



CHIHO ENVIRONMENTAL GROUP LIMITED
齊合環保集團有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 976

中期報告 2017
INTERIM REPORT





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	9
Disclosure of Interests	權益披露	22
Corporate Governance and Other Information	企業管治及其他資料	28
Condensed Consolidated Statement of Profit or Loss	簡明綜合損益表	31
Condensed Consolidated Statement of Comprehensive Income	簡明綜合全面收益表	32
Condensed Consolidated Statement of Financial Position	簡明綜合財務狀況表	33
Condensed Consolidated Statement of Changes in Equity	簡明綜合權益變動表	35
Condensed Consolidated Statement of Cash Flows	簡明綜合現金流量表	37
Notes to the Condensed Consolidated Financial Information	簡明綜合財務資料附註	39

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Qin Yongming (Chairman)
(resigned as CEO and appointed as chairman on 17 July 2017)

Mr. Zhu Patrick Xiangdong (Chief Executive Officer)
(appointed as Executive Director on 7 April 2017, resigned as Chief Operation Officer and appointed as CEO on 17 July 2017)

Mr. Tu Jianhua (resigned as chairman on 17 July 2017)

Independent Non-Executive Directors

Dr. Loke Yu
Mr. Zhu Dajian
Ms. Qian Liping

EXECUTIVE COMMITTEE

Mr. Qin Yongming (Chairman)
(appointed as chairman on 17 July 2017)
Mr. Tu Jianhua (resigned as chairman on 17 July 2017)
Mr. Zhu Patrick Xiangdong

AUDIT COMMITTEE

Dr. Loke Yu (Chairman)
Mr. Zhu Dajian
Ms. Qian Liping

REMUNERATION COMMITTEE

Mr. Zhu Dajian (Chairman)
Dr. Loke Yu
Ms. Qian Liping

NOMINATION COMMITTEE

Mr. Qin Yongming (Chairman)
(appointed as chairman on 17 July 2017)
Dr. Loke Yu
Mr. Zhu Dajian
Ms. Qian Liping
Mr. Tu Jianhua (resigned as chairman and member on 17 July 2017)

STRATEGY AND INVESTMENT COMMITTEE

Mr. Qin Yongming (Chairman)
(appointed as chairman on 17 July 2017)
Mr. Tu Jianhua (resigned as chairman on 17 July 2017)
Mr. Zhu Patrick Xiangdong
Mr. Goh Kian Guan

PRICING COMMITTEE

Mr. Zhu Patrick Xiangdong (Chairman)
Mr. Qin Yongming
Mr. Wong Wun Lam, Peter (appointed on 28 August 2017)
Mr. Goh Kian Guan
Mr. Koon Wai Hung (resigned on 28 August 2017)

董事會

執行董事

秦永明先生(主席)
(於2017年7月17日辭任行政總裁及獲委任為主席)
朱向東先生(行政總裁)
(於2017年4月7日獲委任為執行董事，於2017年7月17日辭任首席營運官及獲委任為行政總裁)
涂建華先生(於2017年7月17日辭任主席)

獨立非執行董事

陸海林博士
諸大建先生
錢麗萍女士

執行委員會

秦永明先生(主席)
(於2017年7月17日獲委任為主席)
涂建華先生(於2017年7月17日辭任主席)
朱向東先生

審核委員會

陸海林博士(主席)
諸大建先生
錢麗萍女士

薪酬委員會

諸大建先生(主席)
陸海林博士
錢麗萍女士

提名委員會

秦永明先生(主席)
(於2017年7月17日獲委任為主席)
陸海林博士
諸大建先生
錢麗萍女士
涂建華先生(於2017年7月17日辭任主席及委員)

戰略與投資委員會

秦永明先生(主席)
(於2017年7月17日獲委任為主席)
涂建華先生(於2017年7月17日辭任主席)
朱向東先生
吳健源先生

定價委員會

朱向東先生(主席)
秦永明先生
黃煥霖先生(於2017年8月28日獲委任)
吳健源先生
官偉雄先生(於2017年8月28日辭任)



AUTHORISED REPRESENTATIVES

Mr. Tu Jianhua
Mr. Koon Wai Hung

CHIEF FINANCIAL OFFICER

Mr. Wong Wun Lam, Peter (appointed on 10 August 2017)

JOINT COMPANY SECRETARIES

Mr. Koon Wai Hung
Ms. So Lai Shan

AUDITOR

PricewaterhouseCoopers

LEGAL ADVISORS

Conyers Dill & Pearman (Cayman Islands)
DLA Piper Hong Kong
Deacons (Hong Kong)
Dechert LLP (Hong Kong)
Latham & Watkins LLP (Germany)
CMS Hasche Sigle (Germany)
Menold Bezler (Germany)

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Bank of China
Agricultural Bank of China
Shanghai Pudong Development Bank
KeyBank National Association

REGISTERED OFFICE IN CAYMAN ISLANDS

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

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

48 Wang Lok Street
Yuen Long Industrial Estate
Hong Kong

GROUP HEADQUARTERS

23/F, Infitinus Plaza
199 Des Voeux Road Central
Hong Kong

授權代表

涂建華先生
官偉雄先生

首席財務官

黃煥霖先生(於2017年8月10日獲委任)

聯席公司秘書

官偉雄先生
蘇麗珊女士

核數師

羅兵咸永道會計師事務所

法律顧問

Conyers Dill & Pearman (開曼群島)
歐華律師事務所(香港)
的近律師行(香港)
德杰律師事務所(香港)
Latham & Watkins LLP (德國)
CMS Hasche Sigle (德國)
Menold Bezler (德國)

主要往來銀行

渣打銀行(香港)有限公司
香港上海滙豐銀行有限公司
中國銀行
中國農業銀行
上海浦東發展銀行
KeyBank National Association

開曼群島註冊辦事處

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

香港註冊辦事處及主要營業地點

香港
元朗工業邨
宏樂街48號

集團總部

香港
德輔道中199號
無限極廣場23樓

Corporate Information (continued)

公司資料(續)

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

HEADQUARTERS IN EUROPE

Berndt-Ulrich-Scholz-Str. 1
73457 Essingen
Deutschland

HEADQUARTERS IN NORTH AND CENTRAL AMERICA

2144 W. McDowell Road
Phoenix, AZ 85009
USA

* For business addresses of other principal operational bases of the Group, please refer to the Company's website.

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

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

WEBSITE

www.chihogroup.com (changed on 23 June 2017)

STOCK CODE

976

中國總部及主要營業地點

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

歐洲總部

Berndt-Ulrich-Scholz-Str. 1
73457 Essingen
Deutschland

中北美洲總部

2144 W. McDowell Road
Phoenix, AZ 85009
USA

* 請訪問公司網站以獲取集團其他主要運營基地之營業地址。

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

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

公司網站

www.chihogroup.com (於 2017 年 6 月 23 日更改)

股份代號

976



On behalf of the Board of Directors (the "Board") of Chiho Environmental Group Limited (the "Company"), I present the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2017.

The Group's revenue for the first six months of 2017 increased substantially by approximately 4.8 times when compared to the same period of last year, and achieved profit turnaround. The Group completed the acquisition of the entire share capital of Scholz Holding GmbH ("Scholz Holding" and together with its subsidiaries, "Scholz Group"), a world leading mixed metal recycling giant in Germany at the end of last year, and presented consolidated financial statements from 2017 onwards. The outstanding performance by Scholz Group and the Group's main operation base in Greater China, coincided with the gradual recovery of the commodity market, contributed to the Group's better than expected results during the period under review.

The Group implements a "Go Global" strategy and seeks to establish a sustainable business model through vertical integration. This is to ensure the Group's greater participation in the industry while reducing its dependence on any single market and maximising the synergy between different regional segments. Currently, the Group is the only listed metal recycling corporation with major operation bases across three continents (Asia, Europe and North America) in the world. The objective of the Group is to become a global leader in the metal recycling and environmental protection industries. The acquisition of Scholz Group represented an important step for us to achieve such objective.

Established in 1872, Scholz Group is based in Europe, with a business presence spanning Europe, North and Central America. It is one of the largest mixed metal recyclers in the world with advanced end-of-life vehicle processing capability. With over a century of history, Scholz Group has developed several advanced technologies to become one of the few companies capable of handling and recycling multiple types of materials in the world.

2017 INTERIM RESULTS

The operating revenue for the six months ended 30 June 2017 amounted to HK\$8,802 million (2016: HK\$1,513 million), which increased substantially by 4.8 times when compared to the same period of 2016. The adjusted operating profit and profit for the period were HK\$433 million and HK\$214 million respectively, achieving a turnaround from the adjusted operating loss and loss for the period of HK\$141 million and HK\$172 million respectively in the same period of 2016.

本人謹代表齊合環保集團有限公司(「本公司」)董事會(「董事會」)，提呈本公司及其附屬公司(「本集團」)截至二零一七年六月三十日止六個月的未經審核簡明綜合中期業績。

本集團於二零一七年首六個月的收入，較去年同期大幅增加約4.8倍，並實現扭虧為盈。本集團於去年年底完成收購德國混合金屬回收商巨擘順爾茨控股有限公司(「順爾茨控股」，連同其附屬公司統稱為「順爾茨集團」)的全部股本，自二零一七年起合併財務報表。順爾茨集團與本集團大中華地區主要營運基地的亮麗表現，加上大宗商品市場的逐步復甦，使本集團於回顧期內取得超預期的業績。

本集團戰略是全球佈局，並建立垂直整合的可持續發展業務模式。這是為了確保本集團在行業的更大參與同時減少對單一市場的依賴，並尋求各地域分部之間協同效應的最大化。目前，本集團是全球唯一一家主要營運基地遍佈亞、歐及中北美三大洲的上市再生金屬企業。本集團的目標是成為全球再生金屬及環保行業的領導者。收購順爾茨集團乃我們邁向實現此目標的重要一步。

成立於一八七二年，順爾茨集團以歐洲為基地，業務覆蓋歐洲、北美洲及中美洲，是全球最大的混合金屬再生商之一，且擁有先進的報廢汽車處理能力。經過百餘年的錘煉，順爾茨集團已研發出多項先進技術，使其躋身全球少數可處理及循環再造多類物料的公司之列。

二零一七年年中期業績

截至二零一七年六月三十日止六個月，營業收入為8,802百萬港元(二零一六年：1,513百萬港元)，同比大幅增加約4.8倍。經調整經營利潤和期內溢利分別為433百萬港元和214百萬港元，從二零一六年同期的經調整經營虧損和期內虧損分別為141百萬港元和172百萬港元扭虧為盈。

REGIONAL PERFORMANCE

Europe and America

The performance of Scholz Group in Europe and America in the first half of 2017 was good. The Group's optimisation measures on the financial situation of Scholz Group including deleveraging, balance sheet restructuring and improving liquidity were effective and helped boost its processing volume. This coincided with the commodity pricing recovery since the end of 2016, contributed to the substantial improvement in its income and earnings when compared to the same period of last year.

In the first half of 2017, the Europe and America recorded a revenue of HK\$6,521 million and the adjusted operating profit of HK\$232 million.

Scholz Group possesses excellent business managers who have been supporting its operation. With accumulated rich professional knowledge and experience in the industry, these staff members are the Group's important assets. The Group will take further restructuring measures to strengthen Scholz Group's management and organisational efficiency.

In addition, the synergy between the two regional segments were gradually shown, especially with Hong Kong taking up the agency role for Scholz Group for more exports and third party trading business.

Greater China

In the first half of 2017, the revenue of the Greater China region increased by 50.7% to HK\$2,281 million when compared to the same period of last year, and the adjusted operating profit of HK\$130 million was recorded, making a turnaround from the adjusted operating loss of HK\$54 million in the same period of last year. The impressive interim results of the Greater China region were mainly attributable to the growth in the domestic market of non-ferrous metal scrap in China which led to the increase in the sales price, as well as the adjustments to business strategies and strengthened internal management.

In compliance with the regulations on the processing and export of E-waste by the Hong Kong Environmental Protection Department as well as the Promotion of Recycling and Proper Disposal (Electrical Equipment and Electronic Equipment) (Amendment) Ordinance 2016, the Group has invested more than HK\$120 million in its plant located in Yuen Long for purchasing various processing lines so as to comprehensively enhance the processing of electronic wastes, waste electrical and electronic equipment and scrap cables, which are expected to be completed, tested and put into operation within this year.

區域業績

歐洲及美洲

於二零一七年上半年，順爾茨集團在歐洲及美洲的表現令人滿意。本集團對順爾茨集團的財政實施的優化措施包括去槓桿、資產負債表重組及改善流動性等均取得成果，有助提高了其處理量。加上大宗商品價格自二零一六年底復甦，令其收入及盈利均比去年同期大幅改善。

於二零一七年上半年，歐洲及美洲錄得之收入為6,521百萬港元，經調整經營利潤為232百萬港元。

順爾茨集團擁有出色的業務經理一直支撐著運營，這些在行業累積了豐富專業知識和經驗的員工，是本集團重要的資產，本集團將採取進一步的重組措施，加強順爾茨集團的管理及組織效率。

此外，兩大區域板塊之間的協同也逐漸體現，包括香港平台擔任順爾茨集團的代理角色，促進更多出口及第三方貿易業務。

大中華

於二零一七年上半年，大中華地區的收入較去年同期相比增加50.7%至2,281百萬港元，並錄得經調整經營利潤130百萬港元，從去年同期的經調整經營虧損54百萬港元扭虧為盈。大中華地區亮麗的半年業績，主要歸因於中國國內有色金屬市場行情上漲，帶動銷售價格的上升，以及經營策略的調整及內部管理的提升。

為配合香港環境保護署對加工和出口電子廢物的法規和《2016年促進循環再造及妥善處置（電氣設備及電子設備）（修訂）條例》，本集團位於元朗的廠房已投資超過1.2億港元，包括購入不同的處理線，全面提升處理電子廢料、廢棄電子電機設備及廢棄電纜的工序。預期於今年內安裝測試完畢並開始投產。



Prospects

Recycling is not just about making money; it is for the benefit of Earth's ecology as well as all mankind and our descendants. As the global population grows, its impact on the environment and resources increases. More recycling will help reduce our damage to the environment, mitigate the exploitation of natural resources, and reduce our reliance on fossil fuels and non-renewable resources.

For the People's Republic of China ("PRC") market, resources recycling plays an important role in the development of its economy, security and society. As the PRC is a developing country with relatively insufficient resources, it is the most effective way to support sustainable development by enhancing the efficiency of natural resource recycling and utilisation.

For the sake of environmental protection, the PRC government has introduced the Implementation Plan of Solid Waste Import Management System Reform as a more stringent system to further regulate the market. We expect that there will be gradually fewer illegal business activities in the market and less illegally imported solid waste, to give room for the domestic solid waste processing and recycling industry to develop within a more regulated framework. This would enhance the competitiveness of large-scale and compliant enterprises such as the Group.

The Group believes that a balance between environmental protection and the development of resources recycling industry could be struck. To go with the flow, we will consider doing preliminary metal scrap processing in the countries of the Association of Southeast Asian Nations or other neighboring countries before exporting them to the PRC to meet its demand for scrap metal resources. On the other hand, we will also consider an upgrade of the plants in Taizhou to engage in deep-processing business. The recycling industry in Europe and America is mature especially in terms of the recycling technologies and establishment of recycling systems, with Scholz Group being an example in this regard. The Group expects to effectively apply those abilities and experience in Europe and America to the PRC market.

Brexit is said to bring challenges to Europe for at least two to three years to come but the Group has no significant investment in the United Kingdom. The Group mainly has investment and operations of a considerable size in Germany and neighboring European Union member countries supplying raw materials for the heavy industrial production of steel, the foundation of which is expected to remain solid. In the current global economic context, we believe the Group's existing business in Europe will continue to recover and maintain reasonable returns.

