



中國疏浚環保控股有限公司

China Dredging Environment Protection Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 871



INTERIM REPORT
中期報告

2018

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors:

Mr. Liu Kaijin (*Chairman*)
Mr. Wu Bin (*Vice Chairman*)
Mr. Wu Xuze (*Chief Executive Officer*)
Ms. Zhou Shuhua

Non-Executive Director:

Mr. Liu Longhua (*Vice Chairman*)

Independent Non-Executive Directors:

Mr. Huan Xuedong
Mr. Chan Ming Sun Jonathan
Mr. Liang Zequan

AUDIT COMMITTEE

Mr. Chan Ming Sun Jonathan (*Chairman*)
Mr. Huan Xuedong
Mr. Liang Zequan

REMUNERATION COMMITTEE

Mr. Liang Zequan (*Chairman*)
Mr. Liu Longhua
Mr. Chan Ming Sun Jonathan

NOMINATION COMMITTEE

Mr. Liu Longhua (*Chairman*)
Mr. Chan Ming Sun Jonathan
Mr. Liang Zequan

AUTHORISED REPRESENTATIVES

Mr. Liu Kaijin
Ms. Wong Kwan Lai

COMPANY SECRETARY

Ms. Wong Kwan Lai

LEGAL ADVISORS

Chiu & Partners (as to Hong Kong Law)
Li & Partners (as to Hong Kong Law)
Zhong Lun Law Firm (as to PRC Law)

董事會

執行董事：

劉開進先生(主席)
伍斌先生(副主席)
吳旭澤先生(行政總裁)
周淑華女士

非執行董事：

劉龍華先生(副主席)

獨立非執行董事：

還學東先生
陳銘樂先生
梁澤泉先生

審核委員會

陳銘樂先生(主席)
還學東先生
梁澤泉先生

薪酬委員會

梁澤泉先生(主席)
劉龍華先生
陳銘樂先生

提名委員會

劉龍華先生(主席)
陳銘樂先生
梁澤泉先生

授權代表

劉開進先生
黃君麗女士

公司秘書

黃君麗女士

法律顧問

趙不渝馬國強律師事務所(香港法律顧問)
李偉斌律師行(香港法律顧問)
中倫律師事務所(中國法律顧問)

CORPORATE INFORMATION

公司資料

AUDITOR

CWC CPA Limited
Certified Public Accountants

PRINCIPAL BANKERS

China Merchants Bank Co., Ltd. Yancheng Branch
Agricultural Bank of China Limited, Yancheng Branch
China Construction Bank Asia Corporation

REGISTERED ADDRESS

Cricket Square, Hutchins Drive,
P.O. Box 2681, Grand Cayman KY1-1111,
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS

The People's Republic of China:
No. 1 Xingyu Road, Baocai Industrial Zone,
Yandu District, Yancheng City,
Jiangsu Province, the PRC

Hong Kong:
Office 19, 36th Floor, China Merchants Tower,
Shun Tak Centre,
Nos.168-200 Connaught Road Central,
Hong Kong

PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (Cayman) Limited

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited

STOCK CODE

871

WEBSITE

www.cdep.com.hk

核數師

張黃會計師事務所有限公司
執業會計師

主要往來銀行

中國招商銀行鹽城分行
中國農業銀行股份有限公司鹽城分行
中國建設銀行(亞洲)股份有限公司

註冊地址

Cricket Square, Hutchins Drive,
P.O. Box 2681, Grand Cayman KY1-1111,
Cayman Islands

總部及主要營業地點

中華人民共和國：
中國江蘇省
鹽城市鹽都區
寶才工業區興宇路1號

香港：
香港
干諾道中168-200號
信德中心
招商局大廈36樓19號

主要股份登記處

Conyers Trust Company (Cayman) Limited

香港證券登記處

卓佳證券登記有限公司

股份代號

871

網站

www.cdep.com.hk

DEFINITION

釋義

“Audit Committee” 「審核委員會」	the audit committee of the Company 本公司審核委員會
“Board” 「董事會」	the board of Directors 董事會
“CG Code” 「企業管治守則」	the code provisions as contained in “Corporate Governance Code and Corporate Governance Report” set out in Appendix 14 to the Listing Rules (as amended from time to time), which are adopted (with modification) by the Board as its corporate governance code 上市規則附錄十四所載的「企業管治守則及企業管治報告」中所列的守則條文(經不時修訂), 董事會已附加修訂採用作為其企業管治守則
“Company”/“China Dredging ENV” 「本公司」/「中國疏浚環保」	China Dredging Environment Protection Holdings Limited 中國疏浚環保控股有限公司
“Contractual Arrangements” 「合約安排」	a series of contracts, pursuant to which all economic benefits and risks arising from the business of Jiangsu Xingyu are transferred to Xiangyu PRC, details of which were set out in the prospectus of the Company dated 8 June 2011 一系列合約, 據此江蘇興宇的業務中產生的一切經濟利益及風險均轉撥至翔宇中國, 詳情載於本公司日期為二零一一年六月八日的招股章程
“Director(s)” 「董事」	director(s) of the Company 本公司董事
“Group” 「本集團」	the Company and its subsidiaries 本公司及其附屬公司
“HK\$” 「港元」	Hong Kong dollars, the lawful currency of Hong Kong 港元, 香港法定貨幣
“Jiangsu Xingyu”/“PRC Operational Entity” 「江蘇興宇」/「中國經營實體」	Jiangsu Xingyu Holdings Group Limited* (formerly known as Jiangsu Xingyu Port Construction Company Limited*), a wholly-owned subsidiary of the Company 江蘇興宇控股集團有限公司(前稱江蘇興宇港建有限公司), 本公司一間全資附屬公司
“Listing Rules” 「上市規則」	Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time) 聯交所證券上市規則(經不時修訂)
“Model Code” 「標準守則」	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (as amended from time to time) 上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(經不時修訂)
“Mr. Liu” 「劉先生」	Mr. Liu Kaijin, chairman and an executive Director (who is the spouse of Ms. Zhou) 主席兼執行董事劉開進先生(為周女士之配偶)
“Ms. Zhou” 「周女士」	Ms. Zhou Shuhua, an executive Director (who is the spouse of Mr. Liu) 執行董事周淑華女士(為劉先生之配偶)

“Nomination Committee” 「提名委員會」	the nomination committee of the Company 本公司提名委員會
“PRC” 「中國」	the People’s Republic of China 中華人民共和國
“Remuneration Committee” 「薪酬委員會」	the remuneration committee of the Company 本公司薪酬委員會
“Reporting Period” 「報告期間」	the six months ended 30 June 2018 截至二零一八年六月三十日止六個月
“RMB” 「人民幣」	Renminbi, the lawful currency of the PRC 人民幣·中國法定貨幣
“SFO” 「證券及期貨條例」	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) (as amended from time to time) 香港法例第571章證券及期貨條例(經不時修訂)
“Shareholder(s)” 「股東」	shareholder(s) of the Company 本公司股東
“Share(s)” 「股份」	ordinary share(s) of the Company 本公司之普通股
“Share Option Scheme” 「購股權計劃」	the share option scheme approved by Shareholders on 24 May 2011 股東於二零一一年五月二十四日批准之購股權計劃
“Stock Exchange” 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“Xiangyu PRC” 「翔宇中國」	Jiangsu Xiangyu Port Constructing Project Administration Co. Ltd.*, a wholly-owned subsidiary of the Company 江蘇翔宇港建工程管理有限公司，本公司一間全資附屬公司

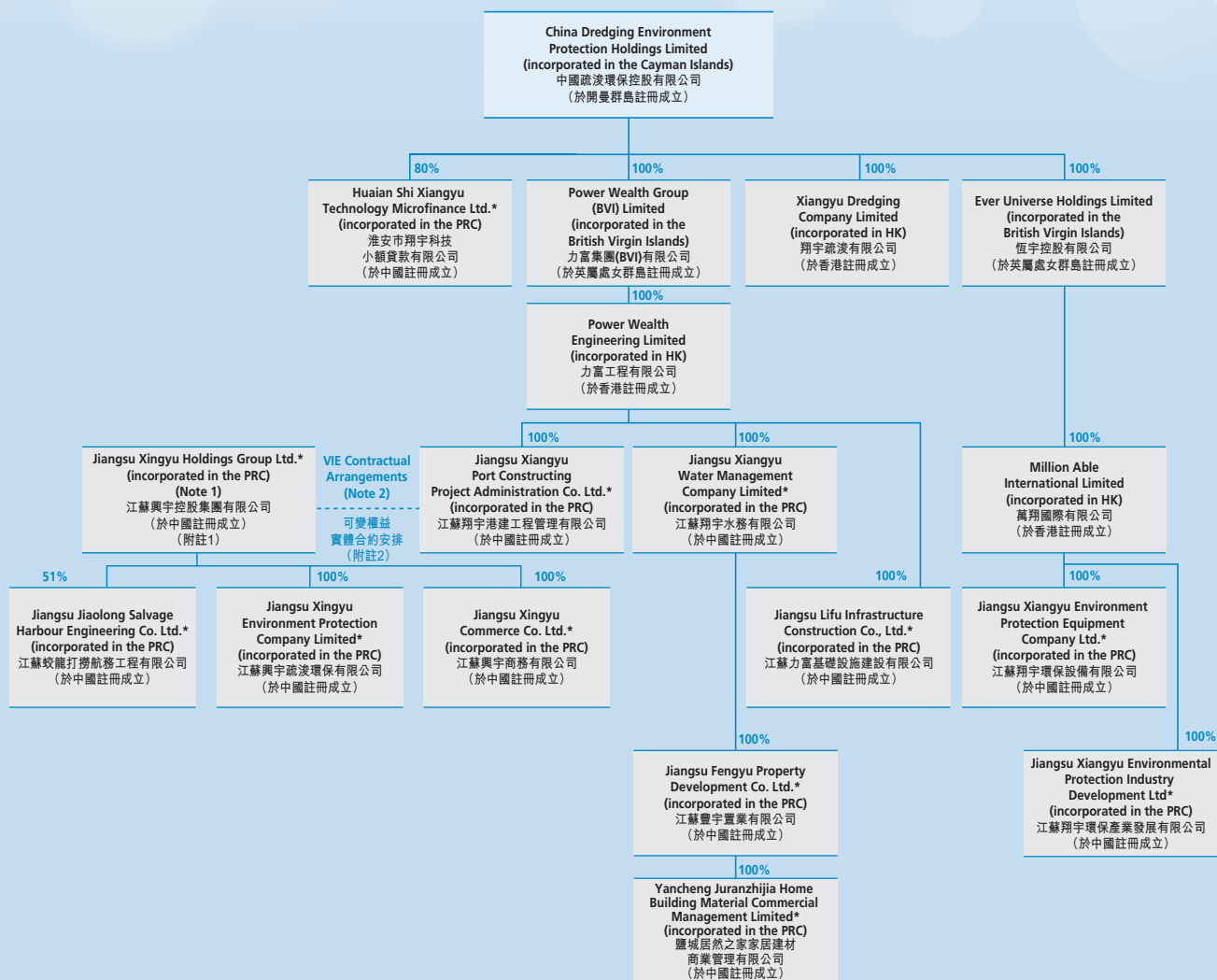
* For identification purpose only
僅供識別

GROUP CHART

集團架構

The following sets out the corporate structure of the Group as at 30 June 2018:

下圖列示本集團於二零一八年六月三十日的企業架構：



Notes:

- Mr. Liu and Ms. Zhou are the registered holders of the registered capital in Jiangsu Xingyu, and Ms. Zhou holds all her equity interest in Jiangsu Xingyu as trustee for Mr. Liu.
- On 19 April 2011, Jiangsu Xingyu, Xiangyu PRC, Mr. Liu and Ms. Zhou entered into the Contractual Arrangements, pursuant to which all economic benefits and risks arising from the business of Jiangsu Xingyu are transferred to Xiangyu PRC.

* For identification purpose only

附註：

- 劉先生及周女士為江蘇興宇註冊資本的登記持有人，及周女士作為劉先生的信託人持有其於江蘇興宇的所有股權。
- 於二零一一年四月十九日，江蘇興宇、翔宇中國、劉先生及周女士訂立合約安排，據此，江蘇興宇業務產生的所有經濟利益及風險均轉讓予翔宇中國。

* 僅供識別

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OVERVIEW

The Group is primarily engaged in dredging business, which can be divided into three main operating and reportable segments, namely, (i) capital and reclamation dredging business (“CRD Business”); (ii) environmental protection dredging (“EPD”) and water management business (“EPD and Water Management Business”); and (iii) other works operated in marine sites such as hoisting works (“Other Marine Business”). In addition, the Group also commenced property management business (the “Property Management Business”) in respect of the management of 居然之家鹽城店 (Easyhome Yancheng Shopping Mall*).

During the Reporting Period, net profit was approximately RMB21.8 million, representing a decrease of approximately 60.4% from approximately RMB55.1 million the first half of 2017. The Company recorded profits attributable to its shareholders of approximately RMB20.0 million for the Reporting Period.

BUSINESS REVIEW

During the Reporting Period, the Group recorded a revenue of approximately RMB352.1 million, representing an increase of 4.9% from approximately RMB335.8 million the same period last year. Gross profits was approximately RMB91.6 million, representing a 36.8% decrease from RMB145.1 million the same period last year.

During the Reporting Period, the decreased revenue generated by CRD Business segment was attributable to greater variations in the volatility of new project construction conditions and the uncertainty in capital returns in the industry. We adopt a prudent operating strategy on accepting new construction projects to ensure an effective control of various possible risks. We consider that the risk control takes priority over the implementation of the projects.

The EPD and Water Management Business segment is a business that the Group proactively expands and develops. The Group recorded a decrease in revenue during the Reporting Period, which was attributable to the slow progress in implementing certain environmental protection dredging projects. However, the gross profit margin generated from this business segment increased, showing a growth of 7.6 percentage points to 30.6% over the first half of 2017.

概覽

本集團主要致力於疏浚業務，相關的業務可分為三個主要營運及呈報分部，即(i)基建及填海疏浚業務(「基建及填海疏浚業務」)；(ii)環保疏浚(「環保疏浚」)及水務管理業務(「環保疏浚及水務管理業務」)；(iii)海上操作的其他工程，如吊裝工程(「其他海事業務」)。此外，本集團就管理居然之家鹽城店亦開始經營物業管理業務(「物業管理業務」)。

於報告期間，純利約為人民幣21,800,000元，較二零一七年上半年的約人民幣55,100,000元下降約60.4%。本公司於報告期間錄得股東應佔溢利約人民幣20,000,000元。

業務回顧

於報告期間，本集團錄得收益約人民幣352,100,000元，較去年同期的約人民幣335,800,000元上升4.9%。毛利約人民幣91,600,000元，較去年同期的人民幣145,100,000元下跌36.8%。

於報告期間，基建及填海疏浚業務分部所產生之收益下降，乃因行業內新項目施工工況的易變性和資金回籠的不確定性變化較大。我們對新工程項目的承接採取比較審慎的經營策略，以確保對可能出現的各種風險進行有效控制，將風險控制優先於項目實施予以考慮。

環保疏浚及水務管理業務分部為本集團積極開拓發展的業務。由於若干環保疏浚項目推進進度放緩，以致本集團於報告期間收益減少，惟自該業務分部所產生之毛利率增加，較二零一七年上半年增加7.6個百分點至30.6%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (Continued)

Other Marine Business refers to services including installation of wind power generation equipment, bulk material hoisting and installation in dock and bridge construction, underwater pipeline installation and other engineering services. The wind energy, as a clean renewable energy, has developed rapidly. Domestically, there is a strong surge of enthusiasm in marine wind power constructions. The Group will continuously increase the investment in the related equipment for the wind power constructions in order to grasp more such business opportunities.

Easyhome Yancheng Shopping Mall, located in the core area of Yancheng National High-tech Industrial Development Zone of the government administration centre of Yandu District, Yancheng City, Jiangsu Province, the PRC with a gross floor area of 75,600 square meters and used for commercial leasing under the Property Management business, is a large scale shopping centre themed on home building materials which mainly provides customers with “one-stop” services for items such as furniture, household products and furnishing and decoration materials. Currently, Easyhome Yancheng Shopping Mall has approximately 100 tenants, including renowned home furnishing brands Steel-Land (詩帝羅蘭), Cheers (芝華仕), M&Z Furniture (掌上明珠), Landbond Minim (聯邦米尼) and Telonang (泰隆祥). The Group hopes that, through the “Easyhome” brand and its business model, we will gain popularity and raise brand influence, as well as obtain long-term and stable rental income in order to provide steady cash flow support for the Group’s further expansion of our environmental protection business.

