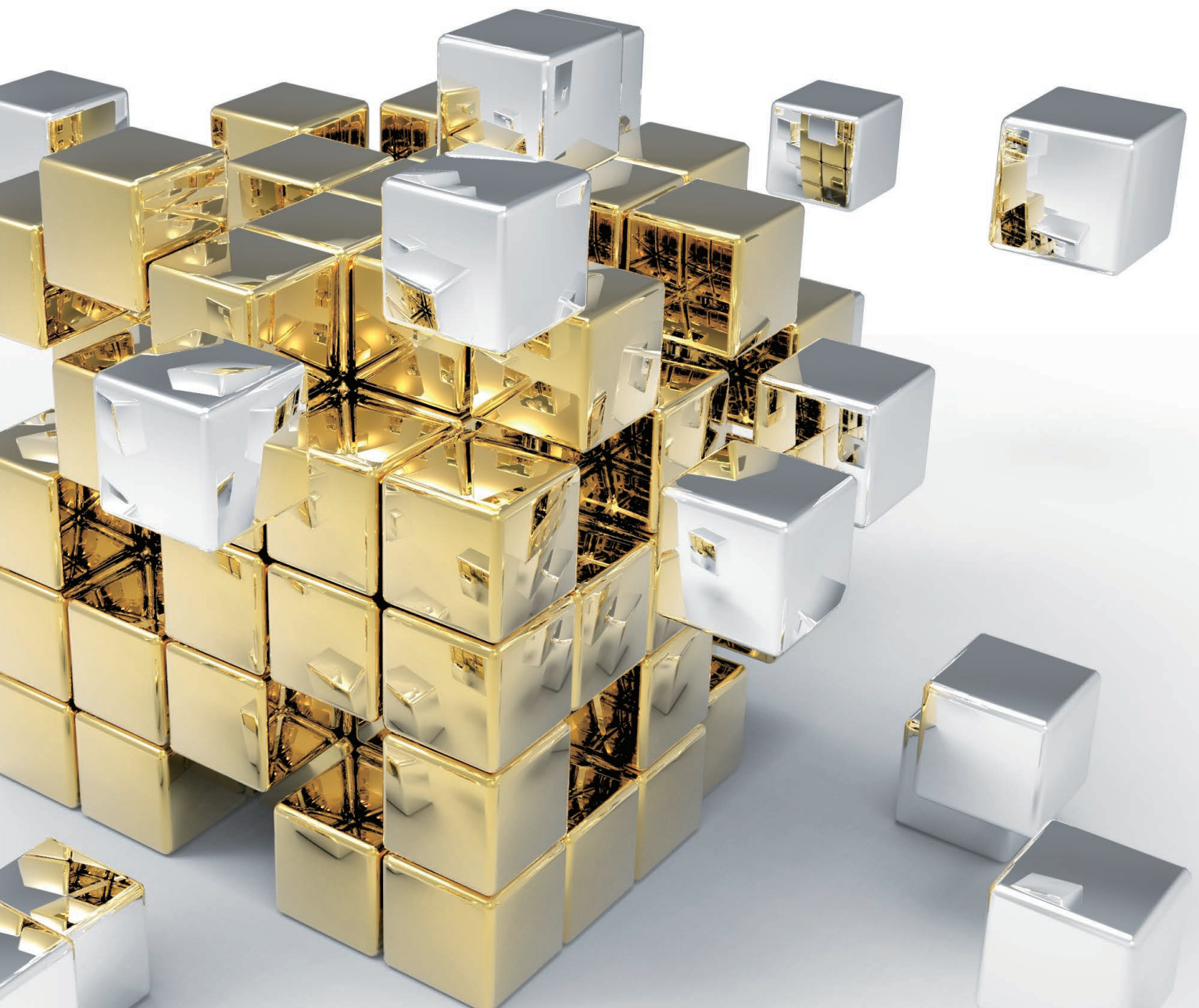


CHIHO-TIANDE GROUP LIMITED
齊合天地集團有限公司

(incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)
Stock Code 股份代號: 976

中期報告 2016
2016 INTERIM REPORT

A GLOBAL LEADING MIXED METAL RECYCLER





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	管理層討論及分析	8
Disclosure of Interests	權益披露	21
Corporate Governance and Other Information	企業管治及其他資料	30
Report on Review of Condensed Consolidated Financial Statements	簡明綜合財務報表審閱報告	32
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	簡明綜合損益及其他全面收益表	34
Condensed Consolidated Statement of Financial Position	簡明綜合財務狀況表	35
Condensed Consolidated Statement of Changes in Equity	簡明綜合權益變動表	37
Condensed Consolidated Statement of Cash Flows	簡明綜合現金流量表	39
Notes to the Condensed Consolidated Financial Statements	簡明綜合財務報表附註	40



BOARD OF DIRECTORS

Executive Directors

Mr. Tu Jianhua (Chairman)

Mr. Zhang Jun (Chief Executive Officer)

Mr. Qin Yongming (Executive Vice President)

Independent Non-Executive Directors

Dr. Loke Yu

Ms. Zhang Jingdong

Mr. Zhu Dajian

EXECUTIVE COMMITTEE

Mr. Tu Jianhua (Chairman)

Mr. Zhang Jun

Mr. Qin Yongming

AUDIT COMMITTEE

Dr. Loke Yu (Chairman)

Ms. Zhang Jingdong

Mr. Zhu Dajian

REMUNERATION COMMITTEE

Mr. Zhu Dajian (Chairman)

Dr. Loke Yu

Ms. Zhang Jingdong

NOMINATION COMMITTEE

Mr. Tu Jianhua (Chairman)

Dr. Loke Yu

Ms. Zhang Jingdong

Mr. Zhu Dajian

STRATEGY AND INVESTMENT COMMITTEE

Mr. Tu Jianhua (Chairman)

Mr. Zhang Jun

Mr. Qin Yongming

Mr. Goh Kian Guan

PRICING COMMITTEE

Mr. Zhu Patrick Xiangdong (Chairman)

Mr. Qin Yongming

Mr. Koon Wai Hung

Mr. Goh Kian Guan

Mr. Gan Jun

董事會

執行董事

涂建華先生(主席)

張 軍先生(行政總裁)

秦永明先生(常務副總裁)

獨立非執行董事

陸海林博士

章敬東女士

諸大建先生

執行委員會

涂建華先生(主席)

張 軍先生

秦永明先生

審核委員會

陸海林博士(主席)

章敬東女士

諸大建先生

薪酬委員會

諸大建先生(主席)

陸海林博士

章敬東女士

提名委員會

涂建華先生(主席)

陸海林博士

章敬東女士

諸大建先生

戰略與投資委員會

涂建華先生(主席)

張 軍先生

秦永明先生

吳健源先生

定價委員會

朱向東先生(主席)

秦永明先生

官偉雄先生

吳健源先生

甘 軍先生



AUTHORISED REPRESENTATIVES

Mr. Tu Jianhua
Ms. Yu Miu Cheung

授權代表

涂建華先生
余妙章女士

QUALIFIED ACCOUNTANT AND CHIEF FINANCIAL OFFICER

Mr. Koon Wai Hung

合資格會計師兼首席財務官

官偉雄先生

COMPANY SECRETARY/BOARD SECRETARY AND HEAD OF BOARD OFFICE

Ms. Yu Miu Cheung

公司秘書／董事會秘書兼 董事會辦公室主任

余妙章女士

AUDITOR

Deloitte Touche Tohmatsu

核數師

德勤 • 關黃陳方會計師行

LEGAL ADVISORS

Conyers Dill & Pearman (Cayman Islands)
Cadwalader, Wickersham & Taft (Hong Kong)
Van den Boomen Advocaten B.V. (Dutch)

法律顧問

Conyers Dill & Pearman (開曼群島)
凱威萊德國際律師事務所(香港)
Van den Boomen Advocaten B.V. (荷蘭)

PRINCIPAL BANKERS

Agriculture Bank of China
Bank of China
DBS Bank (Hong Kong) Limited
OCBC Wing Hang Bank Limited
Standard Chartered Bank (Hong Kong) Limited
Shanghai Pudong Development Bank
The Hongkong and Shanghai Banking Corporation Limited

主要往來銀行

中國農業銀行
中國銀行
星展銀行(香港)有限公司
華僑永亨銀行有限公司
渣打銀行(香港)有限公司
上海浦東發展銀行
香港上海匯豐銀行有限公司

REGISTERED OFFICE

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

註冊辦事處

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

48 Wang Lok Street
Yuen Long Industrial Estate
Hong Kong

香港總公司及主要營業地點

香港
元朗工業邨
宏樂街48號



HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 8, Baijin Road
Taizhou Renewable Metal Resources Industry Base
Luqiao, Taizhou
Zhejiang
The PRC

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

WEBSITE

www.chiho-tiande.com

STOCK CODE

Hong Kong Stock Exchange 976

中國總公司及主要營業地點

中國
浙江省
台州市路橋區
台州金屬資源再生產業基地
白金路8號

香港股份登記及過戶分處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心17樓
1712-1716號舖

開曼群島主要股份登記及過戶處

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

公司網站

www.chiho-tiande.com

股份代號

香港聯交所976



On behalf of the Board of Directors (the "Board") of Chiho-Tiande Group Limited (齊合天地集團有限公司) (the "Company"), I present the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2016.

During the first half of 2016, despite a reduction in sales from HK\$1.8 billion in the same period of 2015 to HK\$1.5 billion, representing a slight decrease of 16.7%, the Group recorded a gross profit of HK\$65.6 million when compared to the gross profit of HK\$61.5 million in the same period of 2015. This was mainly due to the lower volatility in global commodity prices during the second quarter of 2016.

During the period, the Group recorded a loss attributable to the owners of the Company of HK\$170.5 million, representing a decrease of HK\$779.1 million or 82.0%, when compared to the loss attributable to the owners of the Company of HK\$949.6 million recorded in the same period of 2015. The overall decrease in a loss attributable to the owners of the Company was mainly due to the significant decrease in loss on fair value changes of derivative financial instruments and the loss on the fair value change of embedded derivative components of convertible bonds during the period, when compared to those of amounting to HK\$315.8 million and HK\$559.9 million respectively during the same period of 2015.

With global metal prices at a six-year low throughout the period, the Group faced challenges to achieve its procurement volume to meet its processing needs, even with its well established overseas procurement network. The Group sold in aggregate over 234,000 tonnes of its processed products within its three business segments throughout the period. This represented a trifling decrease of 3.3% when compared to 242,000 tonnes in the same period of 2015.

During the period, the Group continued to follow its usual practices of consistently buying mixed metal scrap and selling its recycled products in accordance with its processing ability, so as to mitigate the short-term impact of price volatility on the overall performance of the Group.

Basic loss per share attributable to owners of the Company amounted to HK\$0.106 in the first half of 2016 (2015: Loss per share HK\$0.809).

With a strong presence in our Hong Kong operations since 2012, the Company believes that the Group is now in a well-placed position to establish a more diversified scrap metal and electronic waste processing platform in Hong Kong.

本人謹代表齊合天地集團有限公司(「本公司」)董事會(「董事會」)，提呈本公司及其附屬公司(「本集團」)截至二零一六年六月三十日止六個月的未經審核中期業績。

於二零一六年上半年，儘管銷售由二零一五年同期的1,800,000,000港元微減16.7%至1,500,000,000港元，但本集團錄得毛利65,600,000港元，而二零一五年同期毛利則為61,500,000港元。此乃主要由於二零一六年第二季度內全球商品價格波動減少。

於期內，本集團錄得本公司擁有人應佔虧損170,500,000港元，與二零一五年同期錄得本公司擁有人應佔虧損949,600,000港元相比，減少779,100,000港元或82.0%。本公司擁有人應佔虧損整體減少主要由於期內衍生金融工具公平值變動虧損及可換股債券嵌入式衍生部分公平值變動虧損大幅減少，與二零一五年同期相比分別為315,800,000港元及559,900,000港元。

整個期內全球金屬價格處於六年來的低位，即使擁有著完善的海外採購網絡，本集團仍面臨各種挑戰，以達到採購量及應付加工所需。本集團在整個期內合共售出旗下三個業務分部的加工產品超過234,000噸，較二零一五年同期的242,000噸輕微減少3.3%。

期內，本集團秉承一貫做法，根據自身的加工能力，持續買入混合廢金屬並出售其再生產品，以減低價格波動對本集團整體表現的短期影響。

於二零一六年上半年，本公司擁有人應佔每股基本虧損為0.106港元(二零一五年：每股虧損0.809港元)。

於二零一二年設立的香港業務實力強大，本公司認為，本集團現時具備優越的條件，以於香港成立更多元化的廢金屬及廢電子加工平台。



With regard to the Group's investment in establishing new processing facilities in the Development Zone in Yantai City, PRC, we acquired a piece of land nearby our existing processing facilities in the Development Zone in Yantai City in preparation of expanding our production capacity of recycled metals in the future.

On 27 January 2016, our acquisition of 60% effective equity interest in Yantai Liheng Environmental Protection Technology Co., Limited* (煙台立衡環保科技有限公司) was completed. We aim to obtain the production permit and all necessary permits to start renewable oil operations progressively by the end of year.

On 21 March 2016, our acquisition of 100% equity interest in Dalian New Green Recycle & Resources Corporation* (大連新綠再生資源加工有限公司) by way of the allotment and issue of 31,037,585 consideration shares to Suzuki Shokai Co., Ltd and Itochu Corporation, a company listed on Tokyo Stock Exchange, was completed. As a result, Itochu Corporation holds approximately 1.77% in the issued share capital of the Company through its wholly-owned subsidiary, TCI Ltd., as at the date of this report and has become a strategic investor that provides the Group with additional sourcing capabilities in East Asia, especially in Japan. The Group has launched trade business with Itochu Corporation and is further exploring opportunities for strategic partnership or cooperation.

Since 2 May 2016, the Group has been embarking on a series of steps to prepare for the potential equity acquisition of Scholz Holding GmbH ("Scholz Holding"), including the acquisition of rights and obligations under certain loan agreements and promissory notes (the "German Debt") of, and provision of bridging loan (the "Bridging Loan") to, Scholz Holding and certain restructuring steps as set out in the section headed "Subsequent Events" in the "Management Discussion and Analysis" of this report. The Group became the largest debtholder of Scholz Holding on 22 July 2016 and is preparing for the potential equity acquisition of Scholz Holding in the near future.

Scholz Holding and its subsidiaries (the "Scholz Group") is one of the largest European-based global network of companies and affiliates active in the field of treating and processing scrap metal through its business activities in Europe, North- and Central-America. Founded in 1872, the Scholz Group provides all steps in recycling metal and scrap metal and is a one-stop shop, from collecting, gathering, sorting, and processing the material to its sale, utilisation, and recirculation. In each of the two financial years ended 31 December 2014 and 2015, Scholz Group employed more than 5,000 employees. The acquisition of the German Debt, together with the restructuring steps set out in the

有關本集團於中國煙台市開發區投資建立新加工設施，我們收購了一幅鄰近煙台市開發區現有加工設施的地塊，以籌備擴大日後再生金屬的產能。

於二零一六年一月二十七日，我們已完成收購煙台立衡環保科技有限公司60%實際股權。我們計劃於年底前取得生產許可證及所有必須許可，以逐步開始再生油經營。

於二零一六年三月二十一日，我們已完成透過向鈴木商會株式會社及伊藤忠商事株式會社(東京證券交易所上市公司)配發及發行31,037,585股代價股份收購大連新綠再生資源加工有限公司100%股權。因此，於本報告日期，伊藤忠商事株式會社透過其全資附屬公司TCI Ltd.持有本公司已發行股本約1.77%，並成為我們的戰略投資者，為本集團提供於東亞(尤其是日本)的額外採購能力。本集團已開展與伊藤忠商事株式會社的貿易業務，並正進一步發掘戰略合夥或合作的機會。

自二零一六年五月二日以來，本集團已採取一系列步驟籌備對Scholz Holding GmbH (「Scholz Holding」)的潛在股權收購，包括收購Scholz Holding的若干貸款協議及承兌票據之權利及義務(「德國債務」)及為其提供過渡貸款(「過渡貸款」)以及本報告「管理層討論及分析」中「期後事項」一節所載之若干重組步驟。本集團於二零一六年七月二十二日成為Scholz Holding的最大債務持有人，並正籌備於不久將來對Scholz Holding的潛在股權收購。

Scholz Holding及其附屬公司(「Scholz集團」)為其中一家最大的以歐洲為基地的全球性公司和分支機構網絡，透過其於歐洲、北美及中美的業務活動活躍於廢金屬處理及加工領域。Scholz集團成立於一八七二年，提供再生金屬及廢金屬的所有工序，形成從物料收集、集中、分類及加工至銷售、使用及回流的一站式體系。於截至二零一四年及二零一五年十二月三十一日止兩個財政年度各年，Scholz集團僱用逾5,000名僱員。德國債務收購及本報告「管



section headed "Subsequent Events" in the "Management Discussion and Analysis" of this report, are intended to allow the Company to restructure the financial situation and balance sheet of Scholz Holding, revitalise the sustainable going concern of Scholz Holding's business and, thereby, gain access to upstream material supplies from European markets and to one of the best End-of-Life Vehicle dismantling and processing technologies globally.

On 2 June 2016, the Company completed the assumption of all rights and obligations under credit agreements of indirect non-wholly owned subsidiaries of Scholz Holding in the United States ("U.S. Scholz") (the "US Debt") from lenders for a consideration of US\$16.76 million (equivalent to approximately HK\$130.23 million). The Company believes that by becoming an important debtholder of U.S. Scholz, the Company is able to foster business cooperation with U.S. Scholz so as to gain access to upstream raw material supplies from the United States region.

Going forward, we remain committed to further expanding our processing capability, and simultaneously improving our profitability and return on equity. Our primary focus will be to maximise the utilisation of our existing operation facilities, while looking for opportunities to improve the performance of the Group at the same time. Our next focus will be on expanding our procurement network in East Asia to substantially reduce transportation costs and time, as well as lower the impact of volatile global commodity prices on the Group's profitability. We are also preparing for the potential equity acquisition of Scholz Holding, as mentioned above.

With the continued emphasis of support from the PRC Government to develop the recycling industry, we are confident that the metal recycling industry in the PRC will continue to grow and will become an important source and an integral part of the metal resources supply chain of the PRC in the future.

Given that the metal recycling industry contributes significantly to the protection of environment and to the preservation of valuable natural resources, we will continue to place heavy emphasis on our procurement volume to ensure that it is in line with our processing needs and to cater for our expansion strategy for scrap materials in the PRC.

Tu Jianhua
Chairman

Hong Kong, 23 August 2016

* For identification purpose only

理層討論及分析」中「期後事項」一節所載之重組步驟旨在使本公司可重整 Scholz Holding 的財務狀況及資產負債表，使 Scholz Holding 的業務振興以達至可持續經營，並由此獲得來自歐洲市場的上游材料供應以及全球其中一種最佳的廢舊汽車拆解及加工技術。

於二零一六年六月二日，本公司完成自貸款人處承接 Scholz Holding 於美國之間接非全資附屬公司（「美國 Scholz」）的信貸協議項下所有權利及義務（「美國債務」），代價為 16,760,000 美元（約等於 130,230,000 港元）。本公司認為，透過成為美國 Scholz 的重要債務持有人，本公司能夠促進與美國 Scholz 的業務合作，以取得美國地區的上游原料供應。

展望未來，我們仍將繼續致力擴大我們的加工能力，同時改善我們的盈利能力及股本回報率。我們的首要重點將放在盡可能提高現有營運設施的利用，同時尋求提升本集團表現的機會。其次將側重於擴大於東亞的採購網絡，以大幅降低運輸成本及時間以及減少全球商品價格波動對本集團盈利能力的影響。如上所述，我們亦正籌備對 Scholz Holding 的潛在股權收購。

由於中國政府繼續重點支持發展回收行業，我們相信中國的金屬再生行業將繼續發展，並會成為中國未來金屬資源供應鏈的重要來源及不可分割的一部分。

鑒於金屬再生行業對保護環境及保護寶貴天然資源均有重大貢獻，我們將繼續加強重視採購量，以確保迎合我們的加工需求以及符合我們在中國有關廢料行業的擴展策略。

涂建華
主席

香港，二零一六年八月二十三日

* 僅供識別



BUSINESS REVIEW AND OUTLOOK

With the prolonged downward bias that the global metal market has seen in the last 6 years, the management continued to face exceptional challenges as metal prices are at their lowest levels since the financial crisis in 2008, resulting in a disappointing performance for the first half of 2016. With the likelihood of U.S. interest rates turning upwards in the coming months and economic uncertainty overclouding Europe, volatility in the global metal market is expected to be seen in the coming years. However, the management remains to be cautiously optimistic about the Group's performance in the coming months.

In 2016, the Group continued to face challenges arising from the difficult business environment, including the generally low global metal prices and the slower economic growth in the PRC. During the period, despite a reduction in sales from HK\$1.8 billion in the same period of 2015 to HK\$1.5 billion, representing a slight decrease of 16.7%, the Group recorded a gross profit of HK\$65.6 million when compared to the gross profit of HK\$61.5 million in the same period of 2015. This was mainly due to the lower volatility in global commodity prices during the second quarter of 2016.

During the period, the Group recorded a loss attributable to the owners of the Company of HK\$170.5 million, representing a decrease of HK\$779.1 million or 82.0%, when compared to the loss attributable to the owners of the Company of HK\$949.6 million recorded in the same period of 2015. The overall decrease in a loss attributable to the owners of the Company was mainly due to the significant decrease in loss on fair value changes of derivative financial instruments and the loss on the fair value change of embedded derivative components of convertible bonds during the period, when compared to those of amounting to HK\$315.8 million and HK\$559.9 million respectively during the same period of 2015.

With a number of unforeseeable circumstances impacting the global supply of scrap materials, the Group continued to experience a reduction of scrap materials purchased. During the period, mixed metal scrap purchase by the Group remained at the same low level as recorded in 2015. The Group sold in aggregate over 234,000 tonnes of processed products within its three business segments throughout the period. This represented a trifling decrease of 3.3% when compared to 242,000 tonnes in the same period of 2015.