前景

再生資源行業不僅是為謀利，也是為了地球生態乃至全人類和我們的後裔謀福祉。隨著全球人口的增長，對環境及資源的影響增加。更多的回收有助減低我們對環境的破壞，減少對開採自然資源、化石燃料和不可再生資源的依賴。

綜觀中華人民共和國(「中國」)市場，再生資源在經濟建設、國防建設和社會發展中發揮著重要作用。中國是資源相對不足的發展中國家，因此提高自然資源再生利用的效率最有利於持續發展。

基於保護環境的初衷，中國政府推出固體廢物進口管理制度改革實施方案，以進一步規範市場，我們預期市場將逐漸減少非法經營活動，非法進口固體廢物將減少，促進國內固體廢物加工及再生產業在更規範的範圍內發展，使本集團等大型合規企業的競爭力加強。

本集團相信，可以在環境保護與再生資源行業發展之間尋求更好的平衡。我們將順勢而為，研究在東盟國家或其它鄰近國家進行廢金屬初步加工後出口到中國，以滿足中國對廢金屬資源的需求；另一方面，亦研究對台州工廠進行升級，從事深加工業務。再生資源行業在歐洲及美洲發展成熟，尤其在處理技術及回收體系的建立方面，順爾茨集團正是佼佼者。本集團冀望把歐洲及美洲的此等能力及經驗，有效地應用於中國市場。

據悉英國脫歐將於未來至少兩三年間為歐洲帶來挑戰，但本集團在英國沒有重大投資。本集團主要在德國和鄰近的歐盟成員國家有相當規模之投資及經營，為鋼鐵重工業生產提供原材料，故相信根基仍屬穩固。按照目前的世界經濟發展趨勢，我們相信，本集團在歐洲之現有業務將可繼續復甦及維持合理回報。



Chairman's Statement (continued)

主席報告(續)

The Group owns Liberty Iron & Metal Holding, Inc. ("Liberty") through Scholz Group and carries out its business in North and Central America. Such business also developed steadily during the period under review. Liberty is a leading processor and broker of ferrous and non-ferrous metals in North America. This was attributable to the US government encouraging local production, and the brand effect of Liberty.

As the only metal recycling corporation with major operation bases across three continents (Asia, Europe and North America) in the world, we will continue to make full use of our advantages backed by our global layout of operations and Scholz Group and Liberty's brand name, purchasing networks and advanced technology, in order to generate synergy for the Group.

In conclusion, the Group made an exciting start in the first half of 2017. We are delighted but not complacent with this. The business of Scholz Group is now back on the right track. We will continue to implement stringent financial policies on the management of our core business and adopt prudent capital management for all investment activities, to enable the Group to achieve its growth strategy while continuously improving its cash flow and indebtedness position.

Looking ahead to the second half of 2017, the Group will continue to uphold the abovementioned investment management principles and remain cautiously optimistic about the business prospects. I strongly believe a progressive implementation of the Company's strategy is conducive to increasing shareholder value, and look forward to sharing fruitful results with all shareholders in the future.

We attach great importance to the cultural integration among the Group's different regions. We hope to become a multinational and multicultural company. At the same time, we value local wisdom, which we call "glocally".

Last but not least, I would like to extend my gratitude to the loyalty, effort, professionalism and valuable contribution of the Board and all staff members of the Group around the world. I would also like to express my sincere thanks to our clients, suppliers and other business partners for their trust and faith in the Group all along.

Qin Yongming

Chairman

Hong Kong, 28 August 2017

同時，由本集團透過順爾茨集團擁有的北美洲黑色及有色金屬加工商及經紀商巨擘Liberty Iron & Metal Holding, Inc. (「Liberty」) 進行之本集團於北美及中美洲的業務亦平穩發展。此乃由於美國政府鼓勵本地生產，以及Liberty的品牌效應。

作為全球唯一一家主要營運基地遍佈亞、歐及中北美三大洲的再生金屬企業，我們將繼續充分發揮我們全球營運佈局，順爾茨集團及Liberty的品牌效應、採購網絡和頂尖技術的優勢，為本集團帶來更大協同作用。

總括而言，本集團在二零一七年上半年取得令人振奮的開始，我們感到欣慰但不會鬆懈。順爾茨集團的業務現已重新步入正軌。我們將繼續對管理核心業務實施嚴謹之財務政策，以及對所有投資活動採取審慎之資本管理，使本集團既實現其增長策略，同時持續改善其現金流與債務狀況。

展望二零一七年下半年，本集團將秉持上述投資管理原則，對業務前景維持審慎樂觀。本人深信，本公司戰略的穩步實施有利於增加股東價值，期待與各位股東於未來分享更多豐碩成果。

我們非常重視本集團不同區域板塊之間的文化融合。我們的目標是成為一家跨國的多元文化公司，與此同時，我們非常重視地方智慧，我們稱之為「全球本土化」。

最後，本人謹向董事會同仁及本集團全球所有員工之忠誠努力、專業精神與寶貴貢獻致以衷心謝意，亦向客戶、供應商及其他合作夥伴一如既往對本集團的信任和信心致以衷心的感謝！

秦永明

主席

香港，二零一七年八月二十八日



BUSINESS REVIEW AND OUTLOOK

After USUM Investment Group Hong Kong Limited became the Company's single largest shareholder by acquiring approximately 62% interest in the Company at the end of 2015, we had successfully achieved an important milestone by acquiring the entire share capital of Scholz Holding in December 2016. Scholz Group is one of the world's largest mixed metal recycler with advanced end-of-life vehicles processing capability. It has developed several advanced technologies to become one of the few companies in the world capable of handling and recycling multiple types of material. We act as a pioneer to integrate the rather fragmented recycling industry while consolidating and integrating our business operations worldwide.

The Group's performance has significantly improved and an impressive result was recorded in the first half of 2017 due to the following key success factors:

1. A stable economic environment with less commodity price volatility helped the metal recycling industry to recover gradually after it bottomed out in the fourth quarter of 2016.
2. A series of restructuring steps and deleveraging measures were carried out by the Company to improve the operational and financial performance of Scholz Group since the second half of 2016.
3. Synergistic effects were created between the newly acquired business and original businesses.

The Group's performance

The Group recorded a substantial increase in revenue, gross profit and profit for the period in the first half of 2017, which was mainly attributable to the financial performance of Scholz Group being fully accounted in this period and the impressive results of the main operation base in Taizhou in the Greater China region. The Group's revenue was approximately HK\$8,802 million in the first half of 2017, representing an increase of approximately 4.8 times compared to approximately HK\$1,513 million in the same period of 2016. During the period, the Group's gross profit was approximately HK\$1,045 million, representing an increase of approximately 14.8 times when compared with the gross profit of approximately HK\$66 million in the same period of 2016. Also, the gross profit ratio improved from 4.3% for the six months ended 30 June 2016 to 11.9% in the same period of 2017. The improvement of the operating performance in the first half of 2017 resulted in a turnaround in the results with profit for the period of HK\$214 million, as compared to the loss for the period of HK\$172 million in the same period of 2016.

業務回顧及展望

繼渝商投資集團(香港)有限公司於二零一五年底通過收購本公司約62%權益，成為本公司最大單一股東後，我們於二零一六年十二月完成收購順爾茨控股的全部股本，實現一重要的里程碑。順爾茨集團是全球最大的混合金屬再生商之一，且擁有先進的報廢汽車處理能力，並已研發出多項先進技術，使其躋身全球少數可處理及循環再造多類物料的公司之列。我們扮演行業先鋒角色以整合尚屬分散的循環再造業，同時鞏固及整合我們在全球的業務運營。

於二零一七年上半年，本集團的表現顯著改善，並錄得亮麗業績。主要的成功因素如下：

1. 經濟環境穩定，大宗商品價格波動較小，有助金屬再生行業從二零一六年第四季的低位逐步復甦。
2. 自二零一六年下半年起，本公司進行一系列重組程序及去槓桿化措施，以改善順爾茨集團的營運及財務表現。
3. 新收購業務與原有業務之間產生協同效應。

本集團的表現

本集團於二零一七年上半年的收益、毛利及期內溢利均錄得大幅增長，主要歸因於順爾茨集團的財務表現於本期間全面入賬，以及大中華區主要營運基地台州的良好表現。本集團於二零一七年上半年的收益約為8,802百萬港元，較二零一六年同期約1,513百萬港元增加約4.8倍。期內，本集團的毛利約為1,045百萬港元，較二零一六年同期的毛利約66百萬港元增加約14.8倍。此外，毛利率由截至二零一六年六月三十日止六個月的4.3%改善至二零一七年同期的11.9%。二零一七年上半年的營運表現改善，令本集團實現業績扭虧為盈並錄得期內溢利214百萬港元，二零一六年同期的期內虧損為172百萬港元。

BUSINESS REVIEW AND OUTLOOK (continued)

The Group sold in aggregate over 2,424,000 tonnes of recycled products during the first half of 2017. This represents a remarkable increase of 9.4 times when compared to 234,000 tonnes sold in the same period of 2016. 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. Moreover, the Group made efforts to streamline and improve the inventory cycle so as to mitigate the short-term impact of price volatility on the overall performance of the Group.

Basic earnings per share attributable to owners of the Company amounted to HK\$0.122 in 2017 (2016: Basic loss per share HK\$0.106).

Operation performance

After the acquisition of Scholz Group which was completed in December 2016, the Group has extended the metal recycling business from Greater China to worldwide (including Europe and America). The management organises the Group and reviews the Group's financial performance and allocates resources on a geographical basis and hence the operating and reportable segments are identified based on the location of the main operation bases of the original business ("Greater China" region) and the newly acquired business ("Europe and America" region).

Europe and America

As one of the largest European-based global network of companies and affiliates active in this industry, Scholz Group is principally engaged in processing mixed metal scrap. Founded in 1872, Scholz Group provides all steps in recycling mixed metal scraps and is equipped with the one-stop system for collecting, gathering, sorting and processing. Scholz Group is among the processing and technology leaders in ferrous and non-ferrous metal recycling worldwide. In 2016, Scholz Group sold around 4 million tonnes of recycled ferrous and non-ferrous through its business activities in Europe, North and Central America. Scholz Group has a global network of over 300 collecting and processing yards in 20 countries with a regional focus on Germany, Austria, the Balkans as well as America including Mexico. Sufficient provision of recycling materials, the movement of raw material prices, efficient logistics as well as efficient processing steps are the major factors affecting the business model of Scholz Group. The Group's business in America is mainly carried out by Liberty Iron & Metal Holding, Inc. ("Liberty") in the United State of America ("USA"), which is wholly-owned by Scholz Group.

業務回顧及展望(續)

本集團於二零一七年上半年合共售出超過2,424,000噸再生產品，與二零一六年同期售出的234,000噸相比，大幅增加9.4倍。期內，本集團秉承一貫做法，根據自身的處理能力，持續買入混合廢金屬並出售其再生產品。此外，本集團致力精簡及改善存貨週期，以減低價格波動對本集團整體表現的短期影響。

於二零一七年，本公司擁有人應佔每股基本盈利為0.122港元(二零一六年：每股基本虧損0.106港元)。

營運表現

繼二零一六年十二月完成收購順爾茨集團後，本集團已將金屬再生業務從大中華地區擴展至全球(包括歐洲及美洲)。管理層按地域組織、審視本集團的財務表現及分配資源，因此，業務及可呈報分部乃按原有業務(「大中華」地區)及新收購業務(「歐洲及美洲」地區)的主要營運基地來劃分。

歐洲及美洲

順爾茨集團的主要業務為混合廢金屬處理，並為此行業其中一家最大的以歐洲為基地的全球性公司連分支機構網絡。順爾茨集團成立於一八七二年，提供再生混合廢金屬的所有工序，配備集收集、集中、分類及處理於一體的一站式處理系統。順爾茨集團是全球黑色及有色金屬再生的處理及技術領導者之一。於二零一六年，順爾茨集團透過其於歐洲、北美及中美洲的業務活動售出約400萬噸再生黑色及有色金屬。順爾茨集團於20個國家擁有超過300個收集及處理場的國際網絡，重點地區為德國、奧地利、巴爾幹半島及包括墨西哥在內的美洲。充足的回收物料供應、原材料價格的走勢、高效率的物流以及高效率的處理流程都是對順爾茨集團業務模式具有重大影響的因素。本集團於美洲的業務主要通過由順爾茨集團全資擁有的Liberty來進行。



BUSINESS REVIEW AND OUTLOOK (continued) Europe and America (continued)

In the few years before the acquisition of Scholz Group in December 2016, Scholz Group was significantly over-leveraged, poorly managed and its equity value was negative before the acquisition by the Company. Following a series of restructuring steps with respect to its financial situation and deleveraging measures carried out by the Company, its finance costs and legal and professional fees in relation to the restructuring were significantly reduced. In addition, the continuing liquidity provided by the Company increased its working capital and processing volume. Those efforts helped to bring Scholz Group's business back on track by regaining its suppliers and customers' confidence. As a result, the operating performance of Scholz Group has improved since January 2017 which has led to an increase in revenue, ultimately improving the profitability of Scholz Group.

During the current interim period, Scholz Group recorded the revenue of HK\$6,521 million, or approximately 74.1% of the total revenue of the Group. During the period, both its processing tonnage and average selling prices of its metal scrap products increased substantially as a result of the gradual recovery of commodity pricing, the strong demand from electric arc furnace in various regions for steel scrap out of Europe and USA, and the increased purchase of steel scrap in USA by metal traders. The adjusted operating profit of Scholz Group for the first half of 2017 was HK\$232 million.

Greater China

The global economic outlook showed modest signs of recovery in the first half of 2017, with less volatility in commodity prices and interest rates, alongside the weakening of the U.S. Dollar as the Federal Reserve may not pursue interest rate hikes at market's expectation. These factors provided a stable environment for the metal recycling industry to recover gradually after it bottomed out in the fourth quarter of 2016.

業務回顧及展望(續) 歐洲及美洲(續)

於收購順爾茨集團前數年，順爾茨集團嚴重過度借貸、管理欠佳，在本公司於二零一六年十二月收購前其股權價值為負數。經過本公司就其財務狀況進行一系列重組程序及去槓桿化措施後，其財務成本及與重組相關的法律及專業費用顯著減少。此外，本公司持續提供流動資金，增加了其營運資金及處理量。加上供應商及客戶對順爾茨集團恢復信心，使其業務重回正軌。因此，順爾茨集團的營運表現自二零一七年一月以來有所改善，收入增加並最終改善了順爾茨集團的盈利情況。

於本中期期間，順爾茨集團錄得6,521百萬港元的收益，對本集團的總收益貢獻約74.1%；期內，歸因於大宗商品價格逐漸復甦、各地電弧爐廠對歐美的廢鋼需求殷切、金屬貿易商在美國增加採購廢鋼等因素，既增加了其處理噸數，亦令其廢金屬產品的平均售價大幅增加。順爾茨集團於二零一七年上半年的經調整經營利潤為232百萬港元。

大中華

全球經濟前景於二零一七年上半年顯示適度復甦跡象，大宗商品價格及利率波動較小，而且由於美國聯邦儲備局可能不會按照市場預期的速度大幅加息，導致美元疲弱。此等因素為金屬再生行業提供一個穩定環境並從二零一六年第四季的谷底逐步回升。

BUSINESS REVIEW AND OUTLOOK (continued)

Greater China (continued)

The global metal market had shown a prolonged downward trend in the past six years. After reaching the lowest price level in the first half of 2016, the metal prices rebounded significantly in the fourth quarter of 2016 and have been growing steadily with less volatility since the first half of 2017.

As a result, the average selling prices of our metal scrap products increased substantially, hence the revenue of HK\$2,281 million was recorded for the period, which increased significantly by approximately 51% or HK\$768 million, when compared to that of HK\$1,513 million for the same period in 2016. The stable growth of metal price is the key driver to improve the profitability and the operating performance, hence the adjusted operating profit of HK\$130 million was recorded for the six months ended 30 June 2017, making a turnaround from the adjusted operating loss of HK\$54 million in the same period of 2016.

