



ELL Environmental Holdings Limited 强泰环保控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 1395

2020

Interim Report

中期報告

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Corporate Information 公司資料

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. CHAU On Ta Yuen *BBS, SBS (Chairman)*
Mr. CHAN Kwan *(Chief Executive Officer)*
Mr. Radius SUHENDRA
Mr. CHAU Chi Yan Benny

NON-EXECUTIVE DIRECTOR

Mr. CHAN Pak Lam Brian

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. NG Chung Yan Linda
Mr. NG Man Kung
Ms. LEUNG Bo Yee Nancy

BOARD COMMITTEES

AUDIT COMMITTEE

Ms. NG Chung Yan Linda *(Chairlady)*
Mr. NG Man Kung
Ms. LEUNG Bo Yee Nancy

NOMINATION COMMITTEE

Mr. CHAU On Ta Yuen *(Chairman)*
Mr. CHAN Kwan
Ms. NG Chung Yan Linda
Mr. NG Man Kung
Ms. LEUNG Bo Yee Nancy

REMUNERATION COMMITTEE

Mr. NG Man Kung *(Chairman)*
Mr. CHAN Pak Lam Brian
Ms. NG Chung Yan Linda
Ms. LEUNG Bo Yee Nancy

REGISTERED OFFICE

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

董事會

執行董事

周安達源先生 *BBS, SBS (主席)*
陳昆先生 *(行政總裁)*
蘇堅人先生
周致人先生

非執行董事

陳栢林先生

獨立非執行董事

伍頌恩女士
吳文拱先生
梁寶儀女士

董事委員會

審核委員會

伍頌恩女士 *(主席)*
吳文拱先生
梁寶儀女士

提名委員會

周安達源先生 *(主席)*
陳昆先生
伍頌恩女士
吳文拱先生
梁寶儀女士

薪酬委員會

吳文拱先生 *(主席)*
陳栢林先生
伍頌恩女士
梁寶儀女士

註冊辦事處

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

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

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

於中華人民共和國（「中國」）的總部

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 5, 7th Floor, Westlands Centre
20 Westlands Road
Hong Kong

香港主要營業地點

香港
華蘭路20號
華蘭中心7樓5室

AUTHORISED REPRESENTATIVES

Mr. CHAN Kwan
Sir KWOK Siu Man *KR*

授權代表

陳昆先生
郭兆文 黎利騎士勳賢

COMPANY SECRETARY

Sir KWOK Siu Man *KR*

公司秘書

郭兆文 黎利騎士勳賢

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR

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

開曼群島主要股份過戶登記處

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

HONG KONG BRANCH SHARE REGISTRAR

Boardroom Share Registrars (HK) Limited
Room 2103B, 21st Floor
148 Electric Road
North Point
Hong Kong

香港證券登記分處

寶德隆證券登記有限公司
香港
北角
電氣道148號
21樓2103B室

PRINCIPAL BANKERS

Chiyu Banking Corporation Limited
The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited

主要來往銀行

集友銀行有限公司
香港上海滙豐銀行有限公司
中國銀行（香港）有限公司

Corporate Information

公司資料

INDEPENDENT AUDITOR

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong

LEGAL ADVISORS

AS TO HONG KONG LAW:

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

AS TO PRC LAW:

King & Wood Mallesons

WEBSITE

www.ellhk.com

LISTING INFORMATION

PLACE OF LISTING

Main Board of The Stock Exchange of Hong Kong Limited

BOARD LOT

5,000 Shares

STOCK CODE

1395

獨立核數師

天職香港會計師事務所有限公司
執業會計師
香港

法律顧問

有關香港法律：

陳浩銘律師事務所
與泰樂信聯盟

有關中國法律：

金杜律師事務所

公司網站

www.ellhk.com

上市資料

上市地點

香港聯合交易所有限公司主板

買賣單位

5,000 股股份

股份代號

1395

Dear Shareholders,

On behalf of the board (the “Board”) of directors (the “Directors”) of ELL Environmental Holdings Limited (“ELL Environmental” or the “Company”, together with its subsidiaries, the “Group”), I present the interim report of the Company for the six months ended 30 June 2020 (the “Period”).

According to the data from China's National Bureau of Statistics, China's gross domestic product for the first quarter of 2020 was RMB20.7 trillion¹, representing a 6.8% drop over the same period last year. The novel coronavirus disease 2019 (the “COVID-19”) pandemic has brought unprecedented challenges to the Chinese economy, and all the main economic indicators have shown weak trends. However, China's environmental protection industry managed to stay stable during 2020. The Chinese government's “13th Five-Year Plan” for Nationwide Integrated Treatment of Rural Environment (全國農村環境綜合整治「十三五」規劃) has stepped into its final year, and the “improvement in quality and efficiency” work of wastewater treatment facilities has still been accelerating during the pandemic. By setting goals of guaranteeing the safety of drinking water and eliminating black and odorous water bodies in cities, China has gradually solved various issues of water quality through the use of systematic and scientific integrated management measures as well as proactive rectification towards water pollution and water ecosystem. Since demand for wastewater treatment business in China still sustains, the Company will continue to keep a keen pulse on the changes in the market and national policies in the future, so as to respond quickly and to develop business with a prudent approach.

Although support from national policies has led to the strong development of the environmental protection industry in China, the Group still faces challenges arising from fierce competition within the overall industry. In the fourth quarter of 2016, with the aim of developing new business directions, the Group acquired Weal Union Limited (“Weal Union”) and its subsidiary, PT Rimba Palma Sejahtera Lestari (“RPSL”), which is engaged in the biomass power generation business in Jambi, Indonesia. RPSL's power plant has two generating units which are used mainly for the operation of its palm kernel oil production facility and for solving the issue of undersupply of electricity in the area. Since the completion of the acquisition, the Group has actively invested in projects such as the reconstruction of the power generation facilities at its power plants to improve their efficiency and lower the cost of sales. However, the Group's biomass power plants in Indonesia have yet to reach their expected utilisation rate and profitability. RPSL has been having discussions with Perusahaan Listrik Negara (“PLN”) (Indonesia's state-owned electricity

致各位股東：

本人謹代表強泰環保控股有限公司(「強泰環保」或「本公司」，連同其附屬公司，統稱「本集團」)董事(「董事」)會(「董事會」)呈報截至二零二零年六月三十日止六個月(「本期間」)的中期報告。

根據中國國家統計局數據顯示，二零二零年第一季度中國國內生產總值為人民幣20.7萬億元¹，比去年同期減少6.8%。新冠肺炎的疫情為中國經濟帶來前所未有的嚴峻的挑戰，各項主要經濟指標均呈現疲弱態勢。然而，中國環保行業於二零二零年期間仍然穩扎穩打。中國政府的全國農村環境綜合整治「十三五」規劃踏入最後一年，污水處理設施的「提質增效」工作在疫情期間仍加速推進。中國以達到保障飲用水安全、消除城市黑臭水體為目標，透過運用系統化、科學化的綜合管理措施，同時積極整治水污染以及水生生態系統，使水環境質量面臨的各類問題得以逐漸解決。中國對水污染業務的需求依然持續，本公司未來將繼續緊密留意市場及國家政策的變化，務求快速應變並以審慎原則發展業務。

儘管在中國的環保行業有賴國家政策得到良好的發展，本集團仍面臨總體行業的激烈競爭帶來的挑戰。於二零一六年第四季度，本集團以發展新的業務方向為目的收購了旭衡有限公司「旭衡」及其附屬公司PT Rimba Palma Sejahtera Lestari(「RPSL」)，該公司在印尼占碑省從事生物質能發電業務。RPSL的發電廠擁有兩台發電機組，主要支持其棕櫚仁榨油廠的運營，並補足當地電力需求的缺口。自完成收購以來，本集團積極透過投資發電廠發電設施改建工程等以提高其效率及降低銷售成本，然而本集團的印尼生物質發電廠至今尚未達到其預期利用率及盈利。RPSL一直與印尼國有電力公司Perusahaan Listrik Negara

Note:

¹ http://www.stats.gov.cn/tjsj/zxfb/202004/t20200417_1739602.html

備註：

¹ http://www.stats.gov.cn/tjsj/zxfb/202004/t20200417_1739602.html

Chairman's Statement

主席報告

company) regarding the latest power purchase arrangement, and pending the conclusion of such discussions. RPSL had reduced its biomass power plant's operating level since 2019. Taking into account the risk level of such project and the uncertainties of its return, operations at the Group's biomass power plants had remained suspended during the Period, and the Group is actively seeking a feasible and ideal alternative to the project, so as to secure the overall business operation of the Group.

The Group is currently developing the biofuel pellet business in Indonesia and will continue to explore opportunities to invest in other power generation plants. In addition, the Group is still in discussion with PLN concerning the electricity unit price, and we look forward to reaching a consensus in late 2020. The Group expects that the biofuel pellet business and other new environmental protection business will provide opportunities for diversified development and expansion of its existing environmental protection business.

In terms of the Group's domestic businesses, the management has been actively negotiating with the local governments in relation to the adjustment of water tariffs of the wastewater treatment facilities operated by Haian Hengfa Wastewater Treatment Company Limited ("Haian Hengfa") and Rugao Hengfa Water Treatment Company Limited ("Rugao Hengfa"). For Haian Hengfa, we successfully adjusted the water tariff from RMB0.91 to RMB1.14 per tonne in 2019, which has resulted in a growth in the Group's revenue and gross profit in the first half of 2020. For Rugao Hengfa, water tariffs adjustment is still at the stage of discussions with the local governments. We expect our financial performance will be further improved upon completion of the price adjustment negotiation in Rugao Hengfa.

Although the Group has to confront the crises and challenges brought by the global economic environment and markets in the first half of 2020, it will remain prudent yet optimistic on its future business development with thorough risk considerations. Looking forward, we expect that the environmental protection industry will continue to be benefited from the implementation of national policies and continuous market demand, while the Group will enhance its review on the development progress of various environmental protection projects within the Group as well as risk management strategies, so as to respond to any potential challenges in the future.

(「PLN」)商討最新的購電安排，及等待該商討的結果。RPSL自二零一九年起已降低其生物質發電廠的營運水平。考慮到該項目的風險程度，以及回報的不確定性，本集團的生物質發電廠已於本期間暫停營運，且本集團一直積極在為此項目尋求可行的理想出路，以穩固本集團的整體業務營運狀況。

本集團現在印尼開展生物燃料球團業務，並繼續探索與其他發電廠合作的機會，而電價仍與PLN商討中，展望於二零二零年底達成共識。本集團期望生物燃料球團業務和其他新環保業務會為本集團的環保業務帶來多元化發展及擴張機遇。

針對本集團的國內業務，管理層一直積極就海安恆發污水處理公司（「海安恆發」）及如皋恆發水處理有限公司（「如皋恆發」）營運的污水處理設施的水價調整與當地政府進行商討。海安恆發方面，我們於二零一九年成功將水價由每噸人民幣0.91元調整至每噸人民幣1.14元，此舉於二零二零年上半年成功為本集團的收入及毛利帶來可觀的增長。如皋恆發方面，水價調整則仍處於與當地政府商討的階段。我們期望待如皋恆發的價格調整商討完成後，我們的財務表現將會進一步提升。

儘管二零二零年上半年需面對全球經濟環境與市場所帶來的危機及挑戰，本集團在經過全面風險考慮下，對其未來業務發展仍將保持審慎樂觀態度。展望未來，我們預計環保行業將受惠於國家政策的帶動以及市場持續的需求，同時本集團將加強檢視內部各環保項目的發展進度以及風險管理策略，以應對未來各種潛在的挑戰。

Chairman's Statement 主席報告

Here, I would like to express my gratitude to my fellow Directors, shareholders, staff and stakeholders. With the valuable contributions of the management and all staff, as well as the support from our customers and partners, ELL Environmental will be able to successfully overcome all difficulties in such a challenging business environment and attain a higher level of achievement. The Group will continue striving for better service quality and establishing closer relationship with customers, with the aim to generate long-term stable returns for our investors and shareholders.

