

2018

Interim Report
中期報告



CT Environmental Group Limited
中滔環保集團有限公司

(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 : 1363

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Company Profile and Corporate Information 公司簡介及公司資料

EXECUTIVE DIRECTORS

Mr. Tsui Cham To (*Chairman*)
Mr. Xu Zhencheng (*Chief Executive Officer*)
Mr. Xu Shubiao
Mr. Xu Juwen

NON-EXECUTIVE DIRECTOR

Mr. Yang Chunlin
(appointed on 3 April 2018)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Suen To Wai
(appointed on 14 February 2018)
Mr. Zhang Lu Fu
(appointed on 16 January 2018)
Mr. Liu Yung Chau

COMPANY SECRETARY

Mr. Sit Hon Wing

REGISTERED OFFICE

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

AUDITOR

RSM Hong Kong
Certified Public Accountants

PRINCIPAL PLACE OF BUSINESS

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148 Xingang East Road
Haizhu District
Guangzhou China

Hong Kong
Room 804, 8/F
Empire Centre
68 Mody Road
Tsim Sha Tsui, Kowloon
Hong Kong

PRINCIPAL BANKERS

Asia Development Bank
Bank of China
Far Eastern International Bank
Industrial and Commercial Bank of China
China Construction Bank

執行董事

徐湛滔先生 (主席)
許振成先生 (首席執行官)
徐樹標先生
徐炬文先生

非執行董事

楊春林先生
(於二零一八年四月三日獲委任)

獨立非執行董事

孫多偉先生
(於二零一八年二月十四日獲委任)
張魯夫先生
(於二零一八年一月十六日獲委任)
廖榕就先生

公司秘書

薛漢榮先生

註冊辦事處

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核數師

中瑞岳華 (香港)會計師事務所
執業會計師

主要營業地點

中國地區
中國廣州市
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新港東路148號
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香港地區
香港
九龍尖沙咀
麼地道68號
帝國中心
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主要往來銀行

亞洲開發銀行
中國銀行
遠東國際商業銀行
中國工商銀行
中國建設銀行

BUSINESS REVIEW AND OUTLOOK

I. General Review

In the first half of 2018, the domestic economy of the People's Republic of China (the "PRC") continued to be stable in general with an upward development trend. According to the China Statistics Bureau, the GDP at comparable prices achieved a year-on-year growth of approximately 6.8%, among which ecological protection and environmental treatment sector achieved a year-on-year growth of approximately 35.4%, such growth rate was higher than the growth rate of all other types of investments which was approximately 29.4%. At the critical time for the in-depth structural adjustment of Chinese economy, transition from old to new energy and the stable improvement of quality and efficiency, the PRC government devoted increasing efforts in ecological and environmental protection and treatment in order to meet people's overwhelming needs for a rapid ecological and environmental improvement and realise sustainable development.

On one hand, the system design and regulation formulation of the PRC in relation to environmental protection and relevant industries are constantly optimised: The government work report released in early March 2018 explicitly required the promotion of pollution prevention to achieve greater results, such as requiring the refined indicators including chemical oxygen demand and ammonia nitrogen emission for the year to reduce by 2%, carrying out comprehensive treatment of black and odorous water bodies, enhancing effort in construction of wastewater treatment facilities and optimising the charging policy and strengthening the classification treatment for solid waste and trash. In addition, the newly amended Water Pollution Prevention Law of the People's Republic of China further clarified the responsibility of the government at each level for the water environment and quality and made up to 55 modifications to the contents of the existing laws including the impact on public health and ecological and environment, the fight against illegal emission and fraud data and the operation of urban wastewater treatment plants; the Environmental Protection Tax Law of the People's Republic of China provides a solid base for legal enforcement in respect of environmental protection and greatly enhances the motivation of the local government to protect the environment while enhancing contribution capability of the local government in the field of environmental protection to facilitate the stable and long-term development of environmental protection industry and compelling, to a certain extent, relevant industrial corporations to seek for pollution treatment service from third parties in order to ensure compliance with emission standards while controlling its operating costs.

業務回顧及展望

一、總體回顧

二零一八年上半年，中華人民共和國（「中國」）國民經濟延續總體平穩、穩中向好的發展趨勢。根據中國統計局，國內生產總值按可比價格計算同比增長約6.8%，其中生態保護和環境治理業同比增長約35.4%，有關增長率高於約為29.4%之全部其他類型投資之增長率。在中國經濟結構調整深入推進、新舊動能接續轉換、質量效益穩步提升的關鍵時期，為滿足國民關於加快改善生態環境的迫切要求、實現可持續發展，中國政府持續加大生態環境保護治理力度。

一方面，國家在關於環境保護與相關產業的制度設計和法規建設上不斷完善：二零一八年三月初發佈的政府工作報告明確要求推進污染防治取得更大成效，其中細化指標包括年內化學需氧量、氨氮排放量下降2%、全面整治黑臭水體、加大污水處理設施建設力度並完善收費政策、加強固體廢棄物和垃圾分類處置等。此外，新修訂的《中華人民共和國水污染防治法》更加明確各級政府的水環境質量責任，並針對公眾健康和生態環境影響、打擊非法排污行為和數據造假、城鎮污水處理廠的運營等現有法律內容，作出多達55處增改；《中華人民共和國環境保護稅法》則將為環境保護提供強有力的執法依據，將極大地提高地方政府保護環境的積極性，既通過提升地方政府在環境保護領域的投入能力促進環保產業長期穩定發展，又在一定程度上強制相關工業企業尋求專業第三方污染治理服務，從而在確保符合排放標準的同時控制其運營成本。

Management Discussion and Analysis

管理層討論與分析

On the other hand, the Chinese government tightened the environmental enforcement efforts and accountability by carrying out a centralised inspection of environmental protection and severely investigated a batch of cases of environmental law violation so as to drive the intensive implementation of environmental protection. Ever since the so-called “unprecedentedly most stringent” new environmental law has been officially implemented, the Ministry of Ecology and Environment (formerly known as the Ministry of Environmental Protection) has carried out annual events for implementing the Environmental Protection Law for three consecutive years to fully promote the implementation of environmental protection laws and supporting measures.

In conclusion, along with the gradually enhanced construction of ecological civilisation in the PRC and the constant promulgation of various favourable policies with a more stringent environmental enforcement which incubated a booming market for environmental treatment, CT Environmental Group Limited (the “Company”, together with its subsidiaries, the “Group”), being a high-quality enterprise which possesses advanced technology and extensive operation experience, has an increasingly prominent advantage in the market competition and a bright prospect.

In the first half of 2018, while optimising and adjusting each business segment under the Group, the Group further expanded its business scope and operation area in the PRC, fostered innovation in respect of perfecting the industrial chain and made new progress in capital operation, which consolidated the foundation to maintain and secure its leading position in the industry in the PRC.

另一方面，中國政府嚴格環境執法力度和問責，開展中央環保督察，嚴肅查處一批環境違法案件，推動環保工作深入開展。自被稱為「史上最嚴」的新環保法正式實施以來，生態環境部（前稱環境保護部）連續3年開展《環保法》實施年活動，全面推行環保法及配套措施的落實。

綜上所述，隨著國家對生態文明建設的逐步加強，各項利好政策的不斷出台及日趨嚴格的環境執法，催生出巨大的環境治理市場，中滔環保集團有限公司（「本公司」，連同其附屬公司統稱「本集團」）作為一家擁有先進技術及運營經驗豐富的優質企業在市場競爭中的優勢將愈加明顯，前景將更為廣闊。

二零一八年上半年，本集團在優化及調整旗下各業務板塊的同時，進一步擴展於中國之業務範圍和經營地域，並在完善產業鏈方面做出新嘗試、在資本運營方面取得新進展，為繼續保持和鞏固其於中國業內之領先地位奠定堅實的基礎。

(l) *In respect of Business Expansion*

1. Completion of flagship project and commencement of in-depth cooperation

Yulin (Fumian) Energy-Saving Environmental Industrial Park (the “Fumian Project” or the “Fumian Industrial Park”), the comprehensive environmental treatment flagship project of the Group which aims to facilitate the transformation and upgrade of the industry through environmental supply-side reformation, is the first integrated environmental protection industrial park in Guangxi with features such as wastewater treatment and water supply, electricity supply, steam and heat integrated supply and waste treatment facility which were constructed at the same time of the construction of factories by the industrial enterprises (being our ultimate customers), adoption of domestic sewage level one A treatment standards + wetland park further intensified purification technology and intensive land use, which serves as a milestone for resolving the bottleneck of water pollution arising from the industrial activities during development of apparel industry.

Phase I of the project has been completed with a steadily increasing average treatment volume. While Phase II of the project will be completed soon in the second half of 2018.

The enterprises who invest and build their factories in the Fumian Industrial Park covering industries such as printing and dyeing, sizing, textile, apparel, machinery and papermaking, and encompassing large-scale enterprises in prosperous regions in the PRC including Pearl River Delta and Yangtze River Delta. Currently, 23 enterprises had already commenced operation in the Fumian Industrial Park.

(一) 業務拓展方面

1. 旗艦項目竣工，啟動深化合作

本集團以環境供給側結構性改革促進產業轉型升級的環境綜合治理旗艦項目—玉林（福綿）節能環保產業園（「福綿項目」或「福綿產業園」），是廣西地區首個污水處理及供水、供電、蒸汽及熱能統一供給以及治污設施（與工業企業工廠（即我們的最終客戶）同時建設）、採用生活污水一級A處理標準+濕地公園再處理工藝、土地集約利用的綜合類環保產業園，對破解服裝產業發展中之工業活動產生之水污染瓶頸難題具有里程碑意義。

項目一期已完成，平均處理量穩步提升，而項目二期即將於二零一八年下半年完成。

投資於福綿產業園並於園內興建其工廠之企業涵蓋印染、漿紗、紡織、服裝、機械、電鍍等行業，輻射珠三角、長三角等國內發達地區的大型企業。目前，23間企業已於福綿產業園投入運營。

Management Discussion and Analysis

管理層討論與分析

In order to expand the service scale of waste treatment, the Group had entered into a framework agreement with the government in Fumian District in May 2018, pursuant to which both parties will cooperate on the establishment of the “Urban and Rural Biomass Recycling Project in Fumian District, Yulin City, Guangxi” (the “Fumian Biomass Project”) in Fumian District, which will be developed into an advanced urban and rural biomass recycling base that integrates incineration disposal, comprehensive utilisation and safe landfill (the “Framework Agreement”). The Fumian Biomass Project has a planned biomass treatment capacity of 1,000 tonnes/day. It will be equipped with auxiliary facilities, including a comprehensive utilisation plant and landfill for waste. The Fumian Biomass Project is expected to gradually complete construction and commence operation within 2 years after the date of entering into the Framework Agreement. Further details of the Framework Agreement and the Fumian Biomass Project are set out in the announcement of the Company dated 23 May 2018.

為擴充廢棄物處理處置的服務規模，本集團已於二零一八年五月與福綿區政府訂立框架協議，據此，雙方將在福綿區合作建設「廣西玉林市福綿區域鄉生物質資源化項目」（「福綿生物質項目」），其將發展為結合焚燒處置、綜合利用及安全填埋的先進城鄉生物質資源化基地（「框架協議」）。福綿生物質項目設計生物質處置規模為1,000噸／日，並建成相關配套，包括垃圾綜合利用廠與填埋場。福綿生物質項目預計將於框架協議簽訂之日起2年內陸續建成投產。有關框架協議及福綿生物質項目之進一步詳情載於本公司日期為二零一八年五月二十三日之公告。

2. Transferring successful experience and enhancing synergy effect

Based on the remarkable success achieved by the Fumian Project, in order to further optimise the local textile and fabrics industrial chain, satisfy the needs of enterprises for industrial park with comprehensive services and respond to the strategy of the government of Yulin City, Guangxi, on expanding the relevant corporate groups and industrial chains to neighbouring areas and thereby promoting the local economic development, the Group has entered into an investment agreement with the government of Bobai County, Yulin City in January 2018 (“Bobai Agreement”). Under the Bobai Agreement, the Group will construct facilities in the industrial park under BOO model and operate and manage industrial wastewater treatment, solid waste treatment and disposal, industrial water supply, heat supply and electricity supply and hazardous waste treatment and disposal services (the “Bobai Project”).

The first phase of the Bobai Project has the following designed treatment capacity: industrial wastewater treatment of 100,000 tonnes/day, industrial water supply of 100,000 tonnes/day, solid waste treatment and disposal of 750,000 m³, hazardous waste treatment and disposal of 30,000 tonnes/year, heat and steam supply of 500 tonnes/hour and power generation of 50MW/hour.

The Group wishes to replicate the successful experience of Fumian Project to Bobai Project in order to fully exert the synergy effect and further strengthen the Group’s market position. Further details of the Bobai Agreement are set out in the announcement of the Company dated 2 January 2018.

2. 複製成功經驗，增強協同效應

在福綿項目大獲成功的基礎上，為促進當地紡織服裝產業鏈的進一步完善、滿足企業群對服務配套完善的產業園區的強烈需求，並順應廣西玉林市政府將相關企業群及產業鏈擴散至周邊地區、從而推動當地經濟發展的戰略，本集團與玉林市博白縣政府於二零一八年一月訂立投資協議（「博白協議」）。根據博白協議，本集團將以BOO模式在產業園區內建設設施，運營及管理工業廢水處理、固體廢物處理處置、工業供水、供熱供電及危險廢物處理處置等服務（「博白項目」）。

博白項目一期具備以下設計處理能力：工業廢水處理100,000噸／日、工業供水100,000噸／日、固體廢物處理處置75萬立方米、危險廢物處理處置30,000噸／年、供熱蒸汽500噸／小時及發電50兆瓦／小時。

本集團希望將福綿項目的成功經驗複製到博白項目，充分發揮協同效應，進一步增強本集團的市場地位。有關博白協議之進一步詳情載於本公司日期為二零一八年一月二日之公告。

Management Discussion and Analysis

管理層討論與分析

(II) *In respect of capital operation*

On 2 February 2018, the Group entered into a financial strategic co-operation agreement with China Construction Bank Guangzhou Zengcheng Branch (“CCB”) (the “Financial Agreement”). According to the terms of the Financial Agreement, CCB will provide the Group an intended maximum loan amount equivalent to RMB2.4 billion with the actual facility amount subject to the approval by CCB. The maximum amount of the loan to be granted to the Group pursuant to the Financial Agreement shall be applied towards the financing of acquisition of fixed assets, working capital, trading, merger and acquisitions, bills, guarantees and other funds. Details of the Financial Agreement are set out in the announcement of the Company dated 2 February 2018.

Based on the abovementioned series of proactive measures and its constantly rapid yet stable development trend, the public gives close attention and significant recognition to the Group. On 8 January 2018, at the 2017 China Financial Market Grand Prize initiated by a Hong Kong magazine, China Financial Market, organised by Wonderful Sky Financial Group, the Group was awarded the “2017 China Financial Market Award – Best Investment Value Award” by virtue of its strong comprehensive strength and its outstanding industrial position. On 18 January 2018, at the award ceremony of the Insight of Hong Kong Stock New Values Summit Forum cum 2017 “Golden Hong Kong Stock” Listed Companies Awards Ceremony jointly organised by Zhitongcaijing and Royal Flush Finance, the Group was awarded “2017 Golden Hong Kong Share-Listed Utility and Environmental Company with Most Value” award. These awards indicate the recognition from the industry participants and investors on the Group’s development in recent years.

(二) 資本運營方面

於二零一八年二月二日，本集團與中國建設銀行廣州增城支行（「建設銀行」）訂立金融策略性合作協議（「金融協議」）。根據金融協議之條款，建設銀行將向本集團提供相等於人民幣24億元的擬定最高貸款金額，惟實際融資金額須待建設銀行批准。根據金融協議將向本集團授予之最高貸款金額將應用於為收購固定資產、營運資金、買賣、併購、賬單、擔保及其他資金提供資金。金融協議之詳情載於本公司日期為二零一八年二月二日之公告。

基於上述一系列積極進取的舉措以及一貫以來快速而不失穩健的發展態勢，外界對本集團給予密切關注和極大肯定。於二零一八年一月八日，在由香港《中國融資》雜誌主辦，皓天財經集團承辦的二零一七年中國融資大獎頒獎典禮上，本集團憑借強大的綜合實力和卓越的行業地位，榮獲「二零一七年中國融資大獎最具投資價值獎」。於二零一八年一月十八日，在由智通財經與同花順財經共同主辦的洞見港股新價值高峰論壇暨2017「金港股」上市公司評選頒獎典禮上，本集團榮獲「二零一七年金港股最具價值公共事業及環保股公司」大獎。該等獎項凸顯業界及投資者對本集團近年來的發展的認可。

II. Business Review

1. Water Treatment Services

As of 30 June 2018, the Group operated a total of 12 water treatment plants, including 6 industrial and 3 municipal wastewater treatment plants, and 3 industrial water supply plants.

As of 30 June 2018, the total designed capacity of wastewater treatment plants in operation was 655,000 m³/day, representing a decrease of approximately 15% as compared to the total capacity in operation as of 31 December 2017 which was due to the suspension of operation of certain industrial parks and in turn attributable to local government's planning; the total designed capacity of industrial water supply plants in operation was 180,000 m³/day, representing a decrease of approximately 45% as compared to the total capacity in operation as of 31 December 2017 due to the same reason as mentioned above; the wastewater treatment project of Phase II of the Fumian Project, the Yulin Chinese Medicine Health Industrial Park Project and the Bobai Industrial Transfer Park Project Phase I are expected to commence operation in the second half of 2018 while Hunan Huaihua Tianyuan Project ("Huaihua Project") Phase II and the Bobai Project are estimated to commence operation in the first half of 2019; the Fumian Project Phase II of the industrial water supply segment is expected to commence operation in the second half of 2018.

二、業務回顧

1. 水處理服務

截至二零一八年六月三十日，本集團合共運營12座水廠，其中包括6座工業污水處理廠、3座市政污水處理廠、3座工業用水供應廠。

截至二零一八年六月三十日，在運營之污水處理廠之總設計產能為655,000立方米／日，較截至二零一七年十二月三十一日在運營之總產能下降約15%，乃由於若干產業園因當地政府規劃而停產；工業用水供應在運營項目總設計產能為180,000立方米／日，較截至二零一七年十二月三十一日在運營之總產能下降約45%，原因同上；福綿項目二期之污水處理項目、玉林中醫藥健康產業園項目及博白工業轉移園一期項目預計將於二零一八年下半年投入運營，而湖南懷化天源項目（「懷化項目」）二期及博白項目預計將於二零一九年上半年投入運營；工業用水供應分部之福綿項目二期預計將於二零一八年下半年投入運營。

Management Discussion and Analysis

管理層討論與分析

The analysis of projects held is set out below:

持有項目之分析如下：

Daily Designed Treatment Capacity (m ³ /Day)	每日設計處理能力 (立方米/天)	Industrial Wastewater Treatment		Municipal Wastewater Treatment		Wastewater Treatment Subtotal	Industrial Water Supply	Total
		工業污水處理		市政污水處理		污水處理小計	工業用水供應	
Operational Model	運營模式	BOO	BOT	BOO	BOT		BOO	
In Operation	運營中	480,000	45,000	10,000	120,000	655,000	180,000	835,000
Pending Operation	待運營	50,000	-	-	-	50,000	50,000	100,000
Under construction/with a plan to construct	建設中/計劃建設							
		165,000	55,000	-	50,000	270,000	150,000	420,000
Total	總計	695,000	100,000	10,000	170,000	975,000	380,000	1,355,000
Number of Water Plants/Each	水廠數量/個							
In Operation	運營中	5	1	1	2	9	3	12
Pending Operation	待運營	1	-	-	-	1	1	2
Under construction/with a plan to construct	建設中/計劃建設							
		3	-	-	-	3	1	4
Total	總計	9	1	1	2	13	5	18

* Capacity expansion based on existing water plants is considered no increase in number of water plants.

* 在現有水廠基礎上擴張產能視為不增加水廠數量。

1.1 Industrial Wastewater Treatment Services

Industrial wastewater treatment is the core business of the Group. The Group focused on third party centralised treatment market operated under the BOO model, providing polluting enterprises in the industrial parks or clusters with professional third party solutions for pollution control to help them achieve the separation of “pollution control” and “pollution generation”, thereby effectively solving the pollution problem. Currently customers served by the Group cover industries ranging from textile, printing and dyeing, papermaking, food processing to electronic electroplating.

1.1 工業污水處理服務

工業污水處理為本集團之核心業務，本集團以BOO模式專注於第三方集中式處理市場，為產業園區或片區內的排污企業提供環境污染第三方治理的專業化解決方案，幫助企業實現「治污」與「產污」分離，從而高效地解決污染問題。目前，本集團所服務客戶之所屬行業涵蓋紡織印染工業、造紙工業、食品加工業及電子電鍍工業。

As of 30 June 2018, the Group owned 6 industrial wastewater treatment plants which are in operation in Guangdong Province, Hunan Province and the Guangxi Zhuang Autonomous Region, with an aggregated designed treatment capacity of 525,000 m³/day. For the six months ended 30 June 2018, the daily average utilisation rate of the industrial wastewater treatment plants was approximately 45% and the total wastewater treatment volume treated was approximately 29% lower than the corresponding period in 2017 which was mainly due to the suspension of operation of certain industrial parks as affected by the adjustment from the local government's industrial planning and the transfer of upstream industry to Guangxi Zhuang Autonomous Region. It is expected that those impacts will still require some time to wear off. The effect of the above had been partially compensated by the Fumian Project Phase I (50,000 m³/day) which duly commenced operation by the Group in the second half of 2017 has a satisfying growth in capacity utilisation rate and the capacity utilisation rate reached 87% as of 30 June 2018. The designed capacity of the projects under construction for the year was 220,000 m³/day. Those projects, including Fumian Project Phase II (50,000 m³/day), Yulin Chinese Medicine Health Industrial Park Project (5,000 m³/day) and Bobai Industrial Transfer Park Project Phase I (10,000 m³/day), which are expected to commence operation in the second half of 2018; Bobai Project (100,000 m³/day) and Huaihua Project Phase II (55,000 m³/day), which are expected to commence operation in the first half of 2019.