The PRC's domestic policy on the import of solid waste is becoming more stringent gradually, which will foster further development and improvement of the domestic solid waste recycling system. Meanwhile, special actions combating illegal behavior in the imported waste processing and utilisation industry are underway. The policy on the import of metal scrap is also under adjustment. These present challenges as well as opportunities for fully compliant enterprises such as the Group.

Some uncertainties over the global economy and metal market in the coming months may affect our business, such as the demand of metal scrap being affected by the slowdown of the growth in infrastructure, excess capacity of ferrous metals continuing and intense competition within the industry despite many small and medium-sized industry peers closing down due to the cyclical decline in last few years. The management still believes that the Group will have a promising prospect in 2017 by capitalising on the synergies created through trading across Europe, North America and Greater China and the full sharing of market intelligence and knowledge.

業務回顧及展望(續)

大中華(續)

全球金屬市場於過去六年有持續下滑趨勢，金屬價格自二零一六年上半年觸底後，於二零一六年第四季顯著反彈及自二零一七年上半年起穩步上漲，且波動較小。

因此，我們的廢金屬產品的平均售價大幅增加，令期內錄得收益2,281百萬港元，較二零一六年同期的1,513百萬港元顯著增加約51%或768百萬港元。金屬價格的穩定增長是改善盈利能力及營運表現的主要動力，因此於截至二零一七年六月三十日止六個月錄得經調整經營利潤130百萬港元，從二零一六年同期的經調整經營虧損54百萬港元扭虧為盈。

中國國內對固體廢物進口的政策逐步趨嚴，將促進國內固廢回收體系的進一步發展和完善；同時，打擊進口廢物加工利用行業環境違法行為的專項行動正在進行。進口廢金屬的政策也在調整。這些對於充分守規的企業如本集團而言，是挑戰與機遇並存。

未來數月全球經濟及金屬市場方面的一些不明朗因素，可能會影響我們的業務，例如廢金屬的需求將受基建增長放緩、黑色金屬產能持續過剩，以及儘管許多中小型同行於過去數年由於市場週期性下行而關閉，行業競爭仍然激烈。管理層仍然認為，透過利用歐洲、北美洲與大中華之間的貿易所產生的協同效應，以及共享市場情報及知識，本集團於二零一七年的前景良好。



BUSINESS REVIEW AND OUTLOOK (continued)

Our Procurement Network

In 2017, the Group further strengthened its procurement network with established and developed suppliers across the globe, spanning Europe, America, Oceania, the Middle East and East and Southeast Asia. The vast procurement network of Scholz Group comprises over 300 collecting and processing yards mainly located in Europe (Germany, Poland, Austria, Czech Republic, Romania, the Balkans) and over 20 plant sites in North and Central America. We start experiencing synergetic effects within the whole Group by obtaining stable upstream materials and more transparency on the cost of materials by sharing the market information within Europe, America and Greater China and hence enhance our bargaining power with other suppliers. The profitability of the Group has increased as a result of better control of the supply chain.

Our sales

Our recycled metals products are raw materials by nature for which there is a ready market, so long as our selling price is in line with the market price. Our customers select us mainly for our good credibility and steady supply of quality recycled metal products.

In 2017, our sales were made to customers globally while a majority of our sales were made to domestic customers located in the PRC in 2016.

Our production facilities

In Europe, we have over 300 collecting and processing yards located in Germany, Czech, Denmark, Austria, Romania, Poland and the Balkans. We also have over 20 plant sites in the USA and Mexico. In Greater China, our major production facilities are located in Hong Kong, Taizhou (Zhejiang) and Yantai (Shandong).

業務回顧及展望(續)

本集團的採購網絡

於二零一七年，本集團進一步強化與發展成熟的全球供應商的採購網絡，覆蓋歐洲、美洲、大洋洲、中東、東亞及東南亞。順爾茨集團的龐大採購網絡包括超過300個收集及處理場，主要位於歐洲(德國、波蘭、奧地利、捷克共和國、羅馬尼亞、巴爾幹半島)以及超過20個位於北美及中美洲的料場。獲得上游穩定的物料供應，以及共享歐洲、美洲及大中華地區的市場資訊，可獲得更高的物料成本透明度，從而提高我們與其他供應商的議價能力。對供應鏈有更好的控制，有助於提升本集團的盈利能力。

本集團的銷售

我們的再生金屬產品屬原材料性質並已具備市場，只要我們的售價與市場價格一致。客戶選擇我們的主要原因乃基於我們的良好信譽，及穩定供應高質素的再生金屬產品。

於二零一七年，我們的銷售乃出售予全球客戶，而於二零一六年，我們大部分的銷售乃出售予位於中國國內的客戶。

本集團的生產設施

在歐洲，我們擁有超過300個位於德國、捷克、丹麥、奧地利、羅馬尼亞、波蘭及巴爾幹半島的收集及處理場。我們於美國及墨西哥亦擁有超過20個料場。而在大中華地區，我們的主要生產設施位於香港、浙江台州及山東煙台。

BUSINESS REVIEW AND OUTLOOK (continued)

Corporate and Business Development

The Group will formulate a long-term development policy for Scholz Group to integrate various subsidiaries in Europe and the USA and strive to strengthen organic growth of core businesses so as to increase sales revenue. At the same time, the Group will continue to improve the financial condition of Scholz Group by further reducing its debt and financial expenses and improve its liquidity to gradually enhance its processing capacity. In addition, the synergetic effect between Europe, America and Greater China region is to be enhanced to foster more agency or third party trading businesses through the Hong Kong platform.

As for mainland China, in addition to the principal operation of the metal recycling and foundry business, the Group is considering a business transformation to focus on other deep processing business other than the processing of motor scrap in order to diversify our businesses.

Meanwhile, the Group has upgraded its plant and equipment automation in Hong Kong, with the production facilities expected to be put into operation within this year, which will substantially enhance the Group's processing capacity of electronic waste. In addition, Hong Kong serves as an established trading platform for Scholz Group, and is conducive to the Group's further integration of its domestic and foreign resources and technologies.

The Group will invest renewable resources recycling projects in Tangshan City of the PRC. For more information, please refer to the announcements of the Company dated 31 March 2017, 10 April 2017 and 27 April 2017.

業務回顧及展望(續)

企業及業務發展

本集團將為順爾茨集團制定長遠發展政策、整合歐美各子公司，力爭核心業務的內在增長，以提高銷售收入。同時，繼續優化順爾茨集團的財務狀況，進一步降低其債務及財務支出，並提高資金流動性，以逐步提高其處理量。此外，發揮歐洲、美洲與大中華地區之間的協同效應，通過香港平台，促進更多代理或第三方貿易業務。

中國內地方面，除了主要經營的金屬再生及鑄造業務外，本集團正研究進行業務轉型，從事處理廢馬達以外的其他深加工業務以使我們的業務多元化。

同時，本集團已對香港的廠房及設備進行高度自動化升級，生產設施預期於今年年底前投入運作，將大大提升本集團對電子廢件的處理能力。此外，香港為順爾茨集團提供一個完善的交易平台，有利於本集團進一步整合國內外的先進資源及技術。

本集團將投資位於中國唐山市的再生資源回收項目。如需更多資料，請參閱本公司日期為二零一七年三月三十一日、二零一七年四月十日及二零一七年四月二十七日的公告。



EVENTS AFTER THE REPORTING PERIOD

On 1 September 2017, the Group announced its wholly-owned subsidiaries, Taizhou Chiho-Tiande Foundry Company Limited (“Chiho Foundry”) and Taizhou Chiho-Tiande Metals Company Limited (“Chiho Metals”) entered into the agreements with Taizhou Bay Circular Economy Industrial Agglomeration Zone Luqiao District Management Committee Fengjiang Street Office (“Taizhou Bay Committee”), pursuant to which Chiho Foundry and Chiho Metals have agreed to dispose the assets to Taizhou Bay Committee for a consideration of an aggregate amount of RMB319,987,843. Subsequently, the supplemental agreements have also entered into on the same day, pursuant to which the parties have agreed to certain amendments to the terms and conditions of the relevant agreements. For details, please refer to the announcement of the Company dated 1 September 2017.

OUTLOOK

The Group expects that the global economy will continue to recover orderly in the second half of this year with stable demand for metal products. The adoption of electric arc furnace, which is more environmentally friendly, for steelmaking in global regions will maintain the demand for recycled metals. It is expected that the commodity market will move steadily upward, supporting the selling prices of the Group’s recycled products. In light of the characteristics of the two major business segments, the Group will attach equal importance to organic growth as well as opportunities for mergers and acquisitions in the industrial chain. As resources recycling can benefit the environment, we are fully confident in its future.

報告期後事項

於二零一七年九月一日，本集團宣佈其全資擁有之附屬公司台州齊合天地鑄造有限公司(「齊合鑄造」)及台州齊合天地金屬有限公司(「齊合金屬」)與台州灣循環經濟產業集聚區路橋分區管委會峰江街道辦事處(「台州灣管委會」)訂立協議。根據協議齊合鑄造及齊合金屬同意向台州灣管委會以總代價人民幣319,987,843元出售其資產。其後，補充協議亦於同日訂立，而根據該補充協議，各方同意相關協議中若干條款和條件之修訂。詳情請參閱本公司二零一七年九月一日之公告。

展望

本集團預期下半年全球經濟將繼續有序復甦，對金屬產品有穩定需求。全球地區增加採用更環保的電弧爐煉鋼，將保持對再生金屬的需求。預期大宗商品市場將穩步向上，對本集團再生產品售價有支持。針對兩大業務分部的特色，本集團將同時重視業務內在增長及產業鏈的併購機會。再生資源業務是對環境有裨益的事業，我們對未來充滿信心。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

FINANCIAL REVIEW

Key Financial Ratios

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

財務回顧

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 2017 於二零一七年 六月三十日	At 31 December 2016 於二零一六年 十二月三十一日
Liquidity Ratios	流通資金比率		
Current ratio	流動比率	1.26	1.22
Quick ratio	速動比率	0.76	0.87
Gearing ratio (%)	資產負債比率(%)	38.90	44.15
		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年	2016 二零一六年
Inventory turnover days	存貨周轉日數	52	111
Debtor's turnover days	應收賬周轉日數	37	7
Creditor's turnover days	應付賬周轉日數	28	9



Liquidity and Financial Resources and Capital Structure

The net current assets which included cash and various bank balance and pledged bank deposit amounted to HK\$829 million (31 December 2016: HK\$2,079 million). It was mainly due to the increase in working capital for increasing business operation. As a result, the current ratio increased from 1.22 as at 31 December 2016 to 1.26 as at 30 June 2017, while the quick ratio decreased from 0.87 as at 31 December 2016 to 0.76 as at 30 June 2017. Total external borrowings were approximately HK\$4,868 million (31 December 2016: HK\$5,034 million). Such borrowings were mainly denominated in Euro, U.S. Dollars and Renminbi. Approximately HK\$1,381 million (31 December 2016: approximately HK\$638 million) of bank borrowings are at fixed interest rates.

The gearing ratio of the Group as at 30 June 2017 was 38.9% (31 December 2016: 42.4%), which is calculated based on the total external borrowings over total assets.

Debtor's turnover days and creditor's turnover days increased from 7 days and 9 days for the same period of 2016 to 37 days and 28 days for this period of 2017 respectively.

Inventory turnover days decreased from 111 days for the same period of 2016 to 52 days for this period of 2017.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2017, we had pledged certain plant and buildings, land use rights and bank deposits with an aggregate carrying value of approximately HK\$4,018 million (31 December 2016: approximately HK\$3,446 million) to secure borrowings.

As at 30 June 2017, 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 condensed consolidated financial information amounted to HK\$456 million (31 December 2016: HK\$130 million).

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

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已抵押銀行存款共829百萬港元(二零一六年十二月三十一日:2,079百萬港元)。此乃主要由於業務經營增加而增加營運資金。因此,流動比率由二零一六年十二月三十一日的1.22增加至二零一七年六月三十日的1.26,而速動比率由二零一六年十二月三十一日的0.87減少至二零一七年六月三十日的0.76。外部借款總額為約4,868百萬港元(二零一六年十二月三十一日:5,034百萬港元)。該等借款主要以歐羅、美元及人民幣計值。銀行借款約1,381百萬港元(二零一六年十二月三十一日:約638百萬港元)按固定利率計息。

本集團於二零一七年六月三十日的資產負債比率為38.9%(二零一六年十二月三十一日:42.4%)(根據外部借款總額除以資產總值計算)。

應收賬周轉日數和應付賬周轉日數分別由二零一六年同期的7日和9日增加至二零一七年期內的37日和28日。

存貨周轉日數由二零一六年同期的111日減少至二零一七年期內的52日。

資本承擔及或然負債

於二零一七年六月三十日,本集團抵押賬面總值約4,018百萬港元的若干廠房及樓宇、土地使用權及銀行存款(二零一六年十二月三十一日:約3,446百萬港元),以為借款作擔保。

於二零一七年六月三十日,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簡明綜合財務資料計提撥備的資本開支為456百萬港元(二零一六年十二月三十一日:130百萬港元)。

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。

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES (continued)

The Group has contingent liabilities of approximately HK\$9 million (31 December 2016: approximately HK\$27 million) which consist of non-financial guarantee in favour of investee entities.

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\$57,827,000 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. The Company filed its defence on 23 September 2016 and further filed its amended defence on 13 December 2016 after Delco added Mr. Fang Ankong (“Mr. Fang”) as a defendant to the proceedings. The case is still in progress.

Each of Mr. Fang, a former director of the Company, 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\$57,827,000 be held in escrow as security for any liability of the Company in respect of, inter alia, HCA 3040/2015.

Whilst the Board does not consider HCA 3040/2015 to be a claim of material importance for the reasons set out above, details of HCA 3040/2015 are disclosed herein for the sake of completeness.

資本承擔及或然負債(續)

本集團的或然負債包括被投資實體為受益人的非金融擔保為約9百萬港元(二零一六年十二月三十一日：約27百萬港元)。

Delco Participation B.V. (「Delco」) 作為原告於二零一五年十二月二十一日有關本公司作為被告索償57,827,000港元連同利息及成本向香港高等法院提交訴狀(高院案例2015年第3040號, 「HCA 3040/2015」)。該索償是聲稱未根據(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條款支付Delco Asia向本公司子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。本公司於二零一六年九月二十三日提出抗辯, 再於二零一六年十二月十三日在Delco將方安空先生(「方先生」)加為法律程序的被告後提出經修訂抗辯。案件仍在進行中。

方先生(本公司前任董事)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57,827,000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。

而董事會因上文所載理由認為HCA 3040/2015並非重大申索, 於文件中披露HCA3040/2015的詳情僅為保持完整。



CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES (continued)

A writ of summons was issued by Delco as plaintiff on 10 November 2016 in the High Court of Hong Kong (High Court Action No. 2939 of 2016, "HCA 2939/2016") against the Company as the 1st defendant, Chiho-Tiande (HK) Limited ("CTHK"), a wholly-owned subsidiary of the Company, as the 2nd defendant, HWH as the 3rd defendant and Mr. Fang as the 4th defendant. So far as the Company and its subsidiaries are concerned, Delco claimed against the Company for damages for an alleged breach of a letter of undertaking dated 3 March 2015 in relation to a convertible bond issued by the Company and subscribed for by Delco on 1 March 2012. Delco further claimed against CTHK for a sum of US\$1,000,000, allegedly advanced by Delco Asia to CTHK on or around 16 April 2009. Delco further claimed interests, costs and further or other relief. The Company and CTHK gave notice of the intention to contest the proceedings on 23 December 2016. The case is still in progress.