業務回顧及展望

伴隨過去六年全球金屬市場一直偏向下滑，金屬價格處於二零零八年金融危機以來最低水平，導致二零一六年上半年表現頗弱，管理層繼續面臨異常挑戰。美國有望於未來數月加息，歐洲經濟不明朗，預計未來數年全球金屬市場會繼續波動。然而，管理層繼續對本集團未來數月的表現持謹慎樂觀態度。

二零一六年期間，本集團繼續面臨業務環境困難所帶來的挑戰，包括全球金屬價格普遍偏低，以及中國經濟增長減緩。期內，儘管銷售由二零一五年同期的1,800,000,000港元減少至1,500,000,000港元，輕微減少16.7%，但本集團錄得毛利65,600,000港元，而二零一五年同期毛利則為61,500,000港元。此乃主要由於二零一六年第二季度全球商品價格波動減少。

於期內，本集團錄得本公司擁有人應佔虧損170,500,000港元，與二零一五年同期錄得本公司擁有人應佔虧損949,600,000港元相比，減少779,100,000港元或82.0%。本公司擁有人應佔虧損整體減少主要由於期內衍生金融工具公平值變動虧損及可換股債券嵌入式衍生部分公平值變動虧損大幅減少，與二零一五年同期相比分別為315,800,000港元及559,900,000港元。

隨著若干不可預見情況影響全球廢料供應，本集團繼續面臨廢料採購減少。於期內，本集團的混合廢金屬採購維持在較低水平，與二零一五年一致。本集團在整個期內合共售出旗下三個業務分部的加工產品超過234,000噸，較二零一五年同期的242,000噸輕微減少3.3%。



BUSINESS REVIEW AND OUTLOOK (continued)

During the period, the Group continued to follow its usual practices of consistently buying mixed metal scrap and selling its recycled products in accordance with its processing ability so as to mitigate the short-term impact of price volatility on the overall performance of the Group.

Basic loss per share attributable to owners of the Company amounted to HK\$0.106 in the first half of 2016 (2015: Loss per share HK\$0.809).

Our Procurement Network

The Group is still the largest importer of mixed metal scrap used for recycling, reuse and processing in terms of the total import volume as approved by the Ministry of Environmental Protection in the PRC. The Group developed a strong international procurement network with established and developed suppliers which covers Europe, North America, Oceania and the Middle East, which is critical to its success. Looking forward, we plan to expand our procurement network in East and Southeast Asia for the purpose of expanding the purchase volume of mixed metal and developing new varieties of renewable resources recycling process. We believe this will largely reduce transportation costs and time, as well as lower the impact of volatile global commodity prices on the Group's profitability.

業務回顧及展望(續)

期內，本集團秉承一貫做法，根據自身的加工能力，持續買入混合廢金屬並出售其再生產品，以減低價格波動對本集團整體表現的短期影響。

於二零一六年上半年，本公司擁有人應佔每股基本虧損為0.106港元(二零一五年：每股虧損0.809港元)。

本集團的採購網絡

按中國環境保護部批准的進口總量計算，本集團仍為將混合廢金屬進口作回收、循環再用及加工用途之最大進口商。本集團已與歐洲、北美、大洋洲及中東地區發展成熟的供應商，建立強大的國際採購網絡，此乃其成功的關鍵。展望未來，我們計劃拓展其採購網絡至東亞及東南亞地區，旨在擴大混合金屬的採購總量及開發新的再生資源的回收加工品種。我們相信此舉有望大幅降低運輸成本及時間，亦有助於減少全球商品價格波動對本集團盈利能力的影響。



Strategic Locations
戰略據點



BUSINESS REVIEW AND OUTLOOK (continued) Corporate and Business Development

With a strong presence in our Hong Kong operations since 2012, the Company believes that the Group is now in a well-placed position to establish a more diversified scrap metal and electronic waste processing platform in Hong Kong.

With regard to the Group's investment in establishing new processing facilities in the Development Zone in Yantai City, PRC, we acquired a piece of land nearby our existing processing facilities in the Development Zone in Yantai City in preparation of expanding our production capacity of recycled metals in the future.

On 27 January 2016, our acquisition of 60% effective equity interest in Yantai Liheng Environmental Protection Technology Co., Limited* (煙台立衡環保科技有限公司) was completed. We aim to obtain the production permit and all necessary permits to start renewable oil operations progressively by the end of year.

On 21 March 2016, our acquisition of 100% equity interest in Dalian New Green Recycle & Resources Corporation* (大連新綠再生資源加工有限公司) by way of the allotment and issue of 31,037,585 consideration shares to Suzuki Shokai Co., Ltd and Itochu Corporation, a company listed on Tokyo Stock Exchange, was completed. As a result, Itochu Corporation holds approximately 1.77% in the issued share capital of the Company through its wholly-owned subsidiary, TCI Ltd., as at the date of this report and has become a strategic investor that provides the Group with additional sourcing capabilities in East Asia, especially in Japan. The Group has launched trade business with Itochu Corporation and is further exploring opportunities for strategic partnership or cooperation.

Since 2 May 2016, the Group has been embarking on a series of steps to prepare for the potential equity acquisition of Scholz Holding, including the acquisition of the German Debt of, and provision of Bridging Loan to, Scholz Holding and certain restructuring steps as set out in the section headed "Subsequent Events" in the "Management Discussion and Analysis" of this report. The Group became the largest debtholder of Scholz Holding on 22 July 2016 and is preparing for the potential equity acquisition of Scholz Holding in the near future.

業務回顧及展望(續) 企業及業務發展

於二零一二年設立的香港業務實力強大，本公司認為，本集團現時具備優越的條件，以於香港成立更多元化的廢金屬及廢電子加工平台。

有關本集團於中國煙台市開發區投資建立新加工設施，我們收購了一幅鄰近煙台市開發區現有加工設施的地塊，以籌備擴大日後再生金屬的產能。

於二零一六年一月二十七日，我們已完成收購煙台立衡環保科技有限公司60%實際股權。我們計劃於年底前取得生產許可證及所有必須許可，以逐步開始再生油經營。

於二零一六年三月二十一日，我們已完成透過向鈴木商會株式會社及伊藤忠商事株式會社(東京證券交易所上市公司)配發及發行31,037,585股代價股份收購大連新綠再生資源加工有限公司100%股權。因此，於本報告日期，伊藤忠商事株式會社透過其全資附屬公司TCI Ltd.持有本公司已發行股本約1.77%，並成為我們的戰略投資者，為本集團提供於東亞(尤其是日本)的額外採購能力。本集團已開展與伊藤忠商事株式會社的貿易業務，並正進一步發掘戰略合夥或合作的機會。

自二零一六年五月二日以來，本集團已採取一系列步驟籌備對Scholz Holding的潛在股權收購，包括收購Scholz Holding的德國債務及為其提供過渡貸款以及本報告「管理層討論及分析」中「期後事項」一節所載之若干重組步驟。本集團於二零一六年七月二十二日成為Scholz Holding的最大債務持有人，並正籌備於不久將來對Scholz Holding的潛在股權收購。



BUSINESS REVIEW AND OUTLOOK (continued) Corporate and Business Development (continued)

Scholz Group is one of the largest European-based global network of companies and affiliates active in the field of treating and processing scrap metal through its business activities in Europe, North- and Central-America. Founded in 1872, the Scholz Group provides all steps in recycling metal and scrap metal and is a one-stop shop, from collecting, gathering, sorting, and processing the material to its sale, utilisation, and recirculation. In each of the two financial years ended 31 December 2014, 2015, Scholz Group employed more than 5,000 employees. The acquisition of the German Debt, together with the restructuring steps set out in the section headed “Subsequent Events” in the “Management Discussion and Analysis” of this report, are intended to allow the Company to restructure the financial situation and balance sheet of Scholz Holding, revitalise the sustainable going concern of Scholz Holding’s business and, thereby, gain access to upstream material supplies from European markets and to one of the best End-of-Life Vehicle dismantling and processing technologies globally.

On 2 June 2016, the Company completed the assumption of the US Debt from lenders for a consideration of US\$16.76 million (equivalent to approximately HK\$130.23 million). The Company believes that by becoming an important debtholder of U.S. Scholz, the Company is able to foster business cooperation with U.S. Scholz so as to gain access to upstream raw material supplies from the United States region.

Social Responsibilities

On the environmental protection front, we continued to place great emphasis on ensuring that all of our processing facilities are in line with local and national environmental protection standards.

Our Taizhou facilities, the main production plant, continued to qualify as one of the designated processing units for imported metal scraps recycling and utilisation in Zhejiang Province under the Environmental Protection Department of Zhejiang Province (浙江省環境保護廳). Our production processes do not consume large volumes of electricity and water and therefore produce very small volume of waste materials. We consider that we have adopted sufficient environmental protection measures and controls against air, water, solid and noise pollutions produced during the course of our production processes.

業務回顧及展望(續) 企業及業務發展(續)

Scholz集團為其中一家最大的以歐洲為基地的全球性公司和分支機構網絡，透過其於歐洲、北美及中美洲的業務活動活躍於廢金屬處理及加工領域。Scholz集團成立於一八七二年，提供再生金屬及廢金屬的所有工序，形成從物料收集、集中、分類及加工至銷售、使用及回流的一站式體系。於截至二零一四年及二零一五年十二月三十一日止兩個財政年度各年，Scholz集團僱用逾5,000名僱員。德國債務收購及本報告「管理層討論及分析」中「期後事項」一節所載之重組步驟旨在使本公司可重整Scholz Holding的財務狀況及資產負債表，使Scholz Holding的業務振興以達至可持續經營，並由此獲得來自歐洲市場的上游材料供應以及全球其中一種最佳的廢舊汽車拆解及加工技術。

於二零一六年六月二日，本公司完成自貸款人處承接美國債務，代價為16,760,000美元(約等於130,230,000港元)。本公司認為，透過成為美國Scholz的重要債務持有人，本公司能夠促進與美國Scholz的業務合作，以取得美國地區的上游原料供應。

社會責任

在環保方面，我們繼續把重點放在確保旗下所有加工設施均符合當地及國家的環保標準。

我們的台州設施(主要生產廠房)繼續符合浙江省環境保護廳下其中一家浙江省進口廢五金類廢物加工利用定點企業的資格。本集團的生產流程不會耗用大量水電，故產生的廢料極少。本集團認為，其已採取足夠環境保護措施及監控，以減少生產工序產生的空氣、水、固體及噪音污染。



BUSINESS REVIEW AND OUTLOOK (continued) Prospects

Going forward, we remain committed to further expanding our processing capability, and simultaneously improving our profitability and return on equity. Our primary focus will be to maximise the utilisation of our existing operation facilities, while looking for opportunities to improve the performance of the Group at the same time. Our next focus will be on expanding our procurement network in East Asia to substantially reduce transportation costs and time, as well as lower the impact of volatile global commodity prices on the Group's profitability. We are also preparing for the potential equity acquisition of Scholz Holding, as mentioned above.

With the continued emphasis of support from the PRC Government to develop the recycling industry, we are confident that the metal recycling industry in the PRC will continue to grow and will become an important source and an integral part of the metal resources supply chain of the PRC in the future.

Given that the metal recycling industry contributes significantly to the protection of environment and to the preservation of valuable natural resources, we will continue to place heavy emphasis on our procurement volume to ensure that it is in line with our processing needs and to cater for our expansion strategy for scrap materials in the PRC.

The management will continue to place its efforts on the business development of the Group and upstream integrations, in order to achieve satisfactory returns to the shareholders of the Company.

Subsequent Events

On 20 July 2016, a restructuring agreement (the "Restructuring Agreement") was entered into by, among others, the Company and Scholz Holding, in relation to, among other things, (1) finalization of terms of the provision of a EUR80 million (equivalent to approximately HK\$712 million) bridging loan (the "Bridging Loan"); (2) amendment to and extension of the maturity dates, and partial release, of the German Debt; and (3) the intended acquisition, and immediate waiver, of a EUR60 million (equivalent to approximately HK\$534 million) loan from Scholz Beteiligungsgesellschaft ("TTC Loan") (together, the "Restructuring Steps").

業務回顧及展望(續) 前景

展望未來，我們仍將繼續致力擴大我們的加工能力，同時改善我們的盈利能力及股本回報率。我們的首要重點將放在盡可能提高現有營運設施的利用，同時尋求提升本集團表現的機會。其次將側重於擴大於東亞的採購網絡，以大幅降低運輸成本及時間以及減少全球商品價格波動對本集團盈利能力的影響。如上所述，我們亦正籌備對 Scholz Holding 的潛在股權收購。

由於中國政府持續大力支持發展回收行業，我們相信中國的金屬再生行業將繼續發展，並會成為中國未來金屬資源供應鏈的重要來源及不可分割的一部分。

鑒於金屬再生行業對保護環境及保護寶貴天然資源均有重大貢獻，我們將繼續加強重視採購量，以確保迎合我們的加工需求以及符合我們在中國有關廢料行業的擴展策略。

管理層將繼續致力於發展本集團業務及上游整合，從而為本公司股東帶來理想回報。

期後事項

於二零一六年七月二十日，重組協議(「重組協議」)由(其中包括)本公司與 Scholz Holding 訂立，內容有關(其中包括)(1)落實提供 80,000,000 歐元(約等於 712,000,000 港元)的過渡貸款(「過渡貸款」)的條款；(2)修訂及延長德國債務的到期日及部分解除該項債務；及(3)擬向 Scholz Beteiligungsgesellschaft 收購及即時豁免一筆達 60,000,000 歐元(約等於 534,000,000 港元)之貸款(「TTC 貸款」)(統稱「重組步驟」)。



BUSINESS REVIEW AND OUTLOOK (continued) Subsequent Events (continued)

The entering into of the Restructuring Agreement is part of a series of steps taken by the Company to prepare for the potential equity acquisition of Scholz Holding in the near future (the “Potential Equity Acquisition”). The provision of the Bridging Loan is to ensure that the business of the Scholz Group is maintained as a going concern prior to the Potential Equity Acquisition. Further, the amendment to and the extension of the maturity dates, and partial release, of the German Debt and the intended acquisition, and immediate waiver of, the TTC Loan are deemed necessary to facilitate the significant deleveraging of Scholz Group and to enhance its long-term economic performance.

On 22 July 2016, the closing of the acquisition of the German Debt was completed pursuant to the terms and conditions of the debt purchase agreement signed between, among others, the Company and Scholz Holding.

On 4 August 2016, a sale and transfer agreement was entered into between Chiho Renewable Development Limited, a subsidiary of the Company, Scholz Beteiligungsgesellschaft and Scholz Holding, pursuant to which Chiho Renewable Development Limited will acquire the TTC Loan from Scholz Beteiligungsgesellschaft for a nominal consideration of EUR1 (equivalent to approximately HK\$8.90).

FINANCIAL REVIEW Revenue

During this period of 2016, revenue decreased by approximately HK\$0.3 billion, or 16.7%, from HK\$1.8 billion in the same period of 2015 to HK\$1.5 billion in this period. The decrease was mainly due to the weakness of global metal prices, which were at a six-year low during the first half of 2016, resulting in a decrease in the average selling prices of our recycled metal products and foundry products.

Cost of sales

Cost of sales decreased by approximately HK\$0.3 billion, or 17.6%, from HK\$1.7 billion in the same period of 2015 to HK\$1.4 billion in this period of 2016. The decrease is in line with the decrease in revenue and is primarily due to a reduction in the average purchase prices of raw materials.

業務回顧及展望(續) 期後事項(續)

訂立重組協議為本公司採取一系列步驟之一部分，以為於不久將來對 Scholz Holding 的潛在股權收購做準備(「潛在股權收購」)。提供過渡貸款旨在確保 Scholz 集團的業務於潛在股權收購之前可持續經營。此外，修訂及延長德國債務的到期日及部分解除該項債務以及擬收購及即時豁免 TTC 貸款被視為促進 Scholz 集團大幅減債及提升其長期經濟表現所必需。

於二零一六年七月二十二日，德國債務收購已根據由(其中包括)本公司與 Scholz Holding 簽訂的債務購買協議的條款及條件完成。

於二零一六年八月四日，齊合再生發展有限公司(本公司附屬公司)、Scholz Beteiligungsgesellschaft 及 Scholz Holding 訂立銷售及轉讓協議，據此，齊合再生發展有限公司將按象徵式代價 1 歐元(約等於 8.90 港元)向 Scholz Beteiligungsgesellschaft 收購 TTC 貸款。

財務回顧 收益

二零一六年期內收益減少約 300,000,000 港元或 16.7%，由二零一五年同期的 1,800,000,000 港元減至期內 1,500,000,000 港元。減少主要由於在二零一六年上半年全球金屬價格疲軟，處於六年來的低位，引致再生金屬產品及鑄造產品的平均售價下降。

銷售成本

銷售成本減少約 300,000,000 港元或 17.6%，由二零一五年同期的 1,700,000,000 港元減至二零一六年期內的 1,400,000,000 港元。銷售成本減少與收益減少一致，主要是由於原料平均採購價下降所致。



FINANCIAL REVIEW (continued)

Gross profit and gross profit margin

Gross profit of approximately HK\$65.6 million was recorded in this period of 2016, representing an increase of 6.7% when compared to the gross profit of HK\$61.5 million recorded in the same period of 2015. The gross profit margin increased from 3.5% in the same period of 2015 to 4.3% in this period of 2016. The increase in gross profit was mainly due to the lower volatility in global commodity prices in the second quarter of 2016.

Distribution and selling expenses

Distribution and selling expenses increased by approximately HK\$1.2 million, or 25.0%, from HK\$4.8 million in the same period of 2015 to HK\$6.0 million in this period of 2016. This was mainly due to the slightly increase in transportation cost.

Administrative expenses

Administrative expenses increased by approximately HK\$15.8 million or 23.3%, from HK\$67.9 million in the same period of 2015 to HK\$83.7 million in this period of 2016. This was mainly due to the increase in staff costs, depreciation and amortization and rental expenses.

Other income

Other income decreased by approximately HK\$22.4 million, or 52.3%, from HK\$42.8 million in the same period of 2015 to HK\$20.4 million in this period of 2016. This was mainly due to the non-recurring government grants received during the same period of 2015, and such insignificant amounts were recorded during the first six months of 2016.

Other gains and losses

Other losses decreased significantly by approximately HK\$801.5 million, or 88.9% from HK\$902.0 million in the same period of 2015 to HK\$100.5 million in this period of 2016. During the interim period 2016, other losses were mainly derived from a loss on fair value changes of held for trading investments relating to listed securities of HK\$88.6 million and exchange loss of HK\$107.0 million, which partially overcome the loss by the bargain purchase gain of HK\$88.9 million was recorded arising from the acquisition of a subsidiary. During the same period of 2015, other losses were mainly derived from a fair value changes of derivative financial instruments relating to various metals futures contracts of HK\$315.8 million and an accounting loss of approximately HK\$559.9 million derived from the change in the fair value of the embedded derivative components of the Company's convertible bonds.

財務回顧(續)

毛利及毛利率

二零一六年期內錄得毛利約為65,600,000港元，較二零一五年同期錄得的毛利61,500,000港元增加6.7%。毛利率由二零一五年同期的3.5%增加至二零一六年期內的4.3%。毛利增加主要由於二零一六年第二季度全球商品價格波動減少。

分銷及銷售開支

分銷及銷售開支增加約1,200,000港元或25.0%，由二零一五年同期的4,800,000港元增至二零一六年期內的6,000,000港元，主要由於運輸成本輕微增加所致。

行政開支

行政開支增加約15,800,000港元或23.3%，由二零一五年同期的67,900,000港元增至二零一六年期內的83,700,000港元，主要是由於員工成本、折舊及攤銷以及租金開支增加所致。

其他收入

其他收入減少約22,400,000港元或52.3%，由二零一五年同期的42,800,000港元減至二零一六年期內的20,400,000港元，此乃主要由於於二零一五年同期收取非經常性的政府補助，而於二零一六年首六個月錄得的有關款項微不足道。

其他收益及虧損

其他虧損顯著減少約801,500,000港元或88.9%，由二零一五年同期的902,000,000港元減至二零一六年期內的100,500,000港元。於二零一六年中期內，其他虧損主要來自與上市證券有關的持作買賣投資的公平值變動虧損88,600,000港元及匯兌虧損107,000,000港元，部分被因收購附屬公司而錄得的議價收購收益88,900,000港元所抵銷。於二零一五年同期，其他虧損主要來自與多項金屬期貨合約有關的衍生金融工具公平值變動為315,800,000港元及本公司可換股債券的嵌入式衍生部分公平值變動所產生的會計虧損約559,900,000港元。



FINANCIAL REVIEW (continued)

Other expenses

Other expenses represented professional and legal expenses related to the acquisition of the German Debt and US Debt, amounting to HK\$27.1 million in this period of 2016.

Finance costs

Finance costs decreased by approximately HK\$34.8 million, or 46.0%, from HK\$75.6 million in the same period of 2015 to HK\$40.8 million in this period of 2016. This was mainly due to a decrease in the bank interest expenses as the overall bank borrowings decreased during the period 2016 and a decrease in effective interest expenses on convertible bonds due to the conversion during the period 2016.

Loss for the period

As a result of the factors discussed above, the Company incurred a net loss for this period of 2016 of approximately HK\$172.1 million, which decreased significantly by HK\$774.7 million or 81.8%, as compared to a net loss of HK\$946.8 million in the same period of 2015. The overall decrease in net loss was mainly due to the significant decrease in loss on fair value changes of derivative financial instruments and loss on the fair value change of embedded derivative components of convertible bonds arising from a non-cash accounting treatment for the purpose of complying with HKFRSs, when compared to the corresponding period of 2015.

Key Financial Ratios

The following table sets forth certain of our financial ratios as of the date and for the periods as indicated below:

Liquidity Ratios

Current ratio	流動資金比率
Quick ratio	流動比率
Gearing ratio (%)	資產負債比率(%)

財務回顧(續)

其他開支

其他開支指於二零一六年期內與收購德國債務及美國債務有關的專業及法律費用，達27,100,000港元。

財務成本

財務成本減少約34,800,000港元或46.0%，由二零一五年同期的75,600,000港元減至二零一六年期內的40,800,000港元，主要由於二零一六年期內銀行借貸整體減少令銀行利息支出減少及於二零一六年期內兌換導致可換股債券的實際利息開支減少所致。

期內虧損

基於上述因素，本公司產生二零一六年期內虧損淨額約172,100,000港元，與二零一五年同期虧損淨額946,800,000港元相比，顯著減少774,700,000港元或減少81.8%。與二零一五年同期相比，虧損淨額整體減少乃主要由於為遵守香港財務報告準則而非現金會計處理引致衍生金融工具公平值變動虧損及可換股債券嵌入式衍生部分公平值變動虧損大幅減少。

關鍵財務比率

下表載列於所示日期及期間的若干財務比率：

At 30 June 2016 於二零一六年 六月三十日	At 31 December 2015 於二零一五年 十二月三十一日
--	--

1.44	3.33
0.96	2.67
20.7	22.5



FINANCIAL REVIEW (continued)
Key Financial Ratios (continued)

財務回顧(續)
關鍵財務比率(續)

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年	2015 二零一五年
Inventory turnover days	存貨周轉日數	111	113
Debtor's turnover days	應收賬周轉日數	7	13
Creditor's turnover days	應付賬周轉日數	9	15

Liquidity and Financial Resources and Capital Structure

The net current assets which included cash and various bank balance and deposits amounted to HK\$1,035.4 million (31 December 2015: HK\$3,717.7 million). As a result, the current ratio and quick ratio decreased from 3.33 and 2.67 as at 31 December 2015 to 1.44 and 0.96 as at 30 June 2016 respectively. The decrease was mainly due to proceeds being used for making the series of acquisition of the German Debt and US Debt and for paying certain costs in relation to completion of the German Debt and US Debt transaction, which aggregated to approximately HK\$2,405 million. Total bank borrowings were HK\$1.1 billion (31 December 2015: HK\$1.1 billion), and those were mainly used to finance purchases of mixed metal scrap from overseas. Such borrowings were mainly denominated in U.S. Dollars and Renminbi. Approximately HK\$751.6 million (31 December 2015: HK\$762.1 million) of bank borrowings are at fixed interest rates.