截至二零一八年六月三十日，本集團在廣東省、湖南省及廣西壯族自治區內擁有運營工業污水處理廠6座，總設計產能為525,000立方米／日。於截至二零一八年六月三十日止六個月，工業污水處理廠的日均產能利用率約為45%，已處理之總污水處理量較二零一七年同期減少約29%，乃主要由於若干產業園受當地政府產業規劃調整的影響而停產，上游行業遷移至廣西壯族自治區所致。預期該等影響仍需若干時間消化。上述影響獲本集團於二零一七年下半年正式投運之福綿項目一期（50,000立方米／日）之產能利用率增長良好所部分抵銷，截至二零一八年六月三十日，其產能利用率達87%。本年度在建項目設計產能為220,000立方米／日，該等項目包括福綿項目二期項目（50,000立方米／日）、玉林中醫藥健康產業園項目（5,000立方米／日）及博白工業轉移園一期（10,000立方米／日），預計將於二零一八年下半年投入運營；博白項目（100,000立方米／日）及懷化項目二期（55,000立方米／日）預計將於二零一九年上半年投入運營。

Management Discussion and Analysis

管理層討論與分析

1.2 Municipal Wastewater Treatment Services

As of 30 June 2018, the Group operated 3 municipal wastewater treatment plants in Guangdong Province, the PRC. Same as the previous years, the total designed capacity was 130,000 m³/day. Those plants have been running with stable utilisation rates. To cope with the urban development plan of the Zengcheng District, Guangzhou City, additional planning of municipal wastewater treatment has been made for the Phase IV of the Haitao Project wastewater treatment facilities during the period with a designed capacity of 50,000 m³/day which are expected to commence operation in 2019.

1.3 Industrial Water Supply

As of 30 June 2018, the Group operated 3 industrial water supply plants in Guangdong Province and Guangxi Zhuang Autonomous Region. The total designed treatment capacity of these plants was 180,000 m³/day. For the six months ended 30 June 2018, the average daily utilisation rate was approximately 43% and the total industrial water supply volume supplied was approximately 15% less than the corresponding period in 2017 which was due to suspension of operation of an industrial park as affected by the adjustment to the local government's industrial planning. These plants are located in the industrial parks with wastewater treatment plants operated by the Group, and as a demonstration of circular economy, are connected to respective wastewater treatment plants in the same industrial park via water recycling facilities for the provision of industrial water supply services to customers who were also the customers of wastewater treatment services. The project under construction as of 30 June 2018 was Fumian Project Phase II (50,000 m³/day) which is expected to commence its operation in the second half of 2018.

1.2 市政污水處理服務

截至二零一八年六月三十日，本集團於中國廣東省內運營市政污水處理廠3座。與去年相同，其總設計產能為130,000立方米／日。該等設施常年保持穩定的產能利用率。為配合廣州市增城區的城鎮發展規劃，本期新增籌劃海滔項目第四期市政污水處理設施的建設，設計產能為50,000立方米／日，預計於二零一九年開始運營。

1.3 工業用水供應

截至二零一八年六月三十日，本集團於廣東省及廣西壯族自治區內運營工業用水供應廠3座，總設計產能為180,000立方米／日。截至二零一八年六月三十日止六個月，日均產能利用率為約43%，所供應之總工業用水供應量較二零一七年同期減少約15%，乃由於產業園受當地政府產業規劃調整影響而停產所致。該等設施位於本集團經營之污水處理廠所在之產業園內，並透過水回用設施與同一園區內之污水處理廠連通，向亦為污水處理服務客戶之客戶提供工業用水供應服務，是循環經濟的典型模式之一。截至二零一八年六月三十日，在建項目為福綿項目二期（50,000立方米／日），預期將於二零一八年下半年投運。

2. *Sludge and General Solid Waste Treatment Services*

As of 30 June 2018, the Group operated a total of 3 sludge treatment facilities and 2 general industrial solid waste treatment and disposal facilities in Guangdong Province and operated electricity and heat cogeneration facilities of the Fumian Project with synergetic incineration sludge disposal of 200 tonnes/day. The total sludge treatment and disposal capacity was 3,642 tonnes/day, representing an increase of approximately 6% as compared with the total capacity as at 31 December 2017; the Group has established 2 landfills for safe disposal of general industrial solid wastes with a total size of 2.80 million m³.

As of 30 June 2018, the projects under construction which had an expected capacity for sludge treatment and disposal of 500 tonnes/day represented Phase I of the sludge treatment project in the Longmen Industrial Base. The general industrial solid waste treatment and disposal reserve projects which had a capacity of 400,000 tonnes/year were the solid waste projects in the Longmen Industrial Base (located in Huizhou City, Guangdong Province) with a capacity of 300,000 tonnes/year and the solid waste treatment and disposal sub-project under the Bobai Project with a capacity of 100,000 tonnes/year.

2. 污泥及一般固廢處理服務

截至二零一八年六月三十日，本集團於廣東省內合共運營3座污泥處理處置設施，2座一般工業固體廢物處理處置設施，另在福綿項目運營的熱電聯供設施具備協同焚燒處置污泥200噸／日。污泥處理處置總產能為3,642噸／日，較二零一七年十二月三十一日之總產能增加約6%；本集團已建成一般工業固體廢物無害化處置之填埋場2座，合共規模為280萬立方米。

截至二零一八年六月三十日，污泥處理處置在建項目產能預期為500噸／日，為龍門產業基地污泥處理項目一期。一般工業固廢處理處置儲備項目總規模預期達400,000噸／年，該等項目為位於廣東省惠州市之龍門產業基地固廢項目300,000噸／年及博白項目下之固廢處理處置子項目100,000噸／年。

Management Discussion and Analysis

管理層討論與分析

2.1 Sludge Treatment and Disposal

As of 30 June 2018, the Group operated 3 sludge treatment and disposal facilities in Guangdong Province and 1 electricity and heat cogeneration plant in Fumian Project for synergetic incineration sludge disposal with a total disposal capacity of 3,642 tonnes/day and an average capacity utilisation rate of approximately 59% for the period. The actual treatment volume decreased 23% as compared to the corresponding period in 2017 which was due to the rectification requirement on the Haitao Sludge project as imposed by environmental protection bureau which results in temporary service suspension since late April 2018. The Group has carried out rectification work in accordance with the requirement and the authority had checked the rectification work without additional rectification requirements so that service is expected to be resumed shortly. Among the total sludge treated and disposed of by the Group, approximately 80% comprised of “municipal sludge” produced in urban centralised municipal wastewater treatment plants, and approximately 20% comprised of “dyeing sludge” produced in dyeing wastewater treatment and “papermaking sludge” produced in papermaking wastewater treatment.

2.1 污泥處理處置

截至二零一八年六月三十日，本集團於廣東省內運營污泥處理處置設施3座，於福綿項目運營協同焚化污泥處置熱電廠1座，總處置產能為3,642噸／日，於本期平均產能利用率約為59%。實際處理量較二零一七年同期下降23%，主要由於環境保護局對海滔污泥項目提出了整改要求導致自二零一八年四月下旬開始暫停服務，本集團已按照相關要求做好整改工作，當局已檢查整改工作而並無要求作出額外整改，因此，預期將於短期內恢復服務。於本集團處理處置之污泥總量中，約80%為城鎮集中式生活污水處理廠產生之污水處理污泥「生活污水」，約20%為印染廢水處理污泥「印染污泥」及造紙廢水處理污泥「造紙污泥」。

2.2 General Industrial Solid Wastes Treatment and Disposal

As of 30 June 2018, the Group operated 2 general industrial solid wastes treatment and disposal facilities in the Guangdong Province. There are 2 landfills for safe disposal of solid wastes with a total capacity of 2,800,000 m³. The landfills are capable of safe treatment and disposal of category I and II general industrial solid wastes, with a planned annual usage of 200,000 m³, meaning the annual treatment volume is approximately 200,000 tonnes. For the six months ended 30 June 2018, these facilities received and disposed of approximately 66,000 tonnes of general industrial solid wastes, representing a substantial increase of 31,000 tonnes as compared with approximately 35,000 tonnes received and disposed of during the same period in 2017 which was primarily due to the existence of new customers as a result of the large-scale environmental protection inspection over many of the industry players.

2.3 Domestic Waste Treatment

The Group has constructed a seamless project for urban and rural wastes treatment in the Guangdong Province. The Group has also entered into a concession agreement for this project for a term of 30 years with the government of Longmen County, Guangdong Province. The total approved treatment capacity was 600 tonnes/day for incineration treatment. This project is located in the Longmen Industrial Base and with its business covering the collection, transportation and incineration of urban and rural domestic wastes to generate electricity.

2.2 一般工業固廢處理處置

截至二零一八年六月三十日，本集團於廣東省內運營一般工業固體廢物處理處置設施2座。該等設施內擁有2個固體廢物無害化處置填埋場，總庫容規模為280萬立方米，能對I、II類一般工業固體廢物進行無害化填埋，規劃年利用20萬立方米，即年處理量約為20萬噸。於截至二零一八年六月三十日止六個月，該等設施接收處理一般工業固體廢物約6.6萬噸，較二零一七年同期接收處理量約3.5萬噸大幅增長3.1萬噸，主要由於對眾多業內參與者進行的大型環保督查令新客戶出現所致。

2.3 生活垃圾處理

本集團於廣東省內投資興建了一個城鄉生活垃圾無害化處理無縫對接項目，並就該項目與廣東省龍門縣政府簽訂了特許經營協議，為期30年，焚燒處理核准產能為每日600噸。該項目位於龍門產業基地，其業務涵蓋城鄉生活垃圾之清運、中轉及焚燒發電。

Management Discussion and Analysis

管理層討論與分析

3. Hazardous Waste Treatment Services

As of 30 June 2018, the Group operated 6 hazardous wastes treatment and disposal facilities in Guangdong Province. These facilities altogether cover 20 types of hazardous wastes under the revised “National Hazardous Waste List” with a total treatment capacity of 765,000 tonnes/year. Among them, the most significant facility was owned by Guangzhou CT Lvyou Environmental Protection Technology Company Limited (“Guangzhou Lvyou”) which possessed a capacity for comprehensive harmless treatment and safe disposal of hazardous wastes and leading approved treatment scale in the country. It provides services to various industries such as petroleum, chemical, electronic, automobile manufacturing, shipbuilding and pharmaceuticals. In order to reach the higher environmental standard, certain sub-projects commenced technological upgrade and transformation in the first half of the year which affected the waste received and treatment volume. For the six months ended 30 June 2018, annualised capacity utilisation rate for receipt and disposal of hazardous wastes by Guangzhou Lvyou was 58%. CT (Nansha) Ocean Protection Centre is specialised in collection, treatment, disposal, recycling and comprehensive utilisation of oily wastewater and oily sludge and residues (HW08) in ports and on vessels. In the first half of 2018, comprehensive technological transformation and upgrade were carried out. The hazardous waste and general industrial solid waste collection and storage centre constructed by the Group in Foshan City, Guangdong Province had a collection and storage capacity of 50,000 tonnes/year for hazardous waste and 50,000 tonnes/year for general industrial solid wastes. The project is scheduled to commence operation by the end of 2018. The Group expects that it will seize market opportunities on an ongoing basis and continue to expand the business scale of hazardous waste treatment and disposal, so as to enhance its strength and influence as a professional provider of comprehensive environmental pollution management solutions.

3. 危險廢物處理服務

截至二零一八年六月三十日，本集團於廣東省內運營危險廢物處理處置設施6座，在修訂版《國家危險廢物名錄》下覆蓋20大類危險廢物，總處理規模為每年76.5萬噸。其中，最重大的設施由廣州中滔綠由環保科技有限公司（「廣州綠由」）擁有，該公司具備綜合性無害化處置能力及位於全國前列的核准處理規模，服務的行業涵蓋石油、化學、電子、汽車製造、船舶、製藥等多種工業，為達到更高的環境標準部分子項目於上半年開展了技術升級改造，而影響了廢物接收處理量，於截至二零一八年六月三十日止六個月，廣州綠由的危險廢物接收處理年化產能利用率為58%；南沙海洋環保中心專業從事港口與船舶含油廢水、油泥油渣(HW08)的收集、處理、處置和再生綜合利用，於二零一八年上半年進行全面技術改造升級。本集團於廣東省佛山市建造之危險廢物及一般工業固體廢物收集儲運中心，收集儲運危險廢物5萬噸／年及一般工業固廢5萬噸／年，預計於二零一八年年底投入運營。本集團預期其將持續抓住市場機遇及繼續擴大危險廢物處理處置業務規模，以提升其作為專業綜合環境污染管理解決方案供貨商的優勢及影響力。

4. *High-efficiency energy supply service*

As of 30 June 2018, the Group operated 1 electricity and heat cogeneration facility under the Fumian Project to provide corporate customers in the industrial park with highly-efficient heat supply and electricity supply services. Fumian Project Phase I (in operation) has a heat supply capacity of 75 tonnes/hour and electricity supply capacity of 7.5 MW and its capacity utilisation rate for the first half of 2018 reached 48% and 59%, respectively; Phase II which was commissioning had a heat supply capacity of 130 tonnes/hour and electricity supply of 15MW and is expected to commence operation in the second half of 2018. As at 30 June 2018, the project in planning was the electricity and heat cogeneration of Bobai Project Phase I which had a heat supply capacity of 220 tonnes/hour and electricity supply capacity of 25MW.

III. **Future Outlook**

Centring the core target of “Building a Beautiful China”, the Group strives to enhance the comprehensive capacity of the ecological environment to support the sustainable development of the environment, the economy and the society. Under the guidance of the innovative theory of environmental supply-side structural transformation, the Group planned, invested and constructed 5 major industries, including water treatment, solid waste, hazardous waste, pollution treatment engineering and high-efficient energy, to resolve the bottleneck of economic growth being limited by the environment, realising the win-win situation for the environmental improvement and synergetic development of economy.

Since the commencement of operation of the Fumian Project in the third quarter of 2017, the performance of this project was encouraging and the pace of ramping up in utilisation rate had exceeded expectation of the Group. The Group is confident that this favourable trend will continue and the next phase of the Fumian Project had already attracted many potential industrial enterprises who would like to construct their factories. The Group believes that these industrial enterprises are in a strong demand for a total solution to their environmental protection requirement and exposure.

4. *高效能源供給服務*

截至二零一八年六月三十日，本集團於福綿項目運營熱電聯供設施1座，為產業園區內企業客戶提供高效供熱、供電服務。福綿項目一期（運營中）產能為供熱75噸／小時，供電7.5兆瓦，其產能利用率於二零一八年上半年度分別達48%及59%；二期在調試產能為供熱130噸／小時，供電15兆瓦，預計於二零一八年下半年投入運營。於二零一八年六月三十日，規劃中產能為博白項目一期之熱電聯供供熱產能220噸／小時，供電產能25兆瓦。

三、 未來展望

圍繞「建設美麗中國」的核心目標，本集團致力於提高生態環境綜合承載力，以支撐環境經濟社會可持續發展。在環境供給側結構性改革創新理論的指導下，本集團規劃、投資及建設水處理、固體廢物、危險廢物、治污工程及高效能源等5大產業，用於解決經濟增長受環境制約的瓶頸問題，實現環境改善與經濟協同發展的雙贏。

自福綿項目於二零一七年第三季度開始運營以來，該項目之表現令人鼓舞及使用率的提升速度超出本集團預期。本集團有信心此有利趨勢將會持續，而下一期福綿項目已吸引多間擬建造其工廠之潛在工業企業。本集團相信該等工業企業對其環保規定及風險之全方位解決方案具有強勁需求。

Management Discussion and Analysis

管理層討論與分析

The success in the implementation of the Fumian Project through using optimised, innovative and intelligent business model had further increased the confidence of the Company in the investment in similar projects in Bobai County and Laibin City, both situated in Guangxi, which will provide the Group with sustainable and remarkable growth in the long run.

In recent months, there was a large-scale environmental protection inspection exercise nationwide. Many environmental protection service providers who did not meet the relevant rules and standards had been suspended or being sanctioned. The Group is of the view that after the inspection exercise is over, the Group will stand out to benefit since the Company is one of the industry players with proven quality and solid track record. In addition, the tightened control over the illegal disposal of industrial solid waste and hazardous waste by the authority means that the market demand for our treatment service will be increased. Furthermore, various types of industrial solid wastes and hazardous waste had been accumulated in large volume in the market without any treatment as a result of the environmental protection inspection exercise as mentioned above so that it will be an opportunity for the Group to actively capture the potential turnover generated from such accumulated wastes.

In addition to the above favourable elements, we also possess various catalyst for future profit growth, including the construction revenue from Phase II of the Huaihua Project and Phase IV of the Haitao Project and the formal operational commencement of the incineration plant in the Longmen Industrial Base in the second half of 2018.

Looking forward, the Group will stay committed to the mission and work towards its goal: integrating all resources and continuously enhancing its operational management and technological R&D capability to provide local government and customers with high-quality and comprehensive environmental protection service; optimising efficient capital financing channels and proactively capturing the new opportunities under the new normal of the economy of the environmental market with precise investments to create good value and return for shareholders and investors; shouldering the responsibility and mission as the industrial benchmark and as a listed company to spread advanced environmental protection concepts and convey positive energy to the society.

透過運用優化、創新及智能業務模式成功實行福綿項目，令本公司對投資於位於廣西之博白縣及來賓市之類似項目之信心進一步增強，長遠為本集團帶來可持續及顯著的增長。

於近月，全國進行大規模環保督查行動。多間未能符合相關規則及標準之環保服務供應商已暫停營業或正受到制裁。本集團認為該督查行動完結後，此將對本集團特別有利，原因為本公司於業內為具質素保證及良好往績紀錄之企業之一。此外，當局加緊監控非法處理工業固體廢物及危險廢物表示對我們之處理服務之市場需求將會增加。再者，上述之環保督查行動將導致市場上累積大量多種未經任何處理之工業固體廢物及危險廢物，其將為本集團帶來機遇，積極把握自該等累積廢物產生之潛在營業額。

除上述利好因素外，我們亦擁有多項促進未來溢利增長之因素，包括懷化項目二期及海滔項目四期產生之建設收入以及龍門產業基地之焚燒廠於二零一八年下半年正式投運。

展望未來，本集團將不忘初心，繼續奮力前行：整合各項資源優勢，持續提升運營管理及技術研發能力，為地方政府及客戶提供高質量的綜合性環保服務；優化高效的資本融通途徑，積極把握經濟新常態下環保市場的新機遇，精準投資，為股東及投資者創造良好的價值回報；肩負業內標桿及上市公司的責任與使命，傳播先進的環保理念、傳遞社會正能量。

FINANCIAL REVIEW

Turnover

The turnover of the Group decreased by approximately 1.6% to approximately HKD984.1 million for the six months ended 30 June 2018 from approximately HKD999.7 million for the six months ended 30 June 2017. Such decrease was mainly the net effect of the following:

- 1) Affected by the suspension of certain industrial parks operated by the Group together with certain customers' relocation, the Group's revenue generated from these industrial parks and the customers decreased by approximately HKD186.4 million as compared with the same period last year;
- 2) In response to the large-scale environmental protection inspection across the whole PRC during the first half of 2018, revenue generated by certain subsidiaries decreased by approximately HKD79.0 million as compared with the same period last year;
- 3) Revenue from BOT construction services decreased by approximately HKD65.5 million mainly due to the completion of the construction a waste-to-energy plant located in the Guangdong Longmen Longtao Recycling Economic and Industrial Base in 2017 as compared with the same period last year. The revenue from BOT construction services generated this period solely represented the construction work in relation to the Phase II of the Huaihua Project; and
- 4) Due to the operational commencement of the Fumian Project since the second half of 2017, together with the provision of land levelling services arose from the further expansion of the Fumian Project and the commencement of the construction of Bobai Project, an additional revenue of approximately HKD313.8 million had been generated as compared with the same period last year. Such additional revenue had largely compensated the effect of the revenue decrease from the preceding paragraphs.

財務回顧

營業額

本集團的營業額由截至二零一七年六月三十日止六個月的約港幣999.7百萬元減少約1.6%至截至二零一八年六月三十日止六個月的約港幣984.1百萬元。有關減少主要是受到以下因素的淨影響：

- 1) 受到本集團營運之若干產業園之停產及若干客戶搬遷之影響，本集團自該等產業園及客戶產生之收入較去年同期減少約港幣186.4百萬元；
- 2) 因應全中國於二零一八年上半年的大型環保督查，若干附屬公司產生之收入較去年同期減少約港幣79.0百萬元；
- 3) 主要由於位於廣東龍門龍滔循環經濟產業基地之垃圾焚燒發電廠之建設於二零一七年完成，BOT建設服務收入較去年同期減少約港幣65.5百萬元。BOT建設服務於本期間產生之收入僅指與懷化項目二期有關之建設工程；及
- 4) 由於福綿項目自二零一七年下半年起開始營運，連同因福綿項目進一步擴展而提供之土地平整服務及博白項目動工，故較去年同期已產生額外收入約港幣313.8百萬元。有關額外收入已大部分補償上文段落所述之收入減少之影響。

Management Discussion and Analysis

管理層討論與分析

Cost of Sales

The total cost of sales of the Group increased by approximately 7.3% to approximately HKD588.4 million for the six months ended 30 June 2018 from HKD548.6 million for the six months ended 30 June 2017. The increase was mainly due to the net effect of the following reasons: 1) affected by the suspension of certain industrial parks and the temporarily suspended operation of certain facilities of the Group to coordinate with the recent environmental protection inspection of Guangdong province, the operating costs of the Group's respective subsidiaries decreased by approximately HKD60.0 million as compared with the same period last year; 2) the costs of the Group's BOT construction business dropped by approximately HKD54.0 million as compared to same period last year; and 3) due to the business development of the Fumian Project and Bobai Project, the corresponding operating costs, including the provision of land levelling services, had contributed approximately HKD154.0 million in the first half of 2018, and these projects were not in operation in the same period last year.

Gross profit and gross profit margin

The gross profit of the Group decreased by approximately 12.3% to approximately HKD395.8 million for the six months ended 30 June 2018 from approximately HKD451.1 million for the six months ended 30 June 2017, primarily as a result of the factors described above.

The overall gross profit margin of the Group dropped to approximately 40.2% for the six months ended 30 June 2018 from approximately 45.1% for the six months ended 30 June 2017, primarily due to the effects of the suspension of certain industrial parks and the temporarily suspended operation of certain facilities of the Group to coordinate with the recent environmental protection inspection of Guangdong province, the turnover of respective subsidiaries of the Group dropped significantly, while fixed costs such as depreciation and amortisation were relatively stable, resulting in the magnitude of reduction in operating costs being less than the magnitude of reduction in the turnover.

銷售成本

本集團的銷售成本總額由截至二零一七年六月三十日止六個月的港幣548.6百萬元增長約7.3%至截至二零一八年六月三十日止六個月的約港幣588.4百萬元，有關增加主要是受到以下因素的淨影響：1)受到若干產業園關停以及為配合最近廣東省環保督查而令本集團若干設施臨時停產之影響，本集團相關附屬公司的營業成本較去年同期減少約港幣60.0百萬元；2)本集團BOT建設業務成本較去年同期降低約港幣54.0百萬元；及3)福綿項目及博白項目之業務發展，使二零一八年上半年包括提供土地平整服務在內的相應營業成本貢獻約港幣154.0百萬元，而該等項目在去年同期並無營運。

毛利及毛利率

主要由於上述因素，本集團的毛利由截至二零一七年六月三十日止六個月的約港幣451.1百萬元減少約12.3%至截至二零一八年六月三十日止六個月的約港幣395.8百萬元。

本集團整體毛利率由截至二零一七年六月三十日止六個月的約45.1%下降至截至二零一八年六月三十日止六個月的約40.2%，主要由於受到若干產業園關停及為配合最近廣東省環保督查而令本集團若干設施臨時停產之影響，本集團相關附屬公司的營業額大幅下降，而折舊攤銷等固定成本相對穩定，造成營業成本降幅小於營業額降幅所致。

Other revenue

Other revenue of the Group increased by approximately 6.9% to approximately HKD104.2 million for the six months ended 30 June 2018 from approximately HKD97.6 million for the six months ended 30 June 2017. The increase is mainly due to the net effect of: 1) the increase in government grants by approximately HKD69.3 million; 2) the decrease in value-added tax refund by approximately HKD44.5 million; and 3) the decrease in consultancy fees income by approximately HKD18.1 million.