在此本人向董事、股東、員工及各持份者致以衷心感謝。有賴管理層及全體員工一直以來的寶貴貢獻，加上客戶和合作夥伴的支持，強泰環保才能在具挑戰性的營商環境下成功排除萬難，更上一層樓。本集團會繼續致力於提供更好的服務質素，以及與客戶建立更緊密的合作關係，為投資者及股東帶來持長期穩定的回報。

Chau On Ta Yuen
Chairman

Hong Kong, 21 August 2020

主席
周安達源

香港，二零二零年八月二十一日

Management Discussion and Analysis

管理層討論與分析

BUSINESS REVIEW

In the first half of 2020, the outbreak of the COVID-19 severely disrupted the global economy. The Chinese economy inevitably suffered unprecedented negative impacts. China's gross domestic product for the first quarter of 2020 was RMB20,650.4 billion¹, representing a decrease of 6.8% when compared with the corresponding period of last year.

Fortunately, the COVID-19 pandemic has not posed major threats to the overall environmental protection industry in China. In the “Report on Achievements in Economic and Social Development in the 70 years since the Founding of the PRC” published by China's National Bureau of Statistics in 2019, it was mentioned that China had put much focus on environmental protection, hoping that the long-standing issue of deteriorating water quality can be effectively improved. During the period of the “13th Five-Year Plan”, the investment scale of water environmental treatment has reached RMB734.4 billion². The “Action Plan for Prevention and Control of Water Pollution” has put forward various goals for 2020, which includes the overall target for the ratio of quality water in seven key basins (such as Yangtze River, Yellow River, Pearl River and Songhua River) reaching over 70%; the overall ratio for water quality of centralized drinking water sources in the cities at prefecture level or above reaching or exceeding Class III (i.e. applicable to secondary protected area of centralized drinking water sources, general marine protected area and swimming area) reaching over 93%; and the black and odorous water bodies in built-up areas to be contained at 10% or below. All the above showed that China has put unprecedented emphasis on optimizing water quality.

In general, the Group has adopted a prudent approach and risk-oriented approach to business development in the past. The Group owns two wastewater treatment facilities in Jiangsu Province, China, respectively operated by Haian Hengfa and Rugao Hengfa. For Haian Hengfa, our management has reached an agreement with the relevant authorities to raise water tariffs from RMB0.91 per tonne to RMB1.14 per tonne since July 2019, resulting in considerable growth in both revenue and profits for the first half of 2020. For Rugao Hengfa, the Group is still in active negotiations with the relevant authorities with the aim of adjusting upwards the water tariffs to an optimal level. Looking forward, the Group expects that upon gradual adjustment of tariffs, its revenue and gross profit will be further increased, resulting in a better and sound financial position.

業務回顧

回顧二零二零年上半年，新冠肺炎疫情的侵襲嚴重打擊全球經濟。中國經濟亦無可避免地受到空前的負面影響，二零二零年第一季度的國內生產總值為人民幣206,504億元¹，比去年同期下降6.8%。

所幸，新冠肺炎疫情並未對中國整體環保行業構成重大威脅。中國國家統計局於二零一九年發表的《新中國成立七十週年經濟社會發展成系列報告》中提及國家對於環保事業越趨高度重視，希望長久以來水質惡化的問題能得以有效改善。「十三五」規劃期間，水環境治理的投資規模達到7,344億元²。《水污染防治行動計劃》提出二零二零年的各項目標，包括七大重點流域如長江、黃河、珠江及松花江等的水質優良比例總體目標達到七成以上；地級及以上城市集中式飲用水水源水質達到或優於Ⅲ類（即適用於集中式生活飲用水源地二級保護區、一般魚類保護區及游泳區）以上比例總體高於93%；以及建成區黑臭水體控制在10%以內等目標。由此可見國家對於優化水質的重視程度空前未有。

整體而言，本集團於過去一直以審慎的態度並以風險為導向發展業務。本集團擁有位於中國江蘇省的兩座污水處理設施，分別由海安恆發及如皋恆發營運。海安恆發方面，我們的管理層已與有關當局達成協議，水價自二零一九年七月起由每噸人民幣0.91元增加至每噸人民幣1.14元，為二零二零年上半年的收入及盈利均帶來可觀的增長。如皋恆發方面，本集團仍積極與相關機構繼續商討以達到理想的水價上升調整。展望未來水價逐步完成調整後，將為本集團的收入及毛利帶來進一步提升，使財務狀況更為穩健。

¹ http://www.stats.gov.cn/tjsj/zxfb/202004/t20200417_1739602.html

² http://pg.jrj.com.cn/acc/Res/CN_RES/INDUS/2020/3/25/2b8c88c7-979c-43d4-aab1-482aee522bc6.pdf

¹ http://www.stats.gov.cn/tjsj/zxfb/202004/t20200417_1739602.html

² http://pg.jrj.com.cn/acc/Res/CN_RES/INDUS/2020/3/25/2b8c88c7-979c-43d4-aab1-482aee522bc6.pdf

Management Discussion and Analysis

管理層討論與分析

In October 2016, the Group acquired Weal Union and its subsidiary in Indonesia, RPSL. RPSL is engaged in the biomass power generation business in Jambi, Indonesia. RPSL's power plant has two generating units, which mainly powers its palm kernel oil production facility. The management considered that such acquisition is to attain the goal of expanding other environmental protection businesses as well as achieving long-term development and realizing shareholders' interests. Since the completion of the acquisition, the Group has actively invested in projects such as the reconstruction of the power generation facilities to improve the efficiency of power plants and lower the cost of sales. However, due to factors such as the relatively low market consumption of electricity in the region during recent years and the intensifying competition, the Group's biomass power plant in Indonesia has yet to reach their expected utilization rate. To effectively control losses and considering the uncertainty that such power plant's operation can bring revenue growth for the Group, the operations of the biomass power plant had remained suspended. We are also exploring other suitable environmental-protection-related projects, including the plan to set up a new power plant in another province in Indonesia as well as the study on the feasibility of developing other new energy investment projects in other regions of Indonesia, while actively promoting the "Build-Operate-Transfer" or "BOT" investment projects in order to generate more stable cash flows and investment return to the Group.

As for the biofuel pellet business in Indonesia, the Group is actively expanding such business and continuing to explore opportunities to cooperate with other power plants, thereby promoting the development of biofuel pellet business. The management is confident that the biofuel pellet business will provide the growth momentum to the Group and will enable the Group to achieve diversified development of its environmental protection business in the long run.

於二零一六年十月，本集團收購了旭衡有限公司及其印尼附屬公司RPSL。該公司在印尼占碑省從事生物質能發電業務。RPSL的發電廠擁有兩台發電機組。主要支持其棕櫚仁榨油廠的運營，管理層的收購是基於實現擴張其他環保業務的目標，以及本集團的長遠發展和股東利益。自完成收購以來，本集團曾積極透過投資發電設施改建工程等以提高發電廠效率及降低銷售成本為目標，然而由於近年地區市場耗電量較低以及競爭加劇等因素，本集團的印尼生物質發電廠至今尚未達到其預期利用率。為了有效控制虧損以及考慮到該發電廠的運營為本集團帶來收入增長的不確定性，生物質發電廠已暫停營運，我們亦正探索其他合適的環保相關項目，包括計劃於印尼孟加錫開設新電廠，並研究於印尼其他地區發展其他新能源投資項目的可行性，同時積極推進「建設—經營—移交」或「BOT」投資項目，務求為本集團帶來更穩健的現金流及投資回報。

印尼生物燃料球團業務方面，本集團正積極拓展該業務並繼續探索與其他發電廠合作的機會，推動生物燃料球團業務的發展。管理層有信心生物燃料球團業務將為本集團提供增長動力。並使本集團長遠而言，能達到環保業務多元化的發展目標。

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OUTLOOK

Despite facing the challenges brought by the weakening external economic environment and the intensifying competition in the industry, the Company will continue adhering to the principles of stability and prudence and cautiously develop its business with risk-oriented approach, thus allowing sustainable business development under appropriate risk control and responding to ever-changing challenges. ELL Environmental will actively coordinate itself with national policies, remain flexible in coping with market changes, and seize any development opportunities in both China and overseas, with the aim of stabilizing the Group's business. Meanwhile, we shall also continue to solidify our strong foundation in China's wastewater treatment market and provide high-quality services to customers. Through leveraging on our extensive experience and expertise accumulated throughout the years, we will strive to develop environmental protection-related industrial chain projects and actively implement potential new environmental protection projects, thus generating long-term returns for the Group.

FINANCIAL REVIEW

REVENUE

Our total revenue increased by HK\$2.0 million or 8.2% to HK\$26.4 million for the Period from HK\$24.4 million for the corresponding period in 2019 (the "Last Corresponding Period"), of which the revenue excluding the imputed interest income increased by HK\$2.0 million or 11.6% to HK\$19.2 million for the Period from HK\$17.2 million for the Last Corresponding Period. Such increase was primarily attributable to the increase in revenue of the wastewater treatment facility operated by Haian Hengfa (the "Haian Hengfa Facility") by RMB6.8 million due to the increase in the water tariff from RMB0.91 to RMB1.14 per tonne since July 2019 and the reduction in value added tax during the Period, offset by (i) the decrease of construction revenue arising from the upgrade works of the wastewater treatment facility operated by Rugao Hengfa (the "Rugao Hengfa Facility") and Haian Hengfa Facility during the Period by HK\$3.0 million as compared to the Last Corresponding Period, and (ii) the decrease in sales of electricity generated from biomass power plants by HK\$1.2 million during the Period. Our revenue from the operations in the PRC segment increased by HK\$3.2 million or 14.0% to HK\$26.4 million for the Period from HK\$23.1 million for the Last Corresponding Period. No revenue was recognised from our operations in the Indonesia segment for the Period as compared to HK\$1.2 million for the Last Corresponding Period.

