



中滔環保

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



2014

INTERIM REPORT

中期報告

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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. Lu Yili (*Chief Executive Officer*)
Mr. Xu Ju Wen
Mr. Xu Shu Biao
Mr. Xu Zi Tao

執行董事

徐湛滔先生(主席)
盧已立先生(行政總裁)
徐炬文先生
徐樹標先生
徐子滔先生

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Du Hequn
Mr. Lien Jown Jing, Vincent
Mr. Liu Yung Chau

獨立非執行董事

杜鶴群先生
連宗正先生
廖榕就先生

COMPANY SECRETARY

Mr. Sit Hon Wing

公司秘書

薛漢榮先生

REGISTERED OFFICE

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

註冊辦事處

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

AUDITOR

KPMG
Certified Public Accountants

核數師

畢馬威會計師事務所
執業會計師



Company Profile and Corporate Information (Continued)

公司簡介及公司資料(續)

PRINCIPAL PLACE OF BUSINESS

China

17/F, Best Centre Tower
321 Gangkou Road
Xintang Town
Zengcheng, Guangzhou
China

Hong Kong

Room 1202B, 12/F
Empire Centre
68 Mody Road
Tsim Sha Tsui, Kowloon
Hong Kong

PRINCIPAL BANKERS

Bank of China
The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China
Far Eastern International Bank

主要營業地點

中國地區

中國
廣州增城市
新塘鎮
港口大道321號
頂好大廈17樓

香港地區

香港
九龍尖沙咀
麼地道68號
帝國中心
12樓1202B室

主要往來銀行

中國銀行
香港上海滙豐銀行有限公司
中國工商銀行
遠東國際商業銀行

Management Discussion & Analysis

管理層討論與分析

BUSINESS REVIEW AND OUTLOOK

We, CT Environmental Group Limited (the “Company”, together with its subsidiaries, the “Group”) are a provider of one-stop centralised and customised wastewater treatment and industrial water supply services in China, focusing on industrial wastewater treatment. Our services cover the whole value chain of the wastewater treatment and industrial water supply services industry, from design planning, procurement and construction, to operations and maintenance of the wastewater treatment and water supply facilities. In addition, we also engaged in the sludge treatment service since second half of 2013 which is actually an extension of our wastewater treatment services along the value chain as sludge are residuals generated from wastewater treatment process.

In addition to the encouraging financial performance as detailed in the “Financial Review” section below, our Group had been awarded certain corporate achievements during the six months ended 30 June 2014. On 6 March 2014, our Group was honored as a “Green Participant” in the “Hang Seng Pan Pearl River Delta Environmental Awards” jointly organized by Hong Kong Hang Seng Bank and Federation of Hong Kong Industries. Moreover, with effect from 30 May 2014, our Group has been included as a constituent of Morgan Stanley Capital International (“MSCI”) China Small Cap Index. These achievements further enhanced our confidence in our expansion and development in future.

Wastewater treatment services

As at 30 June 2014, the constructed daily capacity of our facilities was 475,000 m³ (31 December 2013: 365,000 m³) for wastewater treatment and 150,000 m³ (31 December 2013: 150,000 m³) for industrial water supply while for those projects under planning or construction, the aggregate designed daily capacity is 355,000 m³ for wastewater treatment and 100,000 m³ for industrial water supply.

For the six months ended 30 June 2014, in addition to those facilities which have been in operation for a number of years with stable performance, we had constructed and acquired new projects to ensure growth in the scale of our wastewater treatment services.

業務回顧及展望

我們，即中滔環保集團有限公司（「本公司」，連同其附屬公司統稱為「本集團」），為中國一家一站式提供度身訂造的集中污水處理及工業供水服務的供應商，專門從事工業污水處理。我們的服務涵蓋污水處理及工業供水服務行業的整條價值鏈，從污水處理及供水設施的設計規劃、採購及建設至運作及維護。此外，自二零一三年下半年起，我們亦從事污泥處理服務，這實際為污水處理業務於價值鏈中的延伸服務，因為污泥是污水處理過程產生的剩餘物。

除下文「財務回顧」章節中所述的令人鼓舞的財務表現外，本集團於截至二零一四年六月三十日止六個月亦獲得若干企業成就獎項。於二零一四年三月六日，本集團在香港恒生銀行與香港工業總會聯合舉辦的「恒生泛珠三角環保大獎」中榮獲「綠色獎章公司」稱號。另外，本集團自二零一四年五月三十日起獲納入摩根士丹利資本國際（「MSCI」）中國小型市值指數成份股。此等成就進一步增強我們未來擴張及發展之信心。

污水處理服務

於二零一四年六月三十日，我們已建成的設施每天可處理475,000立方米（二零一三年十二月三十一日：365,000立方米）污水及供應150,000立方米（二零一三年十二月三十一日：150,000立方米）工業用水；而就規劃中或在建中項目而言，污水處理之總設計日處理能力為355,000立方米，工業供水之總設計日供水能力為100,000立方米。

截至二零一四年六月三十日止六個月，除已投入運營數年並表現穩定之設施外，我們亦已建設及收購新項目，以確保污水處理服務業務規模之增長。



Management Discussion & Analysis (Continued)

管理層討論與分析(續)

Firstly, we have completed the construction and commenced the formal operation of Phase III of Yonghe Haitao Treatment Facility (“Haitao Phase III”) in April 2014 with a constructed daily capacity of 50,000 m³ for industrial wastewater treatment. In addition, on 19 May 2014, we have signed an agreement to acquire additional 49% equity stake of Guangzhou Yinglong Wastewater Treatment Company Limited (“Yinglong”), which was an associated company owned as to 46% by our Group immediately before this acquisition. The acquisition has been completed and Yinglong is currently a 95% owned subsidiary of our Group. Yinglong currently operates a wastewater treatment facility with a constructed daily capacity of 100,000 m³. Details of the acquisition were set out in our announcement dated 19 May 2014. Both Haitao Phase III and Yinglong provides industrial wastewater treatment services to enterprises engaged in the textile and dyeing sector in Guangdong Province and both are operated under the Build-Own-Operate model (the “BOO Model”), which is consistent with our Group’s core business.

Looking forward, we expect the wastewater treatment capacity to be further increased as we have secured the right of construction and development of additional wastewater treatment facilities including: 1) an industrial wastewater treatment facility with daily capacity of 50,000 m³ and an industrial water supply facility with daily capacity of 50,000 m³, both in an industrial park in Guangyuan City, Sichuan Province; 2) Phase II of Yinglong, which is currently under construction with a daily capacity of 150,000 m³; and 3) Phase I of Guangfozhao project with an industrial wastewater treatment facility in Guangdong Province with a daily capacity of 50,000 m³, details of which are set out in our announcement dated 28 November 2013. Same as many of our existing projects, the above new projects will employ the BOO Model which we consider a better business model for dealing with industrial wastewater.

We focus on developing centralised and cost-efficient wastewater treatment facilities for industrial parks or clusters. Many local governments in China are increasingly promoting the large-scale development of selected industries in the form of specialised industrial parks or clusters. We expect this trend to continue and we believe our strong track record in providing centralised wastewater treatment services positions us well to capitalise on such opportunities. In future, we will focus on both existing and potential industrial parks or clusters in locations that: 1) have the potential of requiring centralised treatment facilities; 2) have a reliable and sustainable source of wastewater to be treated; and 3) have a strict enforcement of regulations by the local government.

首先，我們的永和海滔處理設施第三期（「海滔三期」）已於二零一四年四月建設完成並開始正式運營，已建設工業污水日處理能力為50,000立方米。此外，我們於二零一四年五月十九日與廣州盈隆污水處理有限公司（「盈隆」）簽訂協議，收購其額外49%權益。緊接該收購前，盈隆為本集團擁有46%權益之聯營公司。該收購已告完成，而盈隆現為本集團擁有95%權益之附屬公司。盈隆目前營運一處已建設日處理能力為100,000立方米的污水處理設施。收購詳情載於我們日期為二零一四年五月十九日之公告。海滔三期及盈隆均向廣東省從事紡織印染業之企業提供工業污水處理服務，並根據建設一擁有一營運模式（「BOO模式」）經營，與本集團之核心業務一致。

展望未來，我們預期污水處理能力將進一步提高，原因在於我們已獲得建設及發展更多污水處理設施的權利，其中包括：1) 日處理能力為50,000立方米的工業污水處理設施及日供水能力為50,000立方米的工業供水設施，二者均位於四川省廣元市的一個工業園內；2) 盈隆二期，其目前處於建設階段，日處理能力為150,000立方米；及3) 廣佛肇項目一期，為廣東省一個日處理能力達50,000立方米的工業污水處理設施，其詳情載於我們日期為二零一三年十一月二十八日之公告。如同我們現有的多個項目，上述新項目將採用BOO模式，我們認為該業務模式更適合工業污水處理。

我們專注於為工業園或集群發展具成本效益的集中污水處理設施。中國多個地方政府越來越傾向透過特定工業園或集群形式推動特定行業的大規模發展。我們預計此趨勢將會持續，我們相信，我們提供集中污水處理服務的卓越往績，有助我們充分把握此等商機。未來，我們將專注於以下地區的現有或潛在工業園或集群：1) 可能需要集中處理設施；2) 擁有可靠及持續的待處理污水來源；及3) 當地政府嚴格執行有關規定。

Management Discussion & Analysis (Continued)

管理層討論與分析(續)

Sludge treatment service

We commenced our sludge treatment service since the second half of 2013. As of 30 June 2014, our aggregate sludge treatment capacity was approximately 693,000 tonnes per annum which has been substantially increased compared to the capacity of approximately 138,000 tonnes per annum as of 31 December 2013. Such increase was related to an agreement signed on 30 April 2014 for the acquisition of 100% equity stake of Qingyuan Lvyou Environmental Protection Technology Company Limited (“Lvyou”), which owns a large scale sludge treatment and solid waste treatment facilities with sludge treatment capacity of 555,000 tonnes per annum and a treatment capacity of 820,000 tonnes in aggregate per annum of various types of industrial solid waste. Details of this acquisition were set out in our announcement dated 30 April 2014.

For the six months ended 30 June 2014, revenue generated from the sludge treatment segment was approximately HK\$96.2 million (six months ended 30 June 2013: Nil) while the proportion of revenue from sludge treatment segment to revenue of the Group was 25.8% (six months ended 30 June 2013: Nil). Such figures reflected the rapid pace of development of this segment. We expect this trend to continue in the second half of this year.

In addition to the acquisition for Lvyou as mentioned above which has substantially increased our capacity, we also expect our Group’s sludge treatment capacity to be further increased by virtue of planned construction of additional facilities related to existing sludge treatment projects. For our Yonghe Haitao Sludge Treatment Facility (“Haitao Sludge”), it is currently operating near its full capacity so that we plan to construct additional sludge treatment facilities in the same location and serve as an extension or another phase of the current capacity. At the same time, another subsidiary with sludge treatment capacity, Heyuan Solid Waste Centralised Disposal Centre Company Limited (“Heyuan Solid”), is also constructing additional facilities in the same location in order to satisfy the contemplated increase in demand for sludge treatment service, especially after the successful bidding of tender from the Shenzhen Municipal Water Affairs Bureau as announced on 15 April 2014 for sludge treatment service for three years. This will certainly enhance the utilization rate of Heyuan Solid.

In the second half of this year, we will also commence the construction of a sludge and solid waste treatment facility in Longmen County in Guangdong Province as disclosed in our announcement dated 31 December 2013 with an estimated capital expenditure of RMB150 million and is expected to commence its actual operation in the first half of year 2015.

污泥處理服務

我們於二零一三年下半年開始提供污泥處理服務。截至二零一四年六月三十日，我們的年污泥總處理能力約為693,000噸，較截至二零一三年十二月三十一日的年處理能力約138,000噸大幅增加。該增加乃由於在二零一四年四月三十日就收購清遠綠由環保科技有限公司（「綠由」）之全部股權而簽署一項協議，綠由擁有一套大型污泥處理及固體廢物處理設施，該設施之年污泥處理能力為555,000噸，而各種工業固體廢物的年總處理能力為820,000噸。該收購事項之詳情載於我們日期為二零一四年四月三十日的公告。

截至二零一四年六月三十日止六個月，污泥處理分部所產生的收益約為96.2百萬港元（截至二零一三年六月三十日止六個月：零），而污泥處理分部收益佔本集團收益的比例為25.8%（截至二零一三年六月三十日止六個月：零）。有關數據反映此分部的快速發展。我們預期今年下半年將會持續此增長勢頭。

除上述對綠由的收購大幅提高我們的處理能力外，我們亦預期通過對現有污泥處理項目相關附加設施的規劃建設進一步提高本集團的污泥處理能力。我們的永和海滔污泥處理設施（「海滔污泥」）目前正接近滿負荷運作，因此我們計劃於同一地區建設附加污泥處理設施作為當前處理能力的擴充或另一階段的建設。與此同時，另一間擁有污泥處理能力的附屬公司河源市固體廢物集中處理中心有限公司（「河源固體」）亦正在同一地區建設附加設施，以滿足污泥處理服務需求的預期增長（尤其是如二零一四年四月十五日所公佈成功投得深圳市水務局授出的三年污泥處理服務合同後）。這定將提高河源固體的產能利用率。

今年下半年，我們將開始建設位於廣東省龍門縣的污泥及固體廢物處理設施（如我們日期為二零一三年十二月三十一日的公告所披露），該項目估計資本開支為人民幣150百萬元，預期將於二零一五年上半年投入實際運營。



Management Discussion & Analysis (Continued)

管理層討論與分析(續)

As mentioned earlier, sludge is mainly generated from wastewater treatment process and so, for the purpose of entry into the sludge treatment business, there must be adequate source of polluting industrial enterprises or municipal wastewater treatment plants which are able to supply stable and reliable source of wastewater which in turn, after the wastewater treatment process, to supply stable and reliable source of sludge. In view of this, our Group should be in a better position since we are well positioned in the wastewater treatment sector already so that we have a higher possibility of securing wastewater treatment projects which ultimately provide a source of sludge for sludge treatment facilities. We believe that not many of the polluting industrial enterprises and third party wastewater treatment plants had been equipped with the necessary sludge treatment equipment and technology since the relevant sludge regulations were not promulgated until recent years. Under the above circumstance, we have confidence in capturing the sludge treatment market. On the government side, they realised that untreated sludge can cause severe pollution to the environment and hence the government is very determined in combating this issue. Our Group expects that the imposition of stricter environmental protection requirements on the sludge treatment sector will bring about business opportunities. We also expect this policy is a sustainable one since the sludge treatment market is only at its infant stage.