Whilst the Board does not consider HCA 2939/2016 to be a claim of material importance for the reason set out above, details of HCA 2939/2016 are disclosed herein for the sake of completeness.

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, 2015 and 2016 and its annual reports for the years ended 31 December 2014 and 2015. On 18 December 2015, Shanghai JV applied to Shanghai High People's Court for re-trial and sought for further legal relief. On the same date, Shanghai High People's Court accepted the re-trial application. Shanghai JV received the decision from Shanghai High People's Court on 16 February 2017 that the re-trial has been revoked. The Court judgement of the legal proceedings has taken effect and enforced.

The Board takes the view that these legal proceedings will not have any material adverse effect on the business, operations or financial results of the Group.

* For identification purpose only

資本承擔及或然負債(續)

Delco作為原告於二零一六年十一月十日以本公司作為第一被告；本公司全資擁有的齊合天地(香港)有限公司(「齊合天地香港」)作為第二被告；HWH作為第三被告；及方先生作為第四被告向香港高等法院提交訴狀(高院案例2016年第2939號,「HCA 2939/2016」)。據本公司及其子公司所知,Delco就指稱違反日期為二零一五年三月三日的承諾函的損害向本公司索償,內容關於二零一二年三月一日本公司發行及Delco認購可換股債券。Delco進一步向齊合天地香港索償1,000,000美元,其指稱由Delco Asia於二零零九年四月十六日或前後向齊合天地香港墊付。Delco進一步索償利息、費用及更多或其他濟助。本公司及齊合天地香港於二零一六年十二月二十三日發出有意質疑訴訟的通知。案件仍在進行中。

董事會因上文所載理由認為HCA 2939/2016並非重大申索,於文件中披露HCA 2939/2016的詳情僅為保持完整。

就本公司間接擁有51%的子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、二零一五年及二零一六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的年報中作出披露。於二零一五年十二月十八日,上海合營公司向上海高等人民法院申請複審及尋求進一步法律救濟。於同日,上海高等人民法院接受再審申請。上海合營公司於二零一七年二月十六日接獲上海高等人民法院的裁決,指再審申請被駁回。法院的訴訟判決現已生效並執行完畢。

董事會認為法律訴訟不會對本集團的業務、營運或財務業績造成任何重大不利影響。

* 僅供識別

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 28 August 2017, the Board adopted a revised version of the policy regarding dealings in metal futures contracts (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.chihogroup.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 Euro and Renminbi to U.S. Dollar and other currencies, and consider various measures to minimise the foreign currency risk, such as entering foreign currency forward contracts.

With the relatively low interest rates in 2017, the Group has entered into insignificant amount of interest rate hedging contracts or any other interest rate related derivative financial instruments. 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 majority of sales of its metal recycling products in the Great China Region in order to minimise the carrying amounts of the financial assets in the Group's financial statements. For the sales in Europe and America, the Group generally grants credit terms ranging from 30 to 90 days to customers upon the approval of management according to the credit quality of individual customers. 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。

於二零一七年八月二十八日，董事會已採納有關買賣金屬期貨合約的政策之修訂版本（「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.chihogroup.com)可供查閱。

作為本集團的外幣對沖策略的一部分，鑒於歐羅及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，例如訂立外匯遠期合約。

由於二零一七年利率相對較低，故本集團已訂立金額不重大的利率對沖合約或任何其他利率相關衍生金融工具。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，本集團大多數在大中華地區的金屬再生產品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。至於歐洲及美洲的銷售交易，本集團一般根據個別客戶的信貸紀錄，在獲得管理層批准後，向客戶授出介乎30至90日的信貸期。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款，在持續獲取資金與保持靈活程度之間維持平衡。



EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2017, the Group had a workforce of 5,451 employees. In addition, the Group engaged approximately 2,515 separation and selection workers through local contractors. We have not experienced any strikes, work stoppages or significant labor disputes which have affected its operations in the past and we have not experienced any significant difficulties in recruiting and retaining qualified staff. We continue to maintain good relationships with our employees.

The Group's total staff costs for the current interim period were approximately HK\$528 million. The remuneration package of staff consists of basic salary, mandatory provident fund, insurances and other benefits as considered appropriate. Remuneration of the employees of the Group is determined by reference to the market, individual performance and their respective contribution to the Group.

The emoluments of the Directors are subject to the recommendations of the remuneration committee of the Company and the Board's approval. Other emoluments including discretionary bonuses, are determined by the Board with reference to the Directors' duties, abilities, reputation and performance.

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. With the support of the Board, 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 2016

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 2016.

僱員及薪酬政策

於二零一七年六月三十日，本集團共有5,451名僱員。此外，本集團透過當地承包商僱用約2,515名拆解及選料工人。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。我們與僱員一直維持良好的關係。

本集團的本中期間員工成本總額為約528百萬港元。員工薪酬組合包括基本薪金、強制性公積金、保險及其他合適福利。本集團僱員的薪酬乃參考市場、個人表現及其各自對本集團貢獻而定。

董事酬金由本公司薪酬委員會推薦建議及須經董事會批准。其他酬金(包括酌情花紅)由董事會參考董事的職務、能力、名聲及表現釐定。

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得到董事會的支持，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。

二零一六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二零一六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。

Disclosure of Interests

權益披露

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 2017, 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:

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

於二零一七年六月三十日，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：

Name of Director 董事名稱	Capacity/Nature of Interest 身份／權益性質	Long position (L)/ Short position (S) 好倉 (L)／淡倉 (S)	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	L	1,008,885,181 (Note 2) (附註 2)	62.85%
Mr. Zhu Patrick Xiangdong 朱向東先生	Beneficial owner 實益擁有人	L	330,000	0.02%

Notes:

(1) As at 30 June 2017, the total number of issued Shares of the Company was 1,605,152,291 Shares.

附註：

(1) 於二零一七年六月三十日，本公司已發行股份的總數為1,605,152,291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)

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 42.10%. The remaining equity interests in USUM Group are held by 21 individuals and 31 companies, all of whom are independent third parties of Loncin Holdings and Mr. Tu, and they each hold between 0.29% to 10% 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 2017. Therefore, Mr. Tu was deemed to be interested in the Shares held by USUMHK pursuant to the SFO.

Save as disclosed above, as at 30 June 2017, 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)

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42.10%。渝商集團的餘下權益由21名個人及31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0.29%至10%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%。截至二零一七年六月三十日，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。

除上文所披露外，於二零一七年六月三十日，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。

Disclosure of Interests (continued)

權益披露(續)

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

As at 30 June 2017, 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:

主要股東於本公司的股份及相關股份的權益及淡倉

於二零一七年六月三十日，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：

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份/權益性質	Long position (L)/ Short position (S) 好倉(L)/淡倉(S)	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	L	1,008,885,181 (Note 2) (附註2)	62.85%
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	L	1,008,885,181 (Note 2) (附註2)	62.85%
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	L	1,008,885,181 (Note 2) (附註2)	62.85%
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	L	1,008,885,181 (Note 2) (附註2)	62.85%
Mr. Tu Jianhua 涂建華先生	Interest in controlled corporations 於受控制法團之權益	L	1,008,885,181 (Note 2) (附註2)	62.85%



Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company (continued) 主要股東於本公司的股份及相關股份的權益及淡倉(續)

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份/權益性質	Long position (L)/ Short position (S) 好倉(L)/淡倉(S)	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	L	140,000,000	8.72%
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	L	140,000,000	8.72%
Tai Security Holding Limited	Beneficial owner 實益擁有人	L	110,197,990 (Note 3) (附註3)	6.87%
Mr. Zhang Mingjie 張明杰先生	Interest in controlled corporations 於受控制法團之權益	L	175,197,990 (Notes 3 & 4) (附註3及4)	10.91%
Pengda Value Fund SPC (acting for and on behalf of DTC SP)	Beneficial Owner 實益擁有人	L	97,250,000 (Note 5) (附註5)	6.06%
Cinda Asset Management (Cayman) Limited	Interest in controlled corporations 於受控制法團之權益	L	97,250,000 (Note 5) (附註5)	6.06%
Cinda International Holdings Limited 信達國際控股有限公司	Interest in controlled corporations 於受控制法團之權益	L	97,250,000 (Note 5) (附註5)	6.06%
China Cinda Asset Management Co., Ltd. 中國信達資產管理股份有限公司	Interest in controlled corporations 於受控制法團之權益	L	97,250,000 (Note 5) (附註5)	6.06%

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

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

Notes:

- (1) As at 30 June 2017, the total number of issued Shares of the Company was 1,605,152,291 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 42.10%. The remaining equity interests in USUM Group are held by 21 individuals and 31 companies, all of whom are independent third parties of Loncin Holdings and Mr. Tu, and they each hold between 0.29% to 10% 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 2017. Therefore, Mr. Tu was deemed to be interested in the Shares held by USUMHK pursuant to the SFO.
- (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 2017. 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 65,000,000 Shares were held by Good Union as beneficial owner and Good Union is directly wholly-owned by Mr. Zhang as at the 30 June 2017. Therefore, Mr. Zhang was deemed to be interested in the same number of Shares as held by Good Union pursuant to the SFO.
- (5) The 97,250,000 Shares were held by Pengda Value Fund SPC (acting for and on behalf of DTC SP) ("Pengda") as beneficial owner and Pengda was wholly-owned by Cinda Asset Management (Cayman) Limited ("Cinda Asset Management"). Cinda Asset Management was wholly-owned by Cinda (BVI) Limited which was in turn wholly-owned by Cinda International Holdings Limited ("Cinda International"). Cinda International was held as to 63% by Sinoday Limited which was wholly-owned by China Cinda (HK) Holdings Company Limited, which was in turn wholly-owned by China Cinda Asset Management Co., Ltd. Therefore, all the aforesaid companies were deemed to be interested in the same number of Shares as held by Pengda pursuant to 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：

- (1) 於二零一七年六月三十日，本公司已發行股份的總數為1,605,152,291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42.10%。渝商集團的餘下權益由21名個人及31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0.29%至10%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%。於二零一七年六月三十日，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) 於二零一七年六月三十日，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) 於二零一七年六月三十日，星滙作為實益擁有人持有65,000,000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。
- (5) 97,250,000由Pengda Value Fund SPC（代Pengda SP行事）（「Pengda」）作為實益擁有人持有，而Pengda由Cinda Asset Management (Cayman) Limited（「Cinda Asset Management」）全資擁有。Cinda Asset Management由Cinda (BVI) Limited全資擁有，而Cinda (BVI) Limited由信達國際控股有限公司（「信達國際」）全資擁有。信達國際由Sinoday Limited擁有63%，而Sinoday Limited由中國信達（香港）控股有限公司全資擁有，而中國信達（香港）控股有限公司由中國信達資產管理股份有限公司全資擁有。因此，根據證券及期貨條例，上述所有公司被視為與Pengda持有的相同數目股份中擁有權益。



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

Save as disclosed above, as at 30 June 2017, 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.

Share Option Scheme

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

During the extraordinary general meeting of the Company held on 17 February 2017, the then existing scheme mandate limit in respect of granting of options to subscribe for shares of the Company under the Share Option Scheme was refreshed and renewed provided that the total number of shares of the Company which may be allotted and issued pursuant to the grant or exercises of the options under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised) shall not exceed 10% of the shares of the Company in issue as at 17 February 2017, that is 161,973,829 shares of the Company.

No share option under share option scheme has been granted, exercised, cancelled or lapsed during the six months ended 30 June 2017.

主要股東於本公司的股份及相關股份的權益及淡倉(續)

除上文所披露外，於二零一七年六月三十日，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。

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」)。

在本公司於二零一七年二月十七日舉行之股東特別大會上，就根據購股權計劃授予認購本公司股份之購股權之當時現有計劃授權限額已獲更新，惟根據購股權計劃授予或行使之購股權(不包括先前已授出、尚未行使、已註銷、已失效或已行使之購股權)可予配發及發行的本公司股份總數不得超過本公司於二零一七年二月十七日已發行股份之10%，即本公司的161,973,829股股份。

截至二零一七年六月三十日止六個月並無購股權計劃下之購股權授出、行使、註銷或失效。



Corporate Governance and Other Information

企業管治及其他資料

Compliance with the Corporate Governance Code

The Company recognises the importance of corporate transparency and accountability and is committed to achieving a high standard of corporate governance. Throughout the six months ended 30 June 2017, the Company has complied with all the applicable code provisions of the Corporate Governance Code and Corporate Governance Report, contained in Appendix 14 to the Listing Rules.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as its own code of conduct regarding directors' securities transactions. Specific enquiries have been made to all Directors, who have confirmed that, during the six months ended 30 June 2017, they have complied with provisions of the Model Code.

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

During the six months ended 30 June 2017, the Company repurchased 14,586,000 ordinary shares on the Stock Exchange at an aggregate consideration of HK\$65,565,000. The highest and lowest prices paid were HK\$5.27 and HK\$3.34, respectively. The repurchase was effected by the Directors for the enhancement of shareholders' value.

Except as disclosed above, 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 2017.

Interim Dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2017.

遵守企業管治守則

本公司深知企業透明度及問責制之重要性，並致力於實現高標準企業管治。截至二零一七年六月三十日止六個月，本公司已遵守上市規則附錄十四所載企業管治守則及《企業管治報告》的所有適用的守則條文。

遵守董事進行證券交易之標準守則

本公司已採納標準守則作為董事進行證券交易之操守守則。本公司向所有董事作出特定查詢後確認，於截至二零一七年六月三十日止六個月董事已遵守標準守則之條文。

購買、出售或贖回本公司上市證券

於截至二零一七年六月三十日止六個月，本公司於聯交所購回14,586,000股普通股，合共代價65,565,000港元。最高和最低支付價分別為5.27港元及3.34港元。董事會進行購回以增加股東價值。

除上述披露者外，於二零一七年六月三十日止六個月內本公司及其任何附屬公司均無購買、售出或贖回任何本公司的上市證券。

中期股息

董事不建議派付截至二零一七年六月三十日止六個月的中期股息。



Interim Results

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed the financial matters and internal control systems, including review and approved of the Group's unaudited condensed consolidated results for the six months ended 30 June 2017.

Change of Company Name

Following the passing of the special resolution for the change of company name at the annual general meeting held on 24 May 2017, a Certificate of Incorporation on Change of Name was issued by the Registrar of Companies in the Cayman Islands on 25 May 2017 and a Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 12 June 2017. The English name of the Company has been changed from "Chiho-Tiande Group Limited" to "Chiho Environmental Group Limited" and the dual foreign name in Chinese of the Company has been changed from "齊合天地集團有限公司" to "齊合環保集團有限公司".

Changes of Information in Respect of Directors

In accordance with Rule 13.51B(1) of the Listing Rules, the changes in information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules after the publication of the Annual Report 2016 of the Company are set out below:

Experience including other directorships

- (a) **Mr. Tu Jianhua (涂建華)**, an executive Director of the Company, has resigned as the Chairman of the Board and the Chairman of each of the Nomination Committee, the Executive Committee and the Strategy and Investment Committee of the Company with effect from 17 July 2017. The annual salary of Mr. Tu has been adjusted to HK\$2,300,000 which is determined with reference to his duties and responsibilities in the Company, qualifications, experience, the prevailing market conditions and the Company's remuneration policy.