Other net (loss)/income

Other net loss for the six months ended 30 June 2018 mainly included foreign exchange loss of approximately HKD1.6 million (the six months ended 30 June 2017: foreign exchange gain of HKD10.2 million). The net foreign exchange loss primarily arose from receivables and bank loans that were denominated in a currency other than the functional currency of the relevant entities.

Other net income for the six months ended 30 June 2017 also included gain on disposal of a subsidiary of approximately HKD66.5 million.

Administrative expenses

The Group's administrative expenses decreased by approximately 10.2% to approximately HKD132.4 million for the six months ended 30 June 2018 from approximately HKD147.5 million for the six months ended 30 June 2017. This was primarily due to the decrease in marketing expenses.

Finance costs

The finance costs of the Group increased by approximately 16.7% to approximately HKD57.4 million for the six months ended 30 June 2018 from approximately HKD49.2 million for the six months ended 30 June 2017, primarily due to the increase in average loan balance and the increase of average loan interest rate of the Group.

其他收益

本集團的其他收益由截至二零一七年六月三十日止六個月的約港幣97.6百萬元增加約6.9%至截至二零一八年六月三十日止六個月的約港幣104.2百萬元。有關增加主要是因以下因素的淨影響所致：1)政府補助增加約港幣69.3百萬元；2)增值稅退稅減少約港幣44.5百萬元；以及3)諮詢費收入減少約港幣18.1百萬元。

其他(虧損)/收入淨額

截至二零一八年六月三十日止六個月的其他虧損淨額主要包括匯兌虧損約港幣1.6百萬元(截至二零一七年六月三十日止六個月：匯兌收益港幣10.2百萬元)。匯兌虧損淨額之產生主要來自有關實體之功能貨幣以外貨幣計價的應收款項及銀行貸款。

截至二零一七年六月三十日止六個月的其他收入淨額還包括出售一家附屬公司的收益約港幣66.5百萬元。

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港幣147.5百萬元減少約10.2%至截至二零一八年六月三十日止六個月的約港幣132.4百萬元。此乃主要由於市場推廣開支下降所致。

融資成本

本集團的融資成本由截至二零一七年六月三十日止六個月的約港幣49.2百萬元增加約16.7%至截至二零一八年六月三十日止六個月的約港幣57.4百萬元，此乃主要由於本集團平均貸款餘額增加以及平均貸款利率增加所致。

Management Discussion and Analysis

管理層討論與分析

Profit before taxation

The profit before taxation of the Group decreased by approximately 28.1% to approximately HKD308.1 million for the six months ended 30 June 2018 from approximately HKD428.6 million for the six months ended 30 June 2017, primarily due to the factors described above.

Income tax

The income tax expenses of the Group for the six months ended 30 June 2018 decreased by approximately 87.9% as compared with the corresponding period of last year, mainly due to the decrease in profit before tax and reversal of over-provision of income tax in respect of prior periods during the period. Meanwhile, the effective tax rate decreased to approximately 1.9% from approximately 10.9% due to the fact that Heyuan Solid Waste Centralized Treatment Centre Company Limited has been entitled to preferential tax treatment for high and new technology enterprises since 2018 while the profit generated from Fumian Project is being under tax-free period together with the reversal of over-provision of income tax in respect of prior periods during the period.

Profit attributable to equity shareholders of the Company

The profit attributable to equity shareholders of the Company has decreased by approximately 20.9% to approximately HKD302.4 million for the six months ended 30 June 2018 from approximately HKD382.4 million for the six months ended 30 June 2017, primarily as a result of the factors described above.

Liquidity and Financial Resources

The liquidity and capital requirements of the Group mainly relate to the acquisition of projects, construction of property, plant and equipment and operation expenses.

As at 30 June 2018, the carrying amount of the Group's cash and bank deposits was approximately HKD225.2 million (31 December 2017: HKD519.0 million), representing a decrease of approximately 43.4% as compared to that as at 31 December 2017.

除稅前溢利

主要由於上述因素，本集團的除稅前溢利由截至二零一七年六月三十日止六個月的約港幣428.6百萬元減少約28.1%至截至二零一八年六月三十日止六個月的約港幣308.1百萬元。

所得稅

本集團於截至二零一八年六月三十日止六個月的所得稅開支較去年同期下降約87.9%，主要由於本期除稅前溢利下降以及轉回前期多計提所得稅。同時，實際稅率由約10.9%下降至約1.9%，此乃因為河源市固體廢物集中處置中心有限公司自二零一八年起享受高新技術企業稅收優惠，而福綿項目所產生之溢利正於免稅期，以及本期轉回前期多計提所得稅所致。

本公司權益股東應佔溢利

主要由於上述因素，本公司權益股東應佔溢利由截至二零一七年六月三十日止六個月的約港幣382.4百萬元減少約20.9%至截至二零一八年六月三十日止六個月的約港幣302.4百萬元。

流動資金及財務資源

本集團的流動資金及資本需求主要與項目收購、建設物業、廠房及設備與經營開支有關。

於二零一八年六月三十日，本集團現金及銀行存款的賬面值約為港幣225.2百萬元（二零一七年十二月三十一日：港幣519.0百萬元），較二零一七年十二月三十一日下降約43.4%。

Loans and Borrowings

As at 30 June 2018, the total amount of bank loans of the Group was approximately HKD3,184.3 million (31 December 2017: HKD3,461.9 million), in which a majority was denominated in HKD and carried floating interest rate. The unutilised bank facilities amounted to HKD nil as at 30 June 2018 (31 December 2017: HKD1,679.1 million).

As at 30 June 2018, the secured bank loans amounted to HKD1,924.4 million, and unsecured bank loans amounted to HKD1,259.9 million. Please refer to note 14 for further details of the Group's bank borrowings.

As at 30 June 2018, the gearing ratio of the Group (as calculated by dividing the total borrowings (net of cash and cash equivalent, and deposits with a bank with original maturity date over three months) by the total equity of the Group) was approximately 63.3% (31 December 2017: 63.8%).

Contingent Liabilities

As at 30 June 2018 and 31 December 2017, the Group had no material contingent liabilities or guarantees.

Pledge of Assets

As at 30 June 2018, the Group pledged certain of its property, plant and equipment and lease prepayments with an aggregate carrying amount of approximately HKD311.1 million (31 December 2017: HKD313.8 million) to certain banks to secure certain credit facilities granted to the Group. In addition, the Group's equity interests in Qingyuan Lvyou Environmental Protection Technology Company Limited, Guangzhou Yinglong Wastewater Treatment Company Limited and Guangzhou Liangang Vessel Wastewater Treatment Co., Limited were pledged for the bank borrowings of the Group.

貸款及借款

於二零一八年六月三十日，本集團的銀行貸款總額約為港幣3,184.3百萬元（二零一七年十二月三十一日：港幣3,461.9百萬元），該等銀行貸款大部分以港幣計值及按浮動利率計息。於二零一八年六月三十日，未動用的銀行貸款額度為港幣0元（二零一七年十二月三十一日：港幣1,679.1百萬元）。

於二零一八年六月三十日，有抵押之銀行貸款為港幣1,924.4百萬元及無抵押之銀行貸款為港幣1,259.9百萬元。有關本集團銀行借款的進一步詳情，請參閱附註14。

於二零一八年六月三十日，本集團的資產負債比率（按借款總額（經扣除現金及現金等價物，以及存放於銀行原始到期日超過三個月之存款）除以本集團的權益總額計算）約為63.3%（二零一七年十二月三十一日：63.8%）。

或然負債

於二零一八年六月三十日及二零一七年十二月三十一日，本集團並無任何重大或然負債或擔保。

資產抵押

於二零一八年六月三十日，本集團向若干銀行抵押賬面總值約為港幣311.1百萬元（二零一七年十二月三十一日：港幣313.8百萬元）的若干物業、廠房及設備以及租賃預付款項，以擔保授予本集團的若干信貸融資。此外，本集團亦將對清遠綠由環保科技有限公司、廣州盈隆污水處理有限公司及廣州市蓮港船舶清油有限公司的股權作為本集團銀行借款的抵押。

Management Discussion and Analysis

管理層討論與分析

Capital Expenditures

The major capital expenditures of the Group primarily consist of expenditures to acquire lease prepayments, construct treatment facilities and purchase property, plant and equipment.

For the six months ended 30 June 2018, the capital expenditures of the Group (mainly include additions in property, plant and equipment, and increase in lease prepayments) amounted to approximately HKD603.9 million (for the six months ended 30 June 2017: HKD725.0 million). These capital expenditures were funded by bank borrowings and funds generated from the operating activities of the Group.

The Group expects to incur additional capital expenditures in view of the various acquisition opportunities in the sector and in view of the scheduled construction of facilities for the current project portfolio of the Group. It is expected that the capital expenditure will be funded mainly by operating cash flows and bank borrowings.

Foreign Currency Risk

The Group's assets, borrowings and major transactions are mainly denominated in RMB. The Group is exposed to currency risk primarily arising from receivables and bank loans that are denominated in a currency other than the functional currency of the relevant entities. The currencies giving rise to this risk are primarily RMB, USD and HKD. The Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances. As at 30 June 2018, approximately 98.2%, 0.0% and 1.8% of the cash and cash equivalent held by the Group are denominated in RMB, USD and HKD respectively (31 December 2017: 98.7%, 0.1% and 1.2%).

資本開支

本集團的主要資本開支主要包括收購租賃預付款項、建設處理設施以及購買物業、廠房及設備的開支。

截至二零一八年六月三十日止六個月，本集團的資本開支（主要包括物業、廠房及設備增加以及租賃預付款項增加）達到約港幣603.9百萬元（截至二零一七年六月三十日止六個月：港幣725.0百萬元）。該等資本開支由銀行借款及本集團的經營活動所得資金撥付。

鑒於該分部之多項收購機遇及本集團現有項目組合的計劃設施建設，本集團預期將產生額外資本開支。預期該等資本開支將主要由經營現金流量及銀行借款撥付。

外匯風險

本集團的資產、借款及主要交易主要以人民幣計值。本集團面對的貨幣風險主要來自有關實體之功能貨幣以外貨幣計價的應收款項及銀行貸款。產生此風險的貨幣主要為人民幣、美元及港幣。本集團確保風險淨額維持在可接受的水平，在有需要時以即期匯率買賣外幣以解決短期不平衡。於二零一八年六月三十日，本集團持有的現金及現金等價物以人民幣、美元及港幣計值的分別佔約98.2%、0.0%及1.8%（二零一七年十二月三十一日：98.7%、0.1%及1.2%）。

Employees and Remuneration Policy

As at 30 June 2018, the Group employed 1,892 employees (as at 30 June 2017: 2,086 employees). Employee costs amounted to approximately HKD111.3 million for the six months ended 30 June 2018 (for the six months ended 30 June 2017: approximately HKD95.9 million). The Group will endeavour to ensure that the employees' salary levels are in line with industry practice and prevailing market conditions, and that employees' remuneration is based on their performance.

The Company has also adopted a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Further, the Company also adopted a share award scheme to recognise and motivate the contributions made to the Group by its employees and to give incentives in order to retain them for the continuous operation and development of the Group. Further information in relation to the share award scheme is set out in note 15(b)(ii).

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITION AND DISPOSAL

Save as disclosed in this report, the Group did not have any significant investments or other material acquisitions or disposal during the six months ended 30 June 2018.

僱員及薪酬政策

於二零一八年六月三十日，本集團聘用1,892名僱員（於二零一七年六月三十日：2,086名）。截至二零一八年六月三十日止六個月，僱員成本約為港幣111.3百萬元（截至二零一七年六月三十日止六個月：約港幣95.9百萬元）。本集團將致力確保僱員薪酬水平符合行業慣例及現行市況，而僱員薪酬乃基於彼等的表現釐定。

本公司亦採納一項購股權計劃，旨在對為本集團營運的成就作出貢獻的合資格參與者提供獎勵及報酬。此外，本公司亦採納一項股份獎勵計劃，以表揚及激勵本集團僱員對本集團作出貢獻，並作為挽留僱員為本集團持續營運及發展之獎勵。有關股份獎勵計劃的進一步資料載於附註15(b)(ii)。

重大投資及重大收購及出售

除本報告所披露者外，本集團於截至二零一八年六月三十日止六個月期間並無任何重大投資或其他重大收購或出售。

Other Information

其他資料

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2018, the Directors and chief executives of the Company and their associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (“SFO”)), as recorded in the register required kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Ltd. (“the Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”):

董事及主要行政人員於本公司及其相聯法團之股份、相關股份及債券之權益及淡倉

於二零一八年六月三十日，本公司根據證券及期貨條例（「證券及期貨條例」）第352條須予存置的登記冊所載，或依據聯交所證券上市規則（「上市規則」）附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）已知會本公司及香港聯合交易所有限公司（「聯交所」）者，本公司董事、主要行政人員及彼等的聯繫人於本公司及其相聯法團（定義見證券及期貨條例）的股份、相關股份及債券中擁有的權益如下：

Name of Director	Capacity/Nature of interest	Total number of shares	Approximate percentage of shareholding in the Company
董事姓名	身份／權益性質	股份總數	佔本公司股權概約百分比
Mr. Tsui Cham To 徐湛滔先生	Interest of controlled corporation and beneficial owner ⁽¹⁾ 受控公司權益及實益擁有人 ⁽¹⁾	3,527,024,000 (L)	55.84%
Mr. Xu Zhencheng 許振成先生	Beneficial owner 實益擁有人	350,000 (L)	0.006%
Mr. Xu Shubiao 徐樹標先生	Beneficial owner 實益擁有人	306,000 (L)	0.005%
Mr. Xu Juwen 徐炬文先生	Beneficial owner 實益擁有人	220,000 (L)	0.003%
Mr. Zhang Lu Fu 張魯夫先生	Beneficial owner 實益擁有人	20,000 (L)	0.0003%

(L) denotes a long position in the shares

(L) 指於股份中的好倉

Notes:

附註：

(1) Mr. Tsui Cham To is deemed under the SFO to be interested in 3,526,652,000 shares of the Company held by Keen Vast Holdings Limited, a company controlled by Mr. Tsui Cham To, and 372,000 shares directly held by himself.

(1) 根據證券及期貨條例，徐湛滔先生被視為於建大控股有限公司（一間由徐湛滔先生控制之公司）所持之3,526,652,000股本公司股份中擁有權益，而其個人直接持有372,000股股份。

Save as disclosed above, as at 30 June 2018, none of the Directors and chief executive of the Company had or was deemed to have any interests or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by the Company and the Stock Exchange pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code. At no time during the period was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the directors and chief executives of the Company (including their spouse and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) on 4 September 2013. The purpose of the Share Option Scheme is to provide an incentive to motivate, attract and retain eligible persons, and to encourage them to optimise their performance efficiency, enhance the value of the Company and promote the long-term growth of the Company. This scheme will provide the eligible participants, including employees, consultants, executives and officers of the Company, to have a personal stake in the Company to achieve its intended purpose.

The Share Option Scheme shall be valid and effective for a period of 10 years from 4 September 2013, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting options granted prior to the expiry of the 10-year period or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

The maximum number of shares in respect of which may be issued upon exercise of all options to be granted under the Share Option Scheme is 544,000,000, being 10% of the Shares in issue immediately after the Group’s listing on 25 September 2013 which is the effective date of such scheme and representing approximately 8.6% of the issued Shares as at the date of this interim report.

除上文所披露者外，於二零一八年六月三十日，根據本公司及聯交所按證券及期貨條例第352條存置的登記冊所載，或依據標準守則已知會本公司及聯交所本公司董事及主要行政人員並無於本公司及其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有或被視為擁有任何權益或淡倉。於本期間內任何時間，本公司或本公司任何控股公司、其附屬公司或同系附屬公司概無訂立任何安排，使本公司董事及主要行政人員（包括彼等的配偶及十八歲以下子女）於本公司或其相聯法團之股份或相關股份或債券中持有任何權益或淡倉。

購股權計劃

本公司已於二零一三年九月四日採納購股權計劃（「購股權計劃」）。購股權計劃旨在提供獎勵以激勵、吸引及留任合資格人士，並鼓勵彼等優化其表現效率、提升本公司價值及促進本公司長遠發展。該計劃將向合資格參與者（包括本公司僱員、顧問、行政人員及職員）提供於本公司擁有個人權益的機會以實現其擬定目的。

購股權計劃由二零一三年九月四日起10年期間內有效及生效，其後不會再進一步授予或發出購股權，但購股權計劃的條文在必要的情況下仍然具有充分效力，以使於10年期限屆滿前授予的任何已存在購股權可予行使或可能根據購股權計劃條文的其他規定而生效。

因行使根據購股權計劃授出的所有購股權而可能發行的最高股份數目為544,000,000股，即緊隨二零一三年九月二十五日（即購股權計劃生效日期）本集團上市後已發行股份的10%，佔本中期報告日期已發行股份的約8.6%。

Other Information 其他資料

The maximum number of shares issued and to be issued upon exercise of the options granted to any eligible person under the Share Option Scheme shall not in any 12-month period up to the date of grant exceed 1% of the issued share capital of the Company from time to time. Any further grant of share options in excess of this limit is subject to the issue of a circular and shareholders' approval in general meeting. The period within which an option may be exercised under the Share Option Scheme will be determined by the board of directors of the Company (the "Board") at its absolute discretion, save that no option may be exercised later than 10 years from the date of grant of the particular option. Under the Share Option Scheme, the exercise price in relation to each option shall be determined by the Board at its absolute discretion, but in any event shall not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of such option, (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of such option, and (iii) the nominal value of a share on the date of grant of such option.

No share options were granted, exercised, cancelled and lapsed under the Share Option Scheme during the period ended 30 June 2018 and there were no outstanding share options under the Share Option Scheme as at 30 June 2018.

Further details of the Share Option Scheme are set out in the Company's prospectus dated 12 September 2013.

SHARE AWARD SCHEME

The Share Award Scheme was adopted by the Board on 24 September 2015 in order to recognize and motivate the contributions of employees and to provide them with the incentives or awards for their commitment and contribution to the Group. By providing a competitive incentive package, the Share Award Scheme also serves to retain and attract suitable personnel for the further development of the Group, and to align the interests of the employees with those of the shareholders of the Company in attaining long-term business objectives of the Group.

The Share Award Scheme shall be valid and effective for a term of 10 years commencing on the date of adoption.

因行使根據購股權計劃授予任何合資格人士之購股權而發行及將予發行的最高股份數目，於授予日期起任何12個月期間內，不得超過本公司不時已發行股本的1%，進一步授予超過此上限的購股權須發出一份通函及於股東大會得到股東的批准。根據購股權計劃可行使購股權的期間將由本公司董事會（「董事會」）全權酌情釐定，並須遵守該期間不得長於由個別購股權授出日期起計10年的規定。根據購股權計劃，有關每份購股權的行使價須由董事會全權酌情釐定，惟無論如何不得少於以下三項的最高者(i)於有關購股權授出日期股份於聯交所每日報價表所列的收市價，(ii)於緊接有關購股權授出日期前五個交易日股份於聯交所每日報價表所列的平均收市價，及(iii)於有關購股權授出日期股份的面值。

截至二零一八年六月三十日止期間，概無任何購股權根據購股權計劃授出、行使、註銷或失效，於二零一八年六月三十日，概無任何根據購股權計劃尚未行使的購股權。

購股權計劃的其他詳情載於本公司日期為二零一三年九月十二日的招股章程。

股份獎勵計劃

董事會於二零一五年九月二十四日採納股份獎勵計劃，以認可及激勵僱員作出的貢獻並就其對本集團的奉獻及貢獻提供激勵或獎勵。通過提供競爭性的激勵方案，股份獎勵計劃亦可挽留及吸引適合本集團進一步發展的員工並在實現本集團長期業務目標中使僱員的利益與本公司股東的利益保持一致。

股份獎勵計劃須自採納日期起計十年內生效及有效。

Pursuant to the Share Award Scheme, shares will be acquired by the trustee, Bank of Communications Trustee Limited, at the cost of the Company by way of subscription of new Shares (whether pursuant to general mandate or specific mandate granted by the shareholders of the Company or otherwise) and/or purchase of Shares from the market out of cash contributed by the Group and be held on trust for the employees until such awarded shares are vested in the relevant selected employees in accordance with the provisions of the Share Award Scheme.

Subject to the rules relating to the Share Award Scheme, the Board may, from time to time, at its absolute discretion select any employee (other than any excluded employee) for participation in the Share Award Scheme as a selected employee, and grant such number of awarded shares to the selected employee at no consideration and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine.

The Board shall not make any further award of awarded shares which will result in the nominal value of the shares awarded under the Share Award Scheme exceeding 10% of the issued share capital of the Company at the time of such award. The maximum number of awarded shares which may be awarded to a selected employee under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company at the time of such award. Details of the rules of the Share Award Scheme (the "Scheme Rules") are set out in the announcement of the Company dated 12 November 2015.

During the six months ended 30 June 2018, no awarded shares were granted to the Eligible Participants (as defined in the Scheme Rules) pursuant to the Scheme Rules by the Company.

Further details of the Share Award Scheme is set out in note 15(b)(ii) of this interim report.