In future, another potential new income stream for our Group will be the sale of environmental friendly products which can be produced by using treated sludge from sludge treatment facilities. Some of our existing projects had also equipped with or plan to equip with production lines for the production of green bricks and light-weighted ceramsite etc. The government stance is to encourage the usage of the treated sludge to produce various types of products instead of simply dumping them without value-added use. We are still in the preliminary stage for the formal commercial roll-out of the sale of environmental friendly products but we realised the importance of such business segment in future so that we will also deploy part of our Group's resources to this potential market.

如前所述，污泥主要自污水處理過程中產生，因此就從事污泥處理業務而言，須有足夠的工業污染企業或城市污水處理廠提供穩定可靠的污水來源，而這些污水經污水處理過程後可提供穩定可靠的污泥來源。有見及此，由於本集團已於污水處理行業佔據領先地位，因此我們有更高可能性獲得污水處理項目從而為污泥處理設施提供污泥來源，本集團處於優勢地位。我們認為，近年方頒佈相關污泥處理法規，故工業污染企業及第三方污水處理廠中裝備及應用所需污泥處理設備及技術者並不甚多。鑒於以上情況，我們有信心能夠爭取污泥處理市場份額。政府方面，由於政府已認識到未經處理的污泥會對環境造成嚴重污染，因此解決此問題的決心十分堅定。本集團預期對污泥處理行業施加更嚴格的環境保護規定將帶來商機。我們亦預期由於污泥處理市場仍處於初步階段，此項政策將具持續性。

未來，本集團另一潛在新增收入來源將為銷售使用經污泥處理設施處理的污泥生產的環保產品。我們的部分現有項目亦已裝備或計劃裝備生產環保磚塊、輕質陶粒等的生產線。政府鼓勵使用經處理的污泥生產多種類型的產品而非不經增值利用就簡單地將其丟棄。我們仍處於正式開始環保產品銷售商業化的初步階段，但我們已認識到此業務分部於未來的重要性，因此我們亦會將本集團部分資源投入於該潛在市場。

Management Discussion & Analysis (Continued)

管理層討論與分析(續)

Subscription of shares of the Company

On 25 June 2014, the Company entered into a subscription agreement with Mr. Gu Yao Kun in relation to the subscription of 60,000,000 new shares (the “Subscription Shares”) of the Company at the subscription price of HK\$5.9 per Subscription Shares (the “Subscription”). As all the conditions precedent have been satisfied, the Subscription Shares was allotted and issued on 6 August 2014. The gross proceeds received from the Subscription was HK\$354 million. We believed that the Subscription not only enhance our shareholders’ base but will also enhance the financial position of our Group, and these benefits will in turn translate into greater profitability in future. Details of the Subscription were set out in our announcement dated 25 June 2014 and in our circular dated 21 July 2014. Save as disclosed above, there is no occurrence of other important events affecting the Group since 30 June 2014 to the date of this interim report.

本公司股份之認購事項

於二零一四年六月二十五日，本公司與古耀坤先生就按認購價每股認購股份5.9港元認購本公司60,000,000股新股份(「認購股份」)(「認購事項」)訂立認購協議。由於所有先決條件均已獲達成，認購股份已於二零一四年八月六日配發及發行。我們從認購事項獲得的所得款項總額為354百萬港元。我們認為，認購事項不僅將增強我們的股東基礎，同時亦將提升本集團的財務狀況，而該等裨益日後將轉化為更強的盈利能力。認購事項的詳情載於我們日期為二零一四年六月二十五日的公告及我們日期為二零一四年七月二十一日的通函。除上文所披露者外，自二零一四年六月三十日起至本中期報告日期概無發生影響本集團的其他重大事項。

FINANCIAL REVIEW

Turnover

Our turnover increased by 68.7% to HK\$372.9 million for the six months ended 30 June 2014 from HK\$221.1 million for the six months ended 30 June 2013. Such increase was primarily due to (1) the contribution from Haitao Phase III, which is a new facility engaged in industrial wastewater treatment and commenced its formal operation in April 2014 (in partial operation since July 2013) so that there was no contribution to the revenue for the six months ended 30 June 2013 while there was six months’ contributions to the revenue for the six months ended 30 June 2014; (2) the commencement of the sludge treatment business in the second half of 2013, together with the acquisitions of certain sludge treatment companies including Heyuan Solid in the second half of 2013 and Lvyou in the first half of 2014. There was no similar revenue for the six months ended 30 June 2013; and (3) the contribution from Yinglong, which is a 95% owned subsidiary with effect from 1 May 2014 and had revenue contribution to our Group for the six months ended 30 June 2014 while for the six months ended 30 June 2013, Yinglong was only an associate of our Group and its revenue was not included in the Group’s revenue.

財務回顧

營業額

我們的營業額由截至二零一三年六月三十日止六個月的221.1百萬港元增加68.7%至截至二零一四年六月三十日止六個月的372.9百萬港元。有關增加主要由於(1)來自海滔三期的貢獻，此乃一套進行工業污水處理的新設施，於二零一四年四月開始正式運營(於二零一三年七月起部分運營)，因此，其對於截至二零一三年六月三十日止六個月的收益並無貢獻，而對於截至二零一四年六月三十日止六個月的收益則有六個月的貢獻；(2)於二零一三年下半年開展污泥處理業務，並收購若干污泥處理公司(包括於二零一三年下半年收購河源固體及於二零一四年上半年收購綠由)，而截至二零一三年六月三十日止六個月則無類似收益；及(3)來自盈隆的貢獻，此乃本集團自二零一四年五月一日起擁有95%權益的附屬公司，並對本集團截至二零一四年六月三十日止六個月的收益產生貢獻，而於截至二零一三年六月三十日止六個月，盈隆僅為本集團的聯營公司，其收益並不計入本集團的收益。



Management Discussion & Analysis (Continued)

管理層討論與分析(續)

Cost of sales

Our total cost of sales increased by 64.8% to HK\$138.4 million for the six months ended 30 June 2014 from HK\$84.0 million for the six months ended 30 June 2013, primarily due to the increased number of wastewater treatment and sludge treatment facilities which were in line with the increased turnover in general. The above increase was partially offset by the decrease in the average purchase cost of sulfuric acid, one of our major raw materials used in wastewater treatment process.

Gross profit and gross profit margin

Our gross profit increased by 71.1% to HK\$234.5 million for the six months ended 30 June 2014 from HK\$137.1 million for the six months ended 30 June 2013, primarily as a result of the factors described above.

Our overall gross profit margin slightly increased to 62.9% for the six months ended 30 June 2014 from 62.0% for the six months ended 30 June 2013, primarily due to the reduced proportion of revenue from heating services from 18.0% for the six months ended 30 June 2013 to 10.8% for the six months ended 30 June 2014. Heating services had a lower level of gross profit margin compared with other business segments. Such reduced proportion was in turn attributable to the commencement of sludge treatment segment.

Administrative expenses

Our administrative expenses increased by 105.0% to HK\$37.6 million for the six months ended 30 June 2014 from HK\$18.3 million for the six months ended 30 June 2013. This was primarily due to (1) the increase in the number of subsidiaries acquired during the six months ended 30 June 2014; (2) increase of professional fees in relation to listing rule compliance and marketing of the Company's shares after the listing of the Company in September 2013.

銷售成本

我們的銷售成本總額由截至二零一三年六月三十日止六個月的84.0百萬港元增加64.8%至截至二零一四年六月三十日止六個月的138.4百萬港元，主要由於污水處理及污泥處理設施數量增加，與整體營業額增加相符。上述增加部分被硫酸(我們污水處理過程所用的其中一項主要原材料)平均採購成本減少所抵銷。

毛利及毛利率

主要由於上述因素，我們的毛利由截至二零一三年六月三十日止六個月的137.1百萬港元增加71.1%至截至二零一四年六月三十日止六個月的234.5百萬港元。

我們的總體毛利率由截至二零一三年六月三十日止六個月的62.0%輕微上升至截至二零一四年六月三十日止六個月的62.9%，主要由於供熱服務佔收益比例由截至二零一三年六月三十日止六個月的18.0%下降至截至二零一四年六月三十日止六個月的10.8%。供熱服務的毛利率較其他業務分部為低。而佔收益比例下降乃由於污泥處理分部的啟動。

行政開支

我們的行政開支由截至二零一三年六月三十日止六個月的18.3百萬港元增加105.0%至截至二零一四年六月三十日止六個月的37.6百萬港元。此乃主要由於(1)截至二零一四年六月三十日止六個月所收購的附屬公司數量增加；(2)本公司於二零一三年九月上市後有關遵守上市規則及銷售本公司股份的專業費用增加。

Management Discussion & Analysis (Continued)

管理層討論與分析(續)

Finance costs

Our finance costs increased by 35.3% to HK\$21.1 million for the six months ended 30 June 2014 from HK\$15.6 million for the six months ended 30 June 2013, primarily due to the increase in the amount of outstanding bank borrowings of the Group in relation to the completion of the acquisition of Lvyou and Yinglong. Such increase has been partially offset by repayment of bank borrowings of other subsidiaries of our Group.

Share of profit of an associate

Our share of profit of an associate decreased by 58.3% from HK\$8.8 million for the six months ended 30 June 2013 to HK\$3.7 million for the six months ended 30 June 2014, primarily due to the acquisition of additional 49% equity interest of Yinglong by our Group with effect from May 2014 so that Yinglong becomes a subsidiary of our Group and is not an associate anymore. The financial results of Yinglong had then been consolidated into our Group since May 2014.

Profit before taxation

Our profit before taxation increased by 80.2% to HK\$202.0 million for the six months ended 30 June 2014 from HK\$112.1 million for the six months ended 30 June 2013, primarily due to the factors described above.

Income tax

Our income tax expenses for the six months ended 30 June 2014 did not have material fluctuation compared with the corresponding period last year. At the same time, the effective tax rate has been substantially decreased from 19.6% to 10.9%, which was mainly due to the fact that the newly developed facilities (including Haitao Phase III and Haitao Sludge) and newly acquired projects (including Lvyou, Yinglong and Heyuan Solid) were enjoying full tax exemption for the six months ended 30 June 2014 (six months ended 30 June 2013: these facilities and projects did not have any profit contributions yet).

Profit attributable to equity shareholders of the Company

Our profit attributable to equity shareholders of the Company has been increased by 98.7% to HK\$178.8 million for the six months ended 30 June 2014 from HK\$90.0 million for the six months ended 30 June 2013, primarily as a result of the factors described above.

融資成本

我們的融資成本由截至二零一三年六月三十日止六個月的15.6百萬港元增加35.3%至截至二零一四年六月三十日止六個月的21.1百萬港元，此乃主要由於本集團有關完成收購綠由及盈隆的未償還銀行借款增加。該增加部分被本集團其他附屬公司償還銀行借款所抵銷。

應佔一間聯營公司溢利

我們應佔一間聯營公司溢利由截至二零一三年六月三十日止六個月的8.8百萬港元減少58.3%至截至二零一四年六月三十日止六個月的3.7百萬港元，此乃主要因為本集團於二零一四年五月收購盈隆額外49%股本權益，而盈隆自此成為本集團的附屬公司，並不再為聯營公司。自二零一四年五月以來，盈隆的財務業績已於本集團賬目綜合入賬。

除稅前溢利

主要由於上述因素，我們的除稅前溢利由截至二零一三年六月三十日止六個月的112.1百萬港元增加80.2%至截至二零一四年六月三十日止六個月的202.0百萬港元。

所得稅

我們的所得稅開支於截至二零一四年六月三十日止六個月較去年同期並無重大波動。同時，實際稅率由19.6%大幅下降至10.9%，此乃主要由於截至二零一四年六月三十日止六個月新開發設施(包括海滔三期及海滔污泥)及新收購項目(包括綠由、盈隆及河源固體)享受全面稅務豁免(截至二零一三年六月三十日止六個月：該等設施及項目尚無貢獻任何溢利)。

本公司權益持有人應佔溢利

主要由於上述因素，本公司權益持有人應佔溢利由截至二零一三年六月三十日止六個月的90.0百萬港元增加98.7%至截至二零一四年六月三十日止六個月的178.8百萬港元。



Management Discussion & Analysis (Continued)

管理層討論與分析(續)

INTERIM DIVIDEND

The board of directors (the "Board") of the Company does not recommend the payment of any interim dividend for the six months ended 30 June 2014 (six months ended 30 June 2013: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

Our principal liquidity and capital requirements primarily relate to investments in our projects, acquisition of lease prepayments, construction of our wastewater treatment and industrial water supply facilities, purchases of equipment, costs and expenses related to the operation and maintenance of our facilities.