中期業績

審核委員會已審檢本集團採納之會計原則及慣例，並討論有關財務申報事宜及內部監控系統，包括審閱及通過本集團截至二零一七年六月三十日止六個月之未經審核簡明綜合業績。

更改公司名稱

於在二零一七年五月二十四日舉行的股東週年大會上通過更改公司名稱的特別決議案後，開曼群島公司註冊處處長於二零一七年五月二十五日發出更改名稱註冊證書及香港公司註冊處處長於二零一七年六月十二日發出註冊非香港公司變更名稱註冊證明書。本公司英文名稱已由「Chiho-Tiande Group Limited」更改為「Chiho Environmental Group Limited」及其雙重外文中文名稱已由「齊合天地集團有限公司」更改為「齊合環保集團有限公司」。

有關董事資料的變動

根據上市規則第13.51B(1)條，本公司二零一六年年報刊登後，董事根據上市規則第13.51(2)條第(a)至(e)段及第(g)段須予披露的資料變動載列如下：

經驗(包括其他董事職務)

- (a) **涂建華先生**，本公司執行董事，已辭任本公司董事會主席、提名委員會主席、執行委員會主席及戰略與投資委員會主席職位，自二零一七年七月十七日起生效。涂先生的年薪已調整為2,300,000港元，此乃經參考彼在本公司之職務及責任、其資歷、經驗、當前市況及本公司之薪酬政策而釐定。



Corporate Governance and Other Information (continued)

企業管治及其他資料(續)

- (b) **Mr. Qin Yongming (秦永明)**, an executive Director of the Company, has resigned as the Chief Executive Officer of the Company and has been re-designated as the Chairman of the Board and the Chairman of each of the Executive Committee and the Strategy and Investment Committee of the Company and has been appointed as the Chairman of the Nomination Committee of the Company with effect from 17 July 2017. The annual salary of Mr. Qin has been adjusted to HK\$2,800,000 which is determined with reference to his duties and responsibilities in the Company, qualifications, experience, the prevailing market conditions and the Company's remuneration policy.
- (b) **秦永明先生**，本公司執行董事，已辭任本公司行政總裁，並獲調任為本公司董事會主席、執行委員會主席及戰略與投資委員會主席職位，並獲委任為本公司提名委員會主席，自二零一七年七月十七日起生效。秦先生的年薪已調整為2,800,000港元，此乃經參考彼在本公司之職務及責任、其資歷、經驗、當前市況及本公司之薪酬政策而釐定。
- (c) **Mr. Zhu Patrick Xiangdong (朱向東)**, an executive Director of the Company, has tendered his resignation as the Vice President and Chief Operation Officer of the Company and has been re-designated as the Chief Executive Officer of the Company with effect from 17 July 2017. The annual salary of Mr. Zhu has been adjusted to HK\$2,400,000 which is determined with reference to his duties and responsibilities in the Company, qualifications, experience, the prevailing market conditions and the Company's remuneration policy.
- (c) **朱向東先生**，本公司執行董事，已辭任本公司副總裁兼首席營運官，並獲調任為本公司行政總裁，自二零一七年七月十七日起生效。朱先生的年薪已調整為2,400,000港元，此乃經參考彼在本公司之職務及責任、其資歷、經驗、當前市況及本公司之薪酬政策而釐定。
- (d) **Dr. Loke Yu alias Loke Hoi Lam (陸海林)**, an independent non-executive Director of the Company, has been appointed as an independent non-executive Director at Hong Kong Resources Holdings Company Limited (Stock Code: 2882) with effect from 31 May 2017 and he became a fellow member of the Hong Kong Independent Non-Executive Director Association in 2017.
- (d) **陸海林博士**，本公司獨立非執行董事，已獲委任為香港資源控股有限公司(股份代號：2882)獨立非執行董事，自二零一七年五月三十一日起生效，彼於二零一七年成為香港獨立非執行董事協會會員。

Condensed Consolidated Statement of Profit or Loss

簡明綜合損益表

For the six months ended 30 June 2017 截至二零一七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	
		2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)
	Notes 附註		
Revenue	收益	6	8,801,545
Cost of sales	銷售成本		(7,757,022)
Gross profit	毛利		1,044,523
Other income	其他收入		50,106
Other gains/(losses), net	其他收益/(虧損)淨額	7	51,519
Distribution and selling expenses	分銷及銷售開支		(275,863)
Administrative expenses	行政開支		(489,798)
			380,487
Finance income	財務收入	8	23,238
Finance costs	財務成本	8	(185,528)
Finance costs, net	財務成本淨額		(162,290)
Share of (loss)/profit of an associate	應佔聯營公司(虧損)/溢利		(33)
Share of profits of joint ventures	應佔合資企業溢利		52,861
Profit/(loss) before income tax	除所得稅前溢利/(虧損)		271,025
Income tax expense	所得稅開支	10	(57,033)
Profit/(loss) for the period	期內溢利/(虧損)	9	213,992
Profit/(loss) attributable to:	以下各方應佔溢利/(虧損)：		
Owners of the Company	本公司擁有人		197,940
Non-controlling interests	非控股權益		16,052
			213,992
Earnings/(loss) per share attributable to owners of the Company (expressed in HK\$ per share)	本公司擁有人應佔每股盈利/(虧損) (以每股港元列示)		
Basic earnings/(loss) per share	每股基本盈利/(虧損)	12	0.122
Diluted earnings/(loss) per share	每股攤薄盈利/(虧損)	12	0.122

The notes on pages 38 to 64 form an integral part of this interim consolidated financial information.
第38頁至64頁的附註為中期綜合財務資料的一部分。

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

For the six months ended 30 June 2017 截至二零一七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	
		2017 二零一七年 HK\$ 千港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$ 千港元 (Unaudited) (未經審核)
		Notes 附註	
Profit/(loss) for the period	期內溢利/(虧損)		213,992 (172,142)
Other comprehensive income/(loss)	其他全面收入/(虧損)		
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能被重新分類至損益的項目：</i>		
Currency translation differences	貨幣匯兌差額		271,435 (17,400)
Other comprehensive income/(loss) for the period	期內其他全面收入/(虧損)		271,435 (17,400)
Total comprehensive income/(loss) for the period	期內全面收入/(虧損)總額		485,427 (189,542)
Total comprehensive income/(loss) for the period attributable to:	以下各方應佔期內全面收入/(虧損)總額：		
Owners of the Company	本公司擁有人		466,655 (188,797)
Non-controlling interests	非控股權益		18,772 (745)
			485,427 (189,542)

The notes on pages 38 to 64 form an integral part of this interim consolidated financial information.
第38頁至64頁的附註為中期綜合財務資料的一部分。

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2017 於二零一七年六月三十日



			At 30 June 2017 於二零一七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	3,142,497	3,002,859
Leasehold land and land use rights	租賃土地及土地使用權		536,441	529,330
Investment properties	投資物業		81,588	81,754
Intangible assets	無形資產		1,298,651	1,211,412
Investments accounted for using equity method	採用權益法列賬之投資		502,250	425,937
Other non-current assets	其他非流動資產		89,319	70,943
Deferred income tax assets	遞延所得稅資產		197,059	149,568
			5,847,805	5,471,803
Current assets	流動資產			
Inventories	存貨		2,616,903	1,808,758
Trade and other receivables	貿易及其他應收款項	14	2,403,101	1,752,379
Fixed return investment	固定回報投資		327,649	316,800
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產		10,368	-
Amounts due from related parties	應收關聯方款項	20	304,034	262,336
Derivative financial instruments	衍生金融工具		10,484	7,928
Tax recoverable	可收回稅項		9,979	11,345
Pledged bank deposits	已抵押銀行存款		419,194	422,732
Cash and cash equivalents	現金及現金等值項目		409,843	1,656,701
			6,511,555	6,238,979
Assets classified as held for sale	分類為持作出售的資產		143,579	161,234
Total assets	資產總值		12,502,939	11,872,016

Condensed Consolidated Statement of Financial Position (continued)

簡明綜合財務狀況表(續)

At 30 June 2017 於二零一七年六月三十日

		Notes 附註	At 30 June 2017 於二零一七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
EQUITY AND LIABILITIES	權益及負債			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	17	16,051	16,197
Other reserves	其他儲備		6,689,290	6,485,848
Accumulated losses	累計虧損		(2,187,040)	(2,384,834)
			4,518,301	4,117,211
Non-controlling interests	非控股權益		(13,978)	(32,750)
Total equity	總權益		4,504,323	4,084,461
Non-current liabilities	非流動負債			
Borrowings	借款	16	2,020,679	1,930,123
Derivative financial instruments	衍生金融工具		–	11,944
Retirement benefit obligations	退休福利責任		26,365	24,086
Other payables	其他應付款項	15	307,000	279,485
Deferred income tax liabilities	遞延所得稅負債		491,259	447,246
			2,845,303	2,692,884
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	15	2,041,785	1,503,501
Current income tax liabilities	流動所得稅負債		95,103	113,091
Borrowings	借款	16	2,847,815	3,104,205
Amounts due to related parties	應付關聯方款項	20	151,322	354,311
Derivative financial instruments	衍生金融工具		17,288	19,563
			5,153,313	5,094,671
Total liabilities	負債總值		7,998,616	7,787,555
Total equity and liabilities	權益總額及負債		12,502,939	11,872,016

The notes on pages 38 to 64 form an integral part of this interim consolidated financial information.

第38頁至64頁的附註為中期綜合財務資料的一部分。

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月



		Unaudited 未經審核											
		Attributable to owners of the Company 本公司擁有人應佔											
		Share capital	Share premium	Capital redemption reserve	Share option reserve	Capital reserve	Statutory general fund	Enterprise expansion fund	Foreign currency translation reserve	Accumulated losses	Sub-total	Non-controlling interests	Total equity
		股本	股份溢價	資本贖回儲備	購股權儲備	資本儲備	法定一般儲備	企業發展基金	外幣匯兌儲備	累計虧損	小計	非控股權益	權益總額
		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
						(note i) (附註i)	(note ii) (附註ii)	(note ii) (附註ii)					
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
Comprehensive income Loss for the period	全面收益期內 虧損	-	-	-	-	-	-	-	-	(170,498)	(170,498)	(1,644)	(172,142)
Total other comprehensive loss for the period, net of tax Currency translation differences	期內其他全面虧損總額 · 扣除稅項 匯兌差額	-	-	-	-	-	-	-	(18,299)	-	(18,299)	899	(17,400)
Total comprehensive loss for the period, net of tax	期內全面虧損總額 · 扣除稅項	-	-	-	-	-	-	-	(18,299)	(170,498)	(188,797)	(745)	(189,542)
Transactions with owners in their capacity as owners Issue of subscription shares (Note 17(a)) Capital contribution from non-controlling interests Exercise of share options Lapse of share options	與擁有人(以擁有人身份) 進行交易發行 認購股 (附註 17(a)) 非控股權益注資 行使購股權 購股權失效	310	111,425	-	-	-	-	-	-	-	111,735	-	111,735
		-	-	-	-	-	-	-	-	-	-	30,900	30,900
		2	1,088	-	(311)	-	-	-	-	-	779	-	779
		-	-	-	(1,043)	-	-	-	-	1,043	-	-	-
Total transactions with owners in their capacity as owners	與擁有人(以擁有人身份) 進行交易總額	312	112,513	-	(1,354)	-	-	-	-	1,043	112,514	30,900	143,414
At 30 June 2016	於二零一六年六月三十日	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
At 1 January 2017	於二零一七年一月一日	16,197	5,977,316	224	-	222,760	105,089	105,089	75,370	(2,384,834)	4,117,211	(32,750)	4,084,461
Comprehensive income Profit for the period	全面收益 期內溢利	-	-	-	-	-	-	-	-	197,940	197,940	16,052	213,992
Total other comprehensive income for the period, net of tax Currency translation differences	期內其他全面收益總額 · 扣除稅項 匯兌差額	-	-	-	-	-	-	-	268,715	-	268,715	2,720	271,435
Total comprehensive income for the period, net of tax	期內全面收益總額 · 扣除稅項	-	-	-	-	-	-	-	268,715	197,940	466,655	18,772	485,427
Transactions with owners in their capacity as owners Subscription shares repurchased and cancelled	與擁有人(以擁有人身份) 進行交易 已購回及註銷的 認購股份	(146)	(65,419)	146	-	-	-	-	-	(146)	(65,565)	-	(65,565)
Total transactions with owners in their capacity as owners	與擁有人(以擁有人身份) 進行交易總額	(146)	(65,419)	146	-	-	-	-	-	(146)	(65,565)	-	(65,565)
At 30 June 2017 (unaudited)	於二零一七年六月三十日 (未經審核)	16,051	5,911,897	370	-	222,760	105,089	105,089	344,085	(2,187,040)	4,518,301	(13,978)	4,504,323

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 2017 截至二零一七年六月三十日止六個月

Notes:

- (ii) 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.

The notes on pages 38 to 64 form an integral part of this interim consolidated financial information.

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。

第38頁至64頁的附註為中期綜合財務資料的一部分。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2017 截至二零一七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	
		2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)
		Notes 附註	
Cash flows from operating activities	經營活動所得現金流		
Cash generated from/(used in) operations before changes in working capital	經營所得/(所用)現金 (營運資金變動前)	535,161	(98,596)
Changes in working capital	營運資金變動	(1,400,197)	339,269
Cash (used in)/generated from operations	經營(所用)/所得現金	(865,036)	240,673
Interest paid	已付利息	(139,019)	(24,288)
Tax (paid)/refund	已(支付)/退還稅項	(1,902)	10,076
Net cash generated from operating activities	經營活動所得現金淨額	(1,005,957)	226,461
Cash flows from investing activities	投資活動所得現金流		
Placements of deposit paid for purchase of loan receivable	存入購買應收貸款 的按金	-	(2,273,894)
Increase in fixed return investment	增購固定回報投資	-	(300,000)
Placement of pledged bank deposits	存入已抵押銀行存款	(3,634)	(218,795)
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	(99,649)	(44,525)
Proceeds from disposal of property, plant and equipment and investment property	出售物業、廠房及設備以及出售物業 之所得款	65,502	715
Acquisition of subsidiaries, net of cash acquired	收購子公司，扣除已購買現金	-	(38,599)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	9,477	132,942
Other investing activities	其他投資活動	1,161	(6,913)
Net cash used in investing activities	投資活動所用現金淨額	(27,143)	(2,879,247)

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2017 截至二零一七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	
		2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)
		Notes 附註	
Cash flows from financing activities	融資活動所得現金流		
Proceeds from borrowings	借貸之所得款項	1,992,787	910,163
Repayment of borrowings	償還借款	(1,694,159)	(962,834)
Repayment of other borrowings	償還其他借款	(191,501)	(89,000)
Redemption of convertible bonds	贖回可換股債券	(67,600)	-
Repayment to an immediate holding company	向一間直接控股公司償款	(197,012)	-
Repayment to an intermediate holding company	向一間中間控股公司償還款項	(3,383)	-
Advance from an intermediate holding company	來自一間中間控股公司之墊款	12,448	-
Addition in finance lease liabilities	新增融資租賃責任	18,342	-
Repayment to finance lease liabilities	償還融資租賃責任	(35,378)	-
Repurchase of subscription shares	購回認購股份	(65,565)	-
		17(c)	
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
Capital contribution from non-controlling interests	非控股權益注資	-	30,900
Net cash used in financing activities	融資活動所得現金淨額	(231,021)	(109,992)
Cash and cash equivalents at beginning of the year	年初之現金及現金等值項目	1,656,701	3,585,720
Net decrease in cash and cash equivalents	現金及現金等值項目減少淨額	(1,264,121)	(2,762,778)
Exchange differences on cash and cash equivalents	現金及現金等值項目之匯兌差額	17,263	(2,815)
Cash and cash equivalents at end of the period	期末之現金及現金等值項目	409,843	820,127

The notes on pages 38 to 64 form an integral part of this interim consolidated financial information.

第38頁至64頁的附註為中期綜合財務資料的一部分。

Notes to the Condensed Consolidated Financial Information

簡明綜合財務資料附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月



1 General information

Chiho Environmental Group Limited (formerly known as Chiho-Tiande Group Limited) (the “Company”) is an investment holding company. The Company and its subsidiaries (together the “Group”) are mainly engaged in the principal business of metal recycling, involving the recycling of mixed metal scrap into copper scrap, steel scrap, aluminum scrap, iron scrap and other metal scrap in Asia, Europe and America.

