



ELL
Environmental
Holdings Limited



ELL

Environmental Holdings Limited

强泰环保控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

2016 INTERIM REPORT 中期報告

* For identification purpose only
僅供識別

Stock Code 股份代號 : 1395



CONTENTS 目錄

| | Page 頁次 |
|--|------------|
| Corporate Information 公司資料 | 2 |
| Chairman's Statement 主席報告 | 5 |
| Management Discussion and Analysis 管理層討論與分析 | 7 |
| Other Information 其他資料 | 21 |
| Financial Information 財務資料 | 26 |



Corporate Information 公司資料

DIRECTORS

EXECUTIVE DIRECTORS

CHAU On Ta Yuen (*Chairman*)
CHAN Kwan (*Chief Executive Officer*)

NON-EXECUTIVE DIRECTORS

CHAN Pak Lam Brian
CHAU Chi Yan Benny

INDEPENDENT NON-EXECUTIVE DIRECTORS (“INEDS”)

NG Chung Yan Linda
NG Man Kung
SZE Yeuk Lung Benedict

BOARD COMMITTEES

AUDIT COMMITTEE

NG Chung Yan Linda (*Chairlady*)
CHAU Chi Yan Benny
NG Man Kung
SZE Yeuk Lung Benedict

NOMINATION COMMITTEE

CHAU On Ta Yuen (*Chairman*)
CHAN Kwan
NG Chung Yan Linda
NG Man Kung
SZE Yeuk Lung Benedict

REMUNERATION COMMITTEE

NG Man Kung (*Chairman*)
CHAN Pak Lam Brian
NG Chung Yan Linda
SZE Yeuk Lung Benedict

REGISTERED OFFICE

P.O. Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

董事

執行董事

周安達源 (*主席*)
陳昆 (*行政總裁*)

非執行董事

陳柏林
周致人

獨立非執行董事 (「獨立非執行董事」)

伍頌恩
吳文拱
施若龍

董事委員會

審核委員會

伍頌恩 (*主席*)
周致人
吳文拱
施若龍

提名委員會

周安達源 (*主席*)
陳昆
伍頌恩
吳文拱
施若龍

薪酬委員會

吳文拱 (*主席*)
陳柏林
伍頌恩
施若龍

註冊辦事處

P.O. Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands



HEADQUARTERS IN THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC")

Rugao Hengfa Municipal and Industrial Wastewater Treatment Facility
North of Huimin Road
Rugao Economic and Technological Development Zone
Jiangsu Province
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 1-3, 11th Floor, Westlands Centre
20 Westlands Road
Hong Kong

AUTHORISED REPRESENTATIVES

CHAN Kwan
KWOK Siu Man *FCS*

COMPANY SECRETARY

KWOK Siu Man *FCS*

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Boardroom Share Registrars (HK) Limited
31st Floor
148 Electric Road
North Point
Hong Kong

於中華人民共和國（「中國」）的總部

如皋恆發市政及工業污水處理設施
中國
江蘇省
如皋經濟技術開發區
惠民路北側

香港主要營業地點

香港
華蘭路20號
華蘭中心11樓1-3室

授權代表

陳昆
郭兆文 *FCS*

公司秘書

郭兆文 *FCS*

開曼群島主要股份過戶登記處

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

香港證券登記分處

寶德隆證券登記有限公司
香港
北角
電氣道148號
31樓



Corporate Information 公司資料

PRINCIPAL BANKERS

Chiyu Banking Corporation Limited
The Hongkong and Shanghai Banking Corporation Limited

INDEPENDENT AUDITORS

Ernst & Young
Certified Public Accountants

LEGAL ADVISORS

AS TO HONG KONG LAW:

H. M. Chan & Co
in association with Taylor Wessing

AS TO PRC LAW:

King & Wood Mallesons

AS TO CAYMAN ISLANDS LAW:

Maples and Calder

WEBSITE

www.ellhk.com

STOCK CODE

1395

主要來往銀行

集友銀行有限公司
香港上海滙豐銀行有限公司

獨立核數師

安永會計師事務所
執業會計師

法律顧問

有關香港法律：

陳浩銘律師事務所
與泰樂信聯盟

有關中國法律：

金杜律師事務所

有關開曼群島法律：

邁普達律師事務所

公司網站

www.ellhk.com

股份代號

1395

Dear Shareholders,

On behalf of the board of directors (the “Directors” and the “Board”, respectively) of ELL Environmental Holdings Limited (“ELL Environmental” or the “Company”, together with its subsidiaries, the “Group”), I present the interim report for the six months ended 30 June 2016 (the “Period”).

China's economy remained generally stable during the first half of 2016. According to the information released by the National Bureau of Statistics of the PRC, GDP grew 6.7% when compared to that of the period ended 30 June 2015 (the “Last Corresponding Period”), and continued to grow slowly during the Period. Nevertheless, the water and the environmental protection industries were flourishing vigorously, as blessed by the State Council's introduction and implementation of a number of policies such as the “Water Cleanup Action Plan” (the “Ten Rules for Water Pollution Control”) and its further emphasis on the need to expand the role of market mechanism and accelerate the pace of water tariff reform.

For the Period, the Group recorded a revenue of approximately HK\$48.0 million, decreased by 39.7% as compared with that of the Last Corresponding Period. Gross profit and net profit was HK\$15.4 million and HK\$4.5 million, decreased by 42.1% and 73.8%, respectively as compared with those of the Last Corresponding Period, respectively. The Group has been successful in maintaining a sound financial position that serves as a cornerstone for its long-term development. At present, ELL Environmental has three sewage treatment facilities in Jiangsu Province, the PRC, namely the Hai'an Hengfa Facility, the Rugao Hengfa Facility and the Rugao Honghao Facility. They have a total maximum capacity of more than 83,500 tonnes per day.

In 2016, the introduction of the Ten Rules for Water Pollution Control and other environmental policies in an intensive manner lent a strong impetus to the development of the water and the environmental protection industries. The Ministry of Finance and the Ministry of Environmental Protection jointly issued an opinion paper on advancing water cleanup and implementing a public-private-partnership (the “PPP”) model with a view to facilitating partnerships between the public sector and the private investors for sewage treatment projects, which was of great significance to the enhancement of the quality in the supply of public goods and services as well as the improvement of the water cleanup capability and efficiency.

Looking ahead, the water industry will continue to maintain its amount of investment in the environmental protection industry as boosted by the central government and the community's increasing awareness of environmental protection so that the environmental protection industry will continue to grow. This year marks the beginning of the 13th Five-year Plan. According to the market projections, sewage-related investments

致各位股東：

本人謹代表強泰環保控股有限公司（「強泰環保」或「本公司」，連同其附屬公司統稱「本集團」）董事會（分別為「董事」及「董事會」）呈報本集團截至二零一六年六月三十日止六個月（「期內」）的中期報告。

二零一六年上半年中國經濟大致保持平穩。根據中國國家統計局公佈的數據，較之截至二零一五年六月三十日止期間（「去年同期」），國內生產總值增長6.7%，並於期內持續增速放緩。雖然如此，因國務院落實推出若干政策，如《水污染防治行動計劃》（亦稱「水十條」），進一步強調增強市場機制的的作用及加速水價改革，水務及環保行業得以發展暢旺。

期內，本集團錄得營業收入約48.0百萬港元，較去年同期下降39.7%。毛利及純利為15.4百萬港元及4.5百萬港元，較去年同期分別下降42.1%及73.8%。本集團仍維持穩健的財務狀況，為其長期發展奠定基礎。目前，強泰環保的三座污水處理設施均位於中國江蘇省，包括海安恆發設施、如皋恆發設施及如皋宏皓設施。三座污水處理設施的最高處理能力每日合共超過83,500噸。

二零一六年，政府相繼推出「水十條」及其他環保政策，為水務及環保行業的發展帶來強大的推動力。中國財政部及環境保護部聯合印發《關於推進水污染防治領域政府和社會資本合作的實施意見》，在水污染防治領域大力推廣運用政府和社會資本合作（「PPP」）模式，對提高環境公共產品與服務供給質量，提升水污染防治能力與效率具有重要意義。

展望未來，水務行業在中央政府及社會日益注重環保帶動下，對環保行業維持投資額度，令行業得以持續增長。今年是「十三五」規劃的開局之年。據市場預計，污水領域的投資預計將從「十二五」規劃期間的人民幣4,300億元大幅增加至



Chairman's Statement 主席報告

are expected to rise substantially to RMB535 billion from RMB430 billion during the period of the 12th Five-year Plan. These investments will be directed to add the capacity and upgrade the existing facilities. Furthermore, the accelerating urbanization process has rendered a more urgent need for water cleanup. This need is believed to be on the rise in the future, and the water sector is anticipated to usher in a flourish.

In order to consolidate our market position and maintain a stable business expansion, we need to make good use of our rich experience in the industry over the years, our familiarity with the market and our good partnership with the local government authorities. Moreover, the State Council also stressed the need to expand the role of market mechanism and accelerate the pace of water tariff reform. As the water tariff restructuring reform and the ladder-like water tariff scheme are being implemented across the country, the water tariff has already been adjusted accordingly after the upgrading works of the Rugao Hengfa Facility was substantially completed in December 2015. Upon satisfactory completion of the inspection and the receipt of a permit for sewage discharge for the upgrading works, the water tariff is expected to be further adjusted.

The Group will keep a close eye on the new sewage treatment projects and other environmental projects at home and abroad in order to seek opportunities for business expansion. On 16 June 2016, the Group entered into a share purchase agreement (the "SPA") with Fusion Joy Holdings Inc. ("Fusion Joy") and Carlton Asia Limited ("Carlton Asia"), pursuant to which the Group has conditionally agreed to acquire all the issued shares of Weal Union Limited ("Weal Union") from Fusion Joy and Carlton Asia at an aggregate consideration of approximately US\$22.3 million (equivalent to approximately HK\$172.5 million). Weal Union is a company investing in the kernel oil production and biomass power generation business in Jambi Province, the Republic of Indonesia ("Indonesia"). Involving the use of a renewable green energy, the biomass power generation business is regarded as an industry of environmental protection, and is in line with the Group's vision and goal.

Here I would like to express my gratitude to my fellow directors and staff. We are well aware that our staff, customers and partners are the key to our sustained and stable development. The Group aims to work together with our staff and maintain close ties with our partners to provide customers with quality services for achieving sustainable development.

Chau On Ta Yuen
Chairman

Hong Kong, 22 August 2016

人民幣5,350億元。該等投資將用於擴充及升級現有設施的污水處理能力。此外，隨著城鎮化進程不斷加速，水污染防治的需求日漸迫切。預計日後該需求將日益增加，水務行業將持續發展蓬勃。

為鞏固我們的市場地位及維持穩定的業務擴張，我們需要善加利用我們多年來積累的豐富經驗及對市場的透徹了解及與當地政府部門的密切聯繫。此外，國務院亦強調增強市場機制的的作用及加快水價改革。由於全國推行水價重組改革及階梯式水價機制，如皋恆發設施的升級工程於二零一五年十二月基本完成後，水價已相應作出調整。待升級工程的檢驗工作圓滿完成及取得污水排放許可證後，預期水價將獲進一步上調。

本集團將積極留意海內外的新污水處理項目及其他環保項目，尋求業務擴張的機會。於二零一六年六月十六日，本集團與Fusion Joy Holdings Inc.（「Fusion Joy」）及Carlton Asia Limited（「Carlton Asia」）訂立一份股份購買協議（「股份購買協議」），據此，本集團已有條件同意向Fusion Joy及Carlton Asia購買旭衡有限公司（「旭衡」）的全部已發行股本，總代價約22.3百萬美元（相當於約172.5百萬港元）。旭衡為一間於印度尼西亞共和國（「印尼」）占碑市投資仁油生產及生物質發電業務的公司。生物質發電業務因涉及使用可再生綠色能源，屬於環境保護行業，與本集團的愿景及目標一致。

在此我向董事會各同僚及全體員工表示感謝。我們深知我們的員工、客戶及合作夥伴是我們持續穩定發展的關鍵。本集團將繼續群策群力，與合作夥伴維持密切關係，為客戶提供優質服務，以實現可持續發展。

主席
周安達源

香港，二零一六年八月二十二日



BUSINESS REVIEW AND OUTLOOK

ELL Environmental is an environmental industry services provider with three wastewater treatment facilities in Jiangsu Province, the PRC. We offer a one-stop approach to the provision of wastewater treatment services using the “Build-Operate-Transfer” (the “BOT”) model. We cover the whole spectrum of activities from the design of wastewater treatment facilities, through the procurement of suitable equipment and materials, to the supervision of their construction as well as the on-going operation and maintenance of the facilities throughout long-term concession periods. The three wastewater treatment facilities, including one in Haiyan County, namely the Haiyan Hengfa Facility, and two in Rugao Economic and Technological Development Zone (the “Rugao ETDZ”), namely the Rugao Hengfa Facility and the Rugao Honghao Facility, have daily wastewater treatment capacities of 40,000 tonnes, 40,000 tonnes and 3,500 tonnes, respectively.

China's economy underwent a stable growth in the first half of 2016. During the Period, China's GDP grew 6.7%, which was within the government's expected range of 6.5% to 7%. Meanwhile, the PRC government has demonstrated a continuous support to the development of the environmental protection industry by introducing the Ten Rules for Water Pollution Control and other environmental policies in great efforts. The market investment in the PPP projects is still in a growing stage. Nonetheless, the challenges from intensified competition in the industry and instabilities in the global economy and financial market have also raised the bar for companies to maintain a steady growth or sustain its profitability. Fluctuations in the exchange rate of Renminbi (“RMB”) have a direct impact to the investment return of foreign investors.

Despite the challenges, the Group has been able to uphold its position and maintain its financial strength as a result of its persistence of being cautious and risk-focused in expansions. The Group has a solid base of businesses in China, which will continuously be the strong support for future growth. Currently, the Group is negotiating with the local government to adjust the water tariff for the Haiyan Hengfa Facility. The upgrading works of the Rugao Hengfa Facility was substantially completed in December 2015, and the water tariff has already been adjusted accordingly. Upon satisfactory completion of the inspection and the receipt of a permit for sewage discharge for the upgrading works, the water tariff is expected to be further adjusted.

業務回顧及展望

強泰環保是一家環保產業服務供應商，在中國江蘇省有三座污水處理設施。我們採用「建設—經營—移交」（「BOT」）模式提供一站式污水處理服務。我們提供全套服務，涵蓋設計污水處理設施、採購合適的設備及材料、監督設施建設以及在整個漫長特許期內持續運營及保養設施。該三座污水處理設施，包括一座位於海安縣的設施（海安恆發設施）及兩座位於如皋經濟技術開發區（「如皋經濟技術開發區」）的設施（如皋恆發設施及如皋宏皓設施），每天可處理的污水量分別為40,000噸、40,000噸及3,500噸。

二零一六年上半年中國經濟穩定增長。於期內，中國的國內生產總值增長6.7%，符合政府6.5%至7%的預期區間。與此同時，中國政府大力推出「水十條」及其他環保政策，以示繼續支持環境保護行業的發展。對PPP項目的市場投資仍處於持續增長階段。然而，行業競爭加劇帶來挑戰，加上全球經濟及金融市場不穩定，令企業保持穩定增長或維持盈利能力的難度加大。人民幣（「人民幣」）匯率波動直接影響境外投資者的投資回報。

儘管面臨諸多挑戰，本集團仍能保持優勢及維持其財務實力，可歸功其業務拓展過程中，保持謹慎及以風險為導向的策略。本集團在中國擁有穩健的業務基礎，將繼續為未來增長帶來有力支持。目前，本集團正就海安恆發設施的水價調整與當地政府展開商討。如皋恆發設施的升級工程於二零一五年十二月基本完成，水價已相應調整。待升級工作的檢驗工作圓滿完成及取得污水排放許可證後，預期水價將獲進一步上調。



Management Discussion and Analysis

管理層討論與分析

Meanwhile, the Group has been actively seeking expansion opportunities in the environmental industry overseas. On 16 June 2016, the Group entered into the SPA with Fusion Joy and Carlton Asia, pursuant to which the Group has conditionally agreed to acquire from the latter two parties all the issued shares of Weal Union at an aggregate consideration of approximately US\$22.258 million. Weal Union is investing in kernel oil production and biomass power generation business in Jambi province of Indonesia. Being a renewable green energy, the biomass power generation business is regarded as an industry of environmental protection, and is in line with the Group's vision and goal.