As at 30 June 2014, the carrying amount of the Group's cash and bank deposits was approximately HK\$296.4 million and were mainly denominated in Renminbi, including deposits with a bank with original maturity date over three months (31 December 2013: HK\$445.6 million, including deposits with a bank with original maturity date over three months), representing a decrease of 33.5% as compared to that as at 31 December 2013, which was mainly attributable to the effect of utilization of funds for our planned projects and for new acquisitions took place in the first half of 2014, which was partially offset with the increased funds coming from the inception of new bank borrowings.

As of 30 June 2014, the Group was in a net current liabilities position, which was mainly attributable to the receipt of deposit amounted to HK\$250,000,000 in relation to the Subscription. We regard such net current liabilities position was only temporary since the Subscription was subsequently completed in August 2014 and the balance of such deposits was transferred from current liabilities to equity so that the Group will be in a net current assets position again.

FOREIGN CURRENCY RISK

Individual companies within the Group have limited foreign currency risk as most of the transactions are denominated in the same currency as the functional currency of the operations in which they relate. However, as the principal subsidiaries mainly carried out transactions in RMB, therefore any appreciation or depreciation of HKD against RMB will affect the Group's financial position and be reflected in the exchange reserve. There were no hedging transactions during the six months ended 30 June 2014 and outstanding as at 30 June 2014.

中期股息

本公司董事會(「董事會」)不建議派付截至二零一四年六月三十日止六個月之任何中期股息(截至二零一三年六月三十日止六個月：無)。

流動資金及財務資源

我們主要的流動資金及資本需求主要與我們的項目投資、收購租賃預付款項、建設污水處理及工業供水設施、購買設備、與經營及維護設施有關的成本及開支有關。

於二零一四年六月三十日，本集團現金及銀行存款的賬面值約為296.4百萬港元，主要以人民幣列值，包括原到期日超過三個月的銀行存款(二零一三年十二月三十一日：445.6百萬港元，包括原到期日超過三個月的銀行存款)，較二零一三年十二月三十一日減少33.5%，主要由於就我們的計劃項目及二零一四年上半年進行的新收購事項而動用資金的影響，其已由獲得新造銀行借款而增加的資金所部份抵銷。

於二零一四年六月三十日，本集團處於淨流動負債狀況，此主要是由於就認購事項收取按金250,000,000港元。我們認為該淨流動負債狀況僅為暫時的，乃由於認購事項其後已於二零一四年八月完成，而有關按金之結餘已由流動負債轉撥至權益，從而本集團將恢復淨流動資產狀況。

外匯風險

本集團旗下各公司的外匯風險有限，乃由於大部分交易以該等公司營運有關之功能貨幣計值。然而，由於主要附屬公司之交易主要以人民幣進行，因此，倘港元兌人民幣出現任何增值或減值，本集團的財務狀況將受到影響，並會於匯兌儲備中反映。截至二零一四年六月三十日止六個月概無對沖交易及於二零一四年六月三十日概無未結清對沖交易。

Management Discussion & Analysis (Continued)

管理層討論與分析(續)

LOANS AND BORROWINGS

As of 30 June 2014, our total amount of utilised bank loans was HK\$1,157.6 million (31 December 2013: HK\$552.2 million), bank loans amounted to HK\$1,128.4 million were floating-rate loans (31 December 2013: HK\$552.2 million) and we had no un-utilised banking facilities. All bank loans are denominated in Renminbi.

These bank loans were secured by the charging rights of industrial water supply and wastewater treatment in certain subsidiaries of the Group, together with certain buildings, machineries, lease prepayments and equity interests in Lvyou, and were also guaranteed by certain third parties.

Our gearing ratio, as calculated by dividing our total borrowings by our total assets, was 37.2%, as of 30 June 2014 (31 December 2013: 29.2%). The increase in gearing ratio was primarily due to the completion of the acquisition of Lvyou and the completion of acquisition of additional 49% equity interest of Yinglong, both of which has certain bank borrowings for capital expenditure in relation to their development of sludge treatment facility and wastewater treatment facility respectively. We have also borrowed certain new bank borrowings to finance the acquisition of these subsidiaries. After the balance sheet date, the level of gearing has been reduced upon the completion of the Subscription in August 2014. The gross proceeds received by the Company and the corresponding increase in the amount of equity of the Company was HK\$354 million.

CONTINGENT LIABILITIES

As at 30 June 2014, the Group had no material contingent liabilities or guarantees. As at 31 December 2013, the Group, together with the other shareholders of Yinglong at that time, has issued a guarantee to a bank in respect of a bank loan granted to Yinglong. Subsequently in May 2014, Yinglong became a subsidiary of our Group and such guarantee was no longer being classified as a contingent liability of our Group.

貸款及借款

截至二零一四年六月三十日，我們已動用的銀行貸款總額為1,157.6百萬港元(二零一三年十二月三十一日：552.2百萬港元)，為數1,128.4百萬港元的銀行貸款為浮息貸款(二零一三年十二月三十一日：552.2百萬港元)，而我們並無未動用銀行融資。所有銀行貸款均以人民幣列值。

該等銀行貸款由本集團若干附屬公司的工業供水及污水處理收費權連同若干樓宇、機器、租賃預付款項及綠由股權作抵押，以及由若干第三方提供擔保。

截至二零一四年六月三十日，我們的資產負債比率(按借款總額除以資產總值計算)為37.2%(二零一三年十二月三十一日：29.2%)。資產負債比率的上升主要由於完成收購綠由及完成收購盈隆額外49%股本權益，而此兩者分別就其發展污泥處理設施及污水處理設施的資本開支借有若干銀行借款。我們亦已取得若干新造銀行借款用以為收購該等附屬公司提供資金。於結算日後，資本負債水平於二零一四年八月認購事項完成後下降。本公司收取的所得款項總額及本公司權益的相應增加金額為354百萬港元。

或然負債

於二零一四年六月三十日，本集團並無任何重大或然負債或擔保。於二零一三年十二月三十一日，本集團與盈隆當時的其他股東共同就盈隆獲授的一筆銀行貸款向一間銀行作出擔保。隨後於二零一四年五月，盈隆成為本集團的附屬公司，而該項擔保不再分類為本集團的或然負債。

Management Discussion & Analysis (Continued)

管理層討論與分析(續)

PLEDGE OF ASSETS

As at 30 June 2014, the Group pledged certain of its property, plant and machinery and lease prepayments with an aggregate carrying amount of approximately HK\$84.5 million (31 December 2013: HK\$14.5 million) to certain banks to secure certain credit facilities granted to the Group.

MATERIAL ACQUISITIONS AND DISPOSAL

For the six months ended 30 June 2014, the Group have announced the following material acquisitions:

- (1) acquisition of the assets of an industrial wastewater treatment facility located in Junan County, Shunde District of Guangdong Province on 21 March 2014, with a proposed consideration of RMB115 million. Such acquisition is expected to be completed on or before 30 September 2014.
- (2) acquisition of 100% equity interest of Lvyou, a company engaged in sludge and solid waste treatment in Qingyuan City of Guangdong Province, on 30 April 2014 with a consideration of RMB125 million. This acquisition has been completed.
- (3) acquisition of additional 49% equity interest of Yinglong, a company engaged in industrial wastewater treatment in Zengcheng City of Guangdong Province, on 19 May 2014 with a consideration of RMB196 million. This acquisition has been completed.

For the six months ended 30 June 2014, there was no material disposals of assets.

We expect to incur additional capital expenditure for the construction or acquisition of wastewater treatment facilities and sludge treatment facilities and we expect these expenditure to be funded by bank borrowings and funds generated from our operating activities.

資產抵押

截至二零一四年六月三十日，本集團向若干銀行抵押賬面值總額約為84.5百萬港元（二零一三年十二月三十一日：14.5百萬港元）的若干物業、廠房及機器以及租賃預付款項，以取得授予本集團的若干信貸融資。

重大收購及出售事項

截至二零一四年六月三十日止六個月，本集團已公佈下列重大收購事項：

- (1) 於二零一四年三月二十一日，收購位於廣東省順德區均安鎮的工業污水處理設施資產，建議代價為人民幣115百萬元。預計該項收購將於二零一四年九月三十日或之前完成。
- (2) 於二零一四年四月三十日，收購位於廣東省清遠市的綠由（一間從事污泥及固體廢物處理的公司）之全部股權，代價為人民幣125百萬元。該項收購已告完成。
- (3) 於二零一四年五月十九日，收購位於廣東省增城市的盈隆（一間從事工業污水處理的公司）額外49%股本權益，代價為人民幣196百萬元。該項收購已告完成。

截至二零一四年六月三十日止六個月，概無重大資產出售事項。

我們預期建設或收購污水處理設施及污泥處理設施將產生額外資本開支，且我們預期該等開支將以銀行借款及我們的經營活動所得資金撥付。

Management Discussion & Analysis (Continued) 管理層討論與分析(續)

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERINGS

首次公開發售所得款項用途

The Group was officially listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 25 September 2013 by way of global offering with the net proceeds of approximately HK\$492.7 million being raised.

本集團已於二零一三年九月二十五日透過全球發售在香港聯合交易所有限公司(「聯交所」)主板正式上市，全球發售籌所得款項淨額約為492.7百萬港元。

Details of the intended usage and the actual usage up to 30 June 2014 were as follows:

計劃用途及截至二零一四年六月三十日之實際用途詳情如下：

Usage 用途		Intended Usage 計劃用途 (HK\$ million) (百萬港元)	Actual Usage 實際用途 (HK\$ million) (百萬港元)
Construction and operation of wastewater treatment and industrial water supply facilities	建設及經營污水處理及工業供水設施	342.0	76.1
Potential acquisition relating to the wastewater treatment and industrial water supply facilities	有關污水處理及工業供水設施的潛在收購	49.3	49.3
Expansion into third party sludge treatment business	擴充至第三方污泥處理業務	36.4	36.4
Improve research and development capacity, including develop a prototype and carry out market research on the development of dyeing sludge biomass fuel	提升研發實力，包括開發樣本並就開發印染污泥生物燃料進行市場研究	15.7	1.4
Working capital and general corporate purposes	營運資金及一般公司用途	49.3	49.3
		492.7	212.5

Management Discussion & Analysis (Continued) 管理層討論與分析(續)

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2014, the Group employed 1,032 employees (31 December 2013: 488). Employee costs amounted to approximately HK\$26.4 million for the six months ended 30 June 2014 (six months ended 30 June 2013: approximately HK\$10.7 million). The Group will endeavor 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.

僱員及薪酬政策

截至二零一四年六月三十日，本集團聘用1,032名僱員(二零一三年十二月三十一日：488名)。截至二零一四年六月三十日止六個月，員工成本約為26.4百萬港元(截至二零一三年六月三十日止六個月：10.7百萬港元)。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。

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

董事及主要行政人員於本公司及其相聯法團之股份、相關股份及債權證之權益及淡倉

As at 30 June 2014, 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 to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

於二零一四年六月三十日，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，或依據標準守則已知會本公司及聯交所者，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、相關股份及債權證中擁有的權益如下：

Name of Director 董事姓名	Capacity/Nature of interest 身份／權益性質	Total number of shares 股份總數	Approximate percentage of shareholding in the Company 佔本公司股權概約百分比
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Mr. Tsui Cham To 徐湛滔先生	Corporate Interest ⁽¹⁾ 公司權益 ⁽¹⁾	879,700,000 (L)	63.65%
Mr. Lu Yili 盧已立先生	Corporate Interest ⁽²⁾ 公司權益 ⁽²⁾	10,400,000 (L)	0.75%

(L) denotes a long position

(L) 指好倉

Notes:

附註：

(1) Mr. Tsui Cham To is deemed under the SFO to be interested in 879,700,000 shares of the Company held by Keen Vast Holdings Limited.

(1) 根據證券及期貨條例，徐湛滔先生被視為為建大控股有限公司所持本公司股份879,700,000股股份中擁有權益。

(2) Mr. Lu Yili is deemed under the SFO to be interested in 10,400,000 shares of the Company held by Great Nation Finance Limited.

(2) 根據證券及期貨條例，盧已立先生被視為為Great Nation Finance Limited所持本公司股份10,400,000股股份中擁有權益。



Other Information (Continued) 其他資料(續)

Save as disclosed above, as at 30 June 2014, 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.

除上文所披露者外，於二零一四年六月三十日，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)概無於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的股份、相關股份或債權證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權證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，惟購股權計劃的條文在必要的情況下仍然全面有效力及作用，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，或可能另行根據購股權計劃條文的其他規定而生效。

Other Information (Continued) 其他資料(續)

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 136,000,000, being 10% of the shares of the Company in issue immediately after our listing on 25 September 2013 which is the effective date of such scheme and representing approximately 9.8% of the issued shares of the Company as at the date of this interim report.

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 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 under the Share Option Scheme by the Company during the period ended 30 June 2014 and there were no outstanding share options under the Share Option Scheme as at 30 June 2014.