The Company is incorporated and registered as an exempted company in the Cayman Islands under the Companies Law of the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited.

This condensed consolidated interim financial information is presented in Hong Kong Dollar (“HK\$”), unless otherwise stated.

2 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2017 has 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”). The condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

3 Accounting policies

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2016, as described in those annual consolidated financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of amendments to HKFRSs effective for the financial year ending 31 December 2017.

Amendments to HKFRSs effective for the financial year ending 31 December 2017 do not have a material impact on the Group.

1 一般資料

齊合環保集團有限公司(前稱齊合天地集團有限公司)(「本公司」)為投資控股公司。本公司及其子公司(統稱「本集團」)主要於亞洲、歐洲及美洲從事金屬再生業務，涉及將混合廢金屬回收分成廢銅、廢鋼、廢鋁、廢鐵及其他廢金屬。

本公司根據開曼群島公司法於開曼群島註冊成立及註冊為獲豁免有限公司。其註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

本公司以香港聯合交易所有限公司為第一上市地。

除另有所指外，簡明綜合中期財務資料以港元(「港元」)呈列。

2 編製基準

截至二零一七年六月三十日止六個月的簡明綜合中期財務資料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」而編製。簡明綜合中期財務資料應與根據香港財務報告準則(「香港財務報告準則」)編製的截至二零一六年十二月三十一日止年度的年度綜合財務報表一併閱讀。

3 會計政策

採用的會計政策與截至二零一六年十二月三十一日止年度的年度綜合財務報表(如該等年度綜合財務報表所述)的會計政策一致，惟採用預期總年度收益適用的稅率估計所得稅以及採納截至二零一七年十二月三十一日止財政年度生效的香港財務報告準則的修訂外。

於截至二零一七年十二月三十一日止財政年度生效的香港財務報告準則修訂本對本集團並無重大影響。

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

4 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 December 2016.

5 Financial risk management and financial instruments

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2016.

There have been no changes in the risk management policies since year end.

5.2 Liquidity risk

Compared to year ended 31 December 2016, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

4 估計

管理層須於編製中期財務資料時作出影響會計政策之應用以及資產及負債、收入及支出之呈報金額之判斷、估計及假設。實際結果可能有別於該等估計。

管理層於此編製簡明綜合中期財務資料時就應用本集團之會計政策所作出重大判斷以及估計不明朗因素之主要來源，與應用於截至二零一六年十二月三十一日止年度之年度綜合財務報表所作出者相同。

5 財務風險管理及金融工具

5.1 財務風險因素

本集團的業務使本集團面對不同財務風險：市場風險(包括外匯風險、利率風險及價格風險)、信貸風險及流動資金風險。

簡明綜合中期財務資料並不包括規定於年度財務報表載列的所有財務風險管理資料及披露，並應與本集團於二零一六年十二月三十一日的年度綜合財務報表一併閱讀。

風險管理政策自年末並無變動。

5.2 流動資金風險

與截止二零一六年十二月三十一日止年度相比，財務負債之合約未貼現現金流出並無重大變動。



5 Financial risk management and financial instruments

5.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 30 June 2017 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

5 財務風險管理及金融工具

5.3 公平值估計

下表分析本集團於二零一七年六月三十日按公平值列賬之金融工具，透過計量公平值所用之估計方法之輸入數據層級劃分。有關輸入數據在公平值層級內分為以下三級別：

- 活躍市場上相同資產或負債的報價(未經調整)(第一級)。
- 除第一級所包括的報價外，資產或負債的可直接(即價格)或間接(即從價格得出)觀察所得輸入值(第二級)。
- 並非根據可觀察市場數據釐定的資產或負債輸入值(即不可觀察輸入值)(第三級)。

Financial assets (financial liabilities)	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	30 June 2017 HK\$'000	31 December 2016 HK\$'000		
金融資產 (金融負債)	於以下日期的公平值		公平值架構	估值技術及 主要輸入數據
	二零一七年 六月三十日 千港元	二零一六年 十二月三十一日 千港元		
1) Listed securities in Hong Kong 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貿易投資之香港上市證券	10,368	-	Level 1 第一級	Quoted bid price on the Stock Exchange 聯交所所報之買入價
2) Metal commodities future 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金屬商品期貨合約	-	1,504 (4,487)	Level 1 第一級	Quoted bid commodity futures prices on the London Metal Exchange 倫敦金屬交易所所報之商品期貨買入價
3) Metal commodities future 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金屬商品期貨合約	10,022 (5,652)	1,507 (13,131)	Level 2 第二級	Par method, taking actively traded future forward rates into account 面值法，計入活躍貿易遠期匯率

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

5 Financial risk management and financial instruments (Continued)

5.3 Fair value estimation (Continued)

5.3 公平值估計(續)

Financial assets (financial liabilities)	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	30 June 2017 HK\$'000	31 December 2016 HK\$'000		
金融資產 (金融負債)	於以下日期的公平值		公平值架構	估值技術及 主要輸入數據
	二零一七年 六月三十日 千港元	二零一六年 十二月三十一日 千港元		
4) 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	462 (2,873)	4,917 (142)	Level 2 第二級	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。
5) Interest rate swap contracts classified as derivatives 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利率掉期合約	(8,763)	(13,743)	Level 2 第二級	Future cash flow are based on the present value of the estimated future cash flows based on observed yield curves. 未來現金流乃基於估計未來現金流的現值(根據所觀察的回報曲線)。
6) Embedded derivative components of convertible bonds (note) 可換股債券嵌入式衍生工具部分(附註)	-	(4)	Level 3 第三級	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。主要輸入數據為本公司股價、預期波動、股息回報率、期權期限及無風險利率。
7) Contingent consideration payable 應付或然代價	(172,781)	(158,086)	Level 3 第三級	Primarily based on the present value of the estimated future cash flow. 主要基於估計未來現金流的現值。

Notes: The significant unobservable input adopted for the valuation of the embedded derivative components of convertible bonds include the expected volatility which is determined based on the average historical volatility of the Company's share price as at the date of valuation. If the expected volatility to the Binomial Option Pricing Model was 10% higher or lower while all other variables were held constant, the carrying amount of the embedded derivative components of convertible bonds would increase by HK\$205,000 or decrease by HK\$4,000 respectively for the year ended 31 December 2016.

附註：可換股債券嵌入式衍生工具部分的估值技術中涉及的重大不可觀察輸入數據包括參考了本公司股價於估值日期之平均歷史波動的預期波動。倘於其他變數保持不變的情況下，二項期權定價模式的預期波動提高或降低10%，截至二零一六年十二月三十一日止年度的可換股債券嵌入式衍生工具之賬面值將分別增加205,000港元或減少4,000港元。

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月



5 Financial risk management and financial instruments (Continued)

5.3 Fair value estimation (Continued)

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 variable where certain variables are interdependent.

Fair value measurements recognised in the condensed consolidated balance sheet.

5 財務風險管理及金融工具(續)

5.3 公平值估計(續)

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。

簡明綜合資產負債表確認的公平值計量。

		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 30 June 2017	於二零一七年六月三十日				
Assets	資產				
Derivative financial assets	衍生金融資產	-	10,484	-	10,484
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	10,368	-	-	10,368
Liabilities	負債				
Derivative financial liabilities	衍生金融負債	-	(17,288)	-	(17,288)
Other payable - Contingent consideration payable	其他應付款項 - 應付或然代價	-	-	(172,781)	(172,781)
As at 31 December 2016	於二零一六年十二月三十一日				
Assets	資產				
Derivative financial assets	衍生金融資產	1,504	6,424	-	7,928
Liabilities	負債				
Derivative financial liabilities	衍生金融負債	(4,487)	(27,016)	-	(31,503)
Embedded derivative components of convertible bonds	可換股債券之嵌入式衍生工具部分	-	-	(4)	(4)
Other payable - Contingent consideration payable	其他應付款項 - 應付或然代價	-	-	(158,086)	(158,086)

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

5 Financial risk management and financial instruments (Continued)

5.3 Fair value estimation (Continued)

There were no transfers between the three levels during either of the period ended 30 June 2017 or year ended 31 December 2016.

There were no other changes in valuation techniques during the period.

Of the total gains for the current period included in condensed consolidated statement of profit or losses, fair value gain of HK\$4,000 (2016: HK\$2,468,000) related to embedded derivative components of convertible bonds held at the end of the reporting period. The fair value gains are included in other gains/(losses), net.

The management considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the condensed consolidated financial information approximate their fair values.

6 Segment information

The Group's revenue represents the amounts received or receivable for the sales of metal scrap, net of sales related taxes, during the period.

There are differences in the basis of operating and reportable segments from the last annual consolidated financial statements.

Before the completion of acquisition of the entire equity interest in Scholz Holding GmbH ("Scholz Holding" and together with its subsidiaries, "Scholz Group"), a world's leading metal recycler in Germany, in December 2016, the legacy Group was originally and principally engaged in metal recycling, including the recycling of mixed metal scrap into copper scrap, steel scrap, aluminum scrap, iron scrap and other metal scrap, foundry business and wholesales business in Greater China region. In the previous interim period ended 30 June 2016, the Group's board of directors, which is the Chief Operating Decision Maker ("CODM"), reviewed the internal report based on gross profit/(loss) derived from different business activities and different products to assess performance and allocate resources of the Group.

5 財務風險管理及金融工具(續)

5.3 公平值估計(續)

截至二零一七年六月三十日止期間或截至二零一六年十二月三十一日止年度，三個層級之間並無轉移。

期內，估值方法並無其他變動。

計入簡明綜合損益的本期間收益總額中，公平值收益4,000港元(二零一六年：2,468,000港元)乃與於報告期末持有的可換股債券嵌入式衍生工具部分有關。公平值收益計入其他收益/(虧損)淨額。

管理層認為，於簡明綜合財務資料內按攤銷成本計量的金融資產及金融負債的賬面值與其公平值相若。

6 分部資料

本集團收益指期內廢金屬銷售的已收金額或應收款項(扣除銷售相關稅項)。

與上一年度綜合財務報表的業務及可呈報分部基準存在差異。

於二零一六年十二月完成收購再生金屬回收商巨擘德國順爾茨控股有限公司(「順爾茨控股」，連同其附屬公司統稱為「順爾茨集團」)的全部股本前，固有集團原本主要在大中華地區從事金屬回收，包括將混合廢金屬再生成廢銅、廢鋼、廢鋁、廢鐵及其他廢金屬、鑄造業務及批發業務。於過去截至二零一六年六月三十日止六個月的中期內，本集團的董事會，即首席營運決策者(「首席營運決策者」)根據不同業務活動及不同產品的毛利/(虧損)審閱內部報告，以評估表現及分配本集團的資源。



6 Segment information (Continued)

After the acquisition of Scholz Group, the Group has extended its metal recycling business from Greater China to worldwide (including Europe and America). The main business activity of the Group is metal recycling while foundry and wholesales businesses become immaterial to the Group. From 2017 onward, the management organises the Group and reviews the Group's financial performance and allocates resources on a geographic basis and hence the operating and reportable segments are identified based on the location of main operation of legacy Group ("Greater China" region) and Scholz Group (Europe and America, collectively known as "Non-Greater China" region).

In current interim period, the Group's CODM assesses the performance of the operating segments based on the measure of adjusted operating profit/(loss). This measurement basis excludes the effects of non-operating gains/(losses), such as gain on bargain purchase on acquisition of a subsidiary, gain/(loss) on fair value change of financial assets at fair value through profit or loss. The measure also excludes centralised costs such as the Group's key managements' remunerations and other central administrative expenses. Finance income, finance costs, income tax expenses and those unallocated income and expenses are not included in the result for each operating segment that is reviewed by the Group's CODM.

The comparative segment information for the interim period ended 30 June 2016 and as at 31 December 2016 has been restated to align with the presentation of the current period's segment information disclosure.

Capital expenditure represents additions of intangible assets, property, plant and equipment and leasehold land and land use rights.

Total segment assets exclude deferred income tax assets, fixed return investment, tax recoverable, financial assets at fair value through profit or loss, derivative financial instruments and cash and cash equivalents which are managed centrally. Information relating to segment liabilities is not disclosed as such information is not regularly reported to the CODM.

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Inter-segment sales are charged at prevailing market price.

6 分部資料(續)

收購順爾茨集團後，本集團已將金屬再生業務從大中華地區擴展至全球(包括歐洲及美洲)。本集團的主要業務活動為金屬再生，而鑄造及批發業務對本集團相對無關重要。自二零一七年起，管理層按地域組織、審視本集團的財務表現及分配資源，因此，業務及可呈報分部乃按固有集團(「大中華」地區)及順爾茨集團(歐洲及美洲，統稱為「非大中華」地區)的主要營運來劃分。

於本中期期間，本集團的首席營運決策者根據經調整經營利潤/(虧損)的計量評估經營分部的表現。此計量基礎不包括非經營收益/(虧損)的影響，例如於收購一間附屬公司之議價購買收益、按公平值計入損益之金融資產的公平值變動收益/(虧損)及出售物業、廠房及設備以及投資物業之收益/(虧損)。計量亦不包括中央成本，例如本集團主要管理層的薪酬及其他中央行政開支。財務收入、財務成本、所得稅開支及該等未分配收入及開支並不包括在本集團的首席營運決策者所審閱的各個經營分部的業績中。

截至二零一六年六月三十日止中期期間及於二零一六年十二月三十一日的比較分部資料已經重列，以與本期間分部資料披露的呈列一致。

資本開支指添置無形資產、物業、廠房及設備以及租賃土地及土地使用權。

總分部資產不包括中央管理的遞延所得稅資產、固定回報投資、可收回稅項、按公平值計入損益之金融資產、衍生金融工具以及現金及現金等值項目。有關分部負債的資料並不披露，由於該等資料並非定期向首席營運決策者報告。

業務及可呈報分部的會計政策與本集團的會計政策相同。分部銷售按當前市價收費。

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

6 Segment information (Continued)

The following tables present revenue and adjusted operating profit/(loss) information regarding the Group's reportable segments for the six months ended 30 June 2017 and 2016 respectively.