As the Indonesian government has shown its strong determination in tackling the pollution problems nationally as supported by its intention of providing substantial subsidies to renewable energy power producers, it is expected that the renewable energy pricing scheme will become more favourable to the producers under the development of the regulations. The management is highly optimistic about the profitability and potential growth of the biomass power generation business carried on by Weal Union through its subsidiary. At the same time, we shall also keep a close eye on other suitable opportunities in Indonesia or other locations for future expansion and diversification of businesses.

For more details, please refer to the Company's announcement dated 16 June 2016.

FINANCIAL REVIEW

REVENUE

Our total revenue decreased by approximately 39.7% to approximately HK\$48.0 million for the Period from approximately HK\$79.7 million for the Last Corresponding Period, of which the revenue excluding the imputed interest income decreased to approximately HK\$38.1 million for the Period from approximately HK\$72.4 million for the Last Corresponding Period. During the Period, the decrease in revenue was primarily attributable to a decrease of the construction revenue as a result of the upgrading works of the Rugao Hengfa Facility to approximately HK\$18.7 million for the Period from approximately HK\$46.0 million for the Last Corresponding Period and the recognition of output value-added tax ("VAT") of approximately HK\$5.9 million for the Period while the Group was not subject to VAT for the Last Corresponding Period.

與此同時，本集團已積極尋求環保產業的海外拓展機遇。於二零一六年六月十六日，本集團與Fusion Joy及Carlton Asia訂立一份股份購買協議，據此，本集團已有條件同意向Fusion Joy及Carlton Asia購買旭衡的全部已發行股本，總代價約為22.258百萬美元。旭衡於印尼占碑市投資仁油生產及生物質發電業務。作為可再生綠色能源，生物質發電業務被視為屬於環境保護行業，與本集團的愿景及目標一致。

而印尼政府已表明其解決全國污染問題的堅定決心，由政府計劃向可再生能源電力生產商提供高額補貼可見一斑，因此，預計隨著法規的發展，可再生能源定價機制將更有利於生產商。管理層對旭衡透過其附屬公司開展的生物質能源發電業務的盈利能力及增長潛力相當樂觀。同時，我們亦會在印尼或其他地區密切留意其他合適機會，促進未來業務拓展及多元化發展。

進一步詳情，請參閱本公司日期為二零一六年六月十六日的公告。

財務回顧

營業收入

我們的營業收入總額由去年同期約79.7百萬港元減少約39.7%至期內約48.0百萬港元，其中扣除推算利息收入的營業收入由去年同期約72.4百萬港元減少至期內約38.1百萬港元。於期內，營業收入減少乃主要因如皋恆發設施的升級工程的建設營業收入由去年同期約46.0百萬港元減少至期內約18.7百萬港元及於期內確認銷項增值稅（「增值稅」）約5.9百萬港元，而本集團去年同期無須繳納增值稅。



Management Discussion and Analysis 管理層討論與分析

COST OF SALES

Our total cost of sales decreased by approximately 38.5% to approximately HK\$32.6 million for the Period from approximately HK\$53.1 million for the Last Corresponding Period, primarily due to a decrease in the construction costs which amounted to approximately HK\$14.4 million as a result of the upgrading works of the Rugao Hengfa Facility during the Period, as compared to approximately HK\$37.1 million during the Last Corresponding Period.

GROSS PROFIT AND GROSS PROFIT MARGIN

Our gross profit decreased by approximately 42.1% to approximately HK\$15.4 million for the Period from approximately HK\$26.6 million for the Last Corresponding Period, primarily due to the decrease in construction profit by approximately 51.4% to approximately HK\$4.3 million for the Period from approximately HK\$8.9 million for the Last Corresponding Period, in relation to the upgrading works of the Rugao Hengfa Facility. The decrease in our gross profit margin to approximately 32.0% for the Period from approximately 33.4% for the Last Corresponding Period was mainly attributable to the increase in cost of sales of the Rugao Honghao Facility due to an increase in the volume of wastewater processed.

OTHER INCOME AND GAINS

Our other income and gains increased by approximately 59.7% to approximately HK\$5.5 million for the Period from approximately HK\$3.4 million for the Last Corresponding Period, which was primarily attributable to the interest income from available-for-sale investments.

ADMINISTRATIVE EXPENSES

Our administrative expenses increased by approximately 72.0% to approximately HK\$11.8 million for the Period from approximately HK\$6.9 million for the Last Corresponding Period. The increase was primarily attributable to (i) the professional fees of HK\$1.2 million incurred in relation to the potential acquisition of the issued shares of Weal Union as announced on 16 June 2016; (ii) the increase in other office and administration services during the Period approximately HK\$1.8 million; and (iii) the loss on disposal of available-for-sale investments of approximately HK\$1.2 million.

銷售成本

我們的銷售成本總額由去年同期約53.1百萬港元減少約38.5%至期內約32.6百萬港元，主要由於(i)如皋恆發設施升級工程產生建設成本減少，期內約14.4百萬港元，而去年同期約37.1百萬港元。

毛利及毛利率

我們的毛利由去年同期約26.6百萬港元減少約42.1%至期內約15.4百萬港元，主要由於就如皋恆發設施升級工程確認相關建設溢利由去年同期約8.9百萬港元減少約51.4%至期內約4.3百萬港元。我們的毛利率由去年同期約33.4%下降至期內約32.0%，主要是由於處理污水量增加導致如皋宏皓設施的銷售成本增加。

其他收入及收益

我們的其他收入及收益由去年同期約3.4百萬港元增加約59.7%至期內約5.5百萬港元，此乃由於來自可供出售投資的利息收入。

行政開支

我們的行政開支由去年同期約6.9百萬港元增加約72.0%至期內約11.8百萬港元，該增幅乃主要由於(i)與二零一六年六月十六日所公佈潛在收購旭衡已發行股本相關的專業費用1.2百萬港元；(ii)於期內，其他辦公室及行政服務增加約1.8百萬港元；及(iii)出售可供出售投資虧損約1.2百萬港元。



Management Discussion and Analysis

管理層討論與分析

FINANCE COSTS

Our finance costs increased by approximately 91.0% to approximately HK\$1.1 million for the Period from approximately HK\$0.6 million for the Last Corresponding Period. The increase in finance costs was primarily attributable to the drawdown of a bank loan in September 2015.

PROFIT BEFORE TAX

Our profit before tax decreased by 64.6% to HK\$8.0 million for the Period from HK\$22.6 million for the Last Corresponding Period, primarily due to the factors mentioned above.

INCOME TAX

Income tax expense of approximately HK\$3.5 million was recognised for the Period as compared to approximately HK\$5.6 million for the Last Corresponding Period. The effective tax rate was 44.3% for the Period as compared to 24.8% for the Last Corresponding Period.

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

Our profit attributable to owners of the parent decreased by approximately 74.2% to approximately HK\$4.2 million for the Period from approximately HK\$16.4 million for the Last Corresponding Period, primarily due to the factors mentioned above.

AVAILABLE-FOR-SALE INVESTMENTS

The Group has invested its surplus cash in available-for-sale investments which comprise mainly investment funds and debt securities (the "Portfolio") for stable interest income. Management adopted a prudent investment strategy that focuses on the diversification of markets and sectors to minimise concentration risks. Management also monitors the investment performance of the Portfolio on a regular basis. During the Period, the Group made the following acquisitions and disposals of available-for-sale investments that comprise the Portfolio:

融資成本

我們的融資成本由去年同期約0.6百萬港元增加約91.0%至期內約1.1百萬港元。融資成本增加主要因為於二零一五年九月提取一筆銀行貸款。

除稅前溢利

我們的除稅前溢利由去年同期22.6百萬港元減少64.6%至期內8.0百萬港元，主要是由於上述因素所致。

所得稅

所得稅開支約3.5百萬港元已於期內確認，而約5.6百萬港元則已於去年同期確認。期內的實際稅率為44.3%，而去年同期則為24.8%。

本公司母公司擁有人應佔溢利

我們的母公司擁有人應佔溢利由去年同期約16.4百萬港元減少約74.2%至期內約4.2百萬港元，主要是由於上述因素所致。

可供出售投資

本集團已將其過剩的現金用作可供出售投資，主要包括可獲取穩定利息收入的投資基金及債務證券（「投資組合」）。管理層採取審慎的投資策略，專注於多個市場及分部以將集中風險最小化。管理層亦定期監察投資組合的投資表現。期內，本集團購買及出售組成投資組合的可供出售投資如下：



Management Discussion and Analysis 管理層討論與分析

AVAILABLE-FOR-SALE INVESTMENTS (continued) INVESTMENTS ACQUIRED DURING THE PERIOD

**Description of available-for-sale investments
acquired during the Period**
期內購買的可供出售投資描述

可供出售投資(續) 期內購買投資

**Considerations on acquisitions of
available-for-sale investments**
購買可供出售投資的代價
(in HK\$'million)
(百萬港元)

| | |
|--|-------------|
| 9.5000% GOLDEN WHEEL-NOTES (ISIN: XS1329465311) (證券國際代碼 : XS1329465311) | 9.5 |
| BRIDGEWAY MONEY SQ P2P FUND SP | 22.0 |
| Total 合計 | 31.5 |



Management Discussion and Analysis 管理層討論與分析

AVAILABLE-FOR-SALE INVESTMENTS (continued)

INVESTMENTS DISPOSED OF DURING THE PERIOD

可供出售投資(續)

期內出售投資

| Description of available-for-sale investments disposed of during the Period 期內出售的可供出售投資描述 | Proceeds from disposals of available-for-sale investments 出售可供出售投資的所得款項 (in HK\$'million) (百萬港元) | Realized gain/(loss) on disposals reclassified from other comprehensive income to profit or loss 自其他全面收入重新分類至損益的已變現出售收益/(虧損) (in HK\$'million) (百萬港元) |
|--|---|--|
| FIDELITY FUNDS SICAV-US HIGH YIELD FUND (ISIN: LU0370788753) (國際證券代碼: LU0370788753) | 7.9 | (0.7) |
| NEUBERGER BERMAN INVESTMENT FUNDS-HIGH YIELD (ISIN: IE00B8QBJF01) (國際證券代碼: IE00B8QBJF01) | 7.7 | (0.7) |
| 4.0000% CHINA CIND FIN-NOTES (ISIN: USG2117CAB84) (國際證券代碼: USG2117CAB84) | 2.4 | —* |
| 2.3750% EXP-IMP BANK KOREA-NOTES (ISIN: US302154BM07) (國際證券代碼: US302154BM07) | 4.0 | 0.1 |
| 2.3000% ZHEJIANG PROVINCIAL-NOTES (ISIN: XS1111256431) (國際證券代碼: XS1111256431) | 3.9 | —* |
| 2.2500% AIA GROUP-MEDIUM TERM NOTES (ISIN: US00131M2A05) (國際證券代碼: US00131M2A05) | 4.0 | —* |
| 1.8750% SINOPEC CAP-NOTES (ISIN: USG81877AB17) (國際證券代碼: USG81877AB17) | 3.9 | 0.1 |
| GOLDMAN SACHS FD SICAV-GLOBAL HIGH YIELD (ISIN: LU1057464155) (國際證券代碼: LU1057464155) | 0.8 | —* |
| UBS (LUX) SICAV 2 SICAV-MONEY MARKET (ISIN: LU0417389524) (國際證券代碼: LU0417389524) | 1.8 | —* |
| UBS (LUX) BD SICAV-USD HIGH YIELD (ISIN: LU0396369489) (國際證券代碼: LU0396369489) | 0.8 | —* |
| Total 合計 | 37.2 | (1.2) |

* Less than HK\$0.1 million

* 少於0.1百萬港元



AVAILABLE-FOR-SALE INVESTMENTS (continued)

INVESTMENTS HELD AS AT 30 JUNE 2016

**Description of available-for-sale investments
as at 30 June 2016**

於二零一六年六月三十日可供出售投資描述

可供出售投資(續)

於二零一六年六月三十日持有投資

**Fair value as at 30 June 2016
(including accrued interest)**

於二零一六年六月三十日之公允值(包括應計利息)

(in HK\$'million)

(百萬港元)

| | |
|--|------|
| 3.0000% EXPRESS (BVI) 15-NOTES (ISIN: XS1239407502) (國際證券代碼: XS1239407502) | 1.8 |
| 5.5000% DAWN VICTOR-NOTES (ISIN: XS1241499919) (國際證券代碼: XS1241499919) | 6.3 |
| 8.7500% EVERGRANDE REAL-NOTES (ISIN: USG3225AAD57) (國際證券代碼: USG3225AAD57) | 15.7 |
| 8.1250% HNA GRP INTL-EURO MEDIUM-TERM NOTES (ISIN:XS1259361050) (國際證券代碼: XS1259361050) | 10.7 |
| 3.0000% BEIJING STATE-OWNED-NOTES (ISIN: XS1234958376) (國際證券代碼: XS1234958376) | 2.4 |
| 4.0000% CGNPC INTL-NOTES (ISIN: XS1227947097) (國際證券代碼: XS1227947097) | 2.5 |
| 2.3750% INDL BANK OF KOREA-NOTES (ISIN: US45604HAA59) (國際證券代碼: US45604HAA59) | 4.0 |
| 2.3750% SINGTEL GRP TRS-EURO MEDIUM-TERM NOTES (ISIN: XS0754808227) (國際證券代碼: XS0754808227) | 4.0 |
| 1.6250% ALIBABA GRP-NOTES (ISIN:US01609WAE21) (國際證券代碼: US01609WAE21) | 3.9 |
| 9.5000% GOLDEN WHEEL-NOTES (ISIN:XS1329465311) (國際證券代碼: XS1329465311) | 9.4 |
| 3.7310% CMT MTN-EURO MEDIUM-TERM NOTES (ISIN:XS0758251028) (國際證券代碼: XS0758251028) | 4.0 |
| 6.2500% HKCG FINANCE-NOTES (ISIN: USY32358AA46) (國際證券代碼: USY32358AA46) | 4.3 |
| 4.0000% CGN RENEWABLE-NOTES (ISIN: XS0945673191) (國際證券代碼: XS0945673191) | 4.0 |
| 2.6250% NATL FEDER FISH-EURO MEDIUM-TERM NOTES (ISIN:XS1056573071) (國際證券代碼: XS1056573071) | 4.0 |
| 3.3750% TENCENT HLDG-MEDIUM TERM NOTES (ISIN: US88032XAB01) (國際證券代碼: US88032XAB01) | 4.0 |
| 4.0000% CHINA CIND FIN-NOTES (ISIN: USG2117CAB84) (國際證券代碼: USG2117CAB84) | 1.6 |



Management Discussion and Analysis 管理層討論與分析

AVAILABLE-FOR-SALE INVESTMENTS (continued)

INVESTMENTS HELD AS AT 30 JUNE 2016 (continued)

Description of available-for-sale investments as at 30 June 2016

於二零一六年六月三十日可供出售投資描述

可供出售投資(續)

於二零一六年六月三十日持有投資(續)

Fair value as at 30 June 2016 (including accrued interest)

於二零一六年六月三十日之公允值(包括應計利息)
(in HK\$'million)
(百萬港元)

| | |
|--|--------------|
| 2.3750% IFC DEVELOPMENT-NOTES (ISIN: XS0877604990) (國際證券代碼: XS0877604990) | 3.9 |
| 2.2460% DBS GROUP HLDGS-MEDIUM TERM NOTES (ISIN: US24023LAA44) (國際證券代碼: US24023LAA44) | 4.0 |
| GOLDMAN SACHS FD SICAV – GLOBAL HIGH YIELD (ISIN: LU1057464155) (國際證券代碼: LU1057464155) | 4.8 |
| UBS (LUX) BD SICAV-USD HIGH YIELD (ISIN: LU0396369489) (國際證券代碼: LU0396369489) | 4.8 |
| UBS (LUX) SICAV 2 SICAV – MONEY MARKET (ISIN: LU0417389524) (國際證券代碼: LU0417389524) | 1.9 |
| BRIDGEWAY MONEY SQ P2P FUND SP | 22.0 |
| Total 合計 | 124.0 |

The Portfolio generated an interest income of approximately HK\$2.6 million for the Period, as compared to approximately HK\$0.3 million for the Last Corresponding Period.

