking water treatment plants and their facilities and solid waste treatment facilities; research, development and marketing of environmental conservation technology; consultancy services of water treatment facilities and environmental conservation project	100,000	有限公司 Limited Company	95%	165,395.12	2,262.74
赤壁創業水務有限公司 Chibi Capital Water Company Limited	湖北赤壁 Chibi, Hubei	市政污水處理廠和自來水廠及其配套設施、固體廢棄物處理、中水回用設施的開發、建設、經營、管理。環保技術的研發和推廣。水處理設施、環境工程、市政工程、公路工程、交通工程的項目諮詢服務 Development, construction, operation and management of urban sewage processing plant, drinking water treatment plants and the facilities, solid waste processing and waste water recycling facilities; research and development and marketing of environmental technology, consultation services related to projects such as water processing facilities, environmental projects, urban projects, highway projects and transportation projects.	35,000	有限公司 Limited Company	95%	94,047.15	1,075.73
天津創業建材有限公司 Tianjin Capital New Materials Company Limited	天津 Tianjin	建築材料、新型複合材料製品、高分子材料製品製造、銷售；新型給排水管材的技術諮詢等 Manufacture and sales of construction materials, new compound material products and polymer material products; technical consultation on new piping materials.	37,500	有限公司 Limited Company	70.67%	22,698.11	-9,360.92

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公司名稱 Company names	主要營業地 Principal place of business	主要產品或服務 Major products or services	註冊資本 Registered capital	法人類別 Kind of legal entity	所佔權益比例 Percentage of interest	資產規模 Scale of assets	淨利潤 Net profit
寶應創業水務 有限責任公司 Baoying Capital Water Company Limited	江蘇揚州 Yangzhou, Jiangsu	<p>市政污水處理廠和自來水及其配套設施、固體廢棄物處理設施的開發、建設、經營、管理；環保技術的研發和推廣；水處理設施、環境工程、市政工程、公路工程、交通工程的項目諮詢服務</p> <p>Development, construction, operation and management of urban sewage processing plant and drinking water plant and accessory facilities, solid waste processing facilities; research and development and marketing of environmental technology, consultation services related to projects such as water processing facilities, environmental projects, urban projects, highway projects and transportation projects.</p>	38,000	有限公司 Limited Company	70%	102,801.16	-1,720.57
洪湖市創業水務 有限公司 Honghu Capital Water Company Limited	湖北洪湖 Honghu, Hubei	<p>市政污水處理廠和自來水廠及其配套設施、固體廢棄物處理設施的開發、建設、經營、管理；環保技術的研發和推廣。水處理設施、環境工程、市政工程、公路工程、交通工程的項目諮詢服務</p> <p>Development, construction, operation and management of urban sewage processing plant and drinking water plant and accessory facilities, solid waste processing facilities; research and development and marketing of environmental technology, consultation services related to projects such as water processing facilities, environmental projects, urban projects, highway projects and transportation projects.</p>	20,000	有限公司 Limited Company	90.1%	55,826.18	902.20
曲靖創業水務有限公司 Qujing Capital Water Company Limited	雲南曲靖 Qujing, Yunnan	<p>市政污水處理廠和自來水廠及其配套設施、固體廢棄物處理設施的開發、建設、經營、管理；環保技術的研發和推廣；水處理設施、環境工程、市政工程、公路工程、交通工程的項目諮詢服務</p> <p>Development, construction, operation and management of urban sewage processing plant and drinking water plant and accessory facilities, solid waste processing facilities; research and development and marketing of environmental technology, consultation services related to projects such as water processing facilities, environmental projects, urban projects, highway projects and transportation projects.</p>	120,000	有限公司 Limited Company	90.07%	298,372.10	2,979.54
阜陽創業水務有限公司 Fuyang Capital Water Company Limited	安徽阜陽 Fuyang, Anhui	<p>市政污水處理廠和自來水廠及其配套設施、固體廢棄物處理設施的開發、建設、經營、管理；環保技術的研發和推廣。水處理設施、環境工程、市政工程、公路工程、交通工程的項目諮詢服務</p> <p>Development, construction, operation and management of urban sewage processing plant and drinking water plant and accessory facilities, solid waste processing facilities, research and development and marketing of environmental technology, consultation services related to projects such as water processing facilities, environmental projects, urban projects, highway projects and transportation projects.</p>	45,000	有限公司 Limited Company	98%	118,560.48	4,631.54

公司名稱 Company names	主要營業地 Principal place of business	主要產品或服務 Major products or services	註冊資本 Registered capital	法人類別 Kind of legal entity	所佔權益比例 Percentage of interest	資產規模 Scale of assets	淨利潤 Net profit
杭州天創水務有限公司 Hangzhou Tianchuang Water Co., Ltd.	浙江杭州 Hangzhou, Zhejiang	污水處理和再生水利用設施的運營維護及其技術服務，技術培訓等配套服務。 Sewage water processing and recycled water plant operation, and maintenance and technical services, ancillary services such as technology and training	257,445	有限公司 Limited Company	70%	543,163.82	6,953.41
天津創業環保(香港)有限公司 Tianjin Capital Environmental Protection (Hong Kong) Company Limited	香港 Hong Kong	污水處理及其再生利用 Treatment and recycling and utilization of sewage water	\$7,840 千美元 US\$'000 7,840	有限公司 Limited Company	100%	67,465.75	1,692.43
文登創業水務有限公司 Wendeng Capital Water Company Limited	山東文登 Wendeng, Shandong	污水處理及其配套設施、固體廢棄物處理設施、中水回用設施的開發、建設、經營、管理；環保技術的研發和推廣；水處理設施、環境工程、市政工程、公路工程、交通工程的項目諮詢服務。 Sewage water treatment and its ancillary facilities, solid waste treatment facilities, development, construction, operation and management of water recycling facilities; research and development and promotion of environmental protection technology; consultation services related to projects such as water processing facilities, environmental projects, urban projects, highway projects and transportation projects.	48,000	有限公司 Limited Company	100%	48,000	尚未商業運營 Yet to commence commercial operation
天津靜海創業水務有限公司 Tianjin Jing Hai Capital Water Company Ltd.	天津靜海 Jinghai, Tianjin	污水處理、市政污水處理廠及自來水廠的配套設施、固體廢棄物處理設施的開發、建設、經營、管理；環保技術的研發、推廣；水處理設施、環境工程項目諮詢服務。 Sewage water treatment, urban sewage water treatment plants and ancillary facilities of tap water plants, development, construction, operation and management of solid waste treatment facilities; research and development and promotion of environmental protection technology; consultation services related to projects such as water processing facilities, environmental projects.	2,000	有限公司 Limited Company	100%	2,000	建設期階段 Under construction

(2) 主要參股公司的經營情況及業績

截至報告期末，本公司投資天津北方人才港股份有限公司的總投資額為人民幣200萬元，佔其註冊資本的6.1%，該公司主營業務範圍為：高級人才保障業務；高級人才服務業務（人才流動中介服務，金融擔保諮詢服務，個人資信評估）；企業人才援助工程；科技項目成果的開發、經營；房地產開發與經營業務。該公司2007年主營業務實現盈利，同時通過轉讓其人才大廈項目獲得收益，本公司實現淨利潤人民幣4,852.39萬元。

截至報告期末，本公司投資天津市寶通輕集料有限責任公司的總投資額為人民幣200萬元，佔其註冊資本的20%，該公司主營業務為：高強輕集料及其製品生產、銷售。該公司2007年繼續虧損，淨利潤人民幣-138.35萬元。

(2) Operations and results of the major companies which the Company has invested

As at the end of the reporting period, the Company invested RMB2,000,000 in Tianjin Beifang Rencaigang Company Limited, representing 6.1% of its registered capital. Its principal activities comprise senior executive insurance services, senior executive personnel services (employment agent service, financial guarantee consultation service, personal creditworthiness assessment), enterprise talent assistance project; development and operation of technological project achievements and real estate development and operation. In 2007, the principal activities of this company recorded a profit, and recorded an income from the sale of its building. The Company recorded a net profit of RMB48,5239 million.

As at the end of the reporting period, the Company invested RMB2,000,000 in Tianjin Baotong Light Mass Materials Company Limited, representing 20% of its registered capital. The principal activities of this company are the production and sales of high resistance and light mass materials and its products. That company continued to record a loss in 2007, its net profit amounted to -RMB1.3835 million.

6、 本公司科技工作

報告期內，本集團出台了《公司（2007—2011）科技發展專項業務規劃》。在規劃中明確了堅持科技自主創新、科技為生產運行服務的宗旨。首次提出「全程技術優化」的概念，提出了本集團科技發展方向和分階段實施目標。

報告期內，本集團共開展了18項科技課題和項目，完成了7項科技課題的鑒定和驗收工作，其中包括2項國家建設部科技課題，1項市建委科技課題，4項市政公路管理局課題。成功申報科技課題2項，其中國家建設部1項，天津市建委1項。牽頭承擔國家建設部《城市污水處理廠運行、維護及其安全技術規程》標準修編工作。

報告期內，本集團博士後科研工作站正式揭牌。本集團獲批成為「天津市建設系統污水處理及再生水利用科學研究基地」。博士後工作站和科研基地使本公司研發中心成為國家、市級科技研發、人才培養和科技成果轉化的專業機構，對於本集團深入實施人才戰略，加強專業技術人才隊伍建設，建立創新型企業具有十分重要的作用。

6. The Company's Technology

During the reporting period, the Group implemented the "Special Business Plan on the Company's Technological Development (2007-2011)". The plan has clearly defined the objectives of adherence to technological independence and innovation and technology-based production and operation. The concept of "Complete Technology Improvement" was introduced for the first time, proposing the Group's direction in technological development and the implementation of such objectives in different stages.

During the reporting period, the Group has started 18 technology topics and projects and completed assessment, check and delivery of 7 technology topics, including two technology topics of the Ministry of Construction of the State, one technology topic of the Urban Construction Committee, 4 topics on Urban Highways Authority. Two topics have been successfully reported, including one topic of the Ministry of Construction of the State, one topic for the Tianjin Urban Construction Committee. We were the first to undertake the compilation work on the standards of "Operation, Maintenance and Technology Safety Regulations of Urban Sewage Water Treatment Plants".

During the reporting period, the Group's post-doctoral technology research work station was officially opened. The Group was approved as the "Technology Research Base of Sewage Water Treatment and Recycled Water Utilization of the Tianjin City Construction System". The Post-doctoral work station and technology research base enabled the Company's research and development centre to become a professional organization for state and municipal technological research and development, training of talents and transferring technological achievements, which has a significant effect on the further implementation of personnel strategies, reinforcing the establishment of professional technological talents teams and setting up innovative enterprises of the Group.

(二) 對本公司未來發展的展望

1、所處行業發展趨勢及本公司面臨的市場競爭格局

2007年，水資源的緊張形勢和頻繁發生的水體污染事件，使得水資源環境污染問題受到了更加廣泛的關注，新的國家環保部的成立，也表明國家已經將環境保護和節能減排提升到了國家戰略的高度。中國的水務行業依然處於成長期，市場集中度偏低，缺少行業領導者，地域壟斷特徵明顯，同時伴隨著市場逐步成熟，產業分級與市場細分將成為主導方向。

從長遠來看，伴隨著水務項目模式由股權轉讓向特許經營制度的回歸，城市水業將進一步向服務轉型。國家對水務行業實施的成本監審政策，對服務提供商的專業運營能力也提出了更高的要求。同時，伴隨著節能減排戰略推行的綠色信貸、綠色財政、綠色保險和綠色證券等系列政策，給高污染、高能耗的企業的發展帶來極大的壓力，也推動了工業廢水的專業化運營服務市場需求將加大。

(2) An outlook to the Company's future development

1. Development trend of the industry in which the Company is engaged and the market competition situation faced

In 2007, the shortage of water resources and the frequent incidents of water pollution have drawn a bigger concern for water resources environment pollution. The establishment of the new Ministry of Environmental Protection has also demonstrated that the PRC has upgraded the priority of environmental protection and energy saving to a national strategic level. The water industry of the PRC is still under a phase of growth and market concentration is relatively low, without a leader in the industry, and regional monopolization is distinct. And as the market gradually matures, the categorization of industries and division of market will become a steering direction.

For long term, as the mode of water projects returns to the licensed operation system from the equity transfer mode, water businesses at the municipal level will undergo further service restructuring. The cost supervision policy exerted on the water industry by the State has set up higher standards in respect of the professional operation ability of service providers. At the same time, policy series such as Green Loan, Green Budget, Green Insurance and Green Securities introduced under the energy-saving and discharge reduction strategy have placed tremendous pressure on the development of enterprises that cause a high level of pollution and consume a lot of energy. Such policies will also push up the market demand of professional operational services related to industrial waste water.

2、 本公司未來的發展機遇、發展戰略和新年度的經營計劃

發展機遇：詳能減排和環境保護的戰略以及水務市場的不斷成熟為本公司發展提供了良好的發展機遇。

發展戰略：2008年，水務公司面臨著行業的發展機遇與挑戰，本公司將繼續秉承淨化人類生活的水環境，提高用水品質的組織使命，努力實現國內領先、國際知名的專業水務投資運營商的戰略目標。

新年度經營計劃：

- (1) 確保已進入商業運營的項目按照協議要求完成相關的水處理工作，西安項目按時商業運營。
- (2) 啟動天津地區污水處理廠升級改造工程，BOT項目（赤壁、靜海等項目）2008年計劃投資人民幣5,100萬元，DBO項目按合同約定保質保量完成。東郊、北倉、咸陽路再生水廠確保施工進度，上述三個再生水廠2008年計劃投資人民幣8,200萬元。
- (3) 努力開拓全國水務市場，力爭實現處理規模30萬立方米／日的增長。
- (4) 組建專業工程技術諮詢公司，延伸本公司水務服務產業鏈。

2. The Company's future development opportunities, development strategies and operation plans in the coming year

Development opportunities: Energy-saving, discharge reduction and environmental protection strategies, and the continual development of the water market have provided the Company with good opportunities for development.

Development strategies: In 2008, water companies faced opportunities and challenges of development of the industry. The Company will continue to purify the water environment for the daily living of the human race and uphold its organizational mission of raising water quality, and put great efforts in achieving the strategic objectives of becoming domestically leading and internationally renowned professional water investment operators.

Operation plans in the coming year:

- (1) to make sure projects that have already commenced commercial operations will complete the relevant water businesses in accordance with the requirements set out in the agreements, and the timely commercial operation of the Xi'an Project.
- (2) to launch the upgrading and reconstruction work of the sewage water treatment plant in the Tianjin region, the completion of BOT projects (Chibi, Jinghai projects, etc.) with a proposed investment of RMB51 million in 2008, DBO projects in accordance with the quality and quantity set out in the contracts, and to monitor the progress of the water recycling plants in Dong Jiao, Beicang and Xianyang. The three water recycling plants above have a proposed investment of RMB82 million in 2008.
- (3) to put greater efforts in expanding the national water market to achieve the goal of processing 300,000 cubic metres of water per day.
- (4) to organize and establish a professional construction technology consultant company to extend the business chain of the Company's water service.

3、資金需求及使用計劃

本公司現有融資渠道基本可以滿足本公司年度經營計劃的需求。隨著水務市場競爭的日趨激烈，行業內存在一定的並購機會。結合本公司的市場開發目標，本公司也在尋找合適的並購機會，為本公司未來的增長奠定基礎。相關項目可能涉及的資金需求，本公司將從現有渠道獲得。

4、風險因素分析

2005年7月，天津市政府頒佈《天津市市政公用事業特許經營管理辦法》（「《管理辦法》」），第二十二條規定：規定範圍內的現有市政公用事業項目，經市建設行政主管部門審核並報市人民政府批准後，可以直接授予原經營者特許經營權，由市建設行政主管部門與經營者簽訂特許經營協議。

本集團已經於《管理辦法》施行後（2005年11月）向天津市建設行政管理部門遞交了申請天津市中心城區四座污水處理廠特許經營權的請示。本公司預計，特許經營協議將於2008年年內簽署，屆時本公司將按相關規定及時公告。

3. Capital demands and application plans

The Company's current financing sources can basically satisfy the needs of the Company's annual operation plans. As competition in the water market intensifies, there exists certain opportunities for merger and acquisition in the industry. Considering the Company's market development goals, the Company is also seeking appropriate merger and acquisition opportunities to lay down a good foundation for the future growth of the Company. The Company will obtain the funds that the relevant projects may require from its current financing sources.

4. Analysis on risk factors

In July 2005, the Tianjin Municipal Government issued the "Administrative Measures on Licensed Operations of Public Utilities of Tianjin Municipality" ("Administrative Measures"). Under Rule 22, license(s) for operating current urban public utilities projects within the scope of requirements can directly be granted to the original operator after a review by the department in charge of municipal construction and administration and obtaining approval from the Municipal People's Government, and a license agreement will be signed between the department in charge of municipal construction administration and the operator.

The Group has submitted an application for an operating license for the four sewage water treatment plants at the central region of Tianjin City to the construction administration and management department of Tianjin City. The Company expects to sign the license agreement within 2008, and the Company will publish an announcement in due course as required.

《管理辦法》對特許經營的主要規定如下：

- a. 新建項目的特許經營者通過公開招標方式確定；
- b. 授權市建設行政主管部門負責市政公用事業特許經營的組織實施；
- c. 特許經營者應當執行國家和本市市政公用事業產品價格和服務收費標準；
- d. 特許經營期限最長不得超過30年。
- e. 現有市政公用事業項目，經市建設行政主管部門審核並報市人民政府批准後，可以直接授予原經營者特許經營權，由市建設行政主管部門與經營者簽訂特許經營協議。

The major provisions of the "Administrative Measures" in respect of the license right are as follow:

- a. Licensed operators of new projects shall be ascertained by tendering;
- b. The municipal construction administration and management authorities shall be authorized to take charge of organizing licensed operations of municipal public utilities;
- c. The licensed operators shall implement the municipal public utility product prices and service charge standards of the State and the city.
- d. The term of the licensed operation shall not exceed 30 years.
- e. Having been reviewed by the municipal construction administrative and management authorities and approved by the Municipal People's Government, the existing municipal public utility projects can be directly granted to the existing operators for licensed operations, and licensed operation agreements shall be entered into between the municipal construction administrative and management authorities with the operators.

(三) 本公司投資情況

報告期內本公司投資額為人民幣 15,085 萬元人民幣，比上年減少人民幣108,657 萬元，變化的比例為 -87.81%。

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 116,539 萬元，2005 年回售人民幣 82,390.2 萬元。截至 2007 年 12 月 31 日，已累計使用人民幣 34,149 萬元，其中本年度使用人民幣 10,085 萬元，本公司本次募集資金已全部使用完畢。

(3) The Company's investments

During the reporting period, the Company's investment amounted to RMB150.85 million, a decrease of RMB1.08657 billion from last year, with a percentage change of -87.81%.

1. Use of proceeds from subscription

The Company raised proceeds amounted to RMB1,165.39 million by issuing A Share Convertible Bonds in 2004 and RMB823.902 million was sold back in 2005. A total of RMB341.49 million was used as at 31 December 2007, of which RMB100.85 million was used in this year. The Company has used all the raised proceeds.

2、承諾項目使用情況

2. Use of proceeds on project undertaken

單位：萬元
幣種：人民幣
Unit: '0000
Currency: RMB

承諾項目名稱 Name of project undertaken	咸陽路污水處理廠工程項目 Construction project of Xianyanglu Sewage Water Treatment Plant	紀莊子污水處理廠（擴建）工程（含東南郊一帶排水工程） Jizhuangji Sewage Water Treatment Plant (Expansion) work (including the water drainage project near Dong Nan Jiao)	北倉污水處理廠工程項目 Construction project of Beicang Sewage Water Treatment Plant	合計 Total
擬投入金額 Proposed investment amount	62,000	32,100	14,900	109,000
是否變更項目 Any change in the project	否 No	否 No	否 No	—
實際投入金額 Actual investment amount	11,712	13,485	8,952	34,149
項目進度 Progress of project	<p>截至目前尚有小部分工程未完工，處在收尾階段，2007年底對該部分未完工程進行預估，完成了財務決算。目前，此在建工程竣工驗收工作仍在進行中。</p> <p>As of today, a small part of construction project has not yet completed and at their final stage. At the end of 2007, preliminary estimation were made to that part of uncompleted project and a financial budget was completed. At present, completion examination of this construction-in-progress is still underway.</p>	<p>截至目前尚有小部分工程未完工，處在收尾階段，2007年底對該部分未完工程進行預估，完成了財務決算。目前，此在建工程竣工驗收工作仍在進行中。</p> <p>As of today, a small part of construction project has not yet completed and at their final stage. At the end of 2007, preliminary estimation were made to that part of uncompleted project and a financial budget was completed. At present, completion examination of this construction-in-progress is still underway.</p>	<p>截至目前尚有小部分工程未完工，處在收尾階段，2007年底對該部分未完工程進行預估，完成了財務決算。目前，此在建工程竣工驗收工作仍在進行中。</p> <p>As of today, a small part of construction project has not yet completed and at their final stage. At the end of 2007, preliminary estimation were made to that part of uncompleted project and a financial budget was completed. At present, completion examination of this construction-in-progress is still underway.</p>	—
是否符合計劃進度 Conform to project progress?	否 No	否 No	是 Yes	—
未達到計劃進度說明 Reasons for not conforming to project progress	<p>由於2003年SARS、外資銀行採購程序複雜等原因，以上兩個在建工程的建設進度比募集說明書的計劃進度相應順延，其後工程順利進行沒有新的拖延。</p> <p>Due to the outbreak of SARS in 2003 and the complicated purchasing procedures of foreign invested banks, etc, the progress of construction of the two projects under construction above experienced delays relative to the planned progress as set out in the share issuing prospectus. Subsequently, the construction went smoothly without further delays.</p>			—
項目收益情況 Earnings from projects	<p>由於報告期內三個在建工程尚未完成竣工驗收，目前採用《污水處理臨時服務協議》進行收費，故不能同募集說明書中預測收益進行比較。</p> <p>Since three projects under construction have not yet been examined upon completion during the reporting period, and are charging in accordance with the "Sewage Water Processing Interim Service Agreement", therefore cannot be compared to the predicted earnings set on in the prospectus.</p>			—

3、非募集資金項目情況

2007年4月，文登創業水務有限公司（「文登水務」）在山東省文登市註冊成立，註冊資本為人民幣4,800萬元，本公司持股100%。2007年12月19日文登水務與山東省文登市環保局和建設局分別正式簽訂《資產轉讓協議》和《特許經營協議》，以TOT模式收購文登污水處理廠一、二期資產共計人民幣1.2億元（各人民幣6,000萬元），特許經營期為30年。處理規模為8萬立方米／日，其中一期4萬立方米／日（改造後調整為3萬立方米／日），二期4萬立方米／日（改造後調整為5萬立方米／日）。2008年1月1日正式商業運營。

2007年10月，天津靜海創業水務有限公司（「靜海水務」）註冊成立，註冊資本為人民幣200萬元，本公司持股100%。項目坐落在天宇科技園內，靜海水務以BOT模式建設並運營靜海天宇污水處理廠，總投資約4,000萬元，特許經營期為25年。近期規模確定為1.5萬立方米／日，遠期規模定為5萬立方米／日，計劃2008年年底完成主體建設部分。

3. Project made out of funds other than proceed from subscription

Wendeng Capital Water Company Limited ("Wendeng Water") was incorporated in Wendeng City, Shandong Province in April 2007 with a registered capital of RMB48 million, and the Company holds 100% of its shareholding. On 19 December 2007, Wendeng Water and the Environmental Bureau and Construction Bureau of Wendeng City of Shandong Province entered into the Asset Transfer Agreement and Licensed Operation Agreement, respectively, to acquire the assets of phases 1 and 2 of Wendeng Sewage Water Treatment Plant amounting to RMB120 million (RMB60 million each) under the TOT mode, and the licensed operation period is 30 years. Processing capacity is 80,000 cubic metres per day, 40,000 cubic metres per day for phase 1 (to be adjusted to 30,000 cubic metres per day after the reconstruction) and 40,000 cubic metres per day for phase 2 (to be adjusted to 50,000 cubic metres per day after the reconstruction). Commercial operations will commence on 1 January 2008.

Tianjin Jing Hai Chuang Ye Water Company Limited ("Jing Hai Water") was incorporated in October 2007 with a registered capital of RMB2 million and the Company holds 100% of its shareholding. The project is located at the Tian Yu Science and Technology Park. Jing Hai Water established and operated the Jing Hai Tian Yu Sewage Water Treatment Plant under the BOT mode, with a total investment of RMB40 million and a licensed operation period of 25 years. Its short-term capacity is 15,000 cubic metres per day and long-term capacity is 50,000 cubic metres per day. Construction of the main body is planned to be completed by the end of 2008.

(四) 本公司會計政策、會計估計變更或重大會計差錯更正的原因及影響

報告期內，除五(2)所述外本公司無會計政策、會計估計變更或重大會計差錯。

(4) Reasons and impacts of changes in the accounting policy, accounting estimates or the correction of major accounting errors of the Company

During the reporting period, there were no changes in the accounting policy other than as stated in 5(2), accounting estimates or the correction of major accounting errors of the Company.

(五) 董事會日常工作情況

1、 董事會會議情況及決議內容

- (1) 本公司於2007年4月18日召開第四屆董事會第二次會議，(a)審議通過了本公司在境內外公佈的2006年年度報告及其摘要(b)審議通過了經境內外會計師審計的本公司2006年度財務會計報告(c)審議通過了本公司2006年度董事會工作報告及2007年度經營發展計劃(d)審議通過了本公司2006年度財務決算及2007年度財務預算報告(e)審議通過了本公司2006年度利潤分配預案(f)審議通過了審核委員會提出的關於繼續聘任普華永道中天會計師事務所有限公司和羅兵咸永道會計師事務所分別為本公司境內外審計師並提請股東大會授權董事會決定其酬金的建議(g)審議通過了關於董事會向股東大會申請授權配發及發行新股(H股)的建議(h)審議通過了關於購買責任保險的建議。(i)審議通過了關於將本公司名稱變更為集團公司的建議(j)審議通過了關於調整公司組織機構的建議(k)審議通過了關於調整本公司高管薪酬的建議(l)審議通過了關於召開2006年年度股東大會的建議。決議公告刊登在2007年4月19日的《上海證券報》、《文匯報》、《The Standard》。

(5) Review of Board Activities

1. The Board meetings and resolutions passed

- (1) The 2nd meeting of the 4th Board was convened on 18th April, 2007, (a) considered and approved the resolution on the 2006 annual report and its summary announced by the Company in the PRC and overseas (b) considered and approved the financial and accounting statements of the Company for 2006 (c) considered and approved the 2006 working report of the Board and the 2007 operating development plan (d) considered and approved the 2006 final financial report and the 2007 financial budget report of the Company (e) considered and approved the 2006 profit appropriation plan of the Company (f) considered and approved the proposal by the Audit Committee of the reappointment of PricewaterhouseCoopers Zhong Tian Certified Public Accountants Limited Company and PricewaterhouseCoopers as the domestic and external auditors of the Company and proposed that the general meeting to authorise the Board to fix their remuneration (g) considered and approved the grant of mandate at the general meeting for the issuance of new shares (H Shares) (h) considered and approved the proposal regarding the purchase of liability insurance (i) considered and approved the proposal regarding the change of the Company's name to a "Group Company" (j) considered and approved the proposal regarding the adjustment of the Company's organizations (k) considered and approved the proposal regarding the adjustment of remuneration of the senior management of the Company (l) considered and approved the resolution on convening the 2006 annual general meeting. The announcement of the resolution(s) was published on Shanghai Securities, WenWei Po and The Standard on 19th April, 2007.

- (2) 本公司於2007年4月26日召開第四屆董事會第三次會議，(a)審議通過了本公司在境內外公佈的2007年第一季度報告及其摘要的議案 (b)審議通過了關於執行新會計準則並調整會計政策和會計估計的議案。決議公告刊登在2007年4月27的《上海證券報》、《文匯報》、《The Standard》。
- (3) 本公司於2007年5月25日召開第四屆董事會第四次會議，審議通過關於確定購買責任保險方案並作為臨時提案提交2006年度股東大會審議的建議。決議公告刊登在2007年5月28的《上海證券報》、《文匯報》、《The Standard》。
- (4) 本公司於2007年6月28日召開第四屆董事會第五次會議，(a)審議通過關於修訂本公司《信息披露管理制度》的議案(b)審議通過關於申請流動資金貸款的議案。決議公告刊登在2007年6月29的《上海證券報》、《文匯報》、《The Standard》。
- (2) The 3rd meeting of the 4th Board was convened on 26th April, 2007, (a) considered and approved the resolution on the announcement of the first quarterly report for 2007 and the summary of the report announced within the PRC and overseas(b) considered and approved the resolution on the adoption of new accounting principles, the adjustment of accounting policies and accounting estimates. The announcement of the resolution(s) was published on Shanghai Securities, WenWei Po and The Standard on 27th April 2007.
- (3) The 4th meeting of the 4th Board was convened on 25th May, 2007 to consider and approve the proposal regarding the confirmation of the purchase of liability insurance and submission the same to the 2006 annual general meeting as an extraordinary resolution. The announcement of the resolution(s) was published on Shanghai Securities, WenWei Po and The Standard on 28th May, 2007.
- (4) The fifth meeting of the 4th Board was convened on 28th June 2007, to (a) consider and approve the resolution related to the amendment of the "System of Information Disclosure and Management" of the Company and (b) consider and approve the resolution regarding the application for liquidity loans. The announcement of the resolution(s) was published on Shanghai Securities, WenWei Po and The Standard on 29th June 2007.

- (5) 本公司於2007年7月18日召開第四屆董事會第六次會議，審議通過了關於對阜陽創業水務有限公司貸款進行擔保的議案。決議公告刊登在2007年7月19日的《上海證券報》。
- (6) 本公司於2007年7月30日召開第四屆董事會第七次會議，審議通過了關於對創業轉債進行贖回的議案。決議公告刊登在2007年7月31日的《上海證券報》。
- (7) 本公司於2007年8月15日召開第四屆董事會第八次會議，審議通過了關於審議2007年中期報告及其摘要的議案。決議公告刊登在2007年8月16日的《上海證券報》。
- (8) 本公司於2007年8月23日召開第四屆董事會第九次會議，審議通過了關於公佈本公司專項治理活動的自查報告與整改計劃的議案的決議。決議公告刊登在2007年8月24日的《上海證券報》。
- (9) 本公司於2007年9月20日召開第四屆董事會第十次會議，審議通過了關於免去朱雁伯先生、羅連芳先生公司副總經理職務的議案。決議公告刊登在2007年9月21日的《上海證券報》。
- (5) The sixth meeting of the 4th Board was convened on 18th July 2007, to consider and approve the resolution related to the provision of guarantee in respect of a loan granted to Fuyang Capital Water Company Limited. The announcement of the resolution(s) was published on Shanghai Securities on 19th July 2007.
- (6) The seventh meeting of the 4th Board was convened on 30th July 2007, to consider and approve the resolution related to the redemption of A Share Convertible Bonds. The announcement of the resolution(s) was published on Shanghai Securities on 31st July 2007.
- (7) The eighth meeting of the 4th Board was convened on 15th August 2007, to consider and approve the resolution related to the 2007 interim report and its summary. The announcement of the resolution(s) was published on Shanghai Securities on 16th August 2007.
- (8) The ninth meeting of the 4th Board was convened on 23rd August 2007, to consider and approve the resolution related to the announcement of the Report on Self-Examination of Special Governance Activities and Rectification Plan. The announcement of the resolution(s) was published on Shanghai Securities on 24th August 2007.
- (9) The tenth meeting of the 4th Board was convened on 20th September 2007, to consider and approve the resolution related to the relieve of the duty of deputy general managers of Mr. Zhu Yanbo and Mr. Luo Lianfang. The announcement of the resolution(s) was published on Shanghai Securities on 21st September 2007.

- (10) 本公司於2007年10月25日召開第四屆董事會第十一次會議，審議通過了關於審議2007年第三季度報告及其摘要的議案。決議公告刊登在2007年10月26日的《上海證券報》。
- (11) 本公司於2007年10月30日召開第四屆董事會第十二次會議，(a)審議通過了關於成立董事會提名委員會的議案(b)審議通過了關於成立董事會戰略委員會的議案(c)審議通過了關於制定《董事會提名委員會實施細則》的議案(d)審議通過了關於制定《董事會戰略委員會實施細則》的議案(e)審議通過了關於制定《募集資金管理辦法》的議案(f)審議通過了關於制定《公司治理專項活動整改報告》的議案。決議公告刊登在2007年10月31日的《上海證券報》。
- (10) The eleventh meeting of the 4th Board was convened on 25th October 2007, to consider and approve the resolution related to the 3rd quarterly report of 2007 and its summary. The announcement of the resolution(s) was published on Shanghai Securities on 26th October 2007.
- (11) The twelfth meeting of the 4th Board was convened on 30th October 2007, to (a) consider and approve the resolution related to the establishment of the Nomination Committee of the Board; (b) consider and approve the resolution related to the establishment of the Strategic Planning Committee of the Board; (c) consider and approve the resolution related to the formulation of the "Detailed Working Rules of the Nomination Committee"; (d) consider and approve the resolution related to the formulation of the "Detailed Working Rules of the Strategic Planning Committee"; (e) consider and approve the resolution related to the formulation of the "Administration Measures on Fund Raising"; (f) consider and approve the resolution related to the formulation of "Report on the Rectification of Special Corporate Governance Activities". The announcement of the resolution(s) was published on Shanghai Securities on 31st October 2007.

- (12) 本公司於2007年11月8日召開第四屆董事會第十三次會議，(a)審議通過了關於修訂本公司《公司章程》的議案(b)審議通過了關於修訂本公司《董事會議事規則》的議案(c)審議通過了關於修訂本公司《股東大會議事規則》的議案(d)審議通過了關於發行不超過人民幣11億元公司債券的議案(e)審議通過了關於召開2007年第一次臨時股東大會的建議。決議公告刊登在2007年11月9日的《上海證券報》。
- (13) 本公司於2007年12月20日召開第四屆董事會第十四次會議，審議通過了關於收購並特許經營西安市兩座污水處理廠的建議。決議公告刊登在2007年12月21日的《上海證券報》。
- (12) The thirteenth meeting of the 4th Board was convened on 25th October 2007, to (a) consider and approve the resolution related to the amendment of the Articles of Association of the Company; (b) consider and approve the resolution related to the amendment of the “Rules of Procedures of the Board” of the Company; (c) consider and approve the resolution related to the “Rules of Procedures of General Meetings” of the Company; (d) consider and approve the resolution related to the issuing of company bonds amounted to not more than RMB 1.1 billion; (e) consider and approve the proposal related to convening the first extraordinary general meeting in 2007. The announcement of the resolution(s) was published on Shanghai Securities on 9th November 2007.
- (13) The fourteenth meeting of the 4th Board was convened on 20th December 2007, to consider and approve the resolution related to the proposal to acquire and operate under license of two swage water treatment plants in Xi'an. The announcement of the resolution(s) was published on Shanghai Securities on 21st December 2007.

2、董事會對股東大會決議的執行情況

報告期內，本公司董事會根據中國《公司法》、《證券法》和《公司章程》等有關規定，嚴格按照股東大會的決議和授權，認真執行股東大會通過的各項決議內容。2007年度對股東大會的決議，本公司董事會執行情況如下：

- (1) 本公司2006年度利潤分配方案已經2007年6月8日召開的本公司2006年度股東大會審議通過，相關決議刊登於2006年6月9日的《上海證券報》、香港《文匯報》和《The Standard》，該利潤分配方案已經實施，股權登記日為2007年6月29日，除息日2007年7月2日，紅利發放日2007年7月6日。
- (2) 對於本公司股東大會通過的其他事項，本公司董事會已經按照股東大會的決議執行。

2. Execution of the resolutions passed at the general meetings by the Board

During the reporting period, pursuant to the relevant provisions of the PRC "Company Law", "Securities Law" and the "Articles of Association", the Board of the Company seriously executed all resolutions passed at general meetings in strict compliance with the resolution and authorization of the general meeting. The execution of the resolutions passed at general meetings held in 2007 is as follows:

- (1) The profit appropriation plan for 2006 of the Company has been considered and approved by the 2006 annual general meeting held on 30th June, 2007. The relevant resolution was published on Shanghai Securities, Hong Kong Wen Wei Po and The Standard on 9th June, 2006. The profit appropriation plan has been implemented. The registration date of the share rights was 29th June, 2007. The ex-dividend date was 2nd July 2007. The date for the payment of dividends was 6th July 2007.
- (2) For other items passed at general meetings of the Company, the Board of Directors of the Company has executed them in accordance with the resolutions of the general meeting.

3、董事會下設的審計委員會的履職情況匯總報告

董事會下設的審核委員會由三名董事組成，其中獨立非執行董事三名。根據中國證監會、上交所有關規定及本公司董事會審核委員會實施細則、年報獨立非執行董事工作制度，本公司審核委員會在2007年年度報告的編製和披露過程中，認真履行了監督、核查職能，維護了審計的獨立性。在2007年年度報告編製過程中審核委員會履行了如下職責：

- 1、在外部審計師進駐本公司正式審計前，審核委員會與審計師進行了溝通協商，確定了本年度財務報告審計工作的時間安排，形成了審計師對本公司2007年年度報告的審計計劃。
- 2、在審計師進場前審閱了本公司初步編製的財務會計報表，並出具了書面審核意見。
- 3、審計師進場後，審核委員會與其就審計過程中發現的問題進行溝通，並對初步審計意見的提交時間進行了書面督促。
- 4、審計師出具初步審計意見後，董事會審核委員會再一次審閱了本公司2007年年度財務會計報表，並形成了書面審核意見。

3. A summary report on the performance of duty of the Audit Committee of the Board

The Audit Committee of the Board consists of three directors, all of which are independent non-executive Directors. In accordance with the relevant requirements of the CSRC, SSE and the Detailed Implementation Rules of the Audit Committee, and the work system in respect of annual reports of independent non-executive Directors, the Audit Committee of the Company has duly performed its supervisory and examination functions during the preparation and disclosure process of the 2007 annual report, safeguarding audit independence. The Audit Committee has performed the following duties when preparing the 2007 annual report:

1. The Audit Committee has communicated and discussed with the external auditor before the auditor started its auditing assignment at the Company, to confirm the timing arrangement of audit of this year's annual report, formulating an audit plan in relation to the auditor's auditing assignment on the 2007 annual report of the Company.
2. It has reviewed the preliminary financial accounting statements of the Company and issued written audit opinion before the auditor started its auditing assignment at the Company.
3. After the auditor's arrival, the Audit Committee communicated with the auditor on any problems found during the audit procedure, and pressed on the time in writing by which the auditor should submit its preliminary audit opinion.
4. After the auditor has submitted its preliminary audit opinion, the Audit Committee of the Board reviewed the 2007 financial accounting statements of the Company once again to formulate its written audit opinion.

- 5、本公司在審計師出具審計報告前，審核委員會對2007年年度審計報告的提交時間進行了書面督促。
- 6、本公司在審計師出具2007年年度審計報告後，召開了審核委員會年度會議，對審計師從事本公司的審計工作進行了總結，並就公司年度財務會計報表以及關於下年度聘請會計師事務所的議案等事項進行了表決，形成決議提交董事會審核。

5. Before the auditor issues the audit report, the Audit Committee pressed on the time in writing by which the auditor should submit the 2007 audit report.
6. After the auditor has issued the 2007 audit report, the Company convened the annual Audit Committee meeting and made conclusions to the audit assignment on the Company carried out by the auditor, and vote on the annual financial accounting statements of the Company and the resolutions regarding the appointment of accountants for the second half of the year, resulting in resolutions for submission to the Board.

4、董事會下設的薪酬委員會的履職情況匯總報告

董事會薪酬與考核委員會由三名獨立非執行董事組成，委員會主席由獨立非執行董事擔任。本公司於2007年4月18日召開薪酬與考核委員會，審議通過了關於調整公司高管薪酬的建議，對2007年年度本公司董事、監事及高級管理人員的薪酬情況進行了審核，認為2007年績效考核體現了責任、風險和收益對等的原則。薪酬與考核委員會對2007年年度報告中披露的董事、監事及高級管理人員的薪酬情況進行了審核，認為董事、監事及高級管理人員的薪酬完全按照本公司薪酬標準執行。

4. A summary report on the performance of duty of the Remuneration Committee of the Board

The Remuneration and Assessment Committee of the Board consists of three independent non-executive Directors and chaired by an independent non-executive Director. The Company held a meeting of the Remuneration and Assessment Committee on 18 April 2007 to consider and approve the proposal related to the adjustment of remuneration of the senior management of the Company, and reviewed the remuneration of the Directors, Supervisors and senior management of the Company in 2007, and considered that the result assessment in 2007 has embodied the principles of even responsibilities, risks and revenue. The Remuneration and Assessment Committee has reviewed the remuneration of Directors, Supervisors and senior management disclosed in the annual report and believed that the remuneration of Directors, Supervisors and senior management are all in accordance with the remuneration standards of the Company.

