



ELL
Environmental
Holdings Limited

ELL Environmental Holdings Limited
强泰環保控股有限公司*

(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



中期報告
INTERIM REPORT
2014

* For identification purpose only
僅供識別

	Page 頁次
Corporate Information 公司資料	2
Chairman's Statement 主席報告	5
Management Discussion and Analysis 管理層討論與分析	7
Other Information 其他資料	15
Financial Information 財務資料	19

Corporate Information

公司資料

DIRECTORS

Executive Directors

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

Non-Executive Directors

CHAN Pak Lam Brian
CHAU Chi Yan Benny

Independent non-executive Directors

NG Chung Yan Linda
NG Man Kung
SZE Yeuk Lung Benedict

BOARD COMMITTEES

Audit Committee

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

Nomination Committee

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

Remuneration Committee

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

REGISTERED OFFICE

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

董事

執行董事

周安達源(*主席*)
陳昆(*行政總裁*)

非執行董事

陳柏林
周致人

獨立非執行董事

伍頌恩
吳文拱
施若龍

董事委員會

審核委員會

伍頌恩(*主席*)
周致人
吳文拱
施若龍

提名委員會

周安達源(*主席*)
陳昆
伍頌恩
吳文拱
施若龍

薪酬委員會

吳文拱(*主席*)
陳柏林
伍頌恩
施若龍

註冊辦事處

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

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

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

Units 1-3, 11th 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11樓1-3室

AUTHORISED REPRESENTATIVES

CHAN Kwan
KWOK Siu Man FCS

授權代表

陳昆
郭兆文 FCS

COMPANY SECRETARY

KWOK Siu Man