未來展望

縱然面對外圍經濟環境疲弱及激烈的行業競爭帶來的挑戰，本公司將繼續保持審慎穩健的原則，以風險為導向審慎發展業務，讓業務在適當的風險控制下得以持續發展，並應對不斷變化的挑戰。強泰環保將積極配合國家政策，靈活面對市場變化，把握國內及海外的發展機遇，以穩定集團業務。同時我們會繼續堅守在中國污水處理業務的穩固根基，一如既往地向客戶提供優越的服務。透過善用多年來累積的經驗和專業知識，我們將致力尋求發展環保相關產業鏈的項目，積極落實具潛力的新環保項目，為集團帶來長期回報。

財務回顧

營業收入

我們的營業收入總額由二零一九年同期（「去年同期」）24.4百萬港元增加2.0百萬港元或8.2%至本期間26.4百萬港元，其中扣除推算利息收入的營業收入由去年同期17.2百萬港元增加2.0百萬港元或11.6%至本期間19.2百萬港元。有關增長主要由於海安恆發運營的污水處理設施（「海安恆發設施」）因水價自二零一九年七月起由每噸人民幣0.91元增至每噸人民幣1.14元而導致其營業收入增加人民幣6.8百萬元，惟已因(i)本期間如皋恆發營運的污水處理設施（「如皋恆發設施」）及海安恆發設施的升級工程導致建築營業收入較去年同期減少3.0百萬港元；及(ii)本期間銷售生物質發電廠產生的電力減少1.2百萬港元所抵銷。我們來自中國分部業務的營業收入由去年同期23.1百萬港元增加3.2百萬港元或14.0%至本期間26.4百萬港元。我們來自印尼分部業務於本期間並無確認營業收入，而去年同期則為營運收入1.2百萬港元。

COST OF SALES

Our total cost of sales decreased by HK\$9.4 million or 42.5% to HK\$12.6 million for the Period from HK\$22.0 million for the Last Corresponding Period, primarily due to (i) the decrease in construction costs for the aforementioned upgrade works of the Rugao Hengfa Facility by HK\$2.4 million, (ii) the absence of expenses incurred in our Rugao Hengfa Facility of HK\$2.4 million for the Last Corresponding Period in relation to capital expenditures that did not qualify as BOT construction costs, (iii) the decrease in cost of sales in RPSL by HK\$1.6 million as a result of the reduction in operation level in our power plants in Indonesia, (iv) a variance amounted to HK\$1.4 million resulted from the absence of the sludge processing fee expense of HK\$0.7 million recognised during the Last Corresponding Period, and the subsequent refunding of such fee recognised as a credit to the cost of sales during the Period, and (v) the decrease in operating expenses in our wastewater treatment facilities by HK\$1.6 million.

GROSS PROFIT AND GROSS PROFIT MARGIN

Our gross profit increased by HK\$11.4 million or 480.1% to HK\$13.7 million for the Period from HK\$2.4 million for the Last Corresponding Period, primarily due to the aforementioned factors. Our gross profit margin increased to 52.1% for the Period from 9.7% for the Last Corresponding Period.

OTHER INCOME AND NET GAINS

Our other income and net gains decreased by HK\$2.8 million or 91.4% to HK\$0.3 million for the Period from HK\$3.0 million for the Last Corresponding Period. Such gains mainly comprised the refund of tax paid for the Period.

ADMINISTRATIVE EXPENSES

Our administrative expenses decreased by HK\$0.9 million or 6.8% to HK\$12.7 million for the Period from HK\$13.6 million for the Last Corresponding Period, primarily due to a decrease in administrative expenses of our Indonesia subsidiaries as a result of the reduction in business operation as compared with the Last Corresponding Period.

FINANCE COSTS

Our finance costs increased by HK\$0.2 million or 21.7% to HK\$1.0 million for the Period from HK\$0.8 million for the Last Corresponding Period. The finance costs mainly comprised the interest expenses from the Group's bank borrowings.

銷售成本

我們的銷售成本總額由去年同期22.0百萬港元減少9.4百萬港元或42.5%至本期間12.6百萬港元，主要由於(i)上述如皋恆發設施升級工程的建設成本減少2.4百萬港元；(ii)並無如皋恆發設施於去年同期產生與資本開支(不符合BOT建設成本)有關的開支2.4百萬港元；(iii)RPSL的銷售成本減少1.6百萬港元，導致我們印尼發電廠的營運水平下降；(iv)出現差額1.4百萬港元，原因是於去年同期期間並無確認污泥處理費用開支0.7百萬港元，以及其後退還的該筆費用於本期間確認為銷售成本；及(v)我們污水處理設施的營運開支減少1.6百萬港元所致。

毛利及毛利率

我們的毛利由去年同期2.4百萬港元增加11.4百萬港元或480.1%至本期間13.7百萬港元，主要是由於上述因素所致。我們的毛利率由去年同期9.7%增加至本期間52.1%。

其他收入及淨收益

我們的其他收入及淨收益由去年同期3.0百萬港元減少2.8百萬港元或91.4%至本期間0.3百萬港元。有關收益主要包括本期間的退稅費用。

行政開支

我們的行政開支由去年同期13.6百萬港元減少0.9百萬港元或6.8%至本期間12.7百萬港元，主要是由於我們的印尼附屬公司行政開支減少，導致業務營運較去年同期有所減少。

融資成本

我們的融資成本由去年同期0.8百萬港元增加0.2百萬港元或21.7%至本期間1.0百萬港元。融資成本主要包括本集團銀行借款的利息開支。

Management Discussion and Analysis

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PROFIT BEFORE TAX

A profit before tax of HK\$0.3 million was recognised for the Period as compared to a loss before tax of HK\$9.0 million for the Last Corresponding Period, primarily due to the factors mentioned above.

INCOME TAX EXPENSE

Our income tax expense increased by HK\$1.5 million or 76.0% to HK\$3.5 million for the Period from HK\$2.0 million for the Last Corresponding Period, primarily due to the increase in profit before tax for our PRC subsidiaries by HK\$10.1 million or 420.0% to HK\$12.5 million for the Period from HK\$2.4 million for the Last Corresponding Period. The PRC subsidiaries' effective tax rate was 27.9% for the Period as compared to 82.5% for the Last Corresponding Period. The Group's expenses incurred by the Company and its non-profit making subsidiaries were not tax deductible as there were no taxable profits.

LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY

Loss attributable to owners of the Company decreased by HK\$6.1 million or 55.8% to HK\$4.8 million for the Period from HK\$10.9 million for the Last Corresponding Period, primarily due to the factors mentioned above.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

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

As at 30 June 2020, the carrying amount of the Group's bank balances and cash was HK\$39.9 million, representing a decrease of 37.7% as compared with that of HK\$64.1 million as at 31 December 2019. As at 30 June 2020, the Group's bank balances and cash of HK\$28.7 million, HK\$7.9 million, HK\$1.2 million and HK\$2.1 million were denominated in Renminbi ("RMB"), Hong Kong Dollars ("HK\$"), Indonesian Rupiah ("IDR") and United States Dollars ("US\$"), respectively (31 December 2019: HK\$49.8 million, HK\$6.9 million, HK\$6.2 million and HK\$1.2 million were denominated in RMB, HK\$, IDR and US\$, respectively).

除稅前溢利

本期間確認的除稅前溢利為0.3百萬港元，而去年同期則為除稅前虧損9.0百萬港元，主要是由於上述因素所致。

所得稅開支

我們的所得稅開支由去年同期2.0百萬港元增加1.5百萬港元或76.0%至本期間3.5百萬港元，主要是由於我們的中國附屬公司的除稅前溢利由去年同期2.4百萬港元增加10.1百萬港元或420.0%至本期間12.5百萬港元。中國附屬公司於本期間的實際稅率為27.9%，而去年同期則為82.5%。由於並無應課稅溢利，故本公司及其未能獲利的附屬公司產生的開支均屬不可扣稅。

本公司擁有人應佔期內虧損

本公司擁有人應佔虧損由去年同期10.9百萬港元減少6.1百萬港元或55.8%至本期間4.8百萬港元，主要是由於上述因素所致。

流動資金、財務及資本資源

我們主要的流動資金及資本需求主要涉及我們的項目投資、建設及升級污水處理設施、購買設備以及與經營及維護污水處理及發電設施有關的成本及開支。

於二零二零年六月三十日，本集團銀行結餘及現金的賬面值為39.9百萬港元，較二零一九年十二月三十一日的64.1百萬港元減少37.7%。於二零二零年六月三十日，本集團的銀行結餘及現金28.7百萬港元、7.9百萬港元、1.2百萬港元及2.1百萬港元分別以人民幣（「人民幣」）、港元（「港元」）、印尼盾（「印尼盾」）及美元（「美元」）計值（二零一九年十二月三十一日：49.8百萬港元、6.9百萬港元、6.2百萬港元及1.2百萬港元分別以人民幣、港元、印尼盾及美元計值）。

BANK BORROWINGS

As at 30 June 2020, the total amount of our utilised bank borrowings was HK\$22.5 million, of which approximately HK\$20.3 million was repayable within one year and approximately HK\$2.2 million was repayable after one year but within five years. Approximately HK\$18.0 million and HK\$4.5 million of the outstanding bank borrowings were denominated in HK\$ and US\$, respectively (31 December 2019: HK\$18.0 million and HK\$6.7 million were denominated in HK\$ and US\$, respectively).

HK\$18.0 million bore a floating interest rate of 1.4% over the Hong Kong Interbank Offered Rate per annum. HK\$4.5 million bore a floating interest rate of 1.4% over London Interbank Offered Rate per annum. We had no unutilised banking facilities as at 30 June 2020 and 31 December 2019.

GEARING RATIO

Gearing ratio is calculated by dividing total debt by total equity and then multiplied by 100%, and total debt is the interest-bearing bank borrowings. Our gearing ratio was kept stable, being 10% both as at 30 June 2020 and 31 December 2019.

CHARGE ON ASSETS

As at 30 June 2020, the Group did not have any charge on assets (31 December 2019: nil).

TREASURY POLICIES

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

銀行借款

於二零二零年六月三十日，我們已動用的銀行借款總額為22.5百萬港元，當中約20.3百萬港元為於一年內償還，約2.2百萬港元為於一年後但於五年內償還。未償還銀行借款約18.0百萬港元及4.5百萬港元分別以港元及美元計值（二零一九年十二月三十一日：18.0百萬港元及6.7百萬港元分別以港元及美元計值）。

18.0百萬港元按浮動利率香港銀行同業拆借年利率加1.4%計息，4.5百萬港元按浮動利率倫敦銀行同業拆借年利率加1.4%計息。我們於二零二零年六月三十日及二零一九年十二月三十一日並無未動用銀行融資。

資產負債比率

資產負債比率按債務總額除以權益總額並乘以100%計算，而債務總額指計息銀行借款。我們的資產負債比率維持穩定，於二零二零年六月三十日及二零一九年十二月三十一日均為10%。

資產抵押

於二零二零年六月三十日，本集團並無任何資產抵押（二零一九年十二月三十一日：無）。

庫務政策

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

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CAPITAL EXPENDITURES

Our capital expenditures consist primarily of expenditures for the construction and acquisition of machinery and equipment for our plants of Rugao Hengfa and Haian Hengfa, and for the biofuel pellet business in Indonesia. For the Period, our capital expenditures amounted to HK\$3.0 million, which were funded by funds generated from our financing activities.

FOREIGN EXCHANGE RISK

Individual member companies in Mainland China and Indonesia within our Group have limited foreign currency risk as most of the transactions are denominated in the same currency as the functional currency of the operations in which they relate. However, as these principal subsidiaries mainly carry assets and liabilities in RMB and IDR, any appreciation or depreciation of HK\$ against RMB and IDR will affect the Group's consolidated financial position which is presented in HK\$, and will be reflected in the exchange fluctuation reserve.

The Group does not have a foreign currency hedging policy. The Group minimises foreign exchange exposure by converting its cash and cash equivalents in other currencies generated from the operation of its foreign operating subsidiaries to HK\$.