根據股份獎勵計劃，受託人交通銀行信託有限公司將透過以本集團的現金出資認購新股份（不論根據本公司股東授予的一般授權或特別授權或其他方式）及／或從市場上購買股份的方式購入股份，並根據股份獎勵計劃的條文代僱員以信託持有，直至該等獎勵股份歸屬予相關入選僱員，費用由本公司承擔。

在股份獎勵計劃相關規則的規限下，董事會可不時全權酌情挑選任何僱員（不包括除外僱員）作為入選僱員參與股份獎勵計劃，並以零代價根據及按照其可全權酌情釐定的數目、條款及條件向入選僱員授予相應數量的獎勵股份。

倘董事會授出獎勵股份後會導致根據股份獎勵計劃已授出的股份總面值超過本公司於授出該獎勵時已發行股本的10%，則不得再進一步授出獎勵股份。入選僱員根據股份獎勵計劃可獲授的獎勵股份數目，最多不可超過本公司授出該獎勵時已發行股本的1%。股份獎勵計劃規則（「計劃規則」）的詳情載於本公司日期為二零一五年十一月十二日的公告。

截至二零一八年六月三十日止六個月期間，本公司沒有獎勵股份根據計劃規則授予合資格參與者（定義見計劃規則）。

股份獎勵計劃的進一步詳情載於中期報告附註15(b)(ii)。

Other Information 其他資料

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2018, the persons (not being a Director or chief executive of the Company) who have interests in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO or have otherwise notified to the Company were as follows:

主要股東於股份及相關股份的權益

於二零一八年六月三十日，根據證券及期貨條例第336條須存置的登記冊所載或已知會本公司者，於本公司股份或相關股份中擁有權益的人士（並非本公司董事或主要行政人員）如下：

Name of Shareholder 股東名稱	Capacity/Nature of interest 身份／權益性質	Total number of shares 股份總數	Approximate percentage of shareholding 股權概約百分比
Keen Vast Holdings Limited ⁽¹⁾ 建大控股有限公司 ⁽¹⁾	Beneficial owner 實益擁有人	3,526,652,000 (L)	55.83%
City-Scape Pte Ltd. ⁽²⁾	Beneficial owner 實益擁有人	343,255,836 (L)	5.43%
GIC Private Limited ⁽²⁾	Interest of controlled corporations 受控公司權益	343,255,836 (L)	5.43%
	Investment manager 投資經理	20,502,000 (L)	0.33%
Haitong International Financial Solutions Limited ⁽³⁾ 海通國際金融服務有限公司 ⁽³⁾	Person having a security interest in shares 於股份中擁有抵押權益之人士	400,000,000 (L)	6.33%
Haitong International Securities Group Limited ⁽³⁾ 海通國際證券集團有限公司 ⁽³⁾	Interest of controlled corporations 受控公司權益	400,000,000 (L)	6.33%
Haitong International Holdings Limited ⁽³⁾ 海通國際控股有限公司 ⁽³⁾	Interest of controlled corporations 受控公司權益	400,000,000 (L)	6.33%
Haitong Securities Co., Ltd. ⁽³⁾ 海通證券有限公司 ⁽³⁾	Interest of controlled corporations 受控公司權益	400,000,000 (L)	6.33%

(L) denotes a long position in the shares

(L) 指於股份中的好倉

Note:

- (1) Keen Vast Holdings Limited is controlled by Mr. Tsui Cham To.
- (2) GIC Private Limited is deemed to be interested in 343,255,836 shares held by City-Scape Pte Ltd by virtue of interests in controlled corporations, and 20,502,000 shares as investment manager for purposes of the SFO.
- (3) Haitong International Securities Group Limited, Haitong International Holdings Limited, and Haitong Securities Co., Ltd. are deemed to be interested in 400,000,000 shares which Haitong International Financial Solutions Limited having security interest in by virtue of interests in controlled corporations for purposes of the SFO.

Save as disclosed above, as at 30 June 2018, the Directors are not aware of any other person (other than a Director or chief executive of the Company) having an interest or short position in shares and underlying shares of the Company that were recorded in the register required to be kept under section 336 of the SFO.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to achieving and maintaining the highest standards of corporate governance, consistent with the needs and requirements of the business and its shareholders. The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Listing Rules. For the six months ended 30 June 2018, the Company has complied with all code provisions of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code for the six months ended 30 June 2018.

附註：

- (1) 建大控股有限公司由徐湛滔先生控制。
- (2) 就證券及期貨條例而言，GIC Private Limited因其於受控公司之權益而被視為於City-Scape Pte Ltd所持有之343,255,836股股份中擁有權益，並由於作為投資經理而被視為於20,502,000股股份中擁有權益。
- (3) 就證券及期貨條例而言，海通國際證券集團有限公司，海通國際控股有限公司及海通證券有限公司因其於受控公司之權益而被視為於海通國際金融服務有限公司所擁有抵押權益之400,000,000股股份中擁有權益。

除上文所披露者外，於二零一八年六月三十日，董事並不知悉任何其他人士（除本公司一名董事或行政總裁）於根據證券及期貨條例第336條須存置的登記冊所載的本公司股份及相關股份持有權益或淡倉。

遵守企業管治守則

本公司致力達致並維持最高企業管治水平，以期符合業務所需及股東要求。本公司已採納上市規則附錄十四所載企業管治守則（「企業管治守則」）。截至二零一八年六月三十日止六個月，本公司已遵守企業管治守則之所有守則條文。

上市發行人董事進行證券交易的標準守則

本公司已採納標準守則，作為董事進行證券交易的行為守則。經向全體董事作出具體查詢後，所有董事已確認，截至二零一八年六月三十日止六個月，彼等一直遵守標準守則所載的規定準則。

Other Information 其他資料

DIVIDEND

The Board recommends the payment of an interim dividend of HKD0.0096 per share (six months ended 30 June 2017: an interim dividend of HKD0.0103 per share and a special dividend of HKD0.0018 per share) for the six months ended 30 June 2018, to the shareholders whose names appear on the register of members of the Company on Thursday, 27 September 2018. The interim dividend is expected to be paid on or about Wednesday, 10 October 2018.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the interim dividend, the register of members of the Company kept in the Company's branch registrar in Hong Kong will be closed from Monday, 24 September 2018 to Thursday, 27 September 2018, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 21 September 2018.

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

The Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the six months ended 30 June 2018.

股息

董事會建議就截至二零一八年六月三十日止六個月向於二零一八年九月二十七日（星期四）名列本公司股東名冊之股東派付每股港幣0.0096元的中期股息（截至二零一七年六月三十日止六個月：中期股息每股港幣0.0103元及特別股息每股港幣0.0018元）。中期股息預期於二零一八年十月十日（星期三）或前後支付。

暫停辦理股份過戶登記

為釐定獲得中期股息的權利，本公司的香港股份過戶登記分處將於二零一八年九月二十四日（星期一）至二零一八年九月二十七日（星期四）（包括首尾兩日）暫停辦理股份過戶登記，期間將不會登記任何股份過戶。為符合資格獲得中期股息，所有過戶表格連同有關股票須不遲於二零一八年九月二十一日（星期五）下午四時三十分前送達本公司的香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

購買、出售或贖回本公司之上市證券

本公司及其附屬公司於截至二零一八年六月三十日止六個月期間並無購買、出售或贖回本公司任何上市證券。

SUFFICIENCY OF PUBLIC FLOAT

Based on the information available to the Company and within the knowledge of the Directors, the Company maintained adequate public float for the six months ended 30 June 2018.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) comprises three independent non-executive Directors of the Company, namely, Mr. Suen To Wai, Mr. Zhang Lu Fu and Mr. Liu Yung Chau. Mr. Suen To Wai has the appropriate professional qualifications and is serving as the Chairman of the Audit Committee. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control, risk management systems and financial report matters, including the interim financial report of the Group for the six months ended 30 June 2018.

REVIEW OF INTERIM REPORT

The unaudited interim financial report of the Group for the six months ended 30 June 2018 has been reviewed by the Audit Committee.

PUBLICATION OF INTERIM REPORT

This interim report is published on the websites of the Company and the Stock Exchange. This report will be dispatched to the shareholders of the Company and made available for review on the aforesaid websites.

充足的公眾持股量

根據本公司可獲得的資料及據董事所知，截至二零一八年六月三十日止六個月，本公司一直維持充足的公眾持股量。

審核委員會

本公司的審核委員會（「審核委員會」），包括本公司三名獨立非執行董事，即孫多偉先生、張魯夫先生及廖榕就先生。孫多偉先生備適當的專業資格，並擔任審核委員會主席一職。審核委員會已經與管理層審閱本集團所採用的會計準則及實務指引，亦已討論核數、內部監控、風險管理系統及財務申報等事宜，包括本集團截至二零一八年六月三十日止六個月的中期財務報告。

審閱中期報告

本集團截至二零一八年六月三十日止六個月之未經審核中期財務報告已由審核委員會審閱。

刊載中期報告

本中期報告刊登於本公司及聯交所網站。本報告將適時寄發予本公司股東並於上述網站登載以供審閱。

Condensed Consolidated Statement of Profit or Loss 簡明綜合損益表

for the six months ended 30 June 2018-unaudited 截至二零一八年六月三十日止六個月-未經審核

(Expressed in Hong Kong dollars) (以港幣列示)

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元	2017 二零一七年 HKD'000 港幣千元 (Restated)* (經重列)*
	Note 附註		
Turnover	營業額	984,121	999,718
Cost of sales	銷售成本	(588,362)	(548,632)
Gross profit	毛利	395,759	451,086
Other revenue	其他收益	104,296	97,609
Administrative expenses	行政開支	(132,367)	(147,518)
Other net (loss)/income	其他(虧損)/收入淨額	(1,441)	75,697
Profit from operations	經營溢利	366,247	476,874
Finance costs	融資成本	(57,442)	(49,188)
Share of profit of associates	分佔聯營公司的溢利	-	59
Share of (loss)/profit of a joint venture	分佔一家合營企業的 (虧損)/溢利	(675)	833
Profit before taxation	除稅前溢利	308,130	428,578
Income tax	所得稅	(5,689)	(46,891)
Profit for the period	期內溢利	302,441	381,687
Attributable to:	以下各項應佔:		
Equity shareholders of the Company	本公司權益持有人	302,393	382,388
Non-controlling interests	非控股權益	48	(701)
Profit for the period	期內溢利	302,441	381,687
Earnings per share	每股盈利		
Basic and diluted	基本及攤薄	0.05	0.06

* See note 2(a)

* 見附註2(a)

The notes on pages 42 to 92 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 15(a)(i).

第42至92頁的附註為本中期財務報告的一部分。應付本公司權益持有人的股息詳情載於附註15(a)(i)。

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-*unaudited* 截至二零一八年六月三十日止六個月-未經審核

(Expressed in Hong Kong dollars) (以港幣列示)

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元	2017 二零一七年 HKD'000 港幣千元 (Restated)* (經重列)*
Profit for the period	期內溢利	302,441	381,687
Other comprehensive income for the period	期內其他全面收益		
Item that may be reclassified subsequently to profit or loss: 其後可能重新分類至損益的項目：			
Exchange differences on translation of financial statements of entities not using HKD as functional currency	換算並非使用港幣作為功能貨幣的實體財務報表產生的匯兌差異	(54,046)	126,032
Total comprehensive income for the period	期內全面收益總額	248,395	507,719
Attributable to:	以下各項應佔：		
Equity shareholders of the Company	本公司權益持有人	248,347	508,420
Non-controlling interests	非控股權益	48	(701)
Total comprehensive income for the period	期內全面收益總額	248,395	507,719

* See note 2(a)

* 見附註2(a)

The notes on pages 42 to 92 form part of this interim financial report.

第42至92頁的附註為本中期財務報告的一部分。

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

(Expressed in Hong Kong dollars) (以港幣列示)

		Note 附註	At 30 June 2018 於 二零一八年 六月三十日 HKD'000 港幣千元 (unaudited) (未經審核)	At 31 December 2017 於 二零一七年 十二月三十一日 HKD'000 港幣千元 (Restated)* (經重列)* (audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	8	3,889,707	3,496,201
Lease prepayments	預付租賃款項	9	338,654	335,443
Intangible assets	無形資產	10	1,698,437	1,703,829
Goodwill	商譽		168,788	170,240
Interest in associates	於聯營公司的權益		8,556	8,629
Interest in a joint venture	於一家合營企業的權益		3,106	3,790
Contract assets	合約資產		317,251	324,715
Other receivables	其他應收款項	12	755,100	611,521
Deferred tax assets	遞延稅項資產		9,575	8,584
			7,189,174	6,662,952
Current assets	流動資產			
Inventories	存貨		25,439	22,191
Trade and other receivables	貿易及其他應收款項	12	1,518,318	1,757,957
Contract assets	合約資產		30,674	30,938
Deposits with banks with original maturity date over three months	存放於銀行原始到期日超過三個月之存款		89,895	91,987
Cash and cash equivalents	現金及現金等價物		225,226	518,960
			1,889,552	2,422,033

* See note 2(b)

* 見附註2(b)

Condensed Consolidated Statement of Financial Position (Cont'd) 簡明綜合財務狀況表 (續)

at 30 June 2018 於二零一八年六月三十日

(Expressed in Hong Kong dollars) (以港幣列示)

			At 30 June 2018 於 二零一八年 六月三十日 HKD'000 港幣千元 (unaudited) (未經審核)	At 31 December 2017 於 二零一七年 十二月三十一日 HKD'000 港幣千元 (audited) (經審核)
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	13	1,005,343	741,632
Bank loans	銀行貸款	14	1,760,060	1,881,461
Current tax liabilities	即期稅項負債		94,917	130,423
			2,860,320	2,753,516
Net current liabilities	流動負債淨值		(970,768)	(331,483)
Total assets less current liabilities	總資產減流動負債		6,218,406	6,331,469

Condensed Consolidated Statement of Financial Position (Cont'd)

簡明綜合財務狀況表 (續)

at 30 June 2018 於二零一八年六月三十日

(Expressed in Hong Kong dollars) (以港幣列示)

			At 30 June 2018 於 二零一八年 六月三十日 HKD'000 港幣千元 (unaudited) (未經審核)	At 31 December 2017 於 二零一七年 十二月三十一日 HKD'000 港幣千元 (audited) (經審核)
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	14	1,424,281	1,580,398
Deferred tax liabilities	遞延稅項負債		260,682	268,114
Deferred income	遞延收入		3,171	17,613
			1,688,134	1,866,125
Net assets	資產淨值		4,530,272	4,465,344
Capital and reserves	資本及儲備			
Share capital	股本	15(b)	157,920	157,920
Reserves	儲備		4,369,444	4,304,564
Total equity attributable to equity shareholders of the Company	本公司權益持有人應佔權益總額		4,527,364	4,462,484
Non-controlling interests	非控股權益		2,908	2,860
Total equity	權益總額		4,530,272	4,465,344

The notes on pages 42 to 92 form part of this interim financial report.

第42至92頁的附註為本中期財務報告的一部分。

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

for the six months ended 30 June 2018-unaudited 截至二零一八年六月三十日止六個月-未經審核

(Expressed in Hong Kong dollars) (以港幣列示)

		Attributable to equity shareholders of the Company 本公司權益持有人應佔以下各項									
		Share capital	Share premium	Capital reserve	Statutory reserve	Shares held under the Share Award Scheme 股份獎勵計劃項下持有的股份	Exchange reserve	Retained profits	Total	Non-controlling interests	Total equity
		股本 HKD'000 港幣千元	股份溢價 HKD'000 港幣千元	資本儲備 HKD'000 港幣千元	法定儲備 HKD'000 港幣千元	HKD'000 港幣千元	匯兌儲備 HKD'000 港幣千元	保留溢利 HKD'000 港幣千元	總計 HKD'000 港幣千元	非控股權益 HKD'000 港幣千元	總權益 HKD'000 港幣千元
Balance at 1 January 2017 (Restated)*	於二零一七年一月一日的結餘 (經重列)*	157,920	1,480,788	(90)	197,470	(30,252)	(359,423)	2,158,111	3,604,524	11,538	3,616,062
Changes in equity for the six months ended 30 June 2017	截至二零一七年六月三十日止六個月的權益變動										
Profit for the period (Restated)*	期內溢利(經重列)*	-	-	-	-	-	-	382,388	382,388	(701)	381,687
Other comprehensive income (Restated)*	其他全面收益(經重列)*	-	-	-	-	-	126,032	-	126,032	-	126,032
Total comprehensive income (Restated)*	全面收益總額(經重列)*	157,920	1,480,788	(90)	197,470	(30,252)	(233,391)	2,540,499	4,112,944	10,837	4,123,781
Disposal of a subsidiary to controlling shareholder (note 11(a)) (Restated)*	向控股股東出售一間附屬公司(附註11(a))(經重列)*	-	-	6,887	-	-	-	-	6,887	(8,145)	(1,258)
Share purchased under the Share Award Scheme (note 15(b)(iii)) (Restated)*	根據股份獎勵計劃購買股份(附註15(b)(iii))(經重列)*	-	-	-	-	(36,005)	-	-	(36,005)	-	(36,005)
Equity settled share-based transactions (note 15(b)(ii)) (Restated)*	以權益結算的股份支付交易(附註15(b)(ii))(經重列)*	-	(149)	-	-	644	-	-	495	-	495
Dividends approved in respect of the previous years (note 15(a)) (Restated)*	就過往年度已批准的股息(附註15(a))(經重列)*	-	(42,132)	-	-	-	-	-	(42,132)	-	(42,132)
Balance at 30 June 2017 (Restated)*	於二零一七年六月三十日的結餘(經重列)*	157,920	1,438,507	6,797	197,470	(65,613)	(233,391)	2,540,499	4,042,189	2,692	4,044,881
Balance at 1 January 2018	於二零一八年一月一日的結餘	157,920	1,358,084	19,360	248,894	(52,614)	(58,327)	2,789,167	4,462,484	2,860	4,465,344
Changes in equity for the six months ended 30 June 2018	截至二零一八年六月三十日止六個月的權益變動										
Profit for the period	期內溢利	-	-	-	-	-	-	302,393	302,393	48	302,441
Other comprehensive income	其他全面收益	-	-	-	-	-	(54,046)	-	(54,046)	-	(54,046)
Total comprehensive income	全面收益總額	157,920	1,358,084	19,360	248,894	(52,614)	(112,373)	3,091,560	4,710,831	2,908	4,713,739
Dividends for shares held under the Share Award Scheme (note 15(b)(iii))	根據股份獎勵計劃持有的股份股息(附註15(b)(iii))	-	-	-	-	885	-	-	885	-	885
Dividends approved in respect of the previous years (note 15(a))	就過往年度已批准的股息(附註15(a))	-	(184,352)	-	-	-	-	-	(184,352)	-	(184,352)
Balance at 30 June 2018	於二零一八年六月三十日的結餘	157,920	1,173,732	19,360	248,894	(51,729)	(112,373)	3,091,560	4,527,364	2,908	4,530,272

* See note 2(a)

* 見附註2(a)

The notes on pages 42 to 92 form part of this interim financial report.

第42至92頁的附註為本中期財務報告的一部分。

Condensed Consolidated Statement of Cash Flows 簡明綜合現金流量表

for the six months ended 30 June 2018-unaudited 截至二零一八年六月三十日止六個月—未經審核

(Expressed in Hong Kong dollars) (以港幣列示)

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元	2017 二零一七年 HKD'000 港幣千元 (Restated)* (經重列)*
	Note 附註		
Operating activities	經營活動		
Cash generated from operations	經營業務所得現金	315,947	362,093
Income tax paid	已付所得稅	(47,620)	(35,165)
Net cash generated from operating activities	經營活動所得現金淨額	268,327	326,928
Investing activities	投資活動		
Payment for the purchase of lease prepayment and property, plant and equipment	購買預付租賃款項以及物業、廠房及設備的付款	(424,557)	(821,810)
Repayment from/(payment for) a public-private-partnership (“PPP”) project	就公私合營(「PPP」)項目還款/(付款)	24,605	(98,767)
	12(iii)		
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	34	37
	8		
Repayment of acquisition deposit	收購按金還款	18,133	28,343
	12(i)		
Repayment from consideration receivable from disposal of a subsidiary	來自出售一間附屬公司的應收代價還款	20,009	-
Net cash outflow from disposal of subsidiaries	出售附屬公司的現金流出淨額	-	(964)
	11		
(Placement)/withdrawal of deposits with banks with original maturity date over three months	(存放)/提取原到期日超過三個月的銀行存款	2,092	(4,153)
Advance to third parties	向第三方墊款	-	(102,036)
Repayment from third parties	來自第三方還款	4,080	174,823
Finance income received	已收融資收入	7,405	8,350
Net cash used in investing activities	投資活動所用現金淨額	(348,199)	(816,177)

Condensed Consolidated Statement of Cash Flows (Cont'd) 簡明綜合現金流量表 (續)

for the six months ended 30 June 2018-unaudited 截至二零一八年六月三十日止六個月-未經審核

(Expressed in Hong Kong dollars) (以港幣列示)

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元	2017 二零一七年 HKD'000 港幣千元 (Restated)* (經重列)*
	Note 附註		
Financing activities	融資活動		
Proceeds from bank loans	銀行貸款所得款項	102,276	693,160
Repayment of bank loans	償還銀行貸款	(362,858)	(788,580)
Payment for purchase of shares under the Share Award Scheme	就購買股份獎勵計劃項下 股份之付款	15(b)(ii) -	(36,005)
Advance to related parties	向關聯方墊款	18(b) -	(59,074)
Repayment from related parties	來自關聯方還款	-	35,606
Advance from related parties	來自關聯方墊款	18(b) 258,093	102,036
Repayment to a related party	向一名關聯方還款	-	(102,036)
Advance from a third party	來自一名第三方墊款	50,000	-
Dividends paid to equity shareholders of the Company	向本公司權益持有人 派付股息	15(a)(ii) (184,352)	(42,132)
Interests paid	已付利息	(73,749)	(54,149)
Net cash used in financing activities	融資活動所用現金淨額	(210,590)	(251,174)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(290,462)	(740,423)
Cash and cash equivalents at 1 January	於一月一日的現金及 現金等價物	518,960	1,155,849
Effect of foreign exchange rate changes	外匯匯率變動影響	(3,272)	23,702
Cash and cash equivalents at 30 June	於六月三十日的現金及 現金等價物	225,226	439,128

* See note 2(a)

* 見附註2(a)

The notes on pages 42 to 92 form part of this interim financial report.

第42至92頁所載附註為本中期財務報告的一部份。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

1 BASIS OF PREPARATION

This interim financial report contains condensed consolidated financial statements of the Group and selected explanatory notes prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The preparation of the interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report does not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), and should be read in conjunction with the 2017 annual financial statements.

The accounting policies and methods of computation used in the preparation of this interim financial report are consistent with those used in the 2017 annual financial statements, except for the changes in accounting policies as set out in note 2.

This interim financial report is unaudited, but has been reviewed by the audit committee of the Company.

1 編製基準

本中期財務報告載有本集團之簡明綜合財務報表及選定解釋性附註，並按照香港聯合交易所有限公司證券上市規則的適用披露條文編製，包括符合香港會計師公會（「香港會計師公會」）頒佈的香港會計準則（「香港會計準則」）第34號中期財務報告的規定。

中期財務報告的編製符合香港會計準則第34號，要求管理層按截至結算日之基準作出影響政策應用及資產及負債、收入及支出的呈報金額的判斷、估計及假設。實際結果可能有別於該等估計。

中期財務報告並不包括根據香港財務報告準則（「香港財務報告準則」）編製整份財務報表所需的全部資料，並應與二零一七年度財務報表一併閱覽。

編製本中期財務報告所用之會計政策及計算方法與二零一七年度財務報表所用者貫徹一致，惟附註2所載的會計政策變動除外。

本中期財務報告未經審核，惟已經本公司之審核委員會進行審閱。

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

1 BASIS OF PREPARATION (Cont'd)

Going concern

As disclosed in note 14, the Group failed to fulfill certain covenants under certain bank loan arrangements with banks and therefore the Group's bank loans amounted to HKD962,755,000 (31 December 2017: HKD839,293,000) could be called for repayment at any time by the banks. Consequently, bank loans amounted to HKD568,866,000, which was repayable in more than 1 year under the original terms in the bank loan arrangements, was classified as current liabilities as at 30 June 2018 (31 December 2017: HKD747,364,000). As a result, the Group's current liabilities exceeded its current assets by HKD970,768,000 as at 30 June 2018 (31 December 2017: HKD331,483,000).