In addition to the operation and lease of shopping malls, the Group also commenced the construction of a 17-storey hotel with 200 guest rooms located at the west of Caihong Road, Yancheng City, Jiangsu Province in the year of 2016, with a gross floor area of 20,000 square metres. The related construction work of the hotel is still progressing.

業務回顧 (續)

其他海事業務，即包括海上風電設備的安裝、港口碼頭和橋梁建設大件吊裝、水下管線鋪設及其他工程服務。作為一種清潔的可再生能源，目前國內海上風電建設迅速發展起來，本集團將繼續增加相關設備投入，希望在風電建設市場抓住更多商機。

居然之家鹽城店位於中國江蘇省鹽城市鹽都區行政中心和鹽城國家高新技術產業開發區核心地段，總建築面積達7.56萬平方米，用於物業管理業務之商業租賃，主要為顧客提供傢俱、家居用品及裝潢裝飾材料等「一站式」服務的大型家居建材主題購物中心。目前，居然之家鹽城店約有100個租戶，其中包括著名家居品牌商戶詩帝羅蘭、芝華仕、掌上明珠、聯邦米尼及泰隆祥等。本集團希望透過「居然之家」的品牌和其經營模式，聚集人氣，提升品牌影響力，獲取長期和穩定的租金收入，以便為集團進一步拓展環保業務提供穩定的現金流支持。

除經營出租商場外，本集團亦於二零一六年開始於江蘇省鹽城市彩虹路西側區建設一家樓高17層200間客房的酒店，總建築面積2萬平方米。目前，酒店相關建造仍在推進中。

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group recorded a revenue of approximately RMB352.1 million, representing an increase of 4.9% as compared with approximately RMB335.8 million in the corresponding period of 2017.

Regarding the CRD Business segment and EPD and Water Management Business segment, the respective revenues generated during the Reporting Period were approximately RMB90.0 million and approximately RMB56.2 million which represented a decrease of 49.5% and 24.9% respectively from the corresponding segments' revenue in the corresponding period of 2017. The decrease in revenue from the CRD Business segment was primarily due to the drop in numbers of newly contracted construction projects as the Group implemented a more prudent and careful operating strategy in selecting new projects. The decrease in revenue from EPD and Water Management Business segment for the Reporting Period was due to the slow progress of new EPD projects.

Other Marine Business contributed a revenue of approximately RMB202 million to the Group for the Reporting Period, which represented an increase of 153.7% as compared with approximately RMB79.6 million in the corresponding period of 2017. The increase in revenue primarily resulted from the entry by the Group into wind power field.

The revenue of the Property Management Business for the Reporting Period was approximately RMB3.9 million, which represented an increase of 21.9% as compared with approximately RMB3.2 million in the corresponding period of 2017. Notwithstanding an income growth for such business, it could not bring profit to the Group for the time being as it was still at the development stage.

Operating costs and gross profit

The Group's operating costs significantly increased by 36.6% from approximately RMB190.7 million for the six months ended 30 June 2017 to approximately RMB260.5 million for the Reporting Period.

The Group recorded a gross profit of approximately RMB91.6 million for the Reporting Period, representing a decrease of 36.8% as compared with the six months ended 30 June 2017 of RMB145.1 million. The decrease in gross profit was mainly due to the insufficient utilisation of production capacity and the high idle rate of fleet and equipment resulting from the adoption of a more prudent operating strategy by the Group and also the decrease in the proportion of the CRD business and the EPD business, which have a higher gross profit margin, during the Reporting Period.

財務回顧

收益

於報告期間，本集團錄得收益約人民幣352,100,000元，較二零一七年同期的約人民幣335,800,000元上升4.9%。

於報告期間，基建及填海疏浚業務分部及環保疏浚及水務管理業務分部分別錄得收益約人民幣90,000,000元及約人民幣56,200,000元，分別較二零一七年同期相應分部收益分別減少49.5%及24.9%。基建及填海疏浚業務分部收益減少乃主要由於本集團對新項目的篩選採用更為穩健和審慎的經營策略導致新承接工程項目減少。環保疏浚及水務管理業務分部收益於報告期間錄得下降，此乃由於新環保疏浚項目推進進度緩慢所致。

其他海事業務於報告期間為本集團貢獻收益約人民幣202,000,000元，較二零一七年同期約人民幣79,600,000元上升153.7%。收益上升乃主要由於本集團進軍風力發電領域所致。

於報告期間的物業管理業務收入約人民幣3,900,000元，較二零一七年同期約人民幣3,200,000元上升21.9%。雖然該業務收入略有增長，但仍處於拓展階段，暫時未能為本集團帶來盈利。

營運成本及毛利

本集團的營運成本由截至二零一七年六月三十日止六個月的約人民幣190,700,000元增至報告期間的約人民幣260,500,000元，增幅為36.6%。

本集團於報告期間錄得毛利約人民幣91,600,000元，較截至二零一七年六月三十日止六個月的約人民幣145,100,000元減少36.8%。報告期間毛利減少乃主要由於本集團審慎的經營策略導致船舶、設備施工的產能釋放不足，閒置率增高，以及毛利率較高的基建填海疏浚業務和環保疏浚業務佔比下降。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Continued)

Operating costs and gross profit (Continued)

The segment gross profit margin of CRD Business decreased from 47.8% for the six months ended 30 June 2017 to 29.1% for the Reporting Period, which was primarily due to a drop in revenue for the CRD Business brought about by adopting a prudent operating strategy, while substantial costs such as depreciation of assets and maintenance of vessels did not change proportionately.

The segment gross profit margin of EPD and Water Management Business for the Reporting Period was 30.6% which was higher than 23.0% for the corresponding period last year.

The segment gross profit margin of Other Marine Business increased from 13.8% for the six months ended 30 June 2017 to 17.8% for the Reporting Period, which arose from new wind power generation projects during the Reporting Period.

As a result, the overall gross profit margin of the Group decreased from 43.2% for the six months ended 30 June 2017 to 26.0% for the Reporting Period.

Other income

Other income decreased from approximately RMB11.3 million for the six months ended 30 June 2017 to approximately RMB6.0 million for the Reporting Period, mainly due to the decrease in interest income in respect of certain non-current trade receivables and government financial incentive during the Reporting Period.

Marketing and promotion expenses

Marketing and promotion expenses for the Reporting Period was approximately RMB2.4 million representing a decrease of 44.0% as compared with approximately RMB4.3 million for the six months ended 30 June 2017, which was mainly due to the gain in fame of Easyhome Yancheng Shopping Mall resulting in the decrease in promotion expenses.

Administrative expenses

Administrative expenses of the Group for the Reporting Period amounted to approximately RMB29.3 million, representing a decrease of 14.1% from approximately RMB34.1 million for the six months ended 30 June 2017. This was mainly due to the saving in management expenses and the decrease in the professional fees.

財務回顧 (續)

營運成本及毛利 (續)

報告期間的基建及填海疏浚業務的分部毛利率由截至二零一七年六月三十日止六個月的47.8%下降至29.1%，此乃主要由於報告期間基於審慎的經營策略，導致基建及填海疏浚業務收益減少，但資產折舊、船舶維護等大額成本不作同比例變動。

報告期間的環保疏浚及水務管理業務的分部毛利率為30.6%，較去年同期的23.0%有所上升。

報告期間的其他海事業務的分部毛利率由截至二零一七年六月三十日止六個月的13.8%增加至17.8%，主要由於風力發電新項目帶動所致。

因此，本集團的整體毛利率由截至二零一七年六月三十日止六個月的43.2%下降至報告期間的26.0%。

其他收入

報告期間，其他收入由截至二零一七年六月三十日止六個月的約人民幣11,300,000元減少至約人民幣6,000,000元，主要是由於報告期間非即期應收款項利息收入及政府財政獎勵減少。

市場推廣及宣傳開支

於報告期間的市場推廣及宣傳開支約為人民幣2,400,000元，較於截至二零一七年六月三十日止六個月的約人民幣4,300,000元減少44.0%，此乃主要由於隨著市場知名度提升，居然之家鹽城店的宣傳投入減少所致。

行政開支

本集團的行政開支由截至二零一七年六月三十日止六個月的約人民幣34,100,000元減少14.1%至報告期間的約人民幣29,300,000元，此乃主要由於管理開支減省及專業費用減少所致。

FINANCIAL REVIEW (Continued)

Finance costs

Finance costs decreased by 38.9% to approximately RMB25.4 million for the Reporting Period as compared to the six months ended 30 June 2017, which resulted in the decrease in the total loan amount and the adjustment of the interest rates of certain loans.

Income tax expense

Income tax expense decreased from approximately RMB29.0 million for the corresponding period in 2017 to approximately RMB15.9 million for the Reporting Period.

Profit for the period

As a combined effect of the above, the net profit for the period decreased by 60.4% from approximately RMB55.1 million for the six months ended 30 June 2017 to approximately RMB21.8 million for the Reporting Period.

Earnings per share

Basic earnings per share for the Reporting Period was RMB0.014 per share, representing a decrease of about 61.3% as compared to earnings per share of RMB0.035 for the six months ended 30 June 2017.

Financial position

As at 30 June 2018, total equity of the Group amounted to approximately RMB2,353.3 million (31 December 2017: approximately RMB2,337.3 million).

The Group's net current assets as at 30 June 2018 amounted to approximately RMB197.4 million (31 December 2017: approximately RMB177.9 million). The current ratio, which is calculated by dividing current assets by current liabilities as at 30 June 2018 was 1.17 (31 December 2017: 1.16).

財務回顧 (續)

融資成本

融資成本由截至二零一七年六月三十日止六個月減少38.9%至報告期間的約人民幣25,400,000元，導致貸款總額下降和部分貸款利率調整所致。

所得稅開支

所得稅開支由二零一七年同期約人民幣29,000,000元減少至報告期間約人民幣15,900,000元。

期內溢利

由於以上因素的綜合影響，期內純利由截至二零一七年六月三十日止六個月的約人民幣55,100,000元下跌60.4%至報告期間的約人民幣21,800,000元。

每股盈利

報告期間每股基本盈利為每股人民幣0.014元，較截至二零一七年六月三十日止六個月每股盈利人民幣0.035元，下降約61.3%。

財務狀況

於二零一八年六月三十日，本集團的權益總額約為人民幣2,353,300,000元(二零一七年十二月三十一日：約人民幣2,337,300,000元)。

本集團於二零一八年六月三十日的流動資產淨值約為人民幣197,400,000元(二零一七年十二月三十一日：約人民幣177,900,000元)。於二零一八年六月三十日的流動比率(按流動資產除以流動負債計算)為1.17(二零一七年十二月三十一日：1.16)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Continued)

Liquidity and financial resources

The Group adopts a prudent cash and financial management policy. In order to achieve better cost control and improve the usage efficiency of funds, the Group's treasury activities are centralised and cash is generally deposited with banks and denominated mostly in Renminbi and Hong Kong dollars.

Included in net current assets were cash and various bank deposits totaling approximately RMB36.1 million as at 30 June 2018 (31 December 2017: RMB69.5 million).

The Group's trade receivables as at 30 June 2018 increased by 9.0% from approximately RMB1,222.4 million as at 31 December 2017 to approximately RMB1,332.1 million. Overdue trade receivables as at 30 June 2018 increased by about 7.7% to approximately RMB1,080 million as compared with the same period last year.

Total liabilities of the Group increased from approximately RMB1,250.5 million as at 31 December 2017 to approximately RMB1,304.1 million as at 30 June 2018, which was mainly due to the increase in trade and other payables. The Group's gearing ratio (calculated by interest bearing instruments (including bank borrowings, other borrowings and bonds payable) divided by total equity) was 30.23% (31 December 2017: 30%).

財務回顧 (續)

流動資金及財務資源

本集團採取審慎的現金及財務管理政策。為求能夠更好控制成本及提高資金使用效率，本集團的財資活動均為集中管理，而現金一般會存放於銀行，大部分以人民幣及港元計值。

於二零一八年六月三十日，流動資產淨值中包括現金及多項銀行存款共約人民幣36,100,000元(二零一七年十二月三十一日：人民幣69,500,000元)。

本集團於二零一八年六月三十日的應收款項由二零一七年十二月三十一日約人民幣1,222,400,000元增加9.0%至約人民幣1,332,100,000元。於二零一八年六月三十日的逾期應收款項亦較去年同期增加約7.7%至約人民幣1,080,000,000元。

於二零一八年六月三十日，本集團的總負債約為人民幣1,304,100,000元，較於二零一七年十二月三十一日約人民幣1,250,500,000元有所增加。此乃主要由於應付款項及其他應付款增加。本集團的資產負債比率(以計息工具(包括銀行借貸、其他借貸及應付債券)除以權益總額計算)為30.23%(二零一七年十二月三十一日：30%)。

FINANCIAL REVIEW (Continued)

Capital Structure of the Group

The capital structure of the Group consists of debts, which include amounts due to non-controlling interests of a subsidiary, bank borrowings, other borrowings, the bonds payable and equity reserves attributable to owners of the Company, comprising issued share capital and various reserves.

The Directors review the capital structure on a semi-annual basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the Directors, the Group will balance its overall capital structure through new share issues and share buy-backs as well as the issue of new debts or the redemption of existing debts.

The Group's monetary assets, liabilities and transactions are mainly denominated in Renminbi and Hong Kong dollars. During the Reporting Period, most of the transactions were denominated and settled in Renminbi. The Group believes that its exposure to exchange rate risk is minimal. The Group recorded a net exchange loss amounting to RMB2.8 million during the Reporting Period.

Charge over assets of the Group

As at 30 June 2018, the Group's bank borrowings were secured by charges over certain dredgers and land owned by the Group, a property owned by a company which Mr. Liu has beneficial interest, and personal guarantees by Mr. Liu and Ms. Zhou. There were also intra-group charges between two of the Company's wholly-owned subsidiaries as a result of the Contractual Arrangements, pursuant to which all economic benefits and risks arising from the business of Jiangsu Xingyu have been transferred to Xiangyu PRC.

The Group pledged over a dredger, an industrial premises located in Jiangsu Province, the PRC and a residential property located in Shandong Province, the PRC in favour of CITIC (as defined in Note 2) and/or its affiliate. Please refer to the Company's announcements dated 15 December 2016, and 5 June 2017 for details.

財務回顧 (續)

本集團的資本結構

本集團的資本結構由債務(包括應付一間附屬公司非控股權益的款項、銀行借貸、其他借貸、應付債券)及本公司所有人應佔權益儲備(包括已發行股本及各種儲備)。

董事每半年檢討資本結構一次。作為檢討的一部分，董事考慮資本成本及每一類資本附帶的風險。根據董事的建議，本集團將透過發行新股及購回股份以及發行新債或贖回現行債務平衡其整體資本結構。

本集團的貨幣資產、負債及交易主要以人民幣及港元計值。於報告期間，大部分交易以人民幣計值及結算。本集團相信其所承受的匯率風險不大。本集團於期內錄得匯兌虧損淨額人民幣2,800,000元。

本集團資產抵押

於二零一八年六月三十日，本集團的銀行借貸乃以本集團所持有的若干挖泥船及土地、劉先生擁有實益權益的一家公司所持有的一處物業以及劉先生及周女士的個人擔保作抵押。本公司兩間全資附屬公司間因合約安排(據此由江蘇興宇的業務中產生的一切經濟利益及風險均轉撥至翔宇中國)而產生集團內抵押。

本集團已向CITIC(定義見附註2)及/或其聯屬人士抵押一艘挖泥船、位於中國江蘇省的一處工業物業及位於中國山東省的一處住宅物業作為擔保。詳情請參閱本公司日期為二零一六年十二月十五日及二零一七年六月五日之公告。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Continued)

Risk management policies

The Group in its ordinary course of business is exposed to market risks such as currency risk and interest rate risk. The Group's risk management strategy aims to minimise the adverse effects of these risks on its financial performance.

As most of the Group's trading transactions, monetary assets and liabilities were denominated mainly in Renminbi, which was the Group's functional and reporting currencies, and save for the Bonds and certain bank borrowings and balances denominated in United States dollars and Hong Kong dollars, the foreign exchange loss recognised for the Reporting Period was approximately RMB2.8 million (30 June 2017: gain of approximately RMB7.7 million). The Group is giving full attention to respond to the related foreign exchange rate risks.

As current interest rates stay at relatively low levels, the Group has not entered into any interest rate hedging contracts or any other interest rate related derivative financial instrument. However, the Group continues to monitor its related interest rate exposure closely.

Material acquisitions and disposals

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities.

Capital commitments and contingent liabilities

As at 30 June 2018, the Group had capital commitments of approximately RMB68.3 million (31 December 2017: approximately RMB72.8 million) which mainly included the construction cost of approximately RMB61.1 million for a hotel.