CONTINGENT LIABILITIES

As at 30 June 2020, the Group had no contingent liabilities (31 December 2019: nil).

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2020, the Group had 113 employees (31 December 2019: 116 employees). Employee costs, including Directors' emoluments, amounted to approximately HK\$6.2 million for the Period (six months ended 30 June 2019: HK\$8.9 million). The remuneration policy for our Directors, senior management members and general staff is based on their experience, level of responsibility and general market conditions. Any discretionary bonus and other merit payments are linked to the profit performance of our Group and the individual performance of our Directors, senior management members and general staff. The Group encourages the self-development of its employees and provides on-the-job training where appropriate.

資本開支

我們的資本開支主要包括如皋恆發及海安恆發廠以及印尼生物燃料球團業務的機械及設備的建設及購置開支。本期間，我們的資本開支達到3.0百萬港元，其由我們的融資活動所得資金撥付。

外匯風險

由於本集團內中國內地及印尼各成員公司大部份交易採用的貨幣與其業務有關功能貨幣相同，因此此等公司僅承受有限的外幣風險。但是，由於此等主要附屬公司的資產及負債主要以人民幣及印尼盾記賬，港元兌人民幣及印尼盾的任何升值或貶值將對本集團的綜合財務狀況（其以港元呈列）產生影響並反映於匯兌波動儲備。

本集團並無外幣對沖政策。本集團透過將其海外營運附屬公司的營運產生的其他貨幣的現金及現金等價物轉換為港元，以盡量減低外匯風險。

或然負債

於二零二零年六月三十日，本集團並無或然負債（二零一九年十二月三十一日：無）。

僱員及薪酬政策

於二零二零年六月三十日，本集團共有113名（二零一九年十二月三十一日：116名）僱員。本期間的僱員成本（包括董事酬金）約為6.2百萬港元（截至二零一九年六月三十日止六個月：8.9百萬港元）。我們的董事、高級管理層成員以及一般員工的薪酬政策乃根據彼等的經驗、所負責任及一般市場情況釐定。任何酌情花紅及其他獎勵金均與本集團溢利表現及董事、高級管理層成員以及一般員工的個人表現掛鉤。本集團鼓勵其僱員自我發展，並提供適當的在職培訓。

The Company adopted a share option scheme on 5 September 2014 for the purpose of providing incentives and rewards to eligible directors and employees of the Group.

本公司已於二零一四年九月五日採納一項購股權計劃，以激勵及回報本集團合資格董事及僱員。

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

As at 30 June 2020, debt instruments at fair value through other comprehensive income classified as current assets in the amount of approximately HK\$9.5 million mainly comprised of debt instruments held by the Group (31 December 2019: HK\$15.1 million). The decrease in amount was primarily as a result of the disposal of or the maturity of certain listed bonds during the Period. The fair value change on debt instruments at fair value through other comprehensive income decreased from a gain of approximately HK\$0.1 million to a loss of approximately HK\$0.2 million. For details, please refer to note 15 to the condensed interim financial information in this report. It is expected that the Group will hold the remaining debt instruments, which will be repaid at par, until maturity.

Save as disclosed in this report, the Group did not have any significant investments, material acquisitions or disposals of assets, subsidiaries, associates or joint ventures during the Period.

重要投資、重大收購及出售事項

於二零二零年六月三十日，為數約9.5百萬港元分類為流動資產按公允值計入其他全面收益之債務工具，主要組成本集團持有之債務工具（二零一九年十二月三十一日：15.1百萬港元）。金額減少乃主要由於若干上市債券於本期間已出售或已到期。按公允值計入其他全面收益之債務工具之公允值變動由約0.1百萬港元收益減少至約0.2百萬港元虧損。有關詳情，請參閱本報告簡明中期財務資料附註15。預期本集團將持有餘下債務工具（將按面值償還）直至到期為止。

除本報告所披露者外，於本期間，本集團並無任何重要投資、重大資產、附屬公司、聯營公司或合營企業收購或出售事項。

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, the Group has no plan authorised by the Board for other material investments or additions of capital assets as at the date of this report.

重大投資或資本資產的未來計劃

除本報告所披露者外，於本報告日期，本集團並無已獲董事會批准有關其他重大投資或增添資本資產的計劃。

EVENTS AFTER THE REPORTING PERIOD

The Group has not undertaken any material event subsequent to the end of the Period and up to the date of this report.

報告期後事項

本集團於本期間結束後至本報告日期並無發生任何重大事項。

INTERIM DIVIDEND

During its meeting held on 21 August 2020, the Board resolved not to declare the payment of any interim dividend for the Period (six months ended 30 June 2019: nil).

中期股息

於二零二零年八月二十一日舉行的董事會會議上，董事會決議不就本期間宣派任何中期股息（截至二零一九年六月三十日止六個月：無）。

Corporate Governance and Other Information

企業管治及其他資料

SHARE OPTION SCHEME

On 5 September 2014, the Company adopted a share option scheme (the "Share Option Scheme") to enable the Company to grant options to the eligible participants as incentives or rewards for their contribution or potential contribution to the Group. The principal terms of the Share Option Scheme are set out in the section headed "Share Option Scheme" in the Directors' Report of the 2019 Annual Report.

The Share Option Scheme took effect on 26 September 2014. During the Period, no options had been granted, exercised, cancelled or lapsed.

Details of the options outstanding during the Period under the Share Option Scheme are set out as follows:

Name of option holder 購股權持有人名稱	Position held in the Group 於本集團擔任的職位	Date of grant 授予日期	Number of shares represented by options outstanding as at 1 January 2020 於二零二零年一月一日未行使購股權涉及的股份數目	Granted during the Period 期內授出	Exercised during the Period 期內已行使	Lapsed/cancelled during the Period 期內已失效/註銷	Number of shares represented by options outstanding as at	Exercise price per share HK\$ 每股股份行使價 港元	Exercise period 行使期
							30 June 2020 於二零二零年六月三十日尚未行使購股權涉及的股份數目		
Mr. Fan Chi Chiu ("Mr. Fan") 范智超先生 (「范先生」)	Chief financial officer 財務總監	14 April 2016 二零一六年四月十四日	500,000	—	—	—	500,000	0.52	14 April 2017 to 13 April 2026 (Note) 二零一七年四月十四日至二零二六年四月十三日 (附註)

Note:

The options granted to Mr. Fan vested over a period of three years commencing on the date of grant, of which: (i) 165,000 options, representing 33% of the options granted, vested on 14 April 2017; (ii) 165,000 options, representing 33% of the options granted, vested on 14 April 2018; and (iii) 170,000 options, representing 34% of the options granted, vested on 14 April 2019. The closing price of the shares immediately before the date of grant was HK\$0.50 per share, as stated in the daily quotation sheet issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

購股權計劃

於二零一四年九月五日，本公司採納一項購股權計劃（「購股權計劃」），令本公司能夠向合資格參與者授予購股權作為彼等對本集團作出貢獻或潛在貢獻的激勵或獎勵。購股權計劃的主要條款載於二零一九年年報董事會報告「購股權計劃」一節。

購股權計劃於二零一四年九月二十六日生效。於本期間，概無購股權獲授出、獲行使、註銷或失效。

於本期間，購股權計劃項下未行使購股權之詳情載列如下：

附註：

授予范先生的購股權已於授出日期起三年期間內歸屬，其中：(i) 165,000 份購股權（佔所授予購股權的 33%）已於二零一七年四月十四日歸屬；(ii) 165,000 份購股權（佔所授予購股權的 33%）已於二零一八年四月十四日歸屬；及 (iii) 170,000 份購股權（佔所授予購股權的 34%）已於二零一九年四月十四日歸屬。緊接授出日期之前的股份收市價為每股 0.50 港元（香港聯合交易所有限公司（「聯交所」）每日報價表所示）。

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

As at 30 June 2020, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the “SFO”)), which were required: (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be recorded in the register referred to therein (the “Register”); or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules” and the “Model Code”, respectively), were as follows:

INTEREST IN THE COMPANY'S ORDINARY SHARES OF HK\$0.0001 EACH (THE “SHARES”)

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

於二零二零年六月三十日，本公司董事及最高行政人員於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有：(i) 根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益及淡倉（包括彼等根據證券及期貨條例的該等條文被當作或視為擁有的權益及淡倉）；或(ii) 根據證券及期貨條例第352條須登記於該條所指登記冊（「登記冊」）的權益及淡倉；或(iii) 根據聯交所證券上市規則（「上市規則」）附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益及淡倉如下：

於本公司每股面值0.0001港元的普通股股份（「股份」）之權益

Name of Directors/Chief Executive 董事／最高行政人員姓名	Capacity/Nature of Interest 身份／權益性質	Number of Shares Held 所持股份數目	Approximate Percentage of Shareholding Interest in the Company 佔本公司股權概約百分比
Mr. Chau On Ta Yuen (“Mr. Chau”) 周安達源先生（「周先生」）	Interest in a controlled corporation 受控法團權益	225,000,000 ⁽¹⁾	20.32%
Mr. Chan Kwan (“Mr. Chan”) 陳昆先生（「陳先生」）	Interest in controlled corporations 受控法團權益	390,700,000 ⁽²⁾	35.28%

Notes:

- Wealthy Sea Holdings Limited (“Wealthy Sea”) which held 225,000,000 Shares is owned as to 90% and 10% by Mr. Chau, an executive Director and the chairman of the Board (the “Chairman”), and Ms. Wong Mei Ling, the wife of Mr. Chau, respectively. Mr. Chau is a director of Wealthy Sea.
- Everbest Environmental Investment Limited (“Everbest Environmental”) which held 375,000,000 Shares is owned as to 50%, 30% and 20% by Ms. Wong Shu Ying (“Ms. Wong”), Ms. Judy Chan and Mr. Chan, an executive Director and the chief executive officer of the Company, respectively. Mr. Chan is the sole director of Everbest Environmental. Ms. Wong is the mother of all of Ms. Judy Chan, Mr. Chan and Mr. Chan Pak Lam Brian, the non-executive Director. Mr. Chan also owns 20% of the issued shares in Kingdrive Limited which in turn owns 100% of the issued shares in Carlton Asia Limited (“Carlton Asia”). Carlton Asia held 15,700,000 Shares and is accustomed to act in accordance with the directions of Mr. Chan.
- All the above Shares were held in long position.