The gearing ratio of the Group as at 30 June 2016 was 20.7% (31 December 2015: 22.5%), which is calculated based on the total borrowings over total assets. The decrease was mainly due to the instalment payments of other borrowings during the interim period of 2016.

Debtor's turnover days and creditor's turnover days decreased from 13 days and 15 days for the same period of 2015 to 7 days and 9 days for this period of 2016 respectively.

Inventory turnover days decreased from 113 days for the same period of 2015 to 111 days for this period of 2016.

流動資金及財務資源及資本架構

流動資產淨值包括現金及多項銀行結餘及存款共1,035,400,000港元(二零一五年十二月三十一日:3,717,700,000港元)。因此,流動比率及速動比率由二零一五年十二月三十一日的3.33及2.67分別下降至二零一六年六月三十日的1.44及0.96。減少乃主要由於所得款項用於進行一系列德國債務及美國債務收購及支付與完成德國債務及美國債務交易有關的若干成本,總額達約2,405,000,000港元。銀行借貸總額為1,100,000,000港元(二零一五年十二月三十一日:1,100,000,000港元),主要用於為向海外採購混合廢金屬提供資金。該等借貸主要以美元及人民幣計值。約751,600,000港元(二零一五年十二月三十一日:762,100,000港元)之銀行借貸以固定利率計息。

本集團於二零一六年六月三十日的資產負債比率為20.7%(二零一五年十二月三十一日:22.5%)(根據借款總額除以資產總值計算)。減少主要由於二零一六年中期內其他借貸的分期付款所致。

應收賬周轉日數和應付賬周轉日數分別由二零一五年同期的13日和15日減少至二零一六年期內的7日和9日。

存貨周轉日數由二零一五年同期的113日減少至二零一六年期內的111日。



CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2016, we had pledged certain plant and buildings, land use rights and bank deposits with an aggregate carrying value of approximately HK\$509.5 million (31 December 2015: approximately HK\$445.8 million) to secure bank borrowings.

As at 30 June 2016, we had capital commitments in respect of acquisition of a subsidiary, property, plant and equipment, prepaid lease payments, additions in construction in progress and formation of subsidiaries but not provided for in the consolidated financial statements amounted to HK\$56.0 million (31 December 2015: HK\$519.0 million).

As at the date of this report, save as disclosed below, the Board is not aware of any material contingent liabilities.

With regard to the legal proceedings in the PRC between Shanghai Chiho-Tiande Resource Recycling Co., Ltd.* (上海齊合天地再生資源有限公司) ("Shanghai JV"), an indirect 51%-owned subsidiary of the Company, and Shanghai Science and Technology Co., Ltd.* (上海民營科技實業發展公司) in relation to certain housing and land lease contracts, disclosures have been made by the Company in its announcements dated 14 December 2012, 15 January 2014, 22 January 2014 as well as its interim reports for the six months ended 30 June 2014 and 2015 and its annual report for the year ended 31 December 2014 and 2015.

On 18 December 2015, the Shanghai JV applied to Shanghai High People's Court for re-trial and sought further legal relief. On the same date, Shanghai High People's Court accepted the re-trial application. The re-trial application was in the process of being reviewed as at the date of this report.

資本承擔及或然負債

於二零一六年六月三十日，本集團抵押賬面總值約509,500,000港元的若干廠房及樓宇、土地使用權及銀行存款(二零一五年十二月三十一日：約445,800,000港元)，以為銀行借貸作擔保。

於二零一六年六月三十日，我們就有關收購附屬公司、物業、廠房及設備及預付租金、添置在建工程及成立附屬公司已訂約但未於綜合財務報表計提撥備的資本開支為56,000,000港元(二零一五年十二月三十一日：519,000,000港元)。

於本報告日期，除下文所披露者外，董事會概無知悉有任何重大或然負債。

就本公司間接擁有51%的附屬公司上海齊合天地再生資源有限公司(「上海合營公司」)與上海民營科技實業發展公司有關若干住房及土地租賃合約的中國法律訴訟而言，本公司已於其日期為二零一二年十二月十四日、二零一四年一月十五日、二零一四年一月二十二日的公告及截至二零一四年及二零一五年六月三十日止六個月的中期報告及截至二零一四年及二零一五年十二月三十一日止年度年報中作出披露。

於二零一五年十二月十八日，上海合營公司向上海最高人民法院申請複審及尋求進一步法律救濟。於同日，上海最高人民法院接受複審申請。於本報告日期，複審申請現正處於評審階段。



CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES (continued)

Whilst the Directors do not consider this to be a litigation of material importance for the reasons set out below, for the sake of completeness, it is noted that a writ of summons was issued by Delco Participation B.V. (“Delco”) as plaintiff on 21 December 2015 in the High Court of Hong Kong (High Court Action No. 3040 of 2015, “HCA 3040/2015”) against the Company as defendant for a sum of HK\$57,827,118 together with interest and costs. The claim relates to an alleged non-payment of a portion of the loans advanced by Delco Asia Company Limited (“Delco Asia”) to subsidiaries of the Company in accordance with the terms of a Shareholders Loan Assignment and Capitalisation Agreement dated 24 June 2010 between, amongst others, Delco Asia and the Company. Delco alleged that it acquired all the assets and receivables of Delco Asia pursuant to an Assets & Liabilities Transfer Agreement dated 3 October 2011 between itself and Delco Asia.

The Company gave notice of intention to contest the proceedings on 4 January 2016. On 26 February 2016, the Company applied to the High Court of Hong Kong to strike out the claim of Delco in this action (the “Striking Out Application”). The Striking Out Application was heard before Deputy High Court Judge Manzoni, SC on 13 June 2016. Pursuant to the Decision of Deputy High Court Judge Manzoni, SC dated 27 June 2016, the Striking Out Application was dismissed. The proceedings are still in progress. Insofar as we are aware, no judgment has been entered against the Company.

Each of Mr. Fang Ankong (“Mr. Fang”, a former director) and HWH Holdings Limited (“HWH”) undertook to the Company to indemnify and hold harmless on demand (on an after-tax basis) the Company against all losses arising out of, inter alia, HCA 3040/2015 in accordance with the terms of a letter of indemnity signed by Mr. Fang and HWH in favour of the Company on 17 December 2015. Further, HWH has also agreed that a sum including the amount of HK\$57,827,118 be held in escrow as security for any liability of the Company in respect of, inter alia, HCA 3040/2015.

資本承擔及或然負債(續)

雖然董事因下文所載理由認為這並非重大訴訟，為保持完備，據悉Delco Participation B.V. (「Delco」) 作為原告於二零一五年十二月二十一日就本公司作為被告索償57,827,118港元連同利息及訟費向香港高等法院提交訴狀(高院案件2015年第3040號，「HCA 3040/2015」)。索償與聲稱未根據(其中包括)Delco Asia Company Limited (「Delco Asia」) 與本公司於二零一零年六月二十四日訂立的股東貸款轉讓及資本化協議支付Delco Asia向本公司附屬公司墊付貸款的部分款項有關。Delco稱其已根據其與Delco Asia於二零一一年十月三日的資產及負債轉讓協議收購Delco Asia的全部資產及應收款項。

本公司於二零一六年一月四日發出有意質疑訴訟的通知。於二零一六年二月二十六日，本公司向香港高等法院申請聆訊撤銷Delco申索(「聆訊撤銷申請」)。聆訊撤銷申請於二零一六年六月十三日在高等法院暫委法官Manzoni SC前聆訊。根據日期為二零一六年六月二十七日的高等法院暫委法官Manzoni SC的判決，聆訊撤銷申請被駁回。該訴訟正在進行中。就我們所知，尚未對本公司作出裁決。

方安空先生(「方先生」，前任董事)及HWH Holdings Limited (「HWH」) 各自向本公司承諾，根據方先生與HWH以本公司為受益人於二零一五年十二月十七日簽署的彌償函件的條款，彌償本公司因其中包括HCA 3040/2015產生的所有損失及即時使本公司不受到損失(按除稅後基準)。此外，HWH亦同意，把一筆總額為57,827,118港元的款項存放於託管賬戶以作為本公司有關(其中包括)HCA 3040/2015的任何責任的擔保。



RISK MANAGEMENT

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

On 26 March 2015, the Board resolved to adopt a new policy regarding dealings in metal futures contracts (the "Policy") in order to better reflect and restate the Group's current business requirements with regard to dealings in metal futures contracts. Since October 2015, all metal future contracts of the Group were settled and closed. On 29 July 2016, the Board adopted a revised version of the Policy (the "Revised Policy") which the Board believes is more suitable for the current operating conditions of the Group. Details were disclosed in the Company's announcement made on the same date and the Revised Policy is available on the Company's website, www.chiho-tiande.com.

As part of its foreign currency hedging strategy, the Board will closely monitor the Group's foreign currency borrowings in the view of the volatile exchange rate for Renminbi to U.S. Dollars and other currencies as a result of the reform of the Renminbi middle exchange rate quotation regime, and consider various measures to minimise the foreign currency risk.

With the relatively low interest rates in 2015, the Group has not entered into any interest rate hedging contracts or any other interest rate related derivative financial instruments. However, the Group continues to monitor its related interest rate exposure closely and will consider hedging significant interest rate exposure when the need arises.

As for credit risk, the Group continues to follow the trade practices of cash on collection from sales of all of its metal recycling products in order to minimise the carrying amounts of the financial assets in the Group's financial statements. In addition, the Group will continue to monitor closely its trade debtors to minimise potential impairment losses.

With regard to the liquidity risk, the Group will continue to maintain a balance between the continuity of funding and flexibility through the use of bank borrowings.

風險管理

在日常業務過程中，本集團面對的市場風險包括商品價格風險、外匯風險、利率風險、信貸風險及流動資金風險等。本集團的風險管理策略旨在減低該等風險對本集團財務表現的不利影響。

於二零一五年三月二十六日，董事會議決採納有關買賣金屬期貨合約的一項新政策（「該政策」），以更好地反映及重申本集團有關買賣金屬期貨合約的現有業務規定。自二零一五年十月起，本集團所有金屬期貨合約已結算及結束。於二零一六年七月二十九日，董事會已採納該政策之修訂版本（「經修訂政策」），且董事會相信其更適合本集團之現有經營狀況。詳情披露於本公司在同日刊發的公告，而經修訂政策全文於本公司網站(www.chiho-tiande.com)可供查閱。

作為本集團的外幣對沖策略的一部分，鑒於人民幣中間匯率報價形成機制改革，以致人民幣兌美元及其他貨幣匯率波動，因此董事會將密切監察本集團的外幣借款，並考慮多個措施以減少外匯風險。

由於二零一五年利率相對較低，故本集團並無訂立任何利率對沖合約或任何其他利率相關衍生金融工具。然而，本集團繼續密切監察其所面對的相關利率風險，有需要時將會考慮對沖重大利率風險。

信貸風險方面，本集團所有金屬再生產品的銷售交易一直奉行貨到付現的貿易慣例，旨在減低本集團財務報表中的金融資產賬面值。此外，本集團亦將繼續密切監察應收賬情況，以減低潛在減值虧損。

至於流動資金風險方面，本集團將繼續透過利用銀行借貸，在持續獲取資金與保持靈活程度之間維持平衡。



EMPLOYEES

As at 30 June 2016, the Group had a workforce of 567 employees. In addition, the Group engaged approximately 2,500 separation and selection workers through local contractors. The Group has not experienced any strikes, work stoppages or significant labor disputes which have affected its operations in the past and it has not experienced any significant difficulties in recruiting and retaining qualified staff. The Group continues to maintain good relationships with its employees.

THE REMUNERATION POLICY

We remunerate employees based on their performance, experience and prevailing industry practices so as to retain competent employees. In addition to benefits normally provided in line with industry practices, the Company also has a share option scheme in place for the purpose of providing incentives and rewards to eligible persons including employees of Group companies for their contributions to the long term success of our Group. In addition, we provide on-the-job and industrial related trainings to employees for their career continuing development.

INVESTOR RELATIONS AND COMMUNICATIONS WITH SHAREHOLDERS

The Group considers that investor relations are important to a listed company. The Board believes that maintaining good relationship with investors and keeping them up-to-date on the latest corporate communications and business development in a timely fashion would enhance transparency and strengthen corporate governance of the Group. Mr. Goh Kian Guan, the Chief Investment Officer and General Manager of Investment & Development Department of the Company, has been assigned to take responsibility for all matters relating to investor relations of the Group.

Going forward, the Company will continue to make effort to keep our investors abreast of the corporate and business developments, and to introduce the Group's strengths and strategies in order to gain support and recognition from them and also the market in general.

CHANGES SINCE 31 DECEMBER 2015

Save as disclosed in this report, there were no other significant changes in the Group's financial position or from the information disclosed under Management Discussion and Analysis in the annual report for the year ended 31 December 2015.

* For identification purpose only

僱員

於二零一六年六月三十日，本集團共有 567 名僱員。此外，本集團透過當地承包商僱用約 2,500 名拆解及選料工人。本集團過去並無經歷任何影響經營的罷工、停工或重大勞資糾紛，在招聘及挽留合資格僱員方面亦無遇到重大困難。本集團與僱員一直維持良好的關係。

薪酬政策

我們根據僱員的表現、經驗及現有行業慣例釐定其薪酬，以挽留有能力的僱員。除按照行業慣例提供的一般福利外，本公司亦設有購股權計劃，目的是為包括本集團成員公司僱員在內的合資格人士提供激勵及獎勵，以答謝彼等對本集團長期取得成功所作出的貢獻。此外，我們就僱員的職業持續發展向彼等提供在職及行業相關培訓。

投資者關係及與股東的溝通

本集團認為，投資者關係對上市公司十分重要。董事會相信，與投資者保持良好的關係，並適時為投資者更新企業資訊及業務發展，將能提高本集團的透明度及加強企業管治。本公司首席投資總監兼投資發展部總經理吳健源先生已獲委派專責處理本集團的所有投資者關係相關事宜。

展望將來，本公司將繼續努力，讓投資者了解企業及業務發展情況，並講解本集團的實力及策略，藉以贏取投資者及整體市場的支持及認同。

二零一五年十二月三十一日以來的變動

除本報告所披露者外，本集團的財務狀況或於截至二零一五年十二月三十一日止年度的年報內管理層討論及分析所披露的資料概無其他重大變動。

* 僅供識別



Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporation

As at 30 June 2016, the interests or short positions of the Directors and chief executives of the Company in the shares (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 (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"), were as follows:

Long positions in Shares:

董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於二零一六年六月三十日，本公司董事及主要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》（「證券及期貨條例」）第XV部）的股份（「股份」）、相關股份及債券中擁有本公司須根據證券及期貨條例第352條須予存置的登記冊中所記錄或根據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」）須知會本公司及香港聯合交易所有限公司（「聯交所」）的權益或淡倉如下：

股份的好倉：

Name of Director 董事名稱	Capacity/Nature of Interest 身份／權益性質	Total number of Shares interested 持有權益的股份總數	Approximate percentage of shareholding in the Company (Note 1) 佔本公司股權概約百分比 (附註1)
Mr. Tu Jianhua 涂建華先生	Interest in controlled corporations 於受控制法團之權益	1,008,885,181 (Note 2) (附註2)	62.29%
Mr. Zhang Mingjie (resigned on 30 June 2016) 張明杰先生 (於二零一六年六月三十日辭任)	Interest in controlled corporations 於受控制法團之權益	207,197,990 (Note 3) (附註3)	12.79%

Notes:

(1) As at 30 June 2016, the total number of issued Shares of the Company was 1,619,738,291 Shares.

附註：

(1) 於二零一六年六月三十日，本公司已發行股份的總數為1,619,738,291股股份。



Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporation (continued)

Long positions in Shares: (continued)

Notes: (continued)

- (2) The 1,008,885,181 Shares were held by the USUM Investment Group Hong Kong Limited ("USUMHK"), a company in which Mr. Tu Jianhua ("Mr. Tu") was indirectly interested. USUMHK is directly wholly owned by USUM Investment Group Limited ("USUM Group"), a limited liability company incorporated in the PRC. The single largest shareholder of USUM Group is Loncin Holdings Co., Ltd. ("Loncin Holdings"), with an equity interest in USUM Group of 46.78%. The remaining equity interests in USUM Group are held by 21 individuals and 30 companies, all of whom are independent third parties of Loncin Holdings and Mr. Tu, and they each hold between 0.32% to 8.12% equity interests in USUM Group. Loncin Holdings is 98% owned by Loncin Group Co., Ltd. ("Loncin Group") and 2% owned by Mr. Tu. Loncin Group is 98% owned by Mr. Tu; 1% owned by Ms. Tu Jianmin and 1% owned by Ms. Tu Jianrong, both being sisters of Mr. Tu. USUMHK held 1,008,885,181 Shares as at 30 June 2016. Therefore, Mr. Tu was deemed to be interested in the Shares held by USUMHK pursuant to the SFO.
- (3) Of the 207,197,990 Shares, 110,197,990 Shares and 97,000,000 Shares were directly held by Tai Security Holding Limited ("Tai Security") and Good Union Hong Kong Investment Limited ("Good Union") respectively, as beneficial owners. Tai Security and Good Union are companies directly wholly-owned by Mr. Zhang Mingjie ("Mr. Zhang") and Mr. Zhang was therefore deemed to be interested in the same number of Shares held by each of Tai Security and Good Union pursuant to the SFO. Please refer to Notes 3 and 4 in the section headed "Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company" below.

Save as disclosed above, as at 30 June 2016, none of the Directors and chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉 (續)

股份的好倉：(續)

附註：(續)

- (2) 1,008,885,181 股股份乃由渝商投資集團(香港)有限公司(「渝商香港」)持有，渝商香港為一間涂建華先生(「涂先生」)間接擁有權益的公司。渝商香港由渝商投資集團股份有限公司(「渝商集團」)直接全資擁有，渝商集團為一間於中國註冊成立之有限公司。渝商集團的最大單一股東為隆鑫控股有限公司(「隆鑫控股」)，其於渝商集團的股本權益為46.78%。渝商集團的餘下權益由21名個人及30間公司(均為獨立於隆鑫控股及涂先生的第三方)持有。該等個人及公司分別持有渝商集團0.32%至8.12%之股權。隆鑫控股分別由隆鑫集團有限公司(「隆鑫集團」)擁有98%及涂先生擁有2%。隆鑫集團由涂先生擁有98%；由涂建敏女士及涂建容女士(均為涂先生的姊妹)分別擁有1%。截至二零一六年六月三十日，渝商香港持有1,008,885,181股股份。因此，根據證券及期貨條例，涂先生被視為於渝商香港持有的股份中擁有權益。
- (3) 於207,197,990股股份中，110,197,990股股份及97,000,000股股份分別由Tai Security Holding Limited(「Tai Security」)及星滙香港投資有限公司(「星滙」)作為實益擁有人直接持有。Tai Security及星滙均由張明杰先生(「張先生」)直接全資擁有。因此，根據證券及期貨條例，張先生被視為於Tai Security及星滙持有的相同數目股份中擁有權益。有關詳情請參閱下文「主要股東於本公司的股份及相關股份的權益及淡倉」一節附註3及4。

除上文所披露外，於二零一六年六月三十日，本公司董事及主要行政人員概無於本公司或其任何相聯法團之股份、相關股份或債券中擁有須根據證券及期貨條例第XV部第7及8分部須予知會本公司及聯交所(包括根據證券及期貨條例有關條文規定，彼等被當作或視作擁有之權益或淡倉)；或本公司根據證券及期貨條例第352條所存置之登記冊中所記錄；或根據標準守則須予知會本公司及聯交所之任何權益或淡倉。



Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company

As at 30 June 2016, the interests and short positions of the persons, other than the Directors and chief executives of the Company, in the Shares and underlying Shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long positions in Shares:

主要股東於本公司的股份及相關股份的權益及淡倉

於二零一六年六月三十日，除本公司董事及主要行政人員外，以下人士於本公司股份及相關股份中擁有須根據證券及期貨條例第336條須予存置之登記冊中所記錄的權益及淡倉如下：

股份的好倉：

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份／權益性質	Total number of Shares interested 持有權益的股份總數	Approximate percentage of Shareholding in the Company (Note 1) 佔本公司股權 概約百分比 (附註1)
USUM Investment Group Hong Kong Limited 渝商投資集團(香港)有限公司	Beneficial owner 實益擁有人	1,008,885,181 (Note 2) (附註2)	62.29%
USUM Investment Group Limited 渝商投資集團股份有限公司	Interest in controlled corporations 於受控制法團之權益	1,008,885,181 (Note 2) (附註2)	62.29%
Loncin Holdings Co., Ltd. 隆鑫控股有限公司	Interest in controlled corporations 於受控制法團之權益	1,008,885,181 (Note 2) (附註2)	62.29%
Loncin Group Co., Ltd. 隆鑫集團有限公司	Interest in controlled corporations 於受控制法團之權益	1,008,885,181 (Note 2) (附註2)	62.29%
Mr. Tu Jianhua 涂建華先生	Interest in controlled corporations 於受控制法團之權益	1,008,885,181 (Note 2) (附註2)	62.29%
Tai Security Holding Limited	Beneficial owner 實益擁有人	110,197,990 (Note 3) (附註3)	6.80%



Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company (continued)

Long positions in Shares: (continued)

主要股東於本公司的股份及相關股份的權益及淡倉 (續)

股份的好倉：(續)

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份/權益性質	Total number of Shares interested 持有權益的股份總數	Approximate percentage of Shareholding in the Company (Note 1) 佔本公司股權概約百分比 (附註1)
Central Huijin Investment Ltd. 中央匯金投資有限責任公司	Person having a security interest in shares 擁有股份抵押權益之人士	100,000,000	6.17%
China Construction Bank Corporation 中國建設銀行股份有限公司	Person having a security interest in shares 擁有股份抵押權益之人士	100,000,000	6.17%
Good Union Hong Kong Investment Limited 星滙香港投資有限公司	Beneficial owner 實益擁有人	97,000,000 (Note 4) (附註4)	5.99%
Mr. Zhang Mingjie 張明杰先生	Interest in controlled corporations 於受控制法團之權益	207,197,990 (Notes 3 & 4) (附註3及4)	12.79%

Notes:

- (1) As at 30 June 2016, the total number of issued Shares of the Company was 1,619,738,291 Shares.
- (2) The 1,008,885,181 Shares were held by the USUMHK, a company in which Mr. Tu was indirectly interested. USUMHK is directly wholly owned by USUM Group, a limited liability company incorporated in the PRC. The single largest shareholder of USUM Group is Loncin Holdings, with an equity interest in USUM Group of 46.78%. The remaining equity interests in USUM Group are held by 21 individuals and 30 companies, all of whom are independent third parties of Loncin Holdings and Mr. Tu, and they each hold between 0.32% to 8.12% equity interests in USUM Group. Loncin Holdings is 98% owned by Loncin Group and 2% owned by Mr. Tu. Loncin Group is 98% owned by Mr. Tu; 1% owned by Ms. Tu Jianmin and 1% owned by Ms. Tu Jianrong, both being sisters of Mr. Tu. USUMHK held 1,008,885,181 Shares as at 30 June 2016. Therefore, Mr. Tu was deemed to be interested in the Shares held by USUMHK pursuant to the SFO.