As at 30 June 2018, the Group did not have any material contingent liability (31 December 2017: nil).

財務回顧 (續)

風險管理政策

本集團於其一般業務過程中面臨市場風險(例如貨幣風險及利率風險)。本集團的風險管理策略旨在將該等風險對其財務表現的不利影響降至最低。

由於本集團的大部分買賣交易、貨幣資產及負債主要以人民幣(本集團的功能及呈報貨幣)計值,惟債券及若干銀行貸款及結餘以美元及港元計值,於報告期確認匯兌虧損約人民幣2,800,000元(二零一七年六月三十日:收益約人民幣7,700,000元),本集團正密切應對相關匯率風險。

由於現行利率處於相對較低水平,故本集團並無訂立任何利率對沖合約或任何其他利率相關衍生金融工具。然而,本集團將繼續密切監察其所面對的相關利率風險。

重大收購事項及出售事項

於本報告期間,本公司及其附屬公司概無購買、出售或贖回任何本公司證券。

資本承擔及或然負債

於二零一八年六月三十日,本集團的資本承擔約為人民幣68,300,000元(二零一七年十二月三十一日:約人民幣72,800,000元),當中主要包括一間酒店的建設成本約人民幣61,100,000元。

於二零一八年六月三十日,本集團並無任何重大或然負債(二零一七年十二月三十一日:無)。

PROSPECTS

Looking towards the future, the Group will carry on with its efforts to enhance the effectiveness of its dredging business and expects to bring reasonable returns through obtaining more works contracts by virtue of our rich construction experience on dredging projects. In addition, with the support under the “One Belt One Road” strategy, the Group is expanding its business to overseas markets including Southeast Asian markets. Currently, the Group is negotiating on several overseas projects with project owners, and hope that such projects may come to the stage of document conclusion applicable of being signed by relevant parties in the coming second half year.

In terms of capital operation, up to now, the Company has not yet redeemed the outstanding Bonds according to the fifth amendment agreement dated 23 January 2018 entered into with CITIC in respect of the redemption of the Bonds. The Company will continue to seek opportunities to raise additional funds to redeem the relevant Bonds. When there is any material development made, the Company will timely inform its shareholders and potential investors. Besides, the Group will actively identify and implement reliable and feasible fundraising plans depending on the progress of its construction projects, so as to further optimise the financial position and enhance the capital base of the Group.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2018, the Group had a workforce of 633 employees (31 December 2017: 629). Total staff cost for the Reporting Period was about RMB16.4 million (30 June 2017: approximately RMB21.1 million). The Group’s remuneration policy is basically determined by the Directors, based on the performance of individual employees and the market conditions. In addition to salaries and discretionary bonuses, employee benefits included pension contributions and options which may be granted under the share option scheme (under which options to subscribe for shares of the Company that could be granted to independent non-executive Directors would be subject to the applicable conditions and independence restrictions as set out in the Listing Rules). The Group also provides on-going training to its employees.

During the Reporting Period, the Group did not experience any strikes, work stoppages or significant labour disputes which affected its operations or any significant difficulties in recruiting and retaining qualified staff.

未來展望

展望未來，本集團將繼續努力提升疏浚業務效益，希望憑著我們對疏浚工程的豐富施工經驗，爭取更多工程合約，為本集團帶來合理回報。同時，在「一帶一路」策略的支持下，本集團正在拓展東南亞等海外市場。現時數個海外項目正在商談中，期望下半年可有海外項目可簽訂施工合同。

在資本運營方面，截至目前為止，本公司並未按於二零一八年一月二十三日與CITIC就贖回債券所簽訂之第五份修訂協議贖回未償還的債券。本公司將繼續尋找籌集額外資金之機會以贖回有關債券。當有任何進一步重大進展時，本公司將適時知會股東及潛在投資者。此外，本集團將根據工程項目運營的進度，積極尋找落實穩健可行的融資方案，從而達到進一步優化本集團的財務狀況，增強夯實本集團的資本基礎。

僱員及薪酬政策

於二零一八年六月三十日，本集團擁有633名僱員(二零一七年十二月三十一日：629名)。報告期間的員工成本總額約為人民幣16,400,000元(二零一七年六月三十日：約人民幣21,100,000元)。本集團的薪酬政策乃主要由董事根據個別僱員表現及市況釐定。除薪金及酌情花紅外，僱員福利亦包括退休金供款及根據購股權計劃可能授出的購股權(據此可授予獨立非執行董事認購股份的購股權須遵守上市規則所載的適用條件及獨立性限制)。本集團亦為其僱員提供持續性培訓。

於報告期間，本集團並無經歷任何影響其營運的罷工、停工或重大勞資糾紛，本集團在聘用及挽留合資格員工方面亦無遇到任何重大困難。

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

權益披露及其他資料

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 30 June 2018, the Directors and the Company's chief executive, and their respective associates had the following interests in the Shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code, or were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO:

Interests in the Company

Name of Directors	Capacity	Notes	Long position	
			Number of ordinary Shares	*Approximate percentage of total number of Shares
董事姓名	身份	附註	普通股數目	*佔總股數的概約百分比
Mr. Liu Kaijin 劉開進先生	Interest in controlled corporation 於受控法團的權益	1	351,600,000	23.79%
	Beneficial owner 實益擁有人	1	36,703,000	2.48%
Ms. Zhou Shuhua 周淑華女士	Interest in spouse 配偶權益	2	388,303,000	26.27%
Mr. Wu Bin 伍斌先生	Beneficial owner 實益擁有人		7,218,000	0.49%
Mr. Wu Xuze 吳旭澤先生	Interest in spouse 配偶權益		28,242,000	1.91%

* These percentages are calculated based on the 1,478,064,000 Shares in issue as at 30 June 2018.

Notes:

- Mr. Liu is the sole beneficial owner of Wangji Limited ("Wangji"), a company incorporated in the British Virgin Islands with limited liability, which is the direct owner of the 351,600,000 Shares. Further, Mr. Liu is the beneficial owner of 36,703,000 Shares.
- Ms. Zhou is the spouse of Mr. Liu who is also a Director. By virtue of the SFO, Ms. Zhou is deemed to be interested in all interests of Mr. Liu in the Company including long position and short position.

董事及主要行政人員於本公司及相聯法團的股份及相關股份的權益及淡倉

於二零一八年六月三十日，董事及本公司主要行政人員及彼等各自的聯繫人士於本公司及其相聯法團(定義見證券及期貨條例第XV部)的股份及相關股份中，擁有根據證券及期貨條例第XV部第7及8分部(包括彼等根據證券及期貨條例的該等條文被當作或視為擁有的權益及淡倉)或根據標準守則須知會本公司及聯交所，或根據證券及期貨條例第352條須記錄於本公司所存置的登記冊的權益如下：

於本公司的權益

Name of Directors	Capacity	Notes	Long position	
			Number of ordinary Shares	*Approximate percentage of total number of Shares
董事姓名	身份	附註	普通股數目	*佔總股數的概約百分比
Mr. Liu Kaijin 劉開進先生	Interest in controlled corporation 於受控法團的權益	1	351,600,000	23.79%
	Beneficial owner 實益擁有人	1	36,703,000	2.48%
Ms. Zhou Shuhua 周淑華女士	Interest in spouse 配偶權益	2	388,303,000	26.27%
Mr. Wu Bin 伍斌先生	Beneficial owner 實益擁有人		7,218,000	0.49%
Mr. Wu Xuze 吳旭澤先生	Interest in spouse 配偶權益		28,242,000	1.91%

* 該等百分比乃根據於二零一八年六月三十日已發行的1,478,064,000股股份計算。

附註：

- 劉先生為旺基有限公司(「旺基」)(一間於英屬處女群島註冊成立的有限公司)的唯一實益擁有人，而旺基為351,600,000股股份的直接擁有人。此外，劉先生為36,703,000股股份的實益擁有人。
- 周女士為劉先生的配偶，彼亦為一名董事。根據證券及期貨條例，周女士被視為於劉先生持有的所有本公司權益(包括好倉及淡倉)中擁有權益。

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

權益披露及其他資料

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ASSOCIATED CORPORATIONS (Continued)

董事及主要行政人員於本公司及相聯法團的股份及相關股份的權益及淡倉(續)

Interests in associated corporations

於相聯法團的權益

Name of Director 董事姓名	Name of associated corporation 相聯法團名稱	Capacity 身份	Notes 附註	Long position 好倉	Approximate percentage of total number of shareholding 佔總股權的概約百分比
				Share capital 股本	
Mr. Liu Kaijin 劉開進先生	Wangji 旺基	Beneficial owner 實益擁有人		200 ordinary shares 200股普通股	100%
	Jiangsu Xingyu 江蘇興宇	Beneficial owner 實益擁有人	1	Register capital of RMB39,315,800 註冊資本人民幣39,315,800元	100%
Ms. Zhou Shuhua 周淑華女士	Wangji 旺基	Interest in spouse 配偶權益	2	200 ordinary shares 200股普通股	100%
	Jiangsu Xingyu 江蘇興宇	Interest in spouse 配偶權益	2	Register capital of RMB39,315,800 註冊資本人民幣39,315,800元	100%

Notes:

附註:

- Mr. Liu is the sole beneficial owner of the entire registered capital of Jiangsu Xingyu. Mr. Liu and Ms. Zhou are the registered holders of 98.47% and 1.53% respectively in the registered capital in Jiangsu Xingyu. The 1.53% interest in the registered capital of Jiangsu Xingyu were held on trust by Ms. Zhou for Mr. Liu pursuant to a shareholding confirmation dated 12 July 2010.
- Ms. Zhou is the spouse of Mr. Liu who is a Director. By virtue of the SFO, Ms. Zhou is deemed to be interested in all interests of Mr. Liu in the associated corporations including long position and short position.

- 劉先生為江蘇興宇的全部註冊資本的唯一實益擁有人。劉先生及周女士分別為江蘇興宇98.47%及1.53%註冊資本的登記持有人。根據二零一零年七月十二日訂立的一項股權確認，周女士以信託方式代劉先生持有江蘇興宇註冊資本的1.53%權益。
- 周女士為劉先生的配偶，彼為一名董事。根據證券及期貨條例，周女士被視為於劉先生持有的所有相聯法團權益(包括好倉及淡倉)中擁有權益。

Saved as disclosed above, none of the Directors and chief executive of the Company or any of their associates had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any associated corporation as at 30 June 2018 (within the meaning of Part XV of the SFO), which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors or chief executive of the Company were deemed or taken to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一八年六月三十日，董事及本公司主要行政人員或彼等的任何聯繫人士概無於本公司或任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券中，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任何權益或淡倉(包括董事或本公司主要行政人員根據證券及期貨條例的該等條文被視為或當作擁有的權益及淡倉)或根據證券及期貨條例第352條須記錄於本公司須予存置的登記冊的任何權益或淡倉，或根據標準守則須知會本公司及聯交所的任何權益或淡倉。

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

權益披露及其他資料

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2018, other than the Directors' and the chief executive's interests and short positions in the Shares and underlying Shares as recorded in the register required to be kept under Section 336 of the SFO, to the best of the knowledge and belief of the Directors, the following substantial Shareholders had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO or otherwise notified to the Company and the Stock Exchange:

Interests in the Company

主要股東於本公司股份及相關股份中的權益及淡倉

於二零一八年六月三十日，除根據證券及期貨條例第336條須予存置的登記冊中所記錄的董事及主要行政人員於股份及相關股份的權益及淡倉外，就董事所深知及深信，以下主要股東於股份或相關股份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或根據證券及期貨條例第336條須記錄於本公司須予存置的登記冊，或已知會本公司及聯交所的權益或淡倉：

於本公司的權益

Name of Shareholder	Capacity	Notes	Long position	
			Number of ordinary Shares	*Approximate percentage of total number of Shares
股東姓名	身份	附註	普通股數目	*佔總股數的概約百分比
Wangji 旺基	Beneficial owner 實益擁有人		351,600,000	23.79%
Panjiang International Investment and Trading Co., Limited 盤江國際投資貿易有限公司	Beneficial owner 實益擁有人		171,120,000	11.58%
Luck Morgan Investment Limited	Nominee 提名人	1	246,000,000	16.64%
Jiangsu Baisite Environment Engineering Co., Ltd* 江蘇百斯特環境工程有限公司*	Beneficial Owner 實益擁有人		246,000,000	16.64%

* These percentages are calculated based on the 1,478,064,000 Shares in issue as at 30 June 2018.

* 該等百分比乃根據於二零一八年六月三十日已發行的1,478,064,000股股份計算。

Note:

附註:

1 Luck Morgan Investment Limited acts as nominee for Jiangsu Baisite Environment Engineering Co. Ltd to hold 246,000,000 Shares.

1 Luck Morgan Investment Limited以江蘇百斯特環境工程有限公司的提名人身份持有246,000,000股股份。

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

權益披露及其他資料

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

(Continued)

Interests in the Company (Continued)

Saved as disclosed above, as at 30 June 2018, no person (other than Directors and the Company's chief executive whose interests are set out in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares of the Company and Associated Corporations" above) had interest or short position in the Shares or underlying shares of the Company and associated corporations that was required to be recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO or which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO.

SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Directors consider the Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group.

During the Reporting Period, no share options was granted or exercised nor cancelled or lapsed under the Share Option Scheme. As at 30 June 2018, the Company had no outstanding options under the Share Option Scheme. The total number of Shares available for issue under the Share Option Scheme and the percentage to the total issued share capital of the Company that it represents as at 30 June 2018 were 85,560,000 Shares and approximately 5.79% respectively.

主要股東於本公司股份及相關股份中的權益及淡倉 (續)

於本公司的權益 (續)

除上文所披露者外，於二零一八年六月三十日，概無任何人士（董事及本公司主要行政人員（彼等的權益乃載列於上文「董事及主要行政人員於本公司及相聯法團的股份及相關股份的權益及淡倉」一節）除外）於本公司及相聯法團的股份或相關股份中擁有根據證券及期貨條例第336條須記錄於本公司須予備存的權益登記冊的權益或淡倉，或根據證券及期貨條例第XV部第2及3分部須向本公司及聯交所披露的權益或淡倉。

購股權計劃

本公司已採納購股權計劃，以嘉許及獎勵為本集團成功營運作出貢獻的合資格參與者。董事認為，購股權計劃（參與基準有所放寬）使得本集團能夠就僱員、董事及其他選定參與者為本集團所作貢獻對彼等作出獎勵。

於報告期間，購股權計劃下概無購股權獲授出、行使、註銷或失效。於二零一八年六月三十日，本公司購股權計劃項下概無尚未行使的購股權。於二零一八年六月三十日，根據購股權計劃可供發行的股份總數及佔本公司已發行股本總數百分比分別為85,560,000股股份及約5.79%。

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

權益披露及其他資料

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to high standards of corporate governance. The Directors believe that the Company has complied with all the applicable code provisions of the Corporate Governance Code ("CG Code") contained in Appendix 14 of the Listing Rules for the Reporting Period and there was no material deviation from the CG Code.

AUDIT COMMITTEE AND REVIEW OF UNAUDITED FINANCIAL STATEMENTS

The Audit Committee has been set up in accordance with the Listing Rules. Members of the Audit Committee as at 30 June 2018 comprised Mr. Chan Ming Sun Jonathan (chairman), Mr. Huan Xuedong and Mr. Liang Zequan, all of whom are independent non-executive Directors.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group, financial reporting matters including a review of the unaudited consolidated results for the Reporting Period prior to recommending them to the Board for approval.

REMUNERATION COMMITTEE

The Remuneration Committee has been set up in accordance with Appendix 14 to the Listing Rules with written terms of reference.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Group's policy and structure for all remuneration of Directors and senior management and reviewing the specific remuneration packages of all executive Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

As at 30 June 2018, the Remuneration Committee comprised of Mr. Liang Zequan (chairman) and Mr. Chan Ming Sun Jonathan, both of whom are independent non-executive Directors, and Mr. Liu Longhua, a non-executive Director.

遵守企業管治守則

本公司致力達致高水平的企業管治。董事認為，本公司於報告期間內一直遵守上市規則附錄十四所載企業管治守則（「企業管治守則」）的所有適用守則條文，且與企業管治守則並無任何重大偏離。

審核委員會及未經審核財務報表的審閱

本公司已根據上市規則成立審核委員會。於二零一八年六月三十日，審核委員會的成員包括陳銘樂先生（主席）、還學東先生及梁澤泉先生，彼等均為獨立非執行董事。

審核委員會於提出建議供董事會批准前，已與管理層審閱本集團採納的會計準則及慣例及財務報告事項（包括審閱報告期間的未經審核綜合業績）。

薪酬委員會

本公司已根據上市規則附錄十四成立薪酬委員會，並制定書面職權範圍。

薪酬委員會的主要職責包括就本集團董事及高級管理層的全體薪酬政策及架構向董事會提出建議，及因應董事會不時所訂的企業方針及目標而檢討全體執行董事及高級管理層的特定薪酬待遇。

於二零一八年六月三十日，薪酬委員會成員包括獨立非執行董事梁澤泉先生（主席）及陳銘樂先生，以及非執行董事劉龍華先生。

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

權益披露及其他資料

NOMINATION COMMITTEE

The Nomination Committee has been set up in accordance with Appendix 14 to the Listing Rules with written terms of reference.