(六) 利潤分配或資本公積金轉增預案

經普華永道中天會計師事務所有限公司進行的審計工作，2007年度歸屬於本公司的淨利潤為人民幣18,381萬元。根據中國《公司法》和本公司《章程》的有關規定，提取法定盈餘公積金人民幣1,558萬元，加上年初未分配利潤人民幣74,061萬元，減去2007年已分配的2006年度現金股利人民幣5,611萬元，本年度實際可供股東分配利潤為人民幣85,273萬元。根據2007年度利潤分配政策，向全體股東每10股派發現金股利人民幣0.40(含稅)。該分配預案需提交2007年度股東大會審議通過後實施。

2007年度資本公積金不轉增股本。

(6) Proposal on the profit appropriation or transfer of capital reserve fund

As audited by PricewaterhouseCoopers Zhong Tian Certified Public Accountants Limited Company, the net profit attributable to the Company in 2007 was RMB183.81 million. Pursuant to the relevant requirements of the Company Law of the PRC and the Article of Association of the Company, a Statutory Common Reserve in the amount of RMB15.58 million was taken out, adding the undistributed profit of RMB740.61 million at the beginning of the year, and less 2006 cash dividends of RMB56.11 million distributed in 2007, the actual distributable profits attributable to shareholders for this year was RMB852.73 million. According to the profit appropriation proposal 2007, a cash dividend of RMB0.40 (tax inclusive) per 10 shares will be distributed to all shareholders. Such proposal will be submitted to the annual general meeting 2007 for consideration and approval before implementation.

No transfer from the capital reserve fund to share capital was made for 2007.

(七) 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

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。

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

The guarantor of the Company's A Share Convertible Bonds is Tianjin Branch of China Construction Bank. There had been no significant changes in the profitability, asset position and credit position of the guarantor during the reporting period.

(一) 監事會的工作情況

報告期內，監事會共召開5次會議，主要內容如下：

1. 第四屆監事會第二次會議於2007年4月18日召開，審議通過了以下內容：

- (1) 關於審議本公司2006年度監事會工作報告的議案；
- (2) 關於審議本公司2006年年度報告及報告摘要的議案；
- (3) 關於審議本公司2006年度公司財務會計報告的議案；
- (4) 關於審議本公司2006年度財務決算報告和2007年度財務預算報告的議案；
- (5) 關於審議本公司2006年度利潤分配預案的議案；
- (6) 關於審議2006年度本公司董事會依法運作等情況的說明的議案；

2. 第四屆監事會第三次會議於2007年4月26日召開，審議通過了以下內容：

- (1) 關於審議擬在境內外公佈2007年第一季度報告及其摘要的議案。

3. 第四屆監事會第四次會議於2007年8月14日召開，審議通過了以下內容：

- (1) 關於審議2007年中期報告及其摘要的議案。

(1) Operation of the Supervisory Committee

The Supervisory Committee of the Company held five meetings during the reporting period, mainly covering the following:

1. The 2nd meeting of the fourth Supervisory Committee of the Company was held on 18th April, 2007, wherein the following resolutions were passed:

- (1) the resolution on the 2006 Supervisory Committee working report of the Company;
- (2) the resolution on considering the 2006 annual report and the summary of the report;
- (3) the resolution on considering the financial and accounting statements of the Company for 2006;
- (4) the resolution on considering the 2006 final financial report and the 2007 financial budget report of the Company;
- (5) the resolution on the 2006 profit appropriation plan of the Company;
- (6) the resolution on the report on the legality of the operation of the Board of the Company for 2006;

2. The 3rd meeting of the fourth Supervisory Committee of the Company was held on 26th April, 2007, wherein the following resolutions were passed:

- (1) the resolution on considering the first quarterly report for 2007 and the summary of the report announced overseas and in the PRC.

3. The 4th meeting of the fourth Supervisory Committee of the Company was held on 14th August, 2007, wherein the following resolutions were passed:

- (1) the resolution on considering the interim report for 2007 and the summary of the report.

4. 第四屆監事會第五次會議於2007年10月25日召開，審議通過了以下內容：
 - (1) 關於審議2007年第三季度報告及其摘要的議案。
 5. 第四屆監事會第六次會議於2007年11月8日召開，審議通過了以下內容：
 - (1) 關於修訂本公司《監事會議事規則》的議案。
4. The 5th meeting of the fourth Supervisory Committee of the Company was held on 25th October, 2007, wherein the following resolutions were passed:
 - (1) the resolution on considering the third quarterly report for 2007 and the summary of the report.
 5. The 6th meeting of the fourth Supervisory Committee of the Company was held on 8 November 2007, wherein the following resolutions were passed:
 - (1) the resolution on the amendments to the “Rules Governing the Procedures for Operating the Meeting of the Supervisory Committee of the Company”.

(二) 監事會對本公司依法運作情況的獨立意見

監事會認為，報告期內本公司董事會在各項生產經營活動中，嚴格按照國家各項法律、法規和《公司章程》的有關規定進行規範運作，決策程序合法。本公司董事及高級管理人員執行職務時沒有違反法律、法規、公司章程或損害本公司利益或廣大投資者利益的行為。

(2) Independent opinion of the Supervisory Committee on the legality of the Company's operation

The Supervisory Committee considers that the various production operation activities of the Board during the reporting period have been regularized in strict compliance with the requirements under the various laws, regulations of the State and the Articles of Association, and its decision procedures were legal. There has been no violation of the laws, regulation, the "Articles of Association" or no damages to the Company's interests or the interests of the investors during the discharge of duties by the Directors and senior management.

(三) 監事會對檢查本公司財務情況的獨立意見

監事會認為，報告期內本公司財務管理規範，內部控制制度嚴格並實際認真執行。本公司2007年度財務報告能夠客觀真實地反映本公司財務狀況和經營成果。普華永道中天會計師事務所有限公司出具的審計意見和對有關事項作出的評價是客觀公正的。

(3) Independent opinion of the Supervisory Committee of the Company on the financial situation of the Company

The Supervisory Committee of the Company considers that the Company's financial system and internal control system are strict and have been seriously implemented, and considers that the 2007 financial report of the Company could truly reflect the financial situation and operating results of the Company. The audit opinion and opinion on related matters of PricewaterhouseCoopers Zhong Tian Certified Public Accountants Limited Company were objective and fair.

(四) 監事會對本公司最近一次募集資金實際投入情況的獨立意見

報告期內，本公司沒有新增募集資金。有關募集資金使用情況，請詳見本報告中董事會報告部分相關內容。募集資金實際投入項目與承諾投入項目一致，實際投資項目未有變更。

(4) Independent opinion of the Supervisory Committee of the Company on the previous fund raising exercise

During the reporting period, there is no fund raising by the Company. For details of the use of proceeds, please refer to the relevant part of the Directors' Report in this report. The actual use of the proceeds was in line with its committed use. The actual investment projects remained unchanged.

(五) 監事會對本公司收購出售資產情況的獨立意見

報告期內，本公司收購出售資產情況，請詳見董事會報告中本公司投資情況部分。監事會認為，本公司資產交易價格公允，遵循市場原則，無內幕交易行為，並按規定進行了充分的信息披露，保護了股東權益。

(六) 監事會對本公司關聯交易情況的獨立意見

本報告期內，本公司無重大關聯交易事項。

(5) Independent opinion of the Supervisory Committee of the Company on the acquisition and sale of assets of the Company

For details of acquisitions or sales of assets made by the Company during the reporting period, please refer to the section headed “The Company’s Investments” in the Directors’ Report. The Supervisory Committee considers that the Company’s asset transactions have been conducted at fair prices in accordance with market principles without insider trading and have been disclosed to a sufficient extent pursuant to the requirements to safeguard the interests of shareholders.

(6) Independent opinion of the Supervisory Committee of the Company on the connected transactions of the Company

During the reporting period, the Company did not have any material connected transactions.

(一) 重大訴訟仲裁事項

本年度本公司無重大訴訟、仲裁事項。

(1) Material litigation or arbitration

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

(二) 資產交易事項

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

(2) Asset transactions

For information on this item, please refer to the section on the Company's investments in the Directors' report. Save as disclosed above, the Company did not sell any assets or engage in any acquisitions or mergers during the reporting period.

(三) 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

報告期內，按照本公司與天津市排水公司（「排水公司」）簽署的《污水處理服務協議》及《污水處理臨時服務協議》（「兩個協議」），本公司共處理污水 34,012 萬立方米，實現收入人民幣 65,645 萬元。

(3) Major connected transactions of the Company during the reporting period

1. Connected transaction related to daily operation

During the reporting period, pursuant to the "Sewage Water Processing Agreement" and "Sewage Water Processing Interim Service Agreement" ("Two Agreements") entered into between the Company and Tianjin Sewage Company ("TSC"), the Company processed 340.12 million cubic metres of sewage water and recorded an income of RMB656.45 million.

2005年9月，天津市政府開始實施《天津市市政公用事業特許經營管理辦法》（「《管理辦法》」）。《管理辦法》規定：「規定範圍內的現有市政公用事業專案，經市建設行政主管部門審核並報市人民政府批准後，可以直接授予原經營者特許經營權，由市建設行政主管部門與經營者簽訂特許經營協議」。本公司正在經營的東郊、咸陽路、紀莊子、北倉污水處理廠屬於上述規定範圍。2005年底，本公司已經向天津市建設管理委員會（「天津市建委」）申請上述四座污水處理廠的特許經營權。

天津市建委於2008年4月17日向本公司書面確認，在《管理辦法》實施日起至本公司與天津市建委正式簽署新的《特許經營協議》的過渡期內，仍由本公司利用上述四座污水處理廠提供污水處理服務，天津市建委委託排水公司按照上述兩個協議的條款對污水處理的水質、水量等進行確認，並支付污水處理

In September 2005, the Tianjin Municipal Government implemented the “Administrative Measures on Licensed Operations of Public Utilities of Tianjin Municipality” (“Administrative Measures”), which provides that “license(s) for operating existing urban public utilities projects within the scope of requirements can directly be granted to the original operator after a review by the department in charge of municipal construction and administration and obtaining approval from the Municipal People’s Government. A license agreement will be signed between the department in charge of municipal construction and administration and the operator”. The sewage water treatment plants in Dongjiao, Xianyanglu, Jizhuangzi and Beicang operated by the Company now are within the abovementioned scope of requirements. In late 2005, the Company has already applied to the Tianjin Construction Administration Committee (“Tianjin Construction Committee”) for the licensed operation of the above four sewage water treatment plants.

Tianjin Construction Committee issued a written confirmation to the Company on 17 April 2008 confirming that during the transitional period from the implementation date of the Administrative Measures to the signing of the new licensed operation agreement by the Company and Tianjin Construction Committee, the Company continues to use the above four sewage water treatment plants to provide sewage water treatment services. TSC was entrusted by the Tianjin Construction Committee to examine the quality and quantity of the processed sewage water and pay the sewage water service fees pursuant to the Two Agreements pending the implementation

服務費，待簽訂新的《特許經營協議》後，執行新的《特許經營協議》。按照天津市建委的上述書面確認，在徵詢律師的專業意見後，本公司認為，自《管理辦法》實施日起至本公司與天津市建委正式簽署新的《特許經營協議》的過渡期內，上述兩個協議的實際合約雙方為本公司及天津市建委。由於天津市建委是政府組成部門，不是本公司的關連人士，因此報告期內及上述過渡期內上述兩個協議項下的污水處理業務不屬於關連交易。

of the new licensed operation agreement after its signing. According to the said written confirmation by Tianjin Construction Committee and after obtaining profession opinion from lawyers, the Company considers that during the transitional period from the implementation date of the Administrative Measures to the signing of the new licensed operation agreement by the Company and Tianjin Construction Committee, the ultimate contracting parties of the above Two Agreements are the Company and Tianjin Construction Committee. Since Tianjin Construction Committee is a government department and is not a connected person of the Company, the sewage water processing business under the above Two Agreements is not a connected transaction during the reporting period and the said transitional period.

2. 本年度公司無重大關聯交易事項。

2. The Company had no major connected transactions during the year.

(四) 託管情況

本年度本公司無託管事項。

(4) Custody

The Company did not provide any custodian during the year.

(五) 承包情況

本年度本公司無承包事項。

(5) Subcontracting

The Company did not provide any subcontracting during the year.

(六) 租賃情況

本年度本公司無租賃事項。

(6) Leasing

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

(七) 擔保情況

(7) Guarantee

單位：萬元 幣種：人民幣
Unit: '0000 Currency: RMB

本公司對外擔保情況（不包括對本公司子公司的擔保）		
Guarantee provided to external parties by the Company (not including guarantee provided to the subsidiaries of the Company)		
報告期內擔保發生額合計	Total amount of guarantee provided during the reporting period	0
報告期末擔保餘額合計	Total amount of outstanding guarantee provided	0
本公司對本公司子公司的擔保情況		
Guarantee provided to the subsidiaries of the Company		
報告期內對子公司擔保發生額合計	Total amount of guarantee provided to the subsidiaries during the reporting period	6,000
報告期末對子公司擔保餘額合計	Total amount of outstanding guarantee provided to the subsidiaries as at the end of the reporting period	83,500
本公司擔保總額情況（包括對本公司子公司的擔保）		
Total amount of guarantee granted by the Company (including guarantee provided to the subsidiaries of the Company)		
擔保總額	Total amount of guarantee	83,500
擔保總額佔本公司淨資產的比例	Percentage of the total amount of guarantee to the net assets of the Company (%)	27.7%
其中：	Of which:	
為股東、實際控制人及其關聯方提供擔保的金額	Amount of guarantee provided to the Shareholders, ultimate controller and other related parties	0
直接或間接為資產負債率超過 70% 的被擔保對象提供的債務擔保金額	Amount of guarantee provided directly or indirectly for the borrowers with gear ratio of over 70%	0
擔保總額超過淨資產 50% 部分的金額	Total amount of guarantee exceeding 50% of net assets	0
上述三項擔保金額合計	Total amount of the above three guarantees	0

(八) 委託理財情況

本年度本公司無委託理財事項。

(8) Trust arrangement

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

(九) 其他重大合同

本年度本公司無其他重大合同。

(9) Other major contracts

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

(十) 承諾事項履行情況

本公司或持股5%以上股東在報告期內或持續到報告期內的承諾事項

股權分置改革承諾及履行情況：

- (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。

報告期內，市政投資嚴格遵守承諾事項，未發生違反相關承諾的事項。

(十一) 聘任、解聘會計師事務所情況

報告期內，本公司未改聘會計師事務所，本公司原聘任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，原聘任羅兵咸永道會計師事務所為本公司的境外審計機構，支付兩家審計機構上一年度審計工作的酬金共約340萬元人民幣；截止上一報告期末，以上兩會計師事務所已為本公司提供了13年審計服務。在過去三年內，本公司沒有更換審計師。

(10) Implementation of commitments

Commitments made by the Company or shareholders who hold or continued to hold over 5% of the shares during the reporting period.

Undertakings and Implementation of Share Segregation Reform.

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

During the reporting period, TMICL had been in strict compliance of its commitments and had not violated any relevant commitments.

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

During the reporting period, the Company did not change its accountants. The original PRC auditor of the Company is PricewaterhouseCoopers Zhong Tian Certified Public Accountants Limited Company. The original international auditor of the Company is PricewaterhouseCoopers. A total of approximately RMB3.4 million were paid to the two auditors for auditing services rendered in the previous year. As at the end of the previous reporting period, the above two accountants have rendered auditing services to the Company for 13 years. During the past three years, the Company did not change its auditors.

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

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

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

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

(十三) 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。

(13) Other major events and analysis and explanation of its effects and solutions

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

(十四) 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。

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

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

(十五) 信息披露索引

(15) Information Disclosure Index

事項 Subject	刊載的報刊名稱及版面 Name and page of newspaper	刊載日期 Date of publication	刊載的互聯網網站及檢索路徑 Website and path of publication
關於股份變動情況的公告 Announcement relating to changes in shares	《上海證券報》A9版、 《香港文匯報》A21版、 《The Standard》B27版 “Shanghai Securities” page A9, “Hong Kong Wen Wei Po” page A21, “The Standard” B27	2007年1月8日 8th January 2007	上交所網站 www.sse.com.cn ; 聯交所網站 www.hkex.com.hk SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk
延長遵守有關委聘合資會計師之豁免期間 Announcement in relation to the extension of waiver period in relation to the appointment of the qualified accountant	《香港文匯報》B9版、 《The Standard》B37版 “Hong Kong Wen Wei Po” page B9, “The Standard” page B37	2007年1月11日 11th January 2007	聯交所網站 www.hkex.com.hk The Stock Exchange website www.hkex.com.hk
關於股份變動情況的公告 Announcement relating to changes in shares	《上海證券報》D6版、 《香港文匯報》B12版、 《The Standard》N49版 “Shanghai Securities” page D6, “Hong Kong Wen Wei Po” page B12, “The Standard” page N49	2007年4月4日 4th April 2007	上交所網站 www.sse.com.cn ; 聯交所網站 www.hkex.com.hk SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk

事項 Subject	刊載的報刊名稱及版面 Name and page of newspaper	刊載日期 Date of publication	刊載的互聯網網站及檢索路徑 Website and path of publication
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
Announcement relating to the listing of restricted circulating A Share of the Company	“Shanghai Securities” page A14, “Hong Kong Wen Wei Po” page B8, “The Standard” N40	16th April 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk
第四屆董事會第二次 會議決議公告	《上海證券報》D65 版、 《香港文匯報》A28 版、 《The Standard》N80 版	2007 年 4 月 19 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 second meeting of the fourth Board	“Shanghai Securities” D65, “Hong Kong Wen Wei Po” A28, “The Standard” page N80	19th April 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk
第四屆監事會第二次 會議決議公告	《上海證券報》D65 版、 《香港文匯報》A28 版、 《The Standard》N81 版	2007 年 4 月 19 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 second meeting of the fourth Supervisory Committee	“Shanghai Securities” page D65, “Hong Kong Wen Wei Po” page A28, “The Standard” N81	19th April 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk
關於召開 2006 年年度 股東大會的通知	《上海證券報》D65 版、 《香港文匯報》A27 版、 《The Standard》N79 版	2007 年 4 月 19 日	上交所網站 www.sse.com.cn ; 聯交所網站 www.hkex.com.hk
Notice of 2006 annual general meeting	“Shanghai Securities” page D65, “Hong Kong Wen Wei Po” page A27, “The Standard” page N79	19th April 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk
關於召開 2006 年年度 股東大會的通知	《香港文匯報》B21 版	2007 年 4 月 20 日	聯交所網站 www.hkex.com.hk
Notice of 2006 annual general meeting	“Hong Kong Wen Wei Po” page B21	20th April 2007	The Stock Exchange website www.hkex.com.hk
2006 年年度報告摘要	《上海證券報》 D65-D66 版、 《香港文匯報》 A24-A27 版、 《The Standard》 N72-N79 版	2007 年 4 月 19 日	上交所網站 www.sse.com.cn ; 聯交所網站 www.hkex.com.hk
Summary of the 2006 annual report	“Shanghai Securities” page D65-D66, “Hong Kong Wen Wei Po” page A24-A27, “The Standard” page N72-N79	19th April 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk
2006 年年度報告摘要	《香港文匯報》 B18-B21 版	2007 年 4 月 20 日	聯交所網站 www.hkex.com.hk
Summary of the 2006 annual report	“Hong Kong Wen Wei Po” page B18-B21	20th April 2007	The Stock Exchange website www.hkex.com.hk
恢復買賣	《香港文匯報》A42 版 《The Standard》A17 版	2007 年 4 月 20 日	聯交所網站 www.hkex.com.hk
Resumption of trading	“Hong Kong Wen Wei Po” page A42 “The Standard” page A17	20th April 2007	The Stock Exchange website www.hkex.com.hk

重要事項 Major Events

事項 Subject	刊載的報刊名稱及版面 Name and page of newspaper	刊載日期 Date of publication	刊載的互聯網網站及檢索路徑 Website and path of publication
2007 年第一季度報告	《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
First quarterly report 2007	“Shanghai Securities” page D73, “Hong Kong Wen Wei Po” page A29, “The Standard” page B30-B32	27th April 2007	SSE website www.sse.com.cn ; the Stock Exchange website 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
Announcement in relation to the resolutions passed at the third meeting of the fourth board	“Shanghai Securities” page D73, “Hong Kong Wen Wei Po” page A28, “The Standard” page B33	27th April 2007	SSE website www.sse.com.cn ; the Stock Exchange website 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
Supplemental notice of 2006 annual general meeting	“Hong Kong Wen Wei Po” page A18, “The Standard” page B34	29th May 2007	The Stock Exchange website 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 resolutions passed at the fourth meeting of the fourth board	“Shanghai Securities” page D8, “Hong Kong Wen Wei Po” page A18, “The Standard” page B35	29th May 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk
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 fluctuations in the trading of the A Shares of the Company	“Shanghai Securities” page 25	2nd June 2007	SSE website www.sse.com.cn
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 in relation to the transfer of share in the controlling shareholder of the Company	“Shanghai Securities” page D6, “Hong Kong Wen Wei Po” page A20, “The Standard” page B27	8th June 2007	SSE website www.sse.com.cn ; the Stock Exchange website 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
Announcement on the resolutions passed at the 2006 annual general meeting of the Company	“Shanghai Securities” page A17, “Hong Kong Wen Wei Po” page B10, “The Standard” page N4-N5	11th June 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk
董事會公告	《上海證券報》D9 版、 《香港文匯報》A44 版、 《The Standard》B32 版	2007 年 6 月 15 日	上交所網站 www.sse.com.cn ; 聯交所網站 www.hkex.com.hk
Announcement of the Board of Directors	“Shanghai Securities” page D9, “Hong Kong Wen Wei Po” page A44, “The Standard” page B32	15th June 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk

事項 Subject	刊載的報刊名稱及版面 Name and page of newspaper	刊載日期 Date of publication	刊載的互聯網網站及檢索路徑 Website and path of publication
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	《上海證券報》A20 版、 《香港文匯報》A44 版、 《The Standard》N18 版	2007 年 6 月 18 日	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	“Shanghai Securities” page A20, “Hong Kong Wen Wei Po” page A44, “The Standard” page N18	18th June 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk
關於天津市政投資 有限公司減持 股份的公告	《上海證券報》A20 版、 《香港文匯報》A44 版、 《The Standard》N18 版	2007 年 6 月 18 日	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	“Shanghai Securities” page A20, “Hong Kong Wen Wei Po” page A44, “The Standard” page N18	18th June 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk
關於 A 股紅利發放及 可轉債轉股價格 調整提示性公告	《上海證券報》D16 版	2007 年 6 月 20 日	上交所網站 www.sse.com.cn
Announcement in relation to the distribution of dividends of A Shares and reminder of the adjustment of the price of convertible bonds	“Shanghai Securities” page D16	20th June 2007	SSE website www.sse.com.cn
關於 A 股可轉債券 2007 年付息 事宜的公告	《上海證券報》D22 版、 《香港文匯報》A42 版、 《The Standard》A18 版	2007 年 6 月 26 日	上交所網站 www.sse.com.cn ; 聯交所網站 www.hkex.com.hk
Announcement in relation to the 2007 interest payment of the A Share Convertible Bonds of the Company	“Shanghai Securities” page D22, “Hong Kong Wen Wei Po” page A42, “The Standard” page A18	26th June 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk
A 股 2006 年度分紅 派息實施公告	《上海證券報》D22 版、 《香港文匯報》A42 版、 《The Standard》A19 版	2007 年 6 月 26 日	上交所網站 www.sse.com.cn ; 聯交所網站 www.hkex.com.hk
Announcement in relation to the implementation of 2006 Dividend Distribution for the A Shares of the Company	“Shanghai Securities” page D22, “Hong Kong Wen Wei Po” page A42, “The Standard” page A19	26th June 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk
A 股可轉債券轉股價格 調整特別提示公告	《上海證券報》D22 版 《香港文匯報》A42 版、 《The Standard》A18 版	2007 年 6 月 26 日	上交所網站 www.sse.com.cn ; 聯交所網站 www.hkex.com.hk
Announcement in relation to the adjustment on the Conversion Price of the A Share Convertible Bonds of the Company	“Shanghai Securities” page D22 “Hong Kong Wen Wei Po” page A42, “The Standard” page A18	26th June 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk
第四屆董事會第五次 會議決議公告	《上海證券報》D43 版、 《香港文匯報》D17 版、 《The Standard》N14 版	2007 年 6 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 Resolutions passed at the Fifth Meeting of the Fourth Board of Directors of the Company	“Shanghai Securities” page D43, “Hong Kong Wen Wei Po” page D17, “The Standard” page N14	29th June 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk

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關於股份變動 情況的公告	《上海證券報》D20 版	2007 年 7 月 4 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站
Announcement relating to changes in shares	“Shanghai Securities” page D20	4th July 2007	http://www.ifn.com.hk/ir/tjcep/ SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
澄清公告	《上海證券報》D20 版	2007 年 7 月 6 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站
Clarification announcement	“Shanghai Securities” page D20	6th July 2007	http://www.ifn.com.hk/ir/tjcep/ SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
第四屆董事會第六次 會議決議公告	《上海證券報》D52 版	2007 年 7 月 19 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站
Announcement in relation to the Resolutions passed at the Sixth Meeting of the Fourth Board of Directors of the Company	“Shanghai Securities” page D52	19th July 2007	http://www.ifn.com.hk/ir/tjcep/ SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
提示性公告	《上海證券報》A20 版	2007 年 7 月 30 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站
Reminder announcement	“Shanghai Securities” page A20	30th July 2007	http://www.ifn.com.hk/ir/tjcep/ SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
第四屆董事會第七次 會議決議公告	《上海證券報》D17 版	2007 年 7 月 31 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站
Announcement in relation to the Resolutions passed at the Seventh Meeting of the Fourth Board of Directors of the Company	“Shanghai Securities” page D17	31st July 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/

事項 Subject	刊載的報刊名稱及版面 Name and page of newspaper	刊載日期 Date of publication	刊載的互聯網網站及檢索路徑 Website and path of publication
關於 A 股可轉債券贖回事宜的第一次公告	《上海證券報》D17 版	2007 年 7 月 31 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
The first announcement regarding redemption of the Company's A Share Convertible Bonds	"Shanghai Securities" page D17	31st July 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
關於 A 股可轉債券贖回事宜的第二次公告	《上海證券報》D9 版	2007 年 8 月 1 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
The second announcement regarding redemption of the Company's A Share Convertible Bonds	"Shanghai Securities" page D9	1st August 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
關於 A 股可轉債券贖回事宜的第三次公告	《上海證券報》D19 版	2007 年 8 月 2 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
The third announcement regarding redemption of the Company's A Share Convertible Bonds	"Shanghai Securities" page D19	2nd August 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
本公司 H 股公告		2007 年 8 月 4 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
Announcement in relation to the H Shares of the Company		4th August 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
2007 年半年度報告摘要	《上海證券報》D46 版	2007 年 8 月 16 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
Summary of the 2007 interim report	"Shanghai Securities" page D46	16th August 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/

重要事項 Major Events

事項 Subject	刊載的報刊名稱及版面 Name and page of newspaper	刊載日期 Date of publication	刊載的互聯網網站及檢索路徑 Website and path of publication
關於 A 股可轉債券贖回 價格調整的公告	《上海證券報》D6 版	2007 年 8 月 23 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
Announcement regarding adjustment of redemption price of the Company's A Share Convertible Bonds	"Shanghai Securities" page D6	23rd August 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
關於 A 股可轉債券贖回 事宜的第四次公告	《上海證券報》D6 版	2007 年 8 月 23 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
The fourth announcement regarding redemption of the Company's A Share Convertible Bonds	"Shanghai Securities" page D6	23rd August 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
關於 A 股可轉債券贖回 事宜的第五次公告	《上海證券報》D80 版	2007 年 8 月 24 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
The fifth announcement regarding redemption of the Company's A Share Convertible Bonds	"Shanghai Securities" page D80	24th August 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
關於加強上市公司 專項治理活動的 自查報告與整改計劃	《上海證券報》D80 版	2007 年 8 月 24 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
Self-examination report and rectification plan in relation to reinforcing the special governance activities of listed companies	"Shanghai Securities" page D80	24th August 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
關於 A 股可轉債券贖回 事宜的第六次公告	《上海證券報》A128 版	2007 年 8 月 27 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
The sixth announcement regarding redemption of the Company's A Share Convertible Bonds	"Shanghai Securities" page A128	27th August 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/

事項 Subject	刊載的報刊名稱及版面 Name and page of newspaper	刊載日期 Date of publication	刊載的互聯網網站及檢索路徑 Website and path of publication
關於 A 股可轉債券贖回結果的公告	《上海證券報》D6 版	2007 年 9 月 4 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
Announcement regarding the results of redemption of the Company's A Share Convertible Bonds	"Shanghai Securities" page D6	4th September 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
關於 A 股可轉債券摘牌的公告	《上海證券報》D6 版	2007 年 9 月 4 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
Announcement regarding the delisting of the Company's A Share Convertible Bonds	"Shanghai Securities" page D6	4th September 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
關於股份變動情況的公告	《上海證券報》D6 版	2007 年 9 月 4 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
Announcement regarding changes in Shares	"Shanghai Securities" page D6	4th September 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
關於延長遵守有關委聘香港合資格會計師之豁免期間的公告	《上海證券報》D8 版	2007 年 9 月 12 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
Announcement in relation to the extension of wavier period in relation to the appointment of the qualified accountant	"Shanghai Securities" page D8	12th September 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
監事會公告	《上海證券報》D20 版	2007 年 9 月 20 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
Announcement of the Supervisory Committee	"Shanghai Securities" page D20	20th September 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/

重要事項 Major Events

事項 Subject	刊載的報刊名稱及版面 Name and page of newspaper	刊載日期 Date of publication	刊載的互聯網網站及檢索路徑 Website and path of publication
第四屆董事會第十次 會議決議公告	《上海證券報》D3 版	2007 年 9 月 21 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
Announcement of the Resolution Passed at the 10th Meeting of the Fourth Board of Directors of the Company	“Shanghai Securities” page D3	21st September 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
本公司 H 股公告		2007 年 10 月 9 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
Announcement in relation to the H Shares of the Company		9th October 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
2007 年第三季度報告	《上海證券報》D24 版	2007 年 10 月 26 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
Third quarterly report 2007	“Shanghai Securities” page D24	26th October 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
第四屆董事會第十二次 會議決議公告	《上海證券報》D64 版	2007 年 10 月 31 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
Announcement of the Resolution Passed at the 12th Meeting of the Fourth Board of Directors of the Company	“Shanghai Securities” page D64	31st October 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
理專項活動 整改報告	《上海證券報》D64 版	2007 年 10 月 31 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
Rectification report on special corporate governance activities	“Shanghai Securities” page D64	31st October 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/

事項 Subject	刊載的報刊名稱及版面 Name and page of newspaper	刊載日期 Date of publication	刊載的互聯網網站及檢索路徑 Website and path of publication
第四屆董事會第十三次會議決議公告	《上海證券報》D16 版	2007 年 11 月 9 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
Announcement of the Resolution Passed at the 13rd Meeting of the Fourth Board of Directors of the Company	“Shanghai Securities” page D16	9th November 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
第四屆監事會第六次會議決議公告	《上海證券報》D16 版	2007 年 11 月 9 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
Announcement of the Resolution Passed at the 6th Meeting of the Fourth Supervisory Committee	“Shanghai Securities” page D16	9th November 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
關於召開 2007 年第一次臨時股東大會的通知	《上海證券報》D16 版	2007 年 11 月 9 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
Notice of the First Extraordinary General Meeting 2007	“Shanghai Securities” page D16	9th November 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
本公司收購報告書 (摘要)	《上海證券報》A16 版	2007 年 12 月 17 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
Report of acquisition of the Company (Summary)	“Shanghai Securities” page A16	17th December 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
關於控股股東國有產權劃轉獲國資委批復的公告	《上海證券報》A16 版	2007 年 12 月 17 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
Announcement in relation to the approval by the State-owned Assets Administration of the transfer of state-owned assets by the controlling shareholder	“Shanghai Securities” page A16	17th December 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/

重要事項 Major Events

事項 Subject	刊載的報刊名稱及版面 Name and page of newspaper	刊載日期 Date of publication	刊載的互聯網網站及檢索路徑 Website and path of publication
關於收購並特許經營西安市兩座污水處理廠的公告	《上海證券報》D16 版	2007 年 12 月 21 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
Announcement in relation to the acquisition and licensed operation of two sewage water treatment plants in Xian	“Shanghai Securities” page D16	21st December 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/
2007 年第一次臨時股東大會決議公告	《上海證券報》D40 版	2007 年 12 月 28 日	上交所網站 www.sse.com.cn ; 聯交所 網站 www.hkex.com.hk ; 訊捷財經印務有限公司 網站 http://www.ifn.com.hk/ir/tjcep/
Announcement on the resolutions passed at the 2007 first extraordinary general meeting	“Shanghai Securities” page D40	28th December 2007	SSE website www.sse.com.cn ; the Stock Exchange website www.hkex.com.hk ; website of IFN Financial Press Ltd. http://www.ifn.com.hk/ir/tjcep/

買賣或贖回本公司之股份

本報告期內，本公司或其任何附屬公司概無購買、出售及贖回任何本公司的股份。

《企業管治常規守則》

董事概無知曉任何有合理跡象顯示本公司的現時或在本期間任何時間內未有遵守上市規則的《企業管治常規守則的資料》。

董事進行證券交易的標準守則

本公司已採納一套規管有關董事進行證券交易的應用守則，其要求不低於上市規則附錄十《上市發行人董事進行證券交易的標準守則》。於報告期間，全體董事均遵循有關董事進行證券交易的標準守則。

公眾持股量

根據已公佈資料及據董事所知，於本報告日期，本公司已按照上市規則維持規定的公眾持股量。

優先購買權

根據本公司之公司章程，並無有關優先購買權之規定，而中國法律並無有關此方面的權利限制。

稅項減免

本公司上市證券持有人並無因持有本公司證券而能夠取得任何稅項減免。

資產押記

本公司並無資產押記情況。

Sale and Purchase or Redemption of Securities of the Company

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

Code on Corporate Governance Practice

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 year, in compliance with the Code on Corporate Governance Practice as set out in the Listing Rules.

Model Code for Securities Transactions by the Directors

The Company has adopted a code of practice with standards not lower than those prescribed in Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules for securities transactions conducted by the Directors. During the reporting period, all Directors have complied with the Model Code in relation to securities transactions conducted by the Directors.

Public Float

On the basis of publicised information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules as at the date of this annual report.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Articles of Association and there is no restriction against such rights under the laws of the PRC.

Tax concession

Holders of listed securities of the Company were not granted any tax concession for holding securities of the Company.

Charge of assets

The Company did not charge any assets of the Company or its subsidiaries.

審核委員會

於二零零一年七月三十一日，董事會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。審核委員會已審閱本集團採納的會計原則及方法，並與董事商討內部監控和財務報告事宜，包括審閱截至二零零七年十二月三十一日止年度的經審核帳目。

公佈財務資料

本公司之 2007 年年度報告於聯交所之網頁 <http://www.hkex.com.hk> 上刊登，此年度報告包括上市規則附錄 16 第 45 段(1)至 45 段(3)所需的所有資料。

Audit Committee

On 31st July, 2001, the Board approved the establishment of the Audit Committee to review and supervise the financial reporting process and internal controls of the Company. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the audited accounts for the year ended 31st December, 2007 with the Directors.

Publication of Financial Information

The Company's 2007 annual report which sets out all the information required by paragraphs 45(1) to 45(8) of Appendix 16 to the Listing Rules is published on the website of the Stock Exchange (<http://www.hkex.com.hk>).

財務會計報告 Financial accounting report

詳見天津創業環保有限公司2007年度財務報表及審計報告。

For details, please refer to the accounting statements and audited reports for 2007 of Tianjin Capital Environmental Protection Company Limited.



普華永道中天審字(2008)第10045號

PwC Zhong Tian Shen Zi (2008) No.10045

天津創業環保股份有限公司全體股東：

To the shareholders of
Tianjin Capital Environmental Protection Company Limited:

我們審計了後附的天津創業環保股份有限公司(以下簡稱「貴公司」)及其子公司(以下合稱「貴集團」)的合併及母公司財務報表,包括2007年12月31日的合併及母公司資產負債表以及2007年度的合併及母公司利潤表、合併及母公司現金流量表、合併及母公司股東權益變動表和財務報表附註。

We have audited the accompanying financial statements of Tianjin Capital Environmental Protection Company Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated and the company balance sheets as at 31 December 2007, and the consolidated and the company income statements, cash flow statements and statements of changes in equity for the year then ended and notes to these financial statements.

一、管理層對財務報表的責任

Management's Responsibility for the Financial Statements

按照企業會計準則的規定編製財務報表是貴集團和貴公司管理層的責任。這種責任包括：

Management is responsible for the preparation of these financial statements in accordance with the Accounting Standards for Business Enterprises. This responsibility includes:

- (1) 設計、實施和維護與財務報表編製相關的內部控制,以使財務報表不存在由於舞弊或錯誤而導致的重大錯報;
- (2) 選擇和運用恰當的會計政策;
- (3) 作出合理的會計估計。

designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

selecting and applying appropriate accounting policies; and

making accounting estimates that are reasonable in the circumstances.

二、註冊會計師的責任

Auditor's Responsibility

我們的責任是在實施審計工作的基礎上對財務報表發表審計意見。我們按照中國註冊會計師審計準則的規定執行了審計工作。中國註冊會計師審計準則要求我們遵守職業道德規範,計劃和實施審計工作以對財務報表是否不存在重大錯報獲取合理保證。

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the China Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

審計工作涉及實施審計程序，以獲取有關財務報表金額和披露的審計證據。選擇的審計程序取決於註冊會計師的判斷，包括對由於舞弊或錯誤導致的財務報表重大錯報風險的評估。在進行風險評估時，我們考慮與財務報表編製相關的內部控制，以設計恰當的審計程序，但目的並非對內部控制的有效性發表意見。審計工作還包括評價管理層選用會計政策的恰當性和作出會計估計的合理性，以及評價財務報表的總體列報。

我們相信，我們獲取的審計證據是充分、適當的，為發表審計意見提供了基礎。

三、審計意見

我們認為，上述貴集團和貴公司的合併及母公司財務報表已經按照企業會計準則的規定編製，在所有重大方面公允反映了貴集團和貴公司2007年12月31日的財務狀況以及2007年度的經營成果和現金流量。

普華永道中天
會計師事務所有限公司

註冊會計師
涂益

中國·上海市
2008年4月29日

註冊會計師
仇廣潔

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated and the company financial statements present fairly, in all material respects, the financial position of the Group and the Company as of 31 December 2007, and of their financial performance and their cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises.