附註：

- 潤海集團有限公司（「潤海」）持有 225,000,000 股股份，並由執行董事兼董事會主席（「主席」）周先生及王美玲女士（周先生的妻子）分別擁有 90% 及 10%。周先生為潤海的董事。
- Everbest Environmental Investment Limited（「Everbest Environmental」）持有 375,000,000 股股份並由王穗英女士（「王女士」）、陳芳女士及本公司執行董事兼行政總裁陳先生分別擁有 50%、30% 及 20%。陳先生為 Everbest Environmental 的唯一董事。王女士為陳芳女士、陳先生及非執行董事陳栢林先生的母親。陳先生亦持有 Kingdrive Limited 20% 的已發行股份，而該公司擁有 Carlton Asia Limited（「Carlton Asia」）100% 已發行股份。Carlton Asia 於 15,700,000 股股份中擁有權益並慣於按照陳先生的指示行事。
- 上述所有股份均以好倉持有。

Corporate Governance and Other Information

企業管治及其他資料

Save as disclosed above, as at 30 June 2020, none of the Directors or the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which had been notified to the Company and the Stock Exchange or recorded in the Register or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 30 June 2020, the following entities or persons (other than the Directors or the chief executive of the Company) had or were deemed or taken to have interests and short positions in the Shares and underlying Shares as recorded in the register of interests and short positions of the substantial shareholders (the "Register of Substantial Shareholders") required to be kept by the Company under section 336 of the SFO:

除上文所披露者外，於二零二零年六月三十日，概無本公司董事或最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的任何股份、相關股份或債權證中擁有已知會本公司及聯交所或記錄於登記冊內或根據標準守則須知會本公司及聯交所的權益或淡倉。

主要股東及其他人士於本公司股份及相關股份中的權益及淡倉

於二零二零年六月三十日，下列實體或人士（本公司董事或最高行政人員除外）擁有或被視作或當作於股份及相關股份中擁有記錄於本公司根據證券及期貨條例第336條須存置的主要股東之權益及淡倉之登記冊（「主要股東登記冊」）內的權益及淡倉：

INTEREST IN THE COMPANY'S SHARES

於本公司股份之權益

Name of Shareholders 股東姓名／名稱	Capacity/Nature of Interest 身份／權益性質	Number of Shares Held 所持股份數目	Total 總計	Approximate Percentage of Shareholding Interest in the Company 佔本公司股權 概約百分比
Everbest Environmental	Beneficial interest 實益權益	375,000,000 ⁽¹⁾	375,000,000	33.87%
Ms. Wong 王女士	Beneficial interest 實益權益	18,915,000 ⁽¹⁾	402,580,000	36.36%
	Interest in controlled corporations 受控法團權益	383,665,000 ⁽¹⁾		
Mr. Chan Chun Keung 陳進強先生	Interest in a controlled corporation 受控法團權益	8,665,000 ⁽²⁾	402,580,000	36.36%
	Interest held by spouse 配偶所持權益	393,915,000 ^{(1) & (2)}		
Wealthy Sea 潤海	Beneficial interest 實益權益	225,000,000 ⁽³⁾	225,000,000	20.32%
Ms. Wong Mei Ling 王美玲女士	Interest held by spouse 配偶所持權益	225,000,000 ⁽³⁾	225,000,000	20.32%
Morgan Top Trading Co., Ltd.	Beneficial interest 實益權益	143,300,000	143,300,000	12.94%

Corporate Governance and Other Information

企業管治及其他資料

Notes:

- (1) Each of Everbest Environmental and Hightop Investment Limited (“Hightop”) is owned as to 50% by Ms. Wong and, therefore, Ms. Wong is deemed to be interested in the 375,000,000 Shares and 8,665,000 Shares held by Everbest Environmental and Hightop respectively pursuant to the SFO. Also, Ms. Wong is beneficially interested in 18,915,000 Shares.
- (2) Hightop is also owned as to 50% by Mr. Chan Chun Keung, the husband of Ms. Wong. Therefore, Mr. Chan Chun Keung is deemed to be interested in the 8,665,000 Shares held by Hightop, 375,000,000 Shares deemed to be held by Ms. Wong through Everbest Environmental and 18,915,000 Shares beneficially owned by Ms. Wong pursuant to the SFO.
- (3) Wealthy Sea is owned as to 90% and 10% by Mr. Chau, an executive Director and the Chairman, and Ms. Wong Mei Ling, the wife of Mr. Chau, respectively. Ms. Wong Mei Ling is, therefore, deemed to be interested in the 225,000,000 Shares held by Wealthy Sea controlled by Mr. Chau pursuant to the SFO.
- (4) All of the above Shares were held in long position.

Save as disclosed above, as at 30 June 2020, the Directors were not aware of any entities which or persons (other than a Director or the chief executive of the Company) who had or were deemed or taken to have interests or short positions in the Shares or the underlying Shares, which were recorded in the Register of Substantial Shareholders under section 336 of the SFO.

CORPORATE GOVERNANCE

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

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct governing the securities transactions by the Directors. Following specific enquiries made by the Company with all the Directors, all of them have confirmed that they had complied with the required standard as set out in the Model Code during the Period.

附註：

- (1) Everbest Environmental及高峻投資有限公司(「高峻」)各由王女士擁有50%，因此，根據證券及期貨條例，王女士被視為分別於Everbest Environmental及高峻所持有的375,000,000股及8,665,000股股份中擁有權益。此外，王女士實益擁有18,915,000股股份。
- (2) 高峻亦由陳進強先生擁有50%(王女士的丈夫)。因此，根據證券及期貨條例，陳進強先生被視為於高峻所持有的8,665,000股股份、視為王女士透過Everbest Environmental所持有的375,000,000股股份及由王女士實益擁有的18,915,000股股份中擁有權益。
- (3) 潤海由執行董事兼主席周先生及王美玲女士(周先生的妻子)分別擁有90%及10%。因此，根據證券及期貨條例，王美玲女士被視為於周先生控制的潤海所持有的225,000,000股股份中擁有權益。
- (4) 上述所有股份均以好倉持有。

除上文所披露者外，於二零二零年六月三十日，董事並不知悉有任何實體或人士(董事或本公司最高行政人員除外)，於股份或相關股份中擁有或被視為或視作擁有根據證券及期貨條例第336條已記錄於主要股東登記冊內的權益或淡倉。

企業管治

本公司致力維持高標準的企業管治，並於本期間及直至本報告日期一直應用原則及遵守上市規則附錄十四所載企業管治守則(「企業管治守則」)的所有適用守則條文。

董事進行證券交易

本公司已採納標準守則，作為其監管董事進行證券交易的行為守則。經本公司向全體董事作出具體查詢後，彼等確認其於本期間內一直遵守標準守則載列的規定準則。

Corporate Governance and Other Information

企業管治及其他資料

PURCHASE, SALE OR REDEMPTION OF SHARES

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

REVIEW BY AUDIT COMMITTEE

The Company has established an audit committee (the “Audit Committee”) in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the CG Code for the purpose of reviewing and providing supervision over the Group’s financial reporting process, risk management and internal controls. The Audit Committee comprises three members, namely Ms. Ng Chung Yan Linda (who is also the chairlady of the Audit Committee), Mr. Ng Man Kung and Ms. Leung Bo Yee Nancy, all being independent non-executive Directors. The Audit Committee has reviewed with the Company’s management the accounting principles and practices adopted by the Group and the unaudited interim results of the Group for the Period and this interim report.

UPDATE ON THE DIRECTORS’ INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in Directors’ information since the date of the 2019 Annual Report are set out below:

Mr. Chau has been appointed as an independent non-executive director of Million Hope Industries Holdings Limited (stock code: 1897), a company listed on the Main Board of the Stock Exchange, on 26 June 2020.

Save as disclosed above, pursuant to Rule 13.51B(1) of the Listing Rules, the Company is not aware of other changes in the Directors’ information.

買賣或贖回股份

於本期間，本公司概無贖回其於聯交所主板上市之股份，本公司或其附屬公司亦無買賣任何有關股份。

由審核委員會審閱

本公司已遵照上市規則第3.21條及企業管治守則第C.3段成立審核委員會（「審核委員會」），旨在審閱及監督本集團的財務申報程序、風險管理及內部控制。審核委員會包括三名成員，即獨立非執行董事伍頌恩女士（彼同時為審核委員會主席）、吳文拱先生及梁寶儀女士。審核委員會已與本公司管理層審閱於本期間本集團所採納的會計原則及慣例及本集團的未經審核中期業績以及本中期報告。

根據上市規則第13.51B(1)條更新董事資料

根據上市規則第13.51B(1)條，自二零一九年年報日期後的董事資料變動載列如下：

周先生已於二零二零年六月二十六日獲委任為美亨實業控股有限公司的獨立非執行董事（股份代號：1897，一間於聯交所主板上市的公司）。

除上文所披露者外，根據上市規則第13.51B(1)條，本公司並不知悉董事資料的其他變動。

Condensed Consolidated Statement of Profit or Loss

簡明綜合損益表

For the six months ended 30 June 2020

截至二零二零年六月三十日止六個月

			Six months ended 30 June	
			截至六月三十日止六個月	
		Notes 附註	2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Revenue	營業收入	4	26,369	24,362
Cost of sales	銷售成本		(12,643)	(21,996)
Gross profit	毛利		13,726	2,366
Other income and net gains	其他收入及淨收益	6	262	3,038
Administrative expenses	行政開支		(12,683)	(13,610)
Finance costs	融資成本	7	(1,020)	(838)
Profit/(loss) before tax	除稅前溢利／(虧損)	8	285	(9,044)
Income tax expense	所得稅開支	9	(3,496)	(1,986)
Loss for the period	期內虧損		(3,211)	(11,030)
(Loss)/profit for the period attributable to:	以下各方應佔期內 (虧損)／溢利：			
Owners of the Company	本公司擁有人		(4,832)	(10,930)
Non-controlling interests	非控股權益		1,621	(100)
			(3,211)	(11,030)
			HK cent 港仙	HK cent 港仙
Loss per share	每股虧損	11		
— Basic	— 基本		(0.44)	(1.00)
— Diluted	— 攤薄		(0.44)	(1.00)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended 30 June 2020

截至二零二零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	
		2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Loss for the period	期內虧損	(3,211)	(11,030)
Other comprehensive (expense)/income:	其他全面(開支)/收入：		
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>隨後可能重新分類至損益的項目：</i>		
Exchange difference arising on translation of foreign operations	換算海外業務產生之匯兌差額	(4,961)	(130)
Fair value changes on debt instruments at fair value through other comprehensive income	透過其他全面收益按公允值計量的債務工具之公允值變動	(247)	93
Investment revaluation reserve released upon disposal of debt instruments at fair value through other comprehensive income	出售透過其他全面收益按公允值計量的債務工具後解除的投資重估儲備	(33)	76
Total comprehensive expense for the period	期內全面開支總額	(8,452)	(10,991)
Total comprehensive (expense)/income for the period attributable to:	以下各方應佔期內全面(開支)/收入總額：		
Owners of the Company	本公司擁有人	(9,409)	(10,870)
Non-controlling interests	非控股權益	957	(121)
		(8,452)	(10,991)

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 June 2020
於二零二零年六月三十日

		Notes 附註	30 June 2020 二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	69,324	71,423
Deposits paid for purchase of property, plant and equipment	購買物業、廠房及設備之 已付按金		4,451	1,280
Receivables under service concession arrangements	服務特許權安排下的 應收款項	13	273,489	282,308
Goodwill	商譽	14	—	—
Debt instruments at fair value through other comprehensive income	透過其他全面收益 按公允值計量的債務工具	15	5,650	3,390
Restricted bank deposits	受限制銀行存款		7,993	6,070
			360,907	364,471
Current assets	流動資產			
Inventories	存貨		574	613
Receivables under service concession arrangements	服務特許權安排下的 應收款項	13	21,222	18,182
Prepayments and other receivables	預付款項及其他應收款項	16	11,423	10,612
Income tax recoverable	可收回所得稅		908	776
Debt instruments at fair value through other comprehensive income	透過其他全面收益 按公允值計量的債務工具	15	9,460	15,128
Restricted bank deposits	受限制銀行存款		5,813	6,070
Bank balances and cash	銀行結餘及現金		39,894	64,074
			89,294	115,455
Current liabilities	流動負債			
Trade payables	貿易應付款項	17	2,327	3,003
Other payables and accruals	其他應付款項及應計費用		10,607	11,067
Amounts due to related parties	應付關聯方款項		8,386	8,986
Bank borrowings	銀行借款	18	20,240	20,240
Lease liabilities	租賃負債		536	525
Income tax payables	應付所得稅		193	5,408
			42,289	49,229
Net current assets	流動資產淨值		47,005	66,226
Total assets less current liabilities	總資產減流動負債		407,912	430,697