The principal responsibilities of the Nomination Committee include formulating nomination policy and making recommendations to the Board on nomination and appointment of Directors and Board succession, developing selection procedures for nomination of candidates, reviewing the size, structure and composition of the Board, as well as assessing the independence of the independent non-executive Directors.

As at 30 June 2018, the Nomination Committee comprised of Mr. Liu Longhua (chairman), a non-executive Director, Mr. Chan Ming Sun Jonathan and Mr. Liang Zequan, both of whom are independent non-executive Directors.

INTERIM DIVIDEND

The Directors have determined that no dividend will be paid in respect of the Reporting Period (six months ended 30 June 2017: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities.

DIRECTORS' COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conducts regarding Directors' securities dealings. Specific enquiries had been made to all Directors, who confirmed that they had complied with the required standard set out in the Model Code during the Reporting Period.

提名委員會

本公司已根據上市規則附錄十四成立提名委員會，並制定書面職權範圍。

提名委員會的主要職責包括制定提名政策以及就董事的提名及委任及董事會繼任向董事會提出建議、擬定提名候選人的甄選程序、審閱董事會的規模、架構及組成，並評估獨立非執行董事的獨立性。

於二零一八年六月三十日，提名委員會成員包括非執行董事劉龍華先生(主席)，以及獨立非執行董事陳銘樂先生及梁澤泉先生。

中期股息

董事已決定將不會支付有關報告期間之任何股息(截至二零一七年六月三十日止六個月：無)。

購買、出售或贖回本公司的上市證券

於報告期間，本公司及其任何附屬公司概無購買、出售或贖回本公司的任何證券。

董事遵守標準守則

本公司已採納上市規則附錄十所載的標準守則，作為董事進行證券交易的操守守則。本公司已向全體董事作出特定查詢，而全體董事已確認，彼等於報告期間一直遵守標準守則所載的規定準則。

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

				Six months ended 30 June	
				截至六月三十日止六個月	
				2018	2017
				二零一八年	二零一七年
				RMB'000	RMB'000
				人民幣千元	人民幣千元
				(Unaudited)	(Unaudited)
				(未經審核)	(未經審核)
		Notes			
		附註			
Revenue	收益	5	352,128	335,761	
Operating costs	營運成本		(260,495)	(190,679)	
Gross profit	毛利		91,633	145,082	
Other income	其他收入	7	6,047	11,270	
Other gains and losses	其他收益及虧損	8	(2,838)	7,676	
Marketing and promotion expenses	市場推廣及宣傳開支		(2,399)	(4,283)	
Administrative expenses	行政開支		(29,330)	(34,134)	
Finance costs	融資成本	9	(25,374)	(41,520)	
Profit before tax	除稅前溢利		37,739	84,091	
Income tax expense	所得稅開支	10	(15,925)	(29,030)	
Profit and total comprehensive income for the period	期內溢利及全面收益總額	11	21,814	55,061	
Profit and total comprehensive income for the period attributable to:	下列人士應佔期內溢利及全面收益總額：				
Owners of the Company	本公司所有人		20,025	52,215	
Non-controlling interests	非控股權益		1,789	2,846	
			21,814	55,061	
Earnings per share	每股盈利	12			
— basic (RMB cents)	— 基本(人民幣分)		1.4	3.5	
— diluted (RMB cents)	— 攤薄(人民幣分)		1.4	3.5	

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30 June 2018 於二零一八年六月三十日

			At 30 June 2018 於二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
		Notes 附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	1,556,019	1,575,766
Prepaid land lease payments	預付土地租約款	14	93,794	95,190
Investment properties	投資物業	14	413,194	413,194
Goodwill	商譽		201	201
Other intangible asset	其他無形資產		4,250	4,417
Deposit paid for acquisition of property, plant and equipment	已付收購物業、廠房及設備的按金		11,031	12,366
Deferred tax assets	遞延稅項資產		103,323	103,323
Trade and other receivables due after one year	一年後到期的應收賬款及其他應收款	15	87,823	70,595
			2,269,635	2,275,052
Current assets	流動資產			
Prepaid land lease payments	預付土地租約款	14	2,908	2,908
Trade and other receivables	應收賬款及其他應收款	15	1,348,694	1,240,324
Bank balances and cash	銀行結餘及現金		36,103	69,505
			1,387,705	1,312,737
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款	16	416,569	368,783
Amounts due to directors of the Company	應付本公司董事款項	17	12,386	9,602
Amounts due to non-controlling interests of a subsidiary	應付一間附屬公司非控股權益的款項		1,764	1,838
Tax payable	應付稅項		100,966	88,480
Bank borrowings	銀行借貸	18	363,192	371,192
Other borrowings	其他借貸		47,769	64,527
Bonds payable	應付債券	19	247,630	230,378
			1,190,276	1,134,800
Net current assets	流動資產淨值		197,429	177,937
Total assets less current liabilities	總資產減流動負債		2,467,064	2,452,989

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30 June 2018 於二零一八年六月三十日

			At 30 June 2018 於二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
		Notes 附註		
Capital and reserves	資本及儲備			
Share capital	股本	20	123,483	123,483
Reserves	儲備		2,076,948	2,056,923
Equity attributable to owners of the Company	本公司所有人應佔權益		2,200,431	2,180,406
Non-controlling interests	非控股權益		152,840	156,844
Total equity	權益總額		2,353,271	2,337,250
Non-current liabilities	非流動負債			
Amounts due to non-controlling interests of a subsidiary	應付一間附屬公司 非控股權益的款項		67,082	68,252
Deferred tax liabilities	遞延稅項負債		11,842	12,651
Other borrowings	其他借貸		34,869	34,836
			113,793	115,739
			2,467,064	2,452,989

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

		Attributable to owners of the Company 本公司所有人應佔					Non-controlling interests 非控股權益		Total
		Share capital 股本	Share premium 股份溢價	PRC statutory reserve 中國法定儲備	Other reserve 其他儲備	Retained profits 留存溢利	Total	Non-controlling interests 非控股權益	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元 (note i) (附註i)	RMB'000 人民幣千元 (note ii) (附註ii)	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
At 1 January 2017 (audited)	於二零一七年一月一日 (經審核)	123,483	922,980	19,658	204,554	838,691	2,109,366	160,136	2,269,502
Profit and total comprehensive income for the period (unaudited)	期內溢利及全面收益 總額(未經審核)	—	—	—	—	52,215	52,215	2,846	55,061
At 30 June 2017 (unaudited)	於二零一七年六月 三十日(未經審核)	123,483	922,980	19,658	204,554	890,906	2,161,581	162,982	2,324,563
At 1 January 2018 (audited)	於二零一八年一月一日 (經審核)	123,483	922,980	19,658	204,554	909,731	2,180,406	156,844	2,337,250
Profit and total comprehensive income for the period (unaudited)	期內溢利及全面收益 總額(未經審核)	—	—	—	—	20,025	20,025	1,789	21,814
Dividend paid to non-controlling interest (unaudited)	已付非控股權益股息 (未經審核)	—	—	—	—	—	—	(5,793)	(5,793)
At 30 June 2018 (unaudited)	於二零一八年六月 三十日(未經審核)	123,483	922,980	19,658	204,554	929,756	2,200,431	152,840	2,353,271

Notes:

- (i) According to the rules and regulations in the People's Republic Of China ("PRC"), a portion of the profit after taxation of the Company's PRC subsidiaries is required to be transferred to a PRC statutory reserve before distribution of a dividend to their equity owners. The transfer can cease when the balance of the reserve reaches 50% of the registered capital of the respective subsidiaries. The reserve can be applied either to set off accumulated losses or to increase capital.
- (ii) The other reserve of the Group represents the difference between the nominal amount of the share capital issued by the Company in exchange for the nominal amount of the share capital and share premium of its subsidiaries pursuant to the Group reorganisation in 2011.

附註:

- (i) 根據中華人民共和國(「中國」)的規則及法規，本公司的中國附屬公司須將部分除稅後溢利在向權益所有人分派股息之前轉撥至中國法定儲備。當儲備結餘達至相關附屬公司註冊資本的50%時可終止轉撥。該儲備可用於抵銷累計虧損或增加資本。
- (ii) 本集團的其他儲備指本公司用作交換股本面值而發行之股本面值與因二零一一年集團重組而產生之其附屬公司股份溢價兩者之差額。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

Six months ended 30 June

截至六月三十日止六個月

2018

2017

二零一八年

二零一七年

RMB'000

RMB'000

人民幣千元

人民幣千元

(Unaudited)

(Unaudited)

(未經審核)

(未經審核)

		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Operating activities	經營活動		
Operating cash flows before movements in working capital	營運資金變動前營運現金流量	117,847	162,100
(Increase) decrease in trade and other receivables	應收賬款及其他應收款(增加)減少	(125,598)	21,909
Increase (decrease) in trade and other payables	應付賬款及其他應付款增加(減少)	47,786	(105,145)
Cash generated from operations	營運所得的現金	40,035	78,864
PRC income tax paid	已付中國所得稅	(4,248)	(29,030)
Net cash generated from operating activities	經營活動所得現金淨額	35,787	49,834
Investing activities	投資活動		
Interest received	已收利息	140	79
Purchase of property, plant and equipment	購買物業、廠房及設備	(29,508)	(19,699)
Additions to investment properties under construction	添置在建投資物業	—	(3,028)
Placement of pledged bank deposits	存入已抵押銀行存款	—	(65,000)
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	—	(424)
Net cash used in investing activities	投資活動所用現金淨額	(29,368)	(88,072)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

Six months ended 30 June

截至六月三十日止六個月

2018

2017

二零一八年

二零一七年

RMB'000

RMB'000

人民幣千元

人民幣千元

(Unaudited)

(Unaudited)

(未經審核)

(未經審核)

Financing activities	融資活動		
New bank borrowings raised	新增銀行借貸	319,000	356,961
New other borrowings raised	新增其他借貸	7,307	1,921
Advance from a director of the Company	來自本公司一名董事墊支款項	42,436	—
Repayment of bank borrowings	償還銀行借貸	(327,000)	(328,176)
Repayment of other borrowings	償還其他借貸	(24,032)	(500)
Repayment to non-controlling interests of a subsidiary	向一間附屬公司的非控股權益償還款項	(1,244)	(4,456)
Repayment to directors of the Company	向本公司董事償還款項	(39,652)	—
Settlement of Bonds	支付債券	—	(8,879)
Interest paid	已付利息	(10,843)	(3,154)
Dividend payment to non-controlling interests of a subsidiary	向一間附屬公司的非控股權益支付股息	(5,793)	—
Net cash (used in) generated from financing activities	融資活動(所用)所得現金淨額	(39,821)	13,717
Net decrease in cash and cash equivalents	現金及現金等值物減少淨值	(33,402)	(24,521)
Cash and cash equivalents at beginning of the period	期初的現金及現金等值物	69,505	34,500
Cash and cash equivalents at end of the period, represented by bank balances and cash	期末的現金及現金等值物，即銀行結餘及現金	36,103	9,979

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Listing Rules.

The condensed consolidated financial statements are presented in RMB, which is also the functional currency of the Company.

2. GOING CONCERN BASIS OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2018 (the “current interim period”), the Company had not settled the convertible bonds (the “Bonds”, see note 19) when the Bonds fell due for repayment on their extended maturity date. The Bonds remained overdue for repayment as at 30 June 2018. On 21 March 2017, 5 June 2017, 21 September 2017 and 23 January 2018, the Company and CITIC Capital China Access Fund Limited (the “Bondholder” or “CITIC”) had entered into the amendment agreements (as described in note 19), pursuant to which the maturity date of the Bonds was entered such that based on the latest amendment agreement in effect, the Company needed to repay the principal amount of the Bonds of approximately HK\$278,777,000 (equivalent to approximately RMB235,126,000) together with the interest due by 21 June 2018 with interest rate at an amended rate of 13% per annum. The Company failed to repay the abovementioned amounts in full on 21 June 2018, at which date the total amount outstanding, including the accrued interest amounted to approximately HK\$293,671,000 (equivalent to approximately RMB247,630,000) in aggregate. At the date of the interim report, the Company and CITIC are still under negotiation on the terms of an amendment agreement to further extend the maturity date of the Bonds.

1. 編製基準

簡明綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港會計準則(「香港會計準則」)第34號中期財務報告及上市規則附錄十六的適用披露規定編製。

簡明綜合財務報表以人民幣(亦為本公司的功能貨幣)呈列。

2. 簡明綜合財務報表之持續經營基準

截至二零一八年六月三十日止六個月(「本中期期間」),本公司並未於可換股債券(「債券」,見附註19)的延長到期日償還債券。於二零一八年六月三十日,債券仍逾期未還。於二零一七年三月二十一日、二零一七年六月五日、二零一七年九月二十一日及二零一八年一月二十三日,本公司與CITIC Capital China Access Fund Limited(「債券持有人」或「CITIC」)訂立修訂協議(如附註19所述),據此,根據生效的最新修訂協議延長債券的到期日,本公司最遲須於二零一八年六月二十一日償付債券本金額約278,777,000港元(相當於約人民幣235,126,000元)連同到期的利息,利率按經修訂年利率13%計。本公司於二零一八年六月二十一日未能悉數償還上述金額,於該日的未償還總額(包括累計利息)合共約為293,671,000港元(合共相當於約人民幣247,630,000元)。於本中期報告日期,本公司與CITIC仍在就一修訂協議之條款進行磋商以進一步延長債券的到期日期。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

2. GOING CONCERN BASIS OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The conditions described above indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, the condensed consolidated financial statements were prepared based on the assumption that the Group can be operated as a going concern and the Directors are of the view that the Group will have sufficient working capital to finance its operations in the next twelve months from 30 June 2018, after taking into consideration of the following:

- (1) The Group continues to generate cash inflows from its operating activities by implementing measures to tighten cost controls over various operating expenses in order to improve its cash flows position and to generate greater positive cash inflows from its operations in the future;
- (2) Most of the bank borrowings as at 30 June 2018 were secured by the Group's assets and it was considered highly probable that they can be renewed in the next twelve months; and
- (3) As at 30 June 2018, the Group has unutilised banking facilities of RMB116,460,000 which will be available for use by the Group in the next twelve months.

On the basis of the above considerations, the directors of the Company believe that the Group can satisfy its financial obligations in the foreseeable future and accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment properties that are measured at fair values at the end of each reporting period.

2. 簡明綜合財務報表之持續經營基準 (續)

上文所述狀況顯示存在重大不明朗因素，可能對本集團繼續按持續經營基準之能力及其後對其於一般業務過程中變現其資產及償還負債之能力產生重大疑問。然而，於考慮下列各項後，簡明綜合財務報表乃按本集團可以持續經營之假設而編製，及董事認為本集團有足夠營運資金應付自二零一八年六月三十日起計未來十二個月之經營所需：

- (1) 本集團繼續通過實施收緊對各項經營開支之成本控制措施，產生來自其經營活動之現金流入，從而改善其從經營中的日後現金流量狀況及產生更大的正現金流入；
- (2) 於二零一八年六月三十日之大部分銀行借貸由本集團資產作抵押及未來十二個月被續貸的可能性較大；及
- (3) 本集團於二零一八年六月三十日之尚未動用銀行融資額度為人民幣116,460,000元（於未來十二個月將可供使用）。

根據上述考慮因素，本公司董事相信本集團於可預見未來可應付其財務責任，因此簡明綜合財務報表乃以持續經營基準編製。

3. 主要會計政策

於各報告期間末，簡明綜合財務報表乃按歷史成本基準編製，惟若干金融工具及投資物業乃按公平值計量除外。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

Other than changes in accounting policies resulting from application of new Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2018 are the same as those followed in the preparation of the annual consolidated financial statements of the Group for the year ended 31 December 2017.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatorily effective for the annual period beginning on or after 1 January 2018 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 “Financial Instruments” with HKFRS 4 “Insurance Contracts”
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

3. 主要會計政策 (續)

除應用新訂香港財務報告準則(「香港財務報告準則」)導致之會計政策變動外，於截至二零一八年六月三十日止六個月之簡明綜合財務報表所採用的會計政策及計算方法，與編製本集團截至二零一七年十二月三十一日止年度的年度綜合財務報表所採用者相同。

應用新訂及經修訂之香港財務報告準則

於本中期期間，本集團首次應用下列由香港會計師公會頒佈之新訂及經修訂香港財務報告準則。就編製本集團之簡明綜合財務報表而言，該等準則乃於二零一八年一月一日或之後開始之年度期間強制生效：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	與客戶的合約產生的收益及相關修訂案
香港(國際財務報告詮釋委員會)–詮釋第22號	外幣交易及預付代價
香港財務報告準則第2號(修訂本)	股份支付交易的分類及計量
香港財務報告準則第4號(修訂本)	應用香港財務報告準則第9號「金融工具」與香港財務報告準則第4號「保險合約」
香港會計準則第28號(修訂本)	作為香港財務報告準則二零一四年至二零一六年週期之年度改進的一部分
香港會計準則第40號(修訂本)	轉讓投資物業

新訂及經修訂香港財務報告準則已根據各準則之有關過渡性條文及有關修訂應用，其導致會計政策、呈報金額及/或下文所述披露資料出現變動。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. PRINCIPAL ACCOUNTING POLICIES (Continued) 3. 主要會計政策 (續)

3.1 Impacts and changes in accounting policies on application of HKFRS 9 “Financial Instruments”

In the current period, the Group has applied HKFRS 9 “Financial Instruments” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“ECL”) for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

3.1.1 Key changes in accounting policies resulting from application of HKFRS 9

Classification and measurement of financial assets

Trade receivables arising from contracts with customers are initially measured in accordance with HKFRS 15.