The Board of Directors acknowledges that there remain uncertainties over the ability of the Group to generate the necessary cash flows to meet its obligations. Nevertheless, the Directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the interim financial information for the six months ended 30 June 2018 is appropriate after taking into account the cash flow forecast prepared by the management and the Directors have reviewed and concluded that the Group and the Company are able to generate sufficient cash flows from their operations to meet their current and future obligations.

Accordingly the interim financial information has been prepared on the assumptions that the Group and the Company will continue as going concern. If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities.

1 編製基準(續)

持續經營

誠如附註14所披露，本集團未能履行與銀行訂立之若干銀行貸款安排項下之若干契諾，因此，銀行可隨時要求償還本集團銀行貸款港幣962,755,000元(二零一七年十二月三十一日：港幣839,293,000元)。因此，根據銀行貸款安排之原定年期為於超過一年償還之銀行貸款港幣568,866,000元於二零一八年六月三十日(二零一七年十二月三十一日：港幣747,364,000元)已分類為流動負債。因此，於二零一八年六月三十日，本集團之流動負債超出其流動資產港幣970,768,000元(二零一七年十二月三十一日：港幣331,483,000元)。

董事會知悉本集團產生必需之現金流量以應付其責任之能力仍存在不確定性。然而，本公司董事相信，經計及管理層所編製之現金流量預測，而董事已審閱該預測並認為本集團及本公司能夠自其營運產生充足現金流量以應付其目前及日後之責任後，使用持續經營假設編製及呈列截至二零一八年六月三十日止六個月之中期財務資料乃屬恰當。

因此，中期財務資料已按本集團及本公司將繼續持續經營之假設編製。倘本集團及本公司未能於可見將來持續運作存在，本集團及本公司可能未能變現其資產及於正常業務過程中履行其負債，可能須作出調整以反映可能須於正常業務過程以外變現之資產之狀況，而金額可能與其目前於財務狀況表記錄之金額顯著不同。此外，本集團及本公司可能須為可能出現之進一步負債作出撥備及重新分類非流動資產及負債為流動資產及負債。

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示, 另有說明者除外)

2 CHANGES IN ACCOUNTING POLICIES

(a) Changes in presentation currency

The Company and other investment holding subsidiaries incorporated in the Cayman Islands, British Virgin Islands and Hong Kong have their functional currencies in Hong Kong dollars (“HKD”) and subsidiaries established in the People’s Republic of China (the “PRC”) have their functional currencies in Renminbi (“RMB”). With effect from the year ended 31 December 2017, the Company changed its presentation currency from RMB to HKD, which could improve the investor’s ability to compare the Group’s financial results with other companies listed in Hong Kong and facilitate communication between stakeholders in the capital market and the Group. The condensed consolidated statements of profit or loss and other comprehensive income for the period ended 30 June 2017 and related notes has been converted into HKD from RMB to conform with the current period’s presentation. All financial information presented in HKD has been rounded to the nearest thousand.

(b) New and revised HKFRSs that are first effective for the current accounting period

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and are first effective for the current accounting period of the Group. The Group has initially adopted HKFRS 9 “Financial Instruments” and HKFRS 15 “Revenue from Contracts with Customers” from 1 January 2018 which resulted in change of accounting policies as set out below. A number of other new standards are effective from 1 January 2018 but they do not have a material effect on how the Group’s results and financial position for the current or prior periods presented in this interim financial report.

2 會計政策變動

(a) 呈列貨幣變動

本公司及其他於開曼群島、英屬處女群島及香港註冊成立的投資控股附屬公司的功能貨幣為港幣(「港幣」), 而於中華人民共和國(「中國」)成立的附屬公司的功能貨幣為人民幣(「人民幣」)。自截至二零一七年十二月三十一日止年度生效, 本公司將其呈列貨幣由人民幣更改為港幣, 其可改善投資者將本集團財務業績與其他於香港上市的公司作比較的能力, 以及促進資本市場的持份者與本集團溝通。截至二零一七年六月三十日止期間之簡明綜合損益及其他全面收益表及相關附註已由人民幣轉換為港幣, 以符合本期間之呈列。所有以港幣呈列的財務資料均湊整至最接近千位。

(b) 於本會計期間首次生效的新訂及經修訂香港財務報告準則

於本期間, 本集團已採納香港會計師公會頒佈之與其營運有關及於本集團本會計期間首次生效之所有新訂及經修訂香港財務報告準則。本集團已自二零一八年一月一日起首次採納香港財務報告準則第9號「金融工具」及香港財務報告準則第15號「來自客戶合約的收益」, 其導致下文所載之會計政策變動。若干其他新訂準則已自二零一八年一月一日起生效, 惟其不會對本集團呈列於本中期財務報告之本期間或過往期間業績及財務狀況產生重大影響。

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

2 CHANGES IN ACCOUNTING POLICIES (Cont'd)

(b) New and revised HKFRSs that are first effective for the current accounting period (Cont'd)

HKFRS 9 “Financial Instruments”

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. In accordance with the transitional provisions in HKFRS 9, comparative figures have not been restated.

The new accounting policies applied from 1 January 2018 are as follows:

(i) Classification

Debts instruments

HKFRS 9 has three financial asset classification categories for investments in debt instruments:

- those to be measured at amortised cost;
- those to be measured subsequently at fair value through other comprehensive income (“FVOCI”); and
- those to be measured subsequently at fair value through profit or loss (“FVPL”).

Classification depends on the entity’s business model for managing the debt instruments and the debt instruments’ contractual cash flow characteristics.

2 會計政策變動 (續)

(b) 於本會計期間首次生效的新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第9號「金融工具」

香港財務報告準則第9號取代香港會計準則第39號有關確認、分類及計量金融資產及金融負債、取消確認金融工具、金融資產減值及對沖會計法之條文。根據香港財務報告準則第9號之過渡性條文，並無重列比較數字。

自二零一八年一月一日起應用之新會計政策如下：

(i) 分類

債務工具

香港財務報告準則第9號將債務工具投資分類為三個金融資產類別：

- 按攤銷成本計量的金融資產；
- 其後透過其他全面收益按公平值計量（「FVOCI」）的金融資產；及
- 其後透過損益按公平值計量（「FVPL」）的金融資產。

分類取決於實體管理債務工具的業務模式及債務工具的合約現金流量特徵。

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

2 CHANGES IN ACCOUNTING POLICIES (Cont'd)

(b) New and revised HKFRSs that are first effective for the current accounting period (Cont'd)

HKFRS 9 “Financial Instruments” (Cont'd)

(i) Classification (Cont'd)

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model with the objective of collecting the contractual cash flows; and
- the contractual terms of the debt instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The Group classifies its financial assets as at FVOCI only if both of the following criteria are met:

- the objective of the Group’s business model is to hold the asset to collect the contractual cash flows and to sell financial assets; and
- the contractual terms of the debt instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL.

2 會計政策變動 (續)

(b) 於本會計期間首次生效的新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第9號「金融工具」(續)

(i) 分類 (續)

本集團僅於以下條件均獲達成時方會將其金融資產分類為按攤銷成本：

- 資產乃於目的為收取合約現金流量的業務模式內持有；及
- 債務工具的合約條款於指定日期產生的現金流量僅為尚未償還本金的本金及利息付款。

本集團僅於以下條件均獲達成時方會將其金融資產分類為FVOCI：

- 本集團的業務模式以持有資產以收取合約現金流量及出售金融資產為目的；及
- 債務工具的合約條款於指定日期產生的現金流量僅為尚未償還本金的本金及利息付款。

不符合攤銷成本或FVOCI條件的金融資產按FVPL計量。

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

2 CHANGES IN ACCOUNTING POLICIES (Cont'd)

(b) New and revised HKFRSs that are first effective for the current accounting period (Cont'd)

HKFRS 9 "Financial Instruments" (Cont'd)

(i) Classification (Cont'd)

Equity instruments

Investment in equity instruments are always measured at fair value. Equity instruments that are held for trading are measured at FVPL.

For equity instruments which are not held for trading, the Group has made an irrevocable election at initial recognition to recognise changes in fair value through other comprehensive income rather than profit or loss.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a financial asset that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

2 會計政策變動 (續)

(b) 於本會計期間首次生效的新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第9號「金融工具」(續)

(i) 分類 (續)

股本工具

股本工具的投資經常按公平值計量。持作買賣的股本工具按FVPL計量。

就並非持作買賣的股本工具而言，本集團於初步確認時已作出不可撤回選擇，將公平值變動於其他全面收益中確認而非於損益中確認。

(ii) 計量

於初步確認時，本集團按公平值計量金融資產，倘金融資產並非按公平值計入損益，則加上收購該金融資產直接應佔的交易成本。按公平值於損益中列賬的金融資產的交易成本於損益中支銷。

按攤銷成本計量的金融資產

持有目的為收取合約現金流量（該等現金流量僅為本金及利息付款）之資產按攤銷成本計量。其後按攤銷成本計量的金融資產的收益或虧損於資產取消確認或減值時於損益確認。該等金融資產的利息收入使用實際利率法計入財務收入。

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

2 CHANGES IN ACCOUNTING POLICIES (Cont'd)

(b) New and revised HKFRSs that are first effective for the current accounting period (Cont'd)

HKFRS 9 “Financial Instruments” (Cont'd)

(ii) Measurement (Cont'd)

Equity instruments classified as fair value through other comprehensive income

The Group subsequently measures all equity instruments at fair value. Since the Group's management has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Equity investments that are elected by the Group's management to be classified as FVOCI are not subject to impairment. Dividends from such instruments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

(iii) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instrument assets carried at amortised cost and contract assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and other receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2 會計政策變動 (續)

(b) 於本會計期間首次生效的新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第9號「金融工具」(續)

(ii) 計量 (續)

分類為按公平值計入其他全面收益的股本工具

本集團其後按公平值計量所有股本工具。由於本集團管理層已選擇於其他全面收益中呈列股本工具的公平值收益及虧損，故公平值收益及虧損其後不會重新分類至損益。本集團管理層選擇分類為FVOCI的股本工具不予減值。來自該等工具的股息於本集團收取款項的權利獲確立時繼續於損益中確認為其他收入。

(iii) 減值

本集團按前瞻性原則，對按攤銷成本列賬的債務工具資產及合約資產相關的預期信貸虧損進行評估。所應用的減值方法視乎信貸風險是否已大幅上升而定。

就貿易及其他應收款項以及合約資產而言，本集團應用香港財務報告準則第9號准許的簡化方法，其要求自初步確認應收款項起確認整段存續期的預期虧損。

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

2 CHANGES IN ACCOUNTING POLICIES (Cont'd)

(b) New and revised HKFRSs that are first effective for the current accounting period (Cont'd)

HKFRS 9 “Financial Instruments” (Cont'd)

(iii) Impairment (Cont'd)

For other financial assets originally categorised as loans and receivables under HKAS 39 which all have been classified as financial assets at amortised cost under HKFRS 9 from 1 January 2018, the Group has determined that reliably assessing the probability of default of the counterparties at the initial recognition of each financial asset would result in undue cost and effort. As permitted by a transition provision in HKFRS 9, provision for doubtful debts account for these financial assets will be determined based on whether their credit risk are low at each reporting date, and if so by recognising a 12 months expected losses amount until the financial asset is derecognised. If the financial asset is not of a low credit risk, the corresponding provision for doubtful debts account will be recognised as equal to lifetime expected losses.

2 會計政策變動 (續)

(b) 於本會計期間首次生效的新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第9號「金融工具」(續)

(iii) 減值 (續)

就原先根據香港會計準則第39號分類為貸款及應收款項並自二零一八年一月一日起全部均已根據香港財務報告準則第9號分類為按攤銷成本的金融資產的其他金融資產而言，本集團已釐定於每項金融資產初步確認時可靠地評估對手方違約可能性將導致不必要的成本及工作。根據香港財務報告準則第9號的過渡性條文所允許，該等金融資產的呆壞賬撥備將根據其於各報告日期的信貸風險是否屬低而釐定，倘風險屬低，則確認12個月的預期虧損金額，直至金融資產被取消確認為止。倘金融資產並非為低信貸風險，則相應的呆壞賬撥備將確認為相等於整段存續期的預期虧損。

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

2 CHANGES IN ACCOUNTING POLICIES (Cont'd)

(b) New and revised HKFRSs that are first effective for the current accounting period (Cont'd)

HKFRS 9 “Financial Instruments” (Cont'd)

(iii) Impairment (Cont'd)

The impact of the adoption of HKFRS 9 is shown as follows:

(i) Classification and measurement of financial assets and liabilities

At the date of initial application of HKFRS 9 (1 January 2018), the Company's management has assessed which business models apply to the financial assets held by the Group and has classified its financial assets and liabilities into the appropriate HKFRS 9 categories.

The application of HKFRS 9 does not have material impact on the classification, recognition and measurement of the financial assets held by the Group at 30 June 2018.

2 會計政策變動 (續)

(b) 於本會計期間首次生效的新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第9號「金融工具」(續)

(iii) 減值 (續)

採納香港財務報告準則第9號的影響列示如下：

(i) 金融資產及負債的分類及計量

於香港財務報告準則第9號的首次應用日期(二零一八年一月一日)，本公司管理層已評估何種業務模式適用於本集團持有的金融資產，並已將其金融資產及負債分類為適當的香港財務報告準則第9號類別。

應用香港財務報告準則第9號並無對本集團於二零一八年六月三十日持有的金融資產的分類、確認及計量造成重大影響。

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

2 CHANGES IN ACCOUNTING POLICIES (Cont'd)

(b) New and revised HKFRSs that are first effective for the current accounting period (Cont'd)

HKFRS 9 “Financial Instruments” (Cont'd)

(iii) Impairment (Cont'd)

(i) Classification and measurement of financial assets and liabilities (Cont'd)

The application of HKFRS 9 does not affect the Group's accounting for financial liabilities as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 and have not been changed.

(ii) Impairment of financial assets

The new impairment model requires the recognition of impairment provisions based on expected credit losses model rather than incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost and contract assets under HKFRS 15. At 30 June 2018, the Group assessed the impact of loss allowance is not significant to the Group.

2 會計政策變動 (續)

(b) 於本會計期間首次生效的新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第9號「金融工具」(續)

(iii) 減值 (續)

(i) 金融資產及負債的分類及計量 (續)

應用香港財務報告準則第9號並不影響本集團的金融負債的會計處理，原因為新規定僅影響指定為透過損益按公平值計量的金融負債的會計處理，而本集團並無任何該等負債。取消確認規則已自香港會計準則第39號轉移且並無變動。

(ii) 金融資產減值

新減值模式要求根據預期信貸虧損模式確認減值撥備，而非根據香港會計準則第39號的情況僅於產生信貸虧損時確認。其適用於分類為按攤銷成本的金融資產及香港財務報告準則第15號項下的合約資產。於二零一八年六月三十日，本集團評估虧損撥備的影響對本集團並不重大。

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

2 CHANGES IN ACCOUNTING POLICIES (Cont'd)

(b) New and revised HKFRSs that are first effective for the current accounting period (Cont'd)

HKFRS 15 “Revenue from Contracts with Customers”

HKFRS 15 replaces both the provisions of HKAS 18 Revenue and HKAS 11 Construction Contracts and the related interpretations that relate to the recognition, classification and measurement of revenue and costs.

It applies to all revenue arising from contracts with customers, unless those contracts are in scope of other standards. HKFRS 15 establishes a five-step model to account for revenue arising from contracts with customers, which revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new accounting policies and the impact of the adoption of HKFRS 15 is shown as follows:

Accounting for revenue from service concession arrangement

In prior reporting periods, the Group accounted for revenue from construction services under service concession arrangements – Build-Operate-Transfer (“BOT”) arrangements when the outcome of construction element of the BOT arrangements can be estimated reliably by reference to the stage of completion of the contract activities at the end of the reporting periods.

2 會計政策變動 (續)

(b) 於本會計期間首次生效的新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第15號「來自客戶合約的收益」

香港財務報告準則第15號取代與收益及成本的確認、分類及計量有關的香港會計準則第18號收益及香港會計準則第11號建造合約的條文及相關詮釋。

其應用於客戶合約產生的所有收益，除非該等合約屬於其他準則範圍。香港財務報告準則第15號確立一個五步模式，以入賬來自客戶合約的收益，該收益按反映實體預期就向客戶轉讓貨物或服務而有權在交換中獲取的代價金額進行確認。

新會計政策及採納香港財務報告準則第15號的影響列示如下：

來自服務特許經營安排的收益的會計處理

於過往報告期，當建設－營運－移交（「BOT」）安排的建造元素的結果能夠可靠地估計時，本集團將參考於報告期末的合約活動的完工階段而入賬服務特許經營安排－BOT安排項下的建造服務收益。

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

2 CHANGES IN ACCOUNTING POLICIES (Cont'd)

(b) New and revised HKFRSs that are first effective for the current accounting period (Cont'd)

HKFRS 15 “Revenue from Contracts with Customers” (Cont'd)

Accounting for revenue from service concession arrangement (Cont'd)

Under HKFRS 15, revenue from construction services under the BOT arrangements will continue to be recognised over time, using the input method for measuring progress as the Group's performance under the BOT arrangements does not create an asset with alternative use to the Group contractually and the Group has an enforceable right to payment for performance completed to date.

The excess of cumulative revenue recognised in profit or loss over the cumulative billings to customers is recognised as contract assets. The excess of cumulative billings to customers over the cumulative revenue recognised in profit or loss is recognised as contract liabilities.

Accounting for revenue from other operations

The adoption of HKFRS 15 did not have material impact on the timing and the amount of recognition for the revenue from operations other than service concession arrangements.

Changes in presentation of assets and liabilities relating to contracts with customers

Reclassifications were made as at 1 January 2018 to be consistent with the terminology used under HKFRS 15 – Non-current and current contract assets of HKD324,715,000 and HKD30,938,000 respectively recognised in relation to construction contracts were previously presented as Non-current and current amounts due from customers for contract work.

There is no effect on the opening balance of retained earnings.

2 會計政策變動 (續)

(b) 於本會計期間首次生效的新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第15號「來自客戶合約的收益」(續)

來自服務特許經營安排的收益的會計處理 (續)

由於本集團於BOT安排項下之履約並不產生於合約上對本集團具替代用途之資產及本集團具有可強制執行權利就至今已完成之履約部分收取款項，故根據香港財務報告準則第15號，BOT安排項下之來自建造服務之收益乃將繼續使用投入法計量進度而隨時間確認。

已於損益確認的累計收益超出向客戶發出的累計賬單之金額確認為合約資產。向客戶發出的累計賬單超出已於損益確認的累計收益之金額確認為合約負債。

來自其他業務的收益的會計處理

除服務特許經營安排外，採納香港財務報告準則第15號對來自營運收益的確認時間及金額並無重大影響。

有關客戶合約之資產及負債呈列之變動

於二零一八年一月一日已作重新分類，以與香港財務報告準則第15號項下所用之術語貫徹一致—就建造合約確認的非流動及流動合約資產分別為港幣324,715,000元及港幣30,938,000元先前呈列為非流動及流動應收客戶的合約工程款項。

對保留盈利之期初結餘並無影響。

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

2 CHANGES IN ACCOUNTING POLICIES (Cont'd)

(c) New and revised HKFRs that are not yet effective for current accounting period

The Group has not early applied the new standards, amendments and interpretation that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new standards, amendments and interpretation in the period of initial application. So far the Group has identified some aspects of HKFRS 16 “Leases” which may have an impact on the Group. Further details of the expected impacts are discussed below.

HKFRS 16 “Leases” (Effective for annual period beginning on or after 1 January 2019)

HKFRS 16 will affect primarily the accounting for Group’s operating leases. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised in the consolidated balance sheet. The Group is in the process of assessing to what extent the operating lease commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group’s profit and classification of cash flows.

There are no other new standards, amendments and interpretation that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3 SEGMENT REPORTING

The Group manages its business by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group’s most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following six reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Supply of industrial water: this segment supplies industrial water.
- Provision of wastewater treatment plants operation services: this segment operates wastewater treatment plants under Build-Own-Operate (“BOO”) arrangement.
- BOT project construction and operation services: this segment constructs and operates wastewater and solid waste treatment plants under BOT arrangement to generate turnover from construction, operation services and finance income.

2 會計政策變動 (續)

(c) 於本會計期間尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用已頒佈但尚未生效的新訂準則、修訂及詮釋。本集團已開始對該等新訂準則、修訂及詮釋於首次應用期間的影響展開評估。直至現時，本集團已識別香港財務報告準則第16號「租賃」的若干方面可能對本集團造成影響。預期影響的進一步詳情於下文闡述。

香港財務報告準則第16號「租賃」(於二零一九年一月一日或之後開始的年度期間生效)

香港財務報告準則第16號將主要影響本集團經營租賃的會計處理。根據新訂準則，資產(租賃項目之使用權)與支付租金之金融負債乃於綜合資產負債表內確認。本集團正在評估經營租賃承擔將導致就未來付款確認資產及負債之程度及其將如何影響本集團之溢利及現金流量分類。

概無其他尚未生效且預期將於本報告期或未來報告期對實體及對可見將來的交易造成重大影響的新訂準則、修訂及詮釋。

3 分部呈報

本集團按部門(按業務線組成)管理業務。本集團按與就資源分配及表現評估向本集團最高行政管理人員內部呈報資料方式一致的方式，確定以下六個可呈報分部。概無將任何經營分部匯總，以構成下列可呈報分部。

- 供應工業用水：該分部供應工業用水。
- 提供污水處理設施營運服務：該分部根據建設—擁有一營運(「BOO」)安排經營污水處理設施。
- BOT項目建設及營運服務：該分部根據BOT安排建設及營運污水及固體廢物處理設施，以自建、營運服務以及融資收入產生營業額。

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

3 SEGMENT REPORTING (Cont'd)

- Provision of heating services and electricity generation: this segment provides heating services and electricity generation.
- Provision of land levelling services: this segment provides land levelling services inside industrial parks for those customers from other business segments.
- Provision of sludge and solid waste treatment services: this segment provides sludge and solid waste treatment services.
- Provision of hazardous waste treatment services: this segment provides hazardous waste treatment services.