PricewaterhouseCoopers Zhong Tian CPAs Limited Company

Shanghai, the People's Republic of China
29 April 2008

中國財務會計報告 PRC Financial Accounting Report

資產負債表 Balance Sheets

於 2007 年 12 月 31 日 (根據中國會計規則編製)
As at 31 December 2007 (Prepared in accordance with PRC Accounting Regulations)

	附註 Notes (六)	合併 Group		公司 Company	
		2007 年度 Year 2007 人民幣千元 Rmb'000	2006 年度 Year 2006 人民幣千元 Rmb'000	2007 年度 Year 2007 人民幣千元 Rmb'000	2006 年度 Year 2006 人民幣千元 Rmb'000
資產					
流動資產					
貨幣資金	(1)	339,971	733,744	86,633	607,136
應收賬款	(2)	442,944	43,210	401,905	16,473
預付款項	(3)	57,964	11,430	12,984	537
其它應收款	(4)	78,769	16,930	82,459	83,582
存貨	(5)	6,634	7,839	3,034	2,699
流動資產合計		926,282	813,153	587,015	710,427
非流動資產					
長期應收款	(2)	697,763	749,973	697,763	749,973
長期股權投資	(6)	67,979	67,660	724,751	696,751
投資性房地產	(7)	137,588	113,925	95,305	97,611
固定資產	(8)	3,068,320	2,873,430	2,064,881	1,810,254
在建工程	(9)	193,130	415,418	30,257	302,519
無形資產	(10)	677,667	704,466	564,114	578,741
長期待攤費用	(11)	98,173	102,079	—	—
遞延所得稅資產		—	2,288	—	2,288
受限貨幣資金	(1)(a)	19,770	40,067	19,770	40,067
非流動資產合計		4,960,390	5,069,306	4,196,841	4,278,204
資產總計		5,886,672	5,882,459	4,783,856	4,988,631

中國財務會計報告 PRC Financial Accounting Report
資產負債表 Balance Sheets

於 2007 年 12 月 31 日 (根據中國會計規則編製)
As at 31 December 2007 (Prepared in accordance with PRC Accounting Regulations)

	附註 Notes (六) 6	合併 Group		公司 Company	
		2007 年度 Year 2007 人民幣千元 Rmb'000	2006 年度 Year 2006 人民幣千元 Rmb'000	2007 年度 Year 2007 人民幣千元 Rmb'000	2006 年度 Year 2006 人民幣千元 Rmb'000
負債及股東權益					
流動負債					
短期借款	(12)	155,000	691,000	155,000	676,000
應付賬款	(13)	12,469	9,852	6,139	3,563
預收款項	(14)	171,341	79,417	28,099	28,901
應付職工薪酬		6,674	9,541	5,753	8,138
應交稅費	(15)	69,727	71,452	61,642	67,328
應付利息		660	5,853	—	5,853
應付股利	(16)	842	1,299	842	1,299
其它應付款	(17)	113,286	133,020	100,957	97,188
一年內到期的 長期借款	(19)	416,250	99,250	334,000	74,000
其他流動負債	(18)	138,862	118,464	32,727	16,364
流動負債合計		1,085,111	1,219,148	725,159	978,634
非流動負債					
長期借款	(19)	1,646,250	1,619,500	1,035,000	1,071,000
應付債券	(20)	—	374,844	—	374,844
長期應付款	(21)	147,273	163,636	147,273	163,636
遞延所得稅負債		—	2,362	—	2,362
非流動負債合計		1,793,523	2,160,342	1,182,273	1,611,842
負債合計		2,878,634	3,379,490	1,907,432	2,590,476
股東權益					
股本	(22)	1,427,228	1,330,666	1,427,228	1,330,666
資本公積	(23)	383,338	101,298	380,788	98,748
盈餘公積	(24)	229,865	214,288	229,865	214,288
未分配利潤		852,737	740,606	838,543	754,453
歸屬於母公司 股東權益合計		2,893,168	2,386,858	2,876,424	2,398,155
少數股東權益	(25)	114,870	116,111	—	—
股東權益合計		3,008,038	2,502,969	2,876,424	2,398,155
負債及股東權益總計		5,886,672	5,882,459	4,783,856	4,988,631

後附財務報表附注為財務報表的組成部分

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

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Company Representative

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Person in charge of
accounting function

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Person in charge of
accounting department

中國財務會計報告 PRC Financial Accounting Report

利潤表 Income Statement

截至 2007 年 12 月 31 日止年度 (根據中國會計規則編製)
For the year ended 31 December 2007 (Prepared in accordance with PRC Accounting Regulations)

	附註 Notes (六)	合併 Group		公司 Company	
		2007 年度 Year 2007 人民幣千元 Rmb'000	2006 年度 Year 2006 人民幣千元 Rmb'000	2007 年度 Year 2007 人民幣千元 Rmb'000	2006 年度 Year 2006 人民幣千元 Rmb'000
營業收入	(26)	1,004,117	812,184	749,706	666,247
減：營業成本	(26)	(432,789)	(332,160)	(266,559)	(228,097)
營業稅金及附加	(27)	(43,710)	(37,283)	(42,296)	(36,165)
管理費用		(102,370)	(85,450)	(70,856)	(54,163)
財務費用—淨額	(28)	(146,283)	(125,048)	(107,282)	(113,302)
資產減值損失	(29)	(5,240)	(7,760)	(22,000)	—
加：投資收益	(6)	2,693	4,474	—	—
其中：對聯營企業的投資收益					
		3,187	4,474	—	—
營業利潤		276,418	228,957	240,713	234,520
加：營業外收入		2,707	8,020	7	11
減：營業外支出		(4,166)	(971)	(73)	(461)
其中：非流動資產處置損失					
		(2,857)	(971)	(68)	(461)
利潤總額		274,959	236,006	240,647	234,070
減：所得稅費用	(30)	(92,387)	(79,572)	(84,875)	(77,383)
淨利潤		182,572	156,434	155,772	156,687
歸屬於					
母公司股東的淨利潤		183,813	158,689	155,772	156,687
少數股東損益	(25)	(1,241)	(2,255)	—	—
		<u>182,572</u>	<u>156,434</u>	<u>155,772</u>	<u>156,687</u>
每股收益 (人民幣元)					
	(31)				
基本每股收益		0.13	0.12		
稀釋每股收益		0.13	0.12		

後附財務報表附註為財務報表的組成部分

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

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中國財務會計報告 PRC Financial Accounting Report

現金流量表 Cash Flow Statements

截至 2007 年 12 月 31 日止年度 (根據中國會計規則編製)

For the year ended 31 December 2007 (Prepared in accordance with PRC Accounting Regulations)

		合併 Group		公司 Company	
		2007 年度 Year 2007 人民幣千元 Rmb'000	2006 年度 Year 2006 人民幣千元 Rmb'000	2007 年度 Year 2007 人民幣千元 Rmb'000	2006 年度 Year 2006 人民幣千元 Rmb'000
經營活動產生的現金流量	Cash flows from operating activities				
銷售商品、提供服務	Cash received from rendering of goods and services	737,477	594,529	404,643	427,592
收到的現金					
收到的其它與經營活動有關的現金	Other cash received relating to operating activities	22,011	10,338	78,487	33,397
經營活動現金流入小計	Sub-total of cash inflows	<u>759,488</u>	<u>604,867</u>	<u>483,130</u>	<u>460,989</u>
購買商品、接受勞務支付的現金	Cash paid for goods and services	(235,472)	(173,738)	(127,336)	(113,171)
支付給職工以及為職工支付的現金	Cash paid to and on behalf of employees	(68,055)	(54,889)	(42,524)	(36,825)
支付的各项稅費	Taxes paid	(137,896)	(129,481)	(132,930)	(127,291)
支付的其它與經營活動有關的現金	Other cash paid relating to operating activities	(62,151)	(49,297)	(60,439)	(114,049)
經營活動現金流出小計	Sub-total of cash outflows	<u>(503,574)</u>	<u>(407,405)</u>	<u>(363,229)</u>	<u>(391,336)</u>
經營活動產生的現金流量淨額	Net cash flows from operating activities	<u>255,914</u>	<u>197,462</u>	<u>119,901</u>	<u>69,653</u>
投資活動產生的現金流量	Cash flows from investing activities				
收回投資所收到的現金	Cash received from investing activities	1,506	16,000	—	16,000
取得投資收益收到的現金	Cash received from returns on investments	868	—	—	—
處置固定資產	Net cash received from disposal of fixed assets	3,673	1,534	102	548
收回的現金					
收回的受限保證金存款	Cash received from release of restricted bank deposits	6,000	—	6,000	—
投資活動現金流入小計	Sub-total of cash inflows	<u>12,047</u>	<u>17,534</u>	<u>6,102</u>	<u>16,548</u>
購建固定資產和其他長期資產所支付的現金	Cash paid to acquire fixed assets and other long-term assets	(271,752)	(1,183,417)	(142,493)	(171,093)
權益性投資所支付的現金	Cash paid to invest in new subsidiaries	—	(54,000)	(50,000)	(242,371)
支付受限保證金存款	Restricted bank deposits	(25,770)	(8,818)	(25,770)	—
投資活動現金流出小計	Sub-total of cash outflows	<u>(297,522)</u>	<u>(1,246,235)</u>	<u>(218,263)</u>	<u>(413,464)</u>
投資活動產生的現金流量淨額	Net cash flows from investing activities	<u>(285,475)</u>	<u>(1,228,701)</u>	<u>(212,161)</u>	<u>(396,916)</u>

中國財務會計報告 PRC Financial Accounting Report
現金流量表 Cash Flow Statements

截至 2007 年 12 月 31 日止年度 (根據中國會計規則編製)
For the year ended 31 December 2007 (Prepared in accordance with PRC Accounting Regulations)

		合併 Group		公司 Company	
		2007 年度 Year 2007 人民幣千元 Rmb'000	2006 年度 Year 2006 人民幣千元 Rmb'000	2007 年度 Year 2007 人民幣千元 Rmb'000	2006 年度 Year 2006 人民幣千元 Rmb'000
籌資活動產生的現金流量	Cash flows from financing activities				
吸收投資所收到的現金	Cash received from investments by minority shareholders	—	77,233	—	—
借款所收到的現金	Cash received from borrowings	1,279,890	2,044,770	1,041,000	1,506,000
收回的受限保證金存款	Cash received from release of restricted bank deposits	47,000	3,000	47,000	3,000
籌資活動現金流入小計	Sub-total of cash inflows	1,326,890	2,125,003	1,088,000	1,509,000
償還債務所支付的現金	Cash repayments of amounts borrowed	(1,472,140)	(935,020)	(1,338,000)	(910,000)
分配股利或利潤所 支付的現金	Cash payments for distribution of dividends or profit	(56,562)	(53,584)	(56,562)	(53,584)
償付利息所支付的現金	Cash payments of interest expenses	(162,400)	(121,378)	(121,681)	(104,329)
支付的其他與籌資活動 有關的現金	Other cash payments relating to financing activities	—	(9,150)	—	(1,150)
籌資活動現金流出小計	Sub-total of cash outflows	(1,691,102)	(1,119,132)	(1,516,243)	(1,069,063)
籌資活動產生的現金流量淨額	Net cash flows from financing activities	(364,212)	1,005,871	(428,243)	439,937
現金淨 (減少) / 增加額	Net (decrease)/increase in cash	(393,773)	(25,368)	(520,503)	112,674
加：年初現金餘額	Add: Cash and bank balances at beginning of year	718,744	744,112	601,136	488,462
年末現金餘額	Cash and bank balances at end of year	324,971	718,744	80,633	601,136

後附財務報表附註為財務報表的組成部分

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中國財務會計報告 PRC Financial Accounting Report

合併所有者權益變動報表 Consolidated Statements of Changes In Equity

截至 2007 年 12 月 31 日止年度 (根據中國會計規則編製)

For the year ended 31 December 2007 (Prepared in accordance with PRC Accounting Regulations)

		歸屬於母公司股東權益 Attributable to equity holders of the Company					
		股本 Share capital 人民幣千元 Rmb'000	資本公積 Capital reserve 人民幣千元 Rmb'000	盈餘公積 General reserve 人民幣千元 Rmb'000	未分配利潤 Undistributed profit 人民幣千元 Rmb'000	少數股東權益 Minority Interests 人民幣千元 Rmb'000	股東權益合計 Total 人民幣千元 Rmb'000
2005 年 12 月 31 日年末餘額	Balances at 31 December 2005	1,330,658	75,182	200,721	678,610	—	2,285,171
首次執行企業會計準則 (附註十)	First time adoption of CAS (Note 10)	—	26,089	(2,101)	(27,798)	49,132	45,322
2006 年 1 月 1 日年初餘額	Balances at 1 January 2006	1,330,658	101,271	198,620	650,812	49,132	2,330,493
2006 年度增減變動額	Year ended 31 December 2006						
淨利潤	Profit for the year	—	—	—	158,689	(2,255)	156,434
可轉換債券轉股	Conversion of convertible bonds	8	27	—	—	—	35
少數股東投入資本	Minority shareholders' investment in subsidiaries	—	—	—	—	69,234	69,234
利潤分配	Profit appropriation						
提取盈餘公積	- Appropriation to statutory common reserves	—	—	15,668	(15,668)	—	—
對股東的分配	- Dividend appropriation to shareholders	—	—	—	(53,227)	—	(53,227)
2006 年 12 月 31 日年末餘額	Balances at 31 December 2006	1,330,666	101,298	214,288	740,606	116,111	2,502,969
2007 年度增減變動額	Year ended 31 December 2007						
淨利潤	Profit for the year	—	—	—	183,813	(1,241)	182,572
可轉換債券轉股	Conversion of convertible bonds	96,562	282,040	—	—	—	378,602
利潤分配	Profit appropriation						
提取盈餘公積	- Appropriation to statutory common reserves	—	—	15,577	(15,577)	—	—
對股東的分配	- Dividend appropriation to shareholders	—	—	—	(56,105)	—	(56,105)
2007 年 12 月 31 日年末餘額	Balances at 31 December 2007	1,427,228	383,338	229,865	852,737	114,870	3,008,038

後附財務報表附註為財務報表的組成部分

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

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中國財務會計報告 PRC Financial Accounting Report

母公司所有者權益變動報表 Statements of Changes In Equity

截至 2007 年 12 月 31 日止年度 (根據中國會計規則編製)
For the year ended 31 December 2007 (Prepared in accordance with PRC Accounting Regulations)

		股本 Share Capital Share capital 人民幣千元 Rmb'000	資本公積 Capital General reserve 人民幣千元 Rmb'000	盈餘公積 General Undistributed reserve 人民幣千元 Rmb'000	未分配利潤 Undistributed profit 人民幣千元 Rmb'000	股東權益合計 Minority Total 人民幣千元 Rmb'000
2005 年 12 月 31 日年末餘額	Balances at 31 December 2005	1,330,658	75,182	200,721	678,568	2,285,129
首次執行企業會計準則	First time adoption of CAS	—	23,539	(2,101)	(11,907)	9,531
2006 年 1 月 1 日年初餘額	Balances at 1 January 2006	1,330,658	98,721	198,620	666,661	2,294,660
2006 年度增減變動額	Year ended 31 December 2006					
淨利潤	Profit for the year	—	—	—	156,687	156,687
可轉換債券轉股	Conversion of convertible bonds	8	27	—	—	35
利潤分配	Profit appropriation					
提取盈餘公積	- Appropriation to statutory common reserves	—	—	15,668	(15,668)	—
對股東的分配	- Dividend appropriation to shareholders	—	—	—	(53,227)	(53,227)
2006 年 12 月 31 日年末餘額	Balances at 31 December 2006	1,330,666	98,748	214,288	754,453	2,398,155
2007 年度增減變動額	Year ended 31 December 2007					
淨利潤	Profit for the year	—	—	—	155,772	155,772
可轉換債券轉股	Conversion of convertible bonds	96,562	282,040	—	—	378,602
利潤分配	Profit appropriation					
提取盈餘公積	- Appropriation to statutory common reserves	—	—	15,577	(15,577)	—
對股東的分配	- Dividend appropriation to shareholders	—	—	—	(56,105)	(56,105)
2007 年 12 月 31 日年末餘額	Balance at 31 December 2007	1,427,228	380,788	229,865	838,543	2,876,424

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後附財務報表附註為財務報表的組成部分

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

馬白玉
Ma Baiyu
企業負責人
Company Representative

顧啟峰
Gu Qifeng
主管會計工作的負責人
Person in charge of
accounting function

陳銀杏
Chen Yinxing
會計機構負責人
Person in charge of
accounting department

中國財務會計報告 PRC Financial Accounting Report

財務報表附註 Notes to the Financial Statements

(根據中國會計規則編製)

(Prepared in accordance with PRC Accounting Regulations)

一、公司基本情況

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。本公司註冊地為中國天津市和平區貴州路45號，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。天津市政投資有限公司為本公司的控股公司。

本公司及其子公司(「本集團」)現時的經營業務包括污水處理，自來水供水，中水和道路收費站業務。

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 registered address is No. 45 Gui Zhou Lu, Heping District, Tianjin, the PRC, and the office address is TCEP Building, 76 Weijin South Road, Nankai District, Tianjin, the PRC. Tianjin Municipal Investment Company Limited (“TMICL”) is the Company’s ultimate holding company.

The prevailing operating 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.

一、公司基本情況 (續)

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：

位置
Plant Location

合同簽訂日期
Contract Date

客戶
Customer

以前年度簽訂並仍在執行的合同：
Prior years' agreements still in operation

天津東郊

Dong Jiao, Tianjin

天津紀莊子

Ji Zhuang Zi, Tianjin

天津咸陽路

Xian Yang Lu, Tianjin

天津北倉

Bei Cang, Tianjin

貴州貴陽

Guiyang, Guizhou

江蘇寶應

Baoying, Jiangsu

安徽阜陽

Fuyang, Anhui

雲南曲靖

Qujing, Yunnan

湖北洪湖

Honghu, Hubei

浙江杭州

Hangzhou, Zhejiang

2000年10月10日

10 October 2000

2000年10月10日

10 October 2000

2000年10月10日

10 October 2000

2000年10月10日

10 October 2000

2004年9月16日

16 September 2004

2005年6月13日

13 June 2005

2005年12月18日

18 December 2005

2005年12月25日

25 December 2005

2005年12月29日

29 December 2005

2006年11月20日

20 November 2006

天津市排水公司

Tianjin Sewage Company ("TSC")

天津市排水公司

TSC

天津市排水公司

TSC

天津市排水公司

TSC

貴陽城市管理局

Guiyang City Administration Bureau ("GCAB")

寶應縣建設局

Baoying construction Bureau ("BCB")

阜陽市建設委員會

Anhui Fuyang Construction Committee ("AFCC")

曲靖市供排水總公司

Qujing City Water General Company ("QCWG")

洪湖市建設局

Honghu construction Bureau ("HCB")

杭州市排水有限公司

Hangzhou Sewage Company ("HSC")

2007年新簽訂的合同：

New agreements in 2007:

天津靜海

Jing Hai, Tianjin

2007年9月12日

12 September 2007

天津新技術產業園區天宇科技園管理委員會

Tianyu Science Technology Park

Administration Committee of Tianjin New

文登市建設局

山東文登

Wen Deng, Shandong

2007年12月19日

19 December 2007

Technology Industry Area

Wendeng Construction Bureau

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

一、公司基本情況 (續)

(a) 污水處理業務 (續)

相關協議訂明的主要計價公式如下所述：

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，按照約定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 (附註六(2)(a))。

1 COMPANY PROFILE AND PRINCIPAL ACTIVITIES (Continued)

(a) Sewage water processing (Continued)

The principal terms and the 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 a predetermined sewage processing fee from the completion date of construction to the completion date of inspection of Ji Zhuang Zi, XianYang Lu and Bei Cang Plants. After completion of inspection of these plants, processing fee will be collected from TSC using the same principle as Dong Jiao plant as described above.

一、公司基本情況 (續)

(a) 污水處理業務 (續)

其他污水處理廠：

協議規定以約定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) 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。

1 COMPANY PROFILE AND PRINCIPAL ACTIVITIES (Continued)

(a) Sewage water processing (Continued)

Other sewage processing plants:

Initial sewage water processing fees are set at pre-determined pricing. 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.
- (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.

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

一、公司基本情況 (續)

(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，本公司無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如下：

建設收費協議：

根據本公司於2001年9月24日與排水公司簽訂的《污水處理(擴建)在建工程收費協議》(「建設收費協議」)，本公司向排水公司提供建設咸陽路、紀莊子和北倉等三個污水處理廠的服務。

上述協議的主要條款如下：

- 根據協議，本公司在承擔污水處理廠在建工程建設期間，排水公司同意向本公司支付建設費用，作為鼓勵本公司承擔建設污水處理廠在建工程之報酬；

1 COMPANY PROFILE AND PRINCIPAL ACTIVITIES (Continued)

(b) Construction of sewage water processing plants

Since the construction of Ji Zhuang Zi, Xian Yang Lu and Bei Cang was completed in late 2005, the Company did not generate any sewage water processing plant construction fee. The background to the relevant agreements of sewage water processing plants since 2003 is detailed below:

Construction Agreement:

Pursuant to an agreement (“Construction Agreement”) between the Company and TSC dated 24 September 2001, the Company is to provide construction services to TSC in respect of three plants of Xian Yang Lu, Ji Zhuang Zi and Bei Cang.

The principal terms of the Construction Agreement are summarised below:

- a fee will be paid by TSC during the period of construction as a reward to remunerate the Company for accepting the responsibility to construct the sewage water processing plants.

一、公司基本情況 (續)

(b) 建設收費協議 (續)

- 按照建設收費協議，排水公司應每月根據本公司編撰的有關各項目當月之估計完成百分比向本公司預支建設費用，然後在每季度結束時，根據獨立測量師或工程師對已完成工程量之核定作出相應調整；
- 本公司亦負責污水處理廠在建工程所需資金的籌集；以及
- 依據本公司與排水公司簽訂的協議，在天津三個污水處理廠開始運營後，雙方的權利與義務將按照原污水處理委託協議的具體規定執行（如附註一(a)所述）。

轉讓協議：

根據本公司於2001年9月24日與排水公司簽訂的相關的轉讓協議（「轉讓協議」），本公司將承擔後續工程的建設及管理。前述在建工程轉讓工作已於2002年10月30日完成。

1 COMPANY PROFILE AND PRINCIPAL ACTIVITIES (Continued)

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

- A fee is payable by TSC in advance on a monthly basis according to the percentage of completion of the respective construction projects estimated by the Company. The percentage of completion of each project will be adjusted on a quarterly basis according to the certifications issued by qualified independent surveyors or engineers;
- the Company is responsible for the funding of the construction cost of these plants, and
- upon commencement of operations of the three sewage water processing plants, the rights and obligations between the Company and TSC will follow the terms as specified in the Sewage Water Processing Agreement as applicable to the Tianjin plants (Note1(a)).

Transfer Agreement:

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

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

一、公司基本情況 (續)

(b) 建設收費協議 (續)

合作協議：

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

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

1 COMPANY PROFILE AND PRINCIPAL ACTIVITIES (Continued)

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

Co-operative Agreement:

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

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

一、公司基本情況 (續)

(c) 道路收費業務

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。

1 COMPANY PROFILE AND PRINCIPAL ACTIVITIES (Continued)

(c) Operation of toll road

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

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

一、公司基本情況 (續)

(c) 道路收費業務 (續)

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。
- 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。

1 COMPANY PROFILE AND PRINCIPAL ACTIVITIES (Continued)

(c) Operation of toll road (Continued)

The 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.

一、公司基本情況 (續)

(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以約定的價格提供自來水供水服務。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。

1 COMPANY PROFILE AND PRINCIPAL ACTIVITIES (Continued)

(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 at predetermined pricing. 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.

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

二、財務報表的編製基礎

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》及相關規定(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—基本準則》和38項具體會計準則、其後頒佈的企業會計準則應用指南、企業會計準則解釋以及其他相關規定(以下簡稱「企業會計準則」)。2007年度財務報表為本集團首份按照企業會計準則編製的年度財務報表。

本集團屬於原同時按照中國的原會計準則和制度及香港財務報告準則分別編製並對外提供財務報表的H股上市公司;於2007年1月1日首次執行企業會計準則時,本集團除了按照《企業會計準則第38號—首次執行企業會計準則》第五條至第十九條的規定進行追溯調整外,還按照《企業會計準則解釋第1號》的規定,根據取得的相關信息,對於按照企業會計準則確定的會計政策與之前按照原會計準則和制度確定的會計政策之間的其他差異,追溯調整了2006年度的財務報表,相關數據已經按照上述追溯調整後的金額重新列報。追溯調整涉及的主要內容包括:

1. 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。

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Group previously 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 29 December 2000 respectively. The Group adopted the China Accounting Standards promulgated by the Ministry of Finance on 15 February 2006, its application guidance, interpretations and other related regulations promulgated subsequently (collective as “CAS”), effective from 1 January 2007. These financial statements for the year ended 31 December 2007 are the Group’s first financial statements prepared under CAS.

As a H share listed company, the Group should prepare its financial statements both under Old Accounting Standards and Hong Kong Financial Reporting Standards. When the Group adopted CAS at first time on 1 January 2007, according to CAS 38 – First Time Adoption of China Accounting Standards, other differences arising from changes of the Group’s accounting policies under CAS should be adjusted retrospectively. Further, pursuant to the relevant regulation of “No.1 Comments From Specialist Team of Implementation of CAS”, the relevant 2006 comparatives are also restated accordingly.

The retrospective adjustments are principally as follows:

- (1). Pursuant to the relevant regulations of CAS, the Group’s convertible bonds shall be classified as “Financial liabilities”, which was subsequently measured at amortised cost using the effective interest method.

二、財務報表的編製基礎

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2. 本集團賬面包含為可轉換債券擔保的保證金，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。
3. 對於資產、負債的賬面價值與計稅基礎不同形成的暫時性差異以及能夠結轉以後年度的可抵扣虧損和稅款抵減，確認相應的遞延所得稅資產和遞延所得稅負債。
4. 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。
5. 對於持有的對子公司的長期股權投資，在母公司財務報表中進行追溯，視同該子公司自最初即採用成本法核算。

- (2). The Group have secured bank deposits of convertible bonds. Pursuant to the relevant regulations of CAS, such bank deposits shall be classified as “Loans and receivables”, and measured at amortised cost using the effective interest method.
- (3). Deferred tax assets and liabilities are provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts and to the extent that it is probable that taxable loss is utilised or tax deducted in the future periods.
- (4). 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.
- (5). The cost of equity investment in subsidiaries, should be adjusted retrospectively and accounted for at original cost initially in the Company’s financial statements.

按原會計準則和制度列報的2006年年初及年末合併股東權益、2006年度合併淨利潤調整為按企業會計準則列報的合併股東權益及合併淨利潤的金額調節過程列示於附註十。

The reconciliation of consolidated shareholders’ equity as at beginning and end of 2006 and its consolidated net profit in 2006 prepared between previously reported under Old Accounting Standards and CAS are presented in Note 10.

截至2007年12月31日止，本集團及本公司的流動負債超過其流動資產分別約為人民幣159百萬元及人民幣138百萬元。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年度的會計報表。

As at 31 December 2007, the Group and the Company’s current liabilities exceeded its current assets by to approximately Rmb159 million and Rmb138 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 are sufficient to enable the Group and the Company to meet their respective liabilities as and when they fall due.

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

三、遵循企業會計準則的聲明

本集團和本公司2007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12月31日的財務狀況以及2007年度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。

(2) 記賬本位幣

記賬本位幣為人民幣。

(3) 外幣折算

外幣交易按交易發生日的即期匯率將外幣金額折算為人民幣入賬。

於資產負債表日，外幣貨幣性項目採用資產負債表日的即期匯率折算為人民幣，所產生的折算差額除了為購建或生產符合資本化條件的資產而借入的外幣專門借款產生的匯兌差額按資本化的原則處理外，直接計入當期損益。以歷史成本計量的外幣非貨幣性項目，於資產負債表日採用交易發生日的即期匯率折算。

(4) 現金及現金等價物

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，現金等價物是指持有的期限短、流動性強、易於轉換為已知金額現金及價值變動風險很小的投資。

3 STATEMENT OF COMPLIANCE OF CAS

These financial statements present fairly, the financial positions of the Group and the Company as at 31 December 2007, and of its respective financial performances and cash flows for the year then ended 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.

(2) Reporting currency

The reporting currency is Renminbi ("Rmb").

(3) Foreign currency translations

Foreign currency transactions are translated into Rmb at the spot exchange rates stipulated at the transaction dates.

Monetary items denominated in foreign currencies at the balance sheet date are translated into Rmb at the spot exchange rates at the balance sheet date. Exchange differences arising from these translations are expensed, except for those attributable to foreign currency borrowings that have been taken out specifically for the construction of fixed assets, which are capitalized as part of the fixed asset costs. Non-monetary items denominated in foreign currency that are measured in terms of historical cost are translated into Rmb at spot exchange rates at its respecting transaction dates on the balance sheet date.

(4) Cash and cash equivalents

For the purpose of cash flow statements, cash represents cash in hand, deposits held at call with banks, cash equivalents represent investments with short-term highly liquid, easy converted to cash and low risk on changes in its value.

四、重要會計政策和會計估計 (續) 4 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATE (Continued)

(5) 金融資產

金融資產為應收款項，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（附註四(6)）。

金融資產於本集團成為金融工具合同的一方時，按公允價值在資產負債表內確認。金融資產的相關交易費用計入初始確認金額。當某項金融資產收取現金流量的合同權利已終止或與該金融資產所有權上幾乎所有的風險和報酬已轉移至轉入方的，終止確認該金融資產。

應收款項以及持有至到期投資採用實際利率法，以攤餘成本計量。

本集團於資產負債表日對金融資產的賬面價值進行檢查，如果有客觀證據表明某項金融資產發生減值的，計提減值準備。

以攤餘成本計量的金融資產發生減值時，按預計未來現金流量（不包括尚未發生的未來信用損失）現值低於賬面價值的差額，計提減值準備。如果有客觀證據表明該金融資產價值已恢復，且客觀上與確認該損失後發生的事項有關，原確認的減值損失予以轉回，計入當期損益。

(5) Financial assets

Financial assets include receivables, which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, which include trade receivables and other receivables (Note 4(6)).

Financial assets are recognised at fair value when the Group becomes a party to the contractual provisions of the financial instrument. The related transaction cost of other financial assets are included in the initial recognition amounts except that the related transaction cost of financial assets at fair value through profit or loss are included in the income statement. A financial asset is derecognised when the contractual rights to the cash flows of the financial asset expire or all the risks and rewards of ownership of the financial asset are substantially transferred to the transferee.

Receivables and held-to-maturity investments are measured at amortisation cost using effective interest method.

The Group assesses the impairment for financial assets at each balance sheet date, the impairment provision is made when there is objective evidence that a financial asset is impaired.

When there is impairment for those financial assets measured at amortisation cost, the impairment loss is recognized for the amount by which the present value of estimated future cash flows (excluding future credit loss yet occurred) of the asset is lower than its carrying amount. If subsequently there is objective evidence of a recovery value of the financial asset which is objectively related to an event occurring after the impairment loss was recognised, the previous recognised impairment loss is reversed in the income statement for the period.

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

四、重要會計政策和會計估計 (續) 4 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATE (Continued)

(6) 應收款項

應收款項包括應收賬款、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應計提的壞賬準備。

(6) Receivables

Receivables include trade receivables 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 the difference between the present value of its estimated future cash flows and its carrying value, 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 its respective groups with same or similar feature of credit risk during previous periods,

四、重要會計政策和會計估計 (續) 4 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATE (Continued)

(7) 存貨

存貨包括原材料、產成品、零部件和低值易耗品等，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。

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。

(8) 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。

(7) Inventories

Inventories comprise raw materials, finished goods, spare parts 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.

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.

(8) Long-term equity investments

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

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

四、重要會計政策和會計估計 (續) 4 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATE (Continued)

(8) 長期股權投資 (續)

(a) 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。

(8) Long-term equity investments (Continued)

(a) Investment in subsidiaries

Subsidiaries are entities over which the Company is able to control, and 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 in excess of the appropriation of accumulated profit of investee since investment made are regarded as return of initial investment cost.

四、重要會計政策和會計估計 (續) 4 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATE (Continued)

(8) 長期股權投資 (續)

(b) 聯營企業

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。

(8) Long-term equity investments (Continued)

(b) Investment in associates

Associates are all entities over which the Group has significant influence on the financial and operating policies.

Interests in associates are accounted for using the equity method of accounting and are initially recognised at cost. If the cost of investment exceed 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.

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

四、重要會計政策和會計估計 (續) 4 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATE (Continued)

(8) 長期股權投資 (續)

(b) 聯營企業 (續)

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發生的內部交易損益按照持股比例計算歸屬於本集團的部分，予以抵銷，在此基礎上確認投資損益。本集團與被投資單位發生的內部交易損失，屬於資產減值損失的，全額確認該損失，相應的未實現損益不予抵消。

(8) Long-term equity investments (Continued)

(b) Interest in associates (Continued)

Under the equity method, the Group'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 or losses on transactions between the Group and its investee are eliminated to the extent of the Group's interest in the investee, the investment income (loss) are recognised accordingly. Unrealised losses are not also eliminated if the transactions between the Group and its investee provide evidence of an impairment of the asset transferred.

四、重要會計政策和會計估計 (續) 4 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATE (Continued)

(8) 長期股權投資 (續)

(c) 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。

(d) 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（附註四(14)）。

(9) 投資性房地產

投資性房地產是已出租的建築物，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。

(8) Long-term equity investments (Continued)

(c) 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.

(d) 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 4(14)).

(9) Investment property

The investment property represents 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, are recognized in the income statements as incurred.

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四、重要會計政策和會計估計 (續) 4 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATE (Continued)

(9) 投資性房地產 (續)

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計提折舊或攤銷如下：

建築物
Buildings

預計使用壽命 Estimated useful lives	預計淨殘值率 Estimated residual value rate	年折舊 (攤銷) 率 Depreciation/ (amortisation) rate per annum
25-50 年	5%	1.9% 至 3.8%
25-50 years	5%	1.9% to 3.8%

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。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 (附註四 (14))。

(9) Investment property (Continued)

The Group adopts cost model to measure all the investment property. The investment property are amortised or depreciated on a straight-line method over its respective estimated useful lives and residual value as follows:

For a transfer of investment property to own-occupied property, the investment property is reclassified as fixed asset on the date of change in use. For a transfer of own-occupied property to earn rental or capital appreciation, the fixed asset is reclassified as investment property on the date of change in use. 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.

The investment property is derecognized when it is disposed or when no economic benefit is expected to arise from non-usage 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 4(14)).

四、重要會計政策和會計估計 (續) 4 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATE (Continued)

(10) 固定資產

固定資產包括道路、房屋及建築物、機器設備、運輸工具及其他等。購置或新建的固定資產按取得時的實際成本進行初始計量。

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。

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。

房屋及建築物的折舊以直線法按其成本減去預計淨殘值後在預計的可使用年限內平均計提。折舊所採納的期限介乎 10 至 50 年不等。建築物包括廠房以外鋪設的管道網絡，預計使用年限為 25 年。

(10) Fixed assets and depreciation

Fixed assets include road, buildings and structures, machinery and equipment, motor vehicles and others. Fixed assets purchased or constructed by the Group are recorded at cost.

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.

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

Depreciation of buildings and structures is calculated to write off their cost less their estimated residual value at 5%, on a straight line basis over their expected useful lives. The periods adopted for depreciation range from 10 to 50 years. Pipelines network laid outside the plant are included in structures and are depreciated over their estimated useful lives of 25 years.

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四、重要會計政策和會計估計 (續) 4 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATE (Continued)

(10) 固定資產 (續)

其它有形固定資產以直線法按其成本減去預計5%的淨殘值後按以下預計的可使用年限平均計提：

機器設備	10至20年
運輸工具及其它	5至15年

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（附註四(14)）。

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。

(10) Fixed assets and depreciation (Continued)

Depreciation of other tangible fixed assets are calculated to write off their cost less estimated residual value at 5%, over their estimated useful lives on a straight line basis as follows:

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

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 4(14)).

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 is expected to arise from expected 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.

四、重要會計政策和會計估計 (續) 4 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATE (Continued)

(11) 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（附註四(14)）。

(12) 無形資產

無形資產包括土地使用權等，以實際成本計量。

(a) 土地使用權

有關道路的土地使用權攤銷按照交通流量法計提。根據此種方法，攤銷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。除有關道路的土地使用權外，其他土地使用權按使用年限按25至50年平均攤銷。外購土地及建築物的價款難以在土地使用權與建築物之間合理分配的，全部作為固定資產。

(11) 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 allowed 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.

The CIP's carrying amount is written down immediately to its recoverable amount if its estimated recoverable amount is lower than its carrying value (Note 4(14)).

(12) Intangible assets

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

(a) Land use rights

Amortisation of land use rights in relation to the road toll business are calculated to write off their cost on a units-of-usage estimated 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. Amortisation of land use rights, other than those in relation to the road toll business, is calculated to write off their cost, on a straight line basis over the period of land use rights ranging from 25 to 50 years. The cost of land use rights and buildings are included in the fixed assets if it is not possible to allocate reliably between land use rights and buildings.

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(12) 無形資產 (續)

(b) 無形資產減值

無形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(15)）。

(c) 定期復核使用壽命和攤銷方法

對使用壽命有限的無形資產的預計使用壽命及攤銷方法於每年年度終了進行復核並作適當調整。

(13) 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其他已經發生但應由本期和以後各期負擔的分攤期限在一年以上的各項費用，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) Intangible assets(Continued)

(b) Impairment for intangible assets

The intangible assets' carrying amount is written down immediately to its recoverable amount if its estimated recoverable amount is lower than its carrying value (Note 4(14)).

(c) Periodical review of estimated useful lives and amortisation method

The estimated useful lives and amortisation method of intangible assets with definite useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(13) 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. Long-term prepaid expenses are amortized on the straight-line basis over the expected beneficial periods and are presented at actual expenditures net of accumulated amortisation.

四、重要會計政策和會計估計 (續) 4 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATE (Continued)

(14) 資產減值

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。

(14) Impairment of assets

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. Assets group is the lowest level for which there is separately identifiable cash-generating unit.

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

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四、重要會計政策和會計估計 (續) 4 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATE (Continued)

(15) 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。

(16) 借款

借款按公允價值扣除交易成本後的金額進行初始計量，並採用實際利率法按攤餘成本進行後續計量。於資產負債表日起12個月（含12個月）內償還的借款為短期借款，其餘借款為長期借款。

(17) 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) Borrowing costs

Borrowing costs incurred in connection with the acquisition or construction of an asset necessarily takes 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.

(16) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(17) 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 exchange for service rendered by employees.

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

四、重要會計政策和會計估計 (續) 4 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATE (Continued)

(18) 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。

(19) 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。

(18) 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.

(19) 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,

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四、重要會計政策和會計估計 (續) 4 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATE (Continued)

(19) 遞延所得稅資產和遞延所得稅負債 (續)

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。

(20) 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。

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) 公路收費收入以及從徵收辦取得補償按照權責發生制確認。

(19) Deferred tax assets and deferred liabilities (Continued)

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.

(20) 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.

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 and any compensation from the Toll Collection Office is recognised on accrual basis..

四、重要會計政策和會計估計 (續) 4 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATE (Continued)

(20) 收入確認 (續)

(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。

(21) 股利分配

現金股利於股東大會批准的當期，確認為負債。

(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。

(20) Revenue recognition (Continued)

(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.

(21) 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.

(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 inter-company transactions and balances are eliminated in the consolidated financial statements. 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 according to the Company's accounting policies or accounting period when preparing consolidated financial statements.

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

四、重要會計政策和會計估計 (續) 4 **SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATE (Continued)**

(23) 分部報告

業務分部是指本集團內可區分的、能夠提供單項或一組相關產品或勞務的組成部分，該組成部分承擔了不同於其他組成部分的風險和報酬。

(24) 重要會計估計和判斷

本集團根據歷史經驗和其他因素，包括對未來事項的合理預期，對所採用的重要會計估計和關鍵假設進行持續的評價。

很可能導致下一會計年度資產和負債賬面價值出現重大調整風險的重要會計估計和關鍵假設列示如下：

應收款項的減值

本集團根據單項應收款項餘額存在減值的客觀證據和歷史壞賬損失情況確定壞賬準備。管理層確信截至2007年12月31日的應收款項不存在減值。

(23) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

(24) Critical accounting estimate and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group's principle estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year is as follows:

Impairment of trade and other receivables

The Group determines the impairment of trade and other receivables based on objective evidence of impairment and historical loss experience of the respective individual balances. Management believes that trade and other receivables as at 31 December 2007 are not impaired.

五、稅項

本集團本年度適用的主要稅種及其稅率列示如下：

稅種
 Tax by category

企業所得稅
 Enterprise income tax

增值稅
 Value Added Tax (VAT)

營業稅
 Business tax

城建稅及教育稅附加
 City construction tax and education surcharge

全國人民代表大會於2007年3月16日通過了《中華人民共和國企業所得稅法》(「新所得稅法」)，新所得稅法將自2008年1月1日起施行。本公司適用的企業所得稅率自2008年1月1日調整為25%。

5 TAXATION

The applicable taxes and tax rates of the Group are mainly presented as follows:

稅率 Tax rate	稅基 Basis of tax
7.5% to 33%	應納稅所得額 Taxable income
17%	應納稅增值額 (應納稅額按應納稅銷售額乘以適用稅率扣除當期允許抵扣的進項稅後的餘額計算) Taxable value added amount (which is calculated as 17% of taxable sales, net of deductible input VAT)
5%	應納稅營業額 Gross service income
7% and 3%	營業稅額或增值稅額 The amount of business tax or VAT

On 16 March 2007, the National People's Congress approved the Enterprise Income Tax Law of the People's Republic of China (the "new EIT Law"), which is effective from 1 January 2008. Under the new EIT Law, the enterprise income tax rate applicable to the Company will be revised to 25% effective 1 January 2008.

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

六、財務報表項目附註

6 NOTES TO THE FINANCIAL STATEMENTS

1 貨幣資金

(1) CASH AND BANK BALANCES

		合併 Group		公司 Company	
		於 2007 年 12 月 31 日 31 December 2007	於 2006 年 12 月 31 日 31 December 2006	於 2007 年 12 月 31 日 31 December 2007	於 2006 年 12 月 31 日 31 December 2006
現金	Cash on hand	327	191	105	3
銀行存款	Cash in bank	359,414	773,620	106,298	647,200
		<u>359,741</u>	<u>773,811</u>	<u>106,403</u>	<u>647,203</u>
減：於非流動資產 列示的受限銀行 存款（註釋(a)）	Less: Restricted bank deposits included in non-current assets (note (a))	(19,770)	(40,067)	(19,770)	(40,067)
		<u>339,971</u>	<u>733,744</u>	<u>86,633</u>	<u>607,136</u>
其中：在建工程專用 資金（註釋(b)）	Including: -Special funds for construction in progress (note (b))	58,116	103,846	29,877	96,022
保證金（註釋(c)）	-Bank deposits (note (c))	15,000	15,000	6,000	6,000

註釋：

note:

- (a) 於 2007 年 12 月 31 日，該受限銀行存款為到期日 1 年以上的項目投標保證金（2006 年：可轉換公司債券保證金）。
- (b) 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。
- (c) 保證金為一年內到期的項目投標保證金共計人民幣 15,000 千元（2006 年：人民幣 15,000 千元）。

- (a) As at 31 December 2007, the restricted bank deposits represent deposits for project bids due after one year (2006: deposit of convertible bonds).
- (b) The special funds for construction in progress represent the unutilised balances of the special loans for sewage water processing projects.
- (c) The bank deposits represented deposits for project bids due within one year.