附註：

- (1) 於二零一六年六月三十日，本公司已發行股份的總數為1,619,738,291股股份。
- (2) 1,008,885,181股股份乃由渝商香港持有，渝商香港為一間由涂先生間接擁有權益的公司。渝商香港由渝商集團直接全資擁有，渝商集團為一間於中國註冊成立之有限公司。渝商集團的最大單一股東為隆鑫控股，其於渝商集團的股本權益為46.78%。渝商集團的餘下權益由21名個人及30間公司(均為獨立於隆鑫控股及涂先生的第三方)持有。該等個人及公司分別持有渝商集團0.32%至8.12%之股權。隆鑫控股分別由隆鑫集團擁有98%及涂先生擁有2%。隆鑫集團由涂先生擁有98%；由涂建敏女士及涂建容女士(均為涂先生的姊妹)分別擁有1%。於二零一六年六月三十日，渝商香港持有1,008,885,181股股份。因此，根據證券及期貨條例，涂先生被視為於渝商香港持有的股份中擁有權益。



Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company (continued)

Notes: (continued)

- (3) The 110,197,990 Shares were held by Tai Security as beneficial owner and Tai Security is directly wholly-owned by Mr. Zhang as at 30 June 2016. Therefore, Mr. Zhang was deemed to be interested in the same number of Shares as held by Tai Security pursuant to the SFO.
- (4) The 97,000,000 Shares were held by Good Union as beneficial owner and Good Union is directly wholly-owned by Mr. Zhang as at the 30 June 2016. Therefore, Mr. Zhang was deemed to be interested in the same number of Shares as held by Good Union pursuant to the SFO.

Save as disclosed above, as at 30 June 2016, the Company had not been notified by any persons (other than the Directors and chief executives of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

主要股東於本公司的股份及相關股份的權益及淡倉(續)

附註：(續)

- (3) 於二零一六年六月三十日，Tai Security作為實益擁有人持有110,197,990股股份，而Tai Security由張先生直接全資擁有。因此，根據證券及期貨條例，張先生被視為於Tai Security持有的相同數目股份中擁有權益。
- (4) 於二零一六年六月三十日，星滙作為實益擁有人持有97,000,000股股份，而星滙由張先生直接全資擁有。因此，根據證券及期貨條例，張先生被視為於星滙持有的相同數目股份中擁有權益。

除上文所披露外，於二零一六年六月三十日，本公司並不知悉任何人士（本公司董事及主要行政人員除外）於本公司股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部條文規定予以披露或本公司根據證券及期貨條例第336條須予存置的登記冊所記錄的權益或淡倉。



Share Option Scheme

The Company adopted a post-IPO share option scheme on 23 June 2010 (the "Post-IPO Share Option Scheme").

The Post-IPO Share Option Scheme was approved by written resolutions of the shareholders of the Company and is valid and effective for a period of 10 years commencing on 23 June 2010. It is a share incentive scheme established to recognize and acknowledge the contributions that the eligible participants have or may have made to the Group. Pursuant to the Post-IPO Share Option Scheme, the Board may, at its discretion, offer to grant an option to any Director, employee, advisor, consultant, distributor, contractor, supplier, customer, agent, business partner, joint venture business partner, promoter, service provider of any member of the Group.

When the Post-IPO Share Option Scheme was adopted on 23 June 2010 and as approved by the Listing Committee of the Stock Exchange, the original scheme mandate limit in respect of which share options could be granted under the Post-IPO Share Option Scheme was 100,000,000 Shares.

Pursuant to the extraordinary general meeting of the Company held on 23 May 2013 and the approval granted by the Listing Committee of the Stock Exchange, the scheme mandate limit in respect of which share options may be granted under the Post-IPO Share Option Scheme had been refreshed such that the maximum number of Shares which may be issued upon exercise of all share options to be granted under the Post-IPO Share Option Scheme shall not exceed 104,449,920 Shares. No share option has been granted under the Post-IPO Share Option Scheme since the refreshment of the scheme mandate limit on 23 May 2013.

During the period from the date of listing of the Company on 12 July 2010 to 30 June 2016, the total number of the share options exercised, lapsed and cancelled under the Post-IPO Share Option Scheme is 85,315,000 Shares.

購股權計劃

本公司於二零一零年六月二十三日採納首次公開發售後購股權計劃(「首次公開發售後購股權計劃」)。

首次公開發售後購股權計劃經本公司股東書面決議案批准，有效期為二零一零年六月二十三日起計10年。該購股權計劃是一項股份獎勵計劃，旨在肯定及認可合資格參與人士曾經或可能對本集團作出的貢獻。根據首次公開發售後購股權計劃，董事會可酌情向本集團任何成員公司的任何董事、僱員、顧問、專家顧問、批發商、承包商、供應商、客戶、代理、業務夥伴、合營企業合作夥伴、創辦人、服務供應商授出購股權。

首次公開發售後購股權計劃於二零一零年六月二十三日獲採納，並經聯交所上市委員會批准，原有的計劃授權限額(可根據首次公開發售後購股權計劃授出的購股權)為100,000,000股股份。

根據本公司於二零一三年五月二十三日舉行的股東特別大會及聯交所上市委員會授出的批准，首次公開發售後購股權計劃下可授出購股權的計劃授權限額已更新，因此於行使首次公開發售後購股權計劃下授出的所有購股權時可予發行的最高股份數目不得超過104,449,920股股份。於二零一三年五月二十三日計劃授權限額更新後，概無根據首次公開發售後購股權計劃授出購股權。

由本公司於二零一零年七月十二日上市至二零一六年六月三十日的期間內，於首次公開發售後購股權計劃下已行使、失效及註銷的購股權總數為85,315,000股股份。



Share Option Scheme (continued)

As of 30 June 2016, the total number of securities available for issue under the Post-IPO Share Option Scheme remains the refreshed scheme mandate limit, being 104,449,920 Shares, representing:

- (i) 6.575% of the total number of Shares of the Company as at 31 December 2015;
- (ii) 6.449% of the total number of Shares of the Company as at 23 March 2016 (i.e. the date of the annual report of the Company for the year ended 31 December 2015); and
- (iii) 6.449% of the total number of Shares of the Company as at 30 June 2016.

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Post-IPO Share Option Scheme to eligible participants in any 12 months period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the approval of shareholders in a general meeting.

The subscription price of a Share in respect of any particular option granted under the Post-IPO Share Option Scheme shall not be less than the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; or (iii) the nominal value of a Share.

購股權計劃(續)

截至二零一六年六月三十日，可根據首次公開發售後購股權計劃發行的證券總數仍然為經更新的計劃授權限額，即104,449,920股股份，相等於：

- (i) 於二零一五年十二月三十一日本公司股份總數6.575%；及
- (ii) 於二零一六年三月二十三日(即本公司截至二零一五年十二月三十一日止年度的年報的日期)本公司股份總數6.449%；及
- (iii) 於二零一六年六月三十日本公司股份總數6.449%。

截至授出日期止十二個月內因行使有關合資格參與人士根據首次公開發售後購股權計劃所獲授購股權而發行及可發行的股份總數不得超過授出日期已發行股份的1%。額外授出超過該1%上限的購股權須經股東於股東大會批准。

根據首次公開發售後購股權計劃所授出的任何個別購股權的相關股份認購價，不得少於下列三者之較高者：(i)股份在授出日期於聯交所每日報價表所報收市價；(ii)股份在緊接授出日期前五個交易日於聯交所每日報價表所報平均收市價；或(iii)股份面值。



Disclosure of Interests (continued) 權益披露 (續)

Share Option Scheme (continued)

As at 30 June 2016, details of the share options granted under the Post-IPO Share Option Scheme are as follows:

購股權計劃 (續)

於二零一六年六月三十日，根據首次公開發售後購股權計劃所授出的購股權詳情如下：

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1)	Exercise price per Share (HK\$) 每股行使價 (港元)	Exercisable period (dd/mm/yyyy) 行使期 (日/月/年)	Number of Shares subject to outstanding options as at 1 January 2016 於二零一六年 一月一日 尚未行使 之購股權 涉及之 股份數目	Number of options granted during the period 期內授出 購股權數目	Number of options exercised during the period 期內行使 購股權數目	Number of options lapsed during the period 期內失效 購股權數目	Number of Shares subject to outstanding options as at 30 June 2016 於二零一六年 六月三十日 尚未行使之 購股權涉及之 股份數目	Approximate percentage of shareholding in the Company (Note 2) 佔本公司之 股權概約百分比 (附註2)
				Total 合計					
Employees and other participants 僱員及其他參與者	28/03/2012 二零一二年 三月二十八日	4.186	28/03/2013 – 27/03/2016 二零一三年三月二十八日至 二零一六年三月二十七日	80,000	0	60,000	20,000	0	-
			28/03/2014 – 27/03/2016 二零一四年三月二十八日至 二零一六年三月二十七日	516,000	0	106,000	410,000	0	-
			28/03/2015 – 27/03/2016 二零一五年三月二十八日至 二零一六年三月二十七日 (Note 3) (附註3)	1,592,000	0	20,000	1,572,000	0	-
Total 合計				2,188,000	0	186,000	2,002,000	0	-



Share Option Scheme (continued)

Notes:

- (1) The date on which the Company offered to the grantees the share options under the Post-IPO Share Option Scheme (the "Date of Grant").
- (2) As at 30 June 2016, the total number of issued Shares of the Company was 1,619,738,291 Shares.
- (3) Each of the grantees to whom share options have been conditionally granted under the Post-IPO Share Option Scheme will be entitled to exercise:
 - (i) as to 30% of the total number of share options granted at any time during the period commencing from the first anniversary of the Date of Grant, i.e. 28 March 2013, to the date immediately before the fourth anniversary of the Date of Grant, i.e. 27 March 2016 (both dates inclusive);
 - (ii) as to 30%, from the second anniversary of the Date of Grant, i.e. 28 March 2014, to the date immediately before the fourth anniversary of the Date of Grant, i.e. 27 March 2016 (both dates inclusive); and
 - (iii) as to 40%, from the third anniversary of the Date of Grant, i.e. 28 March 2015, to the date immediately before the fourth anniversary of the Date of Grant, i.e. 27 March 2016 (both dates inclusive).
- (4) The weighted average closing price of the Company's Shares immediately before the dates on which the share options were exercised was HK\$4.45 for the exercise price of HK\$4.186.

Save as disclosed above, no share options were granted, cancelled or lapsed as at 30 June 2016. An offer of the grant of a share option shall be accepted by the eligible participants within a period of 28 days from the date of grant of share option. The consideration paid by each grantee for the acceptance and grant of each share option is HK\$1.00, which has to be paid within 28 days.

購股權計劃 (續)

附註：

- (1) 此為本公司根據首次公開發售後購股權計劃向承授人授出購股權的日期(「授出日期」)。
- (2) 於二零一六年六月三十日，本公司的已發行股份總數為 1,619,738,291 股股份。
- (3) 根據首次公開發售後購股權計劃有條件獲授購股權的各承授人，將有權：
 - (i) 自授出日期後第一週年(即二零一三年三月二十八日)起至緊接授出日期後第四週年當日前之日(即二零一六年三月二十七日)止之期間內(包括首尾兩天在內)，最多行使獲授購股權總數 30%；
 - (ii) 自授出日期後第二週年(即二零一四年三月二十八日)起至緊接授出日期後第四週年當日前之日(即二零一六年三月二十七日)止(包括首尾兩天在內)，最多行使 30%；及
 - (iii) 自授出日期後第三週年(即二零一五年三月二十八日)起至緊接授出日期後第四週年當日前之日(即二零一六年三月二十七日)止(包括首尾兩天在內)，最多行使 40%。
- (4) 於緊接購股權行使日期前本公司股份的加權平均收市價是 4.45 港元(就行使價 4.186 港元而言)。

除上文所披露外，於二零一六年六月三十日並無購股權授出、註銷或失效。授出購股權之要約可由合資格參與人士於自授出購股權日期起 28 日內接受。各承授人接納及授出每份購股權時所付代價為 1.00 港元，並須於 28 日內繳付。



Compliance with the Corporate Governance Code

Throughout the period for the six months ended 30 June 2016, the Company has complied with all the applicable code provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the “CG Code”) with exceptions as explained below:

During the period from 16 February 2016 to 31 March 2016, the roles of the chairman and chief executive officer of the Company had not been segregated as required by the provision A.2.1 of the CG Code because Mr. Tu Jianhua, the Chairman of the Board, also acted as the Chief Executive Officer of the Company after the resignation of Mr. Fang Ankong, the former Chief Executive Office of the Company, on 16 February 2016. On 1 April 2016, Mr. Zhang Jun was appointed as the Chief Executive Officer of the Company and Mr. Tu Jianhua has remained as the Chairman of the Board since then.

Sufficiency of Public Float

The Company did not fulfill the minimum public float requirement of 25% under Rule 8.08(1)(a) of the Listing Rules after the close of unconditional mandatory general cash offers on 15 February 2016. The Company made an application to the Stock Exchange for and the Stock Exchange granted a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for a period of three months from 15 February 2016 to 14 May 2016 (the “Waiver”). As disclosed in the Company’s announcement dated 3 June 2016, the Company applied to the Stock Exchange and the Stock Exchange granted an extension of the Waiver from 15 May 2016 to 14 August 2016.

On 18 July 2016, the Company announced that its public float was restored to 25.12% after it was informed that Good Union Hong Kong Investment Limited transferred an aggregate of 32,000,000 shares in the Company to an independent third party. Accordingly, the public float of the Company had been restored to at least 25% of the issued share capital of the Company in compliance with Rule 8.08(1)(a) of the Listing Rules.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Listing Rules as the guidelines for the Directors’ dealings in the securities of the Company. Upon specific enquiries with all the Directors, each of them confirmed that they have complied with the required standards set out in the Model Code during the six months ended 30 June 2016 in relation to their securities dealings, if any.

遵守企業管治守則

截至二零一六年六月三十日止六個月期間，本公司已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，惟以下所述偏離除外：

由二零一六年二月十六日至二零一六年三月三十一日期間，因為董事會主席涂建華先生於本公司前行政總裁方安空先生於二零一六年二月十六日辭任後兼任本公司行政總裁，本公司主席及行政總裁的職責並無根據企業管治守則條文A.2.1所要求予以區分。於二零一六年四月一日，張軍先生獲委任為本公司行政總裁，而自彼時起涂建華先生繼續擔任董事會主席。

充足公眾持股量

於二零一六年二月十五日無條件強制性一般現金要約截止後，本公司並未達致上市規則第8.08(1)(a)條項下25%最低公眾持股量規定。本公司向聯交所申請及聯交所已授出自二零一六年二月十五日至二零一六年五月十四日止為期三個月內暫時豁免嚴格遵守上市規則第8.08(1)(a)條（「豁免」）。如本公司日期為二零一六年六月三日的公告所披露，本公司向聯交所申請及聯交所已授出豁免由二零一六年五月十五日延長至二零一六年八月十四日。

於二零一六年七月十八日，本公司宣佈於其獲悉星滙香港投資有限公司向一名獨立第三方轉讓合共32,000,000股本公司股份後，本公司公眾持股量恢復至25.12%。因此，本公司之公眾持股量已恢復至本公司已發行股本之至少25%，符合上市規則第8.08(1)(a)條之規定。

遵守董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事買賣本公司證券的指引。經向全體董事作出具體查詢後，各董事確認，截至二零一六年六月三十日止六個月，彼等進行的證券買賣（如有）已遵守標準守則所列明的規定準則。



The Model Code has extended to be applicable to senior management and relevant employees who likely possess inside information of the Company.

標準守則已擴展至適用於高級管理人員及有可能擁有本公司內幕消息之有關僱員。

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2016.

購買、出售或贖回本公司上市證券

截至二零一六年六月三十日止六個月，本公司及其任何附屬公司均無購買、出售或贖回任何本公司上市證券。

Interim Dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2016. Accordingly, no closure of Register of Members of the Company is proposed.

中期股息

董事不建議派付截至二零一六年六月三十日止六個月的中期股息。因此，本公司並無建議暫停辦理股東名冊登記。

Interim Results

The Audit Committee has reviewed this interim report comprising the unaudited condensed consolidated results of the Group for the six months ended 30 June 2016, which have also been reviewed by Deloitte Touche Tohmatsu, certified public accountants in Hong Kong in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

中期業績

審核委員會已審閱本中期報告，包括本集團截至二零一六年六月三十日止六個月的未經審核簡明綜合業績，而該業績已由香港執業會計師－德勤•關黃陳方會計師行根據香港會計師公會頒佈的《香港審閱委聘準則》第2410號「由實體獨立核數師審閱中期財務資料」進行審閱。

Changes of Information of Director

Pursuant to Rule 13.51B of the Listing Rules, a change in any of the information of the Directors of the Company subsequent to the date of the 2015 Annual Report of the Company is required to be disclosed.

董事資料變動

根據上市規則第13.51B條，自本公司二零一五年年報日期以來有關本公司董事資料之任何變動均需要作出披露。

Dr. Loke Yu, an Independent Non-Executive Director of the Company, was appointed as an independent non-executive director of Forebase International Holdings Limited (Stock Code: 2310) with effect from 18 April 2016 and Hang Sang (Siu Po) International Holding Company Limited (Stock Code: 3626) with effect from 26 April 2016, respectively. Both companies are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

本公司獨立非執行董事陸海林博士分別獲委任為申基國際控股有限公司(股份代號：2310)及Hang Sang (Siu Po) International Holding Company Limited(股份代號：3626)之獨立非執行董事，分別自二零一六年四月十八日及二零一六年四月二十六日起生效。兩間公司均於香港聯合交易所有限公司主板上市。



Report on Review of Condensed Consolidated Financial Statements

簡明綜合財務報表審閱報告

Deloitte. 德勤

TO THE BOARD OF DIRECTORS OF CHIHO-TIANDE GROUP LIMITED
(incorporated in the Cayman Islands with limited liability)

致齊合天地集團有限公司董事會
(於開曼群島註冊成立的有限公司)

Introduction

We have reviewed the condensed consolidated financial statements of Chiho-Tiande Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 34 to 80, which comprise the condensed consolidated statement of financial position as of 30 June 2016 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

引言

本核數師(以下簡稱「我們」)已審閱載於第34至80頁之齊合天地集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之簡明綜合財務報表。此簡明綜合財務報表包括於二零一六年六月三十日之簡明綜合財務狀況表與截至該日止六個月期間之相關簡明綜合損益及其他全面收益表、權益變動表和現金流量表及若干說明附註。香港聯合交易所有限公司證券上市規則規定，就中期財務資料編製之報告必須符合當中有關條文以及香港會計師公會頒佈之香港會計準則第34號「中期財務報告」(「香港會計準則第34號」)。貴公司董事須對根據香港會計準則第34號編製及呈列之該等簡明綜合財務報表負責。我們之責任是根據審閱對該等簡明綜合財務報表作出結論，並按照委聘之協定條款僅向作為實體之閣下報告結論，且並無其他目的。我們不會就本報告之內容向任何其他人士負上或承擔任何責任。

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

審閱範圍

我們已根據香港會計師公會頒佈之香港審閱委聘準則第2410號「由實體獨立核數師審閱中期財務資料」進行審閱。審閱該等簡明綜合財務報表包括主要向負責財務和會計事務之人員作出查詢，並應用分析性和其他審閱程序。審閱範圍遠少於根據香港核數準則進行審核之範圍，故不能令我們保證我們將知悉在審核中可能發現之所有重大事項。因此，我們不會發表審核意見。



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
23 August 2016

結論

按照我們之審閱，我們並無發現任何事項，令我們相信簡明綜合財務報表在各重大方面未有根據香港會計準則第34號編製。

德勤 • 關黃陳方會計師行
執業會計師
香港
二零一六年八月二十三日



Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended 30 June 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 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核)
			NOTES 附註	
Revenue	收益	3	1,513,398	1,779,975
Cost of sales	銷售成本		(1,447,793)	(1,718,466)
Gross profit	毛利		65,605	61,509
Other income	其他收入		20,379	42,809
Other gains and losses	其他收益及虧損	4	(100,457)	(902,000)
Distribution and selling expenses	分銷及銷售開支		(6,023)	(4,826)
Administrative expenses	行政開支		(83,663)	(67,916)
Other expenses	其他開支		(27,114)	-
Finance costs	財務成本	5	(40,760)	(75,618)
Share of profit of an associate	應佔聯營公司溢利		314	308
Loss before tax	除稅前虧損		(171,719)	(945,734)
Income tax expense	所得稅開支	6	(423)	(1,070)
Loss for the period	期內虧損	7	(172,142)	(946,804)
Other comprehensive expense	其他全面開支			
Item that will not be reclassified subsequently to profit or loss:	其後將不會重新分類至損益的項目：			
Exchange difference arising on translation to presentation currency	換算成呈報貨幣產生的匯兌差額		(17,400)	(954)
Item that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益的項目：			
Fair value loss on available-for-sale investment	可供出售投資之公平值虧損		-	(2,995)
Other comprehensive expense for the period	期內其他全面開支		(17,400)	(3,949)
Total comprehensive expense for the period	期內全面開支總額		(189,542)	(950,753)
Loss for the period attributable to:	以下各方應佔期內虧損：			
Owners of the Company	本公司擁有人		(170,498)	(949,641)
Non-controlling interests	非控股權益		(1,644)	2,837
			(172,142)	(946,804)
Total comprehensive expense for the period attributable to:	以下各方應佔期內全面開支總額：			
Owners of the Company	本公司擁有人		(188,797)	(953,555)
Non-controlling interests	非控股權益		(745)	2,802
			(189,542)	(950,753)
			HK\$ 港元	HK\$ 港元
Loss per share	每股虧損			
- basic	- 基本	9	(0.106)	(0.809)
- diluted	- 攤薄	9	(0.106)	(0.809)