(a) Information about profit or loss

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

3 分部呈報 (續)

- 提供供熱服務及發電：該分部提供供熱服務及發電。
- 提供土地平整服務：該分部於產業園內向來自其他業務分部之客戶提供土地平整服務。
- 提供污泥及固體廢物處理服務：該分部提供污泥及固體廢物處理服務。
- 提供危險廢物處理服務：該分部提供危險廢物處理服務。

(a) 有關溢利或虧損之資料

向本集團高級管理層就期內資源分配及分部表現評估提供之與本集團可呈報分部有關之資料載列如下：

		Provision of wastewater treatment plants	BOT project construction and operation services	Provision of heating services and electricity generation	Provision of land levelling services	Provision of sludge and solid waste treatment services	Provision of hazardous waste treatment services	Total	
		Supply of industrial water services	BOT project construction and operation services	Provision of heating services and electricity generation	Provision of land levelling services	Provision of sludge and solid waste treatment services	Provision of hazardous waste treatment services	Total	
		工業用水供應	BOT項目建設及營運服務	提供供熱服務及發電	提供土地平整服務	提供污泥及固體廢物處理服務	提供危險廢物處理服務	總額	
		HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
		(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	
For the six months ended 30 June 2018	截至二零一八年六月三十日止六個月								
Revenue from external customers	來自外部客戶的收益	24,606	148,359	85,886	70,763	244,019	223,585	186,903	984,121
Inter-segment revenue	分部間收益	-	44,701	-	-	-	5,239	14,736	64,676
Reportable segment revenue	可呈報分部收益	24,606	193,060	85,886	70,763	244,019	228,824	201,639	1,048,797
Reportable segment profit (adjusted EBITDA)	可呈報分部溢利 (調整後EBITDA)	21,429	100,806	23,710	36,435	154,149	99,994	96,352	532,875
Depreciation and amortisation	折舊及攤銷	(5,061)	(46,557)	(12,375)	(10,169)	-	(42,707)	(44,674)	(161,543)
Share of loss of a joint venture	分攤一家合營企業的虧損	-	(675)	-	-	-	-	-	(675)

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

3 SEGMENT REPORTING (Cont'd)

(a) Information about profit or loss (Cont'd)

		Provision of wastewater treatment plants	BOT project construction and operation services	Provision of heating services and electricity generation services	Provision of land levelling services	Provision of sludge and solid waste treatment services	Provision of hazardous waste treatment services	Total
	Supply of industrial water services	operation services	BOT項目建設 及營運服務	提供供熱 服務及發電	提供土地 平整服務	提供污泥及固體 廢物處理服務	提供危險 廢物處理服務	總額
	供應工業用水	設施營運服務						
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
	(經重列)	(經重列)	(經重列)	(經重列)	(經重列)	(經重列)	(經重列)	(經重列)
For the six months ended	截至二零一七年	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
30 June 2017	六月三十日止六個月	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Revenue from external customers	來自外部客戶的收益	28,589	239,512	136,272	81,348	-	262,458	999,718
Inter-segment revenue	分部間收益	-	36,506	-	-	-	12,522	52,522
Reportable segment revenue	可呈報分部收益	28,589	276,018	136,272	81,348	-	274,980	1,052,240
Reportable segment profit (adjusted EBITDA)	可呈報分部溢利 (調整後EBITDA)	17,586	202,573	33,147	5,460	-	125,013	548,568
Depreciation and amortisation	折舊及攤銷	(5,326)	(45,172)	(316)	(1,093)	-	(34,263)	(132,227)
Gain on disposal of a subsidiary	出售一家附屬公司收益	-	66,490	-	-	-	-	66,490
Share of profits of associates and a joint venture	分佔聯營公司及一家合營企業的溢利	-	833	-	-	-	59	892

The measure used for reporting segment profit is “adjusted EBITDA” i.e. “adjusted earnings before interest, taxes, depreciation and amortisation”. To arrive at adjusted EBITDA the Group’s earnings are further adjusted for items not specifically attributed to individual segments, such as share of profits of associates and a joint venture, directors’ and auditors’ remuneration and other head office or corporate administration costs.

用於報告分部溢利的計量方式為「調整後EBITDA」，即「未計及利息、稅項、折舊及攤銷前的調整後盈利」。為達致調整後EBITDA，本集團之盈利乃對並未指定歸屬於個別分部之項目作出進一步調整，如分佔聯營公司及一家附屬公司的溢利、董事及核數師薪酬及其他總部或企業行政成本。

3 分部呈報 (續)

(a) 有關溢利或虧損之資料 (續)

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示·另有說明者除外)

3 SEGMENT REPORTING (Cont'd)

(b) Reconciliations of reportable segment profit

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元 (unaudited) (未經審核)	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列) (unaudited) (未經審核)
	Note 附註		
Reportable segment profit	可呈報分部溢利	532,875	548,568
Elimination of inter – segment profits	分部間溢利對銷	(134)	(2,334)
		532,741	546,234
Share of (loss)/profits of associates and a joint venture	分佔聯營公司及一家合營 企業的(虧損)/溢利	(675)	892
Finance costs	融資成本	5(a) (57,442)	(49,188)
Interest income	利息收入	4(a) 7,405	5,733
Depreciation and amortisation	折舊及攤銷	5(b) (161,543)	(132,227)
Net foreign exchange (loss)/gain	匯兌(虧損)/收益淨額	4(b) (1,613)	10,252
Gain on disposal of a subsidiary	出售一家附屬公司收益	4(b) –	66,060
Unallocated head office and corporate expenses	未分配總部及公司開支	(10,743)	(19,178)
Consolidated profit before taxation	綜合除稅前溢利	308,130	428,578

(c) Geographic information

Analysis of the Group's turnover and assets by geographical market has not been presented as substantially all of the Group's turnover and assets are generated and located in the PRC.

3 分部呈報 (續)

(b) 可呈報分部溢利的對賬

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元 (unaudited) (未經審核)	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列) (unaudited) (未經審核)
	Note 附註		
Reportable segment profit	可呈報分部溢利	532,875	548,568
Elimination of inter – segment profits	分部間溢利對銷	(134)	(2,334)
		532,741	546,234
Share of (loss)/profits of associates and a joint venture	分佔聯營公司及一家合營 企業的(虧損)/溢利	(675)	892
Finance costs	融資成本	5(a) (57,442)	(49,188)
Interest income	利息收入	4(a) 7,405	5,733
Depreciation and amortisation	折舊及攤銷	5(b) (161,543)	(132,227)
Net foreign exchange (loss)/gain	匯兌(虧損)/收益淨額	4(b) (1,613)	10,252
Gain on disposal of a subsidiary	出售一家附屬公司收益	4(b) –	66,060
Unallocated head office and corporate expenses	未分配總部及公司開支	(10,743)	(19,178)
Consolidated profit before taxation	綜合除稅前溢利	308,130	428,578

(c) 地區資料

由於本集團絕大部分營業額及資產產生於及位於中國境內，故並無呈列本集團按地區市場劃分的營業額及資產分析。

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示, 另有說明者除外)

3 SEGMENT REPORTING (Cont'd)

(d) Seasonality of operations

There is a seasonal factor in the Group's turnover. In general, turnover in the second half of the year is better than the first half of the year, because the demand for treatments for wastewater, sludge and solid waste and hazardous waste from the Group's customers increase in the second half of the year. The Group's customers are expected to enlarge their production scales during the second half of the year.

4 OTHER REVENUE AND OTHER NET (LOSS)/INCOME

(a) Other revenue

Government grants (i)	政府補助(i)
Value-added tax refund	增值稅退稅
Interest income	利息收入
Consultancy fees income (ii)	諮詢費收入(ii)
Others	其他

3 分部呈報(續)

(d) 業務之季節性

本集團營業額存在季節性因素。通常, 下半年營業額會較上半年為佳, 原因為本集團客戶於下半年對處理污水、污泥及固體廢物及危險廢物的需求增加。預期本集團客戶於下半年擴大其生產規模。

4 其他收益及其他(虧損)/收入淨額

(a) 其他收益

Six months ended 30 June 截至六月三十日止六個月

	2018 二零一八年 HKD'000 港幣千元 (unaudited) (未經審核)	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列) (unaudited) (未經審核)
Government grants (i)	76,256	6,915
Value-added tax refund	20,458	64,692
Interest income	7,405	5,733
Consultancy fees income (ii)	-	18,140
Others	177	2,129
	104,296	97,609

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

4 OTHER REVENUE AND OTHER NET (LOSS)/INCOME (Cont'd)

(a) Other revenue (Cont'd)

- (i) Government grants represent various forms of incentives and subsidies granted to the Group by the local government authorities in the PRC. There were no unfulfilled conditions and other contingencies attached to the receipts of such government grants.
- (ii) The Group has entered into an agreement with two independent parties in connection with the bidding of a PPP project. Pursuant to the agreement, these two parties agreed to pay one-off consultancy fee amounting to HKD18,140,000 (as restated) to the Group upon the success of the bidding and sign-off of relevant project contracts. During the six months ended 30 June 2018, the Group has fulfilled the above conditions.

(b) Other net (loss)/income

4 其他收益及其他(虧損)/收入淨額(續)

(a) 其他收益(續)

- (i) 政府補助指中國地方政府機關授予本集團不同形式之獎勵及補貼。概無有關收取該等政府補助附帶之未達成條件及其他或然事項。
- (ii) 本集團已就競投一個公私合營項目與兩名獨立人士訂立協議。根據協議，該兩名人士同意在成功中標及簽署相關項目合約後向本集團支付一次性諮詢費港幣18,140,000元(經重列)。截至二零一八年六月三十日止六個月，本集團已達成以上條件。

(b) 其他(虧損)/收入淨額

Six months ended 30 June 截至六月三十日止六個月

		2018 二零一八年 HKD'000 港幣千元 (unaudited) (未經審核)	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列) (unaudited) (未經審核)
Gain on disposal of a subsidiary	出售一家附屬公司收益	-	66,060
Net foreign exchange (loss)/gain	匯兌(虧損)/收益淨額	(1,613)	10,252
Others	其他	172	(615)
		(1,441)	75,697

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示, 另有說明者除外)

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元 (unaudited) (未經審核)	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列) (unaudited) (未經審核)
Interest on bank loans	銀行貸款利息	70,631	55,545
Less: Interest expenses capitalised into properties under development	減: 資本化入開發中物業的利息開支	(13,189)	(6,357)
Total finance costs	融資成本總額	57,442	49,188

(b) Other items

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元 (unaudited) (未經審核)	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列) (unaudited) (未經審核)
Cost of inventories*	存貨成本*	89,363	57,746
Cost of BOT projects construction services	BOT項目建設服務成本	36,823	91,400
Depreciation and amortisation	折舊及攤銷	161,543	132,227
Operating lease charges	經營租賃開支	5,371	4,656
Research and development expenses	研發開支	2,900	4,246

5 除稅前溢利

除稅前溢利經扣除下列各項後達致:

(a) 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 HKD'000 港幣千元 (unaudited) (未經審核)	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列) (unaudited) (未經審核)
Interest on bank loans	銀行貸款利息	70,631	55,545
Less: Interest expenses capitalised into properties under development	減: 資本化入開發中物業的利息開支	(13,189)	(6,357)
Total finance costs	融資成本總額	57,442	49,188

(b) 其他項目

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元 (unaudited) (未經審核)	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列) (unaudited) (未經審核)
Cost of inventories*	存貨成本*	89,363	57,746
Cost of BOT projects construction services	BOT項目建設服務成本	36,823	91,400
Depreciation and amortisation	折舊及攤銷	161,543	132,227
Operating lease charges	經營租賃開支	5,371	4,656
Research and development expenses	研發開支	2,900	4,246

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

5 PROFIT BEFORE TAXATION (Cont'd)

(b) Other items (Cont'd)

* Cost of inventories represented raw materials consumed during the supply of industrial water, provision of waste water treatment plants operation services, provision of sludge and solid waste treatment services and provision of hazardous waste treatment services.

(c) Staff cost

5 除稅前溢利 (續)

(b) 其他項目 (續)

* 存貨成本指供應工業用水及提供污水處理設施營運服務以及提供污泥及固體廢物處理服務及提供危險廢物處理服務所消耗的原材料。

(c) 員工成本

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列)
		(unaudited) (未經審核)	(unaudited) (未經審核)
Salaries, wages and other benefits	薪金、工資及其他福利	100,927	89,818
Contributions to defined contribution retirement plan	界定供款退休計劃供款	10,410	5,634
Equity-settled share-based payment expenses	以權益結算的股份支付開支	-	495
	15(b)(ii)		
		111,337	95,947

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示, 另有說明者除外)

6 INCOME TAX

Income tax in the consolidated statement of profit or loss represents:

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元 (unaudited) (未經審核)	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列) (unaudited) (未經審核)
Current tax – PRC income tax	即期稅項 – 中國所得稅		
Provision for PRC income tax (notes (i) and (ii))	中國所得稅撥備 (附註(i)及(ii))	25,163	61,519
Over-provision in respect of prior years	過往年度超額撥備	(13,049)	(12,108)
		12,114	49,411
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時性差額的產生及撥回	(6,425)	(2,520)
Income tax expenses	所得稅開支	5,689	46,891

Notes:

- (i) Pursuant to the relevant rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

No provision for Hong Kong Profits Tax was made as the Group did not earn assessable income subject to Hong Kong Profits Tax for the six months ended 30 June 2018 and 2017.

The statutory income tax rate for the PRC subsidiaries is 25% (for the six months ended 30 June 2017: 25%).

6 所得稅

綜合損益表內的所得稅指：

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元 (unaudited) (未經審核)	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列) (unaudited) (未經審核)
Current tax – PRC income tax	即期稅項 – 中國所得稅		
Provision for PRC income tax (notes (i) and (ii))	中國所得稅撥備 (附註(i)及(ii))	25,163	61,519
Over-provision in respect of prior years	過往年度超額撥備	(13,049)	(12,108)
		12,114	49,411
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時性差額的產生及撥回	(6,425)	(2,520)
Income tax expenses	所得稅開支	5,689	46,891

附註：

- (i) 根據開曼群島及英屬處女群島(「英屬處女群島」)的相關規則及法規, 本集團於開曼群島及英屬處女群島毋須繳納任何所得稅。

由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並無賺取任何須繳納香港利得稅的應課稅收入, 故並無就香港利得稅作出撥備。

中國附屬公司的法定所得稅率為 25% (截至二零一七年六月三十日止六個月: 25%)。

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

6 INCOME TAX (Cont'd)

Notes: (Cont'd)

- (ii) Certain subsidiaries of the Group are entitled to the following PRC preferential tax treatments:

Guangzhou Xintao Wastewater Treatment Company Limited was approved as a High and New Technology Enterprise in September 2015, which entitled it to the preferential income tax rate of 15% from year 2015 to 2017.

Guangzhou CT Lvyou Environmental Protection Technology Company Limited* (originally known as Guangzhou Lvyou Industrial Waste Reclamation Treatment Company Limited) ("Guangzhou Lvyou") was approved as a High and New Technology Enterprise in September 2015, which entitled it to the preferential income tax rate of 15% from 2015 to 2017.

Heyuan Solid Waste Centralized Treatment Centre Company Limited ("Heyuan Solid") was approved as a High and New Technology Enterprise in December 2016, which entitled it to the preferential income tax rate of 15% from 2016 to 2018.

Guangzhou Haitao Environmental Protection Technology Company Limited ("Guangzhou Haitao"), being an entity engaged in wastewater treatment and sludge treatment, is entitled to a tax holiday of 3-year exemption and 3-year 50% reduction on income derived from its principal activities (the "3+3 tax holiday") starting from the year in which the project starts to generate operating revenue. There are three phases of waste treatment facilities under Guangzhou Haitao. Phase I and Phase II facilities are subject to exemption from income tax from 2010 to 2012 and reduction of half of the income tax from 2013 to 2015; while Phase III facilities are subject to exemption from income tax from 2013 to 2015 and reduction of half of the income tax from 2016 to 2018. Additionally, in October 2015, Guangzhou Haitao was approved as a High and New Technology Enterprise, which then entitled it to the preferential income tax rate of 15% from 2016 to 2018. As a result, the effective income tax rate of Phase I and Phase II facilities is 15% from 2018 (2017: 15%); while the effective income tax rate of Phase III facilities is 7.5% in 2018 (2017: 7.5%).

6 所得稅 (續)

附註：(續)

- (ii) 本集團的若干附屬公司享有以下中國優惠稅項待遇：

廣州新滔水質淨化有限公司於二零一五年九月被認可為高新技術企業，於二零一五年至二零一七年年享有15%的優惠所得稅率。

廣州中滔綠由環保科技有限公司（原名廣州綠由工業棄置廢物回收處理有限公司）（「廣州綠由」）於二零一五年九月被認可為高新技術企業，於二零一五年至二零一七年年間享有15%的優惠所得稅率。

河源市固體廢物集中處置中心有限公司（「河源固廢」）於二零一六年十二月獲認可為高新技術企業，於二零一六年至二零一八年享有15%的優惠所得稅率。

廣州海滔環保科技有限公司（「廣州海滔」）為從事污水處理及污泥處理的實體，自項目開始產生營運收益年度起享有三年悉數豁免稅項優惠以及三年享有其主要活動收入之所得稅稅率減半之優惠（「3+3稅項優惠」）。廣州海滔的固廢處理設施分三期。第一期及第二期設施於二零一零年至二零一二年免徵所得稅並於二零一三年至二零一五年減半所得稅；第三期設施於二零一三年至二零一五年免徵所得稅並於二零一六年至二零一八年減半所得稅。此外，於二零一五年十月，廣州海滔被認可為高新技術企業，其後於二零一六年至二零一八年享有15%的優惠所得稅率。因此，第一期及第二期設施實際所得稅稅率自二零一八年為15%（二零一七年：15%）；而第三期設施實際所得稅稅率於二零一八年為7.5%（二零一七年：7.5%）。

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

6 INCOME TAX (Cont'd)

Notes: (Cont'd)

(ii) (Cont'd)

Guangzhou Yinglong Wastewater Treatment Company Limited ("Guangzhou Yinglong"), being an entity engaged in wastewater treatment, is entitled to the 3+3 tax holiday starting from the year in which the project starts to generate operating revenue. Guangzhou Yinglong is subject to exemption from income tax from 2012 to 2014 and reduction of half of the income tax from 2015 to 2017. In November 2017, Guangzhou Yinglong was approved as a High and New Technology Enterprises, which then entitled it to the preferential income tax rate of 15% from 2018 to 2020.

Qingyuan Lvyou Environmental Protection Technology Company Limited ("Qingyuan Lvyou"), being an entity engaged in solid waste treatment, is entitled to the 3+3 tax holiday starting from the year in which the project starts to generate operating revenue. Qingyuan Lvyou is subject to exemption from income tax from 2014 to 2016 and reduction of half of the income tax from 2017 to 2019. Additionally, in October 2015, Qingyuan Lvyou was approved as a High and New Technology Enterprise, which then entitled it to the preferential income tax rate of 15% from 2016 to 2017. As a result, the effective income tax rate of Qingyuan Lvyou is 12.5% in 2018 (2017: 7.5%).

Yulin Xintao Environmental Protection Technology Company Limited ("Yulin Xintao"), being an entity engaged in water supply, wastewater treatment, land levelling, heating service and electricity generation, is entitled to the 3+3 tax holiday starting from the year in which the project starts to generate operating revenue.

6 所得稅 (續)

附註：(續)

(ii) (續)

廣州盈隆污水處理有限公司(「廣州盈隆」)為從事污水處理的實體，從項目開始產生營運收益的年度起享有3+3稅項優惠。廣州盈隆於二零一二年至二零一四年獲豁免徵收所得稅及於二零一五年至二零一七年獲減免一半所得稅。於二零一七年十一月，廣州盈隆被認可為高新技術企業，其後於二零一八年至二零二零年享有15%的優惠所得稅率。

清遠綠由環保科技有限公司(「清遠綠由」)為從事固體廢物處理的實體，從項目開始產生營運收益的年度起享有3+3稅項優惠。清遠綠由二零一四年至二零一六年獲豁免徵收所得稅及於二零一七年至二零一九年獲減免一半所得稅。此外，於二零一五年十月，清遠綠由被認可為高新技術企業，其後於二零一六年至二零一七年享有15%的優惠所得稅率。因此，清遠綠由於二零一八年的實際所得稅率為12.5% (二零一七年：7.5%)。

玉林市新滔環保科技有限公司(「玉林新滔」)為從事供水、污水處理、土地平整以及提供供熱服務及發電的實體，從項目開始產生營運收益的年度起享有3+3稅項優惠。

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit during the interim period attributable to shareholders of the Company of HKD302,393,000 (2017: HKD382,388,000) and the weighted average of 6,286,552,000 ordinary shares (2017: 6,288,205,000 shares) in issue during the interim period.

		2018 二零一八年 '000 千股	2017 二零一七年 '000 千股
Issued ordinary shares at 1 January	於一月一日已發行普通股	6,316,792	6,316,792
Effect of shares held under the Share Award Scheme (note 15(b)(ii))	根據股份獎勵計劃持有股份的影響 (附註15(b)(ii))	(30,240)	(28,587)
Weighted average number of ordinary shares at 30 June	於六月三十日的普通股加權平均數	6,286,552	6,288,205

(b) Diluted earnings per share

During the six months ended 30 June 2018 and 2017, there were no dilutive potential ordinary shares issued.

8 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2018, the Group acquired items of property, plant and equipment with a cost of HKD593,211,000 (six months ended 30 June 2017: HKD673,137,000). Items of plant and equipment with a net book value of HKD34,000 were disposed of during the six months ended 30 June 2018 (six months ended 30 June 2017: HKD12,000), resulting in a gain on disposal of HKD nil (six months ended 30 June 2017: HKD25,000).

7 每股盈利

(a) 每股基本盈利

每股基本盈利的計算方法乃根據中期期間內本公司股東應佔溢利港幣302,393,000元 (二零一七年: 港幣382,388,000元) 以及中期期間已發行之6,286,552,000股 (二零一七年: 6,288,205,000股) 普通股加權平均數而計算。

(b) 每股攤薄盈利

於截至二零一八年及二零一七年六月三十日止六個月，概無發行攤薄潛在普通股。

8. 物業、廠房及設備

截至二零一八年六月三十日止六個月，本集團收購物業、廠房及設備項目的成本為港幣593,211,000元 (截至二零一七年六月三十日止六個月: 港幣673,137,000元)。截至二零一八年六月三十日止六個月，已出售賬面淨值為港幣34,000元的廠房及設備項目 (截至二零一七年六月三十日止六個月: 港幣12,000元)，因此產生出售收益港幣零元 (截至二零一七年六月三十日止六個月: 港幣25,000元)。

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

8 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Certain property, plant and equipment with carrying value of HKD201,476,000 were pledged to secure the Group's bank loans as at 30 June 2018 (31 December 2017: HKD176,164,000) (note 14).