During the Period, we recorded a gain of approximately HK\$1.3 million in other comprehensive income of the consolidated statement of comprehensive income, as compared to approximately HK\$0.2 million for the Last Corresponding Period, due to the record and inclusion of the changes in the fair value of the investments in the Portfolio. The total value of investments amounted to HK\$124.0 million as at 30 June 2016, as compared to HK\$127.9 million as at 31 December 2015. As the Portfolio comprised of investment funds and debt securities, the management considers the change in the fair value of the investments to be temporary.

期內投資組合產生利息收入約2.6百萬港元，較之去年同期為約0.3百萬港元。

期內，因記錄及記入投資組合中投資的公允值變動，我們於綜合全面收入表內的其他收入錄得收益約1.3百萬港元，較之去年同期為約0.2百萬港元。於二零一六年六月三十日，投資價值總額為124.0百萬港元，較之二零一五年十二月三十一日為127.9百萬港元。由於投資組合主要包括投資基金及債務證券，管理層認為投資的公允值變動屬暫時變動。



AVAILABLE-FOR-SALE INVESTMENTS (continued)

The Group has intended to settle the cash portion of the consideration of the acquisition under the SPA, which amounts to US\$12 million (equivalent to approximately HK\$93 million), by liquidating its positions in the Portfolio. Subject to the satisfaction of the condition precedents thereunder, the Group intended to complete the SPA before 30 September 2016, i.e. within three months from 30 June 2016. As such, the Group had reclassified a substantial portion of the available-for-sale investments in the Portfolio, which were valued at HK\$102.0 million in aggregate as at 30 June 2016 from “non-current assets” to “current assets” as at 30 June 2016.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Our principal liquidity and capital requirements primarily relate to investments in our projects, construction and upgrading of our wastewater treatment facilities, purchases of equipment as well as costs and expenses related to the operation and maintenance of our facilities.

As at 30 June 2016, the carrying amount of the Group’s cash and cash equivalents was approximately HK\$60.1 million, representing a decrease of 31.6% as compared to that of HK\$87.8 million as at 31 December 2015.

As at 30 June 2016, the Group’s cash and cash equivalents of HK\$13.1 million, HK\$26.0 million and HK\$21.0 million were denominated in Hong Kong dollars, United States dollars and RMB, respectively (31 December 2015: HK\$59.2 million, HK\$2.2 million and HK\$26.4 million were denominated in Hong Kong dollars, United States dollars and RMB, respectively).

LOANS AND BORROWINGS

As at 30 June 2016, the total amount of our utilised bank loans was approximately HK\$33.0 million, of which approximately HK\$32.2 million was repayable within one year and approximately HK\$0.7 million was repayable after one year but within five years. All outstanding bank loans were denominated in RMB, of which HK\$3.8 million and HK\$29.2 million borne a fixed interest rate at 6.77% and 4.5%, respectively, per annum. We had no unutilised banking facilities as at 30 June 2016.

可供出售投資(續)

本集團已擬透過清算其於投資組合的持倉，結算股份購買協議項下收購代價的現金部分，達12百萬美元(相當於約93百萬港元)。待擬進行的交易之先決條件達成後，本集團擬於二零一六年九月三十日前完成股份購買協議，即自二零一六年六月三十日起三個月內。因此，於二零一六年六月三十日本集團已重新分類投資組合內的大部分可供出售投資，將之從「非流動資產」分類為「流動資產」，於二零一六年六月三十日其總值為102.0百萬港元。

流動資金、財務及資本資源

我們主要的流動資金及資本需求主要與我們的項目投資、建設及升級污水處理設施、購買設備有關以及與經營及維護設施有關的成本及開支。

於二零一六年六月三十日，本集團現金及現金等價物的賬面值約為60.1百萬港元，較二零一五年十二月三十一日的87.8百萬港元減少31.6%。

於二零一六年六月三十日，本集團的現金及現金等價物13.1百萬港元、26.0百萬港元及21.0百萬港元分別以港元、美元及人民幣計值(二零一五年十二月三十一日：59.2百萬港元、2.2百萬港元及26.4百萬港元分別以港元、美元及人民幣計值)。

貸款及借款

於二零一六年六月三十日，我們已動用的銀行貸款總額約為33.0百萬港元，當中約32.2百萬港元為於一年內償還，約0.7百萬港元為於一年後但於五年內償還。全部未償還銀行貸款以人民幣計值，其中3.8百萬港元及29.2百萬港元分別按固定年利率6.77%及4.5%計息。我們於二零一六年六月三十日並無未動用銀行融資。



Management Discussion and Analysis 管理層討論與分析

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES (continued)

LOANS AND BORROWINGS (continued)

Gearing ratio is calculated by dividing total debt by total equity, and total debt is the interest-bearing bank borrowings. Our gearing ratio was kept stable, being 0.1 as at 30 June 2016 and 0.1 as at 31 December 2015.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Period. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. Surplus cash will be invested appropriately so that the Group's cash need in support of the Group's strategy direction from time to time can be met.

CAPITAL EXPENDITURES

Our capital expenditures consist primarily of expenditures to construct wastewater treatment facilities, purchase of property, plant and equipment and carry out other upgrading and improvement works of the wastewater treatment facilities.

For the Period, our capital expenditures amounted to HK\$14.4 million. These capital expenditures were funded by funds generated from our financing activities.

FOREIGN EXCHANGE RISK

Individual companies in Mainland China within our 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 these principal subsidiaries mainly carried assets and liabilities in RMB, any appreciation or depreciation of Hong Kong dollars against RMB will affect the Group's consolidated financial position and will be reflected in the exchange fluctuation reserve.

As at 30 June 2016, individual companies in Hong Kong within our Group had translational currency exposure because our available-for-sale investments of HK\$102.0 million and cash and cash equivalents of HK\$26.0 million were denominated in United States dollars.

流動資金、財務及資本資源(續)

貸款及借款(續)

資產負債比率按債務總額除以權益總額計算，而債務總額指計息銀行借款。我們的資產負債比率維持穩定，於二零一六年六月三十日為0.1倍，及二零一五年十二月三十一日為0.1倍。

庫務政策

本集團已對其庫務政策採取審慎的財務管理方針，故在本期間一直維持穩健的流動資金狀況。董事會緊密監察本集團的流動資金狀況以確保本集團的資產、負債及其他承擔的流動資金結構可應付其不時的資金需求。本集團將適當地投放盈餘現金，以致可不時滿足支持本集團策略方針所需的現金需求。

資本開支

我們的資本開支主要包括建造污水處理設施、購置物業、廠房及設備以及開展其他污水處理設施升級及改造工程的開支。

期內，我們的資本開支達到14.4百萬港元。該等資本開支由我們的融資活動所得資金撥付。

外匯風險

由於本集團內中國內地各公司大部分交易採用的貨幣與其業務有關功能貨幣相同，因此此等公司僅承受有限的外幣風險。但是，由於此等主要附屬公司的資產及負債主要以人民幣記賬，港元兌人民幣的任何升值或貶值將對本集團的綜合財務狀況產生影響並影響匯兌波動儲備。

於二零一六年六月三十日，由於可供出售投資102.0百萬港元及現金及現金等價物26.0百萬港元以美元計值，故本集團旗下的香港各公司須承擔換算貨幣風險。



LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES (continued)

FOREIGN EXCHANGE RISK (continued)

RMB is not freely convertible into foreign currencies and the conversion of RMB into foreign currencies is subject to rules and regulations of the foreign exchange control promulgated by the PRC government. The Group does not have a foreign currency hedging policy. However, the Directors monitor the Group's foreign exchange exposure closely and may, depending on the circumstances and trend of foreign currency, consider adopting significant foreign currency hedging policy in the future.

CONTINGENT LIABILITIES

As at 30 June 2016, the Group had no contingent liabilities.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2016, the Group had 72 employees (31 December 2015: 78). Employee costs, including Directors' emoluments, amounted to HK\$5.2 million for the Period (six months ended 30 June 2015: HK\$4.3 million). The remuneration policy for our directors and senior management members is based on their experience, level of responsibility and general market conditions. Any discretionary bonus or other merit payments are linked to both the performance of our Group and the employees individually. The Company has also adopted a share option scheme as incentives to reward and motivate eligible participants.

MATERIAL ACQUISITIONS AND DISPOSALS

For the Period, the Group did not have any material acquisitions and disposals of assets.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING AND PLACING

The net proceeds from the initial public offering of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 26 September 2014 (the "IPO") (after deducting underwriting fees and related expenses) amounted to approximately HK\$77.6 million. Subject to the completion of the SPA and the Deposit (defined below) becoming non-refundable, as at 30 June 2016, the proceeds from the IPO had been fully utilised.

流動資金、財務及資本資源(續)

外匯風險(續)

人民幣不可自由兌換為其他貨幣，人民幣兌換為外幣須受中國政府頒佈的外匯管制規章及法規限制。本集團並無外幣對沖政策。然而，董事密切監察本集團的外匯風險，且在視乎外幣情況及趨勢下考慮於日後採納重大外幣對沖政策。

或然負債

於二零一六年六月三十日，本集團並無或然負債。

僱員及薪酬政策

於二零一六年六月三十日，本集團共有72名僱員(二零一五年十二月三十一日：78名)。期內的僱員成本(包括董事酬金)為5.2百萬港元(截至二零一五年六月三十日止六個月：4.3百萬港元)。我們的董事及高級管理層成員的薪酬政策乃根據彼等的經驗、所負責任及一般市場情況釐定。任何酌情花紅或其他獎勵金均與本集團的表現及僱員的個人表現掛鉤。本公司亦已採納一項購股權計劃作為回報及激勵合資格參與者的獎勵。

重大收購及出售事項

期內，本集團並無任何重大資產收購及出售事項。

首次公開發售及配售所得款項用途

本公司股份於二零一四年九月二十六日在香港聯合交易所有限公司(「聯交所」)首次公開發售(「首次公開發售」)的所得款項淨額(經扣除包銷費用及相關開支後)約為77.6百萬港元。待股份購買協議完成及按金(定義見下文)變成不可退還後，於二零一六年六月三十日，首次公開發售所得款項已獲悉數運用。



Management Discussion and Analysis

管理層討論與分析

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING AND PLACING (continued)

In addition, the Company completed a top-up placing of 160,000,000 shares (the “Shares”), raising total net proceeds of HK\$151.1 million in May 2015 (the “Top-up Placing”). Subject to the completion of the SPA and the Deposit becoming non-refundable, approximately HK\$10.4 million, equivalent to approximately 6.9%, of such net proceeds had been utilised as at 30 June 2016.

The table below sets out a summary of the use of proceeds from the IPO and the Top-up Placing:

首次公開發售及配售所得款項用途 (續)

此外，本公司於二零一五年五月完成先舊後新配售(「先舊後新配售」) 160,000,000 股股份(「股份」)，籌得所得款項淨額合共 151.1 百萬港元。待股份購買協議完成及按金變成不可退還後，約 10.4 百萬港元，相當於該所得款項淨額約 6.9% 於二零一六年六月三十日已獲運用。

下表概述首次公開發售及先舊後新配售所得款項的用途：

| Fund raising activities 集資活動 | Net proceeds 所得款項淨額 | Intended use of proceeds (approximately) 所得款項擬定用途(概約) | Actual use of proceeds as at the Latest Practicable Date 於最後實際可行日期 所得款項實際用途 |
|---------------------------------|-------------------------------|--|--|
| The IPO 首次公開發售 | HK\$7.5 million 7.5 百萬港元 | Capital expenditure for the upgrading works of the Hai'an Hengfa Facility 海安恆發設施升級工程的資本開支 | Fully utilised for capital expenditure for the upgrading works of the Hai'an Hengfa Facility 悉數用作海安恆發設施升級工程的資本開支 |
| | HK\$55.2 million 55.2 百萬港元 | Capital expenditure for the upgrading works of the Rugao Hengfa Facility 如皋恆發設施升級工程的資本開支 | Fully utilised for capital expenditure for the upgrading works of the Rugao Hengfa Facility 悉數用作如皋恆發設施升級工程的資本開支 |
| | HK\$12.3 million 12.3 百萬港元 | Potential investment into new wastewater treatment or other environmental protection projects in and outside the PRC ⁽¹⁾ 中國境內及境外新污水處理或其他環保項目的潛在投資 ⁽¹⁾ | Fully utilised for the payment of the refundable deposit to Fusion Joy in relation to the SPA in May 2016 (the “Deposit”) ⁽¹⁾ 悉數用作就股份購買協議而於二零一六年五月支付予 Fusion Joy 的可退還按金(「按金」) ⁽¹⁾ |
| | HK\$2.6 million 2.6 百萬港元 | Capital and general corporate purposes, including administration expenses 資本及一般企業用途，包括行政開支 | Fully utilised for working capital related purposes 悉數用作有關營運資金用途 |