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2016 於二零一六年六月三十日



			At 30 June 2016 於二零一六年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
	NOTES 附註			
Non-current assets		非流動資產		
Property, plant and equipment	10	物業、廠房及設備	750,129	548,129
Prepaid lease payments		預付租金	529,617	507,853
Investment property		投資物業	20,256	20,954
Goodwill	26	商譽	14,659	-
Interest in an associate		於聯營公司的權益	2,378	2,064
Deposits paid for acquisition of property, plant and equipment		收購物業、廠房及 設備所付按金	19,205	25,546
Loan receivables	11	應收貸款	129,994	-
Deposit paid for purchase of loan receivables	11	購買應收貸款之已付按金	2,205,645	-
Deferred tax assets		遞延稅項資產	454	486
			3,672,337	1,105,032
Current assets		流動資產		
Inventories		存貨	784,238	975,784
Trade and other receivables	12	貿易及其他應收款項	183,074	215,230
Prepaid lease payments		預付租金	13,577	12,603
Fixed return investment	13	固定回報投資	306,214	-
Held for trading investments	23	持作買賣投資	35,281	-
Derivative financial instruments	23	衍生金融工具	211	73
Tax recoverable		可收回稅項	1,086	11,460
Pledged bank deposits		已抵押銀行存款	215,265	132,022
Bank balances and cash		銀行結餘及現金	820,127	3,585,720
			2,359,073	4,932,892
Current liabilities		流動負債		
Trade, bills and other payables	14	貿易、票據及其他應付款項	374,278	222,351
Derivative financial instruments	23	衍生金融工具	17	-
Tax payable		應付稅項	1,927	1,989
Bank borrowings	15	銀行借款	1,059,569	1,095,156
Other borrowings	16	其他借款	128,070	161,559
Debt component of convertible bonds	16	可換股債券的債務部分	62,715	-
Embedded derivative components of convertible bonds	16	可換股債券嵌入式衍生工具部分	7,147	-
			1,633,723	1,481,055



Condensed Consolidated Statement of Financial Position (continued)

簡明綜合財務狀況表(續)

At 30 June 2016 於二零一六年六月三十日

		NOTES 附註	At 30 June 2016 於二零一六年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2015 於二零一五年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Net current assets	流動資產淨值		725,350	3,451,837
Total assets less current liabilities	資產總值減流動負債		4,397,687	4,556,869
Capital and reserves	股本及儲備			
Share capital	股本	17	16,197	15,885
Share premium and reserves	股份溢價及儲備		4,395,495	4,472,090
Equity attributable to owners of the Company	本公司擁有人應佔權益		4,411,692	4,487,975
Non-controlling interests	非控股權益		(43,986)	(74,141)
Total equity	總權益		4,367,706	4,413,834
Non-current liabilities	非流動負債			
Other borrowings	其他借款	16	–	44,775
Debt component of convertible bonds	可換股債券的債務部分	16	–	58,812
Embedded derivative components of convertible bonds	可換股債券嵌入式衍生工具部分	16	–	9,615
Deferred tax liabilities	遞延稅項負債		29,981	29,833
			29,981	143,035
			4,397,687	4,556,869

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 Company 本公司擁有人應佔											Attributable to non-controlling interests		Total
		Share capital	Share premium	Capital redemption reserve	Share option reserve	Capital reserve	Statutory general reserve	Enterprise expansion fund	Investment revaluation reserve	Foreign currency translation reserve	Accumulated losses	Sub-total	Attributable to non-controlling interests	Total	
		股本	溢價	資本贖回儲備	購股權儲備	資本儲備	一般儲備	發展基金	重估儲備	匯兌儲備	累計虧損	小計	權益應佔	總計	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
						(note i) (附註i)	(note ii) (附註ii)	(note ii) (附註ii)							
At 1 January 2015 (audited)	於二零一五年一月一日(經審核)	10,494	909,061	224	20,383	222,760	105,046	105,046	-	161,751	(810,715)	724,050	(80,694)	643,356	
Loss for the period	期內虧損	-	-	-	-	-	-	-	-	-	(949,641)	(949,641)	2,837	(946,804)	
Exchange difference arising on translation to presentation currency	換算成呈報貨幣產生的匯兌差額	-	-	-	-	-	-	-	-	(919)	-	(919)	(35)	(954)	
Fair value loss on available-for-sale investment	可供出售投資之公平值虧損	-	-	-	-	-	-	-	(2,995)	-	-	(2,995)	-	(2,995)	
Total comprehensive expense for the period	期內全面開支總額	-	-	-	-	-	-	-	(2,995)	(919)	(949,641)	(953,555)	2,802	(950,753)	
Issue of shares	發行股份	4,569	4,112,100	-	-	-	-	-	-	-	-	4,116,669	-	4,116,669	
Cost of issuance of shares	發行股份之成本	-	(6,596)	-	-	-	-	-	-	-	-	(6,596)	-	(6,596)	
Conversion of convertible bonds	轉換可換股債券	726	804,517	-	-	-	-	-	-	-	-	805,243	-	805,243	
Exercise of share options	行使購股權	81	52,975	-	(13,741)	-	-	-	-	-	-	39,315	-	39,315	
Lapse of share options	購股權失效	-	-	-	(3,360)	-	-	-	-	-	3,360	-	-	-	
Recognition of equity-settled share-based payments	確認以股權結算及以股份為基礎之付款	-	-	-	428	-	-	-	-	-	-	428	-	428	
Transfer of reserve	儲備轉撥	-	-	-	-	260	260	-	-	(520)	-	-	-	-	
At 30 June 2015 (unaudited)	於二零一五年六月三十日(未經審核)	15,870	5,872,057	224	3,710	222,760	105,306	105,306	(2,995)	160,832	(1,757,516)	4,725,554	(77,892)	4,647,662	
At 1 January 2016 (audited)	於二零一六年一月一日(經審核)	15,885	5,864,803	224	1,354	222,760	105,089	105,089	-	118,755	(1,945,984)	4,487,975	(74,141)	4,413,834	
Loss for the period	期內虧損	-	-	-	-	-	-	-	-	-	(170,498)	(170,498)	(1,644)	(172,142)	
Exchange difference arising on translation to presentation currency	換算成呈報貨幣產生的匯兌差額	-	-	-	-	-	-	-	-	(18,299)	-	(18,299)	899	(17,400)	
Total comprehensive expense for the period	期內全面開支總額	-	-	-	-	-	-	-	-	(18,299)	(170,498)	(188,797)	(745)	(189,542)	
Issue of shares	發行股份	310	111,425	-	-	-	-	-	-	-	-	111,735	-	111,735	
Capital contribution from non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	-	-	-	30,900	30,900	
Exercise of share options	行使購股權	2	1,088	-	(311)	-	-	-	-	-	-	779	-	779	
Lapse of share options	購股權失效	-	-	-	(1,043)	-	-	-	-	-	1,043	-	-	-	
At 30 June 2016 (unaudited)	於二零一六年六月三十日(未經審核)	16,197	5,977,316	224	-	222,760	105,089	105,089	-	100,456	(2,115,439)	4,411,692	(43,986)	4,367,706	



Condensed Consolidated Statement of Changes in Equity (continued)

簡明綜合權益變動表(續)

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

notes:

- (i) Capital reserve represents the sum of (a) the difference between the nominal value of the aggregate share capital and share premium of the subsidiaries acquired by the Company upon a group reorganisation in 2008 and the nominal value of the Company's shares issued in exchange and (b) a capitalisation of shareholders' loans in 2010.
- (ii) Statutory general reserve and enterprise expansion fund represent the appropriation of 10% of profit after tax determined based on the relevant accounting rules and regulations of the People's Republic of China (the "PRC") as required by the Articles of Association of the Company's PRC subsidiaries. The appropriation may cease to apply if the balance of the statutory general reserve and enterprise expansion fund has reached 50% of the PRC subsidiaries' registered capital. The statutory general reserve and enterprise expansion fund can be used to make up prior year losses or to increase share capital.

附註：

- (i) 資本儲備指(a)本公司於二零零八年集團重組時所收購附屬公司股本及股份溢價總額之面值與本公司交換股權所發行股份之面值的差額及(b)二零一零年資本化股東貸款。
- (ii) 本公司中國附屬公司的組織章程細則規定，須根據中華人民共和國(「中國」)相關會計規則及法規釐定將除稅後溢利10%撥入法定一般儲備及企業發展基金。倘法定一般儲備及企業發展基金餘額達中國附屬公司註冊資本的50%，則可終止撥備。法定一般儲備及企業發展基金可用於彌補過往年度虧損或增加股本。

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 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核)
	NOTES 附註		
Net cash from operating activities	經營活動所得現金淨額	226,461	16,448
Investing activities	投資活動		
Placement of deposit for purchase of loan receivables	存入購買應收貸款的按金	(2,273,894)	-
Purchases of fixed return investment	購買固定回報投資	(300,000)	(72,277)
Placement of pledged bank deposits	存入已抵押銀行存款	(218,795)	(201,785)
Purchase of loan receivables	購買應收貸款	(130,178)	-
Purchases of property, plant and equipment	購置物業、廠房及設備	(44,525)	(58,571)
Net cash outflow on acquisition of subsidiaries	收購附屬公司之現金流出淨額	(38,599)	-
Withdrawal of pledged bank deposits	提取已抵押銀行存款	132,942	255,726
Other investing activities	其他投資活動	(6,198)	4,569
Net cash used in investing activities	投資活動所用現金淨額	(2,879,247)	(72,338)
Financing activities	融資活動		
Repayment of bank borrowings	償還銀行借款	(962,834)	(1,686,948)
Repayment of other borrowings	償還其他借款	(89,000)	-
Net proceeds from issue of shares	發行股份所得款項淨額	-	4,110,073
Advance from a director	來自一名董事的墊款	-	62,021
Proceeds from issue of shares through exercise of share options	透過行使購股權發行股份之所得款項	779	39,315
Capital contribution from non-controlling interests	非控股權益注資	30,900	-
New bank borrowings raised	新增銀行借款	910,163	1,259,408
Net cash (used in) from financing activities	融資活動(所用)所得現金淨額	(109,992)	3,783,869
Net (decrease) increase in cash and cash equivalents	現金及現金等值項目淨值(減少)增加	(2,762,778)	3,727,979
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值項目	3,585,720	270,835
Effect of foreign exchange rate changes	外匯匯率變動的影響	(2,815)	(2,187)
Cash and cash equivalents at 30 June represented by bank balances and cash	於六月三十日之現金及現金等值項目(指銀行結餘及現金)	820,127	3,996,627



Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2016 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2015. In addition, the Group applied the following accounting policies which are relevant to the Group during the interim period.

Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

1. 編製基準

簡明綜合財務報表乃按照香港會計師公會（「香港會計師公會」）頒佈之香港會計準則第34號（「香港會計準則第34號」）「中期財務報告」以及香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十六之適用披露規定而編製。

2. 主要會計政策

於各報告期末，除若干金融工具以公平值計量外，該等簡明綜合財務報表按歷史成本法編製。

截至二零一六年六月三十日止六個月的該等簡明綜合財務報表所用的會計策略及計算方法與編製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所遵從者一致。此外，本集團已應用下列於中期內與本集團有關的會計政策。

業務合併

收購業務採用收購法入賬。業務合併中之轉讓代價按公平值計量，而計算方法為本集團所轉讓資產、本集團自被收購方原股東承接之負債及本集團為交換被收購方之控制權而發行之股權於收購當日之公平值總額。有關收購之費用通常於產生時於損益中確認。



2. PRINCIPAL ACCOUNTING POLICIES (continued) Business combination (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

2. 主要會計政策(續) 業務合併(續)

於收購日期，所收購之可識別資產及所承擔之負債乃按公平值確認，惟以下情況除外：

- 遞延稅項資產或負債及僱員福利安排所產生的資產或負債分別按香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 與被收購方的以股份為基礎的付款安排或為取代被收購方的以股份為基礎的付款安排而訂立的本集團的以股份為基礎的付款安排有關的負債或股本工具，乃於收購日期按香港財務報告準則第2號「以股份為基礎的付款」計量（請參閱下文的會計政策）；及
- 根據香港財務報告準則第5號「持作出售的非流動資產及已終止經營業務」分類為持作出售的資產（或出售組別）根據該準則計量。

商譽是以所轉撥之代價、非控股權益於被收購方中所佔金額、及收購方以往持有之被收購方股權之公平值（如有）之總和，減所收購之可識別資產及所承擔之負債於收購日期之淨值後，所超出之差額計值。倘經重估後，所收購之可識別資產與所承擔負債於收購日期之淨額高於轉撥之代價、非控股權益於被收購方中所佔金額以及收購方以往持有之被收購方股權之公平值（如有）之總和，則差額即時於損益內確認為議價收購收益。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

2. 主要會計政策(續)

商譽

收購業務所產生商譽，乃按於業務收購日期(請參閱上文的會計政策)的成本減任何累計減值虧損(若有)入賬。

就減值測試而言，商譽會分配至預期會從合併獲得協同效益的本集團之各個現金產生單位或組別。

獲分配商譽的現金產生單位會每年或於單位出現減值跡象時更頻繁進行減值測試。就於報告期間內收購產生商譽而言，所獲分配商譽之現金產生單位會於報告期間結束前進行減值測試。倘若現金產生單位的可收回金額少於該單位的賬面值，則減值虧損會首先分配以削減單位獲分配的任何商譽的賬面值，其後按各項資產所佔單位的賬面值比例分配至單位的其他資產。商譽的減值虧損於損益內確認，惟不可於之後的期間撥回。

於出售有關現金產生單位時，在釐定出售溢利或虧損金額時會計入應佔的商譽金額。



2. PRINCIPAL ACCOUNTING POLICIES (continued)

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA:

Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or disclosures set out in these condensed consolidated financial statements.

2. 主要會計政策(續)

於本中期期間，本集團已首次應用以下由香港會計師公會頒佈之香港財務報告準則(「香港財務報告準則」)之修訂：

香港會計準則 第1號(修訂本)	披露計劃
香港會計準則 第16號及香港 會計準則第38號 (修訂本)	澄清折舊及攤銷的 可接受方法
香港會計準則 第16號及香港 會計準則第41號 (修訂本)	農業：生產性植物
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 (修訂本)	投資實體：應用 綜合賬目之 例外情況
香港財務報告準則 第11號(修訂本)	收購共同經營權益 的會計處理
香港財務報告準則 (修訂本)	二零一二年至 二零一四年周期 香港財務報告 準則之年度改進

於本中期期間採用香港財務報告準則之修訂對本集團當期及過往期間之財務表現及狀況及/或該等簡明綜合財務報表所載之披露並無重大影響。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

3. SEGMENT INFORMATION

The following is an analysis of the Group's segment revenues and segment results by operating and reportable segments.

Six months ended 30 June 2016

3. 分部資料

以下為按業務及可呈報分部劃分的本集團分部收益及分部業績分析。

截至二零一六年六月三十日止六個月

	Metal recycling business 金屬再生業務				Foundry business 鑄造業務			Wholesales business 批發業務			Total 總計
	Copper scrap 廢銅	Steel scrap 廢鋼	Aluminium scrap 廢鋁	Iron scrap 廢鐵	Other metal scrap 其他廢金屬	Aluminium-alloy ingots 鋁錠	Copper rod and wire 銅桿及銅線	Other metal scrap without processing 其他未加工廢金屬	Copper cathode 陰極銅	Elimination 對銷	
	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
REVENUE	收益										
External sales	外部銷售										
Inter-segment sales	分部間銷售										
Total segment revenue	分部收益總額										
Segment profit (loss)	分部溢利(虧損)										
Other income	其他收入										
Other gains and losses	其他收益及虧損										
Distribution and selling expenses	分銷及銷售開支										
Administrative expenses	行政開支										
Other expenses	其他開支										
Finance costs	財務成本										
Share of profit of an associate	應佔聯營公司溢利										
Loss before tax	除稅前虧損										
Income tax expense	所得稅開支										
Loss for the period	期內虧損										
	940,981	185,868	61,952	42,375	11,673	64,842	2,011	203,696	-	-	1,513,398
	-	29	88	-	192	-	-	491,692	-	(492,001)	-
	940,981	185,897	62,040	42,375	11,865	64,842	2,011	695,388	-	(492,001)	1,513,398
	25,026	1,811	2,396	764	5,150	2,262	(26)	35,919	-	(7,697)	65,605
											20,379
											(100,457)
											(6,023)
											(83,663)
											(27,114)
											(40,760)
											314
											(171,719)
											(423)
											(172,142)

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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



3. SEGMENT INFORMATION (continued)

Six months ended 30 June 2015

3. 分部資料(續)

截至二零一五年六月三十日止六個月

	Metal recycling business 金屬再生業務				Foundry business 鑄造業務			Wholesales business 批發業務			Total
	Copper scrap 廢銅	Steel scrap 廢鋼	Aluminium scrap 廢鋁	Iron scrap 廢鐵	Other metal scrap 其他廢金屬	Aluminium-alloy ingots 鋁錠	Copper rod and wire 銅桿及銅線	Other metal scrap without processing 其他未加工廢金屬	Copper cathode 陰極銅	Elimination 對銷	
	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
REVENUE	收益										
External sales	外部銷售										
Inter-segment sales	分部間銷售										
Total segment revenue	分部收益總額										
Segment profit (loss)	分部溢利(虧損)										
Other income	其他收入										
Other gains and losses	其他收益及虧損										
Distribution and selling expenses	分銷及銷售開支										
Administrative expenses	行政開支										
Finance costs	財務成本										
Share of profit of an associate	應佔聯營公司溢利										
Loss before tax	除稅前虧損										
Income tax expense	所得稅開支										
Loss for the period	期內虧損										

Information on segment assets and segment liabilities of the Group are not reviewed by the chief operating decision maker ("CODM") for the purpose of resource allocation and performance assessment nor otherwise regularly provided to the CODM. As a result, no analysis of segment assets and segment liabilities is presented.

由於本集團的分部資產及分部負債資料並未由首席營運決策者(「首席營運決策者」)審閱以分配資源及評估表現或以其他方式定期呈交首席營運決策者,故並無呈列分部資產及分部負債的分析。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

4. OTHER GAINS AND LOSSES

4. 其他收益及虧損

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
(Loss) gain on fair value of:	公平值(虧損)收益:		
– derivative financial instruments (note)	– 衍生金融工具(附註)	(331)	(315,786)
– held for trading investments	– 持作買賣投資	(88,581)	–
– embedded derivative components of convertible bonds (Note 16)	– 可換股債券嵌入式衍生工具部分(附註16)	2,468	(559,913)
Bargain purchase gain on acquisition of a subsidiary (Note 26)	收購一間附屬公司之議價收購收益(附註26)	88,940	–
Loss on derecognition of convertible bonds (Note 16)	終止確認可換股債券之虧損(附註16)	–	(1,210)
Impairment loss on trade, bills and other receivables	貿易、票據及其他應收款項之減值虧損	(482)	–
Recovery of doubtful debts	收回壞賬	5,154	2,525
Net foreign exchange loss	匯兌虧損淨額	(107,023)	(35,953)
(Loss) gain on disposal of property, plant and equipment	出售物業、廠房及設備(虧損)收益	(162)	3,641
Others	其他	(440)	4,696
		(100,457)	(902,000)

note: The amount arose from aluminium, copper, lead, zinc, steel rebar and nickel future contracts, foreign currency options, foreign currency forward contracts and interest rate swap contract. During the period 30 June 2015, substantially all of the loss on fair value change of derivative financial instruments was from fair value change in aluminium, copper, zinc, steel rebar and nickel future contracts (2016: nil).

附註：該等金額乃產生自鋁、銅、鉛、鋅、鋼筋及鎳期貨合約、外幣期權、外幣遠期合約及利率掉期合約。於截至二零一五年六月三十日止期間，幾乎所有的衍生金融工具公平值變動虧損源自鋁、銅、鋅、鋼筋及鎳期貨合約的公平值變動(二零一六年：無)。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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



5. FINANCE COSTS

5. 財務成本

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest on bank borrowings	銀行借款的利息	20,734	23,155
Effective interest expense on convertible bonds and other borrowings (Note 16)	可換股債券及其他借貸之實際利息開支(附註16)	20,026	51,367
Interest on loan from a former director (Note 21)	來自一名前董事之貸款利息(附註21)	-	1,096
		40,760	75,618

6. INCOME TAX EXPENSE

6. 所得稅開支

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current tax:	即期稅項：		
The People's Republic of China (the "PRC")	中華人民共和國(「中國」)		
Enterprises Income Tax ("EIT")	企業所得稅(「企業所得稅」)	141	867
Other jurisdiction	其他司法權區	101	244
		242	1,111
Overprovision in prior periods:	於過往期間超額撥備：		
PRC EIT	中國企業所得稅	-	(15)
		242	1,096
Deferred tax expense (credit)	遞延稅項開支(抵免)	181	(26)
		423	1,070



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

6. INCOME TAX EXPENSE (continued)

No provision for Hong Kong Profit Tax has been made as the Hong Kong subsidiaries has no assessable profit for both periods.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

Taxation arising in other jurisdiction is calculated at the rate prevailing in the relevant jurisdiction.

6. 所得稅開支(續)

由於香港附屬公司於兩個期間內並無應課稅溢利，故並無作出香港利得稅撥備。

根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司於兩個期間的稅率為25%。

於其他司法權區產生的稅項按相關司法權區的現行稅率計算。

7. LOSS FOR THE PERIOD

7. 期內虧損

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss for the period has been arrived at after charging (crediting):	期內虧損，已扣除(計入)下列各項：		
Cost of inventories recognised as an expense	確認為開支的存貨成本	1,447,793	1,718,466
Depreciation of investment property	投資物業折舊	698	698
Depreciation of property, plant and equipment	物業、廠房及設備折舊	20,117	16,373
Share-based payment expense (Note 20)	以股份為基礎付款之開支(附註20)	-	428
Amortisation of prepaid lease payments	預付租金攤銷	6,743	5,304
Legal and professional fee (included in other expenses) (note)	法律及專業費用(計入其他開支)(附註)	27,114	-
Interest income	利息收入	(9,932)	(4,341)

note: The amount represents the legal and professional fee in relation to the potential equity acquisition of target company in Germany (the "Target Company").