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 June 2020

於二零二零年六月三十日

		Notes 附註	30 June 2020 二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Capital and reserves	資本及儲備			
Share capital	股本	19	111	111
Reserves	儲備		330,768	345,713
Equity attributable to owners of the Company	本公司擁有人應佔權益		330,879	345,824
Non-controlling interests	非控股權益		25,663	31,892
TOTAL EQUITY	權益總額		356,542	377,716
Non-current liabilities	非流動負債			
Bank borrowings	銀行借款	18	2,240	4,480
Lease liabilities	租賃負債		748	1,019
Deferred tax liabilities	遞延稅項負債		33,292	33,331
Provision for major overhauls	重大檢修撥備		14,129	13,147
Retirement benefit obligations	退休福利責任		961	1,004
			51,370	52,981
			407,912	430,697

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2020

截至二零二零年六月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔										
		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Share option reserve 購股權 儲備 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元	Exchange reserve 匯兌儲備 HK\$'000 千港元	General reserve 一般儲備 HK\$'000 千港元	Investment revaluation reserve 投資 重估儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元	Non- controlling interests 非控股權益 HK\$'000 千港元	Total 總額 HK\$'000 千港元
As at 1 January 2020 (Audited)	於二零二零年一月一日 (經審核)	111	408,460	121	(31,476)	(11,644)	22,128	62	(41,938)	345,824	31,892	377,716
(Loss)/profit for the period	期內(虧損)/溢利	—	—	—	—	—	—	—	(4,832)	(4,832)	1,621	(3,211)
Exchange difference arising on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	—	(4,297)	—	—	—	(4,297)	(664)	(4,961)
Fair value changes on debt instruments at fair value through other comprehensive income	透過其他全面收益按公允值計量的債務工具之公允值變動	—	—	—	—	—	—	(247)	—	(247)	—	(247)
Investment revaluation reserve released upon disposal of debt instruments at fair value through other comprehensive income	出售透過其他全面收益按公允值計量的債務工具後解除的投資重估儲備	—	—	—	—	—	—	(33)	—	(33)	—	(33)
Total comprehensive (expense)/income for the period	期內全面(開支)/收入總額	—	—	—	—	(4,297)	—	(280)	(4,832)	(9,409)	957	(8,452)
Dividends paid to non-controlling interests	向非控股權益支付股息	—	—	—	—	—	—	—	—	—	(7,186)	(7,186)
Dividends recognised as distribution	確認為分派之股息	—	—	—	—	—	—	—	(5,536)	(5,536)	—	(5,536)
Transfer to general reserve	轉撥至一般儲備	—	—	—	—	—	1,907	—	(1,907)	—	—	—
As at 30 June 2020 (Unaudited)	於二零二零年六月三十日 (未經審核)	111	408,460	121	(31,476)	(15,941)	24,035	(218)	(54,213)	330,879	25,663	356,542

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2020

截至二零二零年六月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔										
		Share capital 股本	Share premium 股份溢價	Share option reserve 購股權儲備	Other reserve 其他儲備	Exchange reserve 匯兌儲備	General reserve 一般儲備	Investment revaluation reserve 投資重估儲備	Accumulated losses 累計虧損	Sub-total 小計	Non-controlling interests 非控股權益	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 1 January 2019 (Audited)	於二零一九年一月一日 (經審核)	111	408,558	121	(31,476)	(6,209)	21,710	(16)	(42,296)	350,503	23,873	374,376
Loss for the period	期內虧損	—	—	—	—	—	—	—	(10,930)	(10,930)	(100)	(11,030)
Exchange difference arising on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	—	(109)	—	—	—	(109)	(21)	(130)
Fair value changes on debt instruments at fair value through other comprehensive income	透過其他全面收益按公允值計量的債務工具之公允值變動	—	—	—	—	—	—	93	—	93	—	93
Investment revaluation reserve released upon disposal of debt instruments at fair value through other comprehensive income	出售透過其他全面收益按公允值計量的債務工具後解除的投資重估儲備	—	—	—	—	—	—	76	—	76	—	76
Total comprehensive (expense)/income for the period	期內全面(開支)/收入總額	—	—	—	—	(109)	—	169	(10,930)	(10,870)	(121)	(10,991)
Repurchase of ordinary shares	普通股回購	—	(98)	—	—	—	—	—	—	(98)	—	(98)
Recognition of equity-settled share-based payments	確認以權益結算基於股份的付款	—	—	4	—	—	—	—	—	4	—	4
Transfer to general reserve	轉撥至一般儲備	—	—	—	—	—	9	—	(9)	—	—	—
As at 30 June 2019 (Unaudited)	於二零一九年六月三十日 (未經審核)	111	408,460	125	(31,476)	(6,318)	21,719	153	(53,235)	339,539	23,752	363,291

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2020

截至二零二零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	
		2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Operating activities	經營活動		
Cash generated from/(used in) operations	經營所得／(所用)的現金	1,436	(1,848)
Income tax paid	已付所得稅	(8,882)	(1,486)
Net cash flows used in operating activities	經營活動所用的現金流量淨額	(7,446)	(3,334)
Investing activities	投資活動		
Purchase of debt instruments through other comprehensive income	購買透過其他全面收益列賬的債務工具	(3,957)	(10,240)
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(3,029)	(7,221)
Proceeds on disposal of debt instruments through other comprehensive income	出售透過其他全面收益列賬的債務工具的所得款項	7,203	14,843
Bank interest received	已收銀行利息	532	702
Interest received from debt instruments through other comprehensive income	已收透過其他全面收益列賬的債務工具的利息	330	696
Deposit for purchase of property, plant and equipment	購買物業、廠房及設備之按金	(3,171)	—
Placement of restricted bank deposits	存入受限制銀行存款	(2,180)	—
Net cash flows used in investing activities	投資活動所用的現金流量淨額	(4,272)	(1,220)
Financing activities	融資活動		
Dividend paid	已付股息	(7,186)	—
Repayments of bank borrowings	償還銀行借款	(2,240)	(2,240)
Repayment to a related party	償還一名關聯方款項	(843)	(1,020)
Repayments of lease liabilities	償還租賃負債	(260)	—
Interest paid	已付利息	(405)	(506)
Payment on repurchase of shares	回購股份的付款	—	(98)
Net cash flows used in financing activities	融資活動所用現金流量淨額	(10,934)	(3,864)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(22,652)	(8,418)
Cash and cash equivalents at beginning of the period	期初現金及現金等價物	64,074	44,317
Effect of foreign exchange rate changes, net	外匯匯率變動的影響，淨額	(1,528)	1,755
Cash and cash equivalents at end of the period	期末現金及現金等價物	39,894	37,654
Represented by:	指：		
Bank balances and cash	銀行結餘及現金	39,894	37,654

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

30 June 2020

二零二零年六月三十日

1. CORPORATION AND GROUP INFORMATION

ELL Environmental Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business of the Company is Unit 5, 7th Floor, Westlands Centre, 20 Westlands Road, Hong Kong.

The condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company. The Company acts as an investment holding company. The principal activities of its principal subsidiaries are engaged in the construction and operation of wastewater treatment facilities and generation of electricity.

2. BASIS OF PREPARATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed interim financial information of the Group for the Period (the “Unaudited Condensed Interim Financial Information”) has been prepared in accordance with Hong Kong Accounting Standard (the “HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance.

The Unaudited Condensed Interim Financial Information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2019.

This Unaudited Condensed Interim Financial Information is presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (“HK\$’000”) except when otherwise indicated. This Unaudited Condensed Interim Financial Information has not been audited or reviewed by the Company’s external auditor, but has been reviewed by the Company’s audit committee.

1. 公司及集團資料

強泰環保控股有限公司(「本公司」)為一間在開曼群島註冊成立的獲豁免有限責任公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands，本公司的主要營業地點位於香港華蘭路20號華蘭中心7樓5室。

簡明綜合財務報表以港元(「港元」)列值，港元亦為本公司功能貨幣。本公司為投資控股公司。其主要附屬公司的主要活動為從事污水處理設施的建造及營運以及發電。

2. 簡明綜合財務報表編製基準

本集團於本期間的未經審核簡明中期財務資料(「未經審核簡明中期財務資料」)乃根據香港會計師公會(「香港會計師公會」)頒佈的香港會計準則(「香港會計準則」)第34號「中期財務報告」及聯交所證券上市規則附錄十六的適用披露規定及香港公司條例編製。

未經審核簡明中期財務資料並不包括年度綜合財務報表規定的所有資料及披露，且應與本集團截至二零一九年十二月三十一日止年度的年度綜合財務報表一併閱讀。

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

Notes to the Condensed Interim Financial Information

簡明中期財務資料附註

30 June 2020
二零二零年六月三十日

3. PRINCIPAL ACCOUNTING POLICIES

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

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (the “HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements of the Group for the six months ended 30 June 2020 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2019.

APPLICATION OF AMENDMENTS TO HKFRSs

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to the HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2020 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to the HKFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and on the disclosures set out in these condensed consolidated financial statements.

3. 主要會計政策

除若干金融工具於各報告期末按公允值計量外(倘合適)，本集團之簡明綜合財務報表按歷史成本基準編製。

除因應用新訂香港財務報告準則(「香港財務報告準則」)及經修訂香港財務報告準則所導致的會計政策變動外，截至二零二零年六月三十日止六個月本集團之簡明綜合財務報表所採用之會計政策及計算方法與本集團截至二零一九年十二月三十一日止年度之年度綜合財務報表所呈列者一致。

應用經修訂香港財務報告準則

於本中期期間，本集團首次應用香港財務報告準則中概念框架的引用的修訂以及下列由香港會計師公會頒佈之經修訂香港財務報告準則(其於二零二零年一月一日或之後開始的年度期間強制生效)，以編製本集團的簡明綜合財務報表：

香港會計準則第1號及香港會計準則第8號(修訂本)	重大的定義
香港財務報告準則第3號(修訂本)	業務的定義
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)	利率基準改革

於本期間應用香港財務報告準則中概念框架的引用的修訂以及經修訂香港財務報告準則對本集團本期間及過往期間的財務狀況及表現以及此等簡明綜合財務報表所載的披露並無重大影響。

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

30 June 2020

二零二零年六月三十日

4. REVENUE

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Types of goods and services	商品及服務類別		
Construction services	建設服務	1,454	4,468
Wastewater treatment facility operation services	污水處理設施營運服務	17,715	11,488
Sales of electricity generated from biomass power plants	銷售生物質發電廠產生的電力	—	1,223
Revenue from goods and services	商品及服務營業收入	19,169	17,179
Imputed interest income on receivables under service concession arrangements	服務特許權安排下應收款項的推算利息收入	7,200	7,183
		26,369	24,362

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Timing of revenue recognition	收入確認時點		
A point in time	於某一時間點	17,715	12,711
Over time	隨時間	1,454	4,468
Revenue from goods and services	商品及服務營業收入	19,169	17,179

The contracts for construction services, wastewater treatment facility operation services and sales of electricity generated from biomass power plants are for periods of one year or less. As permitted under HKFRS 15 "Revenue from Contracts with Customers", the transaction price allocated to these unsatisfied contracts is not disclosed.