3.1 應用香港財務報告準則第9號「金融工具」之會計政策的影響及變動

於本期間，本集團已應用香港財務報告準則第9號「金融工具」及其他香港財務報告準則的有關相應修訂。香港財務報告準則第9號對1) 金融資產及金融負債的分類及計量；2) 金融資產的預期信貸虧損（「預期信貸虧損」）及；3) 一般對沖會計法提出新要求。

本集團已根據香港財務報告準則第9號所載過渡性條文對於二零一八年一月一日（初始應用日期）尚未取消確認的工具追溯應用香港財務報告準則第9號（即應用分類及計量規定（包括減值）），惟並未對於二零一八年一月一日已取消確認的工具應用有關規定。於二零一七年十二月三十一日的賬面值與於二零一八年一月一日的賬面值之間的差額於期初留存溢利及權益的其他組成部分確認，而並無重列比較資料。

因此，由於比較資料乃根據香港會計準則第39號金融工具：確認及計量編製，故若干比較資料或不可用於比較。

3.1.1 應用香港財務報告準則第9號導致的主要會計政策變動

金融資產的分類及計量

與客戶的合約產生的應收款項初始按香港財務報告準則第15號計量。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. PRINCIPAL ACCOUNTING POLICIES (Continued) 3. 主要會計政策 (續)

3.1 Impacts and changes in accounting policies on application of HKFRS 9 “Financial Instruments” (Continued)

3.1.1 Key changes in accounting policies resulting from application of HKFRS 9 (Continued)

Classification and measurement of financial assets (Continued)

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under HKAS 39.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3.1 應用香港財務報告準則第9號「金融工具」之會計政策的影響及變動 (續)

3.1.1 應用香港財務報告準則第9號導致的主要會計政策變動 (續)

金融資產的分類及計量 (續)

香港財務報告準則第9號範圍內的所有已確認金融資產(包括根據香港會計準則第39號按成本減減值計量的非上市股權投資)其後按攤銷成本或公平值計量。

符合下列條件的債務工具其後均按攤銷成本計量：

- 金融資產由以收取合約現金流量為目標持有金融資產的業務模式持有；及
- 金融資產的合約性條款於指定日期產生僅為支付本金及未償還本金的利息的現金流量。

符合下列條件的債務工具其後均按透過其他全面收益按公平值列賬之方式(「透過其他全面收益按公平值列賬之方式」)計量：

- 金融資產由以收取合約現金流量及出售金融資產達致目標的業務模式持有；及
- 金融資產的合約性條款於指定日期產生僅為支付本金及未償還本金的利息的現金流量。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. PRINCIPAL ACCOUNTING POLICIES (Continued) 3. 主要會計政策 (續)

3.1 Impacts and changes in accounting policies on application of HKFRS 9 “Financial Instruments” (Continued)

3.1.1 Key changes in accounting policies resulting from application of HKFRS 9 (Continued)

Classification and measurement of financial assets (Continued)

All other financial assets are subsequently measured at fair value through profit or loss (“FVTPL”), except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income (“OCI”) if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 “Business Combinations” applies.

In addition, the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

The directors of the Company reviewed and assessed the Group’s financial assets as at 1 January 2018 based on the facts and circumstances that existed at that date. There is no change in classification and measurement of the Group’s financial assets.

3.1 應用香港財務報告準則第9號「金融工具」之會計政策的影響及變動 (續)

3.1.1 應用香港財務報告準則第9號導致的主要會計政策變動 (續)

金融資產的分類及計量 (續)

所有其他金融資產其後均按於損益賬按公平值列賬之方式(「於損益賬按公平值列賬之方式」)計量，惟於初始應用／初始確認金融資產當日除外。倘股權投資並非持作買賣或收購方並未於香港財務報告準則第3號「業務合併」適用的業務合併中確認為或然代價，本集團可不可撤回地選擇於其他全面收益(「其他全面收益」)中呈列股權投資公平值的其後變動。

此外，倘可消除或大幅減少會計錯配，本集團可不可撤回地指定符合攤銷成本或透過其他全面收益按公平值列賬之方式標準的債務投資按於損益賬按公平值列賬之方式計量。

本公司董事根據於二零一八年一月一日存在的事實及情況審閱及評估本集團於該日的金融資產。本集團金融資產分類及計量並無變動。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued) 3. 主要會計政策 (續)

3.1 Impacts and changes in accounting policies on application of HKFRS 9 “Financial Instruments” (Continued)

3.1.1 Key changes in accounting policies resulting from application of HKFRS 9 (Continued)

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

3.1 應用香港財務報告準則第9號「金融工具」之會計政策的影響及變動 (續)

3.1.1 應用香港財務報告準則第9號導致的主要會計政策變動 (續)

預期信貸虧損模式下的減值

本集團就根據香港財務報告準則第9號須予以減值的金融資產(包括應收款項)的預期信貸虧損確認虧損撥備。預期信貸虧損之金額會於各報告日期予以更新以反映自初始確認起的信貸風險變動。

存續期間的預期信貸虧損指於有關工具預期年期內所有可能的違約事件將產生的預期信貸虧損。相反，十二個月預期信貸虧損(「十二個月預期信貸虧損」)指於報告日期後十二個月內可能發生的違約事件預期產生的該部分存續期間的預期信貸虧損。本集團已根據其歷史信貸虧損經驗完成評估，並就債務人特定因素、整體經濟環境以及於報告日期當前狀況及日後狀況預測的評估作出調整。

本集團一直就無重大融資成分的應收款項確認存續期間的預期信貸虧損。該等資產的預期信貸虧損乃就具重大結餘的債務人進行個別評估及/或採用具合適組別的撥備矩陣進行整體評估。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued) 3. 主要會計政策 (續)

3.1 Impacts and changes in accounting policies on application of HKFRS 9 “Financial Instruments” (Continued)

3.1.1 Key changes in accounting policies resulting from application of HKFRS 9 (Continued)

Impairment under ECL model (Continued)

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;

3.1 應用香港財務報告準則第9號「金融工具」之會計政策的影響及變動 (續)

3.1.1 應用香港財務報告準則第9號導致的主要會計政策變動 (續)

預期信貸虧損模式下的減值 (續)

就所有其他工具而言，本集團計量虧損撥備等於十二個月預期信貸虧損，除非當信貸風險自初始確認以來顯著上升，則本集團確認存續期間的預期信貸虧損。是否應確認存續期間的預期信貸虧損乃根據自初始確認以來出現違約之可能性或風險顯著上升而評估。

信貸風險顯著上升

評估信貸風險自初始確認以來是否顯著上升時，本集團會比較金融工具於報告日期發生違約的風險與金融工具於初始確認日期發生違約的風險。作出本評估時，本集團會考慮合理及具支持性的定量及定性資料，包括過往經驗及可以合理成本及精力獲取的前瞻性資料。

具體而言，評估信貸風險是否顯著上升時會考慮以下資料：

- 金融工具外部(如有)或內部信用評級的實際或預期顯著惡化；

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3. PRINCIPAL ACCOUNTING POLICIES (Continued) 3. 主要會計政策 (續)

3.1 Impacts and changes in accounting policies on application of HKFRS 9 “Financial Instruments” (Continued)

3.1.1 Key changes in accounting policies resulting from application of HKFRS 9 (Continued)

Impairment under ECL model (Continued)

Significant increase in credit risk (Continued)

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3.1 應用香港財務報告準則第9號「金融工具」之會計政策的影響及變動 (續)

3.1.1 應用香港財務報告準則第9號導致的主要會計政策變動 (續)

預期信貸虧損模式下的減值 (續)

信貸風險顯著上升 (續)

- 信貸風險的外部市場指標顯著惡化，例如債務人的信貸息差、信用違約掉期價格顯著上升；
- 商業、金融或經濟情況目前或預期有不利變動，預計將導致債務人償還債項的能力顯著下降；
- 債務人經營業績實際或預期顯著惡化；
- 債務人的監管、經濟或技術環境有實際或預期的重大不利變動，導致債務人償還債項的能力顯著下降。

不論上述評估結果如何，本集團均假設合約付款逾期超過30日的信貸風險自初始確認以來顯著上升，除非本集團有合理及具支持性的資料證明存在其他情況。

本集團認為，倘工具逾期超過90天時則發生違約，除非本集團有合理及具支持性的資料顯示較長的違約期限更為適用。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued) 3. 主要會計政策 (續)

3.1 Impacts and changes in accounting policies on application of HKFRS 9 “Financial Instruments” (Continued)

3.1.1 Key changes in accounting policies resulting from application of HKFRS 9 (Continued)

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, where the corresponding adjustment is recognised through a loss allowance account.

As at 1 January 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. The results of the assessment and the impact thereof are detailed in Note 3.1.2.

3.1 應用香港財務報告準則第9號「金融工具」之會計政策的影響及變動 (續)

3.1.1 應用香港財務報告準則第9號導致的主要會計政策變動 (續)

預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約損失率(即違約時的損失程度)及違約風險暴露的函數。評估違約概率及違約損失率的依據是經前瞻性資料調整的過往數據。

預期信貸虧損通常按根據合約應付本集團的所有合約現金流量與本集團預計收取的所有現金流量(按初始確認時釐定的實際利率折現)之間的差額估算。

利息收入根據金融資產的總賬面值計算，惟金融資產為信貸減值的情況除外，於此情況下，利息收入根據金融資產的攤銷成本計算。

本集團透過調整所有金融工具的賬面值於損益中確認有關金融工具的減值收益或虧損，惟應收款項除外，並透過虧損撥備賬項確認相應調整。

於二零一八年一月一日，本公司董事根據香港財務報告準則第9號的規定，使用可以合理成本或精力獲取的合理及具支持性的資料檢討及評估本集團現有金融資產的減值狀況。評估的結果及其影響詳情載於附註3.1.2。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued) 3. 主要會計政策 (續)

3.1 Impacts and changes in accounting policies on application of HKFRS 9 “Financial Instruments” (Continued)

3.1.2 Summary of effects arising from initial application of HKFRS 9

Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics.

Impairment loss allowances for other financial assets at amortised cost, which mainly comprise of bank balances, are measured on 12m ECL basis and there had been no significant increase in credit risk since initial recognition.

As at 1 January 2018, no additional impairment loss allowance for trade receivables has been recognised against retained profits.

3.1 應用香港財務報告準則第9號「金融工具」之會計政策的影響及變動 (續)

3.1.2 首次應用香港財務報告準則第9號產生的影響概要

預期信貸虧損模式下的減值

本集團應用香港財務報告準則第9號簡化方法計量預期信貸虧損，使用應收款項的存續期間的預期信貸虧損。為計量預期信貸虧損，應收款項已根據共享信貸風險特徵分組。

按攤銷成本計算的其他金融資產減值虧損撥備(主要包括銀行結餘)按十二個月預期信貸虧損基準計量，而自初始確認起信貸風險並無顯著增加。

於二零一八年一月一日，概無於留存溢利中就應收款項確認任何額外減值虧損撥備。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued) 3. 主要會計政策 (續)

3.2 Impacts and changes in accounting policies on application of HKFRS 15 “Revenue from Contracts with Customers”

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations.

The Group recognises revenue from the following major sources:

- Provision of capital and reclamation dredging services and related consultation services
- Provision of dredging or water management services or constructions for promoting environmental interests and water quality
- Provision of marine hoisting, installation, salvaging, vessel chartering and other engineering services
- Provision of management and leasing of a shopping mall and the construction of a hotel

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 “Revenue” and HKAS 11 “Construction Contracts” and the related interpretations.

3.2 應用香港財務報告準則第15號「與客戶的合約產生的收益」之會計政策的影響及變動

本集團於本中期間首次應用香港財務報告準則第15號。香港財務報告準則第15號取代香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋。

本集團確認以下主要來源的收益：

- 提供基建及填海疏浚服務及相關顧問服務
- 就提升環保效益及水質而提供的疏浚或水務管理服務或工程
- 提供海上吊裝、安裝、打撈、船舶包租及其他工程服務
- 提供商場的租賃管理及酒店建設

本集團已追溯應用香港財務報告準則第15號，而首次應用該準則的累積影響已於二零一八年一月一日初始應用日期確認。於初始應用日期的所有差額已於期初留存溢利或權益的其他部分（如適用）確認，而並無重列比較資料。此外，根據香港財務報告準則第15號的過渡性條文，本集團選擇僅對於二零一八年一月一日尚未完成的合約追溯應用該準則。因此，由於比較資料乃根據香港會計準則第18號「收益」及香港會計準則第11號「建築合約」以及相關詮釋編製，故若干比較資料或不可用於比較。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued) 3. 主要會計政策 (續)

3.2 Impacts and changes in accounting policies on application of HKFRS 15 “Revenue from Contracts with Customers” (Continued)

3.2.1 Key changes in accounting policies resulting from application of HKFRS 15

HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

3.2 應用香港財務報告準則第15號「與客戶的合約產生的收益」之會計政策的影響及變動 (續)

3.2.1 應用香港財務報告準則第15號導致的主要會計政策變動

香港財務報告準則第15號引入五個確認收益之步驟：

- 第一步：識別與客戶訂立之合約
- 第二步：識別合約中之履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中之履約責任
- 第五步：於本集團完成履約責任時確認收益

根據香港財務報告準則第15號，本集團於完成履約責任時確認收益，即於特定履約責任相關之商品或服務之「控制權」轉讓予客戶時。

履約責任指明確商品及服務（或一組商品或服務）或一系列實質上相同的明確商品或服務。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued) 3. 主要會計政策 (續)

3.2 Impacts and changes in accounting policies on application of HKFRS 15 “Revenue from Contracts with Customers” (Continued)

3.2.1 Key changes in accounting policies resulting from application of HKFRS 15 (Continued)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

3.2 應用香港財務報告準則第15號「與客戶的合約產生的收益」之會計政策的影響及變動 (續)

3.2.1 應用香港財務報告準則第15號導致的主要會計政策變動 (續)

倘符合下列其中一項標準，控制權在一段時間內轉移，而收益確認會按一段時間內完全滿足相關履約責任的進度進行：

- 客戶同時收取及耗用由本集團履約所帶來的利益；
- 本集團履約導致產生及提升於本集團履約時由客戶控制的資產；或
- 本集團履約並無產生對本集團有替代用途的資產，且本集團享有強制執行權，以收回迄今已履約部分的款項。

否則，收益於客戶獲得明確商品或服務的控制權時確認。

合約資產指本集團就向客戶換取本集團已轉讓的貨品或服務收取代價的權利(尚未成為無條件)。其根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即代價付款到期前僅需時間推移。

合約負債指本集團向已支付代價(或到期代價金額)的客戶轉讓商品或服務的責任。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued) 3. 主要會計政策 (續)

3.2 Impacts and changes in accounting policies on application of HKFRS 15 “Revenue from Contracts with Customers” (Continued)

3.2.1 Key changes in accounting policies resulting from application of HKFRS 15 (Continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group’s performance in transferring control of goods or services.