Management Discussion and Analysis 管理層討論與分析

| Fund raising activities 集資活動 | Net proceeds 所得款項淨額 | Intended use of proceeds (approximately) 所得款項擬定用途 (概約) | Actual use of proceeds as at the Latest Practicable Date 於最後實際可行日期 所得款項實際用途 |
|---------------------------------|---------------------------------|--|---|
| The Top-up Placing 先舊後新配售 | HK\$122.7 million 122.7 百萬港元 | Potential acquisition of the Wuping Second Waste Water Treatment Facility ⁽²⁾ and other potential investments ⁽¹⁾ 潛在收購武平第二污水處理廠 ⁽²⁾ 及其他潛在投資 ⁽¹⁾ | Approximately HK\$3.3 million was used for the payment of the Deposit ⁽¹⁾ . 約 3.3 百萬港元用作支付按金 ⁽¹⁾ 。 |
| | HK\$28.4 million 28.4 百萬港元 | Further capital expenditure required for the upgrading works of the Rugao Hengfa Facility 如皋恆發設施升級工程所需 的進一步的資本開支 | <p>The unutilised proceeds of the Top-Placing⁽²⁾ amounting to HK\$119.4 million was invested in available-for-sale investments primarily for higher interest income. The majority of the payment for the cash portion of the consideration of the SPA⁽¹⁾ expected to be funded by the liquidation of the available-for-sale investments. Immediately after completion of the SPA, HK\$42 million of the proceeds is expected to remain unutilised and continue to be invested in available-for-sale investments⁽²⁾.</p> <p>先舊後新配售所得款項的未動用部分⁽²⁾119.4 百萬港元投資於可供出售投資，主要目的在於獲取較高的利息收入。用於支付股份購買協議的代價⁽¹⁾現金部分的大部分款項預期將透過清算可供出售投資所得款項撥付。緊接完成股份購買協議後，預期有 42 百萬港元所得款項未獲動用，該等款項將繼續用於投資可供出售投資⁽²⁾。</p> |
| | | | <p>Approximately HK\$7.2 million was used for further capital expenditure for the upgrading works of Rugao Hengfa Facility 約 7.2 百萬港元用於如皋恆發設施升級工程的進一步資本開支</p> |
| | | | <p>A total of HK\$21.2 million remain unutilized ⁽³⁾ 合共 21.2 百萬港元仍未動用 ⁽³⁾</p> |



Management Discussion and Analysis

管理層討論與分析

- (1) As set out in the Company's annual report for 2015, management of the Group sees huge prospects in other markets, including Indonesia, and seeks to diversify in the environmental protection businesses that are in line with the corporate value and direction of our Company. The completion of the SPA enables the Group to diversify its business portfolio to cover palm kernel oil production and bioenergy supply businesses in Indonesia, that are in line with the Indonesian government's national policy to reduce carbon emission and speed up the use of renewable energy. Management is, therefore, of the view that the acquisition is in line with our corporate value and our planned use of proceeds from the IPO to pursue expansion in environmental protection related business.
- (2) The Company's plan in connection with the proposed acquisition of Wuping Second Waste Water Treatment Facility as set out in the Company's announcement dated 22 April 2015 has been stalled as the Company has not been able to reach a consensus with the relevant vendors on the commercial terms of such acquisition, especially in light of the continuing devaluation of RMB against US\$. The Company will update and make further announcement in relation to any change in the proposed use of the remaining funds raised from the Top-up Placing when suitable acquisition targets have been identified.
- (3) A total of HK\$21.2 million from the proceeds from the Top-up Placing allocated for the upgrading works of Rugao Hengfa Facility had remained unutilised as at 30 June 2016 as part of the capital required for the upgrading works of Rugao Hengfa Facility was financed by a bank loan obtained by the Group. The Company will update and make further announcements in relation to any change in the proposed use of such remaining funds when suitable acquisition targets have been identified.
- (1) 誠如本公司二零一五年年報所載，本集團管理層預期其他市場（包括印尼）前景廣闊，並致力於多元化符合本公司企業價值及方針的環保業務。完成股份購買協議可使本集團在印尼開展棕櫚仁油生產及生物質能供應業務，進一步增強本集團業務組合的多元性，且新增業務符合印尼政府減少二氧化碳排放及加快開發利用可再生能源的國家政策。因此，管理層認為收購事項符合本公司的企業價值以及首次公開發售所得款項用作擴大有關環保業務的擬定用途。
- (2) 本公司日期為二零一五年四月二十二日的公告所載建議收購武平縣第二污水處理廠的計劃被擱置，此乃由於特別是鑑於人民幣兌美元持續貶值，本公司尚未就收購的商業條款與相關賣方達成一致。本公司將於已物色適當收購目標時就先舊後新配售所得款項的剩餘資金擬定用途的任何變動作出更新及進一步公告。
- (3) 先舊後新配售所得款項中擬用於如皋恆發設施升級工程的總計21.2百萬港元於二零一六年六月三十日仍未動用，此乃由於如皋恆發設施升級工程所需的部分資金由本集團取得的一項銀行貸款提供資金。本公司將於已物色適當收購目標時就有關剩餘資金擬定用途的任何變動作出更新及進一步公告。

INTERIM DIVIDEND

During its meeting held on 22 August 2016, the Board has resolved not to declare the payment of any interim dividend for the Period (six months ended 30 June 2015: an interim dividend of HK2 cents per ordinary share).

中期股息

於二零一六年八月二十二日舉行的董事會會議上，董事會決議不就期內宣派任何中期股息（截至二零一五年六月三十日止六個月：每股普通股的中期股息為2港仙）。

SHARE OPTION SCHEME

On 5 September 2014, the Company adopted a share option scheme (the “Share Option Scheme”) to enable the Company to grant options to the eligible participants as incentives or rewards for their contribution or potential contribution to the Group. The principal terms of the Share Option Scheme are set out in the section headed “Statutory and General Information — D. Share Option Scheme” in Appendix IV to the prospectus of the Company dated 12 September 2014.

The Share Option Scheme took effect on 26 September 2014. As at 30 June 2016, a total of 500,000 options had been granted and none of which had been exercised, cancelled or lapsed since then. Accordingly, as at 30 June 2016, 500,000 options were outstanding under the Share Option Scheme.

Details of the options granted and outstanding under the Share Option Scheme are set out as follows:

| Name of option holder 購股權持有人名稱 | Position held in the Group 於本集團擔任的職位 | Date of Grant 授予日期 | Number of Shares represented by options as at 31 December 2015 於二零一五年十二月三十一日 購股權涉及的股份數目 | Granted during the Period 期內授出 | Exercised during the Period 期內已行使 | Lapsed/cancelled during the Period 失效/註銷 | Number of Shares represented by options | Exercise price per Share HK\$ 每股股份行使價 港元 |
|---|---|---------------------------------|---|-----------------------------------|--------------------------------------|---|--|---|
| | | | | | | | outstanding at 30 June 2016 於二零一六年六月三十日 尚未行使購股權涉及的股份數目 | |
| Mr. Fan Chi Chiu ("Mr. Fan") 范智超先生 (「范先生」) | Chief financial officer 財務總監 | 14 April 2016 二零一六年 四月十四日 | — | 500,000 | — | — | 500,000 | 0.52 |

The options granted to Mr. Fan shall vest over a period of three years commencing from the Date of Grant. The closing price of the Shares immediately before the Date of Grant is HK\$0.50 per Share, as stated in the daily quotation sheet issued by the Stock Exchange.

購股權計劃

於二零一四年九月五日，本公司採納一項購股權計劃（「購股權計劃」），令本公司能夠向合資格參與者授予購股權作為彼等對本集團作出貢獻或潛在貢獻的激勵或獎勵。購股權計劃的主要條款載於本公司日期為二零一四年九月十二日的招股章程附錄四「法定及一般資料 — D. 購股權計劃」一節。

購股權計劃於二零一四年九月二十六日生效。於二零一六年六月三十日，合共500,000份購股權已獲授出，之後概無購股權獲行使、註銷或失效。因此，於二零一六年六月三十日，根據購股權計劃尚未行使的購股權為500,000份。

購股權計劃項下已授出及未行使購股權之詳情載列如下：

授予范先生的購股權將於授出日期起三年期間內歸屬。緊接授出日期之前的股份收市價為每股0.50港元（聯交所每日報價表所示）。



Other Information

其他資料

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

As at 30 June 2016, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein (the "Register"); or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), are as follows:

LONG POSITIONS IN THE SHARES OF THE COMPANY

| Name of Directors/Chief Executive 董事／最高行政人員姓名 | Capacity/Nature of Interest 身份／權益性質 | Number of Shares Held 所持股份數目 | Approximate Percentage of Shareholding Interest in the Company 佔本公司股權概約百分比 |
|--|--|---------------------------------|---|
| Chau On Ta Yuen ("Mr. Chau") 周安達源(「周先生」) | Interest in a controlled corporation 受控法團權益 | 225,000,000 ⁽¹⁾ | 23.63% |
| Chan Kwan ("Mr. Chan") 陳昆(「陳先生」) | Interest in a controlled corporation 受控法團權益 | 390,700,000 ⁽²⁾ | 41.04% |

Notes:

- Wealthy Sea Holdings Limited ("Wealthy Sea") which held 225,000,000 Shares was owned as to 90% and 10% by Mr. Chau, an Executive Director of the Company and the father of Mr. Chau Chi Yan, Benny ("Mr. Benny Chau") and the Chairman of the Board and Ms. Wong Mei Ling, the wife of Mr. Chau, respectively.
- Everbest Environmental Investment Limited ("Everbest Environmental") which held 375,000,000 Shares was owned as to 50%, 30% and 20% by Ms. Wong Shu Ying ("Ms. Wong"), Ms. Judy Chan and Mr. Chan, an Executive Director and the Chief Executive Officer of the Company, respectively. Mr. Chan is the sole director of Everbest Environmental. Ms. Wong is the mother of both Ms. Judy Chan, Mr. Chan and Mr. Chan Pak Lam, Brian ("Mr. Brian Chan"). Mr. Chan also owns 25% of the issued shares in Carlton Asia, which is regarded to be interested in 15,700,000 Shares that are expected to be issued and allotted to it upon completion of the SPA for the purpose of Part XV of the SFO. Carlton Asia is accustomed to act in accordance with the directions of Mr. Chan.

本公司董事或最高行政人員於本公司及其相聯法團的股份、相關股份及債權證中的權益及淡倉

於二零一六年六月三十日，董事及最高行政人員於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中擁有須：(a)根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益及淡倉(包括彼等根據證券及期貨條例的該等條文被當作或視為擁有的權益及淡倉)；或(b)根據證券及期貨條例第352條須登記於該條所指登記冊(「登記冊」)的權益及淡倉；或(c)根據聯交所證券上市規則(「上市規則」)附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的權益及淡倉如下：

於本公司股份的好倉

附註：

- 潤海集團有限公司(「潤海」)持有225,000,000股股份，並由本公司執行董事兼董事會主席周先生(周致人先生(「周致人先生」)的父親)及黃美玲女士(周先生的妻子)分別擁有90%及10%。
- Everbest Environmental Investment Limited(「Everbest Environmental」)持有375,000,000股股份並由王穗英女士(「王女士」)、陳芳女士及本公司執行董事兼行政總裁陳先生分別擁有50%、30%及20%。陳先生為Everbest Environmental的唯一董事。王女士為陳芳女士、陳先生及陳柏林先生(「陳柏林先生」)的母親。陳先生亦持有Carlton Asia 25%的已發行股份，根據證券及期貨條例第XV部，彼被視為於股份購買協議完成後預期將予發行及配發的15,700,000股股份中擁有權益。Carlton Asia慣於按照陳先生的指示行事。

Save as disclosed above, as at 30 June 2016, none of the Directors or the chief executive of the Company had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which had been notified to the Company and the Stock Exchange or recorded in the Register or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 30 June 2016, the following persons or entities (other than the Directors or the chief executive of the Company) had or were deemed or taken to have interests and short positions in the Shares and underlying Shares as recorded in the register of interests and short positions of the substantial shareholders (the "Register of Substantial Shareholders") required to be kept by the Company under section 336 of the SFO:

LONG POSITION IN THE SHARES

| Name of Shareholders 股東姓名／名稱 | Capacity/Nature of Interest 身份／權益性質 | Number of Shares Held 所持股份數目 | Approximate Percentage of Shareholding Interest in the Company 佔本公司股權概約百分比 |
|---|---|--------------------------------------|---|
| Everbest Environmental | Beneficial interest 實益權益 | 375,000,000 ⁽¹⁾ | 39.39% |
| Ms. Wong 王女士 | Interest in controlled corporations 受控法團權益 | 380,790,000 ^{(1) & (2)} | 40.00% |
| Chan Chun Keung 陳進強 | Interest in a controlled corporation and interest held by spouse 受控法團權益及配偶所持權益 | 380,790,000 ⁽³⁾ | 40.00% |
| Wealthy Sea 潤海 | Beneficial interest 實益權益 | 225,000,000 ⁽⁴⁾ | 23.63% |
| Wong Mei Ling 黃美玲 | Interest held by spouse 配偶所持權益 | 225,000,000 ⁽⁴⁾ | 23.63% |
| First Pacific (Asia) Pte Ltd | Trustee 受託人 | 143,300,000 ⁽⁵⁾ | 15.05% |
| Fusion Joy | Beneficial interest 實益權益 | 143,300,000 ⁽⁵⁾ | 15.05% |
| Mr. Fadjar Suhendra Fadjar Suhendra 先生 | Beneficiary of a trust 信託受益人 | 143,300,000 ⁽⁵⁾ | 15.05% |
| Mr. Sugih Suhendra Sugih Suhendra 先生 | Beneficiary of a trust 信託受益人 | 143,300,000 ⁽⁵⁾ | 15.05% |

除上文所披露者外，於二零一六年六月三十日，概無本公司董事或最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有已知會本公司及聯交所或記錄於登記冊內或根據標準守則需另行知會本公司及聯交所的權益或淡倉。

主要股東及其他人士於本公司股份及相關股份中的權益及淡倉

於二零一六年六月三十日，下列人士或實體(本公司董事或最高行政人員除外)擁有或被視作或當作於股份及相關股份中擁有記錄於本公司根據證券及期貨條例第336條須存置的主要股東之權益及淡倉之登記冊(「主要股東登記冊」)內的權益及淡倉：

於本公司股份的好倉



Other Information

其他資料

Notes:

- (1) Everbest Environmental was owned as to 50% by Ms. Wong and, therefore, Ms. Wong was deemed to be interested in the 375,000,000 Shares held by Everbest Environmental pursuant to the SFO. Ms. Wong is the mother of Mr. Chan, an Executive Director and the Chief Executive Officer of the Company, and Mr. Brian Chan, a Non-Executive Director.
- (2) Hightop Investments Limited (“Hightop”) was owned as to 50% by Ms. Wong and 50% by Mr. Chan Chun Keung, the husband of Ms. Wong and the father of Mr. Chan and Mr. Brian Chan and therefore, each of Ms. Wong and Mr. Chan Chun Keung was deemed to be interested in the 5,790,000 Shares held by Hightop pursuant to the SFO. Together with 375,000,000 Shares held through Everbest Environmental, Ms. Wong was deemed to be interested in a total of 380,790,000 Shares pursuant to the SFO.
- (3) Mr. Chan Chun Keung was deemed to be interested in a total of 380,790,000 Shares pursuant to the SFO as he was deemed to be interested in the Shares held by Hightop and Ms. Wong, his wife.
- (4) Wealthy Sea was owned as to 90% and 10% by Mr. Chau, an Executive Director of the Company and the Chairman of the Board as well as the father of Mr. Benny Chau, a Non-Executive Director and Ms. Wong Mei Ling, the wife of Mr. Chau, respectively. Ms. Wong Mei Ling was, therefore, deemed to be interested in the 225,000,000 Shares held by Wealthy Sea controlled by Mr. Chau pursuant to the SFO.
- (5) Fusion Joy is regarded as interested in 143,300,000 Share that are expected to be issued and allotted to it upon completion of the SPA for the purpose of Part XV of the SFO. Fusion Joy is legally and wholly owned by First Pacific (Asia) Pte Ltd as trustee, on behalf of Mr. Fadjar Suhendra and Mr. Sugih Suhendra (as beneficial owners) as to 60% and 40%, respectively.