附註：該金額指有關對德國目標公司(「目標公司」)的潛在股權收購的法律及專業費用。



8. DIVIDEND

No dividends were paid, declared or proposed during the current and previous interim periods. The directors of the Company have determined that no dividend will be paid in respect of the current and previous interim periods.

9. LOSS PER SHARE

The calculations of the basic and diluted loss per share attributable to owners of the Company are based on the following data:

8. 股息

於本中期間及過往中期間概無派付、宣派或擬派付任何股息。本公司董事已決定本中期間及過往中期間不會派付任何股息。

9. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃按以下數據計算：

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss Loss for the period attributable to owners of the Company for the purposes of basic and diluted loss per share	虧損 用於計算每股基本及攤薄虧損的本公司擁有人應佔期內虧損	170,498	949,641
Number of shares Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	股數 用於計算每股基本及攤薄虧損的普通股加權平均數目	1,606,010,572	1,174,102,839

In current and previous interim periods, the potential ordinary shares attributable to the Company's outstanding convertible bonds, warrants and share options have anti-dilutive effect as the assumed conversion and exercise would result in a decrease in loss per share.

於本中期間及過往中期間，本公司尚未行使可換股債券、認股權證及購股權應佔潛在普通股具有反攤薄影響，因假設兌換及行使可能導致每股虧損減少。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

10. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group acquired plant and equipment of HK\$44,525,000 (2015: HK\$58,571,000) and acquired plant and equipment of HK\$194,348,000 (2015: nil) through acquisition of subsidiaries.

11. LOAN RECEIVABLES AND DEPOSIT PAID FOR PURCHASE OF LOAN RECEIVABLES

At 30 June 2016, the loan receivables of HK\$129,994,000 (31 December 2015: nil) are unsecured and carry interest at London Inter-bank Offered Rate ("LIBOR") plus 5.9% to 6.5% per annum.

At 30 June 2016, the Group placed a deposit of EUR256,000,000 (equivalent to HK\$2,205,645,000) in an escrow account (the "EUR Escrow Account") for acquisition of rights and obligations under certain loan agreements and promissory notes with aggregate principal amount of EUR524,000,000 (equivalent to HK\$4,514,679,000) from certain independent lenders comprising German financial institutions, international debt providers and funds (the "Sellers"). The directors of the Company consider that the purchase price of the loan receivables approximate its fair value. In July 2016, the acquisition has been completed and EUR239,998,000 (equivalent to HK\$2,067,778,000) is released from the EUR Escrow Account to the Sellers. The remaining amount of EUR16,002,000 (equivalent to HK\$137,870,000) represented the settlement of assumed liabilities of the Target Company which is agreed by all parties to release after the completion date and the amount has not been released up to the date of this report. Details are set out in the Company's announcements dated 2 May 2016, 28 June 2016, 20 July 2016 and 22 July 2016.

In the opinion of the directors, the loan receivables and deposit paid for purchase of loan receivables will not be repaid within one year. Therefore, the balances are classified as non-current.

12. TRADE AND OTHER RECEIVABLES

The Group generally allows its trade customers a credit period of 30 to 90 days. A longer credit period may be granted to the trade customers with good credit quality upon the approval of management.

10. 物業、廠房及設備

於本中期期間，本集團購入廠房及設備44,525,000港元(二零一五年：58,571,000港元)及透過收購附屬公司購入廠房及設備194,348,000港元(二零一五年：零)。

11. 應收貸款及購買應收貸款之已付按金

於二零一六年六月三十日，應收貸款129,994,000港元(二零一五年十二月三十一日：零)為無抵押及按倫敦銀行同業拆息(「倫敦銀行同業拆息」)加每年5.9%至6.5%計息。

於二零一六年六月三十日，本集團已存置按金256,000,000歐元(約等於2,205,645,000港元)於託管賬戶(「歐元託管賬戶」)，以向若干獨立貸款人(包括德國金融機構、國際債務提供者及基金(「賣方」))收購本金總額為524,000,000歐元(約等於4,514,679,000港元)之若干貸款協議及承兌票據之權利及義務。本公司董事認為，應收貸款之購買價與其公平值相若。於二零一六年七月，收購事項已完成，且239,998,000歐元(約等於2,067,778,000港元)已從歐元託管賬戶發放給賣方。餘額16,002,000歐元(約等於137,870,000港元)指結算目標公司所承擔的負債，經所有訂約方協定於完成日期後發放，而直至本報告日期，該筆款項尚未發放。詳情載於本公司日期為二零一六年五月二日、二零一六年六月二十八日、二零一六年七月二十日及二零一六年七月二十二日的公告。

董事認為，應收貸款及購買應收貸款之已付按金將不會於一年內償還。因此，該等結餘分類為非流動。

12. 貿易及其他應收款項

本集團一般給予貿易客戶30至90日的信貸期。在獲得管理層批准後，本集團可向信貸紀錄良好的貿易客戶授出更長的信貸期。



12. TRADE AND OTHER RECEIVABLES (continued)

The aged analysis of the Group's trade receivables, net of allowance for doubtful debts, at the end of the reporting period, was prepared based on the invoice date which approximate to the date of revenue recognition, is as follows:

12. 貿易及其他應收款項(續)

於報告期末，本集團貿易應收款項扣除呆賬撥備後的賬齡分析按發票日期(與收益確認日期相近)呈列如下：

		At 30 June 2016 於二零一六年 六月三十日 HK\$'000 千港元	At 31 December 2015 於二零一五年 十二月三十一日 HK\$'000 千港元
Trade receivables:	貿易應收款項：		
0-30 days	0至30日	61,168	9,915
31-60 days	31至60日	12,823	1,396
61-90 days	61至90日	-	2,010
91-180 days	91至180日	-	11,767
Over 180 days	超過180日	168	20,698
		74,159	45,786
Other receivables:	其他應收款項		
Deposits paid for purchase of raw materials	購買原料之已付按金	33,407	99,230
VAT recoverable	可退回增值稅	44,412	42,571
Deposits and prepayments	按金及預付款項	21,748	21,113
Others	其他	9,348	6,530
		108,915	169,444
		183,074	215,230

13. FIXED RETURN INVESTMENT

At 30 June 2016, the fixed return investment of HK\$300,000,000 (31 December 2015: nil) represented investment carries fixed interest at 7% per annum and will mature on 14 March 2017. The principal amount and fixed return are guaranteed by a private equity firm and the director of the private equity firm.

13. 固定回報投資

於二零一六年六月三十日，固定回報投資300,000,000港元(二零一五年十二月三十一日：零)指按每年7%之固定利率計息及將於二零一七年三月十四日到期的投資。本金及固定回報均由該私募基金公司及私募基金公司之董事提供擔保。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

14. TRADE, BILLS AND OTHER PAYABLES

The following is an aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period.

14. 貿易、票據及其他應付款項

以下為於報告期末貿易應付款項及應付票據按發票日期呈列的賬齡分析。

		At 30 June 2016 於二零一六年 六月三十日 HK\$'000 千港元	At 31 December 2015 於二零一五年 十二月三十一日 HK\$'000 千港元
Trade payables:	貿易應付款項：		
0-30 days	0至30日	86,604	32,138
31-60 days	31至60日	2,610	2,550
61-90 days	61至90日	2,873	669
91-180 days	91至180日	800	407
Over 180 days	超過180日	7,896	12,278
		100,783	48,042
Bills payables:	應付票據：		
0-30 days	0至30日	41,866	-
31-60 days	31至60日	29,698	-
91-180 days	91至180日	526	6,072
		72,090	6,072
Other payables:	其他應付款項：		
Other payables and accruals	其他應付款項及應計費用	92,500	59,417
Provision for pending litigations (Note 24)	待決訴訟撥備(附註24)	47,501	48,460
Government surcharges	政府徵款	24,620	22,009
Payable for acquisition of property, plant and equipment	收購物業、廠房及設備的應付款項	26,143	27,032
Interest payables	應付利息	5,653	3,820
Receipts in advance from customers	預收客戶款項	4,988	7,499
		201,405	168,237
		374,278	222,351



15. BANK BORROWINGS

During the current interim period, the Group obtained new secured bank borrowings of HK\$910,163,000 (2015: HK\$1,259,408,000) and made repayments of HK\$962,834,000 (2015: HK\$1,686,948,000). The bank borrowings bear effective interest rate from 1.23% to 5.00% per annum (2015: 0.91% to 7.38% per annum).

16. CONVERTIBLE BONDS AND OTHER BORROWINGS

15. 銀行借款

於本中期期間，本集團獲得新增抵押銀行借款910,163,000港元(二零一五年：1,259,408,000港元)及償還962,834,000港元(二零一五年：1,686,948,000港元)。銀行借款乃以介乎1.23%至5.00%(二零一五年：年利率介乎0.91%至7.38%)之實際年利率計息。

16. 可換股債券及其他借款

		Debt component 債務部份 HK\$'000 千港元	Embedded Derivative components 嵌入式 衍生工具部份 HK\$'000 千港元
Carrying amount at 1 January 2015	於二零一五年一月一日之賬面值	816,421	-
Derecognition of the Convertible Bonds I	取消確認可換股債券I	(815,800)	-
Issuance of Convertible Bonds II	發行可換股債券II	655,771	161,239
Interest charge	利息費用	77,561	-
Interest paid	已付利息	(31,651)	-
Instalments paid	已付分期付款	(89,000)	-
Conversion during the year	年內兌換	(348,156)	(457,087)
Fair value loss	公平值虧損	-	305,463
Carrying amount at 31 December 2015	於二零一五年十二月三十一日之賬面值	265,146	9,615
Interest charge	利息費用	20,026	-
Interest paid	已付利息	(5,387)	-
Instalment paid	已付分期付款	(89,000)	-
Fair value gain	公平值收益	-	(2,468)
Carrying amount at 30 June 2016	於二零一六年六月三十日之賬面值	190,785	7,147



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

16. CONVERTIBLE BONDS AND OTHER BORROWINGS (continued)

16. 可換股債券及其他借款(續)

		At 30 June 2016 於二零一六年 六月三十日 HK\$'000 千港元	At 31 December 2015 於二零一五年 十二月三十一日 HK\$'000 千港元
Analysis of debt and embedded derivative components:	債務及嵌入式衍生工具部分分析：		
Debt component of convertible bonds	可換股債券之債務部分		
– current	– 流動	62,715	–
– non-current	– 非流動	–	58,812
		62,715	58,812
Other borrowings	其他借款		
– current	– 流動	128,070	161,559
– non-current	– 非流動	–	44,775
		128,070	206,334
		190,785	265,146
Embedded derivate components of convertible bonds	可換股債券嵌入式衍生工具部分		
– current	– 流動	7,147	–
– non-current	– 非流動	–	9,615
		7,147	9,615



16. CONVERTIBLE BONDS AND OTHER BORROWINGS (continued)

notes:

- (i) On 1 March 2012 (the "Issue Date"), the Company issued convertible bonds to HWH Holdings Limited ("HWH"), Delco Participation B.V. ("Delco") and Sims (collectively the "Subscribers") with an aggregate principal sum of HK\$815,800,000 (the "Convertible Bonds I") with detachable three-year warrants (the "Warrants") at total consideration of HK\$815,800,000 (the "Subscription"). On 16 January 2013, HWH transferred its convertible bonds with the principal amount of HK\$120,000,000 to independent third party, Greenwoods China Alpha Master Fund ("Greenwoods"). No exercise of the Warrants had taken place since the Issue Date. On 1 March 2015, the Warrants were expired.
- (ii) The major terms of Convertible Bonds I are as below:
- (a) The Convertible Bonds I carry 4% coupon interest per annum payable in arrears semi-annually. Unless previously converted, the Convertible Bonds I would be fully redeemed by the Company at its principal amount upon maturity on 1 March 2015 (the "Maturity Date"). No early redemption of the Convertible Bonds I was allowed unless the Company committed an event of default under the terms and conditions of the Convertible Bonds I.
- (b) The holders of the Convertible Bonds I had the right to convert the principal amount of the Convertible Bonds I into shares of HK\$0.01 each of the Company at an initial conversion price of HK\$6 per share (subject to anti-dilutive adjustments) at any time during the period from the second anniversary of the Issue Date up to 10 business days prior to the Maturity Date, subject to the minimum public float requirement.
- (iii) The Convertible Bonds I comprise debt component and embedded derivative component (including conversion options), which were measured at fair value of HK\$659,611,000 and HK\$142,771,000 respectively, on initial recognition.
- (iv) The fair value of the debt component on initial recognition was calculated as the present value of contractually determined stream of future cash flows discounted at the effective interest rate of 11.756%.
- In subsequent periods, the debt component of the Convertible Bonds I was carried at amortised cost using the effective interest method.
- (v) No conversion of the Convertible Bonds I had taken place from the Issue Date to the Maturity Date.

16. 可換股債券及其他借款(續)

附註：

- (i) 於二零一二年三月一日(「發行日期」)，本公司向HWH Holdings Limited(「HWH」)、Delco Participation B.V.(「Delco」)及Sims(統稱「認購方」)發行三年期可拆分認股權證(「認股權證」)且本金總額為815,800,000港元之可換股債券(「可換股債券I」)，總代價為815,800,000港元(「認購事項」)。於二零一三年一月十六日，HWH轉讓本金額120,000,000港元之可換股債券予獨立第三方，Greenwoods China Alpha Master Fund(「Greenwoods」)。自發行日期起概無行使認股權證。於二零一五年三月一日，認股權證已到期。
- (ii) 可換股債券I的主要條款載列如下：
- (a) 可換股債券I附有4%的年票息，每半年支付一次。除非先前兌換，否則本公司將於二零一五年三月一日到期時(「到期日」)以本金額贖回全部可換股債券I。除非本公司違反可換股債券I的條款及條件，否則不允許提早贖回可換股債券I。
- (b) 可換股債券I持有人有權於發行日期第二週年至到期日前10個營業日之期間任何時間以初步兌換價每股6港元(可予反攤薄調整)將可換股債券I的本金額兌換成本公司每股面值0.01港元的股份，惟須遵守最低公眾持股量的規定。
- (iii) 可換股債券I包括債務部分及嵌入式衍生工具部分(包括兌換權)乃分別按公平值659,611,000港元及142,771,000港元於初步確認時計量。
- (iv) 初始確認時債務部分的公平值乃使用按實際利率11.756%貼現的合約釐定未來現金流的現值計算。
- 於其後期間，可換股債券I之債務部分乃按攤銷成本採用實際利率法列賬。
- (v) 自發行日期起至到期日概無兌換可換股債券I。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

16. CONVERTIBLE BONDS AND OTHER BORROWINGS (continued)

notes: (continued)

(vi) On 3 and 4 March 2015, the Company signed extension agreements with all bond holders with a modification of terms of convertible bonds as follows:

(1) the Convertible Bonds I with principal amount of HK\$315,600,000 held by Sims (the "Sims Convertible Bonds") and the Convertible Bonds I with principal amount of HK\$67,600,000 held by HWH (the "HWH Convertible Bonds") together with the respective conversion options were extended for a further two years to 1 March 2017. On 22 July 2015, HWH transferred its entire convertible bonds with a principal amount of HK\$67,600,000 to Great Roc Capital Limited ("Great Roc"), (the "Great Roc Convertible Bonds");

(2) the Convertible Bonds I with principal amount of HK\$312,600,000 held by Delco (the "Delco Convertible Bonds") together with the conversion options were extended for a further two years to 1 March 2017. In addition, if Delco continues to hold the Delco Convertible Bonds after 31 July 2015, the Company should pay Delco the amount of HK\$312,600,000 in seven separate quarterly instalments (the first six instalment payments with the same amount of HK\$44,500,000 each and the last instalment payment of HK\$45,600,000) commencing on 1 September 2015 together with all unpaid interests of 4% per annum accrued thereon from 1 March 2015 up to such date of payment and the interest is calculated by reference to the net principal amount after taking into consideration of the instalment payments, in consideration of which:

(i) Delco undertakes not to dispose of any of the Delco Convertible Bonds at any time after 31 July 2015 other than to the Company or to such parties as the Company shall introduce and shall waive (1) the right of redemption of the Delco Convertible Bonds upon the maturity of the Delco Convertible Bonds on 1 March 2017; (2) the right to receive interest on the Delco Convertible Bonds from 1 March 2015; and (3) the right to convert the Delco Convertible Bonds, under the terms of the deed poll dated 1 March 2012 (the "Delco Undertakings"); and

16. 可換股債券及其他借款(續)

附註:(續)

(vi) 於二零一五年三月三日及四日,本公司與所有債券持有人簽訂延長協議,可換股債券的修訂條款如下:

(1) Sims持有的本金額為315,600,000港元的可換股債券I(「Sims可換股債券」)及HWH持有本金額為67,600,000港元的可換股債券I(「HWH可換股債券」),連同兩項可換股債券各自的兌換權再延期兩年至二零一七年三月一日。於二零一五年七月二十二日,HWH悉數轉讓本金額為67,600,000港元的可換股債券予Great Roc Capital Limited(「Great Roc」)(「Great Roc可換股債券」)。

(2) Delco持有本金額為312,600,000港元可換股債券I(「Delco可換股債券」)連同兌換權進一步延長兩年至二零一七年三月一日。此外,倘於二零一五年七月三十一日後,Delco繼續持有Delco可換股債券,本公司應支付Delco 312,600,000港元之金額,分七期支付(首六期的金額為相同金額44,500,000港元,最後一期為45,600,000港元),由二零一五年九月一日起,連同所有未支付利息,按年利率4%計息(自二零一五年三月一日至該付款日期所產生的利息),年息乃經參考淨本金額(經考慮分期付款)及考慮:

(i) Delco承諾於二零一五年七月三十一日後任何時間不出售任何Delco可換股債券(除向本公司或本公司介紹的其他方外),並應豁免(1)於Delco可換股債券於二零一七年三月一日到期時的贖回權;(2)收取Delco可換股債券自二零一五年三月一日起產生的利息的權利;及(3)根據日期為二零一二年三月一日的平邊契據條款兌換Delco可換股債券的權利(「Delco承諾」);及



16. CONVERTIBLE BONDS AND OTHER BORROWINGS (continued)

notes: (continued)

(vi) (continued)

(2) (continued)

(ii) the Company shall have the right to require Delco to sell the Delco Convertible Bonds to the Company or such parties as the Company shall introduce the Delco Convertible Bonds at any time after 31 July 2015 at a price equivalent to the principal amount of the Delco Convertible Bonds together with all unpaid interest accrued thereon up to such date of purchase by delivering a notice in writing to Delco (the "Purchase Notice"), such purchase shall be completed within one month from the date of the Purchase Notice. Upon completion of such purchase, the obligations of the Company to make the instalment payments which remain outstanding shall cease;

(3) the Convertible Bonds I with the principal amount of HK\$120,000,000 held by Greenwoods (the "Greenwoods Convertible Bonds") together with the conversion options were extended to 1 March 2017 and Greenwoods has the early redemption option to demand for full repayment of principal and accrued interest on any of these date: 1 September 2015, 1 March 2016 or 1 September 2016.

The Convertible Bonds I with modified terms is hereinafter collectively referred to as the "Convertible Bonds II" and considered as substantial modification. Details of the modification of terms of the Convertible Bonds I are set out in the Company's announcements dated 5 March 2015, 10 March 2015, 18 March 2015, 26 March 2015, 1 April 2015, 10 April 2015 and 27 April 2015.

Upon the derecognition of the Convertible Bonds I of HK\$815,800,000 and recognition of the Convertible Bonds II, the difference of HK\$1,210,000 between the carrying amount of Convertible Bonds I and the fair value of Convertible Bonds II is recognised as loss on derecognition of Convertible Bonds I in the profit or loss in other gains and losses. The fair values of the debt component and embedded derivative components of the Convertible Bonds II are determined by the directors of the Company based on the valuation by Roma Appraisals Limited, independent qualified professional valuers not connected to the Group.

16. 可換股債券及其他借款(續)

附註：(續)

(vi) (續)

(2) (續)

(ii) 本公司有權要求Delco於二零一五年七月三十一日後任何時間，出售Delco可換股債券予本公司或本公司介紹Delco可換股債券的其他方，價格為相等於Delco可換股債券本金額的金額，連同所有直至該購買日所累積的未支付利息，並以書面通知Delco(「購買通知」)，該購買須於購買通知日期一個月內完成。該購買完成後，本公司就尚未支付的分期付款的責任應終止；

(3) 由Greenwoods持有本金額為120,000,000港元的可換股債券I(「Greenwoods可換股債券」)連同兌換權延長至二零一七年三月一日，及Greenwoods可選擇提早贖回，並要求悉數償還本金額及於下列任何日期所產生的利息：二零一五年九月一日、二零一六年三月一日或二零一六年九月一日。

具有修訂條款的可換股債券I此後統稱為「可換股債券II」，並被視為重大修訂。有關的可換股債券I的條款修訂詳情載於本公司日期為二零一五年三月五日、二零一五年三月十日、二零一五年三月十八日、二零一五年三月二十六日、二零一五年四月一日、二零一五年四月十日及二零一五年四月二十七日之公告。

於取消確認本金額為815,800,000港元之可換股債券I及確認可換股債券II後，可換股債券I的賬面值與可換股債券II的公平值之差額1,210,000港元於損益及其他收益及虧損內確認為取消確認可換股債券I的虧損。可換股債券II債務部份及嵌入式衍生工具部份的公平值乃由本公司董事根據羅馬國際評估有限公司(與本集團無關連之獨立合資格專業估價師)所作估值釐定。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

16. CONVERTIBLE BONDS AND OTHER BORROWINGS (continued)

notes: (continued)

(vi) (continued)

On 9 April 2015, USUMHK purchased the Sims Convertible Bonds from Sims in the aggregate principal amount of HK\$315,600,000 (the "USUMHK Convertible Bonds") without changing any terms of Convertible Bonds II. The purchase of the Sims Convertible Bonds was completed on 3 June 2015. Details of these are set out in the Company's announcements dated 9 April 2015 and 3 June 2015.

On 1 August 2015, Delco still held the Delco Convertible Bonds. Accordingly, the Delco Undertakings came into effect as from that date, in terms of which the Delco Convertible Bonds became a straight debt instrument. Hence, the embedded conversion derivatives in relation to the Delco Convertible Bonds amounting to HK\$38,491,000 as at 31 July 2015 were derecognised against profit and loss, and the amortised cost of the Delco Convertible Bonds was adjusted to reflect the present value of the seven instalments and coupon interests discounted at the original effective interest rate of 16.957% (see note (viii)). The adjustment is recognised as part of the effective interest expense. The Delco Convertible Bonds are presented as 'other borrowings' after the Delco Undertakings came into effect as the Delco Convertible Bonds no longer have conversion options after that date.