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

3.2 應用香港財務報告準則第15號「與客戶的合約產生的收益」之會計政策的影響及變動 (續)

3.2.1 應用香港財務報告準則第15號導致的主要會計政策變動 (續)

隨時間確認收益：計量完全履行履約責任的進度

輸出法

完全履行履約責任的進度乃根據輸出法計量，即以直接計量迄今已轉讓予客戶的商品或服務相對合約項下承諾的剩餘商品或服務的價值為基礎確認收益，此舉最能反映本集團轉讓商品或服務控制權的履約情況。

可變代價

就包含可變代價的合約而言，本集團使用(a)預期價值法或(b)最可能金額(視乎何種方法可令本集團更好預測其有權獲得的代價金額而定)估計其有權獲得的代價金額。

估計可變代價金額僅在可變代價相關不明朗因素其後得以解決時，有關計入幾乎不會導致日後出現重大收益撥回的情況下計入交易價格。

本集團於各報告期末更新估計交易價格(包括更新其對可變代價估計是否受限的評估)，以忠實呈列本報告期間未存在的情況以及於本報告期間的情況變化。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued) 3. 主要會計政策 (續)

3.2 Impacts and changes in accounting policies on application of HKFRS 15 “Revenue from Contracts with Customers” (Continued)

3.2.2 Summary of effects arising from initial application of HKFRS 15

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 January 2018. Line items that were not affected by the changes have not been included.

3.2 應用香港財務報告準則第15號「與客戶的合約產生的收益」之會計政策的影響及變動(續)

3.2.2 首次應用香港財務報告準則第15號產生的影響概要

以下調整乃對於二零一八年一月一日的簡明綜合財務狀況表確認的金額作出。不受變動影響的條目並未計入。

	Carrying amounts previously reported at 31 December 2017 先前所呈報於二零一七年十二月三十一日的賬面值 RMB'000 人民幣千元	Reclassification 重新分類 RMB'000 人民幣千元	Carrying amounts under HKFRS 15 at 1 January 2018 根據香港財務報告準則第15號於二零一八年一月一日的賬面值 RMB'000 人民幣千元
Current liabilities Trade and other payables	流動負債 應付款項及其他應付款		
— Receipts in advance	— 預收款項	17,014	—
— Contract liabilities	— 合約負債	—	17,014

As at 1 January 2018, advances from customers of RMB17,014,000 related to the consideration received for Capital and Reclamation Dredging Business, Environmental Protection Dredging and Water Management Business, Other Marine Business and Property Management Business which was previously included in trade and other payables. These balances were reclassified to contract liabilities included in trade and other payables in the condensed consolidated statement of financial position at 1 January 2018 upon application of HKFRS 15.

Other than the adjustment made as described above, there is no material impact of transition to HKFRS 15 on the accumulated profits at 1 January 2018.

於二零一八年一月一日，客戶墊款人民幣17,014,000元與就基建及填海疏浚業務、環保疏浚及水務管理業務、其他海事業務以及物業管理業務收取的代價有關。有關代價先前計入應付款項及其他應付款。該等結餘已於應用香港財務報告準則第15號後重新分類至於二零一八年一月一日的簡明綜合財務狀況表中計入應付款項及其他應付款的合約負債。

除所作上述調整外，過渡至香港財務報告準則第15號對於二零一八年一月一日的累計溢利並無重大影響。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3 to the condensed consolidated financial statements, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial period in addition to those disclosed in the annual consolidated financial statements for the year ended 31 December 2017, are disclosed below.

ECL allowance for trade receivable

Management regularly reviews the recoverability of trade receivables and recognises lifetime ECL for trade receivables. Allowance for these receivables is made based on evaluation of ECL for trade receivables and on managements judgment by reference to the estimation of the future cash flows discounted at the original effective interest rate to calculate the present value. A considerable amount of judgment is required in assessing the ultimate realisation of these debtors, including their current creditworthiness and the risk of default occurring on debtors with significant balances and/or collectively using a provision matrix with appropriate groupings. The assessment on the probability of default and loss given default is based on historical data adjusted by forward-looking information. As at 30 June 2018, the carrying amount of trade receivables is approximately RMB1,332,062,000 net of impairment loss allowance of approximately RMB437,777,000.

4. 估計不明朗因素的主要來源

於應用本集團的會計政策(載述於簡明綜合財務報表附註3)時，董事須作出有關未能從其他來源直接獲得的資產及負債賬面金額的判斷、估計及假設。估計及相關假設乃基於過往經驗及被認為有關的其他因素作出。實際結果可能有別於該等估計。

估計及相關假設乃按持續經營基準予以檢討。倘會計估計的修訂僅影響估計獲修訂的期間，則會計估計的修訂於該期間予以確認，倘若修訂影響現時及未來期間，則會計估計的修訂於修訂及未來期間內予以確認。

估計不明朗因素的主要來源

除截至二零一七年十二月三十一日止年度之年度綜合財務報表所披露者外，於報告期末，有重大風險或會導致下個財政期間資產的賬面金額出現重大調整的估計不明朗因素的主要來源披露如下。

應收款項的預期信貸虧損撥備

管理層定期審閱應收款項的可收回情況，並確認應收款項的全期預期信貸虧損。該等應收款項撥備乃根據應收款項的預期信貸虧損的評估及管理層經參考按原有實際利率貼現至現值的估計未來現金流量後所作判斷而作出。評估該等應收賬款最終變現情況時，須作大量判斷，包括其債務人當前信譽度及就具有巨量結餘債務人所產生的及/或集體使用具有合適分組的撥備組合的違約風險。違約概率及違約虧損率根據經前瞻性資料調整的歷史數據進行評估。於二零一八年六月三十日，應收款項的賬面值約為人民幣1,332,062,000元，已扣除減值虧損撥備約人民幣437,777,000元。

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5. REVENUE

Revenue represents the aggregate of the net amounts received and receivable from third parties for the period. An analysis of the Group's revenue is as follows:

5. 收益

收益指於期內已收及應收第三方款項淨額之總和。本集團的收益分析如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Provision of capital and reclamation dredging services	提供基建及填海疏浚服務	89,997	178,067
Provision of environmental protection dredging and water management services	提供環保疏浚及水務管理服務	56,243	74,850
Provision of marine hoisting, installation, salvaging, vessel chartering and other engineering services	提供海上吊裝、安裝、打撈、 船舶包租及其他工程服務	201,965	79,598
Property management service income	物業管理服務收入	3,923	3,246
		352,128	335,761

Geographical information

The Group's operations are located in the PRC. All provisions of services are carried out in the PRC.

地區資料

本集團的業務均位於中國，提供的所有服務均於中國進行。

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6. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the executive directors of the Company, who are also the Chief Operating Decision Makers of the Group (“CODM”), that are used to make strategic decisions. Information reported to the CODM is based on the different nature of projects carried out by the Group. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Details of the Group’s four reportable segments are as follows:

- (i) Capital and Reclamation Dredging Business refers to the capital and reclamation dredging services and related consultation services provided by the Group;
- (ii) Environmental Protection Dredging and Water Management Business refers to dredging or water management services or constructions for promoting environmental interests and water quality mainly for inland rivers provided by the Group;
- (iii) Other Marine Business mainly comprises marine hoisting, installation, salvaging, vessel chartering and other engineering services provided by the Group; and
- (iv) Property Management Business refers to the management of leasing of a shopping mall and the construction of a hotel by the Group.

6. 分部資料

本集團基於本公司執行董事（亦為本集團制定戰略決定的主要運營決策者（「主要運營決策者」））審閱的報告釐定其營運分部。向主要運營決策者呈報的資料乃基於本集團運營項目的不同性質而編製。於達致本集團之可呈報分部時概無匯集由主要營運決策者識別之經營分部。

本集團四個可呈報分部的詳情載列如下：

- (i) 基建及填海疏浚業務指本集團提供的基建及填海疏浚服務及相關顧問服務；
- (ii) 環保疏浚及水務管理業務指本集團主要就提升內河的環保效益及水質而提供的疏浚或水務管理服務或工程；
- (iii) 其他海事業務主要包括本集團提供的海上吊裝、安裝、打撈、船舶包租及其他工程服務；及
- (iv) 物業管理業務指本集團商場的租賃管理及酒店建設。

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6. SEGMENT INFORMATION (Continued)

Segment results

An analysis of the Group's reportable segment revenue and segment results is as below.

6. 分部資料(續)

分部業績

本集團呈報分部收益及分部業績分析如下。

		Capital and reclamation dredging business 基建及填海 疏浚業務 RMB'000 人民幣千元 (Unaudited) (未經審核)	Environmental protection dredging and water management business 環保疏浚及 水務管理業務 RMB'000 人民幣千元 (Unaudited) (未經審核)	Other marine business 其他 海事業務 RMB'000 人民幣千元 (Unaudited) (未經審核)	Property management business 物業管理 業務 RMB'000 人民幣千元 (Unaudited) (未經審核)	Total 總計 RMB'000 人民幣千元 (Unaudited) (未經審核)
Six months ended 30 June 2018	截至二零一八年 六月三十日止 六個月					
Segment revenue	分部收益	89,997	56,243	201,965	3,923	352,128
Segment results	分部業績	26,208	17,213	36,018	2,843	82,282
Unallocated other income	未分配其他收入					700
Other gains and losses	其他收益及虧損					(2,838)
Unallocated corporate expenses	未分配企業開支					(27,874)
Unallocated finance costs	未分配融資成本					(14,531)
Profit before tax	除稅前溢利					37,739

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6. SEGMENT INFORMATION (Continued)

Segment results (Continued)

	Capital and reclamation dredging business 基建及填海 疏浚業務 RMB'000 人民幣千元 (Unaudited) (未經審核)	Environmental protection dredging and water management business 環保疏浚及 水務管理業務 RMB'000 人民幣千元 (Unaudited) (未經審核)	Other marine business 其他 海事業務 RMB'000 人民幣千元 (Unaudited) (未經審核)	Property management business 物業 管理業務 RMB'000 人民幣千元 (Unaudited) (未經審核)	Total 總計 RMB'000 人民幣千元 (Unaudited) (未經審核)
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6. 分部資料(續)

分部業績(續)

Six months ended 30 June 2017	截至二零一七年 六月三十日止 六個月					
Segment revenue	分部收益	178,067	74,850	79,598	3,246	335,761
Segment results	分部業績	85,106	17,201	11,002	1,631	114,940
Unallocated other income	未分配其他收入					10,460
Other gains and losses	其他收益及虧損					7,676
Unallocated corporate expenses	未分配企業開支					(10,619)
Unallocated finance costs	未分配融資成本					(38,366)
Profit before tax	除稅前溢利					84,091

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3 to the condensed consolidated financial statements.

Segment results represent profit earned by each segment, without allocation of central administrative expenses, other gains and losses, certain other income and certain finance costs. This is the measure reported to the executive Directors for the purposes of resource allocation and performance assessment.

可呈報分部之會計政策與簡明綜合財務報表附註3所載本集團之會計政策相同。

分部業績為各分部所賺取的溢利(未分配中央行政開支、其他收益及虧損、若干其他收入及若干融資成本)。此乃向執行董事報告資源分配及業績評估的工具。

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6. SEGMENT INFORMATION (Continued)

Segment assets

		Capital and reclamation dredging business 基建及填海 疏浚業務 RMB'000 人民幣千元 (Unaudited) (未經審核)	Environmental protection dredging and water management business 環保疏浚及 水務管理業務 RMB'000 人民幣千元 (Unaudited) (未經審核)	Other marine business 其他 海事業務 RMB'000 人民幣千元 (Unaudited) (未經審核)	Property management business 物業 管理業務 RMB'000 人民幣千元 (Unaudited) (未經審核)	Total 總計 RMB'000 人民幣千元 (Unaudited) (未經審核)
Six months ended 30 June 2018	截至二零一八年 六月三十日 止六個月					
Segment assets	分部資產	1,743,034	679,637	552,496	623,661	3,598,828
Unallocated assets:	未分配資產：					
Prepaid land lease payments	預付土地租約款					14,707
Bank balances and cash	銀行結餘 及現金					36,103
Others	其他					7,702
Consolidated assets	綜合資產					3,657,340

6. 分部資料(續)

分部資產

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6. SEGMENT INFORMATION (Continued)

Segment assets (Continued)

	Capital and reclamation dredging business 基建及填海 疏浚業務 RMB'000 人民幣千元 (Unaudited) (未經審核)	Environmental protection dredging and water management business 環保疏浚及 水務管理業務 RMB'000 人民幣千元 (Unaudited) (未經審核)	Other marine business 其他 海事業務 RMB'000 人民幣千元 (Unaudited) (未經審核)	Property management business 物業 管理業務 RMB'000 人民幣千元 (Unaudited) (未經審核)	Total 總計 RMB'000 人民幣千元 (Unaudited) (未經審核)	
At 31 December 2017	於二零一七年 十二月三十一日					
Segment assets	分部資產	1,707,966	646,594	546,064	588,349	3,488,973
Unallocated assets:	未分配資產：					
Prepaid land lease payments	預付土地租約款					14,866
Bank balances and cash	銀行結餘及現金					69,505
Others	其他					14,445
Consolidated assets	綜合資產					3,587,789

For the purposes of monitoring segment performances and allocating resources between segments, assets are allocated to reportable and operating segments other than the unallocated items listed above.

Segment liabilities

As the liabilities are regularly reviewed by the CODM in total for the Group as a whole, the measure of total liabilities by reportable segments is therefore not presented.

6. 分部資料(續)

分部資產(續)

為監控分部表現及於各分部間分配資源，資產均分配至各呈報及營運分部，惟上文所列的未分配項目除外。

分部負債

由於主要運營決策者定期為本集團對負債進行整體審閱，因此並無呈列可呈報分部的總負債計量。

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7. OTHER INCOME

7. 其他收入

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Government financial incentive (Note)	政府財政獎勵(附註)	3,110	6,730
Bank interest income	銀行利息收入	140	79
Interest income in respect of non-current trade receivables	非即期應收賬款的利息收入	1,170	3,609
Rental income	租金收入	630	—
Sundry income	雜項收入	997	852
		6,047	11,270

Note: Pursuant to a document issued by a PRC local government authority, one of the Company's PRC subsidiaries was granted financial incentive for a period of three years ending in 2019 for its contribution to the economic development of the locality, provided it is duly registered in the locality and pays taxes according to tax laws. No other conditions are attached to the financial incentive.

The PRC local government authority confirmed that the amount of such financial incentive that the Group was entitled for the six months ended 30 June 2018 was RMB3,110,000 (six months ended 30 June 2017: RMB6,730,000). Accordingly, the Group recognised such amount as other income for the period.

附註：根據中國地方政府機關發佈的文件，本公司的其中一間中國附屬公司已獲授一項截至二零一九年止為期三年的財政獎勵，以嘉許其為地方經濟發展作出的貢獻，條件為其須於當地正式註冊並根據稅法繳稅。除此之外，財政獎勵並無任何其他附帶條件。

中國地方政府機關確認，本集團於截至二零一八年六月三十日止六個月可享受的該項財政獎勵金額為人民幣3,110,000元(截至二零一七年六月三十日止六個月：人民幣6,730,000元)。因此，本集團已將有關金額確認為期內其他收入。

8. OTHER GAINS AND LOSSES

8. 其他收益及虧損

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Exchange (loss) gain	匯兌(虧損)收益	(2,838)	7,676

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9. FINANCE COSTS

9. 融資成本

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Interest expenses on:	下列各項利息開支：		
Bank borrowings	銀行借貸	11,308	15,192
The Bonds	債券	14,531	20,688
Others	其他	3,390	5,640
Total borrowing costs	總借貸成本	29,229	41,520
Less: Amounts capitalised in the cost of qualifying assets	減：合資格資產成本資本化金額	(3,855)	—
		25,374	41,520

Borrowing cost capitalised during the six months ended 30 June 2018 of approximately RMB3,855,000 (six months ended 30 June 2017: nil) arose on the general borrowing pool calculated by applying a capitalisation rate of 4.42% per annum. Borrowing cost was capitalised as part of the construction in progress in respect of the hotel under construction included in property, plant and equipment.

截至二零一八年六月三十日止六個月，資本化之借貸成本約人民幣3,855,000元（截至二零一七年六月三十日止六個月：無）乃由一般借貸組合按資本化比率每年4.42%計算產生。借貸成本資本化為有關在建酒店物業、廠房及設備在建工程的一部分。

10. INCOME TAX EXPENSE

10. 所得稅開支

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
The charge comprises:	支出包括：		
Current tax	即期稅項		
PRC Enterprise Income Tax ("EIT")	中國企業所得稅（「企業所得稅」）	16,734	29,030
Deferred taxation	遞延稅項	(809)	—
		15,925	29,030

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10. INCOME TAX EXPENSE (Continued)

(i) PRC EIT

PRC EIT is calculated at 25% of the assessable profits for both periods.