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136,000,000股，即本公司緊隨二零一三年九月二十五日(即購股權計劃生效日期)上市後已發行股份的10%，佔本中期報告日期本公司已發行股份的約9.8%。

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較高者(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。

截至二零一四年六月三十日止期間，本公司概無根據購股權計劃授出任何購股權，於二零一四年六月三十日，概無任何根據購股權計劃尚未行使的購股權。

Other Information (Continued) 其他資料(續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2014, 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

於二零一四年六月三十日，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或淡倉的人士（並非本公司董事或主要行政人員）如下：

Name of Shareholder 董事名稱	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
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Keen Vast Holdings Limited ⁽¹⁾ 建大控股有限公司 ⁽¹⁾	Beneficial owner 實益擁有人	879,700,000 (L)	63.65%
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(L) denotes a long position

(L) 指好倉

Note:

附註：

(1) Keen Vast Holdings Limited is controlled by Mr. Tsui Cham To.

(1) 建大控股有限公司的股權由徐湛滔先生控制。

Save as disclosed above, as at 30 June 2014, the Directors are not aware of any other person having an interest or short position in shares and underlying shares of the Company representing 5% or more of the issued share capital of the Company.

除上文所披露者外，於二零一四年六月三十日，董事並不知悉任何其他人士於相當於本公司已發行股本5%或以上之本公司股份及相關股份持有權益或淡倉。

Other Information (Continued) 其他資料(續)

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 Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). For the six months ended 30 June 2014, the Company has complied with all code provisions of the CG Code except that the Company has only two independent non-executive directors, two Audit Committee and two Remuneration Committee members following the resignation of Mr. Xu Zhen Cheng on 6 June 2014, which does not meet the requirement under Code Provision A.5.1 of the CG Code.

Rule 3.10(1) of the Listing Rules provides that every board of directors of a listed issuer must include at least three independent non-executive directors. Rule 3.10A of the Listing Rules also provides that an issuer must appoint independent non-executive directors representing at least one-third of the board. Moreover, Rule 3.21 of the Listing Rules provides that the audit committee of a listed issuer must comprise a minimum of three members. Subsequent to resignation of independent non-executive Director of the Company by Mr. Xu Zhen Cheng, the Company had two independent non-executive Directors and two audit committee members, the number of independent non-executive directors fell below the minimum number as required under Rule 3.10(1) of the Listing Rules, and the number of the audit committee members also fell below the minimum number as required under Rule 3.21 of the Listing Rules. Further, the number of independent non-executive director falls below one-third of the Board members as required under Rule 3.10A of the Listing Rules. On 21 August 2014, the Board appointed Mr. Du Hequn as an independent non-executive Director, a member of the Audit Committee and the chairman of the Remuneration Committee of the Company. Following Mr. Du’s appointment, the Company fully complies with the requirement under the Listing Rules and the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors, all Directors (except Mr. Du Hequn whose appointment as a Director took effect until after 30 June 2014) confirmed that they have complied with the required standard set out in the Model Code for the six months ended 30 June 2014.

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。本公司已採納聯交所證券上市規則(「上市規則」)附錄十四所載企業管治守則(「企業管治守則」)。截至二零一四年六月三十日止六個月，除因許振成先生於二零一四年六月六日辭任，而致使本公司僅有兩名獨立非執行董事、兩名審核委員會成員及兩名薪酬委員會成員(即不符合企業管治守則項下守則條文第A.5.1條)外，本公司已遵守企業管治守則之所有守則條文。

上市規則第3.10(1)條規定，上市發行人之各董事會必須包括至少三名獨立非執行董事。上市規則第3.10A條亦規定，上市發行人所委任的獨立非執行董事必須佔董事會成員人數至少三分之一。此外，上市規則第3.21條規定，上市發行人之審核委員會必須包括最少三名成員。繼許振成先生辭任本公司獨立非執行董事後，本公司僅有兩名獨立非執行董事及兩名審核委員會成員，獨立非執行董事及審核委員會人數低於上市規則第3.10(1)條及第3.21條項下規定之最少人數。此外，獨立非執行董事佔董事會成員人數不足三分之一，未能符合上市規則第3.10A條之規定。於二零一四年八月二十一日，董事會委任杜鶴群先生為本公司獨立非執行董事、審核委員會成員兼薪酬委員會主席。於委任杜先生後，本公司已完全遵守上市規則及企業管治守則的規定。

上市發行人董事進行證券交易的標準守則

本公司已採納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」)，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(杜鶴群先生除外，其擔任董事之委任於二零一四年六月三十日後方生效)已確認，截至二零一四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 (Continued) 其他資料(續)

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 2014.

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 2014.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises three independent non-executive Directors, namely Mr. Lien Jown Jing, Vincent, Mr. Liu Yung Chau and Mr. Du Hequn. Mr. Lien 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 and financial report matters, including the interim financial report of the Group for the six months ended 30 June 2014.

REVIEW OF INTERIM REPORT

The unaudited interim financial report of the Group for the six months ended 30 June 2014 has been reviewed by KPMG, the auditor of the Company, and 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.

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二零一四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。

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，截至二零一四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」)，包括三名獨立非執行董事，即連宗正先生、廖榕就先生及杜鶴群先生。連先生具備適當的專業資格，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、內部監控及財務申報等事宜，包括本集團截至二零一四年六月三十日止六個月的中期財務報告。

審閱中期報告

本集團截至二零一四年六月三十日止六個月之未經審核中期財務報告已由本公司核數師畢馬威會計師事務所及審核委員會審閱。

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。

Review Report of Consolidated Financial Statements

綜合財務報表審閱報告



Review report to the board of directors of
CT Environmental Group Limited
(Incorporated in the Cayman Islands with limited liability)

致中滔環保集團有限公司董事會之
審閱報告
(於開曼群島註冊成立的有限公司)

Introduction

We have reviewed the interim financial report set out on pages 24 to 60 which comprises the consolidated statement of financial position of CT Environmental Group Limited as of 30 June 2014 and the related consolidated statement of profit or loss, statement of profit or loss and other comprehensive income and statement of changes in equity and condensed consolidated cash flow statement for the six months period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

引言

吾等已審閱列載於第24至60頁的中期財務報告，此中期財務報告包括中滔環保集團有限公司於二零一四年六月三十日的綜合財務狀況表與截至該日止六個月期間的相關綜合損益表、損益及其他全面收益表、權益變動表及簡明綜合現金流量表以及詮釋性附註。香港聯合交易所有限公司證券上市規則規定，編製中期財務報告必須遵守以上規則的有關條文以及香港會計師公會頒佈的香港會計準則第34號中期財務報告。董事須負責根據香港會計準則第34號編製及呈列中期財務報告。

吾等的責任是根據吾等的審閱對中期財務報告作出結論，並按照吾等協定的委聘條款僅向整體董事會報告，除此之外本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。

審閱範圍

吾等已根據香港會計師公會頒佈的香港審閱聘任準則第2410號由實體的獨立核數師執行中期財務資料審閱進行審閱。審閱中期財務報告包括主要向負責財務和會計事務的人員作出查詢，及應用分析性和其他審閱程序。審閱的範圍遠較根據香港審核準則進行審核的範圍為小，故不能令吾等可保證吾等將知悉在審核中可能被發現的所有重大事項。因此，吾等不發表審核意見。

Review Report of Consolidated Financial Statements (Continued)

綜合財務報表審閱報告(續)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2014 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

Other Matter

Without modifying our review conclusion, we draw your attention that the comparative consolidated statement of profit or loss, statement of profit or loss and other comprehensive income for the six months ended 30 June 2013 and the comparative consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months ended 30 June 2013 and the related notes disclosed in the interim financial report have not been reviewed in accordance with Hong Kong Standard on Review Engagements 2410.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

27 August 2014

結論

根據吾等的審閱，吾等並無發現任何事項，令吾等相信截至二零一四年六月三十日之中期財務報告在各重大方面未有根據香港會計準則第34號中期財務報告編製。

其他事項

在不改變吾等之審閱結論之情況下，吾等謹請閣下留意，可資比較的截至二零一三年六月三十日止六個月之綜合損益表、損益及其他全面收益表以及可資比較的截至二零一三年六月三十日止六個月之綜合權益變動表及簡明綜合現金流量表及中期財務報告內所披露之相關附註並無根據香港審閱聘任準則第2410號進行審閱。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓

二零一四年八月二十七日

Consolidated Statement of Profit or Loss

綜合損益表

For the six months ended 30 June 2014 — unaudited 截至二零一四年六月三十日止六個月 — 未經審核
(Expressed in Hong Kong dollars) (以港元列示)

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
	Note 附註		
Turnover	營業額	372,888	221,064
Cost of sales	銷售成本	(138,366)	(83,975)
Gross profit	毛利	234,522	137,089
Other revenue	其他收益	23,515	100
Administrative expenses	行政開支	(37,514)	(18,298)
Other operating expenses	其他經營開支	(1,063)	(2)
Profit from operations	經營溢利	219,460	118,889
Finance costs	融資成本	(21,113)	(15,599)
Share of profit of an associate	分佔一家聯營公司的溢利	3,681	8,818
Profit before taxation	除稅前溢利	202,028	112,108
Income tax	所得稅	(22,008)	(21,996)
Profit for the period	期內溢利	180,020	90,112
Attributable to:	以下各項應佔：		
— Equity shareholders of the Company	— 本公司權益持有人	178,807	89,970
— Non-controlling interests	— 非控股權益	1,213	142
Profit for the period	期內溢利	180,020	90,112
Earnings per share (HK\$)	每股盈利(港元)		
Basic and diluted	基本及攤銷	0.13	0.09

The notes on pages 30 to 60 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 16.

第30至60頁所載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載於附註16。

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the six months ended 30 June 2014 — unaudited 截至二零一四年六月三十日止六個月 — 未經審核
(Expressed in Hong Kong dollars) (以港元列示)

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Profit for the period	期內溢利	180,020	90,112
Other comprehensive income for the period (after tax and reclassification adjustments)	期內其他全面收益(除稅及作出重新分類調整後)		
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 Hong Kong Dollar ("HK\$") as functional currency	換算並非使用港元作為功能貨幣的實體財務報表產生的匯兌差異	(8,357)	6,879
Total comprehensive income for the period	期內全面收益總額	171,663	96,991
Total comprehensive income attributable to:	以下各項應佔全面收益總額：		
Equity shareholders of the Company	本公司權益持有人	170,480	96,068
Non-controlling interests	非控股權益	1,183	923
Total comprehensive income for the period	期內全面收益總額	171,663	96,991

The notes on pages 30 to 60 form part of this interim financial report.

第30至60頁所載附註為本中期財務報告的一部分。

Consolidated Statement of Financial Position

綜合財務狀況表

At 30 June 2014 — unaudited 於二零一四年六月三十日 — 未經審核
(Expressed in Hong Kong dollar) (以港元列示)

			At 30 June 2014 於二零一四年 六月三十日 HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 HK\$'000 千港元
		Note 附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	8	1,405,241	511,571
Lease prepayments	預付租賃款項	9	143,733	47,155
Intangible assets	無形資產	10	237,174	50,039
Goodwill	商譽	12	96,508	12,194
Interests in an associate	於一家聯營公司的權益	11(a)	—	186,942
Gross amounts due from customers for contract work	應收客戶合約工程款項總額		241,275	246,350
Other receivables	其他應收款項	13	313,914	83,783
Deferred tax assets	遞延稅項資產	6(c)	3,726	3,829
			2,441,571	1,141,863
Current assets	流動資產			
Inventories	存貨		9,825	1,320
Trade and other receivables	貿易及其他應收款項	13	338,181	280,694
Gross amounts due from customers for contract work	應收客戶合約工程款項總額		21,866	22,076
Deposits with a bank 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		50,392	50,876
Cash and cash equivalents	現金及現金等價物		246,004	394,723
			666,268	749,689
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	14	554,841	137,685
Bank loans	銀行貸款	15	275,166	51,665
Current taxation	即期稅項		17,238	18,333
			847,245	207,683
Net current (liabilities)/assets	流動(負債)/資產淨值		(180,977)	542,006
Total assets less current liabilities	總資產減流動負債		2,260,594	1,683,869

The notes on pages 30 to 60 form part of this interim financial report.

第30至60頁所載附註為本中期財務報告的一部分。



Consolidated Statement of Financial Position (Continued)

綜合財務狀況表(續)

At 30 June 2014 — unaudited 於二零一四年六月三十日 — 未經審核
(Expressed in Hong Kong dollar) (以港元列示)

		Note	At 30 June 2014 於二零一四年 六月三十日 HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 HK\$'000 千港元
		附註		
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	15	882,453	500,533
Deferred tax liabilities	遞延稅項負債	6(c)	81,722	39,981
Deferred income	遞延收入		14,906	15,049
			979,081	555,563
Net assets	資產淨值		1,281,513	1,128,306
Equity	權益			
Share capital	股本	16(b)	138,208	138,208
Reserves	儲備		1,116,315	987,297
Total equity attributable to equity shareholders of the Company	本公司權益持有人 應佔權益總額		1,254,523	1,125,505
Non-controlling interests	非控股權益		26,990	2,801
Total equity	權益總額		1,281,513	1,128,306

The notes on pages 30 to 60 form part of this interim financial report.