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 應收賬款

(2) ACCOUNTS RECEIVABLE

應收賬款明細如下：

Details of accounts receivable are as follows:

		合併 Group		公司 Company	
		於 2007 年 12 月 31 日 31 December 2007	於 2006 年 12 月 31 日 31 December 2006	於 2007 年 12 月 31 日 31 December 2007	於 2006 年 12 月 31 日 31 December 2006
應收排水公司	Due from TSC for:				
一 污水處理收入	- Water processing services	616,043	283,788	616,043	283,788
一 污水處理廠建設 費收入	- Construction of plants	466,185	466,185	466,185	466,185
		<u>1,082,228</u>	<u>749,973</u>	<u>1,082,228</u>	<u>749,973</u>
減：長期應收款 (註釋(e))	Less: Portion deemed non-current (Note (e))	(697,763)	(749,973)	(697,763)	(749,973)
		<u>384,465</u>	<u>—</u>	<u>384,465</u>	<u>—</u>
其他	Others	58,479	43,210	17,440	16,473
		<u>442,944</u>	<u>43,210</u>	<u>401,905</u>	<u>16,473</u>

註釋：

Note:

(a) 根據本公司與排水公司簽訂的合作協議(附註一(b))，排水公司同意在相關資產完成建設並取得驗收報告後，將其以賬面價值轉讓給本公司。於2004年4月17日，排水公司確認擬利用上述資產償還積欠本公司的款項；

上述水廠的建設於2005年末基本完成，根據2007年12月27日由第三方出具的經天津市財政局批准的竣工財務決算報告，上述資產決算總金額為人民幣6.98億元(2006年：估計賬面數為人民幣7.5億元，其中包括排水公司於2007年承擔的匯兌損益約人民幣0.5億元)；

(a) Under the Co-operative Agreement (Note 1(b)), TSC agrees to sell to the Company certain of its property, plant and equipment upon completion of their construction and receipt of relevant verification reports, at their carrying value. On 17 April 2004, TSC confirmed its intention to settle its debt due to the Company with these mentioned assets.

The construction of these assets was completed in late 2005, and based on the third party completion verification reports dated 27 December 2007, the Tianjin Finance Bureau approved the verified value of these completed assets which amounted to about Rmb698 million (2006: The estimated carrying value then was Rmb750 million, which included about Rmb50 million exchange loss absorbed by TSC in 2007).

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

六、財務報表項目附註 (續)

2 應收賬款 (續)

- (b) 天津市基礎設施建設和運營的政府主管部門——天津市建設管理委員會(「市建委」)於2007年4月17日出具承諾函，確認市政府已同意排水公司以(a)中所述的方式償還其欠付本公司的債務，所差部分用資金補齊；
- (c) 2008年1月，本公司向市建委提交儘快完成上述欠款償付的申請。最終償付安排尚需政府有關部門的審批，時間不完全受本公司控制；
- (d) 2008年4月，市建委承諾上述以資產清償債務的交易不存在實質性法律障礙；
- (e) 鑒於上述以資產清償債務的交易最終能夠完成，截至2007年12月31日擬用於清償債務的資產決算額約為人民幣6.98億元，相應的應收賬款重分類至長期應收款(2006年：人民幣7.5億元)。

根據上述信息及已取得所有確認函，董事相信應收排水公司款項最終能夠全部收回。

重分類前的應收賬款賬齡如下：

1年以內	Within one year
1-2年	One to two years
2年以上	Over two years

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

(2) ACCOUNTS RECEIVABLE (Continued)

- (b) On 17 April 2007, TJCAC (天津市建設管理委員會), the government body overseeing the management of construction and operation of infrastructure in Tianjin, reconfirmed that the Tianjin Municipality has agreed to the settlement of the Group's debts in manner as agreed by TSC in (a) above. In addition, the remaining debt outstanding after such assets settlement will be settled by way of cash.
- (c) In January 2008, the Company has requested TJCAC to accelerate the settlement of the Group's debts. The final settlement is still pending relevant governmental authorities approvals, the timing of which is not totally within the Company's control.
- (d) On 8 April 2008, TJCAC confirmed that there will be no legal obstacle to the above mentioned assets settlement.
- (e) On the basis that the assets settlement will eventually be finalised, about Rmb698 million due from TSC as at 31 December 2007, representing the verified cost of the assets has been reclassified to non-current trade receivables (2006: Rmb750 million).

Based on the above mentioned confirmations the Directors believe that the amount due from TSC is eventually fully recoverable.

The aging of the total accounts receivable before reclassification is as follows:

		合併 Group		公司 Company	
		於2007年 12月31日 31 December 2007	於2006年 12月31日 31 December 2006	於2007年 12月31日 31 December 2007	於2006年 12月31日 31 December 2006
1年以內	Within one year	442,944	43,210	401,905	16,473
1-2年	One to two years	—	749,973	—	749,973
2年以上	Over two years	697,763	—	697,763	—
		<u>1,140,707</u>	<u>793,183</u>	<u>1,099,668</u>	<u>766,446</u>

六、財務報表項目附註 (續)

2 應收賬款 (續)

- (f) 年末應收賬款中無持有本集團5% (含5%) 以上表決權股份的股東的欠款。
- (g) 年末應收賬款前五名債務人欠款金額合計為人民幣1,131百萬元，佔應收賬款總額的99%。其中1年以內約人民幣443百萬元，2年以上約人民幣698百萬元。

3 預付款項

預付中水配套工程款	Prepayment for recycling water facilities project	20,103	7,343	—	—
預付收購污水處理廠價款	Prepayment for acquisition of sewage water processing plant	24,000	—	—	—
預付工程設備款等	Prepayment for construction equipment	13,861	4,087	12,984	537
		<u>57,964</u>	<u>11,430</u>	<u>12,984</u>	<u>537</u>

預付款項賬齡主要在一年以內且年末餘額中無持有本公司5% (含5%) 以上表決權股份的股東。

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

(2) ACCOUNTS RECEIVABLE (Continued)

- (f) As at 31 December 2007, there were no accounts receivables from any of the Company's shareholders who hold 5% or more of voting shares.
- (g) As at 31 December 2007, the top 5 trade debtors balances amounted to approximately Rmb1,131 million, which are accounting for 99% of total trade receivables. The ageing of these receivables are classified as within one year and over two years of Rmb443 million and Rmb698 million respectively.

(3) PREPAYMENTS TO SUPPLIERS

		合併 Group		公司 Company	
		於2007年 12月31日 31 December 2007	於2006年 12月31日 31 December 2006	於2007年 12月31日 31 December 2007	於2006年 12月31日 31 December 2006
預付中水配套工程款	Prepayment for recycling water facilities project	20,103	7,343	—	—
預付收購污水處理廠價款	Prepayment for acquisition of sewage water processing plant	24,000	—	—	—
預付工程設備款等	Prepayment for construction equipment	13,861	4,087	12,984	537
		<u>57,964</u>	<u>11,430</u>	<u>12,984</u>	<u>537</u>

The ageing of majority of prepayments to suppliers are aged within one year and there were no prepayment to any of the Company's shareholders who hold 5% or more of voting shares.

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

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 其他應收款

(4) OTHER RECEIVABLES

		合併 Group		公司 Company	
		2007年 12月31日 31 December 2007	2006年 12月31日 31 December 2006	2007年 12月31日 31 December 2007	2006年 12月31日 31 December 2006
1年以內	Within one year	70,144	15,470	47,633	82,568
1-2年	One to two years	8,292	1,460	34,826	1,014
2年以上	Over two years	333	—	—	—
		<u>78,769</u>	<u>16,930</u>	<u>82,459</u>	<u>83,582</u>
其中包括：	Including:				
項目定金及投標保證金	Project deposits	35,500	—	30,500	—
為客戶代墊費用	Other receivables from customers	19,836	4,857	10,810	—
其他 (註釋)	Others (Note)	23,433	12,073	41,149	83,582
		<u>78,769</u>	<u>16,930</u>	<u>82,459</u>	<u>83,582</u>

註釋：

年末本公司其他應收款中含應收子公司款項約人民幣33,958千元(2006年：人民幣82,000千元)。

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

Note:

Balance of the Company includes receivables from subsidiaries of Rmb33,958 thousand (2006: Rmb82,000 thousand).

As at 31 December 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.

5 存貨

(5) INVENTORIES

		合併 Group		公司 Company	
		於2007年 12月31日 31 December 2007	於2006年 12月31日 31 December 2006	於2007年 12月31日 31 December 2007	於2006年 12月31日 31 December 2006
原材料	Raw materials	5,186	4,233	2,931	2,610
產成品	Finished goods	3,768	5,424	—	—
零部件和低值易耗品	Spare parts and consumables	680	2,182	103	89
		<u>9,634</u>	<u>11,839</u>	<u>3,034</u>	<u>2,699</u>
減：存貨減值準備	Less: Provision for declines in the value of inventories	(3,000)	(4,000)	—	—
		<u>6,634</u>	<u>7,839</u>	<u>3,034</u>	<u>2,699</u>

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 長期股權投資

(6) LONG-TERM EQUITY INVESTMENTS

	合併 Group		公司 Company	
	於 2007 年 12 月 31 日 31 December 2007	於 2006 年 12 月 31 日 31 December 2006	於 2007 年 12 月 31 日 31 December 2007	於 2006 年 12 月 31 日 31 December 2006
子公司投資 (註釋(a)) Investment in subsidiaries (note (a))	—	—	742,751	692,751
聯營企業 (註釋(b)) Investment in an associate (note (b))	60,793	58,474	—	—
其它長期股權投資 (註釋(c)) Other long-term equity investments (note (c))	7,186	9,186	4,000	4,000
	67,979	67,660	746,751	696,751
減：長期投資減值 準備 (註釋(d)) Less: Impairment provision for investment in subsidiary	—	—	(22,000)	—
	67,979	67,660	724,751	696,751

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

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 長期股權投資 (續)

(6) LONG-TERM EQUITY INVESTMENTS (Continued)

(a) 子公司

(a) Investment in subsidiaries

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。

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.

		賬面價值 Carrying Value			所佔權益 Interest held 百分比 %	
		初始投資 成本 Investment cost	2006年 12月31日 31 December 2006	本年增加 Additions		2007年 12月31日 31 December 2007
曲靖創業水務有限公司	Qujing Capital Water Co., Ltd.	108,081	108,081	—	108,081	90
天津中水有限責任公司	Tianjin Water Recycling Co., Ltd.	98,000	98,000	—	98,000	98
貴州創業水務有限公司	Guizhou Capital Water Co., Ltd.	95,000	95,000	—	95,000	95
天津創業環保(香港)有限公司	Tianjin Capital Environmental Protection (HK) Co., Ltd.	62,988	62,988	—	62,988	100
阜陽創業水務有限公司	Fuyang Capital Water Co., Ltd.	44,100	44,100	—	44,100	99.9
赤壁創業水務有限公司	Chibi Capital Water Co., Ltd.	33,250	33,250	—	33,250	99.75
寶應創業水務有限責任公司	Baoying Capital Water Co., Ltd.	26,600	26,600	—	26,600	70
天津創業建材有限公司	Tianjin Capital New Materials Co., Ltd.	26,500	26,500	—	26,500	71
洪湖市創業水務有限公司	Honghu Capital Water Co., Ltd.	18,020	18,020	—	18,020	90
杭州天創水務有限公司	Hangzhou Tianchuang Water Co., Ltd.	180,212	180,212	—	180,212	70
文登創業水務有限公司	Wendeng Capital Water Co., Ltd.	48,000	—	48,000	48,000	100
天津靜海創業水務有限公司	Tianjin Jinghai Capital Water Co., Ltd.	2,000	—	2,000	2,000	100
			692,751	50,000	742,751	

本集團不存在長期投資變現及收益匯回的重大限制。

The Group is not exposed to significant restriction on recovery or remittance of return on long-term investments.

六、財務報表項目附註 (續)

6 長期股權投資 (續)

(b) 聯營企業

		2007年12月31日 31 December 2007				2007年度 Year 2007	
		持股及 表決權比例 Interest & Voting shares held		資產總額 Total assets	負債總額 Total liabilities	營業收入 Revenue	淨利潤 Net profit
註冊資本 Registered capital							
天津國際機械 有限公司	Tianjin International Machinery Co., Ltd.	120,000	45%	387,028	236,939	1,048,223	8,865

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，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。

本集團對天津國際機械有限公司的投資變動如下：

		初始 投資成本 Investment cost	2006年 12月31日 31 December 2006	按權益法 調整的 淨損益 Share of profit of associated company	分派的 現金股利 Cash dividend paid	2007年 12月31日 31 December 2007
天津國際機械 有限公司	Tianjin International Machinery Co., Ltd.	54,000	58,474	3,187	(868)	60,793

(b) Investment in an associate

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

(6) LONG-TERM EQUITY INVESTMENTS (Continued)

Tianjin International Machinery Co., Ltd. (TIMC) is a sino-foreign joint venture registered in the Tianjin Economics Development Area. The principal activities of TIMC include 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.

The movement of the Group's investment in TIMC are as follows:

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

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 長期股權投資 (續)

(6) LONG-TERM EQUITY INVESTMENTS (Continued)

(c) 其它長期股權投資

(c) Other long-term equity investments

		佔被 投資公司 註冊 資本比例	2006年 12月31日	2007年 12月31日	
	投資成本	Interest held in registered capital of investee	31 December 2006	本年減少 Disposal	31 December 2007
	Investment cost				
天津市寶通輕 集料有限公司 (註釋(i))	Tianjin Baotong Qinjiliao Co., Ltd. (note (i))	4.9%	2,000	—	2,000
天津北方人才 港股份有限公司 (註釋(i))	Tianjin Northern Human Resources Co., Ltd. (note (i))	6.1%	2,000	—	2,000
公司合計	Total – Company		4,000	—	4,000
天津城網工程 管理有限公司 (註釋(ii))	Tianjin Pipeline Engineering Management Co., Ltd. (note (ii))	20%	2,000	(2,000)	—
其他	Others		3,186	—	3,186
	Total – Group		9,186	(2,000)	7,186

註釋：

note:

(i) 本公司對其無重大影響；

(i) The Company has no significant influence on these entities.

(ii) 對該公司的投資於2007年撤回，收回投資人民幣1,506千元，確認投資損失人民幣494千元。

(ii) The investment in the company was withdrawn in 2007, cash of about Rmb1,506 thousand, was collected and remaining amount about Rmb494 thousand was recognised as investment loss.

(d) 本年度公司對天津創業建材有限公司的長期投資計提減值準備人民幣22,000千元(2006年：無)。

(d) The Company made impairment provision for long-term investment in Tianjin Capital New Materials Co., Ltd. for about Rmb22 million during the year (2006: Nil).

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 投資性房地產

(7) INVESTMENT PROPERTIES

		合併 Group	公司 Company
原值	Cost		
2006年12月31日餘額	At 31 December 2006	118,593	102,279
本年轉入 (註釋)	Transfers in (Note)	23,746	—
本期增加	Additions	10,412	—
2007年12月31日餘額	At 31 December 2007	<u>152,751</u>	<u>102,279</u>
累計折舊	Accumulated depreciation		
2006年12月31日餘額	At 31 December 2006	(4,668)	(4,668)
本年轉入 (註釋)	Transfers in (Note)	(2,792)	—
本期計提	Charge for the year	(2,703)	(2,306)
2007年12月31日餘額	At 31 December 2007	<u>(10,163)</u>	<u>(6,974)</u>
減值準備	Impairment provision		
2006年12月31日餘額	At 31 December 2006	—	—
本期增加	Impairment charge	(5,000)	—
2007年12月31日餘額	At 31 December 2007	<u>(5,000)</u>	<u>—</u>
淨值	Net book value		
2007年12月31日餘額	At 31 December 2007	<u>137,588</u>	<u>95,305</u>
2006年12月31日餘額	At 31 December 2006	<u>113,925</u>	<u>97,611</u>

註釋：

2007年度，本集團將淨值為人民幣20,954千元（原價：人民幣23,746千元）的房屋改為出租，於改變用途之日起，自固定資產轉換為投資性房地產核算。

Note:

During 2007, the Group changed its use of certain buildings with net book value of Rmb20,954 thousands (Cost: Rmb23,746 thousands) for lease purpose, which were reclassified from fixed assets to investment property on the date of change in use.

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

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 固定資產及累計折舊

(8) FIXED ASSETS AND ACCUMULATED DEPRECIATION

		合併 Group				
		房屋及 建築物 Buildings & structures	機器設備 & equipment	運輸車輛 及其它 Motor vehicles & others	合計 Total	
		道路 Road				
原值	Cost					
2006年12月31日餘額	At 31 December 2006	185,418	2,633,937	608,997	118,979	3,547,331
重分類	Reclassification	—	(15,291)	15,291	—	—
本年增加	Additions	—	375,938	9,945	8,864	394,747
其中：在建工程	Including: Transfers					
轉入 (附註9)	from CIP (Note 6(9))	—	358,505	2,974	1,410	362,889
其他重分類 (附註10)	Other reclassifications (Note 6(10))	—	7,735	—	—	7,735
轉出至投資性	Transfers to investment					
房地產 (附註8)	property (Note 6(8))	—	(23,746)	—	—	(23,746)
本年減少	Disposals	—	(37)	(6,767)	(3,317)	(10,121)
2007年12月31日餘額	At 31 December 2007	185,418	2,970,801	627,466	124,526	3,908,211
累計折舊	Accumulated depreciation					
2006年12月31日餘額	At 31 December 2006	(46,354)	(390,868)	(177,118)	(55,801)	(670,141)
重分類	Reclassification	—	221	(221)	—	—
本年增加	Charges for the year	(8,453)	(110,865)	(40,541)	(11,274)	(171,133)
轉出至投資性房地產	Transfers to investment					
(附註8)	property (Note 6(8))	—	2,792	—	—	2,792
本年減少	Disposals	—	—	1,134	2,457	3,591
2007年12月31日餘額	At 31 December 2007	(54,807)	(498,720)	(216,746)	(64,618)	(834,891)
減值準備	Impairment provision					
2006年12月31日餘額	At 31 December 2006	—	—	(3,760)	—	(3,760)
本年增加	Charges for the year	—	—	(308)	(932)	(1,240)
2007年12月31日餘額	At 31 December 2007	—	—	(4,068)	(932)	(5,000)
淨值	Net book value					
2007年12月31日餘額	At 31 December 2007	130,611	2,472,081	406,652	58,976	3,068,320
2006年12月31日餘額	At 31 December 2006	139,064	2,243,069	428,119	63,178	2,873,430

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 固定資產及累計折舊 (續)

(8) FIXED ASSETS AND ACCUMULATED DEPRECIATION (Continued)

		公司				合計 Total
		道路 Road	房屋及 建築物 Buildings & structures	廠房及 機器設備 Machinery & equipment	運輸車輛 及其它 Motor vehicles & others	
原值	Cost					
2006年12月31日餘額	At 31 December 2006	185,418	1,955,069	204,282	75,758	2,420,527
重分類	Reclassification	—	1,629	(1,629)	—	—
本年增加	Additions	—	357,784	2,334	5,967	366,085
其中：在建工 程轉入 (附註9)	Including: Transfers from CIP (Note 6(9))	—	357,784	2,159	1,262	361,205
本年減少	Disposals	—	—	—	(1,724)	(1,724)
2007年12月31日餘額	At 31 December 2007	185,418	2,314,482	204,987	80,001	2,784,888
累計折舊	Accumulated depreciation					
2006年12月31日餘額	At 31 December 2006	(46,354)	(369,744)	(150,296)	(43,879)	(610,273)
重分類	Reclassification	—	(59)	59	—	—
本年增加	Charges for the year	(8,453)	(87,540)	(8,977)	(6,318)	(111,288)
本年減少	Disposals	—	—	—	1,554	1,554
2007年12月31日餘額	At 31 December 2007	(54,807)	(457,343)	(159,214)	(48,643)	(720,007)
淨值	Net book value					
2007年12月31日餘額	At 31 December 2007	130,611	1,857,139	45,773	31,358	2,064,881
2006年12月31日餘額	At 31 December 2006	139,064	1,585,325	53,986	31,879	1,810,254

(a) 本集團的所有道路、房屋及建築物及廠房均位於中國境內。

(b) 於2007年12月31日，本公司之子公司天津中水有限責任公司之固定資產和在建工程賬面淨值約為人民幣2.05億元（2006：人民幣1.87億元），累計虧損約人民幣15百萬元（2006：人民幣16百萬元）。儘管該子公司累計虧損，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此類資產無減值跡象。

(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 property, plant and equipment as at 31 December 2007, about Rmb205 million (2006: Rmb187 million) relates to the Company's subsidiary, Tianjin Water Recycling Co. Ltd., which has been incurring accumulated losses since commencement of its operations. As at 31 December 2007, the accumulated loss is approximately Rmb15 million (2006: Rmb16 million). However, given the promising prospects of water recycling industry as encouraged by the PRC government, the Directors of the Company believes there is no indication at the current stage that these assets may be permanently impaired.

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

六、財務報表項目附註 (續)

8 固定資產及累計折舊 (續)

- (c) 於2007年12月31日，房屋及建築物和在建工程分別包括廠外管網賬面淨值約為人民幣7.2億元和人民幣0.4億元（2006年：人民幣5.2億元和人民幣2.3億元）。
- (d) 固定資產和土地使用權中包括成本為人民幣4.76億元（2006年：人民幣4.94億元）的外購資產，其產權轉讓手續尚未辦理或正在辦理中。鑒於上述外購資產均依照相關合法協議進行，本公司董事確信其產權轉移不存在任何法律障礙，也不會產生重大的追加成本。

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

(8) FIXED ASSETS AND ACCUMULATED DEPRECIATION (Continued)

- (c) Buildings and structures and CIP include pipeline networks with carrying value of approximately Rmb720 million and Rmb40 million respectively as at 31 December 2007 (2006: Rmb520 million and Rmb230 million)
- (d) Ownership of certain purchased assets included fixed assets with cost of Rmb476 million (2006: Rmb494 million) has yet to be or is in the process of being transferred to the Group. As these assets are supported by legal sale and purchase agreements, the Directors of the Company believe that the titles will be received in due course without additional significant cost to the Group, if any.

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 在建工程

(9) CONSTRUCTION IN PROGRESS

工程項目名稱	Project name	預算數 Budget cost	2006年 12月31日 31 December 2006	本期增加 Additions	本期轉固 Transfers to fixed asset	2007年 12月31日 31 December 2007	資金來源 Sources of funds	工程投入佔 預算的比例 % Incurred costs to budget costs ratio (%)
東郊再生水	Dong Jiao Water Recycling project	129,072	—	15,344	—	15,344	自籌及銀行貸款 Self-raised fund	12
北辰中水	Bei Chen Water Recycling project	97,000	503	14,136	—	14,639	自籌及銀行貸款 Self-raised fund	15
紀莊子、北倉和 咸陽路污水處理廠 (擴建) (附註 1(a))	Ji Zhuang Zi, Bei Cang and Xian Yang Lu Sewage Water processing plants (expansion) (Note 1(a))		297,963	57,855	(355,818)	—	Bank borrowings and self-raised fund	
其它	Others		4,053	1,608	(5,387)	274		
公司合計	Total – Company		302,519	88,943	(361,205)	30,257		
咸陽路污水 回用工程	Xian Yang Lu Water Recycling project	141,000	73,112	12,265	(134)	85,243	自籌及銀行貸款 Bank borrowings and self-raised fund	60
赤壁污水處理廠	Chi Bi	95,000	37,583	39,359	—	76,942	自籌及銀行貸款 Bank borrowings and self-raised fund	81
其它	Others		2,204	34	(1,550)	688		
合併合計	Total – Group		415,418	140,601	(362,889)	193,130		
其中：借款費用 資本化金額	Including: Capitalised borrowings cost							
— 公司	– Company		16,114	—	(16,114)	—		
— 合併	– Group		18,059	4,227	(18,032)	4,254		

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

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 無形資產

(10) INTANGIBLE ASSETS

				合併 Group				
		2006年 12月31日	2007年 12月31日	重分類 (附註8)	本年攤銷	2007年 12月31日	累計攤銷額	
		原價 31 December Cost	本年增加 2006 Additions	Reclassification (Note (8))	Amortisation	31 December 2007	Accumulated amortisation	
土地使用權	Land use rights	807,362	704,466	(7,735)	(19,819)	676,912	(130,450)	
其他	Others	946	946	—	(191)	755	(191)	
		<u>808,308</u>	<u>704,466</u>	<u>(7,735)</u>	<u>(20,010)</u>	<u>677,667</u>	<u>(130,641)</u>	
				公司 Company				
		2006年 12月31日	2007年 12月31日	重分類	本年攤銷	2007年 12月31日	累計攤銷額	
		原價 31 December Cost	本年增加 2006 Additions	Reclassification	Amortisation	31 December 2007	Accumulated amortisation	
土地使用權	Land use rights	680,703	578,741	—	(15,382)	563,359	(117,344)	
其他	Others	946	946	—	(191)	755	(191)	
		<u>681,649</u>	<u>578,741</u>	<u>—</u>	<u>(15,573)</u>	<u>564,114</u>	<u>(117,535)</u>	

11 長期待攤費用

(11) LONG-TERM PREPAID EXPENSES

				合併 Group				
		2006年 原始 發生額	2006年 12月31日 31 December 2006	本期 攤銷額	2007年 12月31日 31 December 2007	2007年 12月31日 31 December 2007	剩餘 攤銷年限 Year of Unamortized	
阜陽30年期權益轉讓金	30-year asset beneficiary right -Fu yang	102,004	98,321	(3,400)	94,921	28		
其他	Others	4,250	3,758	(506)	3,252			
		<u>106,254</u>	<u>102,079</u>	<u>(3,906)</u>	<u>98,173</u>			

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。

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.

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 短期借款

(12) SHORT-TERM BORROWINGS

		於 2007 年 12 月 31 日 31 December 2007	於 2006 年 12 月 31 日 31 December 2006	擔保人 Guarantor
中國民生銀行	China Minsheng Bank	—	200,000	天津市政投資有限公司 Tianjin Municipal Investment Company Limited ("TMICL")
中國工商銀行	Industrial Commerce Bank of China	—	190,000	—
興業銀行	Industrial Bank	—	100,000	—
北京銀行	Beijing Bank	—	100,000	天津市高速公路投資建設發展公司 Tianjin Expressway Investment and Construction Development Company
上海浦東發展銀行	Shanghai Pudong Development Bank	—	50,000	—
華夏銀行	Huaxia Bank	—	36,000	天津市政投資有限公司 TMICL
渤海銀行	Bohai Bank	55,000	—	—
建設銀行	China Construction Bank	100,000	—	—
公司合計	Total (Company)	155,000	676,000	
上海浦東發展銀行	Shanghai Pudong Development Bank	—	15,000	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 Secured by a deposit receipt of Rmb17 million provided by Tianjin Water Recycling Co., Ltd.
合併合計	Total (Group)	155,000	691,000	

上述短期借款之平均年利率為
6.1% 至 7.5%。

The above short-term borrowings bear interest rate ranging from 6.1% to
7.5% per annum.

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

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 應付賬款

(13) ACCOUNTS PAYABLE

年末應付賬款賬齡主要在一年以內
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。

As at 31 December 2007, the ageing of majority of accounts payable are
aged within one year and there were no accounts payable to any of the
Company's shareholders which hold 5% or more of the voting shares.

14 預收款項

(14) ADVANCES FROM CUSTOMERS

		合併 Group		公司 Company	
		於 2007 年 12 月 31 日 31 December 2007	於 2006 年 12 月 31 日 31 December 2006	於 2007 年 12 月 31 日 31 December 2007	於 2006 年 12 月 31 日 31 December 2006
預收中水管道接駁費	Advances for recycled water pipeline connection services	143,092	50,431	—	—
預收排水公司款項	Advances from TSC	27,385	27,385	27,385	27,385
其它	Others	864	1,601	714	1,516
		<u>171,341</u>	<u>79,417</u>	<u>28,099</u>	<u>28,901</u>

年末預收款項賬齡主要在一年以內
且無預收持有本公司 5% (含 5%)
以上表決權股份的股東的款項。

As at 31 December 2007, the ageing of majority of advances from customers
are aged within one year and there were no advances from any of the
Company's shareholders which hold 5% or more of voting shares.

六、財務報表項目附註

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 應交稅費

(15) TAXES PAYABLE

		合併 Group		公司 Company	
		於 2007 年 12 月 31 日 31 December 2007 人民幣千元 Rmb'000	於 2006 年 12 月 31 日 31 December 2006 人民幣千元 Rmb'000	於 2007 年 12 月 31 日 31 December 2007 人民幣千元 Rmb'000	於 2006 年 12 月 31 日 31 December 2006 人民幣千元 Rmb'000
應交企業所得稅	Income tax	62,299	67,376	56,334	63,971
應交營業稅及其它	Business tax and others	7,428	4,076	5,308	3,357
		<u>69,727</u>	<u>71,452</u>	<u>61,642</u>	<u>67,328</u>

16 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）。

(16) DIVIDEND PAYABLE

A dividend in respect of year ended 31 December 2006 of Rmb0.04 (gross tax) per share, total shares of 1,403 million shares on 29 June 2007, amounting to a total dividend of Rmb56 million, is proposed at the Annual General Meeting on 8 June 2007 (2006: Rmb0.04 (gross tax) per share, amounting to a total dividend of Rmb53 million).

17 其他應付款

(17) OTHER PAYABLES

		合併 Group		公司 Company	
		於 2007 年 12 月 31 日 31 December 2007 人民幣千元 Rmb'000	於 2006 年 12 月 31 日 31 December 2006 人民幣千元 Rmb'000	於 2007 年 12 月 31 日 31 December 2007 人民幣千元 Rmb'000	於 2006 年 12 月 31 日 31 December 2006 人民幣千元 Rmb'000
應付建設成本	Construction costs payable	66,555	64,696	45,562	47,261
應付購買固定資產款項	Payable for purchase of fixed assets	29,532	30,371	—	—
其它	Others	17,199	37,953	55,395	49,927
		<u>113,286</u>	<u>133,020</u>	<u>100,957</u>	<u>97,188</u>

年末其他應付款賬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。

As at 31 December 2007, the ageing of majority of other payables are aged within one year and there were no other payables to the Company's shareholders which hold 5% or more of voting shares.

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

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

18 其他流動負債

(18) OTHER NON-CURRENT LIABILITIES

		合併 Group		公司 Company	
		於2007年 12月31日 31 December 2007 人民幣千元 Rmb'000	於2006年 12月31日 31 December 2006 人民幣千元 Rmb'000	於2007年 12月31日 31 December 2007 人民幣千元 Rmb'000	於2006年 12月31日 31 December 2006 人民幣千元 Rmb'000
專項資金	Specific purpose fund	138,862	108,264	32,727	16,364
其中：天津市政局 專項資金 (註釋(a))	Including: Specific fund granted by Tianjin Municipal Engineering Bureau (note (a))	95,522	81,215	—	—
天津市政府其他部門 專項資金 (註釋(b))	Specific fund granted by other authorities of Tianjin Municipal Government (note (b))	10,613	10,685	—	—
一年內到期的轉貸 國債資金 (附註21)	Loan of state treasury bonds due within one year (Note 6(21))	32,727	16,364	32,727	16,364
安徽阜陽建設委員會	Anhui Fuyang Construction Committee	—	10,200	—	—
		<u>138,862</u>	<u>118,464</u>	<u>32,727</u>	<u>16,364</u>

註釋：

note:

- (a) 本公司之子公司天津中水有限責任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。

- (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.

以上(a)、(b)中所述之專項應付款自取得之日起至本年末不計息，並只需在具體項目完成後才商議確定還款日期和方法。上述長期負債的還款計劃尚在商討中。由於相關條款尚未確定，上述應付款項已轉入流動負債。

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. 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.

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

19 長期借款

(19) LONG-TERM BORROWINGS

長期借款具體還款期如下：

The borrowings mature as follows:

		合併 Group		公司 Company	
		於 2007 年 12 月 31 日 31 December 2007 人民幣千元 Rmb'000	於 2006 年 12 月 31 日 31 December 2006 人民幣千元 Rmb'000	於 2007 年 12 月 31 日 31 December 2007 人民幣千元 Rmb'000	於 2006 年 12 月 31 日 31 December 2006 人民幣千元 Rmb'000
一年以上支付	Payable after one year				
第二年內支付	Payable in the second year	476,790	416,250	434,000	334,000
第三年至第五年內支付	Payable in the third year to fifth year	791,820	466,750	601,000	337,000
五年以後支付	Payable after the fifth year	377,640	736,500	—	400,000
		1,646,250	1,619,500	1,035,000	1,071,000
一年以內支付	Payable within one year	416,250	99,250	334,000	74,000
		2,062,500	1,718,750	1,369,000	1,145,000
其中包括：	Including:				
國家開發銀行 (註釋(a))	State Development Bank (note(a))	471,000	545,000	471,000	545,000
中國工商銀行 (註釋(b))	Industrial Commerce Bank of China (note(b))	399,000	250,000	158,000	—
上海浦東發展銀行 (註釋(c))	Shanghai Pudong Development Bank (note(c))	320,000	—	300,000	—
中國農業銀行 (註釋(d))	Agriculture Development Bank of China (note(d))	300,000	—	190,000	—
中國建設銀行 (註釋(e))	China Construction Bank (note(e))	222,500	233,750	—	—
中信實業銀行 (註釋(f))	CITIC Industrial Bank (note(f))	200,000	200,000	200,000	200,000
中國光大銀行 (註釋(g))	China Everbright Bank (note(g))	95,000	450,000	50,000	400,000
中國銀行 (註釋(h))	Bank of China (note(h))	55,000	40,000	—	—
		2,062,500	1,718,750	1,369,000	1,145,000

註釋：

note:

(a) 該借款由天津市政局提供保證擔保及其擁有業務中的部分收費權作為質押。利息每季度支付一次，本金應於 2011 年 6 月 28 日前分四期償還。

(a) This borrowing is secured by TMEB's guarantee together with certain of its fee collection rights. The interests are paid every three months and the principal shall be repaid in 4 instalments before 28 June 2011.

(b) 其中人民幣 240 百萬元為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，利息每月支付一次，本金應於 2016 年 11 月 22 日前分九期償還；另外約人民幣 159 百萬元為本公司之信用貸款，利息每月支付一次，本金應於 2010 年 2 月 1 日分前分二期償還。

(b) This borrowing includes Rmb240 million borrowed by the Company's subsidiary, Hangzhou Capital Water Co., Ltd., secured by the Company's guarantee. The remaining balance of about Rmb159 million is an unsecured borrowing. The interests are paid every one month and the principal shall be repaid in 2 instalments before 1 February 2010.

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

六、財務報表項目附註 (續)

19 長期借款 (續)

- (c) 其中人民幣20百萬元為本公司子公司天津中水有限責任公司之借款，由本公司提供保證擔保，利息每季度支付一次，本金應於2013年6月27日前分四期償還；另外約人民幣300百萬元為本公司之信用貸款，利息每季支付一次，本金應於2009年6月27日前償還。
- (d) 該借款由本公司及子公司赤壁創業水務有限公司和阜陽創業水務有限公司之借款。本公司人民幣190百萬貸款由城投集團提供保證擔保，利息每季支付一次，本金應於2010年10月前分二期償還；赤壁創業水務有限公司人民幣50百萬元的貸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，利息每月支付一次，本金應於2017年1月20日前分九期償還；阜陽創業水務有限公司人民幣60百萬元的貸款由本公司提供保證擔保，利息每月支付一次，本金應於2019年8月2日前償還。
- (e) 其中人民幣190百萬元的貸款以本公司子公司曲靖創業水務有限公司的自來水收入權和污水處理收入權作為質押，利息每季度支付一次，本金應於2018年5月6日前分11期償還。另外約人民幣32.5百萬元貸款為由本公司提供保證擔保，利息每月支付一次，本金應於2013年12月22日前分二十次償還。
- (f) 該借款為信用貸款。利息每季度支付一次，本金應於2008年12月前分二期償還。

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

(19) LONG-TERM BORROWINGS (Continued)

- (c) This borrowing includes Rmb20 million borrowed by the Company's subsidiary, Tianjin Recycling Water Co., Ltd., secured by the Company's guarantee, the remaining balance of about Rmb300 million is an unsecured borrowing. The interests of borrowings of Rmb20 million are paid in three months and the principal shall be repaid in 4 instalments before 27 June 2013, whilst the interests of borrowings of Rmb300 million are paid in every three months and the principal shall be repaid before 27 June 2009.
- (d) These borrowings are borrowed by the Company and its two subsidiaries, Chibi Capital Water Co., Ltd. and Fuyang Capital Water Co., Ltd. The balance includes Rmb190 million and Rmb60 million secured by the guarantee of Tianjin Municipal Infrastructure Construction Investment Group Co., Ltd and the Company respectively. The interests of borrowings of Rmb190 are paid every three months and the principal shall be repaid in 2 instalments before October 2010, whilst the interests of borrowings of Rmb60 million are paid in every one month and the principal shall be repaid before 2 August 2019. The remaining balance of about Rmb50 million is secured by the Company's guarantee during the construction period of a subsidiary together with the subsidiary's certain fixed asset after completion of its construction. The interests are paid in one month and the principal shall be repaid in 9 instalments before 20 January 2017.
- (e) The balance includes Rmb190 million secured by the right to receive tap water and sewage water processing fees. The remaining balance of about Rmb32.5 million is secured by the Company's guarantee. The interests of Rmb190 million borrowings are paid every three months and the principal shall be repaid in 11 instalments before 6 May 2018. Whilst the interests of Rmb32.5 million borrowings are paid every month and the principal shall be repaid in 20 instalments before 22 December 2013.
- (f) The borrowing is an unsecured borrowing. The interests are paid every three month and the principal shall be repaid in 2 instalments before December 2008.

六、財務報表項目附註 (續)

19 長期借款 (續)

- (g) 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。利息每季度支付一次，本金應於2012年4月30日前分二期償還。
- (h) 該借款為本公司子公司寶應創業水務有限責任公司之借款。由本公司提供保證擔保，利息每季度支付一次，本金應於2018年3月15日前分十一期償還。

2007年度長期借款的加權平均數年利率為6.9% (2006年：6.3%)。

20 應付債券

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

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

(19) LONG-TERM BORROWINGS (Continued)

- (g) This borrowing is secured by the TSC's right to receive sewage water processing fees together with TMICL's guarantee. The interests are paid every three months and the principal shall be repaid in 2 instalments before 30 April 2012.
- (h) This borrowing is borrowed by the Company's subsidiary, Baoying Capital Water Co., Ltd., secured by the Company's guarantee. The interests are paid in three months and the principal shall be repaid in 11 instalments before 15 March 2018.

These long term bank borrowing are all interest bearing with weighted average effective interest rate at the balance sheet date of 6.9%(2006: 6.3%)

(20) CONVERTIBLE BONDS

		可轉換 公司債券 發行時確認	2006年 12月31日 As at 31 December 2006	本年攤銷 Amortisation	本年轉股 Conversion	本年贖回 Redemption	2007年 12月31日 As at 31 December 2007
票面金額	Face value	1,200,000	372,062	—	(371,750)	(312)	—
權益金額 (附註23)	Equity component (Note 6(23))	100,215	26,089	—	(26,089)	—	—
負債金額	Liability component	1,050,426	374,844	2,593	(377,119)	(318)	—

On 1 July 2004, the Company issued 12 million "A share" convertible bonds certificates at face value of Rmb100 each ("Bonds"), which was listed on Shanghai Securities Exchange on 19 July 2004. The aggregate amount of the Bonds issued was Rmb1,200 million. The net cash received from issuance of bonds is about Rmb1,165 million after deducting the issuance expenses of about Rmb35 million.

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

六、財務報表項目附註 (續)

20 應付債券 (續)

本年度內，共有票面金額人民幣 371,750,000 元的可轉換公司債券轉換為本公司 A 股股票計 96,562,411 股，公司股本和資本公積分別增加人民幣 96 百萬元(附註 22) 和人民幣 308 百萬元(附註 23)；截至 2007 年 8 月 27 日未轉股的債券票面金額人民幣 312,000 元已全部贖回，對公司不構成重大影響。創業轉債已於 2007 年 9 月 7 日摘牌，可轉換債券相關事宜已全部結束。

截至 2007 年 12 月 31 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 376 百萬元可轉換公司債券轉換成了本公司 A 股股票 97 百萬股，累計股本溢價為人民幣 380 百萬元(附註 23)。

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

(20) CONVERTIBLE BONDS (Continued)

During this year, Rmb371,750,000 bonds were converted into the Company's A share of 96,562,411 shares, the Company's share capital and share premium were increased by Rmb96 million (Note 6(22))and Rmb308 million (Note 6(23))respectively. In August 2007, the Company has redeemed all the remaining unconverted bonds of RMB312,000 with an insignificant loss as at 27 August 2007. Consequently, the Company's A share Convertible Bonds was de-listed on the Shanghai Stock Exchange on 7 September 2007.

As at 31 December 2007, the aggregated bonds of Rmb376 million amongst total convertible bonds issued of Rmb1.2 billion were converted into the Company's A share of 97 million shares. The aggregated share premium amounted to approximately Rmb380 million (Note 6(23)).

六、財務報表項目附註 (續)

20 應付債券 (續)

- 主要條款

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

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

(20) CONVERTIBLE BONDS (Continued)

- *Principal terms of bonds:*

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

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

六、財務報表項目附註 (續)

20 應付債券 (續)

- 主要條款 (續)

本公司發行的債券的票面年利率為1.7%至2.7%，實際支付予債券持有人的利息將在票面利率的基礎上根據國家法定五年期存款利率的當時水平予以調整。

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

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

- 回售

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

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

(20) CONVERTIBLE BONDS (Continued)

- *Principal terms of bonds:* (Continued)

These Bonds bear interest ranging from 1.7% to 2.7%. The actual interest payable to the bond holders will be based on the carrying bond interest rate and adjusted according to the five-year fixed deposit rate published by the State.

The Company has the option to redeem the bonds one year after its issuance through its maturity in whole or in part at 102% of par value plus current year's interest, provided that during conversion period, the closing prices of the A shares for any 20 days in 30 consecutive trading days are not more than 130% of the conversion price.