9 LEASE PREPAYMENTS

Lease prepayments represent the Group's land use rights on leasehold land located in the PRC. During the six months ended 30 June 2018, the Group acquired land use rights with a cost of HKD11,486,000 (six months ended 30 June 2017: HKD51,839,000).

As at 30 June 2018, lease prepayments with net book value of HKD125,026,000 were pledged to secure the Group's bank loans (31 December 2017: HKD117,156,000) (note 14).

10 INTANGIBLE ASSETS

During the six months ended 30 June 2018, the Group recognized items of intangible assets with a cost of HKD48,311,000 (six months ended 30 June 2017: HKD103,169,000).

The income approach was used for measuring the fair value of the intangible assets acquired. The recoverable amounts of these intangible assets were estimated based on its cash flow forecast and using after-tax discount rates ranging from 15% to 18%.

8. 物業、廠房及設備(續)

於二零一八年六月三十日，賬面值為港幣201,476,000元的若干物業、廠房及設備已抵押作為本集團銀行貸款的擔保(二零一七年十二月三十一日：港幣176,164,000元)(附註14)。

9. 租賃預付款項

租賃預付款項指本集團持有的位於中國的租賃土地的土地使用權。截至二零一八年六月三十日止六個月，本集團以港幣11,486,000元(截至二零一七年六月三十日止六個月：港幣51,839,000元)的成本收購土地使用權。

於二零一八年六月三十日，賬面淨值為港幣125,026,000元的租賃預付款項已抵押作為本集團銀行貸款的擔保(二零一七年十二月三十一日：港幣117,156,000元)(附註14)。

10 無形資產

截至二零一八年六月三十日止六個月，本集團確認無形資產項目的成本為港幣48,311,000元(截至二零一七年六月三十日止六個月：港幣103,169,000元)。

收益法乃用於計量所收購無形資產之公平值。該等無形資產之可收回金額乃根據其現金流量預測並使用15%至18%之除稅後貼現率進行估計。

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

11 DISPOSAL OF SUBSIDIARIES

(a) Disposal of Guangzhou Zhongtao Environmental Investment Company Limited (“Guangzhou Zhongtao”)

During the six months ended 30 June 2017, the Group disposed of 100% equity interests in Guangzhou Zhongtao and its subsidiary (“Zhongtao Group”) to Guangzhou To Kee Enterprises Development Group Limited (“Guangzhou To Kee”), a company effectively owned by the controlling shareholder, at a total cash consideration of HKD28,805,000 (equivalent to RMB25,000,000). Guangzhou Zhongtao held 70% equity interests in its subsidiary, Foshan Sanshui Zhaofeng Energy Company Limited.

All the assets and liabilities of Zhongtao Group have been derecognized during the six months ended 30 June 2017.

The effect of such disposal on the Group’s assets and liabilities is set out below:

11 出售附屬公司

(a) 出售廣州中滔環保投資有限公司(「廣州中滔」)

於截至二零一七年六月三十日止六個月，本集團向廣州滔記實業發展集團有限公司(「廣州滔記」，一家由控股股東實際控制的公司)出售廣州中滔及其附屬公司(「中滔集團」)100%股權，總現金代價港幣28,805,000元(相當於人民幣25,000,000元)。廣州中滔持有其附屬公司佛山市三水肇豐能源有限公司70%股權。

中滔集團全部資產及負債已於截至二零一七年六月三十日止六個月終止確認。

該出售對本集團資產及負債的影響載列如下：

		Net book value as of the disposal date
		於出售日期的賬面淨值
		HKD'000
		港幣千元
		(Restated)
		(經重列)
		(unaudited)
		(未經審核)
Cash and cash equivalents	現金及現金等價物	614
Inventories	存貨	528
Trade and other receivables	貿易及其他應收款項	34,713
Property, plant and equipment	物業、廠房及設備	28,476
Bank loans	銀行貸款	(6,913)
Trade and other payables	貿易及其他應付款項	(29,313)
Net identifiable assets	可識別資產淨值	28,105
Attributable to:		
– Equity shareholders of the Company	– 本公司權益持有人	20,702
– Non-controlling interests	– 非控股權益	8,145
– Exchange adjustments	– 匯兌調整	(742)

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

11 DISPOSAL OF SUBSIDIARIES (Cont'd)

(a) Disposal of Guangzhou Zhongtao Environmental Investment Company Limited ("Guangzhou Zhongtao") (Cont'd)

The effect of such disposal on the Group's assets and liabilities is set out below: (Cont'd)

11 出售附屬公司 (續)

(a) 出售廣州中滔環保投資有限公司 (「廣州中滔」) (續)

該出售對本集團資產及負債的影響載列如下：(續)

		Net book value as of the disposal date 於出售日期的賬面淨值 HKD'000 港幣千元 (Restated) (經重列) (unaudited) (未經審核)
Total consideration	代價總額	28,805
Net assets disposed of	已出售資產淨值	(20,702)
Equity contribution by shareholders before tax	除稅前股東權益出資	8,103
Effective income tax rate	實際所得稅稅率	15%
Equity contribution by shareholders after tax	除稅後股東權益出資	6,887
Reconciliation between amounts settled and receivable and the consideration is as follows:	已清償金額及應收款項與代價的對賬如下：	
Consideration settled by offsetting the amounts due to Guangzhou To Kee Receivable from Guangzhou To Kee	透過對銷應付廣州滔記金額以結清代價 應收廣州滔記款項	5,968 22,837
Total Consideration	代價總額	28,805
Analysis of the net cash outflow in respect of the disposal:	有關出售的現金流出淨額分析：	
Cash received during six months ended 30 June 2017	截至二零一七年六月三十日止六個月收取的現金	-
Cash and cash equivalent disposed of	所出售現金及現金等價物	(614)
Net cash outflow during six months ended 30 June 2017	截至二零一七年六月三十日止六個月的現金流出淨額	(614)

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

11 DISPOSAL OF SUBSIDIARIES (Cont'd)

(b) Disposal of Guangzhou Xintao Environmental Technology Company Limited (“Xintao Environmental”)

During the six months ended 30 June 2017, the Group disposed of 99% equity interests in Xintao Environmental to a third party at a total cash consideration of HKD112,640,000 (equivalent to RMB100,000,000).

All the assets and liabilities of Xintao Environmental have been derecognized during the six months ended 30 June 2017.

The effect of such disposal on the Group's assets and liabilities is set out below:

		Net book value as of the disposal date 於出售日期 的賬面淨值 HKD'000 港幣千元
Cash and cash equivalents	現金及現金等價物	350
Inventories	存貨	410
Other receivables	其他應收款項	34,158
Lease prepayments	租賃預付款項	47,051
Other payables	其他應付款項	(34,918)
Net identifiable assets	可識別資產淨值	47,051
Share of net identifiable assets disposed of	分佔已出售可識別資產淨值	99%
Net assets disposed of	已出售資產淨值	46,580
Total consideration	代價總額	112,640
Net assets disposed of	已出售資產淨值	(46,580)
Gain on disposal	出售收益	66,060

11 出售附屬公司 (續)

(b) 出售廣州新滔環保科技有限公司 (「新滔環保」)

截至二零一七年六月三十日止六個月，本集團向第三方出售新滔環保99%股權，現金代價總額為港幣112,640,000元（相當於人民幣100,000,000元）。

新滔環保全部資產及負債已於截至二零一七年六月三十日止六個月終止確認。

該出售對本集團資產及負債的影響載列如下：

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

11 DISPOSAL OF SUBSIDIARIES (Cont'd)

(b) Disposal of Guangzhou Xintao Environmental Technology Company Limited (“Xintao Environmental”) (Cont'd)

The effect of such disposal on the Group’s assets and liabilities is set out below: (Cont'd)

		Net book value as of the disposal date 於出售日期的賬面淨值 HKD'000 港幣千元
Reconciliation between amounts settled and receivable and the consideration is as follows:	已清償金額及應收款項與代價的對賬如下：	
Cash paid during the year ended 31 December 2016	截至二零一六年十二月三十一日止年度已付現金	33,792
Consideration receivable	應收代價	78,848
Total Consideration	代價總額	112,640
Analysis of the net cash outflow in respect of the disposal:	有關出售的現金流出淨額分析：	
Cash received during the year ended 31 December 2016	截至二零一六年十二月三十一日止年度收取的現金	33,792
Cash received during six months ended 30 June 2017	截至二零一七年六月三十日止六個月收取的現金	-
Cash and cash equivalent disposed of	所出售現金及現金等價物	(350)
Net cash outflow during six months ended 30 June 2017	截至二零一七年六月三十日止六個月的現金流出淨額	(350)

Lease prepayments represented a land use right on leasehold land located in the PRC with net book value of HKD47,051,000 (equivalent to RMB41,771,000) as at the date of disposal. Based on the valuation report carried out by the independent valuer, the above land use right was appreciated to HKD111,513,000 (equivalent to RMB99,000,000) as at the disposal date.

租賃預付款項指位於中國的租賃土地的土地使用權於出售日期之賬面淨值港幣47,051,000元（相當於人民幣41,771,000元）。根據獨立估值師編製的估值報告，上述土地使用權於出售日期升值至港幣111,513,000元（相當於人民幣99,000,000元）。

11 出售附屬公司 (續)

(b) 出售廣州新滔環保科技有限公司（「新滔環保」）(續)

該出售對本集團資產及負債的影響載列如下：(續)

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示·另有說明者除外)

12 TRADE AND OTHER RECEIVABLES

12 貿易及其他應收款項

		At 30 June 2018 於 二零一八年 六月三十日 HKD'000 港幣千元 (unaudited) (未經審核)	At 31 December 2017 於 二零一七年 十二月三十一日 HKD'000 港幣千元 (audited) (經審核)
Current	即期		
Trade debtors	貿易應收賬款	862,036	747,279
Less: Allowance for doubtful debts	減：呆賬撥備	(33,618)	(33,907)
		828,418	713,372
Prepayment for purchase of equipment	購買設備的預付款項	-	23,926
Prepayment of acquisition deposits (i)	收購按金的預付款項(i)	-	35,889
Consideration receivable from disposal of a subsidiary	出售一間附屬公司的應收代價	50,050	70,059
Wealth management product	理財產品	-	11,963
Receivables from local government (ii)	應收當地政府款項(ii)	227,977	212,855
Receivables of value-added tax refund	增值稅退稅應收款項	33,509	91,546
Prepayment for inventories	存貨的預付款項	18,881	40,161
Prepayment for consultancy and commission fee	諮詢及佣金費用的預付款項	-	18,774
Other prepayments and other receivables	其他預付款項及其他應收款項	343,326	375,817
Amounts due from related parties (note 18(c)(i))	應收關聯方款項 (附註18(c)(i))	16,157	163,595
		1,518,318	1,757,957
Non-current	非即期		
Prepayments for purchase of lease prepayments and equipment	購買租賃預付款項及設備預付款項	356,304	344,064
Prepayments of acquisition deposits (i)	收購按金的預付款項(i)	21,943	4,187
Receivables of a construction project from a local government (iii)	地方政府建設項目的應收款項(iii)	96,344	130,327
Other prepayments and other receivables	其他預付款項及其他應收款項	280,509	132,943
		755,100	611,521
Total	總計	2,273,418	2,369,478

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

12 TRADE AND OTHER RECEIVABLES (Cont'd)

All of the prepayments and other receivables (including amounts due from related parties), apart from those classified as non-current portion, are expected to be recovered or recognised as expenses within one year.

- (i) The amounts represented the prepayment paid for the Group's intended acquisition of an agricultural company in the PRC for the Group's development in the organic and environmental industry.
- (ii) The amounts represented the payment made by the Group on behalf of Yulin government in Guangxi Zhuang Autonomous Region (the "Yulin Government") for compensation of land acquired from local residents.
- (iii) On 31 December 2016, the Group entered into a project agreement with Yulin Government and Transportation Bureau of Fumian District. Pursuant to the agreement, the Group will jointly collaborate with the Yulin Government in relation to the construction of the project. The Group is responsible for the financing activities of the project while other parties are responsible for the construction work. Total estimated capital expenditure for construction is approximately HKD287,112,000 and expenditure estimated to be financed by the Group and the Yulin Government are HKD258,401,000 and HKD28,711,000, respectively.

The amount financed by the Group is provided with an initial guaranteed return of 7.8% per annum by the Yulin Government. The guaranteed returns would be received along with the amount financed by the Group in 10 instalments in 10 years upon completion of the construction of the project.

During the six months ended 30 June 2018, the Yulin Government had made early repayment and adjusted the guaranteed return to 6.5% per annum. The Group and the Yulin Government are currently in further negotiation on the 10-year repayment schedule and further adjustment on the guaranteed return. Up to 30 June 2018, total amount financed by the Group was approximately HKD287,293,000 and an amount of approximately HKD204,503,000 had been repaid by the Yulin Government. As at 30 June 2018, interest receivable of approximately HKD13,554,000 was recognised by the Group.

12 貿易及其他應收款項 (續)

所有預付款項及其他應收款項 (包括應收關聯方款項) 預期將於一年內收回或確認為開支，惟不包括分類為非即期的部分。

- (i) 該金額為本集團有意就於有機及環保行業的發展而收購一間中國農業公司的預付款。
- (ii) 該金額為本集團代表廣西壯族自治區玉林市政府 (「玉林政府」) 就土地收購向當地居民支付的賠償。
- (iii) 於二零一六年十二月三十一日，本集團與玉林政府及福綿區交通運輸局訂立一份項目協議。根據該協議，本集團將與玉林政府就該項目的建設共同合作。本集團負責該項目的融資活動，而其他人士負責建設工程。估計建設資本開支總額約為港幣287,112,000元，而本集團及玉林政府將提供資金的開支估計分別為港幣258,401,000元及港幣28,711,000元。

由本集團提供資金的金額獲玉林政府提供每年7.8%的初步擔保回報。擔保回報將於項目建設完成後連同本集團提供資金之金額於10年內分10期分期收取。

於截至二零一八年六月三十日止六個月期間，玉林政府已作出提早還款及調整擔保回報至每年6.5%。本集團目前正在與玉林政府就10年還款時間表及進一步調整擔保回報進行進一步磋商。截至二零一八年六月三十日，由本集團提供資金的總金額約為港幣287,293,000元，而玉林政府已償還約港幣204,503,000元。於二零一八年六月三十日，本集團確認應收利息約港幣13,554,000元。

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示·另有說明者除外)

12 TRADE AND OTHER RECEIVABLES (Cont'd)

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade debtors, based on the invoice date and net of allowance for doubtful debts, is as follows:

		At 30 June 2018 於 二零一八年 六月三十日 HKD'000 港幣千元 (unaudited) (未經審核)	At 31 December 2017 於 二零一七年 十二月三十一日 HKD'000 港幣千元 (audited) (經審核)
Within 1 month	一個月內	462,777	372,075
1 to 3 months	一至三個月	118,994	171,891
Over 3 months but within 1 year	超過三個月但一年內	246,647	169,406
		828,418	713,372

Trade debtors are usually due within 30 days from the date of billing. The Group does not hold any collateral over these balances.

12 貿易及其他應收款項(續)

(a) 賬齡分析

截至報告期末，貿易應收賬款按發票日期及經扣除呆賬撥備的賬齡分析如下：

貿易應收賬款通常自發出發票日期起計三十日內到期。本集團並無就該等結餘持有任何抵押品。

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示, 另有說明者除外)

13 TRADE AND OTHER PAYABLES

13 貿易及其他應付款項

		At 30 June 2018 於 二零一八年 六月三十日 HKD'000 港幣千元 (unaudited) (未經審核)	At 31 December 2017 於 二零一七年 十二月三十一日 HKD'000 港幣千元 (audited) (經審核)
Trade payables	貿易應付款項	75,142	117,326
Other payables and accruals	其他應付款項及應計費用	662,531	564,382
Receipt in advance for land levelling services	就土地平整服務預先收取 的款項	-	35,883
Deposits	按金	-	11,620
Interest payable	應付利息	5,608	8,726
Amounts due to related parties (note 18(c)(ii))	應付關聯方款項 (附註18(c)(ii))	262,062	3,695
		1,005,343	714,632

All of the trade payables, other payables, accruals and amounts due to related parties are expected to be settled within one year or are repayable on demand. Included in the amounts due to related parties as at 30 June 2018 were loans from the controlling shareholder and director of the Company, Mr. Tsui Cham To and company owned by Mr. Tsui Cham To amounted to HKD258,093,000 (31 December 2017: Nil). Such loans are unsecured, interest-free and repayable on demand.

所有貿易應付款項、其他應付款項、應計費用及應付關聯方款項預期將於一年內結算或按要求償還。於二零一八年六月三十日之應付關聯方款項中包括本公司控股股東兼董事徐湛滔先生及由徐湛滔先生所擁有之公司提供之貸款為數港幣258,093,000元(二零一七年十二月三十一日:無)。有關貸款為無抵押、免息及按要求償還。

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

13 TRADE AND OTHER PAYABLES (Cont'd)

The credit period granted by the suppliers ranges from 30 days to 90 days. As of the end of the reporting period, the ageing analysis of trade creditors, based on the invoice date, is as follows:

13 貿易及其他應付款項(續)

供應商授出的信貸期介乎三十日至九十日不等。截至報告期末，貿易應付款項按發票日期的賬齡分析如下：

		At 30 June 2018 於 二零一八年 六月三十日 HKD'000 港幣千元 (unaudited) (未經審核)	At 31 December 2017 於 二零一七年 十二月三十一日 HKD'000 港幣千元 (audited) (經審核)
Within 1 month	一個月內	23,587	57,068
1 to 3 months	一至三個月	25,621	37,993
Over 3 months but within 1 year	超過三個月但一年內	18,541	13,616
Over 1 year	一年以上	7,393	8,649
		75,142	117,326

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

14 BANK LOANS

At 30 June 2018 and 31 December 2017, the bank loans were repayable as follows:

		At 30 June 2018 於 二零一八年 六月三十日 HKD'000 港幣千元 (unaudited) (未經審核)	At 31 December 2017 於 二零一七年 十二月三十一日 HKD'000 港幣千元 (audited) (經審核)
Within 1 year or on demand (note (iii))	一年內或按要求(附註(iii))	1,760,060	1,881,461
After 1 year but within 2 years	一年後但兩年內	509,725	303,940
After 2 years but within 5 years	兩年後但五年內	625,482	775,714
After 5 years	五年後	289,074	500,744
Sub-total	小計	1,424,281	1,580,398
Total	總計	3,184,341	3,461,859

Notes:

- (i) Bank loans of the Group as at 30 June 2018 were floating-rate loans which carried interest rates ranged from 2.10% to 6.37% (31 December 2017: 2.08% to 6.37%).

14 銀行貸款

於二零一八年六月三十日及二零一七年十二月三十一日，應償還銀行貸款如下：

附註：

- (i) 於二零一八年六月三十日，本集團之銀行貸款為浮息貸款，按介乎2.10%至6.37%之利率計息（二零一七年十二月三十一日：2.08%至6.37%）。

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

14 BANK LOANS (Cont'd)

Notes: (Cont'd)

- (ii) At 30 June 2018 and 31 December 2017, the bank loans were secured as follows:

		At 30 June 2018 於 二零一八年 六月三十日 HKD'000 港幣千元 (unaudited) (未經審核)	At 31 December 2017 於 二零一七年 十二月三十一日 HKD'000 港幣千元 (audited) (經審核)
Secured	有抵押	1,924,416	2,927,013
Unsecured	無抵押	1,259,925	534,846
		3,184,341	3,461,859

Bank loans as at 30 June 2018 and 31 December 2017 were secured by certain of the Group's charge rights of water supply, wastewater processing and waste processing; property, plant and equipment (note 8); lease prepayments (note 9); and the equity interests of Qingyuan Lvyou, Guangzhou Yinglong and Guangzhou Liangang Vessel Wastewater Treatment Co., Limited ("Guangzhou Liangang").

Bank loans amounted to HKD95,563,000 as at 30 June 2018 were guaranteed by former shareholder of Guangzhou Yinglong (31 December 2017: HKD105,289,000).

Bank loans amounted to HKD150,699,000 as at 30 June 2018 were guaranteed by controlling shareholder of the Group (31 December 2017: Nil).

14 銀行貸款 (續)

附註：(續)

- (ii) 於二零一八年六月三十日及二零一七年十二月三十一日，銀行貸款抵押情況如下：

於二零一八年六月三十日及二零一七年十二月三十一日的銀行貸款乃以本集團若干供水、污水處理及廢物處理的收費權；物業、廠房及設備（附註8）；租賃預付款項（附註9）；以及清遠綠由、廣州盈隆及廣州市蓮港船舶清油有限公司（「廣州蓮港」）的股權作抵押。

於二零一八年六月三十日之金額為港幣95,563,000元之銀行貸款由廣州盈隆之前股東作擔保（二零一七年十二月三十一日：港幣105,289,000元）。

於二零一八年六月三十日金額為港幣150,699,000元之銀行貸款已由本集團之控股股東作擔保（二零一七年十二月三十一日：無）。

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

14 BANK LOANS (Cont'd)

Notes: (Cont'd)

- (iii) The Group's bank loans are subject to the fulfillment of covenants including the maintenance of certain financial ratios of the Group/certain of its subsidiaries; and restrictions on certain subsidiaries to distribute profit and/or to obtain other external financing prior to the lender's approval, which are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand.

As at 30 June 2018 and 31 December 2017, covenants relating to restriction on controlling shareholder's shareholding of the Company, the consolidated EBITDA to long-term borrowings matured within one year and consolidated finance cost ratio, and adjusted cash flow to consolidated debt services ratio had been breached. Accordingly, the related bank loans amounted to HKD568,866,000 as at 30 June 2018 became payable on demand and have been classified as current liabilities (31 December 2017: HKD747,364,000).

15 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

- (i) Dividends payable to equity shareholders of the Company attributable to the interim period:

	2018 二零一八年 HKD'000 港幣千元	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列)
Interim dividend of HKD0.0096 per ordinary share declared after the interim period (2017: Interim dividend of HKD0.0103 per ordinary share and a special dividend of HKD0.0018 per ordinary share)	60,641	75,985

The interim dividend has not been recognised as a liability at the end of the reporting period.