(ii) Hong Kong Profits Tax

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods, if any.

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Group had no assessable profits arising in or derived from Hong Kong for both periods.

10. 所得稅開支(續)

(i) 中國企業所得稅

於兩個期間，中國企業所得稅乃按應課稅溢利以稅率25%計算。

(ii) 香港利得稅

於兩個期間，香港利得稅乃按估計應課稅溢利(如有)以稅率16.5%計算。

由於本集團於兩個期間內並無於香港產生或源自香港之應課稅溢利，故簡明綜合財務報表內並無就香港利得稅作出撥備。

11. PROFIT FOR THE PERIOD

11. 期內溢利

		Six months ended 30 June	
		截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Profit for the period has been arrived at after charging (crediting):	期內溢利已經扣除(計入)下列各項：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	50,590	46,541
Amortisation of prepaid land lease	預付土地租約款攤銷	1,396	1,396
Amortisation of other intangible asset	其他無形資產攤銷	167	125
Exchange loss (gain)	匯兌虧損(收益)	2,838	(7,676)
Sub-contracting charges included in operating costs	計入營運成本的分包費用	131,687	134,203

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12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

12. 每股盈利

本公司所有人應佔每股基本及攤薄盈利乃按下列數據計算：

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Earnings	盈利		
Profit for the period attributable to owners of the Company for the purposes of basic and diluted earnings per share	就計算每股基本及攤薄盈利而言的本公司所有人應佔期內溢利	20,025	52,215
		'000 千股	'000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	就計算每股基本及攤薄盈利而言的普通股加權平均數	1,478,064	1,478,064

The weighted average number of shares for the purposes of basic and diluted earnings per share for both periods were calculated based on the weighted average number of shares in issue during both periods.

用作計算兩個期間的每股基本及攤薄盈利的股份加權平均數乃根據兩個期間的已發行股份加權平均數計算得出。

13. DIVIDENDS

No dividends were paid, declared or proposed during both periods. The Directors have determined that no dividend will be paid in respect of the current interim period (six months ended 30 June 2017: nil).

13. 股息

於兩個期間概無支付、宣派或建議派付任何股息。董事已決定將不會支付有關本中期期間之任何股息(截至二零一七年六月三十日止六個月：無)。

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14. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT/PREPAID LAND LEASE PAYMENTS/INVESTMENT PROPERTIES

During the current interim period, the Group made additions to property, plant and equipment of approximately RMB29,508,000 (six months ended 30 June 2017: RMB19,699,000).

During the current interim period, an amount of RMB1,335,000 for the deposit paid for acquisition of property, plant and equipment was transferred to property, plant and equipment.

During the current interim period, there was no movement in investment properties (six months ended 30 June 2017: the Group made additions to investment properties of approximately RMB3,028,000).

14. 物業、廠房及設備/預付土地租約款/投資物業變動

於本中期期間，本集團添置物業、廠房及設備約人民幣29,508,000元(截至二零一七年六月三十日止六個月：人民幣19,699,000元)。

於本中期期間，就收購物業、廠房及設備所支付的按金人民幣1,335,000元已轉撥至物業、廠房及設備。

於本中期期間，投資物業概無發生任何變動(截至二零一七年六月三十日止六個月：本集團添置投資物業約人民幣3,028,000元)。

15. TRADE AND OTHER RECEIVABLES

15. 應收款項及其他應收款

		At 30 June 2018 於二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Non-current:	非即期：		
Trade receivables (Notes (i) to (iii))	應收款項(附註(i)至(iii))	86,010	68,798
Value-added tax recoverable (Note (v))	可收回增值稅(附註(v))	1,813	1,797
		87,823	70,595
Current:	即期：		
Trade receivables, net of impairment loss allowance (Notes (i) to (iii))	應收款項，扣除減值虧損撥備(附註(i)至(iii))	1,246,052	1,153,637
Bills receivable (Note (iv))	應收票據(附註(iv))	5,620	4,150
Government financial incentive receivables	應收政府財政獎勵	14,027	11,888
Deposits and prepayments	按金及預付款項	70,943	60,598
Others	其他	12,052	10,051
		1,348,694	1,240,324
		1,436,517	1,310,919

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15. TRADE AND OTHER RECEIVABLES (Continued)

Notes:

- (i) Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits based on reputation of the customers within the industry.

The Group prepares an aged analysis for its trade receivables based on the dates when the Group and the customers agreed on the quantum of the services provided, as evidenced by progress certificates. Periodical statements are issued and agreed by the Group to the customers for the work performed and services rendered for the customers. Most of the contracts require the customers to make monthly progress payments with reference to the value of work completed (typically 55% to 85% of the value of work completed in the previous month) within thirty days after the issuance of the progress certificate. According to these contracts, the remaining balance (15% to 45% of the value of work completed) is to be paid by the customers within thirty to sixty days after the project is completed and accepted by the customers and the customers receive payment from the project owners.

The aged analysis of the Group's trade receivables, prepared based on the dates of certification of work done, which approximate the respective revenue recognition dates (net of impairment loss allowance on trade receivables), at the end of each reporting period is as follows:

Aged analysis of the Group's trade receivables

		At 30 June 2018 於二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
0-30 days	0至30天	104,020	93,370
31-60 days	31至60天	87,135	31,066
61-90 days	61至90天	40,190	60,942
91-180 days	91至180天	98,431	135,715
181-365 days	181至365天	197,835	261,162
1 year-2 years	1年至2年	360,271	205,478
Over 2 years	超過2年	444,180	434,702
		1,332,062	1,222,435

Included in the trade receivables is retention money of approximately RMB208,116,000 (31 December 2017: RMB199,000,000) as at 30 June 2018.

15. 應收款項及其他應收款(續)

附註：

- (i) 於接納任何新客戶前，本集團基於客戶於行業內的聲譽評估該潛在客戶的信貸質素及設定其信貸限額。

本集團基於本集團與客戶協定就所提供服務量的日期(由進度證書證明)編製其應收款項的賬齡分析。期間報表經本集團同意已進行工程及向客戶提供的服務而由本集團向客戶發出。大部分合同需客戶於發出進度證書後三十日內參考完成工程價值(通常為上月完成工程價值的55%至85%)支付月度進度付款。根據該等合同，餘額(完成工程價值的15%至45%)由客戶於項目完成及接納後，客戶從項目所有人收取款項後三十至六十日內支付。

於各報告期末，根據工程完成後通過核證的日期(接近於相關收益的確認日期)而編製的本集團應收款項(扣除應收款項減值虧損撥備)的賬齡分析如下：

本集團的應收款項賬齡分析

	At 30 June 2018 於二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
0-30 days	104,020	93,370
31-60 days	87,135	31,066
61-90 days	40,190	60,942
91-180 days	98,431	135,715
181-365 days	197,835	261,162
1 year-2 years	360,271	205,478
Over 2 years	444,180	434,702
	1,332,062	1,222,435

於二零一八年六月三十日，應收款項包括保留金約人民幣208,116,000元(二零一七年十二月三十一日：人民幣199,000,000元)。

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15. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

The amount of trade receivables which were past due based on the terms of contracts net of impairment loss allowance on the trade receivables, loss is analysed as follows:

Aged analysis of trade receivables which were past due

		At 30 June 2018 於二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
0–30 days overdue	逾期0至30天	—	—
31–60 days overdue	逾期31至60天	44,692	27,134
61–90 days overdue	逾期61至90天	43,436	60,942
91–180 days overdue	逾期91至180天	142,074	129,659
181–365 days overdue	逾期181至365天	297,845	311,035
1 year–2 years overdue	逾期1年至2年	235,833	193,430
Over 2 years overdue	逾期超過2年	315,764	281,389
		1,079,644	1,003,589

The Group does not hold any collateral over the above balances.

The estimated loss rates for ECL calculations are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by the management to ensure relevant information about specific debtors is updated.

15. 應收款項及其他應收款(續)

附註：(續)

已逾期(按合約年期劃分)之應收款項(扣除應收款項減值虧損撥備)虧損分析如下：

已逾期的應收款項的賬齡分析

At 30 June 2018 於二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
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本集團並無就上述結餘持有任何抵押。

用於預期信貸虧損的估計虧損率乃按債務人預期年期的歷史觀察所得違約率估計，並就無需付出過多成本或努力即可得的前瞻性資料作出調整。有關分組乃定期由管理層審閱，以確保有關特定債務人的相關資料已更新。

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15. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

- (ii) Included in trade receivables as at 30 June 2018 was a gross carrying amount of approximately RMB58,803,000 (2017: RMB58,803,000) due from a customer of which the related dredging project has been suspended since January 2014 due to change in use of relevant reclaimed areas by the Government. The customer has signed an agreement with the Group to repay RMB40,000,000 before 31 December 2016 but failed to fulfil the payment. Accordingly, impairment loss allowance of RMB58,803,000 (2017: RMB58,803,000) was recognised as at the end of reporting period.

Included in trade receivables as at 30 June 2018 was a gross carrying amount of approximately RMB24,134,000 (2017: RMB26,134,000) due from a customer which the dredging project was started since 2016 while the repayment of progress billings fell behind schedule. During the current interim period, amount of RMB2,000,000 was received. Considering the payment pattern, the creditability of the customer, impairment loss allowance of RMB10,921,000 (2017: RMB10,921,000) was recognised as at the end of reporting period.

Included in trade receivables as at 30 June 2018 was an amount of approximately RMB317,970,000 (31 December 2017: RMB323,465,000) due from customers who are large state-owned enterprise or local governments which the respective projects were already completed for more than one year. During the current interim period, amount of RMB32,073,000 was received. Considering the payment pattern and the credibility of respective customers, impairment loss allowance of RMB141,598,000 (2017: RMB141,598,000) was recognised as at the end of reporting period.

15. 應收款項及其他應收款(續)

附註：(續)

- (ii) 於二零一八年六月三十日的應收賬款包括應收一名客戶(其相關疏浚項目自二零一四年一月起因政府更改相關填海區的用途而暫停)之款項總賬面值約人民幣58,803,000元(二零一七年：人民幣58,803,000元)。該客戶與本集團已簽訂協議，以於二零一六年十二月三十一日前償還人民幣40,000,000元，但並未實現付款。因此，於報告期末已確認減值虧損撥備人民幣58,803,000元(二零一七年：人民幣58,803,000元)。

於二零一八年六月三十日的應收賬款包括應收一名客戶(其疏浚項目於二零一六年開始，而進度款償還落後於進度)之款項總賬面值約人民幣24,134,000元(二零一七年：人民幣26,134,000元)。本中期間已收款人民幣2,000,000元。考慮到付款模式、有關客戶的可信度，於報告期末已確認減值虧損撥備人民幣10,921,000元(二零一七年：人民幣10,921,000元)。

於二零一八年六月三十日的應收賬款包括應收客戶(為大型國有企業或地方政府，其各自的項目已完工一年以上)之款項約人民幣317,970,000元(二零一七年十二月三十一日：人民幣323,465,000元)。本中期間已收款人民幣32,073,000元。考慮到有關客戶的付款模式及信譽，於報告期末已確認減值虧損撥備人民幣141,598,000元(二零一七年：人民幣141,598,000元)。

RMB'000
人民幣千元

Movement in impairment loss allowance

At 1 January 2017, 31 December 2017 and 30 June 2018

減值虧損撥備變動

於二零一七年一月一日、
二零一七年十二月三十一日
及二零一八年六月三十日

437,777

- (iii) Non-current trade receivables represents amounts due from several customers for contract works, for which the contracts include clauses for extended payment terms beyond one year. During the current interim period, interest income calculated at a rate of 10% per annum (six months ended 30 June 2017 : 10%) of about RMB1,170,000 (six months ended 30 June 2017: RMB3,609,000) was recognised.

- (iii) 非即期應收款項指應收若干客戶之合約工程款項，而相關合約載有可將付款期延長超過一年之條款。於本中期間，利息收入按年利率10%(截至二零一七年六月三十日止六個月：10%)計算，約人民幣1,170,000元(截至二零一七年六月三十日止六個月：人民幣3,609,000元)已獲確認。

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15. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

- (iv) The aged analysis of the Group's bills receivable, presented based on the relevant dates of certification of work, at the end of each reporting period is as follows:

Aged analysis of the Group's bills receivable

		At 30 June 2018 於二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (未經審核)
0-30 days	0至30天	200	—
31-60 days	31至60天	3,320	1,000
61-90 days	61至90天	1,000	700
91-180 days	91至180天	1,100	2,450
		5,620	4,150

- (v) Value-added tax paid of approximately RMB1,813,000 (31 December 2017: RMB1,797,000) by the Group in connection with its construction in-progress could be set-off against future value added tax payable generated from the Group. As the amount is not expected to be recovered within one year from the end of reporting period and is accordingly is classified as non-current.

15. 應收款項及其他應收款(續)

附註：(續)

- (iv) 於各報告期末，基於竣工證書之相關日期所呈列之本集團應收票據的賬齡分析如下：

本集團應收票據賬齡分析

		At 30 June 2018 於二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (未經審核)
0-30 days	0至30天	200	—
31-60 days	31至60天	3,320	1,000
61-90 days	61至90天	1,000	700
91-180 days	91至180天	1,100	2,450
		5,620	4,150

(v) 本集團就其在建工程所支付的增值稅約人民幣1,813,000元(二零一七年十二月三十一日：人民幣1,797,000元)可用於抵銷本集團產生的未來應付增值稅。由於預期該筆款項不可於報告期末起計一年內收回，故分類為非流動。

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16. TRADE AND OTHER PAYABLES

16. 應付款項及其他應付款

		At 30 June 2018 於二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Trade payables	應付款項		
Sub-contracting charge	分包費用	168,894	122,881
Fuel cost	燃料成本	24,990	18,923
Repair and maintenance	維修及保養	20,717	23,667
Others	其他	3,559	3,593
		218,160	169,064
Other payables	其他應付款		
Payable for property, plant and equipment	物業、廠房及設備應付款項	10,314	11,654
Payable for construction cost of investment properties	投資物業建設成本應付款項	83,775	82,448
Accrued other taxes	應計其他稅項	47,186	40,227
Accrued staff salaries and welfare	應計員工薪金及福利	12,640	25,848
Contract liabilities	合約負債	21,657	—
Receipts in advance	預收款項	—	17,014
Interest payable on the Bonds	債券利息應付款項	764	849
Others	其他	22,073	21,679
		198,409	199,719
		416,569	368,783

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16. TRADE AND OTHER PAYABLES (Continued)

The aged analysis of the Group's trade payables presented based on the invoice dates, except for sub-contracting charge which is presented based on dates of the progress certificates, as at the end of each reporting period is as follows:

		At 30 June 2018 於二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
0-30 days	0至30天	58,784	51,147
31-60 days	31至60天	16,766	6,810
61-90 days	61至90天	31,594	19,414
91-180 days	91至180天	24,771	13,111
Over 180 days	超過180天	86,245	78,582
		218,160	169,064

17. AMOUNTS DUE TO DIRECTORS OF THE COMPANY

The balance represented advance from and emolument payable to certain Directors of approximately RMB2,630,000 (31 December 2017: RMB2,804,000) and amount due to Mr. Liu of approximately RMB9,756,000 (31 December 2017: RMB6,798,000).

The amounts are unsecured, interest-free, repayable on demand and non-trade in nature.

18. BANK BORROWINGS

During the current interim period, the Group raised bank loans of RMB319,000,000 (31 December 2017: RMB485,215,000) and repaid bank loans of RMB327,000,000 (31 December 2017: RMB599,238,000). As at 30 June 2018, the effective interest rates of the bank borrowings ranged from 4.57% to 9.98% (31 December 2017: 3.81% to 7.40%) per annum.

16. 應付款項及其他應付款(續)

本集團於各報告期末按發票日期呈列(分包費用除外,其乃按進度證書日期呈列)的應付款項的賬齡分析如下:

17. 應付本公司董事款項

結餘指來自及應付若干董事的墊款及酬金約人民幣2,630,000元(二零一七年十二月三十一日:人民幣2,804,000元)及應付劉先生的款項約人民幣9,756,000元(二零一七年十二月三十一日:人民幣6,798,000元)。

該等款項均為無抵押、免息、須應要求償還及非貿易性質。

18. 銀行借貸

於本中期期間,本集團借入銀行貸款人民幣319,000,000元(二零一七年十二月三十一日:人民幣485,215,000元)並償還銀行貸款人民幣327,000,000元(二零一七年十二月三十一日:人民幣599,238,000元)。於二零一八年六月三十日,銀行借貸的實際年利率介乎4.57%至9.98%(二零一七年十二月三十一日:3.81%至7.40%)之間。

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19. BONDS PAYABLE

The Company issued unsecured convertible bonds (the “Bonds”) to CITIC at a total nominal value of HK\$243,000,000 (equivalent to RMB191,970,000) on 8 November 2013, carrying an interest rate of 3% per annum with the maturity date of 7 November 2016 (the “Original Maturity Date”). The Bondholder had the option to either convert them into the Company’s ordinary shares at a conversion price of HK\$2.7 per share, subject to anti-dilutive adjustments, at any time after six months from the date of issue and up to the Original Maturity Date, or to require the Company to redeem them at 133.792% of the nominal value of the Bonds, which amounted to approximately HK\$325,115,000 (equivalent to approximately RMB290,818,000) (the “Original Redemption Amount”), upon maturity. The Company had no right to early redeem the Bonds.