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

- *Redemption:*

In accordance with the term of the Bonds, 8,239,020 units were redeemed in August 2005. Hence, the premium for the redemption of Rmb16.5 million were paid by the Company.

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

21 長期應付款

(21) LONG-TERM PAYABLES

		合併及公司 Group and Company	
		於2007年 12月31日 31 December 2007	於2006年 12月31日 31 December 2006
天津市政局專項資金 (註釋) 減: 已列入流動負債的 一年內到期金額 (附註18)	Specific fund granted by Tianjin Municipal Engineering Bureau (note) Current portion of long-term payables (Note 6(18))	180,000 (32,727)	180,000 (16,364)
		<u>147,273</u>	<u>163,636</u>

註釋:

note:

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%。

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.

22 股本

(22) SHARE CAPITAL

股本變動情況如下 (單位: 千股):

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

		合併及公司 Group and Company			
		2006年 12月31日 As at 31 December 2006	限制性流動 股上市轉為 流通A股 Release of restricted circulating shares	可轉換公司 債券轉股 (附註20) Conversion of convertible bonds (note 6(20))	2007年 12月31日 As at 31 December 2007
限制性流通股	Restricted circulating shares	835,638	(105,018)	—	730,620
— 天津市政投資有限公司 — 法人股股東	— TMICL — Enterprise Legal Person shareholders	797,153	(66,533)	—	730,620
		38,485	(38,485)	—	—
流通A股	Circulating A shares	155,028	105,018	96,562	356,608
流通H股	Circulating H shares	340,000	—	—	340,000
		<u>1,330,666</u>	<u>—</u>	<u>96,562</u>	<u>1,427,228</u>

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

六、財務報表項目附註 (續)

22 股本 (續)

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。

註釋：

關於天津市政投資有限公司所持有的限制性流
通A股，天津市政投資有限公司在2006年3月
的股權改置完成後三年內最多可出售其所持有
股份的10%。本年度有105百萬股有限售條件
的流通股通過上海證券交易所掛牌交易系統上
市，其中約67百萬股屬於天津市政投資有限公
司。

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

(22) SHARE CAPITAL (Continued)

“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.

Notes:

The restricted circulating “A” shares relate to 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 2007, 105 million restricted circulating shares become non-restricted of which about 67
million shares belong to TMICL.

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

23 資本公積

(23) CAPITAL RESERVE

		合併 Group			2007年 12月31日 31 December 2007
		2006年 12月31日 31 December 2006	本年增加 Additions	本年減少 Reductions	
股本溢價	Share premium	72,659	308,129	—	380,788
其他資本公積— 可轉換公司債券權益 部分金額 (附註 20)	Other capital surplus - Equity component of convertible bonds (Note 6(20))	26,089	—	(26,089)	—
原制度資本 公積轉入	Transfers in according to Old Accounting Standards	2,550	—	—	2,550
		<u>101,298</u>	<u>308,129</u>	<u>(26,089)</u>	<u>383,338</u>
		公司 Company			2007年 12月31日 31 December 2007
		2006年 12月31日 31 December 2006	本年增加 Additions	本年減少 Reductions	
股本溢價	Share premium	72,659	308,129	—	380,788
可轉換公司債券權益部分金額 (附註 20)	Equity component of convertible bonds (Note 6(20))	26,089	—	(26,089)	—
		<u>98,748</u>	<u>308,129</u>	<u>(26,089)</u>	<u>380,788</u>

資本公積年末餘額為發行股份的股本溢價，可用於彌補以前年度虧損或增加股本。

As at 31 December 2007, capital reserve represents share premium arising from the issuance of shares, and it can be utilised to offset prior years' losses or for issuance of bonus shares.

24 盈餘公積

(24) GENERAL RESERVES

		合併及公司 Group and Company
法定盈餘公積金		Statutory Common Reserve
2006年12月31日	At 31 December 2006	214,288
本年增加	Additions	<u>15,577</u>
2007年12月31日	At 31 December 2007	<u>229,865</u>

根據《中華人民共和國公司法》、本公司章程及董事會的決議，本公司按年度淨利潤的10%提取法定盈餘公積金，當法定盈餘公積金累計額達到股本的50%以上時，可不再提取。法定盈餘公積金經批准後可用於彌補虧損，或者增加股本。

According to the Company Law of Peoples' Republic of China, 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 statutory common reserve shall only be used to make up losses or to increase the capital of the Company.

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

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

25 少數股東權益

歸屬於各子公司少數股東的少數股東權益

(25) MINORITY INTERESTS

Minority interests attributable to respective subsidiaries' minority shareholders are set out as below:

		合併 Group	
		2007年 12月31日 31 December 2007	2006年 12月31日 31 December 2006
杭州天創水務有限公司	Hangzhou Capital Water Co., Ltd.	80,582	78,494
寶應創業水務有限責任公司	Baoying Capital Water Co., Ltd.	12,538	13,054
曲靖創業水務有限公司	Qujing Capital Water Co., Ltd.	11,150	11,446
貴州創業水務有限公司	Guizhou Capital Water Co., Ltd.	5,598	5,485
天津創業建材有限公司	Tianjin Capital New Materials Co., Ltd.	1,951	4,697
洪湖市創業水務有限公司	Honghu Capital Water Co., Ltd.	1,911	1,822
天津中水有限責任公司	Tianjin Water Recycling Co., Ltd.	1,075	1,054
赤壁創業水務有限公司	Chibi Capital Water Co., Ltd.	58	56
阜陽創業水務有限公司	Fuyang Capital Water Co., Ltd.	7	3
		<u>114,870</u>	<u>116,111</u>

26 營業收入和營業成本

(26) INCOME FROM AND COST FOR OPERATIONS

		合併 Group		公司 Company	
		2007年度 Year ended 31 December 2007	2006年度 Year ended 31 December 2006	2007年度 Year ended 31 December 2007	2006年度 Year ended 31 December 2006
主營業務收入	Income from principal operations	981,028	807,381	726,210	657,553
其他業務收入	Other operating income	23,089	4,803	23,496	8,694
		<u>1,004,117</u>	<u>812,184</u>	<u>749,706</u>	<u>666,247</u>

(a) 主營業務收入和主營業務成本

(a) Income from and cost for principal operations

		合併 Group			
		2007年度 Year ended 31 December 2007		2006年度 Year ended 31 December 2006	
		主營業務收入 Income from principal operations	主營業務成本 Cost for principal operations	主營業務收入 Income from principal operations	主營業務成本 Cost for principal operations
污水處理收入	Sewage water processing income	853,080	359,873	684,446	273,839
路費收入	Tolls income	69,760	22,797	65,890	15,596
自來水供水收入	Tap water supply income	27,879	20,765	31,128	24,542
中水管道接駁及 供水收入	Water recycling supply and pipeline connection income	28,671	19,998	23,763	14,478
銷售建築材料收入	Sales income of construction materials	1,638	1,657	2,154	1,983
		<u>981,028</u>	<u>425,090</u>	<u>807,381</u>	<u>330,438</u>

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

26 營業收入和營業成本 (續)

(26) INCOME FROM AND COST FOR OPERATIONS (Continued)

(a) 主營業務收入和主營業務成本 (續)

(a) Income from and cost for principal operations (Continued)

		公司 Company			
		2007 年度 Year ended 31 December 2007		2006 年度 Year ended 31 December 2006	
		主營業務收入 Income from principal operations	主營業務成本 Cost for principal operations	主營業務收入 Income from principal operations	主營業務成本 Cost for principal operations
污水處理收入	Sewage water processing income	656,450	237,164	591,663	210,779
路費收入	Tolls income	69,760	22,797	65,890	15,596
		<u>726,210</u>	<u>259,961</u>	<u>657,553</u>	<u>226,375</u>

本集團前五名客戶銷售的收入總額為人民幣 929,826 千元，佔本集團全部銷售收入的 95%。

The total revenue of the Group's top 5 customers are amounting to Rmb929,826 thousand for the year ended 31 December 2007, which are accounting for about 95% of the Group's total revenue.

(b) 其他業務收入和其他業務成本

(b) Income from and cost for other operations

		合併 Group			
		2007 年度 Year ended 31 December 2007		2006 年度 Year ended 31 December 2006	
		其他業務收入 Income from principal operations	其他業務成本 Cost for principal operations	其他業務收入 Income from principal operations	其他業務成本 Cost for principal operations
租金收入	Rental income	14,883	4,257	2,394	1,722
其他	Others	8,206	3,442	2,409	—
		<u>23,089</u>	<u>7,699</u>	<u>4,803</u>	<u>1,722</u>

		公司 Company			
		2007 年度 Year ended 31 December 2007		2006 年度 Year ended 31 December 2006	
		其他業務收入 Income from principal operations	其他業務成本 Cost for principal operations	其他業務收入 Income from principal operations	其他業務成本 Cost for principal operations
租金收入	Rental income	12,035	3,168	2,394	1,722
其他	Others	11,461	3,430	6,300	—
		<u>23,496</u>	<u>6,598</u>	<u>8,694</u>	<u>1,722</u>

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

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

27 營業稅金及附加

(27) BUSINESS TAX AND SURCHARGES

		合併 Group		公司 Company	
		2007 年度 Year ended 31 December 2007	2006 年度 Year ended 31 December 2006	2007 年度 Year ended 31 December 2007	2006 年度 Year ended 31 December 2006
營業稅	Business tax	39,783	33,773	38,665	32,878
城市維護建設費	City construction fee	2,737	2,450	2,542	2,301
教育費附加	Education fee surcharge	1,190	1,060	1,089	986
		<u>43,710</u>	<u>37,283</u>	<u>42,296</u>	<u>36,165</u>

28 財務費用

(28) FINANCIAL EXPENSES – NET

		合併 Group		公司 Company	
		2007 年度 Year ended 31 December 2007	2006 年度 Year ended 31 December 2006	2007 年度 Year ended 31 December 2007	2006 年度 Year ended 31 December 2006
借款利息支出	Interest expenses of bank borrowings	165,192	111,920	119,587	94,872
可轉換公司債券利息支出	Interest expenses of convertible bonds	—	22,828	—	22,828
減：資本化利息	Less: Capitalised interest	(4,227)	(12,870)	—	(10,926)
利息支出淨額	Net interest expenses	<u>160,965</u>	<u>121,878</u>	<u>119,587</u>	<u>106,774</u>
減：利息收入	Less: Interest income	(7,850)	(5,403)	(5,438)	(2,000)
受限制銀行存款 公允價值調整	Fair value adjustments relating to restricted bank deposits	(6,933)	6,933	(6,933)	6,933
擔保費	Guarantee charge	—	1,150	—	1,150
其它	Others	101	490	66	445
		<u>146,283</u>	<u>125,048</u>	<u>107,282</u>	<u>113,302</u>

29 資產減值損失

(29) ASSETS IMPAIRMENT LOSS

		合併 Group		公司 Company	
		2007 年度 Year ended 31 December 2007	2006 年度 Year ended 31 December 2006	2007 年度 Year ended 31 December 2007	2006 年度 Year ended 31 December 2006
長期投資減值 準備	Impairment provision for long- term investment	—	—	22,000	—
存貨跌價損失	Write-down to net realisable value	(1,000)	4,000	—	—
固定資產減值損失	Impairment provision for fixed assets	1,240	3,760	—	—
投資性房地產 減值損失	Impairment provision for investment property	5,000	—	—	—
		<u>5,240</u>	<u>7,760</u>	<u>22,000</u>	<u>—</u>

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

30 所得稅費用

(30) INCOME TAX

		合併 Group		公司 Company	
		2007年度 Year ended 31 December 2007	2006年度 Year ended 31 December 2006	2007年度 Year ended 31 December 2007	2006年度 Year ended 31 December 2006
當期所得稅	Current income tax	92,461	85,189	84,949	83,000
遞延所得稅	Deferred income tax	(74)	(5,617)	(74)	(5,617)
		<u>92,387</u>	<u>79,572</u>	<u>84,875</u>	<u>77,383</u>

將列示於合併利潤表的利潤總額調
 節為所得稅費用：

The income tax reconciliation with total profit shown in the income
 statements are set out as follows:

		合併 Group		公司 Company	
		2007年度 Year ended 31 December 2007	2006年度 Year ended 31 December 2006	2007年度 Year ended 31 December 2007	2006年度 Year ended 31 December 2006
利潤總額	Profit before taxation	<u>274,959</u>	<u>236,006</u>	<u>240,647</u>	<u>234,070</u>
按適用稅率計算 的所得稅費用	Calculated at applicable income tax rates	89,489	77,023	79,414	77,293
不得扣除的成本、 費用和損失 相應的所得稅	Expenses not deductible for taxation purposes	1,102	2,943	5,461	90
非應納稅收入 相應的所得稅	Income not subject to tax	(918)	(5,776)	—	—
子公司稅項虧損	Unutilised tax losses of subsidiaries	2,714	5,382	—	—
所得稅費用	Income tax	<u>92,387</u>	<u>79,572</u>	<u>84,875</u>	<u>77,383</u>

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

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

31 每股收益

(a) 基本每股收益

基本每股收益以歸屬於母公司普通股股東的合併淨利潤除以母公司發行在外普通股的加權平均數計算：

歸屬於母公司普通股
股東的合併淨利潤
發行在外普通股的
加權平均數 (百萬股)

基本每股收益 (人民幣元)

(31) EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders and weighted average number of ordinary shares in issue.

	合併 Group	
	2007 年度 Year ended 31 December 2007	2006 年度 Year ended 31 December 2006
Profit attributable to equity holders of the Company	183,813	158,689
Weighted average number of ordinary shares in issue (million shares)	1,387	1,331
Basic earnings per share (In Rmb Yuan)	<u>0.13</u>	<u>0.12</u>

(b) 稀釋每股收益

稀釋每股收益以根據稀釋性潛在普通股調整後的歸屬於母公司普通股股東的合併淨利潤除以調整後的母公司發行在外普通股的加權平均數計算。本公司具有稀釋性的潛在普通股為可轉換公司債券。計算稀釋每股收益時，根據可轉換公司債券當年已確認為費用的利息等的稅後影響額調整合併淨利潤，根據假定可轉換公司債券於當年年初全部轉換為普通股的股數調整發行在外普通股的加權平均數。

(b) Diluted earnings per share

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. When calculating the diluted earnings per share, the convertible debt is assumed to have been fully converted into ordinary shares at beginning of the year and the net profit is adjusted to eliminate the interest expense less the tax effect.

六、財務報表項目附註 (續)

31 每股收益 (續)

(b) 稀釋每股收益 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

(31) EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share (Continued)

		合併 Group	
		2007 年度 Year ended 31 December 2007	2006 年度 Year ended 31 December 2006
歸屬於母公司普通股股東的合併淨利潤	Consolidated profit attributable to equity holders of the Company	183,813	158,689
加：可轉換公司債券的利息費用 (稅後)	Add: Finance costs on convertible debt (net of tax)	—	13,787
用以計算稀釋每股收益的淨利潤	Profit used to determine diluted earnings per share	<u>183,813</u>	<u>172,476</u>
發行在外普通股的加權平均數 (百萬股)	Weighted average number of ordinary shares in issue (million shares)	1,387	1,331
加：假定可轉換公司債券全部轉換為普通股的股數 (百萬股)	Add: Assumed conversion of all convertible debt (million shares)	<u>40</u>	<u>96</u>
用以計算稀釋每股收益的發行在外普通股的加權平均數 (百萬股)	Weighted average number of ordinary shares for diluted earnings per share (million shares)	<u>1,427</u>	<u>1,427</u>
稀釋每股收益	Diluted earnings per share (In Rmb Yuan)	<u><u>0.13</u></u>	<u><u>0.12</u></u>

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

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

32 現金流量表附註

(32) NOTES TO THE CASH FLOW STATEMENTS

將淨利潤調節為經營活動現金流量

Reconciliation of net profit to cash flows from operating activities

		合併 Group		公司 Company	
		2007年度 Year ended 31 December 2007	2006年度 Year ended 31 December 2006	2007年度 Year ended 31 December 2007	2006年度 Year ended 31 December 2006
(i)	將淨利潤調節為經營活動的現金流量	Reconciliation of net profit to cash flows from operating activities			
	淨利潤	182,572	156,434	155,772	156,687
	加/ (減) :	Adjust for:			
	計提的資產減值準備	5,240	7,760	22,000	—
	固定資產折舊	173,836	119,537	113,594	86,660
	無形資產攤銷	20,010	16,119	15,573	15,495
	處置固定資產淨損失	2,857	971	68	461
	以投資物業代替現金支付的服務提供	(10,040)	(16,314)	—	—
	長期待攤費用攤銷	3,906	8,008	—	—
	財務費用淨額	154,032	129,960	112,654	114,853
	投資收益	(2,693)	(4,474)	—	—
	遞延所得稅資產減少/ (增加)	2,288	(2,288)	2,288	(2,288)
	遞延所得稅負債減少	(2,362)	(3,329)	(2,362)	(3,329)
	存貨的減少/ (增加)	2,205	(11)	(335)	(85)
	經營性應收項目的增加	(389,274)	(259,582)	(312,138)	(321,376)
	經營性應付項目的增加	113,337	44,671	12,787	22,575
	經營活動產生的現金流量淨額	255,914	197,462	119,901	69,653
(ii)	現金淨 (減少) / 增加情況	Net (decrease)/increase in cash and bank balance			
	現金的年末餘額	324,971	718,744	80,633	601,136
	減: 現金的年初餘額	(718,744)	(744,112)	(601,136)	(488,462)
	現金淨 (減少) / 增加額	(393,773)	(25,368)	(520,053)	112,674

六、財務報表項目附註 (續)

6 NOTES TO THE FINANCIAL STATEMENTS (Continued)

32 現金流量表附註

(32) NOTES TO THE CASH FLOW STATEMENTS

列示於現金流量表的現金包括：

Cash and bank balances include the following for the purposes of the cash flow statement:

		合併 Group		公司 Company	
		於 2007 年 12 月 31 日 31 December 2007	於 2006 年 12 月 31 日 31 December 2006	於 2007 年 12 月 31 日 31 December 2007	於 2006 年 12 月 31 日 31 December 2006
貨幣資金	Cash and bank balances	339,971	733,744	86,633	607,136
減：保證金	Less: Restricted bank deposit	(15,000)	(15,000)	(6,000)	(6,000)
		<u>324,971</u>	<u>718,744</u>	<u>80,633</u>	<u>601,136</u>
列示於現金 流量表的現金	Cash and bank balance shown in the cash flow statements				

現金流量表中支付其他與經營活動
有關的現金主要包括：

Other cash paid relating to operating activities in the cash flow statements
mainly includes:

		合併 Group		公司 Company	
		於 2007 年 31 December 2007	於 2006 年 31 December 2006	於 2007 年 31 December 2007	於 2006 年 31 December 2006
招標代理服務費	Proxy charge for project bids	13,326	6,307	13,326	—
代墊排污 及水電費	Sewage processing charge payment on behalf of related party	15,129	4,525	10,810	—
董秘經費	Expenses of board of directors	8,751	8,471	8,751	8,471
諮詢服務費	Audit and consulting fee	7,082	7,530	7,082	4,819
差旅、會務及 業務招待費	Travelling, meeting and entertainment expenses	8,304	7,571	5,720	2,442
撥付給子公司款項	Payment to subsidiaries	—	—	—	82,000
其他	Others	9,559	14,893	14,750	16,317
		<u>62,151</u>	<u>49,297</u>	<u>60,439</u>	<u>114,049</u>

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

七、分部報告

7 SEGMENT REPORTING

(a) 2007年度及2007年12月31日業務分部信息

(a) Segment information as at and for the year then ended 31 December 2007

		污水處理 Sewage water processing services	道路收費 Road toll stations	建材業務 Construction materials	中水管道 Recycled water and pipeline connection	自來水 Tap water supply	其他 Others	合併 Group
營業收入	Income from operations	853,080	69,760	1,638	28,671	27,879	23,089	1,004,117
營業費用	Operating expenses	(610,022)	(32,864)	(8,261)	(28,854)	(33,867)	(16,524)	(730,392)
分部利潤	Segment profit	243,058	36,896	(6,623)	(183)	(5,988)	6,565	273,725
營業利潤	Operating profit	243,058	36,896	(6,623)	(183)	(5,988)	9,258	276,418
分部資產	Segment assets	4,579,507	312,430	3,149	425,947	234,957	330,682	5,886,672
資產總額	Total assets	4,579,507	312,430	3,149	425,947	234,957	330,682	5,886,672
分部負債	Segment liabilities	2,377,638	12,149	2,136	323,979	149,478	13,254	2,878,634
負債總額	Total liabilities	2,377,638	12,149	2,136	323,979	149,478	13,254	2,878,634
折舊和攤銷費用	Depreciation and amortisation	155,466	12,826	941	7,851	10,093	10,575	197,752
資產減值損失	Assets impairment loss	—	—	5,240	—	—	—	5,240
資本性支出	Capital expenditures	118,629	946	—	41,882	—	4,213	165,670

七、分部報告 (續)

7 SEGMENT REPORTING (Continued)

(b) 2006 年度及 2006 年 12 月 31 日業務分部信息

(b) Segment information as at and for the year then ended 31 December 2006

		污水處理 Sewage water processing services	道路收費 Road toll stations	建材業務 Construction materials	中水管道 Recycled water and pipeline connection	自來水 Tap water supply	其他 Others	合併 Group
營業收入	Income from operations	684,446	65,890	2,154	23,764	31,128	4,802	812,184
營業費用	Operating expenses	(487,887)	(23,679)	(14,637)	(23,003)	(33,887)	(4,609)	(587,702)
分部利潤	Segment profit	196,559	42,211	(12,483)	761	(2,759)	193	224,482
營業利潤	Operating profit	196,559	42,211	(12,483)	761	(2,759)	4,668	228,957
分部資產	Segment assets	4,712,314	323,397	33,845	296,891	242,630	273,382	5,882,459
資產總額	Total assets	4,712,314	323,397	33,845	296,891	242,630	273,382	5,882,459
分部負債	Segment liabilities	2,976,306	17,020	12,922	212,752	152,790	7,700	3,379,490
負債總額	Total liabilities	2,976,306	17,020	12,922	212,752	152,790	7,700	3,379,490
折舊和攤銷費用	Depreciation and amortisation	103,868	7,719	2,208	7,414	9,176	8,954	139,339
資產減值損失	Assets impairment loss	—	—	7,760	—	—	—	7,760
資本性支出	Capital expenditures	821,028	—	1,191	57,065	236,149	13,864	1,129,297

由於本集團所有業務均在中國境內，因此不適用於地區分佈信息。

The geographical segment analysis is not applicable since all of the Group's operations are in the PRC.

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

八、關聯方關係及其交易

8 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1 關聯方關係

(1) RELATED PARTY RELATIONSHIPS

(a) 存在控制關係的關聯方

(a) Related parties that have controlling relationship

關聯方名稱 Name of related party	註冊地點 registration	主要業務 Place of Principal activities	與本公司關係 the Company	經濟性質 Relationship with enterprise	法定代表人 Type of Legal representative
天津市政投資有限公司 (市政投資) Tianjin Municipal Investment Company Limited ("TMICL")	中國天津 Tianjin, the PRC	市政基礎設施的 開發建設及經營管理 Development, construction and management of municipal infrastructures	控股股東 Controlling shareholder of the Company	有限公司 Limited company	馬白玉 Ma Bai Yu
天津城市基礎設施建設投資 集團有限公司(城投集團) Tianjin Infrastructure Construction Investment Group Co., Ltd. ("TICIG")	中國天津 Tianjin, the PRC	城市環境基礎設施的投資、 建設，市場建設開發服務， 自有房屋租賃，基礎設施租賃 及公用設施項目開發經營等 Investment and construction of urban environmental infrastructure, market establishment and development services, lease of private properties, lease of infrastructures, and development and operation of public facilities projects	最終控股公司 Ultimate holding company	有限公司 Limited Company	王周喜 Wang Zhou Xi
曲靖創業水務有限公司 Qu Jing Capital Water Co., Ltd.	中國曲靖 Qujing, the PRC	污水處理，自來水供水 Sewage water processing, tap water supply	子公司 Subsidiary of the Company	有限公司 Limited company	張文輝 Zhang Wen Hui
貴州創業水務有限公司 Gui Zhou Capital Water Co., Ltd.	中國貴州 Guizhou, the PRC	污水處理 Sewage water processing	子公司 Subsidiary of the Company	有限公司 Limited company	顧啟峰 Gu Qi Feng
阜陽創業水務有限公司 Fu Yang Capital Water Co., Ltd.	中國阜陽 Fuyang, the PRC	污水處理 Sewage water processing	子公司 Subsidiary of the Company	有限公司 Limited company	張文輝 Zhang Wen Hui
寶應創業水務有限責任公司 Bao Ying Capital Water Co., Ltd.	中國寶應 Baoying, the PRC	污水處理 Sewage water processing	子公司 Subsidiary of the Company	有限公司 Limited company	林文波 Lin Wen Bo
赤壁創業水務有限公司 Chi Bi Capital Water Co., Ltd.	中國赤壁 Chibi, the PRC	污水處理 Sewage water processing	子公司 Subsidiary of the Company	有限公司 Limited company	張文輝 Zhang Wen Hui
洪湖市創業水務有限公司 Hong Hu Capital Water Co., Ltd.	中國洪湖 Honghu, the PRC	污水處理 Sewage water processing	子公司 Subsidiary of the Company	有限公司 Limited company	張文輝 Zhang Wen Hui
天津創業環保(香港)有限公司 Tianjin Capital Environmental Protection (HK) Co., Ltd.	中國香港 Hong Kong, the PRC	污水處理 Sewage water processing	子公司 Subsidiary of the Company	有限公司 Limited company	馬白玉 Ma Bai Yu
杭州天創水務有限公司 Hang Zhou Capital Water Co., Ltd.	中國杭州 Hangzhou, the PRC	污水處理 Sewage water processing	子公司 Subsidiary of the Company	有限公司 Limited company	顧啟峰 Gu Qi Feng
文登創業水務有限公司 Wen Deng Capital Water Co., Ltd.	中國文登 Wendeng, the PRC	污水處理 Sewage water processing	子公司 Subsidiary of the Company	有限公司 Limited company	林文波 Lin Wen Bo

八、關聯方關係及其交易

8 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1 關聯方關係

(1) RELATED PARTY RELATIONSHIPS

(a) 存在控制關係的關聯方

(a) Related parties that have controlling relationship

關聯方名稱 Name of related party	註冊地點 registration	主要業務 Place of Principal activities	與本公司關係 the Company	經濟性質 Relationship with enterprise	法定代表人 Type of Legal representative
天津靜海創業水務有限公司 Tianjin Jing Hai Capital Water Co., Ltd.	中國天津 Tianjin, the PRC	污水處理 Sewage water processing	子公司 Subsidiary of the Company	有限公司 Limited company	顧啟峰 Gu Qi Feng
天津中水有限責任公司 Tianjin Water Recycling Co., Ltd.	中國天津 Tianjin, the PRC	中水生產銷售、 中水設施開發建設、 中水技術諮詢 Production and sales of recycled water and technical consulting for water recycling business	子公司 Subsidiary of the Company	有限公司 Limited company	張文輝 Zhang Wen Hui
天津創業建材有限公司 Tianjin Capital New Materials Co., Ltd.	中國天津 Tianjin, the PRC	新型建築材料的製造及銷售 Production and sales of new types of construction materials	子公司 Subsidiary of the Company	有限公司 Limited company	羅連芳 Luo Lian Fang

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

八、關聯方關係及其交易 (續)

8 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

1 關聯方關係 (續)

(1) RELATED PARTY RELATIONSHIPS (Continued)

(b) 存在控制關係的關聯方的
註冊資本及其變化

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

		2006年 12月31日 31 December 2006	本期增加數 Additions	2007年 12月31日 31 December 2007
市政投資	TMICL	1,820,000	—	1,820,000
城投集團	TICIG	16,100,000	—	16,100,000
曲靖創業水務有限公司	Qu Jing Capital Water Co., Ltd.	120,000	—	120,000
貴州創業水務有限公司	Gui Zhou Capital Water Co., Ltd.	100,000	—	100,000
天津中水有限責任公司	Tianjin Water Recycling Co., Ltd.	100,000	—	100,000
天津創業建材有限公司	Tianjin Capital New Materials Co., Ltd.	37,500	—	37,500
阜陽創業水務有限公司	Fu Yang Capital Water Co., Ltd.	45,000	—	45,000
寶應創業水務有限責任公司	Bao Ying Capital Water Co., Ltd.	38,000	—	38,000
赤壁創業水務有限公司	Chi Bi Capital Water Co., Ltd.	35,000	—	35,000
洪湖市創業水務有限公司	Hong Hu Capital Water Co., Ltd.	20,000	—	20,000
杭州天創水務有限公司	Hang Zhou Capital Water Co., Ltd.	257,445	—	257,445
文登創業水務有限公司	Wen Deng Capital Water Co., Ltd.	—	48,000	48,000
天津靜海創業水務有限公司	Tianjin Jing Hai Capital Water Co., Ltd.	—	2,000	2,000
		美元千元 USD'000	美元千元 USD'000	美元千元 USD'000
天津創業環保(香港) 有限公司	Tianjin Capital Environmental Protection (HK) Co., Ltd.	7,840	—	7,840

(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

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

		於2006年12月31日 As at 31 December 2006		本期減少數 Reduction		於2007年12月31日 As at 31 December 2007	
		人民幣千元 Rmb'000	百分比 %	人民幣千元 Rmb'000	百分比 %	人民幣千元 Rmb'000	百分比 %
天津市政投資有限公司	TMICL	797,153	59.91	(22,168)	-5.61	774,985	54.3

八、關聯方關係及其交易 (續)

8 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS
(Continued)

2 關聯交易及餘額

本年度，除本財務報表中已披露的關聯方交易信息外，本集團與關聯方在日常營運中進行的其他重大交易如下：

(2) RELATED PARTY TRANSACTIONS

During this year, except for those as mentioned elsewhere of these financial statements, the following is a summary of significant transactions and balances with related companies which were carried out in the normal course of operations of the Group.

關聯方的名稱 Related parties	交易性質 Nature of transaction	2007 年度 Year ended 31 December 2007	2006 年度 Year ended 31 December 2006
(a) 收入：	(a) Income:		
天津市排水公司	污水處理服務費收入 (附註一(a))	601,806	591,663
TSC	Revenue from sewage water processing services (Note 1(a))		
城投集團	租金收入*	6,290	—
TICIG	Rental income*		
		<u>6,290</u>	<u>—</u>
* 租賃協議簽署於城投集團成 為本集團關聯方之前	* The lease agreement had been signed with TICIG before it became to the related party of the Company.		

(b) 關鍵管理人員薪酬	(b) Key management compensation	<u>4,689</u>	<u>3,407</u>
(c) 關聯交易餘額	(c) Related party balances		

關聯方的名稱 Related parties	款項性質 Nature of receivables	2007 年 12 月 31 日 31 December 2007	2006 年 12 月 31 日 31 December 2006
天津市排水公司	應收賬款及應收票據—污水處理服務費收入		
TSC	Trade receivables & notes receivable- Sewage water processing service income receivable	—	283,788
天津市排水公司	應收賬款—污水處理廠建設費收入		
TSC	Trade receivables - Sewage water processing plants construction services income receivable	—	466,185
		<u>—</u>	<u>466,185</u>

天津市排水公司與本集團原為同受天津市政工程總公司 (市政工程局) 監控的國營企業。由於市政工程局的重組，自 2007 年 11 月起天津市排水公司不再是本公司之關聯方。

TSC and the Group were both previously supervised by Tianjin Municipal Engineering General Company ("TMEGC"). Pursuant to the restructuring of TMEGC, effective 5 November 2007 TSC is no longer related to the Group.

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

八、關聯方關係及其交易 (續)

2 關聯交易及餘額 (續)

(d) 其他

2005年9月，天津市政府開始實施《天津市市政公用事業特許經營管理辦法》(「《管理辦法》」)，根據該《管理辦法》的規定，董事認為自2005年9月起，天津市建設管理委員會成為本公司的最終客戶。

九、承諾事項

資本性承諾事項

8 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(2) RELATED PARTY TRANSACTIONS (Continued)

(d) Others

In September 2005, Tianjin Municipal Government stipulated the Principles of Concession Services Arrangements of Tianjin Municipal Public Utilities (the "Principles"). In accordance with the Principles, Directors regard TJCAC is the Company's ultimate customer since September 2005.

9 COMMITMENTS

CAPITAL COMMITMENTS

	已簽約未撥備		已批准未簽約	
	截至2007年 12月31日止 31 December 2007 人民幣百萬元 Rmb' million	截至2006年 12月31日止 31 December 2006 人民幣百萬元 Rmb' million	截至2007年 12月31日止 31 December 2007 人民幣百萬元 Rmb' million	截至2006年 12月31日止 31 December 2006 人民幣百萬元 Rmb' million
污水處理廠項目：	Water processing plants in:			
- 杭州	341	341	—	—
- 文登	96	—	—	—
- 靜海	43	—	—	—
- 赤壁	12	59	7	—
- 西安	—	—	643	—
- 鄂州	—	—	95	—
- 洪湖	—	16	—	—
- 紀莊子	—	4	—	—
- 咸陽路	—	2	—	—
- 北倉	—	2	—	—
中水廠項目：	Water recycling plants:			
- 東郊再生水	50	—	59	—
- 北辰中水廠	14	2	59	107
- 咸陽路污水回用工程	10	67	50	97
合併	566	493	913	204

十、首次執行會計準則

按原會計準則和制度列報的2006年年初及年末合併股東權益、2006年度合併淨利潤調整為按企業會計準則列報的合併股東權益及合併淨利潤的調節項目列示如下：

10 FIRST TIME ADOPTION OF NEW CAS

The reconciliation of consolidated shareholders' equity as at 1 January and 31 December 2006 and consolidated net profit for 2006 prepared under Old Accounting Standards and New CAS are presented as follows:

		2006年1月1日 合併股東權益 1 January 2006 Consolidated shareholders' equity	2006年度 合併淨利潤 Year 2006 Consolidated Net profit	2006年 12月31日 合併股東權益 31 December 2006 Consolidated shareholders' equity
按原會計準則和制度列報的金額	Amount reported under Old Accounting Standards	2,285,171	170,091	2,402,070
加：首次執行企業會計準則 追溯調整（附註二）	Add: Retrospective adjustments for first time adoption of New CAS (Note 2)			
1. 按金融負債核算可轉換 公司債券	1. Convertible bonds account for financial liabilities	(12,113)	(10,086)	(22,199)
2. 按金融資產核算的一年 以上保證金	2. Bank deposits over year account for financial assets	—	(6,933)	(6,933)
3. 所得稅	3. Income tax	8,303	5,617	13,920
其中：遞延所得稅資產	Including: Deferred tax assets	—	2,288	2,288
遞延所得稅負債	Deferred tax liabilities	8,303	3,329	11,632
4. 少數股東權益轉入	4. Transfers from minority interests	49,132	—	116,111
按企業會計準則列報的金額	Amount reported under New CAS	<u>2,330,493</u>	<u>158,689</u>	<u>2,502,969</u>

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

十、首次執行會計準則 (續)

本集團於 2007 年 1 月 1 日首次執行企業會計準則，並在 2006 年新舊會計準則合併股東權益差異調節表(「差異調節表」)中披露了按照企業會計準則追溯調整後的 2007 年 1 月 1 日的股東權益。在編製本財務報表時，本集團按照《企業會計準則解釋第 1 號》的要求，對首次執行日有關資產、負債及所有者權益項目的賬面餘額進行了復核，對上述 2007 年 1 月 1 日的股東權益作出如下修正：

		2007 年 修正後數字 Revised figures in the 2007 financial statements	2006 年 差異調節表數 Disclosed figures in the 2006 Equity reconciliation	差異 Differences
按原會計準則和制度列報的金額	Amount reported under Old Accounting Standards	2,402,070	2,402,070	—
少數股東權益轉入	Transfers from minority interests	116,111	116,111	—
按金融資產核算的一年以上保證金	Bank deposits over year account for financial assets	(6,933)	(6,933)	—
按金融負債核算可轉換公司債券	Convertible bonds account for financial liabilities	(22,199)	(22,199)	—
所得稅	Income tax	13,920	13,920	—
其中：遞延所得稅資產	Including: Deferred tax assets	2,288	2,288	—
遞延所得稅負債	Deferred tax liabilities	11,632	11,632	—
按企業會計準則列報的金額	Amount reported under New CAS	2,502,969	2,502,969	—

十一、期後事項

根據董事會的決議，本公司擬按已發行股本 1,427,228,430 股為基數，向全體股東每 10 股派發現金股利人民幣 4 角（含稅）作為 2007 年度股利，共計人民幣 57,089,137 元。

十二、財務報表核准發出

本財務報表於 2008 年 4 月 29 日經由本公司董事會核准發出。

10 FIRST TIME ADOPTION OF NEW CAS (Continued)

The Company adopted New CAS at first time on 1 January 2007, and in 2006 disclosed its retrospective adjusted shareholders' equity as at 1 January 2007 in the reconciliation of consolidated shareholders' equity between Old Accounting Standards and New CAS of the financial statements ("Equity reconciliation"). In accordance with "Interpretation Announcement No.1 of CAS", when preparing these financial statements, after reviewing of those carrying values of relevant assets, liabilities and shareholders' equity on the date of first time adoption of New CAS, the Company has revised aforementioned shareholders' equity as at 1 January 2007 as follows:

11 SUBSEQUENT EVENT

Pursuant to the resolution of the Board, the Company has proposed to distribute a cash dividend of Rmb0.4 (tax included) for every ten shares held by shareholders, amounting to a total dividend of Rmb57,089,137 in respect of year 2007, based on the issued share capital of 1,427,228,430 shares.

12 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The accounts were approved by the Directors of the Company on 29 April 2008.