(vii) Other than the Delco Convertible Bonds which has been modified as described in note (vi)(2) above and the Greenwoods Convertible Bonds with early redemption option as disclosed in note (vi)(3) above, the major terms of Convertible Bonds I discussed in note (ii)(a) and (b) above remain unchanged in the Convertible Bonds II apart from the extension of maturity date.

(viii) The fair value of the debt component of the Convertible Bonds II on initial recognition was calculated using the present value of contractually determined stream of future cash flows discounted at the effective interest rates of 16.957%, 17.492%, 17.492% and 17.492% for the Delco Convertible Bonds, the HWH/Great Roc Convertible Bonds, the Sims/USUMHK Convertible Bonds and the Greenwoods Convertible Bonds respectively.

In subsequent periods, the debt component of the Convertible Bonds II is carried at amortised cost using the effective interest method.

16. 可換股債券及其他借款(續)

附註:(續)

(vi) (續)

於二零一五年四月九日，渝商香港向Sims購買本金總額為315,600,000港元之Sims可換股債券(「渝商香港可換股債券」)，而可換股債券II的任何條款並無更改。購買Sims可換股債券已於二零一五年六月三日完成。有關詳情載列於本公司日期為二零一五年四月九日及二零一五年六月三日之公告。

於二零一五年八月一日，Delco仍持有Delco可換股債券。因此，自該日起Delco承諾生效，據此，Delco可換股債券成為直線債務工具。因此，於二零一五年七月三十一日就Delco可換股債券的嵌入式兌換衍生工具合共38,491,000港元於損益內終止確認，而Delco可換股債券的攤銷成本已經作出調整，以反映七期分期付款的現值，及票面利息按原有效利率16.957%折扣(參閱附註(viii))。該調整以部分有效利息開支確認。Delco可換股債券於Delco承諾生效後以「其他借款」呈列，乃由於在該日後，Delco可換股債券不再具有兌換權。

(vii) 除上文附註(vi)(2)所述Delco可換股債券已經修訂及上文附註(vi)(3)所述Greenwoods可換股債券附帶提早贖回權外，上文附註(ii)(a)及(b)所討論可換股債券I之主要條款於可換股債券II維持不變(除到期日延長外)。

(viii) 初始確認時可換股債券II之債務部分的公平值，就Delco可換股債券、HWH/Great Roc可換股債券、Sims/渝商香港可換股債券及Greenwoods可換股債券乃分別使用按實際利率16.957%、17.492%、17.492%及17.492%貼現的合約釐定未來現金流的現值計算。

於其後期間，可換股債券II之債務部分乃按攤銷成本採用實際利率法列賬。



16. CONVERTIBLE BONDS AND OTHER BORROWINGS (continued)

notes: (continued)

- (ix) The fair value of the embedded derivative components of the Convertible Bonds II (including conversion options and early redemption option) was determined using the Binomial Option Pricing Model and the major inputs into the model are as follows:

The Delco Convertible Bonds (Principal amount of HK\$312,600,000)

		On issuance 發行時
Stock price	股價	HK\$5.30 5.30港元
Exercise price	行使價	HK\$6.00 6.00港元
Expected volatility (note 1)	預計波幅 (附註1)	31.404%
Dividend yield	股息收益率	0.000%
Option life	期權年期	6 to 24 months 6至24個月
Risk free rate (note 2)	無風險利率 (附註2)	0.475%

The HWH Convertible Bonds/the Great Roc Convertible Bonds (Principal amount of HK\$67,600,000)

		On issuance 發行時	At 31 December 2015 於二零一五年 十二月三十一日	At 30 June 2016 於二零一六年 六月三十日
Stock price	股價	HK\$5.47 5.47港元	HK\$5.17 5.17港元	HK\$5.53 5.53港元
Exercise price	行使價	HK\$6.00 6.00港元	HK\$6.00 6.00港元	HK\$6.00 6.00港元
Expected volatility (note 1)	預計波幅 (附註1)	31.404%	51.434%	45.266%
Dividend yield	股息收益率	0.000%	0.000%	0.000%
Option life	期權年期	24 months 24個月	14 months 14個月	8 months 8個月
Risk free rate (note 2)	無風險利率 (附註2)	0.498%	0.178%	0.247%

16. 可換股債券及其他借款(續)

附註：(續)

- (ix) 可換股債券II (包括兌換權及提早贖回權) 嵌入式衍生工具部分的公平值乃按二項期權定價模式釐定及該模式所輸入之主要數據如下：

Delco 可換股債券

(本金額為 312,600,000 港元)

HWH 可換股債券 / Great Roc 可換股債券 (本金額為 67,600,000 港元)



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

16. CONVERTIBLE BONDS AND OTHER BORROWINGS (continued)

notes: (continued)

(ix) (continued)

The Sims Convertible Bonds/the USUMHK Convertible Bonds (Principal amount of HK\$315,600,000)

		On issuance 發行時	On conversion at 15 June 2015 於二零一五年 六月十五日兌換時
Stock price	股價	HK\$5.47 5.47港元	HK\$12.38 12.38港元
Exercise price	行使價	HK\$6.00 6.00港元	HK\$6.00 6.00港元
Expected volatility (note 1)	預計波幅(附註1)	31.404%	40.658%
Dividend yield	股息收益率	0.000%	0.000%
Option life	期權年期	24 months 24個月	20.5 months 20.5個月
Risk free rate (note 2)	無風險利率(附註2)	0.498%	0.343%

The Greenwoods Convertible Bonds (Principal amount of HK\$120,000,000)

		On issuance 發行時	On conversion at 15 June 2015 於二零一五年 六月十五日兌換時
Stock price	股價	HK\$5.47 5.47港元	HK\$11.40 11.40港元
Exercise price	行使價	HK\$6.00 6.00港元	HK\$6.00 6.00港元
Expected volatility (note 1)	預計波幅(附註1)	31.404%	34.274%
Dividend yield	股息收益率	0.000%	0.000%
Option life	期權年期	24 months 24個月	20.7 months 20.7個月
Risk free rate (note 2)	無風險利率(附註2)	0.498%	0.381%

notes:

- (1) The expected volatility was determined with reference to the implied volatility of the Company's shares as at the date of valuation.
- (2) The risk free rate was determined with reference to the Hong Kong Government Bond's and treasury bill's yield.
- (3) In subsequent periods, the embedded derivative components are measured at fair value with changes in fair value recognised in profit and loss.

附註:(續)

(ix) (續)

Sims 可換股債券/渝商香港可換股債券 (本金額為 315,600,000 港元)

		On issuance 發行時	On conversion at 15 June 2015 於二零一五年 六月十五日兌換時
Stock price	股價	HK\$5.47 5.47港元	HK\$12.38 12.38港元
Exercise price	行使價	HK\$6.00 6.00港元	HK\$6.00 6.00港元
Expected volatility (note 1)	預計波幅(附註1)	31.404%	40.658%
Dividend yield	股息收益率	0.000%	0.000%
Option life	期權年期	24 months 24個月	20.5 months 20.5個月
Risk free rate (note 2)	無風險利率(附註2)	0.498%	0.343%

Greenwoods 可換股債券 (本金額為 120,000,000 港元)

		On issuance 發行時	On conversion at 15 June 2015 於二零一五年 六月十五日兌換時
Stock price	股價	HK\$5.47 5.47港元	HK\$11.40 11.40港元
Exercise price	行使價	HK\$6.00 6.00港元	HK\$6.00 6.00港元
Expected volatility (note 1)	預計波幅(附註1)	31.404%	34.274%
Dividend yield	股息收益率	0.000%	0.000%
Option life	期權年期	24 months 24個月	20.7 months 20.7個月
Risk free rate (note 2)	無風險利率(附註2)	0.498%	0.381%

附註:

- (1) 預計波幅乃經參照本公司股份於估值日期之引伸波動而釐定。
- (2) 無風險利率乃參考香港政府債券及國庫券孳息率而釐定。
- (3) 於其後期間，嵌入式衍生工具部分按公平值計量，公平值之變動於損益內確認。



16. CONVERTIBLE BONDS AND OTHER BORROWINGS (continued)

notes: (continued)

- (x) During the year ended 31 December 2015, the Greenwoods Convertible Bonds were fully converted into shares of HK\$0.01 each in the Company at the conversion price of HK\$6.00 per share. Accordingly, a total of 20,000,000 ordinary shares of HK\$0.01 each were allotted and issued by conversion of the Greenwoods Convertible Bonds.

During the year ended 31 December 2015, the USUMHK Convertible Bonds were fully converted into shares of HK\$0.01 each in the Company at the conversion price of HK\$6.00 per share. Accordingly, a total of 52,600,000 ordinary shares of HK\$0.01 each were allotted and issued by conversion of the USUMHK convertible bonds.

As at 30 June 2016, the Delco Convertible Bonds and the Great Roc Convertible Bonds remain outstanding with a principal amount of HK\$134,600,000 (31 December 2015: HK\$223,600,000) and HK\$67,600,000 (31 December 2015: HK\$67,600,000) presented as other borrowings and debt component of convertible bonds respectively.

- (xi) During the current interim period, the Company paid the two instalment payments of HK\$89,000,000 in aggregate (2015: nil) to Delco.

16. 可換股債券及其他借款(續)

附註：(續)

- (x) 於截至二零一五年十二月三十一日止年度期間，Greenwoods可換股債券以兌換價每股6.00港元悉數兌換成本公司每股面值0.01港元的股份。因此，合共20,000,000股每股面值0.01港元之普通股透過兌換Greenwoods可換股債券予以配發及發行。

於截至二零一五年十二月三十一日止年度期間，渝商香港可換股債券以兌換價每股6.00港元悉數兌換成本公司每股面值0.01港元的股份。因此，合共52,600,000股每股面值0.01港元之普通股透過兌換渝商香港可換股債券予以配發及發行。

於二零一六年六月三十日，Delco可換股債券及Great Roc可換股債券本金額分別為134,600,000港元(二零一五年十二月三十一日：223,600,000港元)及67,600,000港元(二零一五年十二月三十一日：67,600,000港元)尚未發行，分別呈列於其他借款及可換股債券債務部分。

- (xi) 於本中期期間，本公司已向Delco支付累計為89,000,000港元(二零一五年：零)的兩期分期付款。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

17. SHARE CAPITAL

17. 股本

		Number of shares 股份數目	Amounts 金額 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.01 At 1 January 2015, 30 June 2015, 1 January 2016 and 30 June 2016	於二零一五年一月一日、 二零一五年六月三十日、 二零一六年一月一日及 二零一六年六月三十日 每股面值0.01港元的普通股	5,000,000,000	50,000
Issued and fully paid:	已發行並繳足：		
At 1 January 2015	於二零一五年一月一日	1,049,442,706	10,494
Issue of shares (note i)	發行股份(附註i)	456,900,000	4,569
Conversion of convertible bonds (Note 16)	兌換可換股債券(附註16)	72,600,000	726
Exercise of share options	行使購股權	8,098,000	81
At 30 June 2015	於二零一五年六月三十日	1,587,040,706	15,870
At 1 January 2016	於二零一六年一月一日	1,588,514,706	15,885
Issue of shares (Note 26)	發行股份(附註26)	31,037,585	310
Exercise of share options (Note 20)	行使購股權(附註20)	186,000	2
At 30 June 2016	於二零一六年六月三十日	1,619,738,291	16,197

notes:

- (i) On 21 March 2015, the Company entered into the first and second subscription agreements with an independent investor, USUMHK for the first subscription of 203,900,000 shares and second subscription of 253,000,000 shares respectively at the subscription price of HK\$9.01 per share. The first subscription and second subscription were completed on 30 April 2015 and 29 May 2015 respectively, 203,900,000 shares and 253,000,000 shares were allotted and issued to USUMHK respectively. After deducting all relevant costs and expenses, the net proceeds from the first and second subscriptions amounted to HK\$1,826,089,000 and HK\$2,268,480,000 respectively. Upon the completion of the second subscriptions, USUMHK becomes a controlling shareholder of the Company since 29 May 2015.

- (ii) All the above-mentioned new shares rank pari passu with the existing shares in all respects.

附註：

- (i) 於二零一五年三月二十一日，本公司與一名獨立投資者滙商香港訂立第一份及第二份認購協議，以按認購價每股股份9.01港元分別第一批認購203,900,000股股份及第二批認購253,000,000股股份。第一批認購及第二批認購分別已於二零一五年四月三十日及二零一五年五月二十九日完成，而203,900,000股股份及253,000,000股股份分別配發及發行予滙商香港。於扣除所有相關成本及開支後，第一批認購及第二批認購所得款項淨額分別為1,826,089,000港元及2,268,480,000港元。於完成第二次認購後，滙商香港自二零一五年五月二十九日起成為本公司之控股股東。

- (ii) 所有上述新股份在所有方面與現有股份享有同等地位。



18. COMMITMENTS

18. 承擔

		At 30 June 2016 於二零一六年 六月三十日 HK\$'000 千港元	At 31 December 2015 於二零一五年 十二月三十一日 HK\$'000 千港元
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect:	已訂約但未於簡明綜合財務報表中撥備的資本開支：		
– acquisition of a subsidiary	– 收購一間附屬公司	–	419,007
– acquisition of property, plant and equipment	– 收購物業、廠房及設備	10,497	18,646
– additions in construction in progress	– 添置在建工程	45,538	38,842
– formation of subsidiaries	– 成立附屬公司	–	42,500
		56,035	518,995

19. OPERATING LEASES
The Group as lessee19. 經營租賃
本集團作為承租人

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Minimum lease payments paid under operating leases during the period:	期內根據經營租賃支付的最低租金：		
Premises	物業	3,465	7,296



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

19. OPERATING LEASES (continued)

The Group as lessee (continued)

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Within one year	第一年內
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)

Operating lease payments represent rentals payable by the Group for certain of its offices and production premises. Leases are negotiated for terms ranging from one to five years with fixed rentals.

The Group as lessor

Rental income of leasing investment property during the current interim period was HK\$620,000 (2015: HK\$604,000).

At the end of the reporting period, the Group had contracted with tenant for the following future minimum lease payments:

Within one year	一年內
-----------------	-----

19. 經營租賃(續)

本集團作為承租人(續)

於報告期末，本集團根據不可撤銷經營租賃將於下列時間到期的未來最低租金承擔如下：

At 30 June 2016 於二零一六年 六月三十日 HK\$'000 千港元	At 31 December 2015 於二零一五年 十二月三十一日 HK\$'000 千港元
4,975	4,463
376	1,344
5,351	5,807

經營租金指本集團就若干辦公室及生產廠房應付租金。租約經協商定為年期介乎一至五年及租金固定。

本集團作為出租人

於本中期期間，投資物業租賃的租金收入為620,000港元(二零一五年：604,000港元)。

於報告期末，本集團與租戶約定以下未來最低租金如下：

At 30 June 2016 於二零一六年 六月三十日 HK\$'000 千港元	At 31 December 2015 於二零一五年 十二月三十一日 HK\$'000 千港元
1,087	403



20. SHARE-BASED PAYMENTS

Pursuant to a written resolution of all shareholders of the Company on 23 June 2010, a share option scheme (the "Post-IPO Share Option Scheme") was adopted.

Details of the share options granted under the Post-IPO Share Option Scheme and their subsequent movements are as follows:

Category of eligible scheme participants	Date of grant	Exercise price per share	Exercisable period	Vesting date	Number of options outstanding as at 1.1.2016	Exercised during the period	Lapsed/ forfeited during the period (note)	Number of options outstanding as at 30.6.2016
					於二零一六年一月一日尚未行使的購股權數目	期內行使	期內失效/沒收(附註)	於二零一六年六月三十日尚未行使的購股權數目
Employees and other participants	28.3.2012	HK\$4.186	28.3.2013-27.3.2016	28.3.2013	80,000	(60,000)	(20,000)	-
僱員及其他參與者	二零一二年三月二十八日	4.186港元	二零一三年三月二十八日至二零一六年三月二十七日	二零一三年三月二十八日				
			28.3.2014-27.3.2016	28.3.2014	516,000	(106,000)	(410,000)	-
			二零一四年三月二十八日至二零一六年三月二十七日	二零一四年三月二十八日				
			28.3.2015-27.3.2016	28.3.2015	1,592,000	(20,000)	(1,572,000)	-
			二零一五年三月二十八日至二零一六年三月二十七日	二零一五年三月二十八日				
					<u>2,188,000</u>	<u>(186,000)</u>	<u>(2,002,000)</u>	<u>-</u>
Number of options exercisable at the end of the period					<u>2,188,000</u>			<u>-</u>
期末可予行使的購股權數目								
Weighted average exercise price					HK\$4.19	HK\$4.19	HK\$4.19	N/A
加權平均行使價					4.19港元	4.19港元	4.19港元	不適用

note: 2,002,000 share options granted to employees and other participants, were lapsed due to maturity of unexercised options in the current period or forfeited due to the resignation of certain employees.

20. 以股份為基礎之付款

根據本公司全體股東於二零一零年六月二十三日通過的書面決議案，本公司採納一項購股權計劃（「首次公開發售後購股權計劃」）。

根據首次公開發售後購股權計劃授出的購股權及其後變動詳情如下：

附註：授予僱員及其他參與者的2,002,000份購股權於本期間因尚未行使購股權到期而失效或因部分僱員辭職而沒收。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

20. SHARE-BASED PAYMENTS (continued)

The share options granted are exercisable as follows:

Service period that share options can be vested after date of grant

於授出日期後可歸屬的購股權的服務期間

Attaining 1 year

持有一年

Attaining 2 years

持有兩年

Attaining 3 years

持有三年

In respect of the share options exercised during the current period, the share price on the dates of exercise ranged from HK\$4.32 to HK\$4.35.

In respect of the share options granted, taking into account of (i) the applicable vesting period and (ii) the number of options expected to ultimately vest, the Group recognised share-based payment expense of HK\$428,000 for the period ended 30 June 2015 with reference to the vesting period (2016: nil).

20. 以股份為基礎之付款(續)

所獲授出的購股權可按如下方式行使：

Maximum percentage of share options exercisable

可行使購股權的百分比上限

30% of the total number of options granted
授出購股權總數的30%

60% of the total number of options granted
授出購股權總數的60%

100% of the total number of options granted
授出購股權總數的100%

就於本期內已行使的購股權而言，於行使日期的股價介乎4.32港元至4.35港元。

就所授出之購股權而言，經計及(i)適用歸屬期間及(ii)預期將最終歸屬的購股權數目，於截至二零一五年六月三十日止期間，經參考歸屬期，本集團確認以股份為基礎付款之開支428,000港元(二零一六年：零)。



21. RELATED PARTY DISCLOSURES

(a) Transactions

During the interim period, the Group has the following transactions with related parties:

21. 關連方披露

(a) 交易

於中期期間，本集團與關連方有以下交易：

Name of party 關連方名稱	notes 附註	Nature of transaction 交易性質	Six months ended 30 June 截至六月三十日止六個月	
			2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Sims	(i) & (iii)	Purchase of scrap metals 購買廢金屬	-	56,759
Sims		Interest expense of convertible bonds with principal amount of HK\$315,600,000 本金額315,600,000港元的可換股債券之利息支出	-	6,538
Delco	(ii) & (iii)	Interest expense of convertible bonds with principal amount of HK\$312,600,000 本金額312,600,000港元的可換股債券之利息支出	-	11,667
HWH	(ii) & (iii)	Interest expense of convertible bonds with principal amount of HK\$67,600,000 本金額67,600,000港元的可換股債券之利息支出	-	4,422
USUMHK 渝商香港	(iv)	Interest expense of convertible bonds with principal amount of HK\$315,600,000 本金額315,600,000港元的可換股債券之利息支出	-	1,606
	(v)	Conversion of convertible bonds with principal amount of HK\$315,600,000 兌換本金額315,600,000港元的可換股債券	-	315,600



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

21. RELATED PARTY DISCLOSURES (continued)

(a) Transactions (continued)

21. 關連方披露(續)

(a) 交易(續)

Name of party 關連方名稱	notes 附註	Nature of transaction 交易性質	Six months ended 30 June 截至六月三十日止六個月	
			2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Mr. Fang Ankong ("Mr. Fang") 方安空先生(「方先生」)	(vi)	Interest expense of loan with principal amount of USD8,000,000 本金額8,000,000美元的貸款之利息支出	-	1,096
Poly Metals Company Limited ("Poly Metals") 寶勵金屬有限公司(「寶勵」)	(vii)	Purchase of scrap metals 購買廢金屬 Commission income 佣金收入	17,369 (621)	39,398 -

notes:

- (i) These represent transactions between the Group and Sims up to 5 March 2015, on which Sims disposed of its entire shareholding in the Company and became an independent third party to the Group.
- (ii) Delco and HWH disposed of their entire shareholding in the Company from 17 April 2015 and 22 December 2015 respectively. HWH is wholly-owned by Mr. Fang.
- (iii) As set out in Note 16, the Company issued convertible bonds to Sims, Delco and HWH. Sims, Delco and HWH were substantial shareholders with significant influence over the Company up to 5 March 2015, 17 April 2015 and 22 December 2015 as disclosed in (i) and (ii).
- (iv) On 3 June 2015, the Sims Convertible Bonds were purchased by USUMHK.