建設服務、污水處理設施營運服務及銷售生物質發電廠產生的電力合約期限均為一年或以下。如香港財務報告準則第15號「來自客戶合約收入」所批准，並無披露分配至該等未履行合約的交易價。

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

30 June 2020
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5. SEGMENT INFORMATION

The Group is engaged in the construction and operation of wastewater treatment facilities and biomass power generation business. Information reported to the Group's chief operating decision maker (i.e. the executive directors of the Company) for the purposes of resource allocation and assessment of performance is focused on geographical locations of its manpower and customers, including Hong Kong, the People's Republic of China (the "PRC") and the Republic of Indonesia ("Indonesia").

SEGMENT REVENUE AND RESULTS

The following is an analysis of the Group's revenue and results by reportable and operating segments:

Six months ended 30 June 2020 (unaudited)

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Indonesia 印尼 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Results	業績				
Segment revenue	分部收入	—	26,369	—	26,369
Segment profit/(loss)	分部溢利／(虧損)	(4,637)	12,517	(7,568)	312
Unallocated expenses	未分配開支				
Administrative expenses	行政開支				(27)
Profit before tax	除稅前溢利				285

5. 分部資料

本集團從事建設及營運污水處理設施以及生物質發電業務。呈報予本集團主要營運決策人(即本公司執行董事)，以作為資源分配及表現評估之用的資料集中在其人力資源及客戶的地理位置，包括香港、中華人民共和國(「中國」)及印度尼西亞共和國(「印尼」)。

分部收入及業績

本集團按可呈報及經營分部劃分之收入及業績分析如下：

截至二零二零年六月三十日止六個月(未經審核)

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5. SEGMENT INFORMATION (Cont'd)

SEGMENT REVENUE AND RESULTS (Cont'd)

Six months ended 30 June 2019 (unaudited)

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Indonesia 印尼 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Results	業績				
Segment revenue	分部收入	—	23,139	1,223	24,362
Segment (loss)/profit	分部(虧損)/溢利	(5,932)	2,407	(5,505)	(9,030)
Unallocated expenses	未分配開支				
Administrative expenses	行政開支				(14)
Loss before tax	除稅前虧損				(9,044)

There were no inter-segment sales for both periods.

All of the segment revenue reported above was generated from external customers.

Revenues from customers contributing over 10% of the Group's revenue for the six months ended 30 June 2020 and 2019 are as follows:

5. 分部資料(續)

分部收入及業績(續)

截至二零一九年六月三十日止六個月(未經審核)

兩個期間均無分部間銷售。

上述呈報的所有分部收入均產生自外部客戶。

截至二零二零年及二零一九年六月三十日止六個月，佔本集團收入10%以上的客戶收入如下：

Six months ended 30 June

截至六月三十日止六個月

		2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Customer A from the PRC segment	中國分部客戶A	12,015	5,266
Customer B from the PRC segment	中國分部客戶B	14,354	17,873

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6. OTHER INCOME AND NET GAINS

6. 其他收入及淨收益

Six months ended 30 June
截至六月三十日止六個月

		2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Bank interest income	銀行利息收入	532	702
Interest income from debt instruments at fair value through other comprehensive income	透過其他全面收益 按公允值計量的債務工具 的利息收入	482	797
Gain/(loss) on disposal of debt instruments at fair value through other comprehensive income	出售透過其他全面收益 按公允值計量的債務工具 的收益／(虧損)	33	(76)
Foreign exchange (loss)/gain, net	外匯(虧損)／收益淨額	(3,656)	269
Refund of value-added tax	增值稅退稅	2,546	1,335
Government grants (note)	政府補助(附註)	150	—
Others	其他	175	11
		262	3,038

Note: Government grants have been received from local governments in Jiangsu Province, the PRC for the purpose of carrying out environmental protection works. There were no unfulfilled conditions or contingencies relating to these grants as at 30 June 2020.

附註：就實施環保工程得到中國江蘇省地方政府的補助。於二零二零年六月三十日概無有關該等補助的未完成條件或或然事件。

7. FINANCE COSTS

7. 融資成本

Six months ended 30 June
截至六月三十日止六個月

		2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Interest on bank borrowings	銀行借款的利息	378	505
Interest on loan from a related party	來自一名關聯方的貸款利息	243	—
Interest on lease liabilities	租賃負債利息	27	—
Increase in discounted amounts of provision for major overhauls arising from the passage of time	由於時間流逝而產生 的重大檢修撥備 的貼現金額增加	372	333
		1,020	838

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8. PROFIT/(LOSS) BEFORE TAX

8. 除稅前溢利／（虧損）

Six months ended 30 June

截至六月三十日止六個月

		2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Profit/(loss) before tax has been arrived at after charging/(crediting):	除稅前溢利／（虧損）已扣除／（計入）：		
Employee benefit expense (including Directors' remuneration):	僱員福利開支（包括董事酬金）：		
Salaries and other benefits	薪金及其他福利	5,729	8,029
Pension scheme contributions (note)	退休金計劃供款（附註）	481	851
Share-based payments	基於股份的付款	—	4
		6,210	8,884
Cost of construction services	建築服務成本	1,120	3,556
Cost of wastewater treatment facilities operation services rendered	所提供污水處理設施營運服務成本	7,921	12,843
Cost of power plant operation	發電廠營運成本	—	983
Cost of inventories	存貨成本	3,602	4,614
Depreciation of property, plant and equipment	物業、廠房及設備折舊	2,233	2,089
Foreign exchange loss/(gain), net	匯兌虧損／（收益），淨額	3,656	(269)
Provision for major overhauls	重大檢修撥備	610	861

Note: As at 30 June 2020, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (six months ended 30 June 2019: nil).

附註：於二零二零年六月三十日，本集團概無可供減少未來年度的退休金計劃供款之沒收供款（截至二零一九年六月三十日止六個月：無）。

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9. INCOME TAX EXPENSE

9. 所得稅開支

Six months ended 30 June
截至六月三十日止六個月

		2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Current tax:	即期稅項：		
PRC Corporate Income Tax	中國企業所得稅	2,221	1,558
Under provision in prior years:	過往年度撥備不足：		
PRC Corporate Income Tax	中國企業所得稅	724	—
Deferred tax	遞延稅項	551	428
Total tax charge for the period	期內稅項支出總額	3,496	1,986

Pursuant to the laws and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

根據開曼群島及英屬處女群島(「英屬處女群島」)的法律及法規，本集團毋須於開曼群島及英屬處女群島繳納任何所得稅。

No provision for Hong Kong profits tax had been made as the Group did not generate any assessable profits arising in Hong Kong during the Period (six months ended 30 June 2019: nil).

由於本集團本期間並無於香港產生任何可評稅溢利，故概無計提香港利得稅撥備(截至二零一九年六月三十日止六個月：無)。

Withholding tax is calculated at 5% of the dividend income received from a subsidiary in the PRC.

自一間中國附屬公司收到的股息收益按5%計算預扣稅。

No provision for Indonesian income tax had been made as the Group did not generate any assessable profits arising in Indonesia during the Period (six months ended 30 June 2019: nil).

由於本集團本期間並無於印尼產生任何可評稅溢利，故概無計提印尼所得稅撥備(截至二零一九年六月三十日止六個月：無)。

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

中國所得稅撥備是根據本公司位於中國的附屬公司所適用並按中國相關所得稅法律及規例所釐定的各企業所得稅率而作出。

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10. DIVIDEND

No interim dividend in respect of the six months ended 30 June 2020 has been declared for payment by the Board (six months ended 30 June 2019: nil).

The Board has recommended a final dividend of HK0.5 cent per share amounting to HK\$5,536,500 for the year ended 31 December 2019, and was subsequently approved at the Company's annual general meeting held on 12 June 2020.

11. LOSS PER SHARE

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

10. 股息

董事會並無就截至二零二零年六月三十日止六個月宣派中期股息（截至二零一九年六月三十日止六個月：無）。

董事會建議派發截至二零一九年十二月三十一日止年度末期股息每股0.5港仙，金額為5,536,500港元，並隨後於本公司於二零二零年六月十二日舉行的股東週年大會上批准。

11. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損的計算基於下列數據：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Loss for the purposes of basic and diluted loss per share, being loss for the period attributable to owners of the Company	就每股基本及攤薄虧損而言之虧損，即本公司擁有人應佔期內虧損	(4,832)	(10,930)

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11. LOSS PER SHARE (Cont'd)

Weighted average number of
ordinary shares for the purpose of
calculating loss per share

就計算每股虧損而言之
加權平均普通股數目

11. 每股虧損(續)

Number of shares

股份數目

Six months ended 30 June

截至六月三十日止六個月

2020	2019
二零二零年	二零一九年
'000	'000
千股	千股
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)

1,107,300

1,107,374

For the six months ended 30 June 2020 and 2019, the computation of diluted loss per share does not assume the exercise of the Company's outstanding share options since their exercise would result in a decrease in loss per share.

截至二零二零年及二零一九年六月三十日止六個月，因行使本公司購股權會導致每股虧損減少，故計算每股攤薄虧損時並未假設行使本公司未行使的購股權。

12. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group incurred HK\$3,029,000 (six months ended 30 June 2019: HK\$8,482,000) on the acquisition of items of property, plant and equipment.

12. 物業、廠房及設備

於本期間，本集團因購買物業、廠房及設備項目耗資3,029,000港元(截至二零一九年六月三十日止六個月：8,482,000港元)。

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13. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

13. 服務特許權安排下的應收款項

		30 June 2020 二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Receivables under service concession arrangements	服務特許權安排下的應收款項	294,711	300,490
Portion classified as current assets	分類為流動資產的部份	(21,222)	(18,182)
Portion classified as non-current assets	分類為非流動資產的部份	273,489	282,308

The following is an ageing analysis of receivables under service concession arrangements, presented based on the invoice date at the end of the reporting period:

於報告期末按發票日期呈列服務特許權安排下的應收款項的賬齡分析如下：

		30 June 2020 二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Billed:	已開具發票：		
Within 3 months	3個月內	10,113	8,931
4 to 6 months	4至6個月	—	1,521
Not yet billed	尚未開具發票	10,113 284,598	10,452 290,038
		294,711	300,490

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14. GOODWILL

14. 商譽

HK\$'000
千港元

Cost	成本	
As at 1 January 2019, 31 December 2019, 1 January 2020 and 30 June 2020	於二零一九年一月一日、 二零一九年十二月三十一日、 二零二零年一月一日及二零二零年六月三十日	81,407
Impairment	減值	
As at 1 January 2019, 31 December 2019, 1 January 2020 and 30 June 2020	於二零一九年一月一日、 二零一九年十二月三十一日、 二零二零年一月一日及二零二零年六月三十日	81,407
Carrying values	賬面值	
As at 30 June 2020 (unaudited)	於二零二零年六月三十日 (未經審核)	—
As at 31 December 2019 (audited)	於二零一九年十二月三十一日 (經審核)	—

The amount represents goodwill arising on the acquisition of Weal Union Limited and its subsidiary (the "Weal Union Group") on 21 October 2016. As at 30 June 2020, the goodwill arising on acquisition of the Weal Union Group had been fully impaired. Details are disclosed in the Group's consolidated financial statements for the year ended 31 December 2018.