獨立核數師報告 Independent Auditor's Report

獨立核數師報告

致天津創業環保股份有限公司股東

(於中華人民共和國註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第218至291頁天津創業環保股份有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零零七年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合收益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及按照香港《公司條例》的披露規定編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制,以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當的會計政策;及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見,僅向整體股東報告,除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範,並規劃及執行審核,以合理確定此等財務報表是否不存有任何重大錯誤陳述。

Independent Auditor's Report

To the shareholders of

Tianjin Capital Environmental Protection Company Limited

(incorporated in the People's Republic of China with limited liability)

We have audited the consolidated financial statements of Tianjin Capital Environmental Protection Company Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 218 to 291, which comprise the consolidated and company balance sheets as at 31 December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

審核涉及執程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零零七年十二月三十一日的事務狀況及貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所

執業會計師

香港，2008年4月29日

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 29 April 2008

香港財務會計報告 Hong Kong Financial Accounting Report

綜合資產負債表 Consolidated Balance Sheet

於 2007 年 12 月 31 日 (除非特別指明所有金額單位均為人民幣千元)
AS AT 31 DECEMBER 2007 (All amounts in RMB thousand unless otherwise stated)

	附註 Note	2007	2006
資產			
非流動資產			
物業、機器及設備	6	3,261,450	3,288,848
投資物業	7	137,588	113,925
土地使用權	8	676,912	704,466
聯營公司投資	9	63,979	61,660
可供出售財務資產	10	4,000	6,000
遞延所得稅資產		—	2,288
長期貿易應收款	14	697,763	749,973
其他長期資產	11	118,698	142,146
		<u>4,960,390</u>	<u>5,069,306</u>
流動資產			
存貨	13	6,634	7,839
貿易應收款	14	442,944	43,210
其他應收款及預付款項	15	136,733	28,360
現金及銀行結餘	16	339,971	733,744
		<u>926,282</u>	<u>813,153</u>
總資產		<u>5,886,672</u>	<u>5,882,459</u>
權益			
本公司權益持有人應佔資本及儲備			
股本	17	1,427,228	1,330,666
其他儲備	18	613,203	321,654
保留盈利	18	852,737	734,538
— 擬派末期股息		57,089	56,105
— 未分配		795,648	678,433
		<u>2,893,168</u>	<u>2,386,858</u>
少數股東權益		<u>114,870</u>	<u>116,111</u>
總權益		<u>3,008,038</u>	<u>2,502,969</u>
負債			
非流動負債			
借款	19	1,793,523	2,157,980
遞延所得稅負債		—	2,362
		<u>1,793,523</u>	<u>2,160,342</u>
流動負債			
貿易及其它應付款	20	312,700	253,258
當期所得稅負債		62,299	67,376
借款	19	710,112	898,514
		<u>1,085,111</u>	<u>1,219,148</u>
總負債		<u>2,878,634</u>	<u>3,379,490</u>
總權益及負債		<u>5,886,672</u>	<u>5,882,459</u>
流動負債淨值	2.1(a)	<u>(158,829)</u>	<u>(405,995)</u>
總資產減流動負債		<u>4,801,561</u>	<u>4,663,311</u>

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資產負債表－母公司 Balance Sheet-Company

於 2007 年 12 月 31 日 (除非特別指明所有金額單位均為人民幣千元)
AS AT 31 DECEMBER 2007 (All amounts in RMB thousand unless otherwise stated)

	附註 Note	2007	2006
資產			
非流動資產			
物業、機器及設備	6	2,095,138	2,112,773
投資物業	7	95,305	97,611
土地使用權	8	563,359	578,741
附屬公司投資	12	720,751	692,751
可供出售財務資產	10	4,000	4,000
遞延所得稅資產		—	2,288
長期貿易應收款	14	697,763	749,973
其他長期資產	11	20,525	40,067
		<u>4,196,841</u>	<u>4,278,204</u>
流動資產			
存貨	13	3,034	2,699
貿易應收款	14	401,905	16,473
其他應收款及預付款項	15	95,443	84,119
銀行結餘及現金	16	86,633	607,136
		<u>587,015</u>	<u>710,427</u>
總資產合計		<u>4,783,856</u>	<u>4,988,631</u>
權益			
本公司權益持有人應佔資本及儲備			
股本	17	1,427,228	1,330,666
儲備	18	610,653	316,482
保留盈利	18	838,543	751,007
— 擬派末期股息		57,089	56,105
— 未分配		781,454	694,902
總權益		<u>2,876,424</u>	<u>2,398,155</u>
負債			
非流動負債			
借款	19	1,182,273	1,609,480
遞延所得稅負債		—	2,362
		<u>1,182,273</u>	<u>1,611,842</u>
流動負債			
貿易及其它應付款	20	147,098	148,299
當期所得稅負債		56,334	63,971
借款	19	521,727	766,364
		<u>725,159</u>	<u>978,634</u>
總負債		<u>1,907,432</u>	<u>2,590,476</u>
總權益及負債		<u>4,783,856</u>	<u>4,988,631</u>
流動負債淨值	2.1(a)	<u>(138,144)</u>	<u>(268,207)</u>
總資產減流動負債		<u>4,058,697</u>	<u>4,009,997</u>

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綜合收益表 Consolidated Income Statement

截至 2007 年 12 月 31 日止年度 (除非特別指明所有金額單位均為人民幣千元)
FOR THE YEAR ENDED 31 DECEMBER 2007 (All amounts in RMB thousand unless otherwise stated)

		附註 Note	2007	2006 (經重列) (Restated)
營業收入	Revenue	5	981,028	807,381
營業税金	Business tax		(42,384)	(37,063)
營業成本	Cost of sales	21	(425,090)	(330,438)
毛利	Gross profit		513,554	439,880
其他收入	Other income	5	12,111	10,174
行政費用	Administrative costs	21	(107,711)	(93,964)
經營盈利	Operating profit		417,954	356,090
融資成本	Finance costs	23	(146,182)	(124,558)
聯營公司股權收益	Share of profits of an associate	9	3,187	4,474
除所得稅前盈利	Profit before income tax		274,959	236,006
所得稅	Income tax expense	24	(92,387)	(79,572)
年度盈利	Profit for the year		182,572	156,434
應佔：	Attributable to:			
本公司權益持有人	Equity holders of the Company		183,813	158,689
少數股東權益	Minority interests		(1,241)	(2,255)
			182,572	156,434
年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)	Earnings per share for profit attributable to the equity holders of the Company during the year	26		
— 基本	- basic		Rmb0.13	Rmb0.12
— 攤薄	- diluted		Rmb0.13	Rmb0.12
股息	Dividend	27	57,089	56,105

香港財務會計報告 Hong Kong Financial Accounting Report

綜合權益變動報表 Consolidated Statement of Changes in Equity

截至 2007 年 12 月 31 日止年度 (除非特別指明所有金額單位均為人民幣千元)
 FOR THE YEAR ENDED 31 DECEMBER 2007 (All amounts in RMB thousand unless otherwise stated)

		本公司權益持有人 Attributable to equity holders of the Company			少數股東權益 Minority interests	總權益 Total	
		附註 Note	股本 Share capital	儲備 Reserves			小計 Sub-total
二零零六年一月一日結餘	Balance at 1 January 2006		1,330,658	950,703	2,281,361	49,132	2,330,493
本年度盈利	Profit for the year		—	158,689	158,689	(2,255)	156,434
二零零六年確認的總收入	Total recognised income for 2006		—	158,689	158,689	(2,255)	156,434
二零零五年度股息	Dividend relating to 2005		—	(53,227)	(53,227)	—	(53,227)
行使轉換權利的可換股債券	Conversion of convertible bonds		8	27	35	—	35
少數股東對附屬公司的投資	Minority shareholders' investment in subsidiaries		—	—	—	69,234	69,234
			8	(53,200)	(53,192)	69,234	16,042
二零零六年十二月三十一日結餘	Balance at 31 December 2006		1,330,666	1,056,192	2,386,858	116,111	2,502,969
本年度盈利	Profit for the year		—	183,813	183,813	(1,241)	182,572
二零零七年確認的總收入	Total recognised income for 2007		—	183,813	183,813	(1,241)	182,572
股息	Dividend	27	—	(56,105)	(56,105)	—	(56,105)
行使轉換權利的可換股債券	Conversion of convertible bonds	18	96,562	308,129	404,691	—	404,691
以前年度儲備轉回	Reversal of prior year's reserves	18	—	(26,089)	(26,089)	—	(26,089)
			96,562	225,935	322,497	—	322,497
二零零七年十二月三十一日結餘	Balance at 31 December 2007		1,427,228	1,465,940	2,893,168	114,870	3,008,038

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綜合現金流量表 Consolidated Cash Flow Statement

截至 2007 年 12 月 31 日止年度 (除非特別指明所有金額單位均為人民幣千元)
For the year ended 31 December 2007 (All amounts in RMB thousand unless otherwise stated)

	附註 Note	2007	2006
營運活動的現金流量			
營運產生之現金			
已付所得稅	28	345,602 (97,538)	281,317 (89,258)
營運活動產生的淨現金		<u>248,064</u>	<u>192,059</u>
投資活動的現金流量			
購入物業、機器及設備		(260,606)	(999,093)
超過一年的項目投標保證金		(25,770)	—
購入投資物業		—	(10,754)
購入土地使用權		—	(122,572)
為其他非流動資產支付的現金		(11,146)	(50,998)
收回工程投標保證金		6,000	—
出售物業、機器及設備所得款			
出售可供出售財務資產所得款	28	3,673	1,534
收購除附屬公司外投資		1,506	—
應收貸款的減少		—	(54,000)
已收利息		7,850	16,000
已收股利		868	5,403
投資活動所用淨現金		<u>(277,625)</u>	<u>(1,214,480)</u>
融資活動的現金流量			
可換股債券保證金的收回		47,000	—
附屬公司吸收少數股東權益性投資所收到的現金		—	77,233
發行債券擔保費用		—	(1,150)
借貸所得款		1,279,890	2,044,770
償還借款		(1,472,140)	(935,020)
支付借款利息		(162,400)	(121,378)
向本公司股東支付股息		(56,562)	(53,584)
附屬公司減少少數股東權益性投資		—	(8,000)
受限銀行存款之減少 / (增加)		—	(5,818)
融資活動 (所用) / 產生淨現金		<u>(364,212)</u>	<u>997,053</u>
銀行結餘及現金之減少			
於一月一日之現金及銀行結餘		718,744	744,112
於十二月三十一日之現金及銀行結餘		<u>324,971</u>	<u>718,744</u>

香港財務會計報告 Hong Kong Financial Accounting Report

Notes to the Consolidated Financial Statements 綜合財務報表附註

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

1 公司簡介及主要業務的經營模式

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。本公司的註冊地址為中國天津市和平區貴州路45號。

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，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

依照相關協定（「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：

位置
Plant Location
以前年度簽訂並仍在執行的合同：
Prior years' agreement still in operation:

天津 東郊
Dong Jiao, Tianjin
天津 紀莊子
Ji Zhuang Zi, Tianjin
天津 咸陽路
Xian Yang Lu, Tianjin
天津 北倉
Bei Cang, Tianjin
貴州 貴陽
Gui Yang, Guizhou
江蘇 寶應
Bao Ying, Jiangsu
安徽 阜陽
Fu Yang, Anhui
雲南 曲靖
Qu Jing, Yunnan
湖北 洪湖
Hong Hu, Hubei
浙江 杭州
Hang Zhou, Zhejiang

2007年新簽訂的重大合同：
Significant new agreements in 2007:

天津 靜海
Jing Hai, Tianjin
山東 文登
Wen Deng, Shandong

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 liability company. Its registered office is No. 45 Guizhou Road, Heping District, Tianjin, PRC.

The principal 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 as described below:

(a) Processing of sewage water

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

合同簽訂日期 Commencement date	客戶 Customer
2000年10月10日 10 October 2000	天津市排水公司（「排水公司」） Tianjin Sewage Company ("TSC")
2000年10月10日 10 October 2000	排水公司 TSC
2000年10月10日 10 October 2000	排水公司 TSC
2000年10月10日 10 October 2000	排水公司 TSC
2004年9月16日 16 September 2004	貴陽城市管理局 Guiyang City Administration Bureau
2005年6月13日 13 June 2005	寶應縣建設局 Baoying Construction Bureau
2005年12月18日 18 December 2005	阜陽市建設委員會 Anhui Fuyang Construction Committee
2005年12月25日 25 December 2005	曲靖市供排水總公司 Qujing City Water General Company
2005年12月29日 29 December 2005	洪湖市建設局 Honghu Construction Bureau
2006年11月20日 20 November 2006	杭州市排水有限公司 Hangzhou Sewage Company

2007年9月12日 12 September 2007	天津新技術產業園區天宇科技園管理委員會 Tianyu Science Technology Park Administration Committee of Tianjin
2007年12月19日 19 December 2007	新技術產業區 Wendeng Construction Bureau

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

1 公司簡介及主要業務的經營模式 (續)

(a) 污水處理業務 (續)

相關協議訂明的主要計價公式如下所述：

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）的每月平均帳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日達成的臨時協定，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，按照約定的價格收取污水處理費。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。

1 Company profile and principal activities (Continued)

(a) Processing of sewage water (Continued)

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

Dong Jiao:

The Group will have full recovery of actual operating costs, including depreciation of property, plant and equipment, excluding interest expenses and foreign exchange gains or losses and at minimum:

- (i) earn 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 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 a pre-determined sewage processing fee from the completion date of construction to the completion date of inspection of the Ji Zhuang Zi, Xian Yang Lu and Bei Cang plants. After the inspection of these three plants is completed, processing fee will be collected from TSC using the same principle as for Dong Jiao plant as discussed above.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

1 公司簡介及主要業務的經營模式 (續)

(a) 污水處理業務 (續)

其他污水處理廠：

協議規定以約定價格作為初始污水處理服務費單價，並且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；

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；

於2006年12月6日，貴陽市物價局核定2007年度新的價格，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。

1 Company profile and principal activities (Continued)

(a) Processing of sewage water (Continued)

All other sewage processing plants:

Initial sewage water processing prices are predetermined, 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;

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.

On 6 December 2006, Guiyang Price Bureau confirmed a new price for the year 2007 which will allow full recovery of all actual costs, including operating cost, depreciation, income tax and a return of 8% on budgeted net assets of the plant.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

1 公司簡介及主要業務的經營模式 (續)

(b) 污水處理廠建設業務 (續)

自紀莊子、咸陽路及北倉三項工程已於2005年末完工後，本公司未產生任何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如下：

建設收費協議：

根據本公司於2001年9月24日與排水公司簽訂的《污水處理(擴建)在建工程收費協定》(「建設收費協定」)，本公司向排水公司提供建設咸陽路、紀莊子和北倉等三個污水處理廠的服務。

上述協議的主要條款如下：

- 根據協定，本公司在承擔污水處理廠在建工程建設期間，排水公司同意向本公司支付建設費，作為鼓勵本公司承擔建設污水處理廠在建工程之報酬；
- 按照建設收費協定，排水公司應每月根據本公司編撰的有關各專案當月之估計完成百分比向本公司預支建設費用
- 在每季度結束時，根據獨立測量師或工程師對已完成工程量之核定作出相應調整；
- 本公司亦負責污水處理廠在建工程所需資金之籌集；以及

1 Company profile and principal activities (Continued)

(b) Construction of sewage water processing plants

Since, the construction of Ji Zhuang Zi, Xian Yang Lu and Bei Cang was completed in late 2005, the Company did not generate any sewage water processing plant construction fee. The background to the relevant agreements of sewage water processing plants since 2003 is detailed below:

Construction Agreement:

Pursuant to an agreement (“Construction Agreement”) between the Company and TSC dated 24 September 2001, the Company is to provide construction services to TSC in respect of three plants in Xian Yang Lu, Ji Zhuang Zi and Bei Cang.

The principal terms of the Construction Agreement are summarised below:

- a fee will be paid by TSC during the period of construction as a reward to remunerate the Company for accepting the responsibility to construct the sewage water processing plants.
- a fee is payable by TSC in advance on a monthly basis according to the percentage of completion of the respective construction projects estimated by the Company.
- the percentage of completion of each project will be adjusted on a quarterly basis according to the certifications issued by qualified independent surveyors or engineers;
- the Company is responsible for the funding of the construction cost of these plants, and

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

1 公司簡介及主要業務的經營模式 (續)

(b) 污水處理廠建設業務 (續)

建設收費協議：(續)

- 依據本公司與排水公司簽訂的協定，在天津三個污水處理廠開始運營後，雙方的權利與義務將按照原污水處理委託協議的具體規定執行（如附註 1(a)所述）。

轉讓協議：

此外，根據本公司於2001年9月24日與排水公司簽訂的相關的轉讓協定（「轉讓協定」），本公司將承擔後續工程的建設及管理。前述在建工程轉讓工作已於2002年10月30日完成。

合作協議：

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

- 本公司負責污水處理廠在建工程項目整體實施；
- 排水公司負責利用項目原外資貸款開展採購項下污水處理廠所需部分固定資產；
- 排水公司利用外資貸款採購的固定資產在完成建設並於收到相關驗收報告後一次由排水公司以賬面價值（附註14）轉讓予本公司。按照建設收費協議的規定，在確認建設費收入時應包括該等固定資產成本作為基礎；

1 Company profile and principal activities (Continued)

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

Construction Agreement: (Continued)

- upon commencement of operations of the three sewage water processing plants, the rights and obligations between the Company and TSC will follow the terms as specified in the Sewage Water Processing Agreement as applicable to the Tianjin plants (Note 1(a)).

Transfer Agreement:

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

Co-operative Agreement:

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

- the Company would be responsible for the overall execution of the construction of the three plants;
- TSC would be responsible for making use of the original loans from two foreign banks (the “Foreign Loans”) to fund certain property, plant and equipment used in these plants;
- TSC will sell to the Company these Foreign Loans funded property, plant and equipment after their construction and the receipt of relevant verification reports, at their carrying value (Note 14). The construction fee charged by the Company pursuant to the above mentioned Construction Agreement, would include the cost of these property, plant and equipment as the base; and

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

1 公司簡介及主要業務的經營模式 (續)

(b) 污水處理廠建設業務 (續)

合作協議：(續)

- 於前述該等固定資產轉讓予本公司之前，在污水處理廠在建工程建設期間，本公司負責該等固定資產的維護和保養。

(c) 經營收費道路

下文所述協定條款自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，並由天津市政工程局（「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日之帳面淨值人民幣3,300萬元給予了一次性現金補償。

1 Company profile and principal activities (Continued)

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

Co-operative Agreement: (Continued)

- The Company would be responsible for the repairs and maintenance of these property, plant and equipment during the construction period.

(c) Operation of toll road

There is no change of terms in following agreements since 2003, the background is detailed in following paragraphs.

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 Tianjin Municipal Engineering Bureau (“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;

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

1 公司簡介及主要業務的經營模式 (續)

(c) 經營收費道路 (續)

- 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。

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》。根據此協定：

- 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。
- 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。

1 Company profile and principal activities (Continued)

(c) Operation of toll road (Continued)

- compensation for loss in revenue, during the period from 31 May 2003 to the date of completion of construction of the new toll stations (mentioned in following paragraph), equivalent to the revenue received in the same period of last year of about Rmb5.5 million net of expenses; and

The 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 the 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.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

1 公司簡介及主要業務的經營模式 (續)

(d) 自來水處理業務

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。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 主要會計政策

編製本綜合財務報表採用的主要會計政策載於下文。除另有說明外，此等政策在所呈報的所有年度內貫徹應用。

2.1 編製基準

本公司的綜合財務報表是根據香港財務報告準則（香港財務準則）編製並且綜合財務報表已按照歷史成本法編製。

編製符合香港財務準則的財務報表需要使用若干關鍵會計估算。這亦需要管理層在應用本集團的會計政策過程中行使其判斷。涉及高度的判斷或高度複雜性的範疇，或涉及對綜合財務報表屬重大假設和估算的範疇，在附註4中披露。

1 Company profile and principal activities (Continued)

(d) Processing of tap water

Pursuant to an agreement reached with Qujing City Water General Company on 25 December 2005, a subsidiary of the Company, Qujing Capital Water Co., Ltd., will provide tap water supply service to Qujing City via the Yunnan Qujing tap water processing plant at predetermined pricing. In addition:

- (i) Processing price as pre-determined 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.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) and have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

2 主要會計政策 (續)

2.1 編製基準 (續)

(a) 持續經營假設

截至2007年12月31日止，本集團及本公司的流動負債超過其流動資產分別約為人民幣1.59億元及人民幣1.38億元。

考慮到本集團現有的財務資源，包括自籌資金及現有的銀行授信額度，本公司董事（「董事」）認為本集團及本公司擁有足夠的營運資金以滿足目前的資金需求，董事確信本集團將會繼續保持持續經營。因此董事仍以持續經營假設為基礎編製本年度的財務報表。

(b) 在二零零七年已生效的準則、修訂及詮釋並且和本集團相關的：

香港會計準則1 (補充修訂)	「財務報表的呈報—資本披露」
香港財務準則7	「金融工具：披露」
香港（國際財務報告 詮釋委員會）—詮釋8	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10	「中期財務報告和減值」

(c) 在二零零七年生效但與本集團營運無關的準則、修訂及詮釋：

香港（國際財務報告 詮釋委員會）—詮釋7	應用國際會計準則／香港會計準則29「嚴重通脹經濟中的財務報告」下的重列法」
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」

採納上述準則、修訂及詮釋除造成披露事項變化外對本集團的財務報告無重大影響。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) Going concern

As at 31 December 2007, the Group's and the Company's current liabilities exceeded their current assets by approximately Rmb 159 million and Rmb 138 million, respectively.

Taking into account the financial resources available to the Group, including internally generated funds and available banking facilities, the Directors of the Company (the "Directors") are of the opinion that the Group and the Company has sufficient working capital to meet their current funding requirements. The Directors believe that the Company will continue as a going concern. Consequently, the directors have prepared the accounts on a going concern basis.

(b) Standards, amendment and interpretations effective in 2007 and relevant to the Group:

HKAS 1(Amendment)	Presentation of financial statements - Capital disclosures
HKFRS 7	Financial instruments: Disclosures
HK(IFRIC) - Int 8	Scope of HKFRS 2
HK(IFRIC) - Int 10	Interim financial reporting and impairment

(c) Standard and interpretations effective in 2007 but not relevant to the Group

HK(IFRIC) - Int 7	Applying the restatement approach under HKAS 29, Financial reporting in hyper-inflationary economies
HK(IFRIC) - Int 9	Re-assessment of embedded derivatives

The adoption of the above did not have a material impact on the financial statements of the Group other than disclosure changes.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

2 主要會計政策 (續)

2.1 編製基準 (續)

(d) 仍未生效而本集團亦無提早採納的準則、修訂及對現有準則的詮釋：

香港會計準則 1 (經修訂)	「財務報表的呈報」(由二零零九年一月一日起生效)
香港會計準則 23 (修訂)	「借貸成本」(由二零零九年一月一日起生效)
香港會計準則 27 (經修訂)	「綜合及獨立財務報表」(由二零一零年七月一日起生效)
香港財務準則 2 (修訂)	「股份支付」－行使權利的條件及失效 (由二零零九年一月一日起生效)
香港財務準則 3 (經修訂)	「企業合併」(由二零零九年七月一日起生效)
香港財務準則 8	「營運分部」(由二零零九年一月一日起生效)
香港 (國際財務報告詮釋委員會) - 詮釋 11	「香港財務準則 2－集團及司庫股份交易」(由二零零七年三月一日起生效)
香港 (國際財務報告詮釋委員會) - 詮釋 12	「服務特許權的安排」(由二零零八年一月一日起生效)
香港 (國際財務報告詮釋委員會) - 詮釋 13	「客戶忠誠度計劃」(由二零零八年七月一日起生效)
香港 (國際財務報告詮釋委員會) - 詮釋 14	「香港財務準則 19－界定利益資產之限制、最低撥款規定以及其相互關繫」(由二零零八年一月一日起生效)

本集團正在評估該等新準則、修訂及詮釋初次採用於財務報表所產生的影響，而自 2008 年 1 月 1 日起採用的香港 (國際財務報告詮釋委員會) - 詮釋 12，可能會影響到與污水處理業務和道路及收費站業務相關資產的分類和計量。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(d) *Standard, amendment and interpretations to the existing standards that are not yet effective and have not been early adopted by the Group*

HKAS 1 (Revised)	Presentation of financial statements (effective from 1 January 2009)
HKAS 23 (Amendment)	Borrowing costs (effective from 1 January 2009)
HKAS 27 (Revised)	Consolidation and separate financial statements (effective from 1 July 2010)
HKFRS 2 (Amendment)	Share - based payment - Vesting conditions and cancellations (effective from 1 January 2009)
HKFRS 3 (Revised)	Business combination (effective from 1 July 2009)
HKFRS 8	Operating segments (effective from 1 January 2009)
HK(IFRIC) - Int 11	HKFRS 2 – Group and treasury share transactions (effective from 1 March 2007)
HK(IFRIC) - Int 12	Service concession arrangements (effective from 1 January 2008)
HK(IFRIC) - Int 13	Customer loyalty programmes (effective from 1 July 2008)
HK(IFRIC) - Int 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction (effective from 1 January 2008)

The Group is in the process of making an assessment of the impact of these standard, amendment and interpretations on the financial statements of the Group in the initial application whilst the adoption of HK(IFRIC) -Int 12 on 1 January 2008 may impact the classification and measurement of those assets related to sewage water processing and toll road operation.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

2 主要會計政策 (續)

2.2 綜合賬目

綜合賬目包括本公司及其所有附屬公司截至十二月三十一日止的財務報表。

(a) 附屬公司

附屬公司指本集團有權管轄其財政及營運政策的所有實體，一般附帶超過半數投票權的股權。在評定本集團是否控制另一實體時，目前可行使或可兌換的潛在投票權的存在及影響均予考慮。

附屬公司在控制權轉移至本集團之日全面綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

收購法乃用作本集團收購附屬公司的入賬方法。收購的成本根據於交易日期所給予資產、所發行的股本工具及所產生或承擔的負債的公平值計算，另加該收購直接應佔的成本。在企業合併中所收購可識別的資產以及所承擔的負債及或然負債，首先以彼等於收購日期的公平值計量，而不論任何少數股東權益的數額。收購成本超過本集團應佔所收購可識別資產淨值公平值的數額記錄為商譽。若收購成本低於所購入附屬公司資產淨值的公平值，該差額直接在收益表確認。

2 Summary of significant accounting policies (Continued)

2.2 Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 31 December.

(a) Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets acquired, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

2 主要會計政策 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

集團內公司之間的交易、交易的結餘及未實現收益予以對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。附屬公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

在本公司之資產負債表內，於附屬公司之投資按成本值扣除減值虧損準備列賬。附屬公司之業績由本公司按已收及應收股息入賬。

(b) 交易及少數股東權益

本集團採納了一項政策，將其與少數股東進行之交易視為與本集團以外的人士進行的交易。向少數股東進行的出售而導致本集團的盈虧於綜合收益表記賬。向少數股東進行購置而導致的商譽，相當於所支付的任何代價與相關應佔所收購附屬公司淨資產之賬面值的差額。

2 Summary of significant accounting policies (Continued)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed, where necessary, in the consolidated financial statements to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted by the Company on the basis of dividend received and receivable.

(b) Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

2 主要會計政策 (續)

2.2 綜合賬目 (續)

(c) 聯營公司

聯營公司指本集團對其有重大影響力而無控制權的實體，通常附帶有20%-50%投票權的股權。聯營公司投資以權益會計法入賬，初始以成本確認。本集團於聯營公司之投資包括收購時已識別的商譽（扣除任何累計減值虧損）。

本集團應佔收購後聯營公司的溢利或虧損於收益表內確認，而應佔收購後儲備的變動則於儲備賬內確認。投資賬面值會根據累計之收購後儲備變動而作出調整。如本集團應佔一家聯營公司之虧損等於或超過其在該聯營公司之權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團已代聯營公司承擔責任或作出付款。

本集團與其聯營公司之間交易的未實現收益按集團在聯營公司權益的數額對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

在聯營公司的攤薄盈虧於綜合收益表確認。

2 Summary of significant accounting policies (Continued)

2.2 Consolidation (Continued)

(c) Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

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 also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses in associates are recognised in the consolidated income statement.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

2 主要會計政策 (續)

2.3 分部報告

業務分部指從事提供產品或服務的一組資產和業務，而產品或服務的風險和回報與其他業務分部的不同。地區分部指在某個特定經濟環境中從事提供產品或服務，其產品或服務的風險和回報與在其他經濟環境中營運的分部的不同。

2.4 外幣匯兌

(a) 功能和列賬貨幣

本集團每個實體的財務報表所列項目均以該實體營運所在的主要經濟環境的貨幣計量（「功能貨幣」）。綜合財務報表以人民幣呈報，人民幣為本公司的功能及列賬貨幣。

(b) 交易及結餘

外幣交易採用交易日的匯率換算為功能貨幣。除了符合在權益中遞延入賬的現金流量對沖和淨投資對沖外，結算此等交易產生的匯兌盈虧以及將外幣計值的貨幣資產和負債以年終匯率換算產生的匯兌盈虧在損益表確認。

2 Summary of significant accounting policies (Continued)

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

2.4 Translation of foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("Rmb"), which is the Company's functional and presentation currency and also that of its principal subsidiaries.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

2 主要會計政策 (續)

2.5 物業、機器及設備

物業、機器及設備是按成本減累計攤銷／折舊及累積減值虧損列賬。

道路的折舊是按照交通流量法計提。根據此種方法，折舊和攤銷乃按有關期間的預計交通流量佔該道路獲授收費經營權 30 年期間的預計交通總流量的比例計提。

房屋及建築物的折舊是根據其預計的可使用期限按直線法攤銷成本減殘值及累計減值虧損計算。折舊所採納的期限介乎 10 至 50 年不等。建築物包括廠房以外鋪設的管道網絡，預計使用年限為 25 年。

其他有形固定資產以直線法按其成本減去預計殘值及累計減值虧損後在估計的使用年限內平均計提。估計可使用期限如下：

機器設備	10 至 20 年
運輸車輛及其它	5 至 15 年

2 Summary of significant accounting policies (Continued)

2.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation of the road related to the tolls business is calculated to write off its cost, less accumulated impairment losses, if any, on a units-of-usage basis estimated based on the share of projected 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 toll is granted.

Depreciation of buildings and structures is calculated to write-off their cost less estimated net residual value and accumulated impairment losses, if any, on a straight-line basis over their expected useful lives ranging from 10 to 50 years. Included in structures are pipelines networks laid outside the plant which are depreciated over their estimated useful lives of 25 years.

Other property, plant and equipment are depreciated at rates sufficient to write-off the cost less estimated residual value and accumulated impairment losses, if any, over their estimated useful lives on a straight-line basis estimated as follows:

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

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

2 主要會計政策 (續)

2.5 物業、機器及設備 (續)

資產的剩餘價值及可使用年期在每個結算日進行檢討，及在適當時調整。若資產的帳面值高於其估計可收回價值，其帳面值即時撇減至可收回金額。

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

恢復固定資產至其正常運作能力所產生的主要費用計入利潤表中。改善固定資產的有關開支則按其對本集團的估計可使用期限被資本化。

出售固定資產的收入或虧損是指銷售所得款項淨額與有關資產的帳面值之間的差額，並於損益表入賬。

2 Summary of significant accounting policies (Continued)

2.5 Property, plant and equipment (Continued)

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying value is greater than its estimated recoverable amount.

Construction in progress represents property, plant and equipment under construction or installation and is stated at cost. Cost comprises all direct costs of acquisition or construction of buildings and plant and machinery as well as interest expenses on the related funds borrowed during the construction. Construction in progress is transferred to property, plant and equipment upon completion.

Major costs incurred in restoring property, plant and equipment to their normal working condition are charged to the income statement. The expenses relating to improvements of property, plant and equipment are capitalised over their expected useful lives to the Group.

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

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

2 主要會計政策 (續)

2.6 土地使用權

土地使用權以經營租賃的方式取得，以成本減去累計攤銷和減值準備的淨值列示。該等經營租賃付款以直線法在租賃期內進行攤銷。

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

2.7 投資物業

投資物業為持有為獲得長期租金收益且並非由集團任何所屬公司佔用。

投資物業以成本減去累計折舊和減值準備的淨值列示。投資物業的折舊是以撇銷成本減去預計淨殘值和累計減值損失，以直線法在預計可使用年限 25 至 50 年之間計算。

如果一項物業、機器及設備(非臨時性)轉變其用途作為投資物業，按其淨值重分類為投資物業，反之亦然。

2 Summary of significant accounting policies (Continued)

2.6 Land use rights

Land use rights acquired are classified as operating lease, recorded at cost and presented net of accumulated amortisation and impairment provision. The prepaid lease payments are amortised on a straight-line basis over the lease period.

Amortisation of land use rights in relation to the tolls business is calculated to write off their cost, less accumulated impairment losses, if any, on a units-of-usage basis estimated based on the share of projected 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.

2.7 Investment property

Property that is held for long-term rental yields and that is not occupied by any of the companies within the Group, is classified as investment property.

Investment property is stated at cost less accumulated depreciation and impairment. Depreciation of investment property is calculated to write-off that cost, less estimated net residual value and accumulated impairment losses, if any, on a straight-line basis over estimated useful lives ranging from 25 to 50 years.

If an item of property, plant and equipment becomes an investment property because its use has changed (other than of temporary nature), it is reclassified as investment property at net book value and vice versa.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

2 主要會計政策 (續)

2.8 非財務資產減值

沒有確定使用年期或尚未可供使用之資產無需攤銷，但每年須就減值進行測試。各項資產，當有事件出現或情況改變顯示賬面值可能無法收回時就減值進行檢討。減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額以資產之公平值扣除銷售成本或使用價值兩者之間較高者為準。於評估減值時，資產按可分開識別現金流量（現金產生單位）的最低層次組合。除商譽外，已蒙受減值的非財務資產在每個資產負債表日均就減值是否可以撥回進行檢討。

2.9 財務資產

本集團將其財務資產分類為以下類別：

- **貸款及應收款**

貸款及應收款為有固定或可釐定付款且沒有在活躍市場上報價的非衍生財務資產。此等項目包括在流動資產內，但若到期日由結算日起計超過 12 個月者，則分類為非流動資產。貸款及應收款列在資產負債表中「貿易及其他應收款」內。

2 Summary of significant accounting policies (Continued)

2.8 Impairment of investments in subsidiaries, associates and non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each balance sheet date.

2.9 Financial assets

The Group classifies its financial assets in the following categories:

- **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are grouped under as trade receivable, other receivables and cash and bank balances.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

2 主要會計政策 (續)

2.9 財務資產 (續)

• 可供出售財務資產

可供出售財務資產為被指定作此類別或並無分類為任何其他類別之非衍生工具。除非管理層有意在結算日後12個月內出售該項投資，否則此等資產列在非流動資產內。可供出售財務資產初始按公允價值加交易費用確認，後續以公允價值列示。公允價值的變動在權益中確認，除非該可供出售財務資產被售出或減值。當分類為可供出售的證券售出或減值時，在權益中確認的累計公平值調整列入收益表內作為投資的盈虧。

對於沒有活躍市場的公允價值的可供出售財務資產，其公允價值不能被可靠計量，則在資產負債表日應以成本減去累計減值損失的淨值列示。

本集團在每個結算日評估是否有客觀證據證明某項財務資產或某組財務資產經已減值。

2 Summary of significant accounting policies (Continued)

2.9 Financial assets (Continued)

• Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Available-for-sale financial assets are initially recognised at fair value plus transaction costs and are subsequently carried at fair value. Changes in fair value are recognised in equity until the available-for-sale financial assets is sold or impaired. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement.

For available-for-sale equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are carried at cost less any accumulated impairment loss at balance sheet date.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

2 主要會計政策 (續)

2.10 存貨

存貨包括原材料、產成品及低值耗品且按成本及可變現淨值二者中較低者計價。

成本值按移動加權平均法核算。產成品和在產品成本包括原材料、直接人工及按正常生產能力下適當比例分攤的所有間接生產費用。可變現淨值為在通常業務過程中的估計銷售價，減適用的變動銷售費用。

2.11 貿易及其它應收款

貿易及其他應收款初步以公平值確認，其後利用實際利息法按攤銷成本扣除減值撥備計量。

當有客觀證據證明本集團將無法按應收款的原有條款收回所有款項時，即就貿易及其他應收款設定減值撥備。債務人之重大財務困難、債務人可能破產或進行財務重組，以及拖欠或逾期付款，均被視為是貿易應收款已減值的跡象。撥備金額為資產之賬面值與按原實際利率折現之估計未來現金流量之現值之差額。資產的賬面值透過使用備付賬戶削減，而有關的虧損數額則在收益表內確認。如一項貿易應收款無法收回，其會與貿易應收款內的備付賬戶撇銷。之前已撇銷的款項如其後收回，將撥回收益表內。

2 Summary of significant accounting policies (Continued)

2.10 Inventories

Inventories comprise raw materials, finished goods and other consumables and are stated at the lower of cost and net realisable value.

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

2.11 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When a trade or other receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited in the income statement.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

2 主要會計政策 (續)

2.12 現金及銀行結餘

現金及銀行結餘包括現金、銀行通知存款及原到期日為三個月或以下的其他短期高流動性投資。

2.13 股本

普通股被列為權益。直接歸屬於發行新股或認股權的新增成本在權益中列為所得款的減少(扣除稅項)。

2.14 貿易應付款

貿易應付款初步以公平值確認，其後利用實際利息法按攤銷成本計量。

2.15 借款

借款初步按公平值並扣除產生的交易成本確認。交易成本為取得、發行或出售某項財務資產或財務負債直接所佔的新增成本，包括支付予代理人、顧問、經紀和交易商的費用和佣金、監管機關及證券交易所的徵費，以及過戶和印花稅。借款其後按攤銷成本列賬；所得款(扣除交易成本)與贖回價值的任何差額利用實際利息法於借款期間內在損益表確認。

除非本集團有無條件權利將負債的結算遞延至結算日後最少12個月，否則借款分類為流動負債。

2 Summary of significant accounting policies (Continued)

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost using the effective interest method.

2.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

2 主要會計政策 (續)

2.16 可換股債券

可換股債券當持有人行使轉換權利時能轉換為權益性股本，轉換權利行使時股份發行的數量及轉換股份的價格不的變更，作為複合金融工具核算，包括債務部分及權益部分。

於初始確認時，可換股債券債務部分的價值用同等不含可轉換權利的債券的市場利率確定。剩餘發行額被分配到可轉換權利作為權益部分。與發行複合金融工具相關的交易費用按發行額分配的比例分別分攤到債務部分和權益部分。

債務部分以實際利率法計算的攤余成本作為後續計量，直至隨著轉股或到期的消失。權益部分扣除所得稅影響後確認為權益。

當債券發生轉換時，相關權益部分和債務部分於轉股時的帳面價值隨著股份的發行轉入股本或股本溢價。當債券發生贖回時，相關的權益部分轉為留存收益。

2.17 當期及遞延所得稅

當期所得稅支出根據本公司及其附屬公司及聯營公司營運及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

2 Summary of significant accounting policies (Continued)

2.16 Convertible bonds

Convertible bonds that can be converted to equity share capital at the option of the holders, where the number of shares that would be issued on conversion and the value of the consideration that would be received do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

At initial recognition, the liability component of the convertible bonds is determined using a market interest rate for an equivalent non-convertible bond. The remainder of the proceeds is allocated to the conversion option as equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation proceeds.

The liability component is subsequently carried at amortised cost, calculated using the effective interest method, until extinguished on conversion or maturity. The equity component is recognised in equity, net of any tax effects.

When the bond is converted, the relevant equity component and the carrying amount of the liability component at the term of conversion are transferred to share capital and share premium for the shares issued. When the bond is redeemed, the relevant equity component is transferred to retained earnings.

2.17 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the regions where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

2 主要會計政策 (續)

2.17 當期及遞延所得稅 (續)

遞延所得稅利用負債法就資產和負債的稅基與資產和負債在綜合財務報表的賬面值之差額產生的暫時差異全數撥備。遞延所得稅採用在結算日前已頒佈或實質頒佈之稅率釐定。

遞延所得稅項資產乃就有可能將未來應課稅盈利而就此可使用暫時性差異而確認。

遞延所得稅乃就附屬公司、聯營公司及共同控制實體之暫時性差異而撥備，但假若可以控制暫時差異之撥回時間，而暫時差異在可預見未來有可能不會撥回則除外。

當有法定可執行權力將現有稅項資產與稅務負債抵消，且遞延所得稅涉及同一財政機關，則可將遞延所得稅資產與負債互相抵消。

2.18 僱員福利

• 退休福利責任

本集團按月向中國各省市政府所組織的各類界定供款退休計畫供款。各省市政府承擔這些計畫中所有現在和未來退休職工的退休福利責任。此等計畫的供款於發生時作為費用支銷。

2 Summary of significant accounting policies (Continued)

2.17 Current and deferred income tax (Continued)

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

2.18 Employee benefits

• Retirement benefit obligation

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

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

2 主要會計政策 (續)

2.18 僱員福利 (續)

• 住房公積金

本集團按工資總額的一定比例且在不超过規定上限的基礎上提取住房公積金，並向社會保障機構繳納，相應的支出計入當期成本或費用。如果該項公積金沒有持有足夠的資產以支付所有僱員與當期或過往僱員服務期間有關的福利，本集團概無法律或推定的義務支付額外的供款。

2.19 收入確認

污水處理服務及自來水供水服務收益於提供服務時確認。

公路收費收入及從徵收辦取得的任何補償按權責發生制確認。

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，一般指貨物已發送到客戶同時所有權已轉移時確認。

利息收入於計及尚未償還的本金額及適用的利率後，按時間比例基準確認。

2 Summary of significant accounting policies (Continued)

2.18 Employee benefits (Continued)

• Housing fund

The Group provides housing fund based on certain percentage of the wages and with no more than the upper limit of the requirement. The housing fund is paid to government social security organisation and corresponding costs are expensed or included in the cost of sales for the current year. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefit relating to employee service in the current and prior periods.

2.19 Revenue recognition

Revenue from sewage water processing and provision of tap water is recognised when services are rendered.

Toll fee income and any compensation from the Toll Collection Office is recognised on accrual basis.

Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

2 主要會計政策 (續)

2.20 借貸成本

凡直接與購置、興建或生產某項資產(該資產必須經過頗長時間籌備以作預定用途或出售)有關之借貸成本，均資本化為資產之部分成本。

所有其他借貸成本均於發生年度內在損益表中支銷。

2.21 股息分派

向本公司股東分派的股息在股息獲本公司股東批准的期間內於本集團的財務報表內列為負債。

2.22 財務擔保合同

財務擔保合同是合同規定發行人(即擔保人)，使指定款項償付受益持有人的擔保(即持有人)按照該條款的債務工具，如髮生損失，在特定債務人未能付款時，由持有人承擔。

財務擔保合同是初始按其公平價值確認，在後來的測量中，在(i)初始確認金額減去累計攤銷與(ii)於資產負債表日由擔保人按要求的解除財務擔保合同所需的金額，選擇較高者。

2 Summary of significant accounting policies (Continued)

2.20 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset.

All other borrowing costs are charged to the income statement in the year in which they are incurred.

2.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.22 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary holder of the guarantee (i.e. the holder) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially recognised at their fair values, and subsequently measured at the higher of (i) the amount initially recognised less accumulated amortisation; and (ii) the amount required to be settled by the guarantor in respect of the financial guarantee contracts at the balance sheet date.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

3. 財務風險因素

(a) 財務風險因素

本集團的活動承受著多種的財務風險。本集團的整體風險管理計劃專注於尋求儘量減低對本集團財務表現的潛在不利影響。

外匯風險

由於本集團各附屬公司的運營及客戶都位於中國境內，其大部分運營資產及交易均採用人民幣結算，且本集團所有借款均以人民幣計價。因此，本集團無重大外匯風險。

現金流量及公平值利率風險

除銀行存款及借款外，本集團並無其他重大計息資產及負債。

本集團擁有重大的銀行借款。變動利率借款令本集團承受現金流量利率風險，而固定利率借款令本集團承受公平值利率風險。

3 Financial risk factors

(a) Financial risk factors:

The Group's activities expose it to a variety of financial risks. The Group's overall risk management seeks to minimise potential adverse effects on the financial performance of the Group.

Foreign currency risk:

The Group has no significant foreign currency risk as the operations and customers of the Group's subsidiaries are located in the PRC with most of the operating assets and transactions denominated and settled in Renminbi. All of the Group's borrowings are denominated in Renminbi.

Cash flow and fair value interest rate risk:

The Group has no significant interest-bearing assets and liabilities, other than bank deposits and borrowings.