At the time when the Bonds were issued, the Bonds were analysed by the management of the Group to contain two components, the host debt component and the conversion option. The Bonds are denominated in HK\$, which is a currency other than the Company’s functional currency. Therefore, the conversion option in the Bonds would not result in an exchange of a fixed number of the Company’s own equity instrument for a fixed amount of cash, in the functional currency of the Company. Accordingly, the conversion option was accounted for separately as a derivative liability, which was not closely related to the host debt component. The fair values of the debt component and the derivative component were determined at the date of issue. Subsequent to initial recognition, the debt component was carried at amortised cost while the derivative component was measured at fair value, with changes in fair value recognised in profit or loss. The effective interest rate of the debt component was 16.9%.

The Group had not paid the Original Redemption Amount and the last interest payment on the Original Maturity Date to CITIC. Overdue interest of approximately HK\$945,000 (equivalent to approximately RMB840,000) was incurred. During the year ended 31 December 2016, the Company and CITIC entered into a framework agreement on 14 November 2016 (as amended by supplemental framework agreements, collectively the “Framework Agreement”) and a standstill and amended agreement and supplemental deed to the original deed poll regarding the Bonds (the “Amendment Agreement”) on 15 December 2016, pursuant to which CITIC agreed to a) extend the maturity from the Original Maturity Date to 14 March 2017 and b) reduce the principal amount of Original Redemption Amount to approximately HK\$275,415,000 (equivalent to approximately RMB246,381,000), subject to certain conditions as stated in the Amendment Agreement.

19. 應付債券

本公司於二零一三年十一月八日向CITIC發行總面值243,000,000港元(等於人民幣191,970,000元)的無抵押可換股債券(「債券」)，利息為每年3%，於二零一六年十一月七日(「原到期日」)到期。債券持有人可於發行日期後六個月至原到期日的任何時間選擇以兌換價每股2.7港元(可就反攤薄事件作出調整)將彼等兌換成本公司的普通股，或於到期後要求本公司按債券的面值的133.792%贖回，約等於325,115,000港元(相當於約人民幣290,818,000元)(「原贖金」)。本公司無權提早贖回該等債券。

在發行債券時，本集團管理層分析債券以包含兩個部分，即主債務部分及換股權。債券乃以港元計值，而港元為本公司功能貨幣以外的貨幣。因此，債券的換股權將不會導致以固定數量的本公司自身權益工具交換固定金額現金(以本公司功能貨幣計值)。因此，換股權分開入賬列為衍生負債，這與主債務部分並非密切相關。債務部分及衍生工具部分的公平值於發行日期釐定。初步確認後，債務部分按攤薄成本計算，衍生工具部分則按公平值計算，公平值的變動於損益內確認。債務部分的實際利率為16.9%。

於原到期日，本集團尚未向CITIC支付原贖金及最後一筆利息，產生逾期利息約為945,000港元(相當於約人民幣840,000元)。截至二零一六年十二月三十一日止年度，本公司於二零一六年十一月十四日與CITIC訂立框架協議(經補充框架協議修訂，統稱「框架協議」)，並於二零一六年十二月十五日與CITIC訂立有關債券的暫緩還款及修訂協議，以及原平邊契據補充契據(「修訂協議」)，據此，CITIC同意a)將屆滿時間自原到期日延長至二零一七年三月十四日；及b)減少原贖金本金額至約275,415,000港元(相當於約人民幣246,381,000元)，惟受限於修訂協議所述若干條件。

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19. BONDS PAYABLE (Continued)

Furthermore, the conversion option under the Bonds was removed under the Amendment Agreement. Accordingly, no embedded derivative was recognised at 31 December 2016 and at the end of subsequent accounting periods.

During the current interim period, the Company had not settled the Bonds when the Bonds fell due for repayment on their extended maturity date. The Bonds remained overdue for repayment as at 30 June 2018. On 21 March 2017, 5 June 2017, 21 September 2017 and 23 January 2018, the Company and CITIC had entered into the second amendment agreement, the third amendment agreement, the fourth amendment agreement and the fifth amendment agreement, pursuant to which the maturity date of the Bonds was entered such that based on the latest amendment agreement in effect, the Company needed to repay the principal amount of the Bonds of approximately HK\$278,777,000 (equivalent to approximately RMB235,126,000) together with the interest due by 21 June 2018 with interest rate at an amended rate of 13% per annum. The Company failed to repay the abovementioned amounts in full on 21 June 2018, at which date the total amount outstanding, including the accrued interest amounted to approximately HK\$293,671,000 (equivalent to approximately RMB247,630,000) (in aggregate). At the date of the interim report, the Company and CITIC are still under negotiation on the terms of an amendment agreement to further extend the maturity date of the Bonds.

Details of each of the agreements are set out in the announcements of the Company dated 7 November 2016, 15 November 2016, 16 November 2016, 16 December 2016, 22 March 2017, 5 June 2017, 22 September 2017, 1 December 2017 and 23 January 2018.

19. 應付債券 (續)

此外，債券的轉換權根據修訂協議移除。因此，於二零一六年十二月三十一日及隨後的會計期間末，並無嵌入式衍生工具獲確認。

於本中期期間，本公司並未於債券的延長到期日償還債券。於二零一八年六月三十日，債券仍逾期未還。於二零一七年三月二十一日、二零一七年六月五日、二零一七年九月二十一日及二零一八年一月二十三日，本公司與CITIC訂立第二份修訂協議、第三份修訂協議、第四份修訂協議及第五份修訂協議，據此，根據生效的最新修訂協議延長債券的到期日，本公司最遲須於二零一八年六月二十一日償付債券本金額約278,777,000港元（相當於約人民幣235,126,000元）連同到期的利息，利率按經修訂年利率13%計。本公司於二零一八年六月二十一日未能悉數償還上述金額，於該日未償還總額（包括累計利息）合共約為293,671,000港元（合共相當於約人民幣247,630,000元）。於本中期報告日期，本公司與CITIC仍在就另一修訂協議之條款進行磋商以進一步延長債券的到期日期。

各項協議的詳情載於本公司日期為二零一六年十一月七日、二零一六年十一月十五日、二零一六年十一月十六日、二零一六年十二月十六日、二零一七年三月二十二日、二零一七年六月五日、二零一七年九月二十二日、二零一七年十二月一日及二零一八年一月二十三日之公告。

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19. BONDS PAYABLE (Continued)

Based on the revised agreements, interest rates are as follows:

19. 應付債券 (續)

根據經修訂的各份協議，利率如下：

Period	期間	Interest rate per annum 年利率
From 15 November 2016 and up to 14 December 2016	二零一六年十一月十五日至 二零一六年十二月十四日	13%
From 15 December 2016 and up to 14 March 2017	二零一六年十二月十五日至 二零一七年三月十四日	15%
From 15 March 2017 and up to 4 June 2017	二零一七年三月十五日至 二零一七年六月四日	18%
From 5 June 2017 and up to 21 June 2017	二零一七年六月五日至 二零一七年六月二十一日	13%
From 22 June 2017 and up to 21 September 2017	二零一七年六月二十二日至 二零一七年九月二十一日	18%
From 22 September 2017 and up to 15 November 2017	二零一七年九月二十二日至 二零一七年十一月十五日	13%
From 16 November 2017 and up to 22 January 2018	二零一七年十一月十六日至 二零一八年一月二十二日	13%
From 23 January 2018 and up to 21 June 2018	二零一八年一月二十三日至 二零一八年六月二十一日	13%

Note: The above interest shall accrue on a day to day basis and be calculated on the basis of a 365-day calendar year on revised principal amounts and compounded on a monthly basis.

附註：上述修訂本金額的利息將按每曆年365日為基準每日累計且按月計算複利。

Under the abovementioned agreements entered into the Company and CITIC, the Bonds are secured by personal guarantees of Mr. Liu and his spouse Ms. Zhou who are the directors of the Company, and pledges in favour of CITIC and/or its affiliates in respect of a dredger, and an industrial premises and a residential property owned by the Group included in property, plant and equipment with carrying value of approximately RMB302,257,000.

根據本公司與CITIC訂立之上述協議，債券乃由劉先生及其配偶周女士（均為本公司董事）提供的個人擔保，以及本集團擁有的一艘挖泥船、一處工業樓宇及一處住宅物業向CITIC及／或其聯屬人士作出的質押（該質押計入物業、廠房及設備內，賬面值約人民幣302,257,000元）作抵押。

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19. BONDS PAYABLE (Continued)

The Bonds recognised in the condensed consolidated statement of financial position are calculated as follows:

19. 應付債券 (續)

於簡明綜合財務狀況表確認的債券計算如下：

		Total 總計 RMB'000 人民幣千元
At 1 January 2017 (audited)	於二零一七年一月一日(經審核)	250,715
Interest	利息	39,312
Settlement	償付	(42,483)
Exchange realignment	匯兌調整	(16,317)
At 31 December 2017 (audited)	於二零一七年十二月三十一日(經審核)	231,227
Interest	利息	14,531
Exchange realignment	匯兌調整	2,636
At 30 June 2018 (unaudited)	於二零一八年六月三十日(未經審核)	248,394

The Bonds as the end of the reporting periods are represented by:

於報告期間末債券呈列如下：

		At 30 June 2018 於二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Interest payable within one year included in other payable	計入其他應付款項之一年內應付利息	764	849
Bonds payable within one year	一年內應付債券	247,630	230,378
		248,394	231,227

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20. SHARE CAPITAL

20. 股本

		Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元	RMB equivalent amount 人民幣同等金額 RMB'000 人民幣千元
Ordinary shares of HK\$0.10 each	每股面值0.10港元的普通股			
Authorised	法定			
At 1 January 2017, 30 June 2017, 31 December 2017 and 30 June 2018	於二零一七年一月一日、 二零一七年六月三十日、 二零一七年十二月三十一日 及二零一八年六月三十日	10,000,000	1,000,000	N/A
Issued and fully paid	已發行及繳足			
At 1 January 2017, 30 June 2017, 31 December 2017 and 30 June 2018	於二零一七年一月一日、 二零一七年六月三十日、 二零一七年十二月三十一日 及二零一八年六月三十日	1,478,064	147,806	123,483

21. CAPITAL COMMITMENTS

21. 資本承擔

		At 30 June 2018 於二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Capital commitments contracted but not provided for relating to the following:	已訂約但並未就有關以下各項 計提撥備的資本承擔：		
— Acquisition of property, plant and equipment	— 收購物業、廠房及設備	61,140	65,702
— Investment in conducting capital financing business (Note)	— 投資進行資金金融業務 (附註)	7,122	7,122

Note: Pursuant to an investment agreement to set up a company which principally conducts capital financing business, the proposed registered capital of US\$20 million will be contributed in proportion to the respective equity holdings of the Company and two other investors of US\$16 million, US\$2 million and US\$2 million respectively. At the end of the reporting period, capital of US\$14.9 million was injected by the Group whilst the other two investors are still in progress in obtaining approval from regulators for capital injection.

附註：根據為設立主營資本融資業務之公司之投資協議，建議註冊資本20,000,000美元將由本公司及另外兩名投資者按各自之股權分別出資16,000,000美元、2,000,000美元及2,000,000美元。於報告期間末，本集團已注資14,900,000美元，而另外兩名投資者仍在就注資取得監管部門的批准。

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22. PLEDGE OF ASSETS

At the end of the reporting period, the following assets of the Group were pledged to secure the bank borrowings, bonds payable and credit facilities granted to the Group:

Dredgers included in property, plant and equipment 挖泥船(列入物業、廠房及設備)
Properties included in property, plant and equipment 物業(列入物業、廠房及設備)
Prepaid land lease payments 預付土地租約款

於報告期間末，本集團已將以下資產作為授予本集團的銀行借貸、應付債券及信貸額的抵押：

	At 30 June 2018 於二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
	632,102	943,613
	89,292	39,006
	88,514	83,186
	809,908	1,065,805

In addition, as at 30 June 2018, the Group's bank borrowings to the extent of RMB192,000,000 (31 December 2017: RMB149,000,000) was secured by the Group's dredgers with carrying amount of RMB398,824,000 (31 December 2017: RMB223,477,000) being held as a collateral.

此外，於二零一八年六月三十日，本集團人民幣192,000,000元(二零一七年十二月三十一日：人民幣149,000,000元)的銀行借貸乃由本集團持作抵押品的賬面值為人民幣398,824,000元(二零一七年十二月三十一日：人民幣223,477,000元)的挖泥船作抵押。

Furthermore, as at 30 June 2018 and 31 December 2017, the Bonds payable was secured by a dredger, an industrial premises and a residential property owned by the Group.

此外，於二零一八年六月三十日及二零一七年十二月三十一日，應付債券由本集團持有之一艘挖泥船、一處工業物業及一處住宅物業擔保。

23. RELATED PARTY DISCLOSURES

(i) Related party transactions

During the current interim period, the Group has no rental paid (six months ended 30 June 2017: RMB48,000) to certain companies controlled by Mr. Liu, an executive Director, the chairman and the ultimate controlling shareholder of the Group, in respect of office premises.

In addition, the Group received other advances from, and made repayments to, Mr. Liu during the six months ended 30 June 2018 and 2017. As at 30 June 2018, the amount due to Mr. Liu was RMB9,756,000 (31 December 2017: RMB6,798,000).

23. 關連方披露

(i) 關連方交易

於本中期期間，本集團並無就辦公室物業向由劉先生(執行董事、主席及本集團最終控股股東)控制之若干公司支付租金(截至二零一七年六月三十日止六個月：人民幣48,000元)。

此外，於截至二零一八年及二零一七年六月三十日止六個月，本集團接獲來自劉先生之其他墊款且已向劉先生作出償還。於二零一八年六月三十日，應付劉先生款項為人民幣9,756,000元(二零一七年十二月三十一日：人民幣6,798,000元)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

23. RELATED PARTY DISCLOSURES (Continued)

(ii) Pledge of assets and guarantees in support of the Group's borrowings

As at 30 June 2018 and 31 December 2017, other than pledge of assets of the Group, the Group's bank borrowings and bonds payable were also supported by:

- (a) corporate guarantee given by Jiangsu Xingyu Holdings Group Limited which is a subsidiary of the Company;
- (b) personal guarantees provided by Mr. Liu and Ms. Zhou; and
- (c) two properties owned by certain non-controlling shareholders of the Group's subsidiary.

In addition, as at 30 June 2018 the Group's bank borrowings to the extent of RMB85 million (31 December 2017: RMB 88 million) was secured by a property owned by a company, which is owned by Mr. Liu.

(iii) Compensation of key management personnel

Details of the emoluments paid or payable to the Directors and the chief executive of the Group during the current and previous interim period are as follows:

Short-term benefits	短期福利	1,050	1,050
Post-employment benefits	離職後福利	—	—
		1,050	1,050

23. 關連方披露 (續)

(ii) 為支持本集團借貸作出的資產抵押及擔保

於二零一八年六月三十日及二零一七年十二月三十一日，除本集團之抵押資產外，本集團銀行借貸及應付債券亦由下列各項支持：

- (a) 本公司附屬公司江蘇興宇控股集團有限公司作出的公司擔保；
- (b) 劉先生及周女士提供的個人擔保；及
- (c) 本集團附屬公司若干非控股股東擁有的兩項物業。

此外，於二零一八年六月三十日，本集團銀行借貸人民幣85,000,000元(二零一七年十二月三十一日：人民幣88,000,000元)乃由劉先生擁有的一家公司擁有的一項物業提供擔保。

(iii) 主要管理層成員薪酬

於本中期及上個中期期間，已付或應付董事及本集團主要行政人員的酬金詳情如下：

Six months ended 30 June

截至六月三十日止六個月

2018	2017
二零一八年	二零一七年
RMB'000	RMB'000
人民幣千元	人民幣千元
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)



中國疏浚環保控股有限公司

China Dredging Environment Protection Holdings Limited

(Incorporated in the Cayman Islands with limited liability) (於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 871



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