第30至60頁所載附註為本中期財務報告的一部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the six months ended 30 June 2014 — unaudited 截至二零一四年六月三十日止六個月 — 未經審核
(Expressed in Hong Kong dollars) (以港元列示)

		Attributable to equity shareholders of the Company 本公司權益持有人應佔以下各項							Non- controlling interests 非控股 權益	Total equity 權益 總額
		Share capital 股本	Share premium 股份 溢價	Capital reserve 資本 儲備	Statutory reserve 法定 儲備	Translation reserve 匯兌 儲備	Retained profits 保留 溢利	Total 總計	HK\$'000 千港元	HK\$'000 千港元
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Balance at 1 January 2013	於二零一三年 一月一日結餘	100	—	(90)	48,718	29,540	312,070	390,338	1,564	391,902
Changes in equity for the six months ended 30 June 2013	截至二零一三年 六月三十日 止六個月的 權益變動									
Profit for the period	期內溢利	—	—	—	—	—	89,970	89,970	142	90,112
Other comprehensive income	其他全面收益	—	—	—	—	6,098	—	6,098	781	6,879
Total comprehensive income	全面收益總額	—	—	—	—	6,098	89,970	96,068	923	96,991
Balance at 30 June 2013	於二零一三年 六月三十日結餘	100	—	(90)	48,718	35,638	402,040	486,406	2,487	488,893
Balance at 1 January 2014	於二零一四年 一月一日結餘	138,208	359,525	(90)	70,744	42,652	514,466	1,125,505	2,801	1,128,306
Changes in equity for the six months ended 30 June 2014	截至二零一四年 六月三十日 止六個月的 權益變動									
Profit for the period	期內溢利	—	—	—	—	—	178,807	178,807	1,213	180,020
Other comprehensive income	其他全面收益	—	—	—	—	(8,327)	—	(8,327)	(30)	(8,357)
Total comprehensive income	全面收益總額	—	—	—	—	(8,327)	178,807	170,480	1,183	171,663
Acquisition of an associate from a third party (note 11(a))	自一名第三方收購 一家聯營公司 (附註11(a))	—	—	—	—	—	—	—	23,006	23,006
Dividends approved in respect of the previous year (note 16(a))	批准過往年度股息 (附註16(a))	—	—	—	—	—	(41,462)	(41,462)	—	(41,462)
Balance at 30 June 2014	於二零一四年 六月三十日結餘	138,208	359,525	(90)	70,744	34,325	652,003	1,254,714	26,990	1,281,513

The notes on pages 30 to 60 form part of this interim financial report.

第30至60頁所載附註為本中期財務報告的一部分。



Condensed Consolidated Cash Flow Statement

簡明綜合現金流量表

For the six months ended 30 June 2014 – unaudited 截至二零一四年六月三十日止六個月 – 未經審核
(Expressed in Hong Kong dollar) (以港元列示)

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
	Note 附註		
Cash generated from operations	經營業務所得現金	148,137	133,986
Income tax paid	已付所得稅	(15,922)	(24,455)
Net cash generated from operating activities	經營活動所得現金淨額	132,215	109,531
Net cash used in investing activities	投資活動所用現金淨額	(703,884)	(73,264)
Financing activities	融資活動		
Prepayment by an independent third party in connection to subscription of new ordinary shares of the Company	一名獨立第三方就認購本公司新普通股支付之預付款項	1/19 250,000	—
Other cash flows arising from financing activities	融資活動產生的其他現金流量	174,732	(31,177)
Net cash generated from/(used in) financing activities	融資活動所得/(所用)現金淨額	424,732	(31,177)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(146,937)	5,090
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	394,723	10,463
Effect of foreign exchange rate changes	外匯匯率變動影響	(1,782)	763
Cash and cash equivalents at 30 June	於六月三十日的現金及現金等價物	246,004	16,316

The notes on pages 30 to 60 form part of this interim financial report.

第30至60頁所載附註為本中期財務報告的一部分。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

1 Basis of Preparation

This interim financial report has been 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). It was authorised for issue on 27 August 2014.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2013 annual financial statements, except for the newly adopted accounting policies and the accounting policies changes that are expected to be reflected in the 2014 annual financial statements. Details of the newly adopted accounting policies and the changes in accounting policies are set out in note 2.

The preparation of an 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.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of CT Environmental Group Limited (the "Company") and its subsidiaries (together "the Group") since the 2013 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (HKFRSs).

The interim financial report is unaudited, but has been reviewed by the audit committee of the Company. It has also been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on page 22.

1 編製基準

本中期財務報告乃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，並符合香港會計師公會頒佈的香港會計準則第34號*中期財務報告*的規定。本中期財務報告於二零一四年八月二十七日獲授權刊發。

除預期將於二零一四年度財務報表中反映的新採納會計政策及會計政策變動外，本中期財務報告已依據與二零一三年度財務報表所採納的相同會計政策編製。新採納會計政策及會計政策變動的詳情載列於附註2。

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。

本中期財務報告包含簡明綜合財務報表及經甄選的詮釋性附註。附註包括對了解中滔環保集團有限公司（「本公司」）及其附屬公司（統稱為「本集團」）自二零一三年度財務報表以來的財務狀況及表現所出現的變動而言屬重大的事項及交易的詮釋。本簡明綜合中期財務報表及有關附註並不包括根據香港財務報告準則編製整份財務報表所須的全部資料。

本中期財務報告未經審核，惟已經本公司審核委員會審閱。畢馬威會計師事務所已根據香港會計師公會頒佈之香港審閱聘任準則第2410號由實體的獨立核數師執行的*中期財務資料審閱*進行審閱。畢馬威會計師事務致董事會之獨立審閱報告載於第22頁。

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

1 Basis of Preparation (Continued)

The interim financial report has been prepared assuming the Group will continue as a going concern notwithstanding the net current liabilities position of the Group at 30 June 2014. The net current liabilities position of the Group recorded as at 30 June 2014 was mainly attributed by a prepayment of HK\$250,000,000 by Mr. Gu Yao Kun for a conditional subscription of 60,000,000 new ordinary shares of the Company at a subscription price of HK\$5.9 per share. The transaction was completed in August 2014 and the balance of prepayment was transferred from current liabilities to equity upon the completion of the shares subscription. Moreover, based on a detailed review of the working capital forecast of the Group for the period ending 30 June 2015, the directors are of the opinion that the Group will have necessary liquid funds to finance its working capital and capital expenditure requirements. Accordingly, the interim financial report has been prepared on a going concern basis. Should the Group be unable to operate as a going concern, adjustments may have to be made to write down the value of assets to their recoverable amounts and to provide for any further liabilities which might arise. The effect of any such adjustments has not been reflected in the interim financial report.

The financial information relating to the financial year ended 31 December 2013 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2013 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 20 March 2014.

1 編製基準(續)

儘管本集團於二零一四年六月三十日錄得流動負債淨額，惟本中期財務報告乃假定本集團將繼續持續經營而編製。本集團於二零一四年六月三十日錄得的流動負債淨額主要來自古耀坤先生就按認購價每股5.9港元有條件認購本公司60,000,000股新普通股支付之預付款項250,000,000港元。該項交易於二零一四年八月完成，且於股份認購完成後，預付款項結餘自流動負債轉撥至權益。此外，根據對截至二零一五年六月三十日止期間本集團營運資金預測的詳盡審閱，董事認為本集團將擁有必需的流動資金撥付其營運資金及資本開支需求。因此，本中期財務報告乃按持續經營基準編製。倘本集團未能持續經營，可能須對資產價值作出調整以撇減至其可回收金額，並就可能產生的任何進一步負債作出撥備。本中期財務報告並未反映任何有關調整的影響。

中期財務報告所載有關截至二零一三年十二月三十一日止財政年度的財務資料(作為過往呈報之資料)並不構成本公司有關財政年度的法定財務報表，但均摘錄自該等財務報表。截至二零一三年十二月三十一日止年度的法定財務報表可於本公司的註冊辦事處查閱。核數師已在其日期為二零一四年三月二十日的報告中就該等財務報表發表無保留意見。

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

2 Newly Adopted Accounting Policies and Changes in Accounting Policies

(a) Newly adopted accounting policies

(i) Subsidiaries and non-controlling interests

In a business combination achieved in stages, the cost of combination is the aggregate of the consideration paid at the acquisition date and the fair value at the acquisition date of the acquirer's previously held interest in the acquiree. The Group remeasures its previously-held equity interest in the acquiree to its fair value at the acquisition date, with any difference between its fair value and its carrying amount being recognised in profit or loss for the current period.

(ii) Intangible assets — service concession arrangements

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for use of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value on initial recognition with reference to the fair value of the services provided. Subsequent to initial recognition, the intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses.

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Group is able to charge the end user for the use of the infrastructure to the end of the concession period.

2 新採納會計政策及會計政策變動

(a) 新採納會計政策

(i) 附屬公司及非控股權益

於分階段達成的業務合併中，合併成本為於收購日期已付代價及收購方之前持有的收購對象權益於收購日期的公平值之和。本集團重新計量其之前持有的於收購對象的股權，將其調整至於收購日期的公平值，而其公平值與賬面值之間的任何差額於本期間的損益內確認。

(ii) 無形資產 — 服務經營權安排

本集團於有權就使用經營基礎設施收費時，確認服務經營權安排產生的無形資產。作為於服務經營權安排中提供建設或升級服務的代價而獲得的無形資產於初始確認時參考所提供服務的公平值按公平值計量。於初始確認後，有關無形資產按成本減累計攤銷及累計減值虧損計量。

屬服務經營權安排的無形資產的估計使用年限為自本集團可向終端用戶就使用有關基礎設施收費之時至該經營權期滿止。



Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

2 Newly Adopted Accounting Policies and Changes in Accounting Policies (Continued)

(b) Changes in accounting policies

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's interim financial report:

- Amendments to HKFRS 10, HKFRS 12 and HKAS 27, *Investment entities*
- Amendments to HKAS 32, *Offsetting financial assets and financial liabilities*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27, *Investment entities*

The amendments provide consolidation relief to those parents which qualify to be an investment entity as defined in the amended HKFRS 10. Investment entities are required to measure their subsidiaries at fair value through profit or loss. These amendments do not have an impact on the Group's interim financial report as the Company does not qualify to be an investment entity.

Amendments to HKAS 32, *Offsetting financial assets and financial liabilities*

The amendments to HKAS 32 clarify the offsetting criteria in HKAS 32. The amendments do not have an impact on the Group's interim financial report as they are consistent with the policies already adopted by the Group.

2 新採納會計政策及會計政策變動(續)

(b) 會計政策變動

香港會計師公會已頒佈下列於本集團及本公司本會計期間首次生效的香港財務報告準則之修訂，其中，下列修訂與本集團中期財務報告有關：

- 香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號投資實體之修訂
- 香港會計準則第32號抵銷金融資產及金融負債之修訂

本集團並無採納本會計期間尚未生效的任何新準則或詮釋。

香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號投資實體之修訂

該等修訂提供有關可從符合經修訂之香港財務報告準則第10號所界定之投資實體定義之母公司解除綜合入賬之規定。投資實體須透過損益按公平值計量其附屬公司。由於本公司並不符合投資實體之定義，故該等修訂不會影響本集團的中期財務報告。

香港會計準則第32號抵銷金融資產及金融負債之修訂

香港會計準則第32號之修訂澄清於香港會計準則第32號內的抵銷標準。由於該等修訂與本集團採納的政策一致，故有關修訂不會影響本集團的中期財務報告。

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

3 Segment Reporting

The Group manages its businesses 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 five 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.

Wastewater project construction and operation services: this segment constructs and operates wastewater treatment plants in connection with Build-Operate-Transfer ("BOT") arrangement to generate turnover from construction and operation services as well as finance income.

Provision of heating services: this segment provides heating services.

Provision of sludge and solid waste treatment services: this segment provides sludge and solid waste treatment services under both BOO and BOT arrangements.

3 分部報告

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級行政管理人員內部呈報資料方式一致的方式，確定以下五個可呈報分部。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。

污水項目建設及營運服務：該分部根據建設－運營－移交(「BOT」)安排建設及營運污水處理設施以自建設及營運服務以及融資收入產生營業額。

提供供熱服務：該分部提供供熱服務。

提供污泥及固體廢物處理服務：該分部根據BOO及BOT安排提供污泥及固體廢物處理服務。

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

3 Segment Reporting (Continued)

(a) Information about profit or loss, assets and liabilities

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 分部報告(續)

(a) 有關損益、資產及負債的資料

於期內，本集團最高層行政人員取得有關本集團可呈報分部的資料以供其進行資源分配及分部表現評估詳情如下。

For the six months ended	截至該年止六個月	Supply of industrial water		Provision of wastewater treatment plants operation services		Wastewater project construction and operation services		Provision of heating services		Provision of sludge and solid waste treatment services		Total	
		供應工業用水		提供污水處理設施營運服務		污水項目建設及營運服務		提供供熱服務		提供污泥及固體廢物處理服務		總額	
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Revenue from external customers	來自外部客戶的收益	24,518	24,397	176,615	122,085	35,162	34,504	40,377	40,078	96,216	—	372,888	221,064
Reportable segment revenue	可呈報分部收益	24,518	24,397	176,615	122,085	35,162	34,504	40,377	40,078	96,216	—	372,888	221,064
Reportable segment profit (adjusted EBITDA)	可呈報分部溢利(調整後EBITDA)	18,188	17,928	150,250	91,470	27,076	21,901	3,716	2,912	60,964	—	260,194	134,211
Share of profit of an associate	分佔一家聯營公司的溢利	—	—	3,681	8,818	—	—	—	—	—	—	3,681	8,818
Finance costs	融資成本	(10,561)	(10,550)	(4,316)	(1,132)	(3,549)	(3,917)	—	—	(2,687)	—	(21,113)	(15,599)
Finance income	融資收入	3	3	184	16	5	5	—	—	35	—	227	24
Depreciation and amortisation for the period	期內折舊及攤銷	(1,621)	(1,553)	(13,807)	(6,331)	(559)	(234)	(770)	(763)	(12,389)	—	(29,146)	(8,881)

The measure used for reporting segment profit is “adjusted EBITDA” i.e. “adjusted profit 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 directors' 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溢利」。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，如董事薪酬及其他總部或企業行政成本。

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

3 Segment Reporting (Continued)

(b) Reconciliations of reportable segment profit

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Reportable segment profit	可呈報分部溢利	260,194	134,211
Share of profit of an associate	分佔一家聯營公司的溢利	3,681	8,818
Finance costs	融資成本	(21,113)	(15,599)
Finance income	融資收入	227	24
Depreciation and amortisation	折舊及攤銷	(29,146)	(8,881)
Unallocated head office and corporate expenses	未分配總部及公司開支	(11,815)	(6,465)
Consolidated profit before taxation	綜合除稅前溢利	202,028	112,108

(c) Geographic information

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

(d) Seasonality of operations

There is a seasonal factor in the Group's revenue. In general, revenue in the second half of the year is better than the first half.