The Group has significant bank borrowings. Those taken at variable rates expose the Group to cash flow interest-rate risk, whilst those taken at fixed rates expose the Group to fair value interest-rate risk.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

3. 財務風險因素 (續)

(a) 財務風險因素 (續)

現金流量及公平值利率風險 (續)

以下表格反應了本集團及本公司的利率風險。包含在以下表格中的資產和負債為帳面價值以到期日分類：

3 Financial risk factors (Continued)

(a) Financial risk factors: (Continued)

Cash flow and fair value interest rate risk: (Continued)

The table below sets out the Group's and the Company's exposure to interest rate risks. Included in the tables are the assets and liabilities at carrying amounts, categorised by the maturity dates.

(人民幣千元)	(Rmb '000)	集團 The Group				公司 The Company		
		固定利率 Fixed	浮動利率 Floating	無息 Non- interest bearing	合計 Total	固定利率 Fixed	浮動利率 Floating	合計 Total
2007年12月31日	At 31 December 2007							
資產	Assets							
現金及銀行結餘	Cash and bank balances	9,000	330,971	—	339,971	—	86,633	86,633
負債	Liabilities							
流動借款	Current borrowings	132,727	471,250	106,135	710,112	132,727	389,000	521,727
非流動借款	Non current borrowings	305,273	1,488,250	—	1,793,523	305,273	877,000	1,182,273
2006年12月31日	At 31 December 2006							
資產	Assets							
現金及銀行結餘	Cash and bank balances	5,000	728,744	—	733,744	—	607,136	607,136
負債	Liabilities							
流動借款	Current borrowings	507,364	299,250	91,900	898,514	492,364	274,000	766,364
非流動借款	Non current borrowings	163,636	1,994,344	—	2,157,980	163,636	1,445,844	1,609,480

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

3. 財務風險因素 (續)

(a) 財務風險因素 (續)

現金流量及公平值利率風險 (續)

在二零零七年十二月三十一日，假若銀行借款利率高出／低了1%，而所有其他因素維持不變，則該年度的除稅後盈利應低了／高出人民幣1,700萬元（二零零六年：人民幣1,000萬元）。

本集團亦考慮利用再融資、現有持倉的續訂及其他可採用的融資等方案分析其利率風險。

信貸風險

信貸風險來自現金及銀行存款亦有來自客戶的信用風險。

本集團對銀行存款的信用風險管理，是把它的大部分現金及銀行結餘存儲在中華人民共和國境內的國有／上市銀行。該集團一直沒有任何由於這些銀行引起的重大的損失並且管理層預期未來也不會發生此等情況。

對貿易應收款的信用風險，是集中於少數客戶，所有這些客戶都是中華人民共和國政府機構。因此，管理層認為風險是有限的。

本公司的最大信用風險包括財務資產的帳面價值，以及其增加了的已知的為其附屬公司提供的財務擔保合同（附註30）。

3 Financial risk factors (Continued)

(a) Financial risk factors: (Continued)

Cash flow and fair value interest rate risk: (Continued)

At 31 December 2007, if interest rates on bank borrowings had been 1% higher/lower with all other variables held constant, profit for the year would have been lower/higher by Rmb17 million (2006: Rmb10 million).

The Group also analyses its interest rate exposure monthly by considering refinancing, renewal of existing positions and alternative financing.

Credit risk:

Credit risk arises from deposits with banks and credit exposures to customers.

The Group manages credit risk on bank deposits by placing the majority of its cash and bank balances with state owned/ listed banks in the PRC. The Group has not had any significant loss arising from non-performance by these parties in the past and management does not expect so in the future.

The credit risk on trade receivables is concentrated on a few customers, all of which are PRC government bodies. Thus, management considers that the risk is limited.

The maximum credit risk of the Company includes the carrying value of its financial assets on books and is increased by the notional amount of financial guarantees issued for its subsidiaries (Note 30).

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

3. 財務風險因素 (續)

(a) 財務風險因素 (續)

流動資金風險

本集團對於流動性風險的管理依據公司滾動的現金預算來進行，公司的現金預算包括滾動的3-5年長期的規劃和滾動的未來12個月的按月份的詳細計劃。長期規劃會每年年初更新。另外，公司會每月依據營運資金需求和項目資金需求(含新、舊項目)以及現金收入預計更新滾動現金預算表以確定未來12個月內公司是否有足夠的現金支持。

對於新項目，公司一般會從外部融資60%左右，並會在項目可行性研究階段評價項目的收益是否能償付融資成本並為股東帶來合理收益。

本集團的財務負債(包含利息)按照按照相關的到期組別，在其資產負債表日到到期日的剩餘時間分析，其合約性未貼現的現金流量如下：

		1年以內 Less than 1 year 人民幣千元 Rmb'000	1年到2年 Between 1 and 2 years 人民幣千元 Rmb'000	2年到5年 Between 2 and 5 years 人民幣千元 Rmb'000	5年以上 Over 5 years 人民幣千元 Rmb'000	合計 Total 人民幣千元 Rmb'000
2007年12月31日	At 31 December 2007					
長期銀行借款	Long-term bank borrowings	445,322	318,225	1,026,038	414,594	2,204,179
長期應付款	Long-term payables	34,363	—	—	154,637	189,000
貿易及其他應付款	Trade and other payables	169,008	—	—	—	169,008
		<u>648,693</u>	<u>318,225</u>	<u>1,026,038</u>	<u>569,231</u>	<u>2,562,187</u>
2006年12月31日	At 31 December 2006					
長期銀行借款	Long-term bank borrowings	105,326	302,216	499,731	919,850	1,827,123
可換股債券	Convertible bonds	374,844	—	—	—	374,844
長期應付款	Long-term payables	17,182	—	—	171,818	189,000
貿易及其他應付款	Trade and other payables	202,827	—	—	—	202,827
		<u>700,179</u>	<u>302,216</u>	<u>499,731</u>	<u>919,850</u>	<u>1,827,123</u>

3 Financial risk factors (Continued)

(a) Financial risk factors: (Continued)

Liquidity risk:

The Group manages its liquidity risk based on a rolling working capital forecast which comprises a 3-5 year long term plan and a 12 months monthly working capital forecast. The long term plan is reviewed annually and the monthly working capital forecast is prepared based on daily operating needs and capital expenditure requirement from new and existing projects.

Generally, approximately 60% of budgeted capital expenditure for new projects is projected for external financing. One of the considerations for management to assess the feasibility of new projects is whether the return can cover the cost of the project external financing and provide a reasonable return to the shareholders.

The Group's financial liabilities (inclusive of interests) are analysed into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date, using the contracted undiscounted cash flows, as follows:

(除非特別指明所有金額單位均為人民幣千元)
 (All amounts in RMB thousand unless otherwise stated)

3. 財務風險因素 (續)

(b) 資金風險管理

對於資本風險的管理，本集團管理層認為，資本包括實收資本，由權益持有人及銀行融資。該集團的目標是對於資本的管理，是為了維護其能否繼續作為一個持續經營，以提供回報給股本持有人。

本集團主動並定期地復核及管理其資本結構，以確保最理想的資本結構及股東回報，並考慮到本集團未來資本的需求及資本的效率、預期運營的現金流量、預期的資本性開支及預期戰略投資機會等。

本集團的策略為致力將負債比率維持在 40% 至 50% 之間。本集團負債比率如下：

總借款
 減：現金及現金等價物

債務淨額

總權益

總資本

負債比率

(c) 公平值估計

公允價值的金融負債披露的目的是估計貼現未來合約的現金流量，在目前市場利率是提供給集團就類似金融工具。

3 Financial risk factors (Continued)

(b) Capital risk management

In managing its capital risk, management considers capital to include paid up capital from equity holders and borrowings. The Group's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for equity holders.

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

The Group's strategy is to maintain a gearing ratio of about 40% - 50%. The gearing ratio of the Group is as follows:

	於 12 月 31 日	
	As at 31 December	
	2007	2006
	人民幣千元	人民幣千元
	Rmb'000	Rmb'000
Total borrowings	2,503,635	3,056,494
Less: Cash and cash equivalents	(324,971)	(718,744)
Net debt	2,178,664	2,337,750
Total equity	3,008,038	2,502,969
Total capital	5,186,702	4,840,719
Gearing ratio	42%	48%

(c) Fair value estimation

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

4. 關鍵會計估算及假設

估算和判斷會被持續評估，並根據過往經驗和其他因素進行評價，包括在有關情況下相信為合理的對未來事件的預測。

本集團對未來作出估算和假設。所得的會計估算如其定義，很少會與其實際結果相同。很大機會導致下個財政年度的資產和負債的帳面值作出重大調整的估算和假設是與貿易及其他應收款的減值有關。

本集團根據單項應收款項餘額存在減值的客觀證據和歷史壞賬損失情況確定壞賬準備。管理層確信截至2007年12月31日的應收款項不存在減值。

5 營業額及分部資料

以下為按主要業務劃分的營業額及業績分析：

(a) 本集團的營業額及其它收入分析：

營業額 (附註5(b))	Revenue (Note 5(b))	2007	2006
		981,028	807,381
其他收入	Other income		
- 補貼收入	- Subsidy income	2,340	8,000
- 投資物業租金收入	- Rental income from investment property	9,771	2,174
		12,111	10,174
總收入	Total	993,139	817,555

4 Critical accounting estimate and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Group's principle estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year is in relation to impairment of trade and other receivables.

The Group determines the impairment of trade and other receivables based on objective evidence of impairment and historical loss experience of the respective individual balances. Management believes that trade and other receivables as at 31 December 2007 are not impaired.

5 Revenue and segment information

An analysis of sales and contributions to operating profit for the year by principal activities is as follows:

(a) Analysis of the Group's turnover and other income

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

5 營業額及分部資料 (續)

(b) 主要業務營業額及業績分析

營業額
污水處理 (附註 1(b))
道路及收費站 (註釋(i))
自來水供水
中水處理及管道接駁
建築材料

分部業績
污水處理
道路及收費站
自來水供水
中水處理及管道接駁
建築材料
其他

應佔聯營公司利潤 (附註 9)

除所得稅前盈利
所得稅費用

稅後盈利

註釋：

- (i) 通行費收入人民幣7,000萬元為通行費委託徵收協議規定的最低通行費收入(2006：人民幣6,600萬元)(附註1(c))。
- (ii) 根據中國稅法，本集團的經營業務須繳納按經營收益5%計算的營業稅及按營業稅款10%計算的政府附加稅。截至2007年12月31日止年度的營業稅及政府附加稅為人民幣4,400萬元(2006年：人民幣3,700百萬元)。

5 Revenue and segment information (Continued)

(b) Business segment analysis

	2007	2006
Revenue		
Sewage water processing (Note 1(b))	853,080	684,446
Tolls (note(i))	69,760	65,890
Tap water processing	27,879	31,128
Water recycling and pipeline connection	28,671	23,764
Construction materials	1,638	2,153
	<u>981,028</u>	<u>807,381</u>
Segment result		
Sewage water processing	243,058	196,558
Tolls	36,896	42,211
Tap water processing	(5,988)	(2,758)
Water recycling and pipeline connection	(183)	760
Construction materials	(6,623)	(12,484)
Others	4,612	7,245
	<u>271,772</u>	<u>231,532</u>
Share of profit of an associate (Note 9)	3,187	4,474
Profit before taxation	274,959	236,006
Taxation	(92,387)	(79,572)
Net profit after tax	<u>182,572</u>	<u>156,434</u>

Note:

- (i) The tolls income of Rmb70 million represented the minimum toll fee guaranteed under the Toll Fee Collection Subcontracting Agreement (2006: Rmb66 million) (Note 1(c)).
- (ii) Pursuant to the PRC tax rules, the Group is subject to PRC business tax levied at 5% of operating revenue and government surcharges levied at 10% of the amount of business tax. The business tax and government surcharges related to revenues derived from the Group during the year ended 31 December 2007 amounting to Rmb44 million (2006: Rmb37 million).

(除非特別指明所有金額單位均為人民幣千元)
 (All amounts in RMB thousand unless otherwise stated)

5 營業額及分部資料 (續)

**(b) 主要業務營業額及業績分析
 (續)**

其他在損益表列賬的分部項目如下：

折舊
 污水處理
 道路及收費站
 自來水供水
 中水處理和管道接駁
 銷售建築材料
 其他

攤銷
 污水處理
 道路及收費站
 銷售建築材料
 其他

資產減值
 銷售建築材料

5 Revenue and segment information (Continued)

(b) Business segment analysis (Continued)

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

	2007	2006
Depreciation		
Sewage water processing	136,822	89,234
Tolls	8,453	3,453
Tap water processing	10,093	9,176
Water recycling and pipeline connection	7,851	7,414
Sale of construction materials	902	2,123
Others	9,715	8,137
	<u>173,836</u>	<u>119,537</u>
Amortisation		
Sewage water processing	18,644	14,634
Tolls	4,373	4,266
Sale of construction materials	39	85
Others	860	817
	<u>23,916</u>	<u>19,802</u>
Impairment		
Sale of construction materials	5,240	7,760
	<u>5,240</u>	<u>7,760</u>

(除非特別指明所有金額單位均為人民幣千元)
 (All amounts in RMB thousand unless otherwise stated)

5 營業額及分部資料 (續)

(b) 主要業務營業額及業績分析
 (續)

於十二月三十一日的分部資產和負債以及截至該日止年度的資本開支如下：

總資產
 污水處理
 道路及收費站
 自來水供水
 中水處理和管道接駁
 建築材料
 聯營公司 (附註 9)
 未分部

總負債
 污水處理
 道路及收費站
 自來水供水
 中水處理和管道接駁
 建築材料
 未分部

資本開支
 污水處理
 自來水供水
 中水處理
 建築材料
 未分部

5 Revenue and segment information (Continued)

(b) Business segment analysis (Continued)

The segment assets and liabilities as at 31 December and capital expenditure for the year then ended are as follows:

	2007	2006
Total assets		
Sewage water processing	4,579,507	4,712,314
Tolls	312,430	323,397
Tap water processing	234,957	242,630
Water recycling and pipeline construction	425,947	296,891
Construction materials	3,149	33,845
Associate (Note 9)	63,979	61,660
Unallocated	266,703	211,722
	<u>5,886,672</u>	<u>5,882,459</u>
Total liabilities		
Sewage water processing	2,377,638	2,976,306
Tolls	12,149	17,020
Tap water processing	149,478	152,790
Water recycling and pipeline construction	323,979	212,752
Construction materials	2,136	12,922
Unallocated	13,254	7,700
	<u>2,878,634</u>	<u>3,379,490</u>
Capital expenditure		
Sewage water processing	118,629	821,028
Tap water processing	946	236,149
Water recycling	41,882	57,065
Construction materials	—	1,191
Unallocated	4,213	13,864
	<u>165,670</u>	<u>1,129,297</u>

由於本集團所有的業務均在中國發生，故未編製分地區業績報告。

No geographical segment analysis is presented since all of the Group's operations are in the PRC.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

6. 物業、機器及設備

6 Property, plant and equipment

(a) 集團

(a) Group

		道路 Road	房屋及 建築物 Buildings and structures (註釋(i)) (Note (i))	機器設備 Machinery and equipment	運輸車輛 及其它 Motor vehicles and others	在建工程 in progress ("CIP") (註釋(c)) (Note (c))	合計 Total
成本	Cost						
於2006年1月1日	At 1 January 2006	185,418	842,933	294,688	108,802	1,554,674	2,986,515
增添	Additions	—	499,771	256,579	11,645	211,662	979,657
從投資物業轉入 (附註7)	Transfer from investment properties (Note 7)	—	1,907	—	—	—	1,907
轉移	Transfers	—	1,289,730	57,826	3,362	(1,350,918)	—
出售	Disposals	—	(404)	(96)	(4,830)	—	(5,330)
於2006年12月31日	At 31 December 2006	185,418	2,633,937	608,997	118,979	415,418	3,962,749
重分類	Reclassification	—	(15,291)	15,291	—	—	—
增添	Additions	—	9,698	6,971	7,454	140,601	164,724
從土地使用權轉入 (附註8)	Transfer from land use right (Note 8)	—	7,735	—	—	—	7,735
轉出至投資物業 (附註7)	Transfer to investment properties (Note 7)	—	(23,746)	—	—	—	(23,746)
轉移	Transfers	—	358,505	2,974	1,410	(362,889)	—
出售	Disposals	—	(37)	(6,767)	(3,317)	—	(10,121)
於2007年12月31日	At 31 December 2007	185,418	2,970,801	627,466	124,526	193,130	4,101,341
累計折舊	Accumulated depreciation						
於2006年1月1日	At 1 January 2006	(42,901)	(311,869)	(153,218)	(47,837)	—	(555,825)
本年度折舊	Charge for the year	(3,453)	(78,999)	(23,988)	(10,701)	—	(117,141)
出售	Disposals	—	—	88	2,737	—	2,825
於2006年12月31日	At 31 December 2006	(46,354)	(390,868)	(177,118)	(55,801)	—	(670,141)
重分類	Reclassification	—	221	(221)	—	—	—
本年度折舊	Charge for the year	(8,453)	(110,865)	(40,541)	(11,274)	—	(171,133)
轉出至投資物業 (附註7)	Transfer to investment properties (Note 7)	—	2,792	—	—	—	2,792
出售	Disposals	—	—	1,134	2,457	—	3,591
於2007年12月31日	At 31 December 2007	(54,807)	(498,720)	(216,746)	(64,618)	—	(834,891)
減值損失	Impairment						
於2006年1月1日	At 1 January 2006	—	—	—	—	—	—
本年度減值損失	Charge for the year	—	—	(3,760)	—	—	(3,760)
於2006年12月31日	At 31 December 2006	—	—	(3,760)	—	—	(3,760)
本年度減值損失	Charge for the year	—	—	(308)	(932)	—	(1,240)
於2007年12月31日	At 31 December 2007	—	—	(4,068)	(932)	—	(5,000)
賬面淨值	Net book value						
於2007年12月31日	At 31 December 2007	130,611	2,472,081	406,652	58,976	193,130	3,261,450
於2006年12月31日	At 31 December 2006	139,064	2,243,069	428,119	63,178	415,418	3,288,848

(除非特別指明所有金額單位均為人民幣千元)
 (All amounts in RMB thousand unless otherwise stated)

6. 物業、機器及設備 (續)

6 Property, plant and equipment (Continued)

(b) 公司

(b) Company

		道路 Road	房屋及 建築物 Buildings and structures (註釋 (i)) (Note (i))	機器設備 Machinery and equipment	運輸車輛 及其它 Motor vehicles and others	在建工程 in progress ("CIP") (註釋 (c)) (Note (c))	合計 Total
成本	Cost						
於 2006 年 1 月 1 日	At 1 January 2006	185,418	662,546	201,625	74,486	1,475,279	2,599,354
增添	Additions	—	11,337	2,143	2,210	109,526	125,216
從投資物業轉入 (附註 7)	Transferred from investment property (Note 7)	—	1,907	—	—	—	1,907
轉移	Transfers	—	1,279,279	610	2,397	(1,282,286)	—
出售	Disposals	—	—	(96)	(3,335)	—	(3,431)
於 2006 年 12 月 31 日	At 31 December 2006	185,418	1,955,069	204,282	75,758	302,519	2,723,046
重分類	Reclassification	—	1,629	(1,629)	—	—	—
增添	Additions	—	—	175	4,705	88,943	93,823
轉移	Transfers	—	357,784	2,159	1,262	(361,205)	—
出售	Disposals	—	—	—	(1,724)	—	(1,724)
於 2007 年 12 月 31 日	At 31 December 2007	185,418	2,314,482	204,987	80,001	30,257	2,815,145
累計折舊	Accumulated depreciation						
於 2006 年 1 月 1 日	At 1 January 2006	(42,901)	(304,433)	(141,266)	(39,830)	—	(528,430)
本年度折舊	Charge for the year	(3,453)	(65,311)	(9,119)	(6,382)	—	(84,265)
出售	Disposals	—	—	89	2,333	—	2,422
於 2006 年 12 月 31 日	At 31 December 2006	(46,354)	(369,744)	(150,296)	(43,879)	—	(610,273)
重分類	Reclassification	—	(59)	59	—	—	—
本年度折舊	Charge for the year	(8,453)	(87,540)	(8,977)	(6,318)	—	(111,288)
出售	Disposals	—	—	—	1,554	—	1,554
於 2007 年 12 月 31 日	At 31 December 2007	(54,807)	(457,343)	(159,214)	(48,643)	—	(720,007)
賬面淨值	Net book value						
於 2007 年 12 月 31 日	At 31 December 2007	130,611	1,857,139	45,773	31,358	30,257	2,095,138
於 2006 年 12 月 31 日	At 31 December 2006	139,064	1,585,325	53,986	31,879	302,519	2,112,773

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

6. 物業、機器及設備 (續)

(b) 公司 (續)

註釋：

- (i) 本集團的所有道路、房屋及建築物和廠房均位於中國境內，租期為10到50年。
- (ii) 折舊費用人民幣162,000,000元(2006年：人民幣108,000,000元)在銷售成本中支銷，而人民幣9,000,000元(2006年：人民幣9,000,000元)則計入行政費用中。
- (iii) 於2007年12月31日，本公司之附屬公司天津中水有限責任公司之物業、機器及設備帳面淨值約為人民幣2.05億元(2006年：人民幣1.87億元)。儘管該附屬公司持續虧損，截至2007年12月31日止，累計虧損約為人民幣15百萬元。鑒於中水業務為中國政府鼓勵之產業，董事認為當前無此類資產計提減值準備之因素。
- (iv) 價值為人民幣476,000,000元(2006年：人民幣494,000,000元)的若干土地及樓宇所有權包括物業、廠房及設備；投資物業(附註7)及土地使用權(附註8)有待或現正轉至本集團。由於該等資產由合法買賣協議支援，故本公司董事相信，將會由適當時候取得所有權而無須支付額外龐大費用。
- (v) 樓宇及建築物及在建工程包括管道網路於2007年12月31日的帳面價值分別約為人民幣720百萬元及人民幣42百萬元(2006年：人民幣519百萬元和人民幣231百萬元)。

6 Property, plant and equipment (Continued)

(b) Company (Continued)

Note:

- (i) All of the Group's road, buildings and structures are located in the PRC and held on medium term leases of 10 to 50 years.
- (ii) The Group's depreciation expense of Rmb 162 million (2006: Rmb108 million) has been included in cost of sales and Rmb9 million (2006: Rmb9 million) in administrative expenses.
- (iii) Of the Group's net book value of property, plant and equipment as at 31 December 2007, about Rmb205 million (2006: Rmb187 million) relates to the Company's subsidiary, Tianjin Water Recycling Co. Ltd., which has been incurring losses since commencement of its operations. As at 31 December 2007, the accumulated loss is approximately Rmb15 million. However, given the promising prospects of water recycling industry as encouraged by the PRC government, the Directors believe there is no indication at the current stage that these assets may be permanently impaired.
- (iv) Ownership of certain land and buildings included in property, plant and equipment, investment properties (Note 7) and land use rights (Note 8) with cost of Rmb476 million (2006: Rmb494 million) has yet to be or is in the process of being transferred to the Group. As these assets are supported by legal sale and purchase agreements, the Directors believe that the titles will be received in due course without additional significant cost to the Group, if any.
- (v) Buildings and structures and CIP include pipeline networks with carrying value of approximately Rmb 720 million and Rmb42 million respectively as at 31 December 2007 (2006: Rmb519 million and Rmb231 million).

(除非特別指明所有金額單位均為人民幣千元)
 (All amounts in RMB thousand unless otherwise stated)

6. 物業、機器及設備 (續)

6 Property, plant and equipment (Continued)

(c) 在建工程包括項目如下：

(c) Construction in progress comprised of the following projects:

		於 2007 年 1 月 1 日 As at 1 January 2007	增添 Additions	轉出至物業、 機器及設備 Transfer to property, plant and equipment	於 2007 年 12 月 31 日 As at 31 December 2007
在天津的中水處理廠：	Water recycling plant in Tianjin:				
- 東郊	- Dong Jiao	—	15,344	—	15,344
- 北辰	- Bei Chen	503	14,136	—	14,639
在天津的 污水處理廠	Sewage water processing plants in Tianjin:				
- 紀莊子、北倉及 咸陽路	- Ji Zhuang Zi, Bei Cang and XianYang Lu	297,963	57,855	(355,818)	—
其他	Others	4,053	1,608	(5,387)	274
合計 — 公司	Total – Company	302,519	88,943	(361,205)	30,257
在天津的中水處理廠	Water recycling plant in Tianjin:				
- 咸陽路	- Xian Yang Lu	73,112	12,265	(134)	85,243
在天津以外的 污水處理廠：	Sewage water processing plant outside Tianjin:				
- 赤壁	- Chi Bi	37,583	39,359	—	76,942
其他	Others	2,204	34	(1,550)	688
合計 — 集團	Total – Group	415,418	140,601	(362,889)	193,130
包括：資本化的 借貸成本	Including: Capitalised borrowing costs				
- 公司	-Company	16,114	—	(16,114)	—
- 集團	-Group	18,059	4,227	(18,032)	4,254

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

7 投資物業

7 Investment properties

		集團 Group	
		2007	2006
年初結餘	Beginning of the year	113,925	93,411
增添：	Add:		
從物業、廠房及 設備轉入 (附註 6)	Transfer from property, plant and equipment (Note 6)	20,954	—
代替現金支付 貿易應收款 (註釋(a))	Settlement of trade receivable in lieu of cash (note (a))	10,412	16,314
其他增添	Other addition	—	10,754
		31,366	27,068
減去：	Less:		
轉出至物業、廠房及設備 (附註 6)	Transfer to property, plant and equipment (Note 6)	—	(1,907)
轉出至土地使用權 (附註 8)	Transfer to land use rights (Note 8)	—	(2,251)
		—	(4,158)
本年折舊	Depreciation charge	(2,703)	(2,396)
本年減值損失	Impairment	(5,000)	—
年末結餘	End of the year	<u>137,588</u>	<u>113,925</u>
		公司 Company	
		2007	2006
年初結餘	Beginning of the year	97,611	93,411
其他增添	Other addition	—	10,754
減去：	Less:		
轉出至物業、廠房 及設備 (附註 6)	Transfer from property, plant and equipment (Note 6)	—	(1,907)
轉出至土地使用權 (附註 8)	Transfer to land use rights (Note 8)	—	(2,251)
		—	(4,158)
本年折舊	Depreciation charge	(2,306)	(2,396)
年末結餘	End of the year	<u>95,305</u>	<u>97,611</u>

(除非特別指明所有金額單位均為人民幣千元)
 (All amounts in RMB thousand unless otherwise stated)

7 投資物業 (續)

註釋：

- (a) 截至2007年12月31日成本為人民幣26百萬元的若干物業已轉入本集團作為代替現金支付貿易應收款。根據該等位於天津的物業目前的市場價格，董事認為物業於2007年12月31日的公平市值約為人民幣36百萬元。
- (b) 該公司的投資物業指本集團位於中國的辦公室大樓租予第三方部份所佔的成本。根據一份獨立專業估值報告，該辦公室大樓於2007年12月31日的公平值約為人民幣169百萬元，而其成本為人民幣167百萬元。

7 Investment properties (Continued)

Note:

- (a) The balance as at 31 December 2007 includes certain properties with cost of RMB 26 million transferred to the Group by a debtor as settlement of trade receivable in lieu of cash. Based on the prevailing market price of these properties located in Tianjin, the Directors believe that their fair market value as at 31 December 2007 is approximately Rmb36 million.
- (b) The Company's investment property represents the apportioned cost of its office building located in Tianjin leased to third parties. The fair value of the entire office building at 31 December 2007 based on independent professional valuation report was approximately Rmb169 million against cost of Rmb167 million.

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8 土地使用權

本集團在土地使用權的權益指預付營運租賃款，按其帳面淨值分析如下：

於2006年1月1日	於2007年1月1日
本年增添	轉出至物業、廠房及設備 (附註6)
從投資物業轉入 (附註7)	本年攤銷
本年攤銷	
	於2007年12月31日

本集團的所有土地使用權均位於中國境內，租期為10到50年。

8 Land use rights

The Group's and Company's interests in land use rights represent prepaid operating lease payments and their carrying values are analysed as follows:

	集團 Group	公司 Company
As at 1 January 2006	595,762	591,985
Additions for the year	122,572	—
Transferred from investment properties (Note 7)	2,251	2,251
Amortisation charge for the year	(16,119)	(15,495)
As at 1 January 2007	704,466	578,741
Transfer to property, plant and equipment (Note 6)	(7,735)	—
Amortisation charge for the year	(19,819)	(15,382)
As at 31 December 2007	676,912	563,359

All of the Group's and Company's land use rights are located in the PRC and are held on medium term leases of 10 to 50 years.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

9 投資聯營公司

年初結餘
收購
所佔利潤
所得稅費用
收到的股利

年末

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。聯營公司的財務狀況的詳情如下：

總資產
總負債
營業額
淨利潤

9 Investment in an associate

	2007	2006
Beginning of the year	61,660	—
Acquisition	—	57,186
Share of profit	5,261	6,481
Share of taxation	(2,074)	(2,007)
Dividends received	(868)	—
	<u>63,979</u>	<u>61,660</u>

The Group has a 45% interest in an unlisted associate, Tianjin International Machinery Co., Ltd, incorporated in Tianjin, PRC. The Group's share of assets, liabilities, revenue and results of the associate are as follows:

	2007	2006
Total assets	174,163	106,655
Total liabilities	106,623	48,242
Revenue	471,700	459,248
Net profit	<u>3,989</u>	<u>4,027</u>

10 可供出售財務資產

於本集團的同系附屬公司
的非上市權益性投資

Unquoted equity investments in
the Group's fellow subsidiaries

由於這些投資的公允價值不能被可靠計量，因為可能的公允價值的估計範圍很寬且不能合理評估估計範圍內的各種可能性，這些投資以成本減去累計減值損失的淨值列示。董事們認為在這種情況下，也不可能披露一個公允價值落在的估計範圍。

10 Available-for-sale financial assets

集團 Group		公司 Company	
2007	2006	2007	2006
<u>4,000</u>	<u>6,000</u>	<u>4,000</u>	<u>4,000</u>

As the fair value of these investments cannot be measured reliably because the range of possible fair value estimates is wide and the probabilities of the various estimates within the range cannot be reasonably assessed, the investment is stated at cost less impairment. The Directors are of the view that under such circumstances, it is also not possible to disclose the range of estimates within which a fair value is highly likely to lie.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

11 其他非流動資產

11 Other non-current assets

		集團		公司	
		Group		Company	
		2007	2006	2007	2006
受限銀行存款 (註釋(a))	Restricted bank deposits (note (a))	19,770	40,067	19,770	40,067
阜陽項目預付款 (註釋(b))	Prepayment for Fuyang project (note (b))	94,921	98,321	—	—
其他	Others	4,007	3,758	755	—
		<u>118,698</u>	<u>142,146</u>	<u>20,525</u>	<u>40,067</u>

附註：

Notes:

(a) 2006年的存款指存放於金融機構作為發行本公司的可轉換債券擔保的抵押品 (附註 24)，該存款隨著 2007 年可換股債券的轉股和贖回已全部被解凍，而 2007 年的存款指的是一年以上工程保證金。這些存款的變動如下：

(a) The 2006 deposits represent collateral deposited with a financial institution as security for the issuance of the Company's convertible bonds (Note 19), which were released upon full conversion and redemption during 2007. The 2007 deposits represent deposits for new project bids due over one year. The movement of these deposits is as follows:

		2007	2006
年初結餘	Beginning of year	40,067	40,067
增添：工程保證金	Deposits for new project bids	19,770	—
隨可換股債券的轉股和贖回而解凍	Release upon conversion and redemption of convertible bonds	(40,067)	—
年末結餘 (附註 16)	End of year (Note 16)	<u>19,770</u>	<u>40,067</u>

(b) 根據 2005 年 12 月 28 日訂立的協議，本集團已取得經營中國阜陽市污水處理廠資產 (「阜陽項目」) 的權利，對價為人民幣 1.02 億元，由 2005 年 12 月 18 日生效，為期 30 年。預付阜陽項目款項的變動如下：

(b) Pursuant to an agreement dated 18 December 2005, the Group obtained the right to operate the sewage plant in Fuyang, PRC ("Fuyang project") for a consideration of Rmb102 million over a term of 30 years effective 18 December 2005. Movements of this prepaid operating right are as follows:

		2007	2006
年初結餘	Beginning of year	98,321	40,802
本年度支付	Payment during year	—	61,202
攤銷	Amortisation	(3,400)	(3,683)
年末結餘	End of year	<u>94,921</u>	<u>98,321</u>

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

12 投資附屬公司

12 Investments in subsidiaries

本公司於非上市投資的變動如下：

The movement of the Company's investments in unlisted investments is as follows:

		2007	2006
按成本：	At cost:		
年初結餘	Beginning of the year	692,751	450,380
增添	Additions	50,000	242,371
本年度減值損失（註釋）	Impairment charge (note)	(22,000)	—
年末結餘	End of the year	720,751	692,751

註釋：

Note:

截止2007年12月31日，對本集團一家附屬公司投資所計提的減值準備約為人民幣22,000,000元（2006年：無）。

Provision for interest in a subsidiary of approximately Rmb22 million as at 31 December 2007 (2006: Nil) represents the estimated impairment of the Group's interest in a subsidiary.

於2007年12月31日之附屬公司的資料如下，所有的附屬公司均為有限責任公司：

Particulars of the significant subsidiaries at 31 December 2007, all of which are limited liability companies, are as follows:

附屬公司名稱 Name of subsidiary	主要業務 Principal activities	實收資本 人民幣百萬元 Paid-up capital (In million)	所持權益 Interest held (%)
於中國註冊成立： Incorporated in the PRC:			
杭州天創水務有限公司 Hangzhou Tianchuang Water Co., Ltd.	污水處理 Sewage water processing	人民幣 Rmb257	70
曲靖創業水務有限公司 Qujing Capital Water Co., Ltd.	污水處理 Sewage water processing	人民幣 Rmb120	90
貴州創業水務有限公司 Guizhou Capital Water Co., Ltd.	污水處理 Sewage water processing	人民幣 Rmb100	95
阜陽創業水務有限公司 Fuyang Capital Water Co., Ltd.	污水處理 Sewage water processing	人民幣 Rmb45	99.9

(除非特別指明所有金額單位均為人民幣千元)
 (All amounts in RMB thousand unless otherwise stated)

12 投資附屬公司 (續)

12 Investments in subsidiaries (Continued)

附屬公司名稱 Name of subsidiary	主要業務 Principal activities	實收資本 人民幣百萬元 Paid-up capital (In million)	所持權益 Interest held (%)
赤壁創業水務有限公司 Chibi Capital Water Co., Ltd.	污水處理 Sewage water processing	人民幣 Rmb35	99.75
寶應創業水務有限公司 Baoying Capital Water Co., Ltd.	污水處理 Sewage water processing	人民幣 Rmb38	70
洪湖創業水務有限公司 Honghu Capital Water Co., Ltd.	污水處理 Sewage water processing	人民幣 Rmb20	90
文登創業水務有限公司 Wendeng Capital Water Co., Ltd.	污水處理 Sewage water processing	人民幣 Rmb48	100
天津靜海創業水務有限公司 Tianjin Jinghai Capital Water Co., Ltd.	污水處理 Sewage water processing	人民幣 Rmb2	100
天津中水有限責任公司 Tianjin Water Recycling Co., Ltd.	中水生產 Production of recycled water	人民幣 Rmb100	98
天津創業建材有限公司 Tianjin Capital New Materials Co., Ltd.	新型建築材料的製造 Manufacture of new types of constration materials	人民幣 Rmb38	71
於香港註冊成立： Incorporated in Hong Kong:			
天津創業環保(香港)有限公司 Tianjin Capital Environmental Protection (HK) Co., Ltd.	投資控股 Investment holding	每股面值 1 美金的 780 萬普通股 7.8 million ordinary shares of US\$ 1 each	100

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

13 存貨

13 Inventories

		集團 Group		公司 Company	
		2007	2006	2007	2006
原材料	Raw materials	5,186	4,233	2,931	2,610
產成品	Finished goods	3,768	5,424	—	—
其他易耗品	Other consumables	680	2,182	103	89
		9,634	11,839	3,034	2,699
減：撇至可變現 淨現值的撥備	Less: Write-down to net realisable value	(3,000)	(4,000)	—	—
		6,634	7,839	3,034	2,699

截至 2007 年 12 月 31 日止年度，本公司約有人民幣 1,000,000 元存貨按可變現淨值列賬 (2006 年：人民幣 1,500,000 元)。

As at 31 December 2007, about Rmb1 million of inventories were carried at net realisable value (2006: Rmb1.5 million).

存貨成本中確認為費用並列入售出貨品成本的金額共計人民幣 2,700 萬元 (2006 年：人民幣 2,500 萬元)。

The cost of inventories recognised as expense and included in cost of sales amounted to about Rmb27 million (2006: Rmb25 million).

14 應收賬款

14 Trade receivables

		集團 Group		公司 Company	
		2007	2006	2007	2006
應收排水公司：	Due from TSC for:				
— 污水處理服務	- Water processing services	616,043	283,788	616,043	283,788
— 污水廠建設	- Construction of plants	466,185	466,185	466,185	466,185
		1,082,228	749,973	1,082,228	749,973
減：長期部份 (註釋(e))	Less: Portion deemed non-current (Note (e))	(697,763)	(749,973)	(697,763)	(749,973)
		384,465	—	384,465	—
其他	Due from others	58,479	43,210	17,440	16,473
		442,944	43,210	401,905	16,473

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

14 應收賬款 (續)

- (a) 根據本公司與排水公司簽訂的合作協定(附註一(b))，排水公司同意在相關資產完成建設並取得驗收報告後，將其以賬面價值轉讓給本公司。於2004年4月17日，排水公司確認擬利用上述資產償還積欠本公司的款項；

上述水廠的建設於2005年末基本完成，根據2007年12月27日第三方出具的經天津市財政局批准的竣工財務決算報告，上述資產決算總金額為人民幣6.98億元(2006年：估計賬面數為人民幣7.5億元，其中包括排水公司於2007年承擔的匯兌損益約人民幣0.5億元)；

- (b) 天津市基礎設施建設和運營的政府主管部門—天津市建設管理委員會(“市建委”)於2007年4月17日出具承諾函，確認市政府已同意排水公司以(a)中所述的方式償還其欠付本公司的債務，所差部分用資金補齊；
- (c) 2008年1月，本公司向市建委提交儘快完成上述欠款償付的申請。最終償付安排尚需政府有關部門的審批，時間不完全受本公司控制；
- (d) 2008年4月，市建委承諾上述以資產清償債務的交易不存在實質性法律障礙；

14 Trade receivables (Continued)

- (a) Under the Co-operative Agreement (Note 1(b)), TSC agrees to sell to the Company certain of its property, plant and equipment upon completion of their construction and receipt of relevant verification reports, at their carrying value. On 17 April 2004, TSC confirmed its intention to settle its debt due to the Company with these mentioned assets.

The construction of these assets was completed in late 2005, and based on third party completion of costs verification reports dated 27 December 2007, the Tianjin Finance Bureau approved the verified value of these completed assets at about Rmb698 million (2006: The estimated carrying value then was Rmb750 million, which included about Rmb50 million exchange loss absorbed by TSC in 2007).

- (b) On 17 April 2007, Tianjin Construction Administration Committee (“TJCAC”) (天津市建設管理委員會), the government body overseeing the management of construction and operation of infrastructure in Tianjin, reconfirmed that the Tianjin Municipality has agreed to the settlement of the Company’s debts in manner as agreed by TSC in (a) above. In addition, the remaining debt outstanding after such assets settlement will be settled by way of cash.
- (c) In January 2008, the Company has requested TJCAC to accelerate the settlement of the Company’s debts. The final settlement is still pending relevant governmental authorities approvals, the timing of which is not totally within the Company’s control.
- (d) On 8 April 2008, TJCAC confirmed that there will be no legal obstacle to the above mentioned assets settlement.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

14 應收賬款 (續)

- (e) 鑒於上述以資產清償債務的交易最終能夠完成，截至2007年12月31日擬用於清償債務的資產決算額約為人民幣6.98億元，相應的應收賬款重分類至長期應收款（2006年：人民幣7.5億元）。

根據上述確認函，董事相信應收排水公司款項最終能夠全部收回。

本集團大部分銷售的信貸期限為30至90天。管理層認為一年內到期的貿易應收款沒有減值的風險，因為所有的應收款項為應收中國政府機構的款項。貿易應收款的賬齡如下：

1年以內	Within one year
1至2年	One to two years
2年以上	Over two years

14 Trade receivables (Continued)

- (e) On the basis that the assets settlement will eventually be finalised, about Rmb 698 million due from TSC as at 31 December 2007, representing the verified cost of the assets, has been reclassified to non-current trade receivables (2006: Rmb750 million).

Based on the above mentioned confirmations the Directors believe that the amount due from TSC is eventually fully recoverable.