中期股息於報告期末尚未確認為負債。

14 銀行貸款 (續)

附註：(續)

- (iii) 本集團之銀行貸款須履行屬一般常見金融機構借款安排之契諾，包括維持本集團／其若干附屬公司的若干財務比率；及限制若干附屬公司在獲得貸方批准前不得進行溢利分派及／或獲取其他外部融資。倘本集團違反契諾，已提取融資將須按要求償還。

於二零一八年六月三十日及二零一七年十二月三十一日，有關規限本公司控股股東持股量、綜合EBITDA對於一年內到期之長期借款及綜合融資成本比率以及經調整現金流量對綜合償債服務比率之契諾已遭違反。因此，於二零一八年六月三十日之金額為港幣568,866,000元的有關銀行貸款須按要求償還及已分類為流動負債(二零一七年十二月三十一日：港幣747,364,000元)。

15 資本、儲備及股息

(a) 股息

- (i) 中期期間應佔應付本公司權益持有人股息：

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示·另有說明者除外)

15 CAPITAL, RESERVES AND DIVIDENDS (Cont'd)

(a) Dividends (Cont'd)

- (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period:

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列)
Final dividend in respect of the previous financial year of HKD0.0095 per ordinary share and a special dividend of HKD0.0198 per ordinary share (six months ended 30 June 2017: final dividend in respect of the previous financial year of HKD0.0067 per ordinary share)	過往財政年度之末期股息每股普通股港幣0.0095元及特別股息每股普通股港幣0.0198元(截至二零一七年六月三十日止六個月: 過往財政年度之末期股息每股普通股港幣0.0067元)	185,237	42,323
Less: Dividends for shares held under the Share Award Scheme	減: 根據股份獎勵計劃持有的股份股息	(885)	(191)
		184,352	42,132

(b) Share capital

(i) Issued share capital of the Company

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

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

(b) 股本

(i) 本公司已發行股本

Number of shares 股份數目	'000 千股	HKD'000 港幣千元
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6,316,792

157,920

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

15 CAPITAL, RESERVES AND DIVIDENDS (Cont'd)

(b) Share capital (Cont'd)

(i) Issued share capital of the Company (Cont'd)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(ii) Shares held under Share Award Scheme

On 12 November 2015, the Board of Directors of the Company approved the adoption of a share award scheme (the "Share Award Scheme") under which shares of the Company (the "Awarded Shares") may be awarded to selected employees (the "Selected Employees") in accordance with the provisions of the Share Award Scheme.

Details of the shares held under the Share Award Scheme are set out below:

		Average purchase price 平均購買價 HKD 港幣	No. of shares held 持有股份數目 '000 千股	Value of shares 股份價值 HKD'000 港幣千元
At 1 January 2017	於二零一七年一月一日		13,874	30,252
Shares purchased during six months ended 30 June 2017	截至二零一七年六月三十日止六個月內所購買的股份	1.49	24,238	36,005
Shares granted during six months ended 30 June 2017	截至二零一七年六月三十日止六個月內授出的股份		(350)	(644)
At 30 June 2017	於二零一七年六月三十日		37,762	65,613
At 1 January 2018	於二零一八年一月一日		30,240	52,614
Dividends for shares held under the Share Award Scheme	根據股份獎勵計劃持有的股份股息		-	(885)
At 30 June 2018	於二零一八年六月三十日		30,240	51,729

15 資本、儲備及股息 (續)

(b) 股本 (續)

(i) 本公司已發行股本 (續)

普通股持有人有權收取不時宣派的股息，並於本公司大會上享有每股一票投票權。就本公司的剩餘資產而言，所有普通股享有同等地位。

(ii) 根據股份獎勵計劃持有之股份

於二零一五年十一月十二日，本公司董事會批准採納股份獎勵計劃（「股份獎勵計劃」），據此，根據股份獎勵計劃之條文，本公司股份（「獎勵股份」）可獎勵予獲選僱員（「獲選僱員」）。

根據股份獎勵計劃持有之股份詳情載列如下：

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

15 CAPITAL, RESERVES AND DIVIDENDS (Cont'd)

(b) Share capital (Cont'd)

(ii) Shares held under Share Award Scheme (Cont'd)

During the six months ended 30 June 2018, no shares were granted by the Company under the Share Award Scheme (during the six months ended 30 June 2017: 350,000 shares were granted to 3 employees. The fair value of these Awarded Shares amounted to HKD495,000. The estimated fair value of these Awarded Shares on the grant date is determined by reference to the market price of the Company's shares.).

No share award expenses was recognised by the Group during the six months ended 30 June 2018 (during six months ended 30 June 2017: The Group recognised share award expenses of HKD495,000, with a corresponding decrease in reserve within equity).

16 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2018 and 31 December 2017.

15 資本、儲備及股息 (續)

(b) 股本 (續)

(ii) 根據股份獎勵計劃持有之股份 (續)

截至二零一八年六月三十日止六個月期間，本公司並無根據股份獎勵計劃授出股份 (截至二零一七年六月三十日止六個月：向3名僱員授予350,000股股份，該等獎勵股份的公平值為港幣495,000元。該等獎勵股份於授出日期的估計公平值乃參考本公司股份的市價而釐定)。

截至二零一八年六月三十日止六個月期間，本集團並無確認股份獎勵費用 (截至二零一七年六月三十日止六個月期間：本集團確認股份獎勵費用港幣495,000元，而權益內的儲備相應減少)。

16 金融工具公平值計量

於二零一八年六月三十日及二零一七年十二月三十一日，本集團按成本或攤銷成本列賬的金融工具的賬面值與其公平值並無重大不同。

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示, 另有說明者除外)

17 COMMITMENTS

(a) Capital commitments outstanding not provided for in the interim financial report:

		At 30 June 2018 於 二零一八年 六月三十日 HKD'000 港幣千元 (unaudited) (未經審核)	At 31 December 2017 於 二零一七年 十二月三十一日 HKD'000 港幣千元 (audited) (經審核)
Contracted for	已訂約	189,060	502,181
Authorised but not contracted for	已批准但未訂約	2,576,305	1,085,289
		2,765,365	1,587,470

(b) Operating lease commitments

The total future minimum lease payments under operating leases were payable as follows:

		At 30 June 2018 於 二零一八年 六月三十日 HKD'000 港幣千元 (unaudited) (未經審核)	At 31 December 2017 於 二零一七年 十二月三十一日 HKD'000 港幣千元 (audited) (經審核)
Within 1 year	一年內	7,314	8,037
After 1 year but within 5 years	一年後但五年內	21,387	21,572
After 5 years	五年後	31,998	32,273
		60,699	61,882

Operating leases mainly represent a land use right leasing arrangement with a total leasing period of 16 years.

17 承擔

(a) 尚未清償且並無於中期財務報告撥備的資本承擔:

		At 30 June 2018 於 二零一八年 六月三十日 HKD'000 港幣千元 (unaudited) (未經審核)	At 31 December 2017 於 二零一七年 十二月三十一日 HKD'000 港幣千元 (audited) (經審核)
Contracted for	已訂約	189,060	502,181
Authorised but not contracted for	已批准但未訂約	2,576,305	1,085,289
		2,765,365	1,587,470

(b) 經營租賃承擔

根據經營租賃應付之未來最低租賃付款總額如下:

		At 30 June 2018 於 二零一八年 六月三十日 HKD'000 港幣千元 (unaudited) (未經審核)	At 31 December 2017 於 二零一七年 十二月三十一日 HKD'000 港幣千元 (audited) (經審核)
Within 1 year	一年內	7,314	8,037
After 1 year but within 5 years	一年後但五年內	21,387	21,572
After 5 years	五年後	31,998	32,273
		60,699	61,882

經營租賃主要指總租期為十六年的土地使用權租賃安排。

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示·另有說明者除外)

18 MATERIAL RELATED PARTY TRANSACTIONS

18 重大關聯方交易

The directors are of the view that related parties of the Group include the following individuals/companies:

董事認為本集團的關聯方包括以下人士／公司：

Name of related party 關聯方姓名／名稱	Relationship with the Group 與本集團的關係
Mr. Tsui Cham To 徐湛滔先生	Controlling Shareholder 控股股東
Mr. Xu Zhencheng 許振成先生	Executive Director 執行董事
Mr. Gu Yaokun (iii) 古耀坤先生(iii)	A minority shareholder of the Company/ Former Executive Director 本公司少數股東／前執行董事
To Kee Holdings Limited (“To Kee Holdings”) 滔記集團有限公司(「滔記集團」)	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Guangzhou To Kee (i) 廣州滔記(i)	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Guangzhou Tian Tian Cleaning and Washing Company Limited (“Tian Tian”) (i) 廣州天天快潔洗滌有限公司(「天天」)(i)	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Guangzhou Haiqin Tiancheng Technical Testing Services Co., Ltd. (“Haiqin Tiancheng”) (i) 廣州海沁天誠技術檢測服務有限公司 (「海沁天誠」)(i)	Joint Venture of the Group 本集團的合營企業
Guangzhou Haiqin Tiancheng Environmental Consultancy Company Limited (“Haiqin Tiancheng Consultancy”) (i) 廣州市海沁天誠環境諮詢有限公司 (「海沁天誠諮詢」)(i)	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Zuhai Yingrun Environmental Protection Technology Company Limited (“Zuhai Yingrun”) (i) 珠海市盈潤環保科技有限公司(「珠海盈潤」)(i)	Effectively owned by the close family member of Mr. Gu Yaokun 由古耀坤先生的近親實際擁有

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示, 另有說明者除外)

18 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

18 重大關聯方交易(續)

Name of related party 關聯方姓名／名稱	Relationship with the Group 與本集團的關係
Guangzhou Nansha Development Zone Lvjie Disposal Recycling Store (“Nansha Lvjie”) (i) 廣州南沙開發區綠傑廢舊金屬物品回收站 (「南沙綠傑」) (i)	Effectively owned by Mr. Gu Yaokun 由古耀坤先生實際擁有
Guangzhou Panyu Luopu Kunrun Information Technology and Consulting Services Department (“Luopu Kunrun”) (i) 廣州市番禺區洛浦坤潤信息技術諮詢服務部 (「洛浦坤潤」) (i)	Effectively owned by Mr. Gu Yaokun 由古耀坤先生實際擁有
Guangzhou Wofeng Biological Technology Company Limited (“Guangzhou Wofeng”) (i) 廣州市沃豐生物科技有限公司(「廣州沃豐」) (i)	Effectively owned by Mr. Gu Yaokun 由古耀坤先生實際擁有
Guangzhou Lvchi Environmental Protection Technology Company Limited (“Guangzhou Lvchi”) (i) 廣州綠馳環保科技有限公司(「廣州綠馳」) (i)	Effectively owned by Mr. Gu Yaokun 由古耀坤先生實際擁有
Guangzhou Lvhao Technology Service Company Limited (“Guangzhou Lvhao”) (i) 廣州綠灝技術服務有限公司(「廣州綠灝」) (i)	Effectively owned by Mr. Gu Yaokun 由古耀坤先生實際擁有
Guangzhou Anjing Environmental Protection Technology Company Limited (“Guangzhou Anjing”) (i) 廣州市安淨環保科技有限公司(「廣州安淨」) (i)	Effectively owned by Mr. Gu Yaokun 由古耀坤先生實際擁有
Guangzhou Lvcheng Industrial Company Limited (“Guangzhou Lvcheng”) (i) 廣州市綠城工業有限公司(「廣州綠城」) (i)	Effectively owned by Mr. Gu Yaokun 由古耀坤先生實際擁有
Guangzhou Yanchen Zhili Profession Company Limited (“Guangzhou Yanchen Zhili”) (i) 廣州煙塵治理專業有限公司(「廣州煙塵治理」) (i)	Mr. Tsui Cham To is a member of key management personnel of the entity 徐湛滔先生為該實體的一名主要管理人員

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

18 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

18 重大關聯方交易 (續)

Name of related party 關聯方姓名／名稱	Relationship with the Group 與本集團的關係
Hengyang Lvtao Environmental Ceramsite Equipment Company Limited ("Hengyang Lvtao") (i) 衡陽綠陶環保陶粒設備有限公司 (「衡陽綠陶」) (i)	Mr. Gu Yaokun is a member of key management personnel of the entity 古耀坤先生為該實體的一名主要管理人員
Guangzhou Changbao Environmental Management Company Limited ("Guangzhou Changbao") (i) 廣州昌寶環境治理有限公司 (「廣州昌寶」) (i)	Mr. Xu Zhencheng is a member of key management personnel of the entity 許振成先生為該實體的一名主要管理人員
Guangzhou Longdao Investment Company Limited ("Guangzhou Longdao") (i) 廣州隆道投資有限責任公司 (「廣州隆道」) (i)	Effectively owned by key management personnel 由主要管理人員實際擁有
Longmen Hutiao Station Company Limited ("Longmen Hutiao Station") (i) 龍門虎跳電站有限公司 (「龍門虎跳電站」) (i)	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Guangzhou Zhongtao (i) (ii) 廣州中滔 (i) (ii)	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Foshan Sanshui Zhaofeng Energy Company Limited ("Sanshui Zhaofeng") (i) (ii) 佛山市三水肇豐能源有限公司 (「三水肇豐」) (i) (ii)	Effectively owned by the Controlling Shareholder 由控股股東實際擁有

Notes:

- (i) The English translation of the names is for reference only. The official names of these companies are in Chinese.
- (ii) The Group disposed 100% equity interests of Guangzhou Zhongtao to Guangzhou To Kee. Guangzhou Zhongtao and its subsidiary, Sanshui Zhaofeng, were thus no longer subsidiaries and became related parties of the Group upon completion of the disposal. The following disclosure of the related party transactions related to the above companies is for the period after the completion of disposal.
- (iii) Mr. Gu Yaokun resigned as Executive Director on 24 May 2018. The following disclosure of the related party transactions related to Mr. Gu Yaokun and his related parties is for the period from 1 January 2018 to 24 May 2018.

附註：

- (i) 英文版中名稱的英譯僅供參考。該等公司的官方名稱為中文名稱。
- (ii) 本集團將廣州中滔的100%股權出售予廣州滔記。因此，廣州中滔及其附屬公司三水肇豐不再為附屬公司，並在出售完成後成為本集團關聯方。以下有關上述公司的關聯方交易披露乃出售完成後期間的資料。
- (iii) 古耀坤先生已於二零一八年五月二十四日辭任執行董事。下列有關古耀坤先生及其關聯方之關聯方交易披露乃二零一八年一月一日至二零一八年五月二十四日期間之資料。

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示, 另有說明者除外)

18 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group is as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元 (unaudited) (未經審核)	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列) (unaudited) (未經審核)
Salaries and other benefits	薪金及其他福利	6,540	10,089
Retirement scheme of defined contribution	界定供款退休計劃	117	270
		6,657	10,359

(b) Particulars of significant transactions between the Group and the above related parties during the reporting period are as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元 (unaudited) (未經審核)	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列) (unaudited) (未經審核)
Provision of wastewater processing services to Tian Tian	向天天提供污水處理服務	-	1,758

18 重大關聯方交易(續)

(a) 主要管理人員酬金

本集團主要管理人員酬金如下:

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元 (unaudited) (未經審核)	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列) (unaudited) (未經審核)
Salaries and other benefits	薪金及其他福利	6,540	10,089
Retirement scheme of defined contribution	界定供款退休計劃	117	270
		6,657	10,359

(b) 於報告期間內, 本集團與上述關聯方所進行的重大交易詳情如下:

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元 (unaudited) (未經審核)	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列) (unaudited) (未經審核)
Provision of wastewater processing services to Tian Tian	向天天提供污水處理服務	-	1,758

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

18 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

- (b) Particulars of significant transactions between the Group and the above related parties during the reporting period are as follows: (Cont'd)

18 重大關聯方交易 (續)

- (b) 於報告期間內，本集團與上述關聯方所進行的重大交易詳情如下：(續)

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元 (unaudited) (未經審核)	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列) (unaudited) (未經審核)
Receipt of technical testing services from Haiqin Tiancheng	來自海沁天誠的技術檢測服務	609	525
Receipt of consulting services from Haiqin Tiancheng Consultancy	來自海沁天誠諮詢的諮詢服務	787	907
Receipt of consulting services from Guangzhou Changbao	來自廣州昌寶的諮詢服務	1,251	-
Receipt of consultancy services from:	來自以下公司的諮詢服務：		
- Nansha Lvjie	- 南沙綠傑	-	974
- Luopu Kunrun	- 洛浦坤潤	-	663
- Guangzhou Wofeng	- 廣州沃豐	-	1,057
- Guangzhou Lvchi	- 廣州綠馳	-	1,095
- Guangzhou Lvhao	- 廣州綠灑	-	6,243
- Guangzhou Anjing	- 廣州安淨	-	4,788
		-	14,820

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

18 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

- (b) Particulars of significant transactions between the Group and the above related parties during the reporting period are as follows: (Cont'd)

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元 (unaudited) (未經審核)	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列) (unaudited) (未經審核)
Disposal of equity shares in Guangzhou Zhongtao to Guangzhou To Kee	將廣州中滔的股權出售予 廣州滔記	-	28,805

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元 (unaudited) (未經審核)	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列) (unaudited) (未經審核)
Provision of management services to:	向以下公司提供管理服務：		
- Nansha Lvjie	- 南沙綠傑	-	43
- Luopu Kunrun	- 洛浦坤潤	-	43
- Guangzhou Wofeng	- 廣州沃豐	-	43
- Guangzhou Lvchi	- 廣州綠馳	-	43
- Guangzhou Lvhao	- 廣州綠灑	-	43
- Guangzhou Anjing	- 廣州安淨	-	43
		-	258

18 重大關聯方交易 (續)

- (b) 於報告期間內，本集團與上述關聯方所進行的重大交易詳情如下：(續)

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

18 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

- (b) Particulars of significant transactions between the Group and the above related parties during the reporting period are as follows: (Cont'd)

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元 (unaudited) (未經審核)	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列) (unaudited) (未經審核)
Transfer the title of certain assets from Mr. Gu Yaokun	古耀坤先生轉讓若干資產之所有權	159,156	-

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HKD'000 港幣千元 (unaudited) (未經審核)	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列) (unaudited) (未經審核)
Advances to:	向以下各方作出的墊款：		
- Guangzhou To Kee	- 廣州滔記	-	35
- Mr. Gu Yaokun	- 古耀坤先生	-	36,198
- Guangzhou Lvcheng	- 廣州綠城	-	21,541
- Zhuhai Yingrun	- 珠海盈潤	-	733
- Haiqin Tiancheng Consultancy	- 海沁天誠諮詢	-	567
		-	59,074

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

18 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

- (b) Particulars of significant transactions between the Group and the above related parties during the reporting period are as follows: (Cont'd)

Advances from:	來自以下各方的墊款：
- Mr. Gu Yaokun	- 古耀坤先生
- Mr. Tsui Cham To	- 徐湛滔先生
- To Kee Holdings	- 滔記集團

18 重大關聯方交易 (續)

- (b) 於報告期間內，本集團與上述關聯方所進行的重大交易詳情如下：(續)

Six months ended 30 June
截至六月三十日止六個月

	2018 二零一八年 HKD'000 港幣千元 (unaudited) (未經審核)	2017 二零一七年 HKD'000 港幣千元 (Restated) (經重列) (unaudited) (未經審核)
	-	102,036
	225,000	-
	33,093	-
	258,093	102,036

- (c) Balance with related parties

(i) Amounts due from related parties

Current	即期
Trade receivables from:	應收以下各方貿易款項：
- Tian Tian	- 天天
Sub-total	小計

- (c) 與關聯方的結餘

(i) 應收關聯方款項

At 30 June 2018 於 二零一八年 六月三十日 HKD'000 港幣千元 (unaudited) (未經審核)	At 31 December 2017 於 二零一七年 十二月三十一日 HKD'000 港幣千元 (audited) (經審核)
1,863	1,879
1,863	1,879

Notes to the Condensed Consolidated Financial Statements (Cont'd) 簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示·另有說明者除外)

18 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

(c) Balance with related parties (Cont'd)

(i) Amounts due from related parties (Cont'd)

		At 30 June 2018 於 二零一八年 六月三十日 HKD'000 港幣千元 (unaudited) (未經審核)	At 31 December 2017 於 二零一七年 十二月三十一日 HKD'000 港幣千元 (audited) (經審核)
Other receivables from:	其他應收以下各方款項：		
- Guangzhou Yanchen Zhili	- 廣州煙塵治理	8,301	-
- Mr. Gu Yaokun	- 古耀坤先生	-	149,338
- Haiqin Tiancheng Consultancy	- 海沁天誠諮詢	100	890
- Nansha Lvjie	- 南沙綠傑	-	134
- Luopu Kunrun	- 洛浦坤潤	31	1,961
- Guangzhou Wofeng	- 廣州沃豐	-	511
- Guangzhou Lvchi	- 廣州綠馳	182	1,243
- Guangzhou Lvhao	- 廣州綠灝	-	1,665
- Longmen Hutiao Station	- 龍門虎跳電站	356	359
- Zhuhai Yingrun	- 珠海盈潤	83	114
- Guangzhou Changbao	- 廣州昌寶	-	215
- Guangzhou Longdao	- 廣州隆道	5,241	5,286
Sub-total	小計	14,294	161,716
Total (note 12)	總計 (附註12)	16,157	163,595

18 重大關聯方交易 (續)

(c) 與關聯方的結餘 (續)

(i) 應收關聯方款項 (續)

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註 (續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港幣列示，另有說明者除外)

18 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

(c) Balance with related parties (Cont'd)

(ii) Amounts due to related parties

		At 30 June 2018 於 二零一八年 六月三十日 HKD'000 港幣千元 (unaudited) (未經審核)	At 31 December 2017 於 二零一七年 十二月三十一日 HKD'000 港幣千元 (audited) (經審核)
Trade payables to:	應付以下各方貿易款項：		
- Haiqin Tiancheng	- 海沁天誠	356	359
Other payables to:	其他應付以下各方款項：		
- Mr. Tsui Cham To	- 徐湛滔先生	225,000	-
- To Kee Holdings	- 滔記集團	33,093	-
- Guangzhou Zhongtao	- 廣州中滔	2,480	2,501
- Haiqin Tiancheng	- 海沁天誠	221	-
- Hengyang Lvtao	- 衡陽綠陶	250	252
- Nansha Lvjie	- 南沙綠傑	100	-
- Longmen Hutiao Station	- 龍門虎跳電站	237	239
- Guangzhou Wofeng	- 廣州沃豐	93	-
- Guangzhou Lvhao	- 廣州綠灑	42	-
- Guangzhou Anjing	- 廣州安淨	190	344
Sub-total	小計	261,706	3,336
Total (note 13)	總計 (附註13)	262,062	3,695

The balances with these related parties are unsecured, interest-free and have no fixed repayment terms except the loans from the controlling shareholder and director of the Company, Mr. Tsui Cham To and company owned by Mr. Tsui Cham To amounted to HKD258,093,000 (31 December 2017: Nil). Such loans are repayable on demand.

除了本公司控股股東兼董事徐湛滔先生及由徐湛滔先生所擁有之公司提供之貸款為數港幣258,093,000元(二零一七年十二月三十一日：無)外(有關貸款須按要求償還)，與該等關聯方的結餘為無抵押、免息且無固定償還期限。

19 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current period's presentation and to provide comparative amounts in respect of items disclosed for first time in 2018.

19 比較數字

若干比較數字已經重新分類以符合本期間的呈列並就二零一八年首次披露的項目提供比較數額。