3 分部報告(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

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Reportable segment profit	可呈報分部溢利	260,194	134,211
Share of profit of an associate	分佔一家聯營公司的溢利	3,681	8,818
Finance costs	融資成本	(21,113)	(15,599)
Finance income	融資收入	227	24
Depreciation and amortisation	折舊及攤銷	(29,146)	(8,881)
Unallocated head office and corporate expenses	未分配總部及公司開支	(11,815)	(6,465)
Consolidated profit before taxation	綜合除稅前溢利	202,028	112,108

(c) 地區資料

由於本集團絕大部分收益及資產產生於及位於中國境內，故並未呈列本集團按地區市場劃分的營業額及業績分析。

(d) 業務之季節性

本集團收益存在季節性因素。通常，下半年收益會高於上半年。

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

4 Other Revenue

4 其他收益

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Government grants	政府補助	404	46
Interest income	利息收入	227	24
Gain on remeasurement of previously-held equity interests in an associate at fair value upon acquisition (note)	於收購後按公平值 重新計量之前持有的 一家聯營公司股權 而產生之收益(附註)	22,871	—
Others	其他	13	30
		23,515	100

Note:

During the six months ended 30 June 2014, the Group further acquired 49% equity interests in Guangzhou Yinglong Wastewater Treatment Company Limited ("Yinglong"), a former associate of the Group with 46% equity interests (note 11(a)). Upon completion of the acquisition, Yinglong became a subsidiary of the Group. A gain on remeasurement of the 46% equity interests in Yinglong at fair value before the acquisition was recognised in profit or loss for the six months period ended 30 June 2014.

附註：

於截至二零一四年六月三十日止六個月，本集團收購廣州盈隆污水處理有限公司(「盈隆」)額外49%的股權，盈隆於該收購前為一家由本集團持有46%股權的聯營公司(附註11(a))。於收購事項完成後，盈隆成為本集團之一間附屬公司。按公平值重新計量收購前於盈隆的46%股權而產生之收益於截至二零一四年六月三十日止六個月的損益內確認。

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

5 Profit Before Taxation

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Interest on bank loans	銀行貸款利息		
— wholly repayable within five years	— 須於五年內全數償還	4,153	1,138
— other bank loans	— 其他銀行貸款	20,143	17,678
Sub-total	小計	24,296	18,816
Less: interest expenses capitalised into properties under development	減：資本化入開發中物業的利息開支	(3,183)	(3,217)
Total finance costs	融資成本總額	21,113	15,599

(b) Other items

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Cost of inventories	存貨成本	29,796	16,961
Depreciation and amortisation	折舊及攤銷	29,146	8,881
Operating lease charges	經營租賃開支	2,354	830
Research and development expenses	研發開支	733	479

5 除稅前溢利

除稅前溢利經扣除/(計入)下列各項：

(a) 融資成本

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Interest on bank loans	銀行貸款利息		
— wholly repayable within five years	— 須於五年內全數償還	4,153	1,138
— other bank loans	— 其他銀行貸款	20,143	17,678
Sub-total	小計	24,296	18,816
Less: interest expenses capitalised into properties under development	減：資本化入開發中物業的利息開支	(3,183)	(3,217)
Total finance costs	融資成本總額	21,113	15,599

(b) 其他項目

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Cost of inventories	存貨成本	29,796	16,961
Depreciation and amortisation	折舊及攤銷	29,146	8,881
Operating lease charges	經營租賃開支	2,354	830
Research and development expenses	研發開支	733	479

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

6 Income Tax

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

6 所得稅

(a) 綜合損益表的所得稅指：

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
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))	14,827	16,488
Provision for PRC dividend withholding tax (note (iii))	中國股息預扣稅撥備 (附註(iii))	—	4,338
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時性差額的產生及撥回	7,181	1,170
Income tax expenses	所得稅開支	22,008	21,996

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 was made for Hong Kong Profits Tax as the Group did not earn income subject to Hong Kong Profits Tax for the six months ended 30 June 2014 and 2013. The payments of dividends by Hong Kong companies are not subject to any Hong Kong withholding tax.

The statutory income tax rate for the PRC subsidiaries is 25%.

- (ii) Some of the Group's PRC subsidiaries 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 November 2012, which entitled it to the preferential income tax rate of 15% from 2012 to 2014.

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。

由於截至二零一四年及二零一三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收入，故並無就香港利得稅作出撥備。各香港公司支付的股息毋須繳納任何香港預扣稅。

中國附屬公司的法定所得稅率為25%。

- (ii) 本集團的若干中國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二零一二年十一月被認定為高新技術企業，於二零一二年至二零一四年享有15%的優惠所得稅率。

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

6 Income Tax (Continued)

(a) Income tax in the consolidated income statement represents (Continued):

Notes: (Continued)

- (ii) Some of the Group's PRC subsidiaries are entitled to the following PRC preferential tax treatments: (Continued)

Guangzhou Haitao Environmental Protection Technology Company Limited ("Guangzhou Haitao"), Longmen Xilin Wastewater Treatment Company Limited ("Longmen Xilin"), Huaihua Tianyuan Wastewater Treatment Company Limited ("Huaihua Tianyuan") and Yinglong, being entities engaged in wastewater treatment, are each entitled to a tax holiday of 3-year exemption and 3-year 50% reduction on income derived from such activities starting from the year in which the project first generates operating revenue. Guangzhou Haitao (Phase I and Phase II of the Yonghe Haitao Wastewater Treatment Facility) and Huaihua Tianyuan are subject to income tax at 0% from 2010 to 2012, 12.5% from 2013 to 2015, and 25% from 2016 onwards; Longmen Xilin is subject to income tax at 0% from 2009 to 2011, 12.5% from 2012 to 2014, and 25% from 2015 onwards; and Yinglong is subject to income tax at 0% from 2012 to 2014, 12.5% from 2015 to 2017, and 25% from 2018 onwards. Guangzhou Haitao (Phase III of the Yonghe Haitao Wastewater Treatment Facility and the Yonghe Haitao Sludge Treatment Facility) is subject to income tax at 0% from 2013 to 2015, 12.5% from 2016 to 2018, and 25% from 2019 onwards.

Heyuan Solid Waste Centralised Disposal Centre Company Limited ("Heyuan Solid") and Qingyuan Lvyou Environmental Protection Technology Company Limited ("Lvyou"), being entities engaged in solid waste treatment, were entitled to income tax exemption for 2014.

- (iii) PRC dividend withholding tax

According to the Corporate Income Tax Law of the PRC and its implementation rules, dividends receivable by non-PRC corporate residents from PRC enterprises are subject to withholding income tax at 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008. Pursuant to the Sino-Hong Kong Double Tax Arrangement and the related regulations, a qualified Hong Kong tax resident will be liable for a reduced withholding tax rate of 5% on dividends from a PRC enterprise if the Hong Kong tax resident is the "beneficial owner" and holds 25% or more of the equity interest of the PRC enterprise. As all of the Group's PRC subsidiaries are directly or indirectly owned by a Hong Kong incorporated subsidiary which is the qualified Hong Kong tax resident, a rate of 5% is applicable to the calculation of the PRC dividend withholding tax.

6 所得稅(續)

(a) 綜合損益表的所得稅指：(續)

附註：(續)

- (ii) 本集團的若干中國附屬公司享有以下中國優惠稅項待遇：(續)

廣州海滔環保科技有限公司(「廣州海滔」)、龍門縣西林水質淨化有限公司(「龍門西林」)、懷化天源污水處理投資有限公司(「懷化天源」)及盈隆均從事污水處理，自項目首次產生營運收益年度起各自享有三年悉數豁免稅項優惠，其後三年自該等活動收入之所得稅稅率減半之優惠。廣州海滔(永和海滔污水處理設施第一期及第二期)及懷化天源於二零一零年至二零一二年、二零一三年至二零一五年及自二零一六年起分別按稅率0%、12.5%及25%繳納所得稅；龍門西林於二零零九年至二零一一年、二零一二年至二零一四年及自二零一五年起分別按稅率0%、12.5%及25%繳納所得稅；而盈隆於二零一二年至二零一四年、二零一五年至二零一七年及二零一八年起分別按稅率0%、12.5%及25%繳納所得稅。廣州海滔(永和海滔污水處理設施第三期及永和海滔污泥處理設施)於二零一三年至二零一五年、二零一六年至二零一八年及自二零一九年起分別按稅率0%、12.5%及25%繳納所得稅。

河源市固體廢物集中處理中心有限公司(「河源固體」)及清遠綠由環保科技有限公司(「綠由」)均從事固體廢物處理，獲授二零一四年所得稅豁免權。

- (iii) 中國股息預扣稅

根據中國企業所得稅法及其實施條例，非中國企業居民自中國企業應收的股息須就自二零零八年一月一日起賺取的溢利繳納10%的預扣所得稅，除非獲稅務協定或安排減免。根據內地與香港訂立的《避免雙重徵稅安排》及相關法規，倘一名合資格香港稅務居民為一間中國企業的「實益擁有人」並持有其25%或以上的股權，則該香港稅務居民須就其來自中國企業的股息按優惠稅率5%繳納預扣稅。由於本集團所有中國附屬公司歸一間於香港註冊成立的附屬公司(其為合資格香港稅務居民)直接或間接擁有，故計算中國股息預扣稅項適用的稅率為5%。



Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

6 Income Tax (Continued)

(b) Deferred tax recognised:

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the period are as follows:

6 所得稅(續)

(b) 已確認遞延稅項：

於綜合財務狀況表內確認的遞延稅項資產/(負債)組成部分及期內變動如下：

Deferred tax arising from:	所產生的遞延稅項：	PRC dividend	Revenue	Intangible	Government	Unused	Total
		with holding tax	recognition	assets	grant	tax loss	
		中國股息	收入	無形	政府	未動用	
		預扣稅	確認	資產	補助	稅項虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2013	於二零一三年一月一日	(9,638)	(9,923)	(2,048)	3,648	270	(17,691)
(Charged)/credited to profit or loss	於損益內(扣除)/計入	(325)	(798)	25	—	(72)	(1,170)
Exchange adjustment	匯兌調整	(173)	(181)	(35)	65	4	(320)
At 30 June 2013	於二零一三年六月三十日	(10,136)	(10,902)	(2,058)	3,713	202	(19,181)
At 1 January 2014	於二零一四年一月一日	(14,619)	(11,602)	(13,760)	3,762	67	(36,152)
(Charged)/credited to profit or loss	於損益內(扣除)/計入	(6,146)	(994)	26	—	(67)	(7,181)
Additions through acquisition of subsidiaries (note 11)	通過收購附屬公司之添置(附註11)	—	—	(35,022)	—	—	(35,022)
Exchange adjustment	匯兌調整	152	113	130	(36)	—	359
At 30 June 2014	於二零一四年六月三十日	(20,613)	(12,483)	(48,626)	3,726	—	(77,996)

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

6 Income Tax (Continued)

(c) The deferred taxation is recognised on the consolidated statement of financial position as follows:

6 所得稅(續)

(c) 遞延稅項已於綜合財務狀況表內確認如下：

	At 30 June 2014 於二零一四年 六月三十日 HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 HK\$'000 千港元
Deferred tax assets recognised on the consolidated statement of financial position	3,726	3,829
Deferred tax liabilities recognised on the consolidated statement of financial position	(81,722)	(39,981)
	(77,996)	(36,152)

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

7 Earnings Per Share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK\$178,807,000 (six months ended 30 June 2013: HK\$89,970,000) and the weighted average number of 1,382,082,000 ordinary shares (2013: 1,020,000,000 shares, after adjusting for the capitalisation issue in 2013) in issue during the interim period, calculated as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 '000 千股	2013 二零一三年 '000 千股
Issued ordinary shares at 1 January	於一月一日的已發行普通股	1,382,082	1,000
Effect of capitalisation issue	資本化發行的影響	—	1,019,000
Weighted average number of ordinary shares at 30 June	於六月三十日的普通股加權平均數	1,382,082	1,020,000

(b) Diluted earnings per share

During the six months ended 30 June 2014 and 2013, there were no dilutive potential ordinary shares issued.