附註:

- (i) 指本集團與Sims 直至二零一五年三月五日的交易，於當日Sims 出售其於本公司的全部股權並成為本集團之獨立第三方。
- (ii) Delco 及 HWH 分別由二零一五年四月十七日及二零一五年十二月二十二日出售其於本公司的全部股權。HWH 由方先生全資擁有。
- (iii) 如附註16所載，本公司向Sims、Delco 及 HWH 發行可換股債券。Sims、Delco 及 HWH 直至二零一五年三月五日、二零一五年四月十七日及二零一五年十二月二十二日為對本公司具有重大影響力之主要股東(如(i)及(ii)所披露)。
- (iv) 於二零一五年六月三日，渝商香港購入Sims 可換股債券。



21. RELATED PARTY DISCLOSURES (continued)

(a) Transactions (continued)

notes: (continued)

- (v) As set out in Note 16, the USUMHK Convertible Bonds with principal amount of HK\$315,600,000 were fully converted into shares of HK\$0.01 each in the Company at the conversion price of HK\$6.00 per share on 15 June 2015.
- (vi) In January 2015, the Group borrowed USD8,000,000 (equivalent to HK\$62,021,000) from Mr. Fang who was a director of the Company up to 16 February 2016 and a substantial shareholder with significant influence over the Company up to 22 December 2015 as disclosed in (ii) above. The balance was unsecured, interest bearing at 4% per annum and fully repaid in July 2015.
- (vii) In April 2014, the Group invested in an associate, Poly Metals, with significant influence. The amount represents transactions between the Group and Poly Metals.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management are as follows:

21. 關連方披露(續)

(a) 交易(續)

附註:(續)

- (v) 誠如附註16所載,本金額為315,600,000港元的渝商香港可換股債券,已於二零一五年六月十五日按兌換價每股6.00港元悉數兌換為本公司面值為0.01港元的股份。
- (vi) 於二零一五年一月,本集團向截至二零一六年二月十六日前為本公司董事截至二零一五年十二月二十二日前為對本公司具有重大影響力之主要股東(如上文(ii)所披露)之方先生借入8,000,000美元(相等於62,021,000港元)。借款為無抵押,並按4%的年利率計息,已於二零一五年七月悉數償還。
- (vii) 於二零一四年四月,本集團(具有重大影響力)投資於一間聯營公司寶勵。該金額指本集團與寶勵之間的交易。

(b) 主要管理人員薪酬

董事及其他主要管理人員的薪酬如下:

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	3,355	2,094
Post-employment benefits	僱用後福利	36	55
Share-based payments	以股份為基礎之付款	-	41
		3,391	2,190



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

22. PLEDGE OF ASSETS

At the end of the reporting period, the Group has pledged the following assets to banks to secure general banking facilities granted to the Group:

	At 30 June 2016 於二零一六年 六月三十日 HK\$'000 千港元	At 31 December 2015 於二零一五年 十二月三十一日 HK\$'000 千港元
Property, plant and equipment 物業、廠房及設備	113,127	126,892
Prepaid lease payments 預付租金	181,090	186,856
Bank deposits 銀行存款	215,265	132,022
	509,482	445,770

22. 資產抵押

於報告期末，本集團已向銀行抵押以下資產，以擔保授予本集團之一般銀行信貸：

23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used), as well as the level of fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 fair value measurements are those derived from inputs that are unobservable for the asset or liability.

23. 金融工具公平值計量

按經常性基準以公平值計量之本集團金融資產及金融負債之公平值

本集團部分金融資產及金融負債於各報告期末按公平值計量。下表提供有關根據公平值計量的輸入數據的可觀測程度如何釐定該等金融資產及金融負債之公平值(特別是所使用的估值技術及輸入數據)，及公平值計量所劃分之公平值級別水平(一至三級)之資料。

- 一級公平值計量指按同類資產或負債於活躍市場的報價(未經調整)計量；
- 二級公平值計量指按資產或負債的直接或間接可觀察參數(一級計量所用報價除外)計量；及
- 第三級公平值計量乃按資產或負債不可觀察輸入資料計量。



23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

23. 金融工具公平值計量(續)

按經常性基準以公平值計量之本集團金融資產及金融負債之公平值(續)

Financial assets (financial liabilities)	Fair value as at 30 June 2016 於二零一六年 六月三十日 之公平值 HK\$'000 千港元	Fair value as at 31 December 2015 於二零一五年 十二月三十一日 之公平值 HK\$'000 千港元	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
1) Listed equity securities in the PRC classified as held for trading investments in the condensed consolidated statement of financial position 於簡明綜合財務狀況表中分類為持作買賣投資之於中國上市股本證券	35,281	-	Level 1 一級	Quoted bid price on the Shanghai Stock Exchange. 於上海證券交易所之報價。	N/A 不適用	N/A 不適用
2) Foreign currency options classified as derivative financial instruments in the condensed consolidated statement of financial position 於簡明綜合財務狀況表中分類為衍生金融工具之外幣期權合約	assets: 211 負債: (17)	-	Level 2 二級	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates. 根據遠期外幣兌換率(於報告期末可觀察的遠期外幣兌換率)及已訂約的遠期比率來估計未來現金流。	N/A 不適用	N/A 不適用



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

23. 金融工具公平值計量(續)

按經常性基準以公平值計量之本集團金融資產及金融負債之公平值(續)

Financial assets (financial liabilities)	Fair value as at 30 June 2016 於二零一六年 六月三十日 之公平值 HK\$'000 千港元	Fair value as at 31 December 2015 於二零一五年 十二月三十一日 之公平值 HK\$'000 千港元	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
金融資產(金融負債)			公平值架構	估值技術及 主要輸入資料	重大 不可觀察 輸入資料	不可觀察 輸入資料與 公平值的關係

3) Foreign currency forward contracts classified as derivative financial instruments in the condensed consolidated statement of financial position 於簡明綜合財務狀況表中分類為衍生金融工具之外幣遠期合約	-	73	Level 2 二級	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates. 根據遠期外幣兌換率(於報告期末可觀察的遠期外幣兌換率)及已訂約的遠期比率來估計未來現金流。	N/A 不適用	N/A 不適用
--	---	----	---------------	--	------------	------------



23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

23. 金融工具公平值計量(續)

按經常性基準以公平值計量之本集團金融資產及金融負債之公平值(續)

Financial assets (financial liabilities)	Fair value as at 30 June 2016 於二零一六年 六月三十日 之公平值 HK\$'000 千港元	Fair value as at 31 December 2015 於二零一五年 十二月三十一日 之公平值 HK\$'000 千港元	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
金融資產(金融負債)			公平值架構	估值技術及 主要輸入資料	重大 不可觀察 輸入資料	不可觀察 輸入資料與 公平值的關係
4) Embedded derivative components of convertible bonds (note) 可換股債券嵌入式衍生工 具部分(附註)	(7,147)	(9,615)	Level 3 三級	Binomial Option Pricing Model. The key inputs are the Company's share price, expected volatility, dividend yield, option life and risk free rate. 二項期權定價模式。主 要數據為本公司股價、 預計波幅、股息收益 率、期權年期及無風險 利率。	Expected volatility, taking into account the average historical volatility of the Company's share price as at the date of valuation. 預計波幅乃計及本公 司股價於估值日之平 均歷史波幅。	The higher the expected volatility, the higher the fair value. 預計波幅越大，公平 值越大。
				Dividend yield, taking into account the Company's most recent dividends payout ratio and management's experience. 股息收益率乃計及 本公司最近期股息 派發率及管理層經 驗。	Dividend yield, taking into account the Company's most recent dividends payout ratio and management's experience. 股息收益率乃計及 本公司最近期股息 派發率及管理層經 驗。	The higher the dividend yield, the lower the fair value. 股息收益率越高，公 平值越小。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

note: If the expected volatility to the Binomial Option Pricing Model was 10% higher and lower while all other variables were held constant, the carrying amount of the embedded derivative components of convertible bonds would increase by HK\$2,030,000 (31 December 2015: HK\$1,301,000) and decrease by HK\$2,002,000 (31 December 2015: HK\$1,264,000) respectively.

No dividend was paid or proposed during the year ended 31 December 2015 and the six months ended 30 June 2016. Dividend yield as at valuation date of 30 June 2016 is nil (31 December 2015: nil), no sensitivity analysis for dividend yield was performed in the current interim period and prior year.

In management's opinion, the sensitivity analyses are not necessarily representative of the fair value as the pricing model used in the fair value valuation of the embedded derivative components of convertible bonds involves multiple variables where certain variables are interdependent.

Except as detailed in above table, the directors of the Company consider that the carrying amounts of other financial assets and financial liabilities measured at amortised cost in the condensed consolidated financial statements approximate their fair values and determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

23. 金融工具公平值計量(續)

按經常性基準以公平值計量之本集團金融資產及金融負債之公平值(續)

附註：倘於其他變數保持不變的情況下，二項期權定價模式的預計波幅提高或降低10%，可換股債券嵌入式衍生工具部分之賬面值將分別增加2,030,000港元(二零一五年十二月三十一日：1,301,000港元)及減少2,002,000港元(二零一五年十二月三十一日：1,264,000港元)。

於截至二零一五年十二月三十一日止年度及截至二零一六年六月三十日止六個月，概無派付或建議派付股息。於估值日期，即二零一六年六月三十日，股息收益率為零(二零一五年十二月三十一日：零)，於本中期期間及上個年度並無就股息收益率進行敏感度分析。

管理層認為，敏感度分析未必代表公平值，因為可換股債券之嵌入式衍生工具部分之公平值估值中所使用之定價模式，涉及多個變數，而其中若干變數屬互為影響。

除上表所詳述外，本公司董事認為，於簡明綜合財務報表內按攤銷成本計量的其他金融資產及金融負債的賬面值與其公平值相若且根據貼現現金流量分析按一般公認定價模式釐定。



23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Reconciliation of Level 3 fair value measurements of financial liabilities

23. 金融工具公平值計量(續)

金融負債三級公平值計量的對賬

		Embedded derivative components of convertible bonds 可換股債券之嵌入式 衍生工具部分	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Convertible Bonds II	可換股債券II		
At 1 January	於一月一日	9,615	–
Issuance of Convertible Bonds II	發行可換股債券II	–	161,239
Conversion during the period	於期內轉換	–	(457,087)
(Gain) loss recognised in profit or loss	於損益內確認的(收益)虧損	(2,468)	559,913
At 30 June	於六月三十日	7,147	264,065

Of the total losses or gains for the current interim period included in profit or losses, unrealised gain of HK\$2,468,000 (2015: unrealised loss of HK\$209,610,000) related to embedded derivative components of convertible bonds held at the end of the interim period. The fair value gain or loss are included in other gains and losses.

Fair value measurements and valuation process

The Chief Financial Officer of the Company determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 and 2 inputs are not available, the Group engages third party qualified valuers to perform the valuation for financial instruments that are measured at fair value on a recurring basis. The Chief Financial Officer works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

本中期間計入損益內的損益總額中，未變現收益2,468,000港元(二零一五年：未變現虧損209,610,000港元)與報告期末持有的可換股債券之嵌入式衍生工具部份相關。公平值收益或虧損計入其他收益及虧損。

公平值計量及估值程序

本公司首席財務官就公平值計量釐定合適的估值方法及輸入數據。

於估計資產或負債的公平值時，本集團運用其獲得的市場觀察數據。倘第一及第二級輸入數據不可用，本集團委聘第三方合資格估值師對按經常性基準以公平值計量之金融工具進行估值。首席財務官與外聘合資格估值師密切合作以制定合適的估值技術及輸入數據模式。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Fair value measurements and valuation process (continued)

The Chief Financial Officer engages the external valuers to perform the valuations of the embedded derivative portion of convertible bonds required for financial reporting purpose, including Level 3 fair value measurements of financial instruments. As a part of the valuation process, the Chief Financial Officer reports the findings to the board of directors of the Company semi-annually, in line with the Group's interim and annual reporting dates.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed above.

24. PENDING LITIGATIONS

The Group is a defendant in legal claims filed by the lessor of certain properties in Shanghai, the PRC for unpaid rent, management fees, early termination fee and reinstatement costs totalling approximately RMB40.6 million (equivalent to approximately HK\$47.5 million). The Group filed a counter-claim against the lessor of overall expected direct economic loss of approximately RMB108 million (equivalent to approximately HK\$126.4 million) as a result of alleged misrepresentation by the lessor.

The People's Court in Baoshan District, Shanghai, the PRC ("Baoshan District Court") delivered an initial judgement in December 2013. In summary, the initial judgment is in favour to the Group, details of which are set out in the announcement of the Company dated on 15 January 2014. Both the Group and the lessor had applied for an appeal against this judgement. On 12 January 2015, the Baoshan District Court delivered the revised judgement in relation to these legal claims. The Group applied for an appeal against the judgement given on 12 January 2015. On 19 June 2015, the Shanghai No. 2 Intermediate People's Court revoked the appeal and upheld the judgement made on 12 January 2015. The Group applied for an appeal against the judgement given on 19 June 2015.

23. 金融工具公平值計量(續)

公平值計量及估值程序(續)

首席財務官就財務報告目的聘用外部估值師對可換股債券嵌入式衍生工具部分進行估值，包括金融工具第三級公平值計量。作為估值程序的一部分，首席財務官每半年向本公司董事會報告估值結果，報告的時間與本集團中期及年度報告日期一致。

有關釐定不同資產及負債公平值所使用的估值方法及輸入數據詳情載於上文。

24. 待決訴訟

本集團因中國上海若干物業的出租人就未付租金、管理費、提早終止費及重置成本總計約人民幣40,600,000元(約等於47,500,000港元)提出法律訴訟而成為被告。本集團就因出租人之指稱失實陳述而導致的整體預期直接經濟損失約人民幣108,000,000元(約等於126,400,000港元)對出租人提出反申索。

於二零一三年十二月，中國上海寶山區人民法院(「寶山區法院」)作出初步判決，概括而言，初審的判決對本集團有利，其詳情載於本公司日期為二零一四年一月十五日的公告。本集團與出租人均對此判決提出上訴。於二零一五年一月十二日，寶山區法院就該等法律訴訟作出修訂判決。本集團已對二零一五年一月十二日作出的判決提出上訴。於二零一五年六月十九日，上海市第二中級人民法院駁回上訴並維持二零一五年一月十二日作出的判決。本集團對於二零一五年六月十九日作出的判決提出上訴。



24. PENDING LITIGATIONS (continued)

The court case is still in progress. The directors of the Company, after obtaining legal advice and considering the full provision already made by the Group as disclosed in Note 14, are of the opinion that eventual resolution of the above litigations will not have any material adverse impact to the Group's future results and financial position.

25. CONTINGENT LIABILITY

The Company is a defendant to a legal claim by Delco (the "Claim") regarding an alleged non-payment of the loan advanced by Delco Asia Company Limited to subsidiaries of the Company, amounting to approximately HK\$57,827,000 together with interest and costs. The court case is still in progress and there is no further update since 31 December 2015. Details of the Claim are set out in note 40 to the Group's annual consolidated financial statements for the year ended 31 December 2015.

26. ACQUISITION OF SUBSIDIARIES

On 27 January 2016, the Group acquired entire equity interest of Yantai Liheng Environmental Protection Technology Co., Ltd. ("Yantai Liheng") through a non-wholly owned subsidiary from independent third parties. This acquisition has been accounted for using the acquisition method. Yantai Liheng is principally engaged in the sale of hazardous waste, lubricating oil, gas oil, base oil, residual oil, fuel oil and the related additives in the PRC. Yantai Liheng was acquired so as to start the renewable oil operations progressively.

On 21 March 2016 (the "Completion Date"), the Group acquired entire equity interest of Dalian New Green Recycle & Resources Corporation ("DNG") from independent third parties. This acquisition has been accounted for using the acquisition method. DNG is principally engaged in recycle processing and utilisation of scrap metals, discarded appliances, office machines and other wastes in the PRC. DNG was acquired so as to continue the expansion of the Group's metal recycling business.

24. 待決訴訟(續)

該訴訟案件仍在進行中，本公司董事經獲得法律意見及考慮本集團所作悉數撥備後(誠如附註14所披露)，認為上述起訴的最終解決將不會對本集團的未來業績及財務狀況造成任何重大不利影響。

25. 或然負債

本公司為Delco就聲稱未償還Delco Asia Company Limited墊付予本公司附屬公司的貸款金額約57,827,000港元連同利息及相關費用而提起的法律索賠(「該訴訟」)的被告人。訴訟現正在進行中且自二零一五年十二月三十一日起並無進一步更新。該訴訟的詳情載於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附註40。

26. 收購附屬公司

於二零一六年一月二十七日，本集團透過一間非全資附屬公司自獨立第三方收購煙台立衡環保科技有限公司(「煙台立衡」)全部股權。收購使用收購法入賬。煙台立衡於中國主要從事銷售危險廢物、潤滑油、柴油、基礎油料、渣油、燃料油及相關用品添加劑。收購煙台立衡旨在逐步開始再生油業務。

於二零一六年三月二十一日(「完成日期」)，本集團自獨立第三方收購大連新綠再生資源加工有限公司(「大連新綠」)的全部股權。該收購使用收購法入賬。大連新綠主要於中國從事再生加工及使用廢舊金屬、廢舊家電、辦公機器及其他廢棄物。收購大連新綠旨在繼續擴大本集團的金屬再生業務。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

26. ACQUISITION OF SUBSIDIARIES (continued)

Details of the consideration transferred, assets acquired and liabilities recognised at the date of acquisition are as follows:

26. 收購附屬公司(續)

於收購日期所轉讓代價、所收購資產及所確認負債如下：

		Yantai		
		Liheng	DNG	Total
		煙台立衡	大連新綠	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Fair value of assets and liabilities recognised at the date of acquisition:	於收購日期確認的資產及負債的公平值：			
Property, plant and equipment	物業、廠房及設備	40,751	153,597	194,348
Prepaid lease payments	預付租金	15,864	3,902	19,766
Deposit paid for acquisition of property, plant and equipment	收購物業、廠房及設備所付按金	345	–	345
Inventories	存貨	3,543	4,195	7,738
Trade and other receivables	貿易及其他應收款項	10,905	26,847	37,752
Bank balances and cash	銀行結餘及現金	11,806	7,642	19,448
Trade and other payables	貿易及其他應付款項	(14,450)	(1,570)	(16,020)
Bank borrowings	銀行借款	(17,838)	–	(17,838)
		50,926	194,613	245,539



26. ACQUISITION OF SUBSIDIARIES (continued)

26. 收購附屬公司(續)

		Yantai		
		Liheng	DNG	Total
		煙台立衡	大連新線	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Total consideration satisfied by:	按下列各項結算之總代價：			
Cash paid (received)	已付(已收)現金	64,109	(6,062)	58,047
Consideration payable	應付代價	1,476	-	1,476
Ordinary shares issued	已發行普通股	-	111,735	111,735
		65,585	105,673	171,258
			(note i)	
			(附註i)	
Goodwill (bargain purchase gain) arising on acquisition:	因收購產生的商譽 (議價收購收益)：			
Consideration transferred, net	所轉讓的代價，淨額	65,585	105,673	
Less: net assets acquired	減：所收購資產淨值	(50,926)	(194,613)	
		14,659	(88,940)	
		(note ii)	(note iii)	
		(附註ii)	(附註iii)	
Net cash outflow (inflow) arising on acquisition:	因收購產生的 淨現金流出(流入)：			
Cash paid (received)	已付(已收)現金	64,109	(6,062)	58,047
Less: Bank balances and cash acquired	減：所收購銀行結餘及現金	(11,806)	(7,642)	(19,448)
		52,303	(13,704)	38,599



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

26. ACQUISITION OF SUBSIDIARIES (continued)

notes:

- (i) As consideration for the acquisition of DNG, 31,037,585 ordinary shares of the Company were issued and cash of approximately HK\$6 million was received pursuant to the condition as stipulated in the acquisition agreement. The fair value of the ordinary shares of the Company, determined using the open market price of the Company on the Completion Date, amounted to approximately HK\$112 million.
- (ii) Goodwill arose in the acquisition of Yantai Liheng because the cost of the combination included a control premium. It is not expected to be deductible for tax purposes.
- (iii) According to the acquisition agreement dated 21 August 2015 (the "Agreement Date"), the major consideration for the acquisition of DNG is settled by way of an issue of 31,037,585 shares of the Company. From the Agreement Date to the Completion Date, there was a sharp decrease in the market price of the Company's shares that resulted in a significant decrease of the fair value of ordinary shares of the Company issued on the Completion Date. The bargain purchase gain on acquisition of DNG is mainly attributable to the sharp decrease in the market price of the Company's shares.
- (iv) Included in the loss for the period are losses of HK\$3,420,000 and HK\$2,455,000 incurred by Yantai Liheng and DNG respectively. No revenue is generated from Yantai Liheng and DNG during the current interim period.

Had the acquisition of Yantai Liheng and DNG been completed on 1 January 2016, the aggregate loss for the period of the Group would have been HK\$175,281,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of results of operations of the Group that actually would have been achieved had the acquisitions been completed on 1 January 2016, nor is it intended to be a projection of future results.

27. MAJOR NON-CASH TRANSACTION

During the current interim period, the Group acquired entire equity interest of DNG by issuance of ordinary shares of the Company. Details are set out in Note 26.

During the previous interim period, the Group derecognised the original Convertible Bonds I upon the substantial modification of terms and recognised the new Convertible Bonds II. Details of the derecognition and recognition of convertible bonds are set out in Note 16.

This report is published in both English and Chinese languages. Should there be any inconsistency between the Chinese and English versions, the English version shall prevail.

26. 收購附屬公司(續)

附註:

- (i) 作為收購大連新綠之代價，本公司已發行31,037,585股普通股及根據收購協議所訂明之條件，收取約6,000,000港元之現金。本公司普通股的公平值(使用本公司於完成日期的公開市場價格釐定)約為112,000,000港元。
- (ii) 由於合併成本包括控制溢價，收購煙台立衡產生商譽。預期不可作扣稅用途。
- (iii) 根據日期為二零一五年八月二十一日(「協議日期」)的收購協議，收購大連新綠的主要代價以發行本公司31,037,585股股份的方式結算。自協議日期至完成日期，本公司股份的市場價格曾發生急劇下跌，導致本公司於完成日期發行的普通股公平值大幅減少。收購大連新綠所產生的議價收購收益主要歸因於本公司股份市場價格急劇下跌。
- (iv) 計入本期間虧損的虧損3,420,000港元及2,455,000港元分別由煙台立衡及大連新綠產生。於本中期期間，煙台立衡及大連新綠概無產生收益。

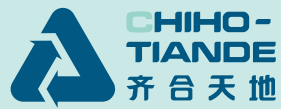
倘收購煙台立衡及大連新綠已於二零一六年一月一日完成，本集團本期間的虧損總額將為175,281,000港元。備考資料僅供說明用途，而未必反映本集團於假設收購事項於二零一六年一月一日已完成的情況下實際錄得的經營業績，亦不擬作為未來業績的預測。

27. 重大非現金交易

於本中期期間，本集團透過發行本公司普通股收購大連新綠全部股權。詳情載於附註26。

於上一個中期期間，本集團對原有可換股債券I的條款作重大修改後，並取消確認原有可換股債券I及確認新可換股債券II。取消確認及確認可換股債券的詳情載於附註16。

本報告以中英文兩種語言印製，在兩種文體的說明上存在歧義時，以英文為準。



www.chiho-tiande.com



CHIHO-TIANDE GROUP LIMITED
齊合天地集團有限公司

48 Wang Lok Street,
Yuen Long Industrial Estate, Hong Kong
香港元朗工業邨宏樂街48號

Tel 電話: (852) 2587 7700 / (852)2589 3500

Fax 傳真: (852) 2587 7799