Save as disclosed above, as at 30 June 2016 the Directors were not aware of any persons or entities (other than a Director or the chief executive of the Company) who/which had or were deemed or taken to have interests or short positions in the Shares or the underlying Shares, which were required to be recorded in the Register of Substantial Shareholders under section 336 of the SFO.

附註：

- (1) Everbest Environmental由王女士擁有50%，因此，根據證券及期貨條例，王女士被視為為於Everbest Environmental所持有的375,000,000股股份中擁有權益。王女士為本公司執行董事兼行政總裁陳先生及非執行董事陳柏林先生的母親。
- (2) Hightop Investments Limited (「Hightop」)由王女士及陳進強先生(王女士的丈夫以及陳先生與陳柏林先生的父親)分別擁有50%及50%，因此根據證券及期貨條例，王女士及陳進強先生被視為為於Hightop持有的5,790,000股股份中擁有權益。連同透過Everbest Environmental持有的375,000,000股股份，根據證券及期貨條例，王女士被視為為於合共380,790,000股股份中擁有權益。
- (3) 由於陳進強先生被視為為於Hightop及彼之妻子王女士持有的股份中擁有權益，根據證券及期貨條例，彼被視為為於合共380,790,000股股份中擁有權益。
- (4) 潤海由本公司執行董事兼董事會主席以及非執行董事周致人先生的父親周先生及黃美玲女士(周先生的妻子)分別擁有90%及10%。因此，根據證券及期貨條例，黃美玲女士被視為為於周先生控制的潤海所持有的225,000,000股股份中擁有權益。
- (5) 根據證券及期貨條例第XV部規定，Fusion Joy被視為為於股份購買協議完成後預期將獲發行及配發的143,300,000股股份中擁有權益。Fusion Joy由First Pacific (Asia) Pre Ltd(作為受託人)代表Fadjar Suhendra先生及Sugih Suhendra先生(作為實益擁有人)全資合法擁有，而Fadjar Suhendra先生及Sugih Suhendra先生分別擁有60%及40%。

除上文所披露者外，於二零一六年六月三十日，董事並不知悉有任何人士或實體(董事或本公司最高行政人員除外)，於股份或相關股份中擁有或被視為或視作擁有根據證券及期貨條例第336條須記錄於主要股東登記冊內的權益或淡倉。

CORPORATE GOVERNANCE

The Company strives to maintain a high standard of corporate governance and applied the principles and complied with all applicable code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the “CG Code”) throughout the Period.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as contained in Appendix 10 to the Listing Rules as its own code of conduct governing the securities transactions by the Directors. Following a specific enquiry made by the Company with each of the Directors, all of them have confirmed that they had complied with the required standard set out in the Model Code throughout the Period.

PURCHASE, SALE AND REDEMPTION OF SHARES

The Company did not redeem any of its Shares listed on the Main Board of the Stock Exchange nor did the Company or any subsidiaries purchase or sell any of such Shares during the Period.

REVIEW BY AUDIT COMMITTEE

The Company has established an audit committee (the “Audit Committee”) in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the CG Code for the purpose of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The Audit Committee comprises four members, namely Ms. Ng Chung Yan Linda (chairlady), Mr. Ng Man Kung and Mr. Sze Yeuk Lung Benedict, all being independent non-executive Directors (the “INEDs”) and Mr. Benny Chau, a non-executive Director. The Audit Committee together with the Company’s management has reviewed the accounting principles and practices adopted by the Group and the unaudited interim results of the Group for the Period.

企業管治

本公司致力維持高標準的企業管治，並於本期間一直應用原則及遵守上市規則附錄十四所載企業管治守則（「企業管治守則」）的所有適用守則條文。

董事進行證券交易

本公司已採納上市規則附錄十所載的標準守則，作為各董事進行證券交易之操守準則。經本公司向全體董事作出具體查詢後，彼等確認其於本期間內一直遵守標準守則載列的規定準則。

買賣及贖回股份

本公司概無贖回其於聯交所主板上市的任何股份，且本公司或任何附屬公司亦無於本期間內買賣任何該等股份。

由審核委員會審閱

本公司已遵照上市規則第3.21條及企業管治守則第C.3段成立審核委員會（「審核委員會」），旨在審閱及監督本集團的財務申報程序及內部控制。審核委員會包括四名成員，即獨立非執行董事（「獨立非執行董事」）伍頌恩女士（主席）、吳文拱先生及施若龍先生及非執行董事周致人先生。審核委員會已與本公司管理層審閱本集團所採納的會計原則及慣例及本集團於本期間的未經審核中期業績。



Condensed Consolidated Statement of Comprehensive Income 簡明綜合全面收益表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

| | | Six months ended 30 June 截至六月三十日止六個月 | | |
|--|---------------------------------|---|---|---|
| | | Notes 附註 | 2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元 | 2015 二零一五年 (Unaudited) (未經審核) HK\$'000 千港元 |
| REVENUE | 營業收入 | 4 | 48,009 | 79,670 |
| Cost of sales | 銷售成本 | | (32,626) | (53,083) |
| Gross profit | 毛利 | | 15,383 | 26,587 |
| Other income and gains | 其他收入及收益 | 4 | 5,480 | 3,431 |
| Administrative expenses | 行政開支 | | (11,807) | (6,864) |
| Finance costs | 融資成本 | 5 | (1,060) | (555) |
| PROFIT BEFORE TAX | 除稅前溢利 | 6 | 7,996 | 22,599 |
| Income tax expense | 所得稅開支 | 7 | (3,543) | (5,598) |
| PROFIT FOR THE PERIOD | 期內溢利 | | 4,453 | 17,001 |
| OTHER COMPREHENSIVE INCOME | 其他全面收入 | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | <i>於隨後期間重新分類至損益的其他全面收入：</i> | | | |
| Exchange differences on translation of financial statements of entities not using Hong Kong dollar ("HK\$") as functional currency | 換算並非以港元(「港元」)為功能貨幣的實體的財務報表的匯兌差額 | | (8,041) | (508) |
| Available-for-sale investments: | 可供出售投資： | | | |
| — Changes in fair values | — 公平值變動 | | 1,329 | 249 |
| — Reclassification adjustment for losses on disposal included in profit or loss | — 計入損益的出售虧損的重新分類調整 | | 1,230 | — |
| OTHER COMPREHENSIVE INCOME FOR THE PERIOD | 期內其他全面收入 | | (5,482) | (259) |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 期內全面收入總額 | | (1,029) | 16,742 |
| Profit attributable to: | 以下各方應佔溢利： | | | |
| Owners of the parent | 母公司擁有人 | | 4,237 | 16,441 |
| Non-controlling interest | 非控股權益 | | 216 | 560 |
| | | | 4,453 | 17,001 |
| Total comprehensive income attributable to: | 以下各方應佔全面收入總額： | | | |
| Owners of the parent | 母公司擁有人 | | (629) | 16,167 |
| Non-controlling interest | 非控股權益 | | (400) | 575 |
| | | | (1,029) | 16,742 |
| EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT | 母公司普通股股權持有人應佔每股盈利 | 9 | | |
| Basic and diluted | 基本及攤薄 | | HK0.45 cents 0.45 港仙 | HK1.93 cents 1.93 港仙 |



Condensed Consolidated Statement of Financial Position 簡明綜合財務狀況表

30 June 2016 二零一六年六月三十日

| | | Notes 附註 | 30 June 2016 二零一六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | 31 December 2015 二零一五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|---|-----------------|-------------|---|--|
| NON-CURRENT ASSETS | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 10 | 2,072 | 2,310 |
| Receivables under service concession arrangements | 服務特許權安排下的應收款項 | 11 | 355,477 | 349,807 |
| Available-for-sale investment | 可供出售投資 | 12 | 22,000 | 127,921 |
| Total non-current assets | 非流動資產總值 | | 379,549 | 480,038 |
| CURRENT ASSETS | 流動資產 | | | |
| Inventories | 存貨 | | 288 | 246 |
| Receivables under service concession arrangements | 服務特許權安排下的應收款項 | 11 | 44,199 | 40,410 |
| Prepayments and other receivables | 預付款項及其他應收款項 | 13 | 16,288 | 1,289 |
| Income tax recoverable | 可收回所得稅 | | 547 | 693 |
| Available-for-sale investments | 可供出售投資 | 12 | 101,995 | — |
| Cash and cash equivalents | 現金及現金等價物 | | 60,058 | 87,763 |
| Total current assets | 總流動資產 | | 223,375 | 130,401 |
| CURRENT LIABILITIES | 流動負債 | | | |
| Trade payables | 貿易應付款項 | 14 | 15,293 | 12,186 |
| Other payables and accruals | 其他應付款項及應計費用 | | 2,721 | 3,543 |
| Derivative financial instrument | 衍生金融工具 | 15 | 1,070 | 794 |
| Interest-bearing bank borrowings | 計息銀行借款 | 16 | 32,235 | 32,864 |
| Income tax payables | 應付所得稅 | | 1,094 | 627 |
| Total current liabilities | 總流動負債 | | 52,413 | 50,014 |
| NET CURRENT ASSETS | 流動資產淨值 | | 170,962 | 80,387 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 總資產減流動負債 | | 550,511 | 560,425 |



Condensed Consolidated Statement of Financial Position 簡明綜合財務狀況表

30 June 2016 二零一六年六月三十日

| | | Notes 附註 | 30 June 2016 二零一六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | 31 December 2015 二零一五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|--|-------------------|-------------|---|--|
| NON-CURRENT LIABILITIES | 非流動負債 | | | |
| Interest-bearing bank borrowing | 計息銀行借款 | 16 | 724 | 2,336 |
| Deferred tax liabilities | 遞延稅項負債 | | 37,914 | 36,514 |
| Provision for major overhauls | 重大檢修撥備 | | 7,271 | 6,440 |
| Total non-current liabilities | 非流動負債總額 | | 45,909 | 45,290 |
| Net assets | 資產淨值 | | 504,602 | 515,135 |
| EQUITY | 權益 | | | |
| Equity attributable to owners of the parent | 母公司擁有人應佔權益 | | | |
| Issued capital | 已發行股本 | 17 | 95 | 95 |
| Reserves | 儲備 | | 477,314 | 487,447 |
| Non-controlling interest | 非控股權益 | | 477,409 | 487,542 |
| | | | 27,193 | 27,593 |
| Total equity | 權益總額 | | 504,602 | 515,135 |



Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

| | | Attributable to owners of the parent 母公司擁有人應佔 | | | | | | | | | | | | | | | | | | | | |
|---|---------------------------|--|-----------------------|-----------------------|-----------------------|-------------------------------|-----------------------|------------------------|-----------------------|--|-----------------------|--|-----------------------|-----------------------|-----------------------|--------------------------|-----------------------|-----------------------------------|-----------------------|-----------------------|-----------------------|--|
| | | Issued capital 已發行股本 | | Share premium 股份溢價 | | Share option reserve 購股權儲備 | | Other reserves 其他儲備 | | Available-for-sale investments revaluation reserve 可供出售投資重估儲備 | | Exchange fluctuation reserve 匯兌波動儲備 | | Reserve funds 儲備金 | | Retained profits 保留溢利 | | Non-controlling interest 非控股權益 | | Total equity 權益總額 | | |
| | | (Unaudited) (未經審核) | (Unaudited) (未經審核) | (Unaudited) (未經審核) | (Unaudited) (未經審核) | (Unaudited) (未經審核) | (Unaudited) (未經審核) | (Unaudited) (未經審核) | (Unaudited) (未經審核) | (Unaudited) (未經審核) | (Unaudited) (未經審核) | (Unaudited) (未經審核) | (Unaudited) (未經審核) | (Unaudited) (未經審核) | (Unaudited) (未經審核) | (Unaudited) (未經審核) | (Unaudited) (未經審核) | (Unaudited) (未經審核) | (Unaudited) (未經審核) | (Unaudited) (未經審核) | (Unaudited) (未經審核) | |
| | | 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 | 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 | |
| At 1 January 2016 | 於二零一六年一月一日 | 95 | 329,547* | - | (31,476)* | (801)* | 10,738* | 18,315* | 161,124* | 487,542 | 27,593 | 515,135 | | | | | | | | | | |
| Profit for the period | 期內溢利 | - | - | - | - | - | - | - | 4,237 | 4,237 | 216 | 4,453 | | | | | | | | | | |
| Other comprehensive income for the period: | 期內其他全面收入： | | | | | | | | | | | | | | | | | | | | | |
| Exchange differences on translation of financial statements of entities not using Hong Kong dollar as functional currency | 換算並非以港元為功能貨幣的實體的財務報表的匯兌差額 | - | - | - | - | - | (7,425) | - | - | (7,425) | (616) | (8,041) | | | | | | | | | | |
| Changes in fair value of available-for-sale investments | 可供出售投資的公平值變動 | - | - | - | - | 1,329 | - | - | - | 1,329 | - | 1,329 | | | | | | | | | | |
| Reclassification adjustment for losses on disposal of available-for-sale investments included in profit or loss | 計入損益的出售可供出售投資虧損的重新分類調整 | - | - | - | - | 1,230 | - | - | - | 1,230 | - | 1,230 | | | | | | | | | | |
| Total comprehensive income for the period | 期內全面收入總額 | - | - | - | - | 2,559 | (7,425) | - | 4,237 | (629) | (400) | (1,029) | | | | | | | | | | |
| Share-based payments | 股份基礎付款 | - | - | 16 | - | - | - | - | - | 16 | - | 16 | | | | | | | | | | |
| Transfer to reserve funds | 轉撥至儲備金 | - | - | - | - | - | - | 1,034 | (1,034) | - | - | - | | | | | | | | | | |
| Final 2015 dividend declared (note 8) | 已宣派二零一五年末期股息(附註8) | - | - | - | - | - | - | - | - | (9,520) | - | (9,520) | | | | | | | | | | |
| At 30 June 2016 | 於二零一六年六月三十日 | 95 | 329,547* | 16* | (31,476)* | 1,758* | 3,313* | 19,349* | 154,807* | 477,409 | 27,193 | 504,602 | | | | | | | | | | |

* These reserve accounts comprise the consolidated reserves of HK\$477,314,000 (31 December 2015: HK\$487,447,000) in the condensed consolidated statement of financial position.