7 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據中期期間本公司普通股股東應佔溢利178,807,000港元(截至二零一三年六月三十日止六個月: 89,970,000港元)以及已發行普通股加權平均數1,382,082,000股(二零一三年: 1,020,000,000股(已就二零一三年資本化發行進行調整))計算而得，計算方法如下：

Six months ended 30 June
截至六月三十日止六個月

(b) 每股攤薄盈利

於截至二零一四年及二零一三年六月三十日止六個月，概無發行攤薄潛在普通股。

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

8 Property, Plant and Equipment

8 物業、廠房及設備

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Net book value, as at 1 January	賬面淨值，於一月一日	511,571	265,408
Additions through purchase	通過購買之添置	96,969	102,253
Additions through acquisition of subsidiaries (note 11)	通過收購附屬公司之添置(附註11)	824,180	—
Disposals	出售	(514)	—
Depreciation charge for the period	期間折舊開支	(25,117)	(8,546)
Exchange adjustments	匯兌調整	(1,848)	6,946
Net book value, as at 30 June	賬面淨值，於六月三十日	1,405,241	366,061

Certain buildings and machineries with carrying value of HK\$57,473,000 were pledged to secure the Group's bank loans as at 30 June 2014 (31 December 2013: HK\$357,000) (see note 15).

於二零一四年六月三十日，賬面值為57,473,000港元的若干樓宇及機械已抵押作為本集團之銀行貸款的擔保(二零一三年十二月三十一日：357,000港元)(見附註15)。

9 Lease Prepayments

9 租賃預付款項

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Net book value, as at 1 January	賬面淨值，於一月一日	47,155	30,109
Additions through purchase	通過購買之添置	57,437	—
Additions through acquisition of a subsidiary (note 11(b))	通過收購附屬公司之添置(附註11(b))	40,654	—
Amortisation charge for the period	期間攤銷開支	(1,065)	(133)
Exchange adjustments	匯兌調整	(448)	537
Net book value, as at 30 June	賬面淨值，於六月三十日	143,733	30,513

Certain lease prepayments with carrying value of HK\$27,066,000 were pledged to secure the Group's bank loans as at 30 June 2014 (31 December 2013: HK\$14,140,000) (see note 15).

於二零一四年六月三十日，賬面值為27,066,000港元的若干租賃預付款項已抵押作為本集團之銀行貸款的擔保(二零一三年十二月三十一日：14,140,000港元)(見附註15)。



Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

10 Intangible Assets

10 無形資產

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Net book value, as at 1 January (note 10(a))	賬面淨值，於一月一日 (附註10(a))	50,039	8,832
Additions through acquisition of subsidiaries:	通過收購附屬公司之添置：		
• sludge and solid waste treatment operation rights (notes 10(b) and 11(b))	• 污泥及固體廢物處理運營權 (附註10(b)及11(b))	116,265	—
• wastewater treatment plants operation right (notes 10(c) and 11(a))	• 污水處理設施營運權 (附註10(c)及11(a))	74,328	—
Amortisation charge for the period	期間攤銷開支	(2,964)	(202)
Exchange adjustments	匯兌調整	(494)	158
Net book value, as at 30 June	賬面淨值，於六月三十日	237,174	8,788

Notes:

- (a) The net book value of intangible assets as at 1 January 2014 comprised of wastewater treatment plants operation rights and sludge and solid waste treatment operation rights of HK\$8,699,000 and HK\$41,340,000 respectively.
- (b) The amount comprised of sludge and solid waste treatment operation rights under BOO and BOT arrangements of HK\$68,029,000 and HK\$48,236,000 respectively. The operation periods under BOT arrangements are ranged from 7 to 20 years. The operation right under BOO arrangement will be expired on 18 April 2019. The directors expected that the license under BOO arrangement could be renewed upon expiry and to generate net cash inflow to the Group for a total period of 20 years.

附註：

- (a) 於二零一四年一月一日之無形資產賬面淨值包括8,699,000港元之污水處理設施營運權及41,340,000港元之污泥及固體廢物處理營運權。
- (b) 該金額包括於BOO及BOT安排下分別為68,029,000港元及48,236,000港元之污泥及固體廢物處理營運權。於BOT安排下之運營期為七至二十年。於BOO安排下之運營權將於二零一九年四月十八日到期。董事預期BOO安排下之執照可於到期後更新並將為本集團產生為期共二十年之現金淨流入。

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

10 Intangible Assets (Continued)

Notes: (Continued)

- (c) The licence of this operation right will be expired on 31 December 2015. The directors expected that the licence could be renewed upon expiry and to generate net cash inflow to the Group for a total period of 20 years.
- (d) 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 13% to 18%. The recoverable amounts of these intangible assets were estimated to be higher than the carrying amounts, and no impairment is required as at 30 June 2014.

Amortisation of intangible assets is included in the cost of sales.

10 無形資產(續)

附註：(續)

- (c) 此運營權之執照將於二零一五年十二月三十一日到期。董事預期該執照可於到期後更新並將為本集團產生為期共二十年之現金淨流入。
- (d) 收益法乃用於計量所收購無形資產之公平值。該等無形資產之可回收金額乃根據其現金流量預測並使用13%至18%之除稅後貼現率進行估計。該等無形資產之可回收金額預計將高於其賬面值，且於二零一四年六月三十日並無必要作減值。

無形資產攤銷計入銷售成本。

11 Acquisition of Subsidiaries

(a) Yinglong

The principal activities of Yinglong are provision of wastewater treatment services in the PRC. As at 31 December 2013, the Group held 46% equity interests in Yinglong and Yinglong was accounted for as an associate of the Group. During the six months ended 30 June 2014, the Group further acquired 49% equity interests in Yinglong for a consideration of RMB196,000,000 (equivalent to HK\$246,921,000). Upon completion of the acquisition, the Group owned 95% equity interests in Yinglong and it became a subsidiary of the Company.

11 收購附屬公司

(a) 盈隆

盈隆之主要業務為於中國提供污水處理服務。於二零一三年十二月三十一日，本集團持有盈隆46%之股本權益，其被列為本集團之聯營公司。於截至二零一四年六月三十日止六個月，本集團進一步收購盈隆49%之股本權益，代價為人民幣196,000,000元（相當於246,921,000港元）。於收購完成後，本集團擁有盈隆95%之股本權益且其成為本公司之附屬公司。

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

11 Acquisition of Subsidiaries (Continued)

(a) Yinglong (Continued)

The following summaries the nature of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

		Note	Carrying amount	Fair value adjustments	Recognised values on acquisition
		附註	賬面值 HK\$'000 千港元	公平值 調整 HK\$'000 千港元	收購時已 確認價值 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	8	399,817	—	399,817
Intangible assets	無形資產	10(c)	—	74,328	74,328
Trade and other receivables	貿易及其他應收款項		301,856	—	301,856
Cash and cash equivalents	現金及現金等價物		25,993	—	25,993
Inventories	存貨		452	—	452
Trade and other payables	貿易及其他應付款項		(78,851)	—	(78,851)
Bank loan	銀行貸款		(246,900)	—	(246,900)
Deferred tax liabilities	遞延稅項負債	6(b)	—	(16,569)	(16,569)
Net identifiable assets	可識別資產淨值		402,367	57,759	460,126
46% share of net identifiable assets	分佔46%之可識別資產淨值				225,462
Total consideration	總代價				246,921
Goodwill	商譽	12			21,459
Analysis of cash flow:	現金流量分析：				
Total consideration	總代價				246,921
Less: cash acquired	減：所收購現金				(25,993)
Net cash outflow for acquisition of Yinglong	收購盈隆之現金流出淨額				220,928

11 收購附屬公司(續)

(a) 盈隆(續)

以下概述所轉撥的代價之性質，以及於收購日期所收購資產及所承擔負債之已確認金額：

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

11 Acquisition of Subsidiaries (Continued)

(b) Lvyou

The principal activities of Lvyou is provision of sludge and solid waste treatment services. During the six months ended 30 June 2014, the Group acquired 100% of equity interests in Lvyou for a consideration of RMB125,000,000 (equivalent to HK\$157,475,000).

The following summaries the nature of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

		Note	Carrying amount	Fair value adjustments	Recognised values on acquisition
		附註	賬面值 HK\$'000 千港元	公平值 調整 HK\$'000 千港元	收購時已 確認價值 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	8	424,363	—	424,363
Lease prepayments	租賃預付款項	9	18,853	21,801	40,654
Intangible assets	無形資產	10(b)	48,236	68,029	116,265
Cash and cash equivalents	現金及現金等價物		11,710	—	11,710
Inventories	存貨		8,608	—	8,608
Trade and other receivables	貿易及其他應收款項		33,160	—	33,160
Trade and other payables	貿易及其他應付款項		(385,487)	—	(385,487)
Bank loans	銀行貸款		(136,265)	—	(136,265)
Deferred tax liabilities	遞延稅項負債	6(b)	—	(18,453)	(18,453)
Net identifiable assets	可識別資產淨值		23,178	71,377	94,555
Total consideration	總代價				157,475
Goodwill	商譽	12			62,920
Analysis of cash flow:	現金流量分析：				
Total consideration	總代價				157,475
Less: cash acquired	減：所收購現金				(11,710)
Net cash outflow for acquisition of Lvyou	收購綠由之現金流出淨額				145,765

Equity interests in Lvyou with carrying value of HK\$52,507,000 were pledged to secure a Group's bank loan as at 30 June 2014 (see note 15).

11 收購附屬公司(續)

(b) 綠由

綠由之主要業務為提供污泥及固體廢物處理服務。於截至二零一四年六月三十日止六個月，本集團收購綠由之100%股本權益，代價為人民幣125,000,000元(相當於157,475,000港元)。

以下概述所轉撥的代價之性質，以及於收購日期所收購資產及所承擔負債之已確認金額：

於綠由之賬面值為52,507,000港元之股本權益已抵押作為本集團於二零一四年六月三十日之銀行貸款的擔保(見附註15)。

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

12 Goodwill

12 商譽

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Net book value, as at 1 January	賬面淨值，於一月一日	12,194	—
Additions through acquisition of subsidiaries (note 11)	通過收購附屬公司之 添置(附註11)	84,379	—
Exchange adjustments	匯兌調整	(65)	—
Net book value, as at 30 June	賬面淨值，於六月三十日	96,508	—

Goodwill acquired through acquisition of subsidiaries is allocated to the Group's cash-generating unit ("CGU") identified as follows:

通過收購附屬公司獲得之商譽獲分配予本集團下列已識別現金產生單位(「現金產生單位」):

		HK\$'000 千港元
Wastewater treatment services (note (i))	污水處理服務(附註(i))	21,459
Sludge and solid waste treatment services	污泥及固體廢物處理服務	
— Lvyou (note (ii))	— 綠由(附註(ii))	62,920
— Heyuan Solid (note (iii))	— 河源固體(附註(iii))	12,129
		96,508

Note:

The Group determined the value-in-use by preparing cash flow projection of the CGU derived from the most recent financial forecast approved by the management covering:

- (i) a twenty-year period with an estimated increase in selling prices and costs of 3% per annum. The rate used to discount the forecast cash flows was 15%.
- (ii) an eleven-year period and extrapolated to cover a period of another nine-year with an estimated increase in selling prices and costs of 3% per annum and no growth in sales volume, respectively. The rate used to discount the forecast cash flows was 14%.
- (iii) a four-year period and extrapolated to cover a period of another sixteen years with an estimated increase in selling prices and costs of 3% per annum and no growth in sales volume, respectively. The rate used to discount the forecast cash flows was 15%.

附註:

本集團透過編製現金產生單位的現金流量預測釐定使用價值，現金產生單位的現金流量預測源自管理層批准的最近期財務預測，其中涵蓋：

- (i) 一個二十年期間，售價及成本預計每年將按3%之比率增長，用於折現預測現金流量的比率為15%。
- (ii) 一個十一年期間並涵蓋另外一個九年的推測期，在銷量不增長的情況下，售價及成本預計每年將按3%之比率增長，用於折現預測現金流量的比率為14%。
- (iii) 一個四年期間並涵蓋另外一個十六年的推測期，在銷量不增長的情況下，售價及成本預計每年將按3%之比率增長，用於折現預測現金流量的比率為15%。

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未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

13 Trade and Other Receivables

13 貿易及其他應收款項

		At 30 June 2014 於二零一四年 六月三十日 HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 HK\$'000 千港元
Current	即期		
Trade receivables	貿易應收款項	248,157	140,081
Prepayments and other receivables	預付款及其他應收款項	71,952	75,786
Amounts due from related parties (note 18(c)(i))	應收關聯方款項 (附註18(c)(i))	18,072	64,827
		338,181	280,694
Non-current	非即期		
Prepayments for purchase of equipment	購買設備預付款項	313,914	83,783
Total	總計	652,095	364,477

(a) As of the end of the reporting period, the ageing analysis of trade receivables, based on the date of revenue recognition, is as follows:

(a) 截至報告期末，貿易應收款項按收益確認日期的賬齡分析如下：

		At 30 June 2014 於二零一四年 六月三十日 HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 HK\$'000 千港元
Within 1 month	一個月內	115,827	48,348
1 to 3 months	一至三個月	72,802	48,489
Over 3 months but within 1 year	多於三個月但一年內	59,528	43,244
		248,157	140,081

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

貿易應收款項通常自開票日期起計30日內到期。本集團並無就該等結餘持有任何抵押品。

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

13 Trade and Other Receivables (Continued)

(b) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using allowance account unless the Group is satisfied that the recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. During the six months ended 30 June 2014, the Group did not record any impairment losses in respect of trade receivables (2013: nil).

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

		At 30 June 2014 於二零一四年 六月三十日 HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 HK\$'000 千港元
Neither past due nor impaired	既未逾期亦未減值	115,827	48,348
Less than 3 months past due	逾期三個月內	72,802	48,489
Over 3 months but within 1 year past due	逾期多於三個月 但一年內	59,528	43,244
		248,157	140,081

Past due trade receivables are amounts due from certain governments and state-owned enterprises. Based on experience, management believes that no impairment allowance is necessary in respect of these balances as these balances are usually settled within one year from due date.