6 分部資料(續)

下表分別載列有關本集團截至二零一七年及二零一六年六月三十日止六個月可呈報分部的收益及經調整經營溢利/(虧損)的資料。

		For the six months ended							
		30 June 2017				30 June 2016			
		二零一七年六月三十日				二零一六年六月三十日			
		Greater	Non-Greater			Greater	Non-Greater		
		China	China	Unallocated	Total	China	China	Unallocated	Total
		大中華	非大中華	未分配	總計	大中華	非大中華	未分配	總計
		地區	地區	地區	地區	地區	地區	地區	地區
		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
						(restated)	(restated)	(restated)	(restated)
						(經重列)	(經重列)	(經重列)	(經重列)
Revenue	收益								
External sales	外部銷售	2,280,981	6,520,564	-	8,801,545	1,513,398	-	-	1,513,398
Inter-segment sales	分部銷售	-	359,240	-	359,240	-	-	-	-
Total segment revenue	分部收益總額	2,280,981	6,879,804	-	9,160,785	1,513,398	-	-	1,513,398
Adjusted operating profit/(loss)	經調整經營溢利/(虧損)	130,307	231,978	71,030	433,315	(54,133)	-	(86,758)	(140,891)
Finance income	財務收入				23,238				9,932
Finance costs	財務成本				(185,528)				(40,760)
Profit/(loss) before income tax	除所得稅前溢利/(虧損)				271,025				(171,719)
Income tax expense	所得稅開支				(57,033)				(423)
Profit/(loss) for the period	期內溢利/(虧損)				213,992				(172,142)
Depreciation and amortisation expenses	折舊及攤銷開支	(37,783)	(146,511)	-	(184,294)	(27,558)	-	-	(27,558)
Dividend income on financial assets at fair value through profit or loss	按公平值計入損益之金融資產股息收入	-	-	13	13	-	-	8,468	8,468
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值虧損	-	-	(1,384)	(1,384)	-	-	(88,581)	(88,581)
Gain on bargain purchase	議價購買收益	-	-	-	-	-	-	88,940	88,940
Unallocated exchange loss	未分配外匯虧損	-	-	-	-	-	-	(70,608)	(70,608)
(Loss)/gain on disposal of property, plant and equipment and investment properties	出售物業、廠房及設備以及投資物業之(虧損)/收益	(276)	(2,603)	47,929	45,050	(162)	-	-	(162)

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月



6 Segment information (continued)

Segment assets

Reconciliation of segment assets to total assets for the period/year ended 30 June 2017 and 31 December 2016 are provided as follows:

6 分部資料(續)

分部資產

截至二零一七年六月三十日及二零一六年十二月三十一日止期間/年度分部資產與資產總值的對賬如下：

		For the six months ended 30 June 2017 二零一七年六月三十日 截至六個月止			For the twelve months ended 31 December 2016 二零一六年十二月三十一日 截至十二個月止		
		Greater China HK\$'000 大中華 地區 千港元	Non-Greater China HK\$'000 非大中華 地區 千港元	Total HK\$'000 總計 千港元	Greater China HK\$'000 大中華 地區 千港元	Non-Greater China HK\$'000 非大中華 地區 千港元	Total HK\$'000 總計 千港元
Segment assets	分部資產	3,559,921	7,977,636	11,537,557	2,706,914	7,022,760	9,729,674
Segment assets	分部資產			11,537,557			9,729,674
Deferred income tax assets	遞延所得稅資產			197,059			149,568
Fixed return investment	固定回報投資			327,649			316,800
Financial assets at fair value through profit or loss	按公平值計入損益 之金融資產			10,368			-
Tax recoverable	可收回稅項			9,979			11,345
Derivative financial instruments	衍生金融工具			10,484			7,928
Cash and cash equivalents	現金及現金等值項目			409,843			1,656,701
Total assets	資產總值			12,502,939			11,872,016

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

7 Other gains/(losses), net

7 其他收益／(虧損)淨額

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Gains/(losses) on fair value change of:	公平值變動 收益／(虧損)：		
– derivative financial instruments	– 衍生金融工具	17,663	(331)
– financial assets at fair value through profit or loss	– 按公平值計入 損益之金融資產	(1,384)	(88,581)
– embedded derivative components of convertible bond (Note 16(c))	– 可換股債券的嵌入 式衍生工具部分 (附註 16(c))	4	2,468
Gain on bargain purchase on acquisition of a subsidiary	於收購一間附屬公司 之議價購買收益	–	88,940
Net foreign exchange gain/(loss)	匯兌收益／(虧損)淨額	5,166	(107,023)
Provision for impairment of trade and other receivables	貿易及其他應收款項 之減值撥備	(15,872)	(482)
Reversal of impairment of trade and other receivables	貿易及其他應收款項 之減值撥回	1,807	5,154
Gain/(loss) on disposal of property, plant and equipment and investment properties	出售物業、廠房及設備以 及投資物業之 收益／(虧損)	45,050	(162)
Others	其他	(915)	(440)
		51,519	(100,457)

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月



8 Finance costs, net

8 財務成本淨額

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Interest income from bank deposits	銀行存款之利息收入	5,520	3,718
Interest income from joint ventures (Note 20(a))	合營企業之利息收入 (附註20(a))	385	—
Interest income from related parties (Note 20(a))	關聯方之利息收入 (附註20(a))	6,484	—
Interest income from fixed return investment	固定回報投資之利息收入	10,849	6,214
Finance income	財務收入	23,238	9,932
Interest expense on bank loans, overdrafts and bills payable	銀行貸款、透支及應付票據之利息開支	(68,538)	(20,734)
Interest expense on notes payable	票據應付款項之利息開支	(107,268)	—
Interest expense on finance lease	融資租賃之利息開支	(5,184)	—
Effective interest expenses on convertible bond (Note 16(c))	可換股債券之實際利息開支(附註16(c))	(3,255)	(20,026)
Interest expense on loan from the immediate holding company (Note 20(a))	來自直接控股公司的貸款之利息開支 (附註20(a))	(162)	—
Interest expense on loan from an intermediate holding company (Note 20(a))	來自中間控股公司的貸款之利息開支 (附註20(a))	(855)	—
Interest expense on loan from related parties (Note 20(a))	來自關聯方的貸款之利息開支(附註20(a))	(266)	—
Finance costs	財務成本	(185,528)	(40,760)
Finance costs, net	財務成本淨額	(162,290)	(30,828)

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

9 Profit/(loss) for the period

9 期內溢利/(虧損)

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit/(loss) for the period has been arrived after charging/(crediting):	扣除/(計入)下列各項後達致之期內溢利/(虧損):		
Changes in inventories of finished goods	製成品存貨之變動	(490,903)	310,190
Raw materials and consumables used	所用原料及消耗品	7,409,811	1,156,736
Provision for/(utilisation of provision for) inventories, net	存貨撥備/(動用撥備)淨額	5,164	(76,167)
Employee benefit expenses	僱員福利開支	527,598	83,465
Depreciation and amortisation expenses	折舊及攤銷開支	184,294	27,558
Legal and professional fee	法律及專業費用	66,255	35,566

10 Income tax

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the current interim period. No provision for Hong Kong profit tax has been made as the Hong Kong subsidiaries had no assessable profit for last period.

Under the law of the PRC on Enterprise Income Tax (the "EIT") and the relevant EIT Implementation Regulations, the tax rate of PRC EIT was 25% in the previous interim period.

Germany income tax has been provided at rate of approximately 30% on the estimated assessable profit in current interim period.

Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates respectively. Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

10 所得稅開支

香港利得稅乃根據本中期間估計應課稅溢利，按稅率16.5%計算準備。由於香港附屬公司於上一期間並無應課稅溢利，故並無作出香港利得稅撥備。

按照《中國企業所得稅法》(「企業所得稅」)及相關的企業所得稅法實施條例，於上一中期間，中國企業所得稅之稅率為25%。

德國所得稅乃根據本中期間估計應課稅溢利，按稅率約30%計算準備。

海外利潤之稅項乃分別根據年內估計應課稅溢利，按本集團經營所在的國家之現行稅率準備。所得稅開支乃根據管理層對整個財政年度的預期估計加權平均年度所得稅稅率確認。

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月



10 Income tax (continued)

The amount of taxation charged to the condensed consolidated interim statement of profit or loss represents:

10 所得稅開支(續)

簡明綜合中期損益財務資料所扣除的稅項金額為：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Current income tax:	即期所得稅：		
Germany	德國	54,905	—
PRC EIT	中國企業所得稅	—	141
Hong Kong profits tax	香港利得稅	58	—
Other jurisdictions	其他司法權區	3,253	101
		58,216	242
Deferred income tax (credit)/expense	遞延所得稅 (抵免)/開支	(1,183)	181
Income tax expense	所得稅開支	57,033	423

11 Dividend

No dividend was paid or proposed during current and previous interim periods. The directors of the Company have determined that no dividend will be paid in respect of the period ended 30 June 2017 and 2016.

11 股息

於本中期期間及過往中期期間概無派付、宣派或擬派付任何股息。本公司董事已決定截至二零一七年及二零一六年六月三十日止期間不會派付任何股息。

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

12 Earnings/(loss) per share

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

Profit/(loss)	溢利/(虧損)
Profit/(loss) for the period attributable to owners of the Company	本公司擁有人應佔本期間溢利/(虧損)
Number of shares	股份數目
Weighted average number of ordinary shares in issues	已發行普通股加權平均數
Basic earnings/(loss) per share (expressed in HK\$)	每股基本盈利/(虧損)(每股港元)

(b) Diluted

Diluted earnings per share equals basic earnings per share as there were no potential dilutive shares in issue during the six months ended 30 June 2017 and 2016.

13 Property, plant and equipment

During the current interim period, the Group acquired plant and equipment of HK\$99,649,000 (2016: HK\$238,873,000), including HK\$194,348,000 is arising from the acquisition of subsidiaries for the interim period ended 30 June 2016 (2017: Nil). Plant and equipment with a net book value of HK\$11,121,000 were disposed of by the Group during the current interim period (2016: HK\$2,308,000), resulting in a net gain on disposal of HK\$6,793,000 (2016: a loss on disposal of HK\$162,000).

12 每股盈利/(虧損)

(a) 基本

每股基本盈利/(虧損)乃按本公司擁有人應佔本期間溢利/(虧損)除以已發行普通股加權平均數計算得出。

Six months ended 30 June 截至六月三十日止六個月

2017	2016
二零一七年	二零一六年
HK\$'000	HK\$'000
千港元	千港元
197,940	(170,498)
1,617,805,507	1,606,010,572
0.122	(0.106)

(b) 攤薄

由於截至二零一七年及二零一六年六月三十日止六個月並無已發行潛在可攤薄股份，故每股攤薄盈利相等於每股基本盈利。

13 物業、廠房及設備

於本中期期間，本集團購入廠房及設備99,649,000港元(二零一六年：238,873,000港元)，包括於截至二零一六年六月三十日止中期期間收購附屬公司的194,348,000港元(二零一七年：無)。本集團於本中期期間出售賬面值為11,121,000港元的廠房及設備(二零一六年：2,308,000港元)，導致錄得出售收益淨額6,793,000港元(二零一六年：出售虧損淨額162,000港元)。

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月



14 Trade and other receivables

14 貿易及其他應收款項

		At 30 June 2017 於二零一七年 六月三十日 HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元
Trade receivables	貿易應收款項	2,082,592	1,475,173
Less: Provision for impairment	減：減值撥備	(25,546)	(17,564)
Trade receivables, net	貿易應收款項淨額	2,057,046	1,457,609
Bills receivables	票據應收款項	-	1,217
Other receivables	其他應收款項	36,598	73,953
Deposits and prepayments	按金及預付款項	89,061	67,718
Deposits paid for purchase of raw materials	購買原料之已付按金	77,566	25,429
VAT recoverable	可退回增值稅	142,830	126,453
		2,403,101	1,752,379

The Group generally grants credit terms ranging from 30 to 90 days to customers upon the approval of management according to the credit quality of individual customers. At 30 June 2017 and 31 December 2016, the aging analysis of the trade receivables based on invoice date were as follows:

在獲得管理層批准後，本集團一般根據個別客戶的信貸紀錄，向客戶授出介乎30至90日的信貸期。於二零一七年六月三十日及二零一六年十二月三十一日，貿易應收款項按發票日期的賬齡分析如下：

		At 30 June 2017 於二零一七年 六月三十日 HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元
0-90 days	0至90日	1,817,604	1,304,704
91-180 days	91至180日	229,557	33,658
Over 180 days	超過180日	35,431	136,811
		2,082,592	1,475,173

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

15 Trade and other payables

15 貿易及其他應付款項

		At 30 June 2017 於二零一七年 六月三十日 HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元
Trade payable	貿易應付款項	1,465,350	919,923
Other tax payable	其他應付稅項	83,961	37,012
Accrued salaries	應計薪金	94,645	111,661
Provision for claims and contingencies	申索及或然事項撥備	52,697	70,748
Accrued professional expenses	應計專業費用	23,767	50,718
Asset retirement obligations	資產報廢責任	75,273	71,660
Other payables and accruals	其他應付款項及應計費用	553,092	521,264
		2,348,785	1,782,986
Less: Non-current portion	減：非流動部分		
Other payable	其他應付款項	(307,000)	(279,485)
		2,041,785	1,503,501

The aging analysis of the trade payables based on invoice date was as follows:

貿易應付款項按發票日期的賬齡分析如下：

		At 30 June 2017 於二零一七年 六月三十日 HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元
0-90 days	0至90日	1,386,919	825,561
91-180 days	91至180日	54,534	23,127
Over 180 days	超過180日	23,897	71,235
		1,465,350	919,923

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月



16 Borrowings

16 借款

		At 30 June 2017 於二零一七年 六月三十日 HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元
Non-current	非流動		
Bank borrowings (Note a)	銀行借款(附註a)	362,802	333,905
Note payable (Note b)	應付票據(附註b)	1,519,861	1,464,862
Finance lease liabilities	融資租賃責任	138,016	131,356
		2,020,679	1,930,123
Current	流動		
Bank borrowings (Note a)	銀行借款(附註a)	2,770,723	2,849,715
Other borrowings (Note a)	其他借款(附註a)	-	110,573
Convertible bonds (Note c)	可換股債券(附註c)	-	66,971
Finance lease liabilities	融資租賃責任	77,092	76,946
		2,847,815	3,104,205
Total borrowings	總借款	4,868,494	5,034,328

Notes:

(a) Bank and other borrowings

During the current interim period, the Group obtained new bank and other borrowings of HK\$1,992,787,000 (2016: HK\$910,163,000) and made repayments of HK\$1,885,660,000 (2016: HK\$962,834,000). Bank and other borrowings mature at various dates up to 2023 and bear average coupons ranging from 1.40%-5.80% per annum (2016: 1.55% to 6.50% per annum). A bank borrowing of approximately US\$52,400,000 (equivalent to HK\$409,029,000) was guaranteed by the ultimate holding company, the Loncin Group Co., Ltd ("Loncin Group").

(b) Note payable

On 20 December 2016, the Company issued a 8% note with a principal amount of US\$200 million to an independent third party (the "Subscriber"). The note matures in 2 years from the issue date and can be extended for one year subject to agreement of both parties. Mr. Tu Jianhua, the ultimate beneficial owner of the Company, and the immediate holding company, USUM Investment Group Hong Kong Limited ("USUMHK"), shall also provide a personal guarantee and a corporate guarantee respectively to the subscriber. No repayment or redemption during the current interim period.

附註:

(a) 銀行及其他借款

於本中期期間，本集團獲得新增銀行及其他借款1,992,787,000港元(二零一六年：910,163,000港元)及償還1,885,660,000港元(二零一六年：962,834,000港元)。銀行及其他借款於不同日期到期，直至二零二三年為止，平均年利率介乎1.40%至5.80%(二零一六年：1.55%至6.50%)。銀行借款約52,400,000美元(相當於約409,029,000港元)由最終控股公司隆鑫集團有限公司(「隆鑫集團」)擔保。

(b) 應付票據

於二零一六年十二月二十日，本公司向一名獨立第三方(「認購人」)發行本金額為200,000,000美元的8%票據。票據由發行日期起計兩年內到期，倘若雙方同意，可延長一年。最終實益擁有人涂建華先生及直接控股公司渝商投資集團(香港)有限公司(「渝商香港」)亦須向認購人分別提供個人擔保及公司擔保。本中期期間概無償還或贖回。

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

16 Borrowings (continued)

Notes: (continued)

(c) Convertible bonds

		Debt component	Embedded derivative components
		債務部分 HK\$'000 千港元	嵌入式 衍生部分 HK\$'000 千港元
Carrying amount at 1 January 2016	於二零一六年一月一日之賬面值	58,812	9,615
Interest charge	利息支出	10,863	-
Interest paid	已付利息	(2,704)	-
Fair value gain	公平值收益	-	(9,611)
Carrying amount at 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日 及二零一七年一月一日 之賬面值	66,971	4
Interest charge (Note 8)	利息支出(附註8)	1,981	-
Interest paid	已付利息	(1,352)	-
Redemption	贖回	(67,600)	-
Fair value gain (Note 7)	公平值收益(附註7)	-	(4)
Carrying amount at 30 June 2017	於二零一七年六月三十日之賬面值	-	-

The Convertible Bonds matured on 1 March 2017 and the Company redeemed all outstanding Convertible Bonds on the same day, all certificates of the Convertible Bonds have been cancelled immediately upon the redemption.