The Group in general grants a credit period range from 30 to 90 days. Management considered trade receivables less than one year past due are not impaired as all trade receivables are due from government bodies of the PRC. Aging of trade receivable is as follows:

集團 Group		公司 Company	
2007	2006	2007	2006
442,944	43,210	401,905	16,473
—	749,973	—	749,973
697,763	—	697,763	—
<u>1,140,707</u>	<u>793,183</u>	<u>1,099,668</u>	<u>766,446</u>

(除非特別指明所有金額單位均為人民幣千元)
 (All amounts in RMB thousand unless otherwise stated)

15 其它應收款及預付賬款

其它應收款 Other receivables
 預付賬款 Prepayments

由於其他應收款和預付賬款均會在短期內到期，故其帳面價值與公平值近似。
 其他應收款的賬齡及性質如下：

賬齡：

1年以內
 1至2年
 2年以上

Aging:

Within one years
 One to two years
 Over two years

性質：

項目保證金
 其他應收客戶的款項
 其他（註釋）

Nature:

Project deposits
 Other receivables from customers
 Others (Note)

註釋：

本公司應收款的餘額中包括於賬目綜合時對銷的應收附屬公司的款項約人民幣3,400萬元（2006年：人民幣8,200萬元）。

15 Other receivables and prepayments

		集團 Group		公司 Company	
		2007	2006	2007	2006
其它應收款	Other receivables	78,769	17,235	82,459	83,866
預付賬款	Prepayments	57,964	11,125	12,984	253
		<u>136,733</u>	<u>28,360</u>	<u>95,443</u>	<u>84,119</u>

The carrying values of other receivables and prepayments approximate their fair values due to their short-term maturity.

The aging and nature of other receivables is as follows:

		集團 Group		公司 Company	
		2007	2006	2007	2006
1年以內	Within one years	70,144	15,470	47,633	82,852
1至2年	One to two years	8,292	1,765	34,826	1,014
2年以上	Over two years	333	—	—	—
		<u>78,769</u>	<u>17,235</u>	<u>82,459</u>	<u>83,866</u>
項目保證金	Project deposits	35,500	—	30,500	—
其他應收客戶的款項	Other receivables from customers	19,836	4,857	10,810	—
其他（註釋）	Others (Note)	23,433	12,378	41,149	83,866
		<u>78,769</u>	<u>17,235</u>	<u>82,459</u>	<u>83,866</u>

Note:

The Company's balance includes receivables from subsidiaries of Rmb34 million eliminated on consolidation (2006: Rmb82 million).

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

16 現金及銀行結餘

16 Cash and bank balances

		集團 Group		公司 Company	
		2007	2006	2007	2006
現金及銀行存款	Cash on hand and in bank	359,741	773,811	106,403	647,203
於其它長期資產列示的 受限銀行存款 (附註 11)	Restricted bank deposits included in other non-current assets (Note 11)	(19,770)	(40,067)	(19,770)	(40,067)
		<u>339,971</u>	<u>733,744</u>	<u>86,633</u>	<u>607,136</u>
結餘包括：	Balance includes:				
建設污水處理廠 的專用資金	Special funds for construction of sewage water processing plants	58,116	103,846	29,877	96,022
受限銀行存款 - 短期	Restricted bank deposits-current	<u>15,000</u>	<u>15,000</u>	<u>6,000</u>	<u>6,000</u>

就現金流量表而言，現金及銀行結餘包
括下列項目：

Cash and bank balances include the following for the purposes of the cash flow
statement:

		集團 Group		公司 Company	
		2007	2006	2007	2006
現金及銀行存款	Cash and bank balances	339,971	733,744	86,633	607,136
受限銀行存款 — 當期	Restricted bank deposits - current	(15,000)	(15,000)	(6,000)	(6,000)
		<u>324,971</u>	<u>718,744</u>	<u>80,633</u>	<u>601,136</u>

主要銀行存款皆存放於國有銀行。

Majority of the bank balances as at 31 December 2007 were deposited with state
owned banks.

(除非特別指明所有金額單位均為人民幣千元)
 (All amounts in RMB thousand unless otherwise stated)

17 股本

本公司的法定、已發行及繳足股本的變動表如下。所有本公司的股份均為每股面值人民幣1元的普通股。

17 Share capital

Movement of the Company's authorised, issued and fully paid up capital is tabled below. All of the Company's shares are ordinary shares with par value of one Renminbi.

		A 股 "A shares"			H 股 "H shares"		合計 Total
		非流通股份 Non circulating shares	受限 流通股份 Restricted circulating shares	流通股份 Circulating shares	小計 Subtotal	流通股份 Circulating shares	
於2006年1月1日	At 1 January 2006	877,505	—	113,153	990,658	340,000	1,330,658
重分類	Reclassification	(877,505)	835,638	41,867	—	—	—
可換股債券轉股	Conversion of convertible bonds	—	—	8	8	—	8
於2006年12月31日	At 31 December 2006	—	835,638	155,028	990,666	340,000	1,330,666
可換股債券轉股	Conversion of convertible bonds (Note 19(d))	—	—	96,562	96,562	—	96,562
解除受限流通股份	Release of restricted circulating shares	—	(105,018)	105,018	—	—	—
於2007年12月31日	At 31 December 2007	—	730,620	356,608	1,087,228	340,000	1,427,228

A 股指在上海證券交易所上市股份，H 股指在香港聯合交易所上市股份。所有 A 股和 H 股在各方面均享有同等權益。

關於天津市政投資有限公司所持有的受限流通的 A 股，天津市政投資有限公司在 2006 年 3 月的股權分置完成後的三年內最多可出售其股份總數的 10% 的股份。

本年度，105 百萬股的受限流通股份變成流通股份，其中約 67 百萬股屬於天津市政投資有限公司。

"A" shares 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 relate to 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 2007, 105 million restricted circulating shares become non-restricted, of which about 67 million shares belong to TMICL.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

18 儲備

其他儲備的對賬及變動如下：

18 Reserves

The reconciliation and movement of other reserves are as follows:

(a) 集團

(a) Group

		資本儲備 Capital reserve (註釋(i)) (Note(i))	一般儲備 General reserve	可換股債券 儲備 Convertible bonds reserves	小計 Subtotal	保留盈餘 Retained earnings	合計 Total
2006年1月1日結餘	Balance at 1 January 2006	75,182	200,721	26,089	301,992	648,711	950,703
本年盈利	Profit for the year	—	—	—	—	158,689	158,689
撥入法定盈餘公積金的 盈利分配	Profit appropriation to statutory common reserves	—	19,635	—	19,635	(19,635)	—
可換股債券轉股溢價	Premium on conversion of convertible bonds	27	—	—	27	—	27
宣告的2005年度股息	Dividend declared for 2005	—	—	—	—	(53,227)	(53,227)
2006年12月31日結餘	Balance at 31 December 2006	75,209	220,356	26,089	321,654	734,538	1,056,192
本年盈利	Profit for the year	—	—	—	—	183,813	183,813
撥入法定盈餘公積金的 盈利分配，淨額 (註釋(ii))	Profit appropriation to statutory common reserve, net (Note (ii))	—	9,509	—	9,509	(9,509)	—
可換股債券 — 轉股溢價 (附註19(d))	Convertible bonds — Premium on conversion of convertible bonds (Note 19(d))	308,129	—	—	308,129	—	308,129
— 轉回以前年度儲備	Reversal of prior year's reserves	—	—	(26,089)	(26,089)	—	(26,089)
宣告的2006年度股息	Dividend declared 2006	—	—	—	—	(56,105)	(56,105)
2007年12月31日結餘	Balance at 31 December 2007	383,338	229,865	—	613,203	852,737	1,465,940

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

18 儲備 (續)

(b) 公司

18 Reserves (Continued)

(b) Company

		資本儲備 Capital reserve (註釋(i)) (Note(i))	一般儲備 General reserve	可換股債券 儲備 Convertible bonds reserves	小計 Subtotal	保留盈餘 Retained earnings	合計 Total
2006年1月1日結餘	Balance at 1 January 2006	72,632	200,721	26,089	299,442	664,560	964,002
本年盈利	Profit for the year	—	—	—	—	156,687	156,687
撥入法定盈餘公積金 的盈利分配 (註釋(ii)) :	Profit appropriation to statutory common reserves (Note (ii)):	—	17,013	—	17,013	(17,013)	—
可換股債券轉股溢價	Premium on conversion of convertible bonds	27	—	—	27	—	27
宣告的2005年度股息	Dividend declared for 2005	—	—	—	—	(53,227)	(53,227)
2006年12月31日結餘	Balance at 31 December 2006	72,659	217,734	26,089	316,482	751,007	1,067,489
本年盈利	Profit for the year	—	—	—	—	155,772	155,772
撥入法定盈餘公積金 的盈利分配， 淨額(註釋(ii))	Profit appropriation to statutory common reserve, net (Note (ii))	—	12,131	—	12,131	(12,131)	—
可換股債券 —轉股溢價(附註19(d))	Convertible bonds — Premium on conversion of convertible bonds (Note 19(d))	308,129	—	—	308,129	—	308,129
—轉回以前年度儲備	— Reversal of prior year's reserves	—	—	(26,089)	(26,089)	—	(26,089)
宣告的2006年度股息	Dividend declared for 2006	—	—	—	—	(56,105)	(56,105)
2007年12月31日結餘	Balance at 31 December 2007	380,788	229,865	—	610,653	838,543	1,449,196

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

18 儲備 (續)

(b) 公司 (續)

註釋：

- (i) 資本儲備金為發行股份產生的股份溢價。此項資本儲備金可用於抵消以前年度虧所或發行紅股。
- (ii) 一般儲備包含法定盈餘公積金。

根據本公司章程，應按中國會計準則編製的賬目並將本公司淨利潤的10%轉入法定盈餘公積金（直至此項公積金達註冊資本的50%為止）。轉入該公積金的金額必須在派發股息予以股東之前計提。

此項法定盈餘公積金用途限於彌補虧損、擴充本公司生產營運；或增加本公司的資本。

待股東大會上以決議案通過後，本公司可將公積金轉為股本，該儲備中仍未轉撥的金額必須不低於註冊資本的25%。

18 Reserves (Continued)

(b) Company (Continued)

Notes:

- (i) Capital reserve fund principally comprises share premium arising from the issuance of shares. This fund can be utilised to offset prior years' losses or for issuance of bonus shares.
- (ii) General reserve represent the statutory common reserve.

According to the Company's Articles of Association, it is required to transfer 10% of its net profit as shown in the accounts prepared under PRC accounting regulations to the statutory common reserve, until the reserve reaches 50% of the registered capital. Transfer to this reserve must be made before the distribution of dividends to shareholders.

This reserve shall only be used to make up losses; to expand the Company's production operation; or to increase the capital of the Company.

Upon approval by a resolution of a shareholders' general meeting, the Company may convert this reserve into share capital, but the amount of this reserve remaining unconverted must not be less than 25% of the registered capital.

(除非特別指明所有金額單位均為人民幣千元)
 (All amounts in RMB thousand unless otherwise stated)

19 借款

19 Borrowings

	註釋 Note	集團 Group		公司 Company	
		2007	2006	2007	2006
長期：					
長期銀行借款	(a)	2,062,500	1,718,750	1,369,000	1,145,000
應付借款	(c)	147,273	163,636	147,273	163,636
可換股債券	(d)	—	374,844	—	374,844
		<u>2,209,773</u>	<u>2,257,230</u>	<u>1,516,273</u>	<u>1,683,480</u>
減：短期部分		(416,250)	(99,250)	(334,000)	(74,000)
		<u>1,793,523</u>	<u>2,157,980</u>	<u>1,182,273</u>	<u>1,609,480</u>
短期：					
長期銀行借款的短期部分					
短期銀行借款	(a)	416,250	99,250	334,000	74,000
應付借款	(b)	155,000	691,000	155,000	676,000
	(c)	138,862	108,264	32,727	16,364
		<u>710,112</u>	<u>898,514</u>	<u>521,727</u>	<u>766,364</u>

(a) 長期銀行借款

(a) Long-term bank borrowings

	附註 Note	集團 Group		公司 Company	
		2007	2006	2007	2006
借款來自：					
國家開發銀行	(i)	471,000	545,000	471,000	545,000
中國工商銀行	(ii)	399,000	250,000	158,000	—
上海浦東發展銀行	(iii)	320,000	—	300,000	—
中國農業銀行	(iv)	300,000	—	190,000	—
中國建設銀行	(v)	222,500	233,750	—	—
中信實業銀行	(vi)	200,000	200,000	200,000	200,000
中國光大銀行	(vii)	95,000	450,000	50,000	400,000
中國銀行	(viii)	55,000	40,000	—	—
		<u>2,062,500</u>	<u>1,718,750</u>	<u>1,369,000</u>	<u>1,145,000</u>

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

19 借款 (續)

(a) 長期銀行借款 (續)

該等借款的具體還款期如下：

		集團		公司	
		Group		Company	
		2007	2006	2007	2006
1年以內	Within one year	416,250	99,250	334,000	74,000
第二年在內	In the second year	476,790	416,250	434,000	334,000
第三年至第五年在內	In the third to fifth year	791,820	466,750	601,000	337,000
五年以後	After the fifth year	377,640	736,500	—	400,000
		<u>2,062,500</u>	<u>1,718,750</u>	<u>1,369,000</u>	<u>1,145,000</u>

註釋：

- (i) 該等借款由天津市政局提供擔保並以部份收費權作為質押。
- (ii) 該借款包含人民幣240,000,000元由本公司提供擔保。餘下約人民幣159,000,000元餘額為無抵押借款。
- (iii) 該借款包含人民幣20,000,000元由本公司提供擔保，餘下約人民幣300,000,000元餘額為無抵押借款。
- (iv) 該借款包含人民幣190,000,000元和人民幣60,000,000元由城投集團和本公司分別提供擔保，餘下約人民幣50,000,000元餘額在一家附屬公司的建設期間由本公司提供擔保並以該附屬公司的物業、機器及設備作為抵押。
- (v) 結餘包括人民幣190,000,000元的借款，以自來水收入權和污水處理收入權作為質押；餘額約人民幣32,500,000元由本公司提供擔保。其年利率為7.8%。

19 Borrowings (Continued)

(a) Long-term bank borrowings (Continued)

These borrowings mature as follows:

		集團		公司	
		Group		Company	
		2007	2006	2007	2006
1年以內	Within one year	416,250	99,250	334,000	74,000
第二年在內	In the second year	476,790	416,250	434,000	334,000
第三年至第五年在內	In the third to fifth year	791,820	466,750	601,000	337,000
五年以後	After the fifth year	377,640	736,500	—	400,000
		<u>2,062,500</u>	<u>1,718,750</u>	<u>1,369,000</u>	<u>1,145,000</u>

Notes:

- (i) Secured by TMEB's guarantee together with certain of its fee collection rights.
- (ii) Includes Rmb240 million secured by the Company's guarantee while remaining Rmb159 million is unsecured.
- (iii) Includes Rmb20 million secured by the Company's guarantee while remaining Rmb300 million is unsecured.
- (iv) Includes Rmb190 million and Rmb60 million secured by the guarantee of Tianjin Municipal Infrastructure Construction Investment Group Co., Ltd and the Company, respectively. The remaining balance of about Rmb50 million is secured by the Company's guarantee during the construction period of a subsidiary together with certain of the subsidiary's property, plant and equipment.
- (v) Includes Rmb190 million secured by the right to receive tap water and sewage water processing fees. The remaining balance of about Rmb32.5 million is secured by the Company's guarantee.

(除非特別指明所有金額單位均為人民幣千元)
 (All amounts in RMB thousand unless otherwise stated)

19 借款 (續)

(a) 長期銀行借款 (續)

- (vi) 該借款為抵押借款。
- (vii) 該借款由排水公司提供污水處理費收費權作為質押以及天津市政投資有限公司提供擔保。
- (viii) 該借款由本公司提供擔保。

這些長期銀行借款於資產負債表日的加權平均實際利率為6.9% (2006年：6.3%)。

按照合同規定利息浮動的期間披露銀行借款如下：

6個月及其以內	6 months or less
6至12個月	6- 12 months

截至2007年12月31日止，固定利率長期銀行借款的公允價值約為人民幣158百萬元 (2006年：無)

(b) 短期銀行借款

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

19 Borrowings (Continued)

(a) Long-term bank borrowings (Continued)

- (vi) Unsecured borrowing.
- (vii) Secured by TSC's right to receive sewage water processing fees together with TMICL's guarantee.
- (viii) Secured by the Company's guarantee.

These long term bank borrowings are all interest bearing with weighted average effective interest rate at the balance sheet date of about 6.9% (2006: 6.3%).

Bank borrowings which are exposed to interest-rate changes and the contractual repricing dates are as follows:

		集團 The Group		公司 The Company	
		2007	2006	2007	2006
6個月及其以內	6 months or less	627,000	1,121,000	577,000	1,071,000
6至12個月	6- 12 months	861,250	498,500	300,000	—

As at 31 December 2007, the fair value of the long-term fixed-rate bank borrowing is Rmb 158 million (2006: Nil).

(b) Short-term bank borrowings

		集團 Group		公司 Company	
Note		2007	2006	2007	2006
	中國建設銀行	100,000	—	100,000	—
	渤海銀行	55,000	—	55,000	—
(i)	中國民生銀行	—	200,000	—	200,000
	中國工商銀行	—	190,000	—	190,000
	興業銀行	—	100,000	—	100,000
(ii)	北京銀行	—	100,000	—	100,000
	上海浦東發展銀行	—	65,000	—	50,000
(i)	華夏銀行	—	36,000	—	36,000
		155,000	691,000	155,000	676,000

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

19 借款 (續)

(b) 短期銀行借款 (續)

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) 所有短期借款的年利率介乎 6.1% 至 7.5% (2006 年: 5.5% 至 6.1%)。

截止 2007 年 12 月 31 日止年度, 由於以上短期借款於到期期間以現行市場利率計息, 故其帳面價值近似於公平值。

(c) 應付借款

長期
應付:
- 天津市政局 (註釋(i))

短期
應付:
- 天津市政局
• 長期借款的短期部分 (註釋(i))
• 其他 (註釋(ii))
- 天津市政府 (註釋(iii))

Long-term
Due to:
- TMEB (Note(i))

Short-term
Due to:
- TMEB
• Current portion of long term loan (Note(ii))
• Others (Note(ii))
- Tianjin Municipal Government (Note(iii))

(c) Loans payable

		集團 Group		公司 Company	
		2007	2006	2007	2006
		147,273	163,636	147,273	163,636
		32,727	16,364	32,727	16,364
		95,522	81,215	—	—
		10,613	10,685	—	—
		138,862	108,264	32,727	16,364

19 Borrowings (Continued)

(b) Short-term bank borrowings (Continued)

Notes:

- (i) Guaranteed by TMICL.
- (ii) Guaranteed by Tianjin Expressway Investment and Construction Development Company.
- (iii) All short-term borrowings bear interest ranging from 6.1% to 7.5% (2006: 5.5% to 6.1%) per annum.

The carrying amounts of short-term bank borrowings approximate their fair values as at 31 December 2007 either due to their short-term maturity or because they bear interest at prevailing market rates throughout their maturity period.

(c) Loans payable

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

19 借款 (續)

(c) 應付借款 (續)

註釋：

(i) 由天津市政局轉貸之應付借款人民幣1.8億元為2005年污水處理廠建設專項轉貸資金。有關借款從2007年起分11年均衡償付。因此此項借款於2007年到期的短期部份約為人民幣33,000,000元(2006年：16,000,000元)。借款年利率前6年為5%，從第7年起至到期，年利率為1年期存款利率加0.3個百分點。

(ii) 欠付天津市政局的款項工人民幣約96,000,000元(2006年：81,000,000元)，其借款目的和借款使用方法如下註釋(iii)所示。

(iii) 人民幣11,000,000元(2006年：11,000,000元)為借自天津市市政府其他部門，用於紀莊子污水回用工程建設。以上借款不計息且還款日期和方法於上述廠房落成後商定。

在以上註釋(ii)和(iii)中列示的人民幣96,000,000元和人民幣11,000,000元的借款還款計畫尚在商討中。由於尚未確定還款期限，這些借款已經被重分類至流動負債。

所有應付借款均由政府提供援助並以收到的借款金額計量。這些應付借款的公允價值約為人民幣105百萬元(2006年：人民幣125百萬元)。

19 Borrowings (Continued)

(c) Loans payable (Continued)

Notes:

(i) A Rmb180 million loan was taken from TMEB during 2005 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) Amount due to TMEB of Rmb96 million (2006: Rmb81 million) is specifically for the same purpose and under same terms as the loan described in Note (iii) below.

(iii) The Rmb11 million (2006: Rmb11 million) was borrowed from a Tianjin Municipal Government body 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.

The repayment scheme for the Rmb96 million and Rmb11 million loans mentioned in (ii) and (iii) above is still being negotiated. As the terms are uncertain, these loans have been classified as current liabilities.

All loans payable are deemed government assistance and are measured at the amount of loans received. The fair value of the long term loans payable amounted to Rmb105 million (2006: Rmb125 million).

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

19 借款 (續)

(d) 應付可換股債券

本公司發行了面值為 100 元的 A 股可換股債券 12 百萬張。自發行日起，這些可換股債券在上海證券交易所上市，部分債券已被贖回或轉投。

本期間內共有人民幣 371,750,000 元可換股公司債券轉換為 96,562,411 股本公司 A 股股票，轉股價格分別為人民幣 3.86 元每股和人民幣 3.82 元每股。轉股後，本公司之股本和股本溢價分別增加人民幣 97,000,000 元（附註 17）和人民幣 308,000,000 元（附註 18(a)）。

本公司贖回了剩餘未行使轉股權利的可換股債券約人民幣 312,000 元，並無發生重大損失。隨著可換股債券的全部轉股／贖回，本公司不在擁有任何債券負債。因此，本公司的 A 股可換股債券於 2007 年 9 月 7 日在上海證券交易所終止交易。

債券的變動情況列示如下：

		Movement of the Bonds are as follows:					於 2007 年
		Initial recognition	As at 31 December 2006	攤銷	轉股	贖回	As at 31 December 2007
面值	Face value	1,200,000	372,062	—	(371,750)	(312)	—
權益部分 (附註 18)	Equity component (Note 18)	100,215	26,089	—	(26,089)	—	—
負債部分	Liability component	1,050,426	374,844	2,593	(377,119)	(318)	—

19 Borrowings (Continued)

(d) Convertible bonds payable:

In July 2004, the Company issued 12 million of "A" share convertible bonds ("Bonds") at face value of each of Rmb100 each. These bonds were listed on the Shanghai Stock Exchange. Since issuance, portions of the bonds were redeemed or converted.

During 2007, Rmb371,750,000 Bonds were converted into 96,562,411 units of the Company's "A" share at Rmb3.86 and Rmb3.82 per share. As a result of the conversion, the Company's share capital and capital reserve increased by approximately Rmb97 million (Note 17) and Rmb308 million (Note 18(a)), respectively.

The Company redeemed all the remaining Rmb312,000 unconverted bonds with an insignificant loss. With full conversion/ redemption the Company no longer has any Bonds liability. Accordingly, on 7 September 2007, the Bonds were de-listed from the Shanghai Stock Exchange.

(除非特別指明所有金額單位均為人民幣千元)
 (All amounts in RMB thousand unless otherwise stated)

19 借款 (續)

(e) 截止年底，本公司有如下未使用的
 銀行授信額度：

浮動利率：
 - 1年以內到期
 - 1年以上到期

19 Borrowings (Continued)

(e) As at year end, the Group has the following committed undrawn banking
 facilities:

	集團	
	2007	2006
浮動利率：		
- Expiring within one year	505,000	90,000
- Expiring beyond one year	—	20,000
	<u>505,000</u>	<u>110,000</u>

20 貿易應付款及其它應付款

預收管道接駁費用
 應付建設成本
 應付購買物業、機器及設備
 預收排水公司款項
 貿易應付款
 預提費用
 應付阜陽市建委

其他

Advances for pipeline connection
 Construction costs payable
 Payable for purchase of property,
 plant and equipment
 Advance received from TSC
 Trade payables
 Accrued expenses
 Payable to Fuyang
 Construction Committee
 Others

20 Trade and other payables

	集團 The Group		公司 The Company	
	2007	2006	2007	2006
預收管道接駁費用	143,092	50,431	—	—
應付建設成本	66,555	64,696	45,562	47,261
應付購買物業、機器及設備	29,532	30,371	—	—
預收排水公司款項	27,385	27,385	27,385	27,385
貿易應付款	12,469	9,852	6,139	3,563
預提費用	5,317	11,879	5,287	7,805
應付阜陽市建委	—	10,200	—	—
其他	28,350	48,444	62,725	62,285
	<u>312,700</u>	<u>253,258</u>	<u>147,098</u>	<u>148,299</u>

截止 2007 年 12 月 31 日，大部分貿易應
 付款的賬齡在一年以內。

由於均為短期內到期，以上應付賬款及
 其它應付款的帳面價值近似於其公允價
 值。

As at 31 December 2007, the majority of trade payables are aged within one year.

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

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

21 按性質分類的費用

列在售出貨品成本和行政費用內的費用
分析如下：

折舊和攤銷費用	197,752
動力費	104,410
員工福利開支 (附註22)	67,523
維修及保養費用	28,739
使用的原材料及消耗品	27,298
天津市車輛通行費徵收辦公室管理費	9,308
減值損失	5,240
核數師酬金	3,400
出售物業、廠房及設備虧損	2,875
與投資物業相關的支出	920
土地及房屋經營性租賃開支	115
其他	85,221
	<u>532,801</u>

21 Expense by nature

Expenses included in cost of sales and administrative costs are analysed as follows:

	2007	2006
Depreciation and amortisation expenses	197,752	139,339
Utilities	104,410	82,009
Employee benefits (Note 22)	67,523	55,138
Repair and maintenance expenses	28,739	29,775
Raw materials and consumables used	27,298	24,827
Management fee to Toll Fee Collection Office	9,308	8,164
Impairment of assets	5,240	7,760
Auditors' remuneration	3,400	3,840
Loss on sale of property, plant and equipment	2,875	971
Outgoings in relation to investment properties	920	487
Operating lease rentals for land and buildings	115	2,648
Others	85,221	69,444
	<u>532,801</u>	<u>424,402</u>

22 僱員福利開支

(a) 僱員福利開支分析如下：

工資及酬金	48,999
社會保障成本	6,615
退休金成本－界定供款計畫	6,189
其他福利開支	5,720
	<u>67,523</u>

22 Employee benefits

(a) The analysis of employee benefits is as follows:

	2007	2006
Wages and salaries	48,999	40,382
Social security costs	6,615	4,543
Pension costs – defined contribution plans	6,189	3,565
Other benefits	5,720	6,648
	<u>67,523</u>	<u>55,138</u>

(b) 董事及高級管理層薪酬

年內需付給本公司董事的薪酬總額
如下：

獎金	1,211
薪金及其他酬金	713
退休福利計畫供款	27
	<u>1,951</u>

(b) Directors' and senior management's emoluments

The aggregate amounts of emoluments payable to the Directors during the year are as follows:

	2007	2006
Fees	1,211	1,274
Salaries and other emoluments	713	507
Contribution to retirement benefit scheme	27	24
	<u>1,951</u>	<u>1,805</u>

年度支付給獨立非執行董事的薪酬
為人民幣561,000元(2006年：人
民幣624,000元)已包括在以上餘
額中。

Emoluments paid to the Company's independent non-executive directors
amounted to Rmb561,000 during the year have been included in the above
balance (2006: Rmb624,000).

(除非特別指明所有金額單位均為人民幣千元)
 (All amounts in RMB thousand unless otherwise stated)

22 僱員福利開支 (續)

(b) 董事及高級管理層薪酬 (續)

各董事的薪酬如下：

執行董事：

馬白玉
 顧啟峰
 譚兆甫
 王佔英
 安品東
 付亞娜

非執行董事：

高寶明
 高宗澤
 王翔飛

於年內無任何董事的薪酬超過港幣
 1,000,000 元。

(c) 五位最高薪酬人事

本年度本集團最高薪酬的五位人士
 包括二位 (2006年：二位) 董事，
 他們的酬金在上文呈報的分析中反
 映。本年度支付予其餘三位 (2006
 年：三位) 人事的薪酬如下：

薪金及其他酬金
 退休福利計畫供款

22 Employee benefits (Continued)

(b) Directors' and senior management's emoluments (Continued)

Details of emoluments of individual directors and supervisors are set out as
 below:

	2007	2006
Executive Directors:		
Ma Baiyu	150	150
Gu Qifeng	562	399
Tan Zhaofu	100	100
Wang Zhanying	100	100
An Pindong	100	100
Fu Yana	378	332
Non-executive Directors:		
Gao Baoming	187	208
Gao Zongze	187	208
Wang Xiangfei	187	208
	<u>1,951</u>	<u>1,805</u>

None of the Directors received emoluments in excess of HK\$1,000,000
 during the year.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for
 the year include 2 (2006: 2) Directors of the Company whose emoluments
 are reflected in the analysis presented above. The emoluments payable to
 the remaining 3 (2006: 3) individuals during the year are as follows:

	2007	2006
Salaries and other emoluments	1,112	921
Contribution to retirement benefit scheme	41	36
	<u>1,153</u>	<u>957</u>

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

23 融資成本

利息費用：
— 銀行貸款
— 需於五年內全部償還的可轉換債券
減：資本化利息

減：利息收入

利息費用年資本化率

23 Finance costs

	2007	2006
Interest expense on:		
- bank borrowings	158,259	113,070
- convertible bonds wholly repayable within five years	—	29,761
Less: Capitalised interest	(4,227)	(12,870)
	<u>154,032</u>	<u>129,961</u>
Less: Interest income	(7,850)	(5,403)
	<u>146,182</u>	<u>124,558</u>
Interest rate per annum at which finance costs were capitalised	7.3%	6.1%

24 所得稅費用

由於本集團在截至 2007 年 12 月 31 日止年度並無在香港地區的應課稅盈利（二零零六：無），所以本年度無香港所得稅。中國盈利之稅款介乎於優惠稅率 7.5% 至法定稅率 33% (2006：33%) 來計算。

24 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 ranges from the concessionary rate of 7.5% to the statutory rate of 33% (2006: 33%).

稅項開支構成如下：
當期中國所得稅
遞延所得稅

	2007	2006
Tax charge comprises:		
Current PRC income tax	92,461	85,189
Deferred income tax	(74)	(5,617)
	<u>92,387</u>	<u>79,572</u>

(除非特別指明所有金額單位均為人民幣千元)
 (All amounts in RMB thousand unless otherwise stated)

24 所得稅費用 (續)

本集團就除稅前盈利的稅項，與採用適用的所得稅稅率而產生之理論稅額的差額如下：

除稅前盈利
 按適用的稅率計算的稅項
 稅法上不可扣除的費用
 非應稅收入
 未動用附屬公司稅務虧損

本年加權平均適用的稅率為 33% (2006 年：33%)。

25 本公司權益持有人應佔盈利

本年度本公司權益持有人於母公司財務報表內的應佔盈利約為人民幣 156,000,000 元 (2006 年：人民幣 157,000,000 元)。

26 每股盈利

每股基本盈利根據本期間股東應佔盈利人民幣 184,000,000 元 (2006 年：人民幣 159,000,000 元)，以及年內已發行股份 13.87 億股 (2006 年：13.31 億股) 計算。

24 Income tax expense (Continued)

Reconciliation between taxation in the consolidated income statement and the aggregate tax at the rates applicable to profits in the respective entities concerned is set below:

	2007	2006
Profit before taxation	274,959	236,006
Calculated at applicable income tax rates	89,489	77,023
Expenses not deductible for taxation purposes	1,102	2,943
Income not subject to tax	(918)	(5,776)
Unutilised tax losses of subsidiaries	2,714	5,382
	<u>92,387</u>	<u>79,572</u>

The weighted average applicable tax rate was 33% (2006: 33%).

25 Profit attributable to equity holders of the Company

The profit attributable to equity holders of the Company for the year is dealt with in the financial statements of the Company to the extent of approximately Rmb156 million (2006: Rmb157 million).

26 Earnings per share

Basic earnings per share is calculated based on the profit attributable to equity holders of the Company of Rmb184 million (2006: Rmb159 million) and weighted average number of ordinary shares of 1,387 million shares in issue during the year (2006: 1,331 million shares).

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

26 每股盈利 (續)

每股攤薄盈利乃根據上述相同基準經調整本公司債券(附註19(d))後計算,該等債券已於本年度內獲悉數轉換為普通股或贖回如下:

	2007	2006
本公司權益持有人應佔盈利	183,813	158,689
可換股債券的財務費用 (扣除稅項)	—	13,787
用於決定每股攤薄盈利的盈利	<u>183,813</u>	<u>172,476</u>
已發行普通股的加權平均數 (百萬計)	1,387	1,331
調整—假設可換股債券被兌換 (百萬計)	40	96
計算每股攤薄盈利的普通股的加權平均數 (百萬計)	<u>1,427</u>	<u>1,427</u>
每股攤薄盈利 (每股人民幣元)	<u>0.13</u>	<u>0.12</u>

27 股息

2007 年度建議派發股息每十股人民幣 0.4 元
(2006: 人民幣 0.4 元每十股)

於 2008 年 4 月 29 日,董事建議按每持有十股股份的基準派發股息人民幣 0.4 元。本財務報表尚未將該等建議派發股息作為應付股息反映,但會將其作為一項截至 2008 年 12 月 31 日止年度的留存收益的分配反映。

26 Earnings per share (Continued)

Diluted earnings per share is calculated using the same bases as described above for calculating basic earnings per share after adjusting for the Company's Bonds (Note 19(d)), which were fully converted to ordinary shares or redeemed during this year, as follows:

	2007	2006
Profit attributable to equity holders of the Company	183,813	158,689
Finance costs on convertible debt (net of tax)	—	13,787
Profit used to determine diluted earnings per share	<u>183,813</u>	<u>172,476</u>
Weighted average number of ordinary shares in issue (million)	1,387	1,331
Adjustments for – assumed conversion of convertible debt (million)	40	96
Weighted average number of ordinary shares for diluted earnings per share (million)	<u>1,427</u>	<u>1,427</u>
Diluted earnings per share (Rmb per share)	<u>0.13</u>	<u>0.12</u>

27 Dividend

2007 proposed dividend: Rmb0.4 for every 10 shares held (2006: paid of RMB0.4 for every 10 shares held)

On 29 April 2008, the Directors proposed a dividend of Rmb0.4 for every 10 shares held. This proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2008.

(除非特別指明所有金額單位均為人民幣千元)
 (All amounts in RMB thousand unless otherwise stated)

28 營運產生的現金

年度盈利
調整專案：
— 稅項
— 折舊和攤銷
— 資產減值
— 以投資物業物業代替現金支付的服務提供
— 來自聯營公司的投資收入
— 出售可供出售財務資產的損失
— 出售物業、廠房和設備的虧損
— 利息收入
— 利息費用 - 淨額
營運資金變動前的經營盈利
存貨的減少／(增加)
貿易及其他應收款和預付款項的增加
應付和其他應付賬款和預收賬款的增加
營運產生的現金

在現金流量表內，出售物業、廠房和設備的所得款包括：

帳面淨值 (附註6)
出售物業、廠房和設備的虧損 (附註21)
出售物業、廠房和設備的所得款

28 Cash generated from operations

	2007	2006
Profit for the year	182,572	156,434
Adjustments for:		
-Taxation	92,387	79,572
-Depreciation and amortisation	197,752	139,339
-Impairment of assets	5,240	7,760
-Sale of service settled by investment properties in lieu of cash	(10,040)	(16,314)
-Share of profit of an associate	(3,187)	(4,474)
-Loss on disposal of available-for-sale financial assets	494	—
-Loss on sale of property, plant and equipment	2,857	971
-Interest income	(7,850)	(5,403)
-Interest expense-net	154,032	129,961
Operating profit before working capital changes	614,257	487,846
Decrease/(increase) in inventories	2,205	(11)
Increase in trade receivables, other receivables and prepayments	(389,274)	(277,425)
Increase in trade and other payable	118,414	70,907
Cash generated from operations	345,602	281,317

In the cash flow statement, proceeds from sale of property, plant and equipment comprise:

	2007	2006
Net book amount (Note 6)	6,530	2,505
Loss on sale of property, plant and equipment (Note 21)	(2,857)	(971)
Proceeds from sale of property, plant and equipment	3,673	1,534

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

29 承擔事項

截至資產負債表日，本集團有關建設的資本支出如下所列：

污水處理廠位於：	Sewage water processing plants in:
- 杭州	- Hang Zhou
- 文登	- Wen Deng
- 靜海	- Jing Hai
- 赤壁	- Chi Bi
- 洪湖	- Hong Hu
- 紀莊子	- Ji Zhuang Zi
- 咸陽路	- Xian Yang Lu
- 北倉	- Bei Cang
- 西安	- Xi An
- 鄂州	- E Zhou

中水廠：	Recycled Water Factory in:
- 東郊	- Dong Jiao
- 北辰	- Bei Chen
- 咸陽路	- Xian Yang Lu

29 Commitments

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

於12月31日已簽約未撥備 Contracted but not provided for As at 31 December		於12月31日已批准未簽約 Authorised but not contracted for As at 31 December	
2007 人民幣百萬元 Rmb' million	2006 人民幣百萬元 Rmb' million	2007 人民幣百萬元 Rmb' million	2006 人民幣百萬元 Rmb' million
341	341	—	—
96	—	—	—
43	—	—	—
12	59	7	—
—	16	—	—
—	4	—	—
—	2	—	—
—	2	—	—
—	—	643	—
—	—	95	—
50	—	59	—
14	2	59	107
10	67	50	97
<u>566</u>	<u>493</u>	<u>913</u>	<u>204</u>

30 財務擔保合同

本年度，本公司已為某些附屬公司的銀行借款作出保證約人民幣835,000,000元（2006年：人民幣334,000,000元）。截至2007年12月31日，人民幣470,000,000元的借款已由附屬公司提款。

董事認為附屬公司能以各種財政財力來承擔自己的義務。

30 Financial guarantee contracts

During the year, the Company has given guarantees of approximately Rmb835 million (2006: Rmb334 million) to certain subsidiaries in respect of bank borrowings. As at 31 December 2007, Rmb470 million of the borrowings have been drawn by the subsidiaries.

The Directors consider the subsidiaries to be financially resourceful to settle their obligations.

(除非特別指明所有金額單位均為人民幣千元)
 (All amounts in RMB thousand unless otherwise stated)

31 關聯方交易

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。

除了在本綜合賬目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實體的交易：

於排水公司賺取之收入
 — 污水處理服務費及
 污水處理廠建設收入
 — 直接
 — 間接 (注釋)

租賃收入

注釋：2005年9月，天津市政府開始實施《天津市市政公用事業特許經營管理辦法》(「《管理辦法》」)，根據該《管理辦法》的規定，董事認為自2005年9月起，天津市建設管理委員會成為本公司的最終客戶。

31 Related party transactions

The majority of the business activities of the Company and its subsidiaries are conducted with state-owned enterprises (thereafter “SOE”). The Company and its subsidiaries have established procedures to determine, to the extent possible, the identification of the ownership 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 financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of the business between the Company and subsidiaries and their related parties during the year and balances arising from related party transactions at the end of the year.

- (a) Transactions with TMICL and its supervisory entities.:

	截至12月31日止年度	
	2007	2006
	人民幣百萬元	人民幣百萬元
	Rmb'million	Rmb'million
Revenue earned from TSC for sewage water processing services and construction of sewage plant		
— Directly	602	591
— Indirectly (Note)	54	—
	<u>656</u>	<u>591</u>
Rental income	<u>6</u>	<u>—</u>

Note: In September 2005, Tianjin Municipal Government implemented the Principles of Concession Services Arrangements of Tianjin Municipal Public Utilities (the “Principles”). In accordance with these Principles, the Directors regard TJCAC as the Company’s ultimate customer effective September 2005.

(除非特別指明所有金額單位均為人民幣千元)
(All amounts in RMB thousand unless otherwise stated)

31 關聯方交易 (續)

(b) 國有企業關聯方交易及結餘：

支取長期貸款
支取短期貸款
利息支出
支付廠房建設費
採購工程物資
採購物業、廠房及設備
採購原材料及配件

於貿易及其他應付款項持有的結餘

(c) 核心管理層報酬已於附註 22(c) 披露。

32 終控股公司

截至 2007 年 12 月 31 日止，本公司董事視天津市政投資有限公司為本公司的直接控股公司，天津城市基礎設施建設投資有限公司為本公司的最終控股公司。

33 綜合財務報表核准

本綜合財務報表於 2008 年 4 月 29 日經由董事核准。

31 Related party transactions (Continued)

(b) Transactions and balances with other SOE:

	截至 12 月 31 日止年度	
	Year ended 31 December	
	2007	2006
	人民幣百萬元	人民幣百萬元
	Rmb'million	Rmb'million
Drawdown of long-term loans	748	1,050
Drawdown of short-term loans	334	615
Interest expenses	195	119
Payment for plants construction	105	146
Purchase of construction materials	13	15
Purchase of property, plant and equipment	1	823
Purchase of raw materials and accessories	—	7
	<u>100</u>	<u>202</u>
Balance held in trade and other payables		

(c) Key management compensation is disclosed in Note 22(c).

32 Holding companies

As at 31 December 2007, the Directors of the Company regard Tianjin Municipal Investment Company Limited ("TMICL") as the immediate holding company and Tianjin City Infrastructure Construction and Investment Group Company Limited as the ultimate holding company.

33 Approval of consolidated financial statements

The accounts were approved by the Directors on 29 April 2008.

備查文件目錄 List of Documents Available for Inspection

- | | |
|--|---|
| 1. 經本公司董事長簽署的2007年年度報告正文及其摘要； | 1. The 2007 Annual Report and its summary signed by the Chairman of the Company; |
| 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； | 2. The financial statements signed and sealed by the legal representatives of the Company, the officer-in-charge of the accounting work and the Officer-in-charge of the Accounting Department; |
| 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； | 3. Originals of all documents and announcements publicly disclosed in newspapers designated by the CSRC during the reporting period; |
| 4. 本公司章程。 | 4. The Articles of Association of the Company. |