13 貿易及其他應收款項(續)

(b) 貿易應收款項減值

貿易應收款項的減值虧損計入撥備賬，除非本集團相信收回有關款項的機會極微，於該情況下，減值虧損直接與貿易應收款項對銷。截至二零一四年六月三十日止六個月，本集團並無就貿易應收款項錄得任何減值虧損(二零一三年：無)。

並無個別或集體視作減值的貿易應收款項賬齡分析如下：

逾期貿易應收款項為應收來自若干政府及國企之款項。基於過往經驗，管理層認為，由於該等結餘通常於到期日後一年內結清，因此無需就該等結餘作出減值撥備。

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

14 Trade and Other Payables

14 貿易及其他應付款項

		At 30 June 2014 於二零一四年 六月三十日 HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 HK\$'000 千港元
Trade payables	貿易應付款項	57,387	25,536
Deposit received in connection to subscription of new ordinary shares of the Company (notes 1 and 19)	就認購本公司新普通股 收取之按金(附註1及19)	250,000	—
Other payables and accruals	其他應付款項及應計費用	179,803	112,149
Amounts due to related parties (note 18(c)(ii))	應付關聯方款項 (附註18(c)(ii))	67,651	—
		554,841	137,685

(i) All of the trade payables, other payables and accruals are expected to be settled within 12 months or are repayable on demand.

(ii) The credit period granted by the suppliers ranges from 30 days to 90 days.

(i) 所有貿易應付款項、其他應付款項及應計費用預期將於十二個月內結清或按要求償還。

(ii) 供應商授出的信貸期介乎30日至90日不等。

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

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 2014 於二零一四年 六月三十日 HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 HK\$'000 千港元
Within 1 month	一個月內	25,476	12,187
1 to 3 months	一至三個月	26,386	11,361
Over 3 months but within 1 year	多於三個月但一年內	4,922	1,757
Over 1 year	多於一年	603	231
		57,387	25,536

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

15 Bank Loans

As at the periods end, the bank loans were repayable as follows:

		At 30 June 2014 於二零一四年 六月三十日 HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 HK\$'000 千港元
Within 1 year or on demand	一年內或按要求	275,166	51,665
After 1 year but within 2 years	一年後但兩年內	198,776	62,730
After 2 years but within 5 years	兩年後但五年內	344,001	187,808
After 5 years	五年後	339,676	249,995
Sub-total	小計	882,453	500,533
Total	總計	1,157,619	552,198

(i) Bank loans amounted to HK\$1,128,437,000 as at 30 June 2014 (31 December 2013: HK\$552,198,000) were floating-rate loans denominated in RMB which carried interest rates ranged from 6.46% to 7.38% (six months ended 30 June 2013: 6.00% to 7.05%).

(ii) An analysis of secured and unsecured bank loans is as follows:

15 銀行貸款

於期末，應償還銀行貸款如下：

		At 30 June 2014 於二零一四年 六月三十日 HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 HK\$'000 千港元
(i)	於二零一四年六月三十日，為數1,128,437,000港元之銀行貸款(二零一三年十二月三十一日：552,198,000港元)乃以人民幣計值的浮息貸款，附帶息率介乎6.46%至7.38%(截至二零一三年六月三十日止六個月：6.00%至7.05%)之間。	1,128,437	552,198
(ii)	有抵押及無抵押之銀行貸款分析如下：		

		At 30 June 2014 於二零一四年 六月三十日 HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 HK\$'000 千港元
Bank loans	銀行貸款		
— secured	— 有抵押	1,157,619	411,790
— unsecured	— 無抵押	—	140,408
		1,157,619	552,198

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

15 Bank Loans (Continued)

(ii) (Continued)

Bank loans as at 30 June 2014 were secured by the charge rights of water supply and wastewater processing in certain subsidiaries of the Group, and the Group's certain buildings and machineries, lease prepayments and equity interests in Lvyou, and also guaranteed by certain third parties (31 December 2013: secured by the charge rights of water supply and wastewater processing in certain subsidiaries of the Group, and the Group's certain buildings and lease prepayments). Details of the secured assets are disclosed in notes 8, 9 and 11(b).

(iii) Bank loans amounted to HK\$779,564,000 as at 30 June 2014 (31 December 2013: HK\$238,863,000) are subject to the fulfillment of covenants as are commonly found in lending arrangements with financial institutions. The drawn down facility would become payable on demand if the covenant was breached. Pursuant to the terms of the bank loan agreements, certain subsidiaries are not allowed to distribute profit and/or to obtain other external financing prior to the lender's approval. The Group regularly monitors its compliance with these covenants. As at 30 June 2014, none of the covenants relating to drawn down facility had been breached.

15 銀行貸款(續)

(ii) (續)

於二零一四年六月三十日，銀行貸款乃以本集團若干附屬公司的供水收費權、污水處理收費權以及本集團若干樓宇及機械、租賃預付款及綠由股權作抵押，以及由若干第三方提供擔保(二零一三年十二月三十一日：以本集團若干附屬公司的供水收費權及污水處理收費權以及本集團若干樓宇及租賃預付款作抵押)。抵押資產的詳情於附註8、9及11(b)中披露。

(iii) 誠如一般常見的金融機構借款安排，於二零一四年六月三十日為數779,564,000港元(二零一三年十二月三十一日：238,863,000港元)之銀行貸款須履行契諾。倘違反契諾，已提取融資將須按要求償還。根據銀行貸款協議條款，若干附屬公司在獲得借方批准前不得進行溢利分配及/或獲取其他外部融資。本集團將持續監察該等契諾的遵守情況。於二零一四年六月三十日，概無違反與已提取融資相關的契諾。



Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

16 Capital, Reserves and Dividends

(a) Dividends

No dividend has been proposed by the Company after the end of the reporting period attributable to the periods ended 30 June 2014 and 2013.

During the six months ended 30 June 2014, the Company declared and paid a final dividend in respect of the previous financial year, of HK\$0.03 per ordinary share, amounting HK\$41,462,000 (six months ended 30 June 2013: Nil).

(b) Share capital

(i) Authorised share capital of the Company

		Number of shares 股份數目	HKD 港元
At 1 January 2013, 31 December 2013, 1 January 2014 and 30 June 2014	於二零一三年一月一日、 二零一三年十二月三十一日、 二零一四年一月一日 及二零一四年六月三十日	4,000,000,000	400,000,000

(ii) Issued share capital of the Company

		Number of shares 股份數目	HKD 港元
At 1 January 2013	於二零一三年一月一日	1,000,000	100,000
Shares issued by share offer	通過股份發售發行之股份	362,082,000	36,208,000
Capitalisation issue	資本化發行	1,019,000,000	101,900,000
At 31 December 2013, 1 January 2014 and 30 June 2014	於二零一三年十二月三十一日、 二零一四年一月一日 及二零一四年六月三十日	1,382,082,000	138,208,000

16 股本、儲備及股息

(a) 股息

於報告期末後，本公司並無建議宣派截至二零一四年及二零一三年六月三十日止期間之股息。

於截至二零一四年六月三十日止六個月，本公司就上一個財政年度宣派及派付末期股息每股普通股0.03港元，合共41,462,000港元(截至二零一三年六月三十日止六個月：無)。

(b) 股本

(i) 本公司法定股本

		Number of shares 股份數目	HKD 港元
At 1 January 2013, 31 December 2013, 1 January 2014 and 30 June 2014	於二零一三年一月一日、 二零一三年十二月三十一日、 二零一四年一月一日 及二零一四年六月三十日	4,000,000,000	400,000,000

(ii) 本公司已發行股本

		Number of shares 股份數目	HKD 港元
At 1 January 2013	於二零一三年一月一日	1,000,000	100,000
Shares issued by share offer	通過股份發售發行之股份	362,082,000	36,208,000
Capitalisation issue	資本化發行	1,019,000,000	101,900,000
At 31 December 2013, 1 January 2014 and 30 June 2014	於二零一三年十二月三十一日、 二零一四年一月一日 及二零一四年六月三十日	1,382,082,000	138,208,000

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

17 Commitments

(a) Capital commitments

Capital commitments outstanding at the end of reporting period not provided for in the interim financial report are as follows:

		At 30 June 2014 於二零一四年 六月三十日 HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 HK\$'000 千港元
Contracted for	已訂約	143,560	86,617
Authorised but not contracted for	已批准但未訂約	648,797	655,029
		792,357	741,646

(b) Operating lease commitments

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

		At 30 June 2014 於二零一四年 六月三十日 HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 HK\$'000 千港元
Within 1 year	一年內	5,365	229
After 1 year but within 5 years	一年後但五年內	19,106	916
After 5 years	五年後	51,733	2,785
		76,204	3,930

17 承擔

(a) 資本承擔

於報告期末尚未清償且於中期財務報告並無作出撥備的資本承擔如下：

(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：

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

18 Material Related Party Transactions

In addition to the related party information disclosed elsewhere in the interim financial report, the Group entered into the following material related party transactions during the period.

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

Name of related parties

關聯方姓名／名稱

Mr. Tsui Cham To
徐湛滔先生

Yinglong (ii)
盈隆(ii)

Guangzhou To Kee Enterprises Development
Group Limited (“Guangzhou To Kee”) (i)
廣州滔記實業發展集團有限公司(「廣州滔記」)(i)

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)

Guangyuan Haitao Textile Company Limited
(“Guangyuan Haitao”) (i)
廣元海滔紡織有限公司(「廣元海滔」)(i)

Mr. Lu Zhiji
盧志基先生

(i) The English translation of the names is for reference only. The official names of these companies are in Chinese.

(ii) The Group acquired further 49% equity shares of Yinglong during the six months ended 30 June 2014. Yinglong was no longer an associate and became a subsidiary of the Company upon completion of the acquisition. The following disclosure of the related party transactions related to Yinglong is for the period prior to the completion of acquisition.

18 重大關聯方交易

除中期財務報告中其他部分所披露的關聯方資料外，本集團於期內訂立以下重大關聯方交易。

董事認為本集團的關聯方包括以下人士／公司：

Relationship with the Group

與本集團的關係

Controlling Shareholder
控股股東

Former associate of the Group
本集團的前聯營公司

Effectively owned by the Controlling Shareholder
由控股股東實際擁有

Effectively owned by the Controlling Shareholder
由控股股東實際擁有

Effectively owned by the Controlling Shareholder
由控股股東實際擁有

Shareholder of Yinglong
盈隆之股東

(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) 於截至二零一四年六月三十日止六個月，本集團收購盈隆額外49%權益股份。於收購完成後，盈隆不再為本公司聯營公司，並成為本公司之一間附屬公司。以下有關盈隆的關聯方交易披露乃收購完成前期間之資料。

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

18 Material Related Party Transactions (Continued)

(a) Key management personnel compensation

Key management personnel compensation comprised:

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	2,635	674
Retirement scheme of defined contribution	界定供款退休計劃	40	23
		2,675	697

(b) Recurring transactions

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	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Provision of wastewater processing service	提供污水處理服務		
– Tian Tian	一天天	3,062	2,428

18 重大關聯方交易(續)

(a) 主要管理層人員酬金

主要管理層人員酬金包括：

Six months ended 30 June
截至六月三十日止六個月

2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
----------------------------------	----------------------------------

(b) 經常性交易

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

2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
----------------------------------	----------------------------------

Provision of wastewater processing service	提供污水處理服務		
– Tian Tian	一天天	3,062	2,428

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

18 Material Related Party Transactions (Continued)

18 重大關聯方交易(續)

(c) Balances with related parties

(c) 與關聯方的結餘

(i) Amounts due from related parties

(i) 應收關聯方款項

		At 30 June 2014 於二零一四年 六月三十日 HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 HK\$'000 千港元
Trade receivables from:	應收以下各方貿易款項：		
– Tian Tian	– 天天	3,055	2,075
Other receivables from:	其他應收以下各方款項：		
– Mr. Lu Zhiji	– 盧志基先生	15,017	–
– Yinglong	– 盈隆	–	62,752
		18,072	64,827

(ii) Amounts due to related parties

(ii) 應付關聯方款項

		At 30 June 2014 於二零一四年 六月三十日 HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 HK\$'000 千港元
Other payables to:	其他應付以下各方款項：		
– Guangzhou To Kee	– 廣州滔記	65,257	–
– the Controlling Shareholder	– 控股股東	1,134	–
– Guangyuan Haitao	– 廣元海滔	1,260	–
		67,651	–

The balances with these related parties are unsecured, interest free and have no fixed repayment terms.

與該等關聯方的結餘為無抵押、免息且無固定償還期限。

Notes to the Unaudited Interim Financial Report (Continued)

未經審核中期財務報告附註(續)

(Expressed in Hong Kong dollars unless otherwise indicated) (以港元列示，惟另有註明者除外)

19 Non-Adjusting Event after the Reporting Period 19 報告期後之非調整事項

On 6 August 2014, 60,000,000 new ordinary shares of the Company were allotted and issued to Mr. Gu Yao Kun at a price of HK\$5.9 per share. Upon completion of the share subscription, the issued share capital and share premium of the Company were increased by HK\$6,000,000 and HK\$348,000,000 respectively.

於二零一四年八月六日，本公司以每股股份5.9港元的價格向古耀坤先生配發及發行60,000,000股新普通股。於股份認購完成後，本公司已發行股本及股份溢價分別增加6,000,000港元及348,000,000港元。



CTEG

中滔環保

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