金額表示於二零一六年十月二十一日收購旭衡有限公司及其附屬公司(「旭衡集團」)產生的商譽。於二零二零年六月三十日，收購旭衡集團產生的商譽已悉數減值。有關詳情已在本集團截至二零一八年十二月三十一日止年度的綜合財務報表中披露。

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15. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

15. 透過其他全面收益按公允值計量的債務工具

		30 June 2020 二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Non-current	非即期		
Listed debt securities classified as debt instruments at fair value through other comprehensive income	分類為透過其他全面收益按公允值計量的債務工具的上市債務證券	15,110	18,518
Analysed as:	分析為：		
Non-current	非流動	5,650	3,390
Current	流動	9,460	15,128
		15,110	18,518

During the Period, the fair value loss in respect of the Group's listed debt securities classified as debt instruments at fair value through other comprehensive income recognised in other comprehensive income amounted to approximately HK\$247,000 (six months ended 30 June 2019: a gain of approximately HK\$93,000), and a gain of HK\$33,000 (six months ended 30 June 2019: a loss of HK\$76,000) was released to profit or loss during the Period upon disposal.

於本期間，本集團於其他全面收益內確認的分類為透過其他全面收益按公允值計量的債務工具的上市債務證券的公允值虧損約為247,000港元(截至二零一九年六月三十日止六個月：收益約93,000港元)，以及於本期間出售後解除33,000港元(截至二零一九年六月三十日止六個月：虧損76,000港元)的收益至損益。

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16. PREPAYMENTS AND OTHER RECEIVABLES

		30 June 2020 二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Other receivables	其他應收款項	7,234	6,586
Deposits and prepayments	按金及預付款項	1,868	2,267
VAT recoverable	可收回增值稅	2,321	1,759
		11,423	10,612

17. TRADE PAYABLES

The following is an ageing analysis of the trade payables, presented based on the invoice date at the end of the reporting period:

		30 June 2020 二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
0-60 days	0至60日	346	776
61-90 days	61至90日	18	566
Over 90 days	超過90日	1,963	1,661
		2,327	3,003

Included in the Group's trade payables are construction retention payables of HK\$72,000 (31 December 2019: HK\$74,000).

16. 預付款項及其他應收款項

17. 貿易應付款項

於報告期末按發票日期呈列貿易應付款項的賬齡分析如下：

本集團貿易應付款項包括工程應付保留金 72,000 港元 (二零一九年十二月三十一日：74,000 港元)。

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18. BANK BORROWINGS

18. 銀行借款

		30 June 2020 二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
On demand or within one year	按要求或一年內	20,240	20,240
In the second year	第二年	2,240	2,240
In the third to fifth years inclusive	第三年至第五年 (包括首尾兩年)	—	2,240
		22,480	24,720
Less: Amount due within one year shown under current liabilities	減：一年內到期並列作 流動負債之款項	(20,240)	(20,240)
Amount due after one year	一年後到期款項	2,240	4,480
Current — unsecured	即期 — 無抵押	20,240	20,240
Non-current — unsecured	非即期 — 無抵押	2,240	4,480
		22,480	24,720

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18. BANK BORROWINGS (Cont'd)

18. 銀行借款(續)

			Carrying amount 賬面值	
			30 June 2020 二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
		Effective interest rate 實際利率		
Floating-rate borrowings:	浮動利率借款：			
Unsecured HK\$ bank borrowing	無抵押港元 銀行借款	3.24%	18,000	18,000
Unsecured US\$ bank borrowing	無抵押美元 銀行借款	2.55%	4,480	6,720
Total bank borrowings	銀行借款總額		22,480	24,720

19. SHARE CAPITAL

19. 股本

		30 June 2020 二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Authorised:	法定：		
3,800,000,000 ordinary shares of HK\$0.0001 each	3,800,000,000 股每股面值 0.0001 港元的普通股	380	380
Issued and fully paid:	已發行及繳足：		
1,107,300,000 (31 December 2019: 1,107,300,000) ordinary shares of HK\$0.0001 each	1,107,300,000 股 (二零一九年 十二月三十一日： 1,107,300,000 股) 每股面值 0.0001 港元 的普通股	111	111

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19. SHARE CAPITAL (Cont'd)

A summary of movements in the Company's issued capital is as follows:

19. 股本(續)

本公司的已發行股本變動概述如下：

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
As at 1 January 2019	於二零一九年一月一日	1,108,000,000	111
Shares repurchased and cancelled	回購及註銷股份	(700,000)	N/A 不適用*
As at 31 December 2019, 1 January 2020 and 30 June 2020	於二零一九年十二月三十一日、 二零二零年一月一日及 二零二零年六月三十日	1,107,300,000	111

* Amount less than HK\$1,000.

* 金額少於1,000港元。

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20. RELATED PARTY TRANSACTIONS

- (a) During the period from 1 January to 19 November 2019, the Group sub-leased the commercial premises located at Units 1-3, 11th Floor, Westlands Centre, 20 Westlands Road, Hong Kong, for use as offices from Dragonfield Management Limited ("Dragonfield"), a company controlled by certain Directors and their family members at a rent of HK\$136,600 per month.

During the period from 20 November 2019 to 30 June 2020, the Group sub-leased the commercial premises located at Unit 5, 7th Floor, Westlands Centre, 20 Westlands Road, Hong Kong for use as offices from Dragonfield. The sub-lease has a term of three years from 20 November 2019 to 19 November 2022 at a rent of HK\$47,800 per month.

On 2 January 2019, the Group entered into an administrative services sharing agreement with Dragonfield, in connection with the sharing of administrative services, retrospectively, effective from 1 July 2018 to 30 June 2021. On 1 January 2020, the Group further entered into a new administrative services sharing agreement with Dragonfield and extended the period to 31 December 2022. The Group was charged for the shared administrative services, which includes the rent to Dragonfield for the area of the premises used by the Group as offices, on a cost basis.

The total amount of shared administrative services expenses charged to profit or loss during the six months ended 30 June 2020 was HK\$1,260,000 (six months ended 30 June 2019: HK\$1,608,000).

There is no amount due to Dragonfield for current period and prior year.

20. 關聯方交易

- (a) 於二零一九年一月一日至十一月十九日期間，本集團向龍田管理有限公司（「龍田」）（由本公司若干董事及其家屬控制的公司）分租位於香港華蘭路20號華蘭中心11樓1-3室的商用物業用作辦公室，月租為136,600港元。

於二零一九年十一月二十日至二零二零年六月三十日期間，本集團向龍田分租位於香港華蘭路20號華蘭中心7樓5室的商用物業用作辦公室，分租期為期三年（自二零一九年十一月二十日至二零二二年十一月十九日），月租金為47,800港元。

於二零一九年一月二日，本集團已就共享行政服務與龍田訂立行政服務共享協議，追溯生效，自二零一八年七月一日起至二零二一年六月三十日止。於二零二零年一月一日，本集團與龍田進一步訂立一份新的行政服務共享協議並將期限延長至二零二二年十二月三十一日。相關共享行政服務按成本基準向本集團收費，其中包括租賃龍田作本集團辦公室物業用途。

截至二零二零年六月三十日止六個月計入損益的共享行政服務開支總額為1,260,000港元（截至二零一九年六月三十日止六個月：1,608,000港元）。

本期及上年並無應付龍田之款項。

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20. RELATED PARTY TRANSACTIONS (Cont'd)

- (b) During the six months ended 30 June 2020, HK\$155,000 (six months ended 30 June 2019: HK\$388,000) of services fee and rental expenses were paid to related companies over which a Director has significant influence to operate, monitor and maintain the two power plants of the Group.

- (c) Compensation of key management personnel

The remuneration of the Directors and other members of key management during the Period was as follows:

20. 關聯方交易(續)

- (b) 於截至二零二零年六月三十日止期間，已支付155,000港元(截至二零一九年六月三十日止六個月：388,000港元)服務費用及租金開支予關聯公司，而本公司一名董事對關聯公司擁有重大影響力，從而影響本集團兩座發電廠的營運、監督及維護。

- (c) 主要管理層人員的薪酬

於年內董事及主要管理層其他人員的薪酬如下：

Six months ended 30 June

截至六月三十日止六個月

	2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Short-term employee benefits 短期僱員福利	1,223	3,005
Post-employment benefits 離職後福利	14	59
	1,237	3,064

The remuneration of the Directors and key executives is determined by the Board on the recommendation of the remuneration committee having regard to the performance of individuals and market trends.

董事及主要行政人員之薪酬由薪酬委員會參考董事會經考慮個人表現及市場趨勢後作定的建議釐定。

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

FAIR VALUE OF THE GROUP'S FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE MEASURED AT FAIR VALUE ON A RECURRING BASIS

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used).

21. 金融工具的公允值計量

公允值計量根據公允值計量之輸入數據可觀察程度及輸入數據對公允值計量之整體重要性分類為第一級、第二級或第三級，載述如下：

- 第一級輸入數據為實體於計量日期可以取得的相同資產或負債於活躍市場的報價（未經調整）；
- 第二級輸入數據為就資產或負債直接或間接地可觀察之輸入數據（第一級內包括的報價除外）；及
- 第三級輸入數據為資產或負債的不可觀察輸入數據。

按經常基準以公允值計量的本集團金融資產及金融負債的公允值

本集團若干金融資產於各報告期末以公允值計量。下表載列有關如何釐定該等金融資產的公允值的資料（特別是所使用的估值技術及輸入數據）。

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21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Cont'd)

FAIR VALUE OF THE GROUP'S FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE MEASURED AT FAIR VALUE ON A RECURRING BASIS (Cont'd)

Financial assets/financial liabilities 金融資產 / 金融負債	Fair value as at 於以下日期之公允值		Fair value Hierarchy 公允值層級	Valuation techniques and key inputs 估值技術及主要輸入數據
	30.6.2020 二零二零年 六月三十日	31.12.2019 二零一九年 十二月三十一日		
Listed debt securities classified as financial assets at fair value through other comprehensive income 分類為透過其他全面收益按公允值 計量的金融資產的上市債務證券	Asset — HK\$15,110,000 資產 — 15,110,000 港元	Asset — HK\$18,518,000 資產 — 18,518,000 港元	Level 1 第一級	Quoted market price 市場報價

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

There were no transfers between Level 1 and Level 2 and no transfers into or out of Level 3 during the Period.

董事認為，於簡明綜合財務報表按攤銷成本入賬的金融資產及金融負債的賬面值與其公允值相若。

本期間第一級與第二級之間概無轉移且概無轉入或轉出第三級。

22. APPROVAL OF THE CONDENSED INTERIM FINANCIAL INFORMATION

The unaudited condensed interim financial information was approved by the Board on 21 August 2020.

21. 金融工具的公允值計量(續)

按經常基準以公允值計量的本集團金融資產及金融負債的公允值(續)

22. 簡明中期財務資料的批准

未經審核簡明中期財務資料已於二零二零年八月二十一日獲董事會批准。



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