* 該等儲備賬目組成簡明綜合財務狀況表中的綜合儲備477,314,000港元(二零一五年十二月三十一日: 487,447,000港元)。



Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

| | | Attributable to owners of the parent 母公司擁有人應佔 | | | | | | | | | |
|--|---------------------------------------|--|--|---|--|--|---|---|---|--|---|
| | | Issued capital 已發行股本 (Unaudited) (未經審核) HK\$'000 千港元 | Share premium 股份溢價 (Unaudited) (未經審核) HK\$'000 千港元 | Other reserves 其他儲備 (Unaudited) (未經審核) HK\$'000 千港元 | Available- for-sale investments revaluation 可供 出售投資 重估儲備 (Unaudited) (未經審核) HK\$'000 千港元 | Exchange fluctuation reserve 匯兌 波動儲備 (Unaudited) (未經審核) HK\$'000 千港元 | Reserve funds 儲備金 (Unaudited) (未經審核) HK\$'000 千港元 | Retained profits 保留溢利 (Unaudited) (未經審核) HK\$'000 千港元 | Total (Unaudited) (未經審核) HK\$'000 千港元 | Non- controlling interest 非控股權益 (Unaudited) (未經審核) HK\$'000 千港元 | Total equity 權益總額 (Unaudited) (未經審核) HK\$'000 千港元 |
| At 1 January 2015 | 於二零一五年一月一日 | 80 | 183,340 | (31,476) | — | 25,678 | 13,830 | 145,143 | 336,595 | 28,234 | 364,829 |
| Profit for the period | 期內溢利 | — | — | — | — | — | — | 16,441 | 16,441 | 560 | 17,001 |
| Other comprehensive income for the period: | 期內其他全面收入： | | | | | | | | | | |
| Exchange differences on translation of financial statements of entities not using Hong Kong dollar as functional currency | 換算並非以港元 為功能貨幣的 實體的財務 報表的匯兌差額 | — | — | — | — | (523) | — | — | (523) | 15 | (508) |
| Changes in fair value of available-for-sale investments | 可供出售投資的 公平值變動 | — | — | — | 249 | — | — | — | 249 | — | 249 |
| Total comprehensive income for the period | 期內全面收入總額 | — | — | — | 249 | (523) | — | 16,441 | 16,167 | 575 | 16,742 |
| Issue of shares pursuant to the Placing (note 17(i)) | 根據配售事項 發行股份 (附註 17(i)) | 16 | 156,784 | — | — | — | — | — | 156,800 | — | 156,800 |
| Placing expenses | 配售開支 | — | (5,657) | — | — | — | — | — | (5,657) | — | (5,657) |
| Transfer to reserve funds | 轉撥至儲備金 | — | — | — | — | — | 1,830 | (1,830) | — | — | — |
| At 30 June 2015 | 於二零一五年 六月三十日 | 96 | 334,467 | (31,476) | 249 | 25,155 | 15,660 | 159,754 | 503,905 | 28,809 | 532,714 |



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

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|------------------------|---|---|
| | | 2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元 | 2015 二零一五年 (Unaudited) (未經審核) HK\$'000 千港元 |
| CASH FLOWS FROM OPERATING ACTIVITIES 經營活動產生的現金流量 | | | |
| Cash used in operations | 經營所用的現金 | (7,168) | (21,263) |
| Income tax paid | 已付所得稅 | (684) | (2,449) |
| Net cash flows used in operating activities | 經營活動所用的現金流量淨額 | (7,852) | (23,712) |
| CASH FLOWS FROM INVESTING ACTIVITIES 投資活動產生的現金流量 | | | |
| Purchases of items of property, plant and equipment | 購買物業、廠房及設備項目 | (36) | (42) |
| Purchases of available-for-sale investments | 購買可供出售投資 | (31,524) | (64,724) |
| Proceeds from disposal of available-for-sale investments | 出售可供出售投資的所得款項 | 37,214 | — |
| Interest received from available-for-sale investments | 已收可供出售投資的利息 | 2,631 | — |
| Payments of refundable deposit in relation to the Proposed Acquisition (as defined in note 1) | 就擬購買事項(定義見附註1)支付的可退還定金 | (15,600) | — |
| Payments of professional expenses in relation to the Proposed Acquisition | 就擬購買事項支付的專業費用 | (1,210) | — |
| Other cash flows arising from investing activities | 投資活動產生的其他現金流量 | 41 | 275 |
| Net cash flows used in investing activities | 投資活動所用的現金流量淨額 | (8,484) | (64,491) |
| CASH FLOWS FROM FINANCING ACTIVITIES 融資活動產生的現金流量 | | | |
| Repayment of bank borrowings | 償還銀行借款 | (1,486) | (11,208) |
| Gross proceeds from the Placing | 配售事項所得款項總額 | — | 156,800 |
| Payment of expenses directly attributable to the Placing | 配售事項直接應佔開支付款 | — | (5,657) |
| Dividend paid | 已付股息 | (9,520) | — |
| Other cash flows used in financing activities | 融資活動所用的其他現金流量 | (858) | (390) |
| Net cash flows from/(used in) financing activities | 融資活動所得/(所用)現金流量淨額 | (11,864) | 139,545 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | | |
| Cash and cash equivalents at beginning of period | 現金及現金等價物增加/(減少)淨額 | (28,200) | 51,342 |
| Effect of foreign exchange rate changes, net | 期初現金及現金等價物 | 87,763 | 99,064 |
| | 外匯匯率變動的影響, 淨額 | 495 | (741) |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 期末現金及現金等價物 | 60,058 | 149,665 |



Notes to Condensed Interim Financial Information 簡明中期財務資料附註

30 June 2016 二零一六年六月三十日

1. CORPORATION AND GROUP INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The registered office of the Company is P.O. Box 39, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The principal place of business of the Company is located at Units 1-3, 11th Floor, Westlands Centre, 20 Westland Road, Hong Kong.

The Company is an investment holding company. The Company's principal subsidiaries were engaged in the construction and operation of wastewater treatment facilities.

On 16 June 2016, the Group entered into the SPA with Fusion Joy and Carlton Asia, as vendors, whereby the Group conditionally agreed to acquire the entire issued share capital of Weal Union at an aggregate consideration of approximately US\$22.258 million (equivalent to approximately HK\$172.5 million) (the "Proposed Acquisition"). Weal Union and its subsidiary are principally engaged in the production and sale of palm kernel oil and generation and supply of electricity in Indonesia. Details of the Proposed Acquisition are set out in the Company's announcement dated 17 June 2016. As at the approval date of the unaudited condensed interim financial information, the Proposed Acquisition has not been completed.

1. 公司及集團資料

本公司為一間在開曼群島註冊成立的獲豁免有限責任公司。本公司的註冊辦事處為P.O. Box 39, Ugland House, Grand Cayman, KY1-1104, Cayman Islands。本公司的主要營業地點位於香港華蘭路20號華蘭中心11樓1-3室。

本公司為一間投資控股公司。本公司的主要附屬公司從事污水處理設施的建造及營運。

於二零一六年六月十六日，本集團與Fusion Joy及Carlton Asia（作為賣方）訂立一份股份購買協議，據此，本集團有條件同意購買旭衡的全部已發行股本，總代價約22.258百萬美元（相當於約172.5百萬港元）（「擬購買事項」）。旭衡及其附屬公司主要於印尼生產及銷售棕櫚仁油及生產及供應電力。擬購買事項的詳情載於本公司日期為二零一六年六月十七日的公告內。於未經審核簡明中期財務資料的批准日期，擬購買事項尚未完成。



Notes to Condensed Interim Financial Information 簡明中期財務資料附註

30 June 2016 二零一六年六月三十日

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

The unaudited condensed interim financial information of the Group has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of Appendix 16 to the Listing Rules.

The unaudited condensed interim consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2015.

This unaudited condensed interim financial information is presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand ("HK\$'000") except when otherwise indicated. This unaudited condensed interim financial information has not been audited or reviewed by the Company's external auditors, but has been reviewed by the Audit Committee.

The accounting policies and basis of preparation adopted in the preparation of the unaudited interim condensed consolidated financial information is consistent with those adopted in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong, except for the adoption of the following new amendments to HKFRSs for the first time for the current period's unaudited interim condensed consolidated financial information:

2. 編製基準及本集團會計政策變動

本集團未經審核簡明中期財務資料乃根據香港會計師公會(「香港會計師公會」)頒佈的香港會計準則(「香港會計準則」)第34號*中期財務報告*及上市規則附錄十六的適用披露規定編製。

未經審核簡明中期綜合財務資料並不包括年度綜合財務報表規定的所有資料及披露，且應與本集團截至二零一五年十二月三十一日止年度的年度綜合財務報表一併閱讀。

未經審核簡明中期財務資料以港元(「港元」)呈列，而除另有指明外，所有數值已約整至最接近的千位數(「千港元」)。未經審核簡明中期財務資料未經本公司外部核數師審核或審閱，惟已由審核委員會審閱。

編製未經審核中期簡明綜合財務資料所採納的會計政策及編製基準與編製本集團於截至二零一五年十二月三十一日止年度的年度綜合財務報表所採納者一致，而該等未經審核中期簡明綜合財務資料乃按照香港會計師公會頒佈的香港財務報告準則(「香港財務報告準則」)(包括所有香港財務報告準則、香港會計準則及詮釋)、香港公認會計原則而編製，惟就本期間的未經審核中期簡明綜合財務資料首次採納下列香港財務報告準則新修訂本除外：



Notes to Condensed Interim Financial Information

簡明中期財務資料附註

30 June 2016 二零一六年六月三十日

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (Cont'd)

2. 編製基準及本集團會計政策變動(續)

Amendments to HKFRS 10 and HKAS 28 (2011)

香港財務報告準則第10號及香港會計準則第28號(二零一一年)之修訂

Amendments to HKFRS 10, HKFRS 12 and HKAS 28
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28號之修訂

Amendments to HKFRS 11
香港財務報告準則第11號之修訂

Amendments to HKAS 1
香港會計準則第1號之修訂

Amendments to HKAS 16 and HKAS 38
香港會計準則第16號及香港會計準則第38號之修訂

Amendments to HKAS 16 and HKAS 41
香港會計準則第16號及香港會計準則第41號之修訂

Amendments to HKAS 27
香港會計準則第27號之修訂

Annual improvements
2012 -2014 Cycle
二零一二年至二零一四年週期之年度改進

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
投資者與其聯營公司或合營公司之間之資產出售或注資

Investment Entities: Applying the Consolidation Exception

投資實體：應用綜合豁免

Accounting for Acquisitions of Interests in Joint Operations
收購共同營運權益之會計處理

Disclosure Initiative
披露措施

Clarification of Acceptable Methods of Depreciation and Amortisation
釐清可接受之折舊及攤銷方法

Agriculture: Bearer Plants

農業：生產性植物

Equity Method in Separate Financial Statements
獨立財務報表之權益法

Amendments to a number of HKFRSs

多項香港財務報告準則之修訂

The adoption of these revised HKFRSs has had no significant financial effect on the unaudited interim condensed consolidated financial information. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective in the current accounting period.

採納此等經修訂香港財務報告準則對未經審核中期簡明綜合財務資料並無重大財務影響。本集團並無提早採納於本會計期間已頒佈但尚未生效的任何準則、詮釋或修訂本。



Notes to Condensed Interim Financial Information 簡明中期財務資料附註

30 June 2016 二零一六年六月三十日

3. SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment which is the construction and operation of wastewater treatment facilities. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

GEOGRAPHICAL INFORMATION

All of the Group's revenue during the six months ended 30 June 2015 and 2016 are derived from customers located in Mainland China, and all of the Group's non-current assets (excluding receivables under service concession arrangements and available-for-sale investments) are located in Mainland China as at 31 December 2015 and 30 June 2016.

INFORMATION ABOUT MAJOR CUSTOMERS

Revenue from each major customer which accounted for 10% or more of the Group's revenue is set out below:

| | | 2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元 | 2015 二零一五年 (Unaudited) (未經審核) HK\$'000 千港元 |
|------------|------|--|---|
| Customer A | 客戶 A | 5,275 | N/A 不適用* |
| Customer B | 客戶 B | 42,734 | 72,968 |

* The corresponding revenue of this customer is not disclosed as it individually did not contribute over 10% of the Group's total revenue for the prior period.

3. 分部資料

就管理目的而言，本集團僅有一個可呈報經營分部，即污水處理設施的建設及運營。由於此乃本集團唯一可呈報經營分部，故並無呈列進一步經營分部分析。

地理資料

本集團截至二零一五年及二零一六年六月三十日止六個月的所有營業收入均來自中國內地的客戶，且於二零一五年十二月三十一日及二零一六年六月三十日，本集團的所有非流動資產（不包括服務特許權安排下的應收款項及可供出售投資）均位於中國內地。

有關主要客戶的資料

佔本集團10%或以上營業收入的每名主要客戶的營業收入載列於下：

Six months ended 30 June

截至六月三十日止六個月

* 該客戶相應的營業收入未予披露，原因是該客戶於過往期間對本集團營業收入總額的貢獻未超過10%。



Notes to Condensed Interim Financial Information 簡明中期財務資料附註

30 June 2016 二零一六年六月三十日

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents: (1) an appropriate proportion of contract revenue of construction contracts under service concession arrangements; (2) revenue from the operation of wastewater treatment facilities under service concession arrangements, net of value-added tax and government surcharges; and (3) the imputed interest income on receivables under service concession arrangements.

An analysis of revenue, other income and gains is as follows:

4. 營業收入、其他收入及收益

營業收入指：(1)服務特許權安排下建設合約的合約營業收入的適當部份；(2)來自服務特許權安排下營運污水處理設施的營業收入（扣除增值稅及政府附加費）；及(3)服務特許權安排下應收款項的推算利息收入。

營業收入、其他收入及收益的分析如下：

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--|--------------------|--|---|
| | | 2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元 | 2015 二零一五年 (Unaudited) (未經審核) HK\$'000 千港元 |
| Revenue | 營業收入 | | |
| Construction services | 建設服務 | 18,705 | 45,964 |
| Wastewater treatment facilities operation services | 污水處理設施營運服務 | 19,435 | 26,405 |
| Imputed interest income on receivables under service concession arrangements | 服務特許權安排下應收款項推算利息收入 | 9,869 | 7,301 |
| | | 48,009 | 79,670 |
| | | Six months ended 30 June 截至六月三十日止六個月 | |
| | | 2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元 | 2015 二零一五年 (Unaudited) (未經審核) HK\$'000 千港元 |
| Other income and gains | 其他收入及收益 | | |
| Bank interest income | 銀行利息收入 | 43 | 275 |
| Interest income from available-for-sale investments | 可供出售投資的利息收入 | 2,589 | 327 |
| Government grants # | 政府補助 # | — | 1,720 |
| Foreign exchange gains, net | 外匯收益淨額 | 1,050 | 1,011 |
| Refund of value-added tax | 增值稅退稅 | 1,440 | — |
| Realised gain on a cross currency swap contract | 交叉貨幣互換合約的已變現收益 | 298 | — |
| Others | 其他 | 60 | 98 |
| | | 5,480 | 3,431 |

Government grants have been received from local government in Jiangsu Province for the purpose of carrying out environmental works in the six months ended 30 June 2015. There was no unfulfilled conditions or contingencies relating to the grant as at 30 June 2015.