The details of the Convertible Bonds are disclosed in Note 29(b) of the Company's annual report 2016 dated 23 March 2017.

16 借款(續)

附註:(續)

(c) 可換股債券

	Debt component	Embedded derivative components
	債務部分 HK\$'000 千港元	嵌入式 衍生部分 HK\$'000 千港元
Carrying amount at 1 January 2016	58,812	9,615
Interest charge	10,863	-
Interest paid	(2,704)	-
Fair value gain	-	(9,611)
Carrying amount at 31 December 2016 and 1 January 2017	66,971	4
Interest charge (Note 8)	1,981	-
Interest paid	(1,352)	-
Redemption	(67,600)	-
Fair value gain (Note 7)	-	(4)
Carrying amount at 30 June 2017	-	-

可換股債券於二零一七年三月一日到期，本公司已於同日贖回所有可換股債券。所有可換股債券證書於贖回後均已即時被註銷。

有關可換股債券的詳情，請參閱本公司日期為二零一七年三月二十三日的二零一六年年度報告附註29(b)。

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月



17 Share capital Authorised share capital

17 股本 法定股本

		Numbers of shares 股份數目 (Thousands) (千股)	Share capital 股本 HK\$'000 千港元
Ordinary shares of HK\$0.01 each at 1 January 2016, 30 June 2016, 1 January 2017 and 30 June 2017	於二零一六年一月一日、二零一六年六月三十日、二零一七年一月一日及二零一七年六月三十日 每股面值0.01港元之普通股	5,000,000	50,000
Issued and fully paid	已發行及繳足		
At 1 January 2016	於二零一六年一月一日	1,588,515	15,885
Issue of shares (note a)	發行股份(附註a)	31,038	310
Exercise of share options (note b)	行使購股權(附註b)	186	2
At 30 June 2016	於二零一六年六月三十日	1,619,739	16,197
At 1 January 2017	於二零一七年一月一日	1,619,739	16,197
Repurchase of shares (note c)	購回股份(附註c)	(14,586)	(146)
At 30 June 2017	於二零一七年六月三十日	1,605,153	16,051

Notes:

- (a) The Company issued 31,037,585 shares on 21 March 2016 to acquire 100% equity interest in Dalian New Green Recycle & Resources Corporation, as part of the consideration. The fair value of the shares issued amounted to HK\$112 million (HK\$3.60 per share).
- (b) During the year ended 31 December 2016, 186,000 share options under the post-IPO share option scheme were exercised at a subscription price of HK\$4.186 per share, resulting in the issue of 186,000 ordinary shares of HK\$0.01 each in the Company.
- (c) During the current interim period, the Company repurchased 14,586,000 of its own shares on the Stock Exchange, which were cancelled and deducted from shareholders' equity at the end of the current reporting period, at an aggregate consideration of approximately HK\$65,565,000. The highest and lowest prices paid were HK\$5.27 and HK\$3.34, respectively.
- (d) All the above-mentioned new shares rank pari passu with the existing shares in all respects.

附註:

- (a) 本公司於二零一六年三月二十一日發行31,037,585股股份作為收購大連新綠再生資源加工有限公司100%權益之部分代價。已發行股份之公平值為112百萬港元(每股3.60港元)。
- (b) 於截至二零一六年十二月三十一日止年度, 186,000份購股權已根據首次公開發售後購股權計劃按每股4.186港元之認購價獲行使, 因此本公司發行186,000股每股0.01港元之普通股。
- (c) 於本中期期間, 本公司購回其於聯交所之14,586,000股股份, 其於本中期期末註銷並從股東權益中扣除, 總代價約為65,565,000港元。已付最高及最低價格分別為5.27港元及3.34港元。
- (d) 所有上述股份於所有方面與現有股份享有同等地位。

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

18 Pledge of assets

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

18 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銀行借款一般銀行信貸：

		At 30 June 2017 於二零一七年 六月三十日 HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	749,881	694,717
Leasehold land and land use rights	租賃土地及土地使用權	324,433	317,578
Investment properties	投資物業	69,347	55,641
Inventories	存貨	557,311	428,491
Trade and other receivables	貿易及其他應收款項	1,897,759	1,527,061
Pledged bank deposits	已抵押銀行存款	419,194	422,732
		4,017,925	3,446,220

19 Commitments

(a) Capital commitments

At the end of the reporting periods, capital expenditure contracted for but not yet incurred is as follows:

19 承擔

(a) 資本承擔

於報告期末，已訂約但未產生之資本開支如下：

		At 30 June 2017 於二零一七年 六月三十日 HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元
Capital expenditure contracted for but not provided in the condensed consolidated financial information in respect of:	已訂約但未於簡明綜合財務資料中撥備的資本開支：		
– acquisition of property, plant and equipment	– 收購物業、廠房及設備	416,873	129,869
– acquisition of land use right	– 收購土地使用權	39,175	–
		456,048	129,869

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月



19 Commitments (continued)

(b) Operating lease commitments – as lessee

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

19 承擔(續)

(b) 經營租賃承擔 – 承租人

根據不可撤銷經營租賃之未來最低租賃付款總額如下：

		At 30 June 2017 於二零一七年 六月三十日 HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元
Land and buildings	土地及樓宇		
– No later than 1 year	– 不遲於一年	45,733	25,742
– Later than 1 year and no later than 5 years	– 遲於一年但不 遲於五年	52,268	63,889
– Later than 5 years	– 遲於五年	50,745	50,618
		148,746	140,249
Property, plant and equipment	物業、廠房及設備		
– No later than 1 year	– 不遲於一年	25,280	24,212
– Later than 1 year and no later than 5 years	– 遲於一年但不 遲於五年	17,530	25,308
		42,810	49,520

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

19 Commitments (continued)

(c) Operating lease commitments – as lessor

The future aggregate minimum lease payments receivable under non-cancellable operating leases are as follows:

		At 30 June 2017 於二零一七年 六月三十日 HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元
Land and buildings	土地及樓宇		
– No later than 1 year	– 不遲於一年	10,387	9,962
– Later than 1 year and no later than 5 years	– 遲於一年但不 遲於五年	30,152	25,701
– Later than 5 years	– 遲於五年	32,818	38,055
		73,357	73,718

20 Related parties transactions

The Group is controlled by USUMHK which owns 62% of the Company's shares. The remaining 38% of the shares are widely held. The ultimate holding company of the Group is Loncin Group Co., Ltd (incorporated in the PRC). The ultimate controlling party of the Group is Mr. Tu Jianhua.

(a) Transactions

In addition to those disclosed elsewhere in the condensed consolidated financial information, the Group had the following transactions with its related parties during the interim period ended 30 June 2017 and 2016.

19 承擔(續)

(c) 經營租賃承擔 – 出租人

根據不可撤銷經營租賃之未來最低租賃付款總額如下：

20 關聯方交易

本集團由渝商香港控制，渝商香港擁有本公司約62%股份。其餘約38%股份由廣泛持有人持有。本集團最終控股公司為隆鑫集團有限公司(於中國註冊成立)。本集團最終控制方為涂建華先生。

(a) 交易

除已在簡明綜合財務資料其他部分披露外，本集團於截至二零一七年及二零一六年六月三十日止中期期間曾與其關聯方進行以下交易。

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月



20 Related parties transactions (continued)

(a) Transactions (continued)

All of the transactions were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties. They are summarized as follows:

20 關聯方交易(續)

(a) 交易(續)

所有交易均於本集團日常業務過程中按交易雙方所協定的條款進行，詳情概述如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Sales of goods to	向以下各方銷售商品		
– Joint ventures	– 合營企業	80,835	–
– Related parties	– 關聯方	238,748	–
Purchases of goods from	從以下各方購買商品		
– An associate	– 聯營公司	(48,998)	(17,369)
– Joint ventures	– 合營企業	(185,195)	–
– Related parties	– 關聯方	(112,447)	–
Interest income from	來自以下各方之利息收入		
– Joint ventures	– 合營企業	385	–
– Related parties	– 關聯方	6,484	–
Interest expense to	支付予以下各方之利息開支		
– An immediate holding company	– 直接控股公司	(162)	–
– An intermediate holding company	– 中間控股公司	(855)	–
– Related parties	– 關聯方	(266)	–
Other income from (note)	來自以下各方之其他收入(附註)		
– An associate	– 聯營公司	–	621
– Joint ventures	– 合營企業	2,285	–
– Related parties	– 關聯方	6,189	–
Administrative expenses	行政開支		
– Management fee paid to joint ventures	– 支付予合營企業的管理費用	(236)	–
– Lease expense paid to related parties	– 支付予關聯方的租賃開支	(4,686)	–

Note: Other income mainly comprised of management fee income, rental income, commission income.

附註：其他收入主要包括管理費用收入、租金收入、佣金收入。

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

20 Related parties transactions (continued)

(b) Key management compensation

Key management includes executive directors, chief executive officer, chief financial officer, chief operation officer, chief investment officer and chairman of the Company. The compensation paid or payable to key management for employee services is shown below:

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Wages and salaries, including restructuring costs and other termination benefits	工資及薪金，包括重組成本及其他終止僱傭福利	5,461	3,788
Pension costs – defined contribution plans	退休金成本－界定供款計劃	51	30
Other employee benefits	其他僱員福利	300	–
Total	總計	5,812	3,818

(c) Period-end balances

		At 30 June 2017 於二零一七年 六月三十日 HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元
Receivables from:	應收以下各方款項：		
– An associate (Note (i))	– 聯營公司(附註(i))	–	14
– Joint ventures (Note (ii))	– 合營企業(附註(ii))	111,713	138,849
– Related parties (Note (ii))	– 關聯方(附註(ii))	192,321	123,473
		304,034	262,336
Payables to:	應付以下各方款項：		
– An associate (Note (iii))	– 聯營公司(附註(iii))	(9,396)	(6,641)
– Joint ventures (Note (iv))	– 合營企業(附註(iv))	(34,199)	(19,960)
– Related parties (Note (iv))	– 關聯方(附註(iv))	(88,140)	(120,637)
		(131,735)	(147,238)

20 關聯方交易(續)

(b) 主要管理層薪酬

主要管理層包括執行董事、行政總裁、首席財務官、首席營運官、首席投資官及本公司主席。就提供僱員服務而已付或應付主要管理層的薪酬列示如下：

(c) 期末結餘

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月



20 Related parties transactions (continued)

(c) Period-end balances

Note:

- (i) The receivable from an associate, Poly Metals, is a sundry income receivable. The receivable is unsecured, repayable on demand and non-interest bearing.
- (ii) The receivables from joint ventures and related parties include trade receivables and other receivables. Trade receivables are unsecured, repayable within 60 days and non-interest bearing. Other receivables are unsecured, mature at various dates up to 2018 and bearing average interests ranging from nil to 10.00% per annum.
- (iii) The payable to an associate, Poly Metals, is a trade payable. The payable is under normal payment terms.
- (iv) The payables to joint ventures and related parties include trade payables and other payables. Trade payables are unsecured, repayable within 60 days and non-interest bearing. Other payable is unsecured, repayable on demand and bearing interest at 5.50% per annum.

The carrying amounts of the related parties balances approximate their fair values.

20 關聯方交易(續)

(c) 期末結餘

附註：

- (i) 應收聯營公司寶勵款項為應收雜項收入。該應收款項為無抵押、須按要求償還及不計息。
- (ii) 應收合營企業及關聯方款項包括貿易應收款項及其他應收款項。貿易應收款項屬無抵押、須於60日內償還及不計息。其他應收款項屬無抵押、將於直至二零一八年為止不同日期到期，平均年利率介乎零至10.00%。
- (iii) 應付聯營公司寶勵款項為貿易應付款項。應付款項屬於一般支付條款。
- (iv) 應付合營企業及關聯方款項包括貿易應付款項及其他應付款項。貿易應付款項屬無抵押、須於60日內償還及不計息。其他應付款項屬無抵押、按要求償還，年利率為5.50%。

關聯方結餘之賬面值與其公平值相若。

		At 30 June 2017 於二零一七年 六月三十日 HK\$'000 千港元	At 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元
Amount due to:	應付以下各方款項：		
– Immediate holding company (Note (i))	– 直接控股公司(附註(i))	–	(197,012)
– Intermediate holding company (Note (ii))	– 中間控股公司(附註(ii))	(19,587)	(10,061)
		(19,587)	(207,073)

Notes:

- (i) The loan from USUMHK represents the US\$25,000,000 loan to the Group with interest at 3.5% per annum and fully repaid in January 2017.
- (ii) The loans from USUM Investment Group Limited represents the RMB17,000,000 (2016: RMB9,000,000) loan to the Group with interest at 8% per annum and repayable within 1 year.

附註：

- (i) 渝商香港貸款指給予本集團年利率為3.5%之25,000,000美元貸款，並於二零一七年一月悉數償還。
- (ii) 渝商投資集團股份有限公司貸款指給予本集團年利率為8%之人民幣17,000,000元(二零一六年：人民幣9,000,000元)貸款，須於一年內償還。

Notes to the Condensed Consolidated Financial Information (continued)

簡明綜合財務資料附註(續)

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

21 Contingencies

- (a) 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 ("Delco Asia") to subsidiaries of the Company, amounting to approximately HK\$57,827,000 together with interest and costs. Delco alleged that it acquired the assets and liabilities of Delco Asia in 2011. Delco Asia was dissolved by deregistration in 2012. Each of Mr. Fang and HWH undertook to the Company to indemnify and hold the Company harmless on demand against all losses arising out of, inter alia, the Claim 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 (the "Indemnity"). In addition, HWH has paid the amount of HK\$57,827,000 to a lawyer in an escrow account ("Escrow Account") as security for any liability of the Company in respect of, inter alia, the Claim.

The court case is still in progress. The directors of the Company, after taking legal advice from its legal advisers and in review of the Indemnity and the Escrow Account, are of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle the Claim. Accordingly, no provision of the claim has been made.

- (b) The Company is a defendant to a legal claim by Delco (the "Claim") regarding an alleged breach of a letter of undertaking in relation to a convertible bond issued by the Company and subscribed for by Delco. Delco further claimed against Chiho-Tiande (HK) limited ("CTHK") for a sum of US\$1,000,000, allegedly advanced by Delco Asia to CTHK. Delco further claims interests, costs and further or other relief of HK\$6,252,000.

The court case is still in progress. The directors of the Company, after taking legal advice from its legal advisers, is of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle the Claim. Accordingly, no provision of the claim has been made.

21 或然事項

- (a) 本公司為Delco就聲稱未償還Delco Asia Company Limited(「Delco Asia」)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。Delco稱其已於二零一一年收購Delco Asia的資產及負債。於二零一二年，Delco Asia以撤銷註冊方式解散。方先生及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該訴訟產生的所有損失及使本公司不受到損失(「彌償」)。此外，HWH已向律師支付57,827,000港元的信託賬戶(「信託賬戶」)，作為本公司有關(其中包括)該訴訟的任何責任的擔保。

訴訟現正在進行中。經考慮本公司法律顧問的法律意見及審閱彌償及信託賬戶後，本公司董事認為履行該訴訟不可能導致經濟利益的流出。因此，並無就索賠作出撥備。

- (b) 本公司為Delco就聲稱違反本公司所發行及Delco所認購之可換股債券所涉及之承諾函件而提起的法律索賠(「該訴訟」)的被告人。Delco進一步向齊合天地(香港)有限公司(「齊合香港」)申索金額1,000,000美元，該款項聲稱是由Delco Asia墊付予齊合香港。Delco再申索利息、訟費及進一步或其他寬免，涉及金額6,252,000港元。

訴訟現正在進行中。經考慮本公司法律顧問的法律意見後，本公司董事認為履行該訴訟不可能導致經濟利益的流出。因此，並無就索賠作出撥備。



CHIHO ENVIRONMENTAL GROUP LIMITED
齊合環保集團有限公司

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