截至二零一五年六月三十日止六個月，就實施環保工程得到江蘇省地方政府的補助。於二零一五年六月三十日概無有關該補助的未完成條件或或然事件。



Notes to Condensed Interim Financial Information 簡明中期財務資料附註

30 June 2016 二零一六年六月三十日

5. FINANCE COSTS

| | |
|--|-------------------------|
| Interest on bank loans | 銀行貸款的利息 |
| Increase in discounted amounts of provision for major overhauls arising from the passage of time | 由於時間流逝而產生的重大檢修撥備的貼現金額增加 |
| | |

5. 融資成本

Six months ended 30 June
截至六月三十日止六個月

| 2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元 | 2015 二零一五年 (Unaudited) (未經審核) HK\$'000 千港元 |
|---|---|
| 858 | 390 |
| 202 | 165 |
| 1,060 | 555 |

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

| | |
|---|-----------------|
| Cost of construction services | 建設服務成本 |
| Cost of wastewater treatment facilities operation services rendered | 提供污水處理設施營運服務的成本 |
| Loss on disposal of available-for-sale investments | 出售可供出售投資虧損 |

6. 除稅前溢利

本集團的除稅前溢利乃經扣除以下各項後得出：

Six months ended 30 June
截至六月三十日止六個月

| 2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元 | 2015 二零一五年 (Unaudited) (未經審核) HK\$'000 千港元 |
|---|---|
| 14,379 | 37,067 |
| 18,247 | 16,016 |
| 1,230 | — |



Notes to Condensed Interim Financial Information 簡明中期財務資料附註

30 June 2016 二零一六年六月三十日

7. INCOME TAX

Pursuant to the respective rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in each of the above jurisdictions.

No provision for Hong Kong profits tax had been made as the Group did not generate any assessable profits arising in Hong Kong during the Period (six months ended 30 June 2015: Nil).

The provision for the PRC income tax is based on the respective corporate income tax rates applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of the PRC.

Haian Hengfa Wastewater Treatment Company Limited and Rugao Hengfa Water Treatment Company Limited* obtained preferential income tax treatment whereby their income taxes are taxed at the taxable profit based on 90% of the revenue generated for the current and the prior periods.

7. 所得稅

根據開曼群島及英屬處女群島各自的規則及法規，本集團毋須繳納上述各司法管轄區的任何所得稅。

由於本集團於本期間內並無於香港產生任何可評稅溢利，故概無計提香港利得稅撥備（截至二零一五年六月三十日止六個月：無）。

中國所得稅撥備是根據位於中國內地的附屬公司所適用並按中國相關所得稅規則及規例所釐定的各企業所得稅率而作出。

海安恆發污水處理有限公司及如皋恆發水處理有限公司獲得所得稅優惠待遇，據此，其所得稅按應課稅溢利（基於其於本期間及過往期間內產生的90%營業收入）繳納。

Six months ended 30 June 截至六月三十日止六個月

| | | 2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元 | 2015 二零一五年 (Unaudited) (未經審核) HK\$'000 千港元 |
|--|-----------------|---|---|
| Current tax charge for the Period | 期內即期稅項開支 | | |
| — Mainland China | — 中國內地 | 1,291 | 2,341 |
| Deferred tax | 遞延稅項 | 2,252 | 3,257 |
| Total tax charge for the Period | 期內稅項開支總額 | 3,543 | 5,598 |

* The English name of this entity represents management's best effort at translating its Chinese name as it did not register any official English name.



Notes to Condensed Interim Financial Information 簡明中期財務資料附註

30 June 2016 二零一六年六月三十日

8. DIVIDEND

Final dividend for 2015 — HK1 cent
(2014: Nil) per ordinary share

二零一五年末期股息
— 每股普通股1港仙
(二零一四年：無)

During its meeting held on 22 August 2016, the Board has resolved not to declare the payment of any interim dividend for the Period (six months ended 30 June 2015: an interim dividend of HK2 cents per ordinary share)

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount for the Period is based on the profit for the Period attributable to ordinary equity holders of the parent of HK\$4,237,000 (six months ended 30 June 2015: HK\$16,441,000), and the weighted average number of ordinary shares of 952,000,000 (six months ended 30 June 2015: 850,387,000) in issue during the Period.

No adjustment has been made to the basic earnings per share amount presented for the Period in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amount presented. No adjustment had been made to the basic earnings per share amount presented for the Last Corresponding Period as the Company had no potentially dilutive ordinary Share in issue during that period.

10. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group incurred HK\$36,000 (six months ended 30 June 2015: HK\$42,000) on the acquisition of items of property, plant and equipment.

8. 股息

Six months ended 30 June
截至六月三十日止六個月

| 2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元 | 2015 二零一五年 (Unaudited) (未經審核) HK\$'000 千港元 |
|---|---|
| 9,520 | — |

於二零一六年八月二十二日舉行的會議上，董事會決議不就期內宣派任何中期股息（截至二零一五年六月三十日止六個月：中期股息每股普通股2港仙）。

9. 母公司普通股股權持有人應佔每股盈利

期內每股基本盈利金額乃根據母公司普通股股權持有人應佔期內溢利4,237,000港元（截至二零一五年六月三十日止六個月：16,441,000港元）及期內已發行普通股加權平均數952,000,000（截至二零一五年六月三十日止六個月：850,387,000）計算。

由於未行使之購股權之影響對所呈列之每股基本盈利金額具有反攤薄效應，故並無就攤薄對所呈列之期內的每股基本盈利金額作出調整。由於本公司於該期間並無已發行之潛在攤薄普通股，故並無對所呈列之去年同期的每股基本盈利金額作出調整。

10. 物業、廠房及設備

於期內，本集團因購買物業、廠房及設備項目耗資36,000港元（截至二零一五年六月三十日止六個月：42,000港元）。



Notes to Condensed Interim Financial Information 簡明中期財務資料附註

30 June 2016 二零一六年六月三十日

11. SERVICE CONCESSION ARRANGEMENTS

Receivables under service concession arrangements represented receivables from the construction and operation services under the BOT contracts (service concession agreements). Receivables under service concession arrangements are usually due for settlement within 10 days after each month end.

11. 服務特許權安排

服務特許權安排下的應收款項指 BOT 合約（服務特許權協議）下來自建設及營運服務的應收款項。服務特許權安排下的應收款項通常於每月底後 10 日內到期結算。

| | | 30 June 2016 二零一六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | 31 December 2015 二零一五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|---|---------------|---|--|
| Receivables under service concession arrangements | 服務特許權安排下的應收款項 | 399,676 | 390,217 |
| Portion classified as current assets | 分類為流動資產的部分 | (44,199) | (40,410) |
| Non-current portion | 非流動部分 | 355,477 | 349,807 |

An ageing analysis of receivables under service concession arrangements, based on invoice date, is as below:

根據發票日期對服務特許權安排下的應收款項的賬齡分析如下：

| | | 30 June 2016 二零一六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | 31 December 2015 二零一五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|-----------------|--------|---|--|
| Billed: | 已開具發票： | | |
| Within 3 months | 3個月內 | 18,650 | 16,426 |
| 4 to 6 months | 4至6個月 | 15,840 | 14,694 |
| Not yet billed | 尚未開具發票 | 34,490 365,186 | 31,120 359,097 |
| | | 399,676 | 390,217 |



Notes to Condensed Interim Financial Information 簡明中期財務資料附註

30 June 2016 二零一六年六月三十日

12. AVAILABLE-FOR-SALE INVESTMENTS

12. 可供出售投資

| | | 30 June 2016 二零一六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | 31 December 2015 二零一五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|---|--------------|---|--|
| Non-current | 非即期 | | |
| Unlisted equity investments, at fair value | 非上市股權投資，按公平值 | 22,000 | 30,080 |
| Listed debt securities, at fair value | 上市債務證券，按公平值 | — | 36,759 |
| Unlisted debt securities, at fair value | 非上市債務證券，按公平值 | — | 61,082 |
| | | 22,000 | 127,921 |
| Current | 即期 | | |
| Listed equity investments, at fair value | 上市股權投資，按公平值 | 11,498 | — |
| Listed debt securities, at fair value | 上市債務證券，按公平值 | 33,802 | — |
| Unlisted debt securities, at fair value | 非上市債務證券，按公平值 | 56,695 | — |
| | | 101,995 | — |
| | | 123,995 | 127,921 |

During the Period, the gross gain in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to HK\$1,329,000 (six months ended 30 June 2015: HK\$249,000), and a loss of HK\$1,230,000 (six months ended 30 June 2015: Nil) was reclassified from other comprehensive income to profit or loss for the Period upon disposal of certain available-for-sale investments.

期內，就本集團於其他全面收入內確認的可供出售投資總收益為1,329,000港元(截至二零一五年六月三十日止六個月：249,000港元)，另外期內自其他全面收入重新分類至損益之出售若干可供出售投資虧損為1,230,000港元(截至二零一五年六月三十日止六個月：零)。



Notes to Condensed Interim Financial Information 簡明中期財務資料附註

30 June 2016 二零一六年六月三十日

13. PREPAYMENTS AND OTHER RECEIVABLES

| | Note 附註 | 30 June 2016 二零一六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | 31 December 2015 二零一五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|-------------------------------|---------------|---|--|
| Deposit and other receivables | 按金及其他應收款項 (a) | 15,776 | 104 |
| Prepayments | 預付款項 | 512 | 1,185 |
| | | 16,288 | 1,289 |

(a) The deposit and other receivables included a refundable deposit of HK\$15,600,000 in relation to the Proposed Acquisition.

13. 預付款項及其他應收款項

(a) 按金及其他應收款項包括與擬購買事項有關之可退還按金15,600,000港元。

14. TRADE PAYABLES

An ageing analysis of the trade payables, based on invoice date, is as follows:

| | | 30 June 2016 二零一六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | 31 December 2015 二零一五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|----------------|-------|---|--|
| Within 1 month | 1個月以內 | 63 | 9,490 |
| 1 to 3 months | 1至3個月 | 9,935 | 482 |
| Over 3 months | 3個月以上 | 5,295 | 2,214 |
| | | 15,293 | 12,186 |

The trade payables are non-interest-bearing and are normally settled on terms of 30 days.

14. 貿易應付款項

根據發票日期對貿易應付款項的賬齡分析如下：

貿易應付款項為不計息及一般於30日內清償。



Notes to Condensed Interim Financial Information 簡明中期財務資料附註

30 June 2016 二零一六年六月三十日

15. DERIVATIVE FINANCIAL INSTRUMENT

| | | 30 June 2016 二零一六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | 31 December 2015 二零一五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|---------------------|--------|---|--|
| Cross currency swap | 交叉貨幣互換 | 1,070 | 794 |

In second half of 2015, the Group entered into a one-year cross currency swap contract to manage its exchange rate exposure related to a RMB denominated interest-bearing bank loan. The cross currency swap contract is not designated for hedge purposes and is measured at fair value through profit or loss. A fair value loss of the non-hedging currency derivative amounting to HK\$276,000 was charged to profit or loss during the Period (six months ended 30 June 2015: Nil).

15. 衍生金融工具

於二零一五年下半年，本集團訂立一項一年期交叉貨幣互換合約，以管理其與人民幣計值的計息銀行貸款有關的匯率風險。交叉貨幣互換合約並非指定作對沖用途，乃透過損益按公平值計量。非對沖貨幣衍生工具的公平值虧損276,000港元已於期內自損益扣除(截至二零一五年六月三十日止六個月：零)。

16. INTEREST-BEARING BANK BORROWINGS

| | | 30 June 2016 二零一六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | 31 December 2015 二零一五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|--|--------------------|---|--|
| Current | 即期 | | |
| Interest-bearing bank loan – secured | 計息銀行貸款 — 有抵押 | 3,067 | 3,034 |
| Interest-bearing bank loan – unsecured | 計息銀行貸款 — 無抵押 | 29,168 | 29,830 |
| | | 32,235 | 32,864 |
| Non-current | 非即期 | | |
| Interest-bearing bank loan – secured | 計息銀行貸款 — 有抵押 | 724 | 2,336 |
| | | 32,959 | 35,200 |
| Analysed into: | 按以下分析： | | |
| Bank loans repayable: | 須於以下時間償還 的銀行貸款： | | |
| Within one year or on demand | 於一年內或按要求 | 32,235 | 32,864 |
| In the second year | 第二年 | 724 | 2,336 |
| | | 32,959 | 35,200 |

16. 計息銀行借款



Notes to Condensed Interim Financial Information 簡明中期財務資料附註

30 June 2016 二零一六年六月三十日

16. INTEREST-BEARING BANK BORROWINGS (Cont'd)

As at 30 June 2016, the Group had a three-year bank loan of HK\$3,791,000 (31 December 2015: HK\$5,370,000) which was denominated in RMB with a fixed interest rate at 6.77% per annum. This bank loan was secured by the Group's land use right and properties used in the operation of the Group's wastewater treatment business with a total construction cost of HK\$6,047,000 which had been charged to the cost of sales in profit or loss in the prior years in accordance with HK(IFRIC)-Int 12 *Service Concession Arrangements*. The related receivables under service concession arrangement amounted to HK\$100,974,000 as at 30 June 2016 (31 December 2015: HK\$102,981,000).

In addition, as at 30 June 2016, the Group had a one-year bank loan with a carrying amount of HK\$29,168,000 (31 December 2015: HK\$29,830,000), which was denominated in RMB with a fixed interest rate at 4.5% per annum. The loan is unsecured and contains a repayable on demand clause. To mitigate the foreign currency exposure of the loan arising from the fluctuation of the exchange rate of HK\$ against RMB, the Group had entered into a one-year cross currency swap contract (note 15) at the same time with its nominal amount and payment terms equal to and offsetting with the principal and interest payments of the loan. The net cash flow of the loan and the cross currency swap contract resembles a HK\$ denominated loan of HK\$30,250,000 with a fixed interest rate at 2.6% per annum.

16. 計息銀行借款(續)

於二零一六年六月三十日，本集團有一筆三年期銀行貸款3,791,000港元(二零一五年十二月三十一日：5,370,000港元)，該貸款以人民幣計值，按6.77%的固定年利率計息。該筆銀行貸款以用於本集團污水處理業務營運的土地使用權及物業作抵押，有關土地使用權及物業的總建築成本為6,047,000港元，已於過往年度根據香港(國際財務報告詮釋委員會) — 詮釋第12號*服務特許權安排*扣自損益中的銷售成本。於二零一六年六月三十日，服務特許權安排下的相關應收款項為100,974,000港元(二零一五年十二月三十一日：102,981,000港元)。

此外，於二零一六年六月三十日，本集團有一筆賬面值為29,168,000港元(二零一五年十二月三十一日：29,830,000港元)的一年期銀行貸款，該貸款以人民幣計值，按4.5%的固定年利率計息。該貸款乃無抵押及包含須按要求償還條款。與此同時，為降低因港元兌人民幣的匯率波動引致的貸款外匯風險，本集團已訂立一項一年期交叉貨幣互換合約(附註15)，其名義金額及付款條款與該貸款的本金及利息付款相等且相抵銷。貸款及交叉貨幣互換合約的現金流量淨額相當於一筆固定年利率為2.6%及以港元計值的貸款30,250,000港元。



Notes to Condensed Interim Financial Information 簡明中期財務資料附註

30 June 2016 二零一六年六月三十日

17. SHARE CAPITAL SHARES

17. 股本 股份

| | | 30 June 2016 二零一六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | 31 December 2015 二零一五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|---|--------------------------------------|---|--|
| Authorised: | 法定： | | |
| 3,800,000,000 ordinary shares of HK\$0.0001 each | 3,800,000,000 股每股面值 0.0001 港元的普通股 | 380 | 380 |
| Issued and fully paid: | 已發行及繳足： | | |
| 952,000,000 ordinary shares of HK\$0.0001 each | 952,000,000 股每股面值 0.0001 港元的普通股 | 95 | 95 |

Notes:

- (i) On 5 May 2015, 160,000,000 new ordinary shares of HK\$0.0001 each were issued at a price of HK\$0.98 per ordinary share pursuant to the top-up placing and top-up subscription agreements entered into by the Company under the general mandate of the Company (the "Placing") for a total cash consideration, before expenses, of HK\$156,800,000. Further details are set out in the announcements of the Company dated 23 April 2015 and 5 May 2015.
- (ii) In the second half of 2015, the Company repurchased and cancelled 8,000,000 of its own ordinary shares on the Stock Exchange for an aggregate consideration of HK\$4,921,000. Upon the cancellation of the shares repurchased, the issued share capital of the Company was reduced by the par value of HK\$1,000 and the premium paid on the repurchase of these cancelled shares of HK\$4,920,000, including transaction costs, was deducted from share premium of the Company.

附註：

- (i) 於二零一五年五月五日，根據本公司一般授權項下本公司所訂立的先舊後新配售協議及先舊後新認購協議，160,000,000 股每股 0.0001 港元的新普通股已按每股普通股 0.98 港元的價格發行（「配售事項」），總現金代價（未計入有關開支）為 156,800,000 港元。進一步詳情載於本公司日期為二零一五年四月二十三日及二零一五年五月五日的公告。
- (ii) 於二零一五年下半年，本公司以總代價 4,921,000 港元回購並註銷其聯交所的 8,000,000 股自有普通股。於註銷回購的股份後，本公司的已發行股本面值減少 1,000 港元，就回購該等註銷股份所支付的溢價 4,920,000 港元（包括交易成本）已自本公司的股份溢價扣除。



Notes to Condensed Interim Financial Information 簡明中期財務資料附註

30 June 2016 二零一六年六月三十日

18. SHARE-BASED PAYMENTS

In April 2016, 500,000 share options were granted to the chief financial officer under the share option scheme of the Company. The exercise price of the options of HK\$0.52 was equal to the market price of the shares on the date of grant. The options will vest over a period of three years from the date of grant and the chief financial officer will still be employed on the date of vesting and exercise. The validity period of the options is ten years from the date of grant and the options shall lapse at the expiry of the validity period. The fair value at grant date is estimated using a binomial pricing model, taking into account the terms and conditions upon which the options were granted. The contractual life of each option granted is ten years. There is no cash settlement of the options. The fair value of options granted during the Period was estimated on the date of grant using the following assumptions:

| | |
|--|-------|
| Expected dividend yield (%) | 1.35 |
| Expected volatility (%) | 47.69 |
| Risk-free interest rate (%) | 1.33 |
| Expected life of share options (years) | 10 |
| Weighted average share price (HK\$) | 0.52 |

The weighted average fair value of the options granted during the six months ended 30 June 2016 was HK\$0.25.

For the Period, the Group has recognised HK\$16,000 of share-based payment expense in profit or loss (six months ended 30 June 2015: Nil).

19. CAPITAL COMMITMENTS

The Group had the following significant capital commitments with respect of service concession arrangements at the end of the reporting period:

| | 30 June 2016 二零一六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | 31 December 2015 二零一五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|----------------------------------|---|--|
| Contracted, but not provided for | 已訂約但未撥備 | 8,144 |
| | | — |

18. 股份基礎付款

於二零一六年四月，500,000份購股權已根據本公司的購股權計劃向財務總監授出。購股權行使價為0.52港元，相當於授出日期的股份市價。購股權的權利將在授予日期起計的三年期間內歸屬，且財務總監於歸屬及行使日期將仍受僱於本公司。購股權的有效期為自授出日期起計十年內及購股權將在有效期屆滿時失效。授出日期的公允值乃按二項式定價模式估算，計及授出購股權所依據之條款及條件。已授出之每份購股權之合約年期為十年。購股權概無現金支付。於期內授出之購股權之公允值乃於授出日期按以下假設估算：

| | |
|-------------|-------|
| 預期股息率 (%) | 1.35 |
| 預期波幅 (%) | 47.69 |
| 無風險利率 (%) | 1.33 |
| 購股權預期年期 (年) | 10 |
| 加權平均股價 (港元) | 0.52 |

於截至二零一六年六月三十日止六個月期間授出之購股權之加權平均公允值為0.25港元。

於期內，本集團已於損益確認16,000港元之股份基礎付款開支（截至二零一五年六月三十日止六個月：零）。

19. 資本承擔

於報告期末，本集團擁有以下與服務特許權安排有關的重大資本承擔：



Notes to Condensed Interim Financial Information 簡明中期財務資料附註

30 June 2016 二零一六年六月三十日

20. CONTINGENT LIABILITIES

As at 30 June 2016, the Group had no significant contingent liabilities (31 December 2015: Nil).

21. RELATED PARTY TRANSACTIONS

(A) On 5 September 2014, the Group entered into a commercial premises sub-leased agreement (the “Agreement”) with Dragonfield Management Limited (“Dragonfield”), a company substantially owned by Ms. Judy Chan and Ms. Wong, both being beneficial shareholders of the Company, for the use and occupation of the commercial premises located at Units 1-3, 11th Floor, Westlands Centre, 20 Westlands Road, Hong Kong (the “Office Premises”), retrospectively, effective from 27 August 2014 to 26 August 2016 at a rental of HK\$276,000 per annum. The amount charged to profit or loss during the Period was HK\$138,000 (six months ended 30 June 2015: HK\$138,000). The Group expects total rental expenses to Dragonfield in second half of 2016 to be approximately HK\$46,000 according to the Agreement.

20. 或然負債

於二零一六年六月三十日，本集團概無重大或然負債(二零一五年十二月三十一日：無)。

21. 關聯方交易

(A) 於二零一四年九月五日，本集團與龍田管理有限公司(「龍田」，由本公司實益股東陳芳女士及王女士實質擁有的公司)訂立一份商用物業分租協議(「協議」)，以使用及佔用位於香港華蘭路20號華蘭中心11樓1-3室的商用物業(「辦公室物業」)，並追溯生效，自二零一四年八月二十七日起至二零一六年八月二十六日止，年租金為276,000港元。期內，自損益扣除的金額為138,000港元(截至二零一五年六月三十日止六個月：138,000港元)。根據協議，本集團預期於二零一六年下半年向龍田支付的總租賃開支約為46,000港元。



Notes to Condensed Interim Financial Information 簡明中期財務資料附註

30 June 2016 二零一六年六月三十日

21. RELATED PARTY TRANSACTIONS (Cont'd)

(A) (Cont'd)

In addition, on 11 December 2015, the Group entered into an administrative services sharing agreement with Dragonfield in connection with the sharing of administrative services, retrospectively, effective from 1 July 2015 to 30 June 2018. The Group was charged for the shared administrative services on a cost basis. The amount charged to profit or loss during the Period was HK\$1,777,000 (six months ended 30 June 2015: Nil).

(B) On 16 June 2016, the Group entered into the SPA with Fusion Joy and Carlton Asia, as vendors, whereby the Group to conditionally agreed to acquire the entire issued share capital of Weal Union at an aggregate consideration of approximately US\$22.258 million (equivalent to approximately HK\$172.5 million) (note 1). Carlton Asia owns 20% of the issued shares of Weal Union and is indirectly legally and beneficially owned as to 100% in aggregate by Mr. Chan, Mr. Brian Chan and their associates. Mr. Chan and Mr. Brian Chan are Directors of the Company.

(C) OUTSTANDING BALANCES WITH RELATED PARTIES

The Group has no outstanding balances with related parties as at 30 June 2016 (31 December 2015: Nil).

21. 關聯方交易(續)

(A) (續)

此外，於二零一五年十二月十一日，本集團已就共享行政服務與龍田訂立行政服務共享協議，並追溯生效，自二零一五年七月一日起至二零一八年六月三十日止。相關共享行政服務按成本基準向本集團收費。期內，自損益扣除的金額為1,777,000港元(截至二零一五年六月三十日止六個月：無)。

(B) 於二零一六年六月十六日，本集團與Fusion Joy及Carlton Asia(作為賣方)訂立一份股份購買協議，據此，本集團有條件同意購買旭衡的全部已發行股本，總代價約為22.258百萬美元(相當於約172.5百萬港元)(附註1)。Carlton Asia持有旭衡的20%的已發行股本及由陳先生、陳柏林先生及彼等的聯繫人間接合法全資實益擁有。陳先生及陳柏林先生為本公司董事。

(C) 與關聯方的未清償結餘

本集團於二零一六年六月三十日並無與關聯方的未清償結餘(二零一五年十二月三十一日：無)。



Notes to Condensed Interim Financial Information 簡明中期財務資料附註

30 June 2016 二零一六年六月三十日

21. RELATED PARTY TRANSACTIONS (Cont'd)

(D) COMPENSATION OF THE KEY MANAGEMENT PERSONNEL OF THE GROUP:

| | | 2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元 | 2015 二零一五年 (Unaudited) (經審核) HK\$'000 千港元 |
|---|------------|---|--|
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 | 1,545 | 1,204 |
| Pension scheme contribution | 退休金計劃供款 | 40 | 19 |
| Equity-settled share option expense | 股本結算購股權開支 | 16 | — |
| | | 1,601 | 1,223 |

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of the current portion of receivables under service concession arrangements, other receivables, cash and cash equivalents, trade payables, other payables and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

21. 關聯方交易(續)

(D) 本集團主要管理人員的薪酬：

Six months ended 30 June
截至六月三十日止六個月

| | | 2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元 | 2015 二零一五年 (Unaudited) (經審核) HK\$'000 千港元 |
|---|------------|---|--|
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 | 1,545 | 1,204 |
| Pension scheme contribution | 退休金計劃供款 | 40 | 19 |
| Equity-settled share option expense | 股本結算購股權開支 | 16 | — |
| | | 1,601 | 1,223 |

22. 金融工具的公平值及公平值層級

管理層已評估服務特許權安排下的應收款項、其他應收款項、現金及現金等價物、貿易應付款項、其他應付款項及計息銀行借款即期部分的公平值與其賬面值相若，主要由於該等工具到期時間短所致。

本集團由財務總監領導的公司財務團隊負責釐定金融工具公平值計量的政策及程序。於各報告日期，公司財務團隊分析金融工具價值的變動並釐定用於估值的主要輸入數據。估值由財務總監進行審批。

金融資產及負債的公平值以該工具自願交易方(而非強迫或清盤出售)當前交易下的可交易金額入賬。



Notes to Condensed Interim Financial Information

簡明中期財務資料附註

30 June 2016 二零一六年六月三十日

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Cont'd)

The fair value of non-current portion of receivables under service concession arrangements and interest-bearing bank borrowing have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings as at 30 June 2016 and 31 December 2015 was assessed to be insignificant.

The fair values of listed equity and listed and unlisted debt investments are based on quoted market prices. The fair values of unlisted equity investments are derived from the net asset value per share of the investment with a marketability discount. The Directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group entered into a derivative financial instrument with a financial institution with an investment grade credit rating. The derivative financial instrument, which is a cross currency swap, is measured using valuation techniques similar to swap models, using present value calculations. The models incorporate various market observable inputs including the foreign exchange spot and forward rates and interest rate curves. The carrying amount of the cross currency swap is the same as its fair value.

22. 金融工具的公平值及公平值層級(續)

服務特許權安排下的應收款項及計息銀行借款非即期部分的公平值乃透過按現時應用在具相若條款、信貸風險及剩餘到期日的工具上的利率對預期未來現金流量進行貼現而計算得出。於二零一六年六月三十日及二零一五年十二月三十一日，本集團本身對計息銀行借款的不履約風險被評估為並不重大。

上市股權以及上市及非上市債務投資之公平值乃基於市場報價。非上市股權投資之公平值來自流通性較低之投資之每股資產淨值。董事認為，該估值技巧產生之估計公平值(於綜合財務狀況表記錄入賬)及公平值之有關變動(於其他全面收入記錄入賬)誠屬合理的，且為於報告期末最恰當的價值。

本集團與一間具投資級別信貸評級的金融機構訂立衍生金融工具。衍生金融工具(即交叉貨幣互換)採用現值計算法按類似互換模型的估值技巧計量。該模型納入多項可觀察市場輸入數據，包括外匯現貨、遠期匯價及利率曲線。交叉貨幣互換的賬面值與其公平值相同。



Notes to Condensed Interim Financial Information 簡明中期財務資料附註

30 June 2016 二零一六年六月三十日

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Cont'd)

FAIR VALUE HIERARCHY

The following table illustrates the fair value measurement hierarchy of the Group's available-for-sale investments:

ASSETS MEASURED AT FAIR VALUE:

22. 金融工具的公平值及公平值層級(續)

公平值等級

下表說明本集團可供出售投資的公平值計量等級：

按公平值計量的資產：

| | | Fair value measurement using 採用下列方法計量公平值 | | | |
|--|----------------------------|---|--|---|--------------------------------|
| | | Quoted prices in active markets (Level 1) 活躍市場 的報價 (第一層級) HK\$'000 千港元 | Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二層級) HK\$'000 千港元 | Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三層級) HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
| As at 30 June 2016 (Unaudited) | 於二零一六年 六月三十日 (未經審核) | | | | |
| Available-for-sale investments: | 可供出售投資： | | | | |
| Equity investments | 股權投資 | 11,498 | 22,000 | — | 33,498 |
| Debt investments | 債務投資 | 90,497 | — | — | 90,497 |
| | | 101,995 | 22,000 | — | 123,995 |
| As at 31 December 2015 (Audited) | 於二零一五年 十二月三十一日 (經審核) | | | | |
| Available-for-sale investments: | 可供出售投資： | | | | |
| Equity investments | 股權投資 | 30,080 | — | — | 30,080 |
| Debt investments | 債務投資 | 97,841 | — | — | 97,841 |
| | | 127,921 | — | — | 127,921 |



Notes to Condensed Interim Financial Information 簡明中期財務資料附註

30 June 2016 二零一六年六月三十日

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Cont'd)

FAIR VALUE HIERARCHY (Cont'd)

LIABILITIES MEASURED AT FAIR VALUE:

| | | Fair value measurement using 採用下列方法計量公平值 | | | |
|--|----------------------------|---|--|---|--------------------------------|
| | | Quoted prices in active markets (Level 1) 活躍市場的報價 (第一層級) HK\$'000 千港元 | Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二層級) HK\$'000 千港元 | Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三層級) HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
| As at 30 June 2016 (Unaudited) | 於二零一六年 六月三十日 (未經審核) | | | | |
| Derivative financial instrument | 衍生金融工具 | — | 1,070 | — | 1,070 |
| As at 31 December 2015 (Audited) | 於二零一五年 十二月三十一日 (經審核) | | | | |
| Derivative financial instrument | 衍生金融工具 | — | 794 | — | 794 |

During the Period, there was no transfer of fair value measurement between Level 1 and Level 2 and no transfer into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2015: Nil).

期內，公平值計量無第一層級與第二層級間的轉換，也無金融資產及金融負債轉入或轉出第三層級（截至二零一五年六月三十日止六個月：無）。

23. APPROVAL OF THE CONDENSED INTERIM FINANCIAL INFORMATION

The unaudited condensed interim financial information was approved by the Board on 22 August 2016.

22. 金融工具的公平值及公平值層級(續)

公平值等級(續)

按公平值計量的負債：

23. 簡明中期財務資料的批准

未經審核簡明中期財務資料已於二零一六年八月二十二日獲董事會批准。



ELL

Environmental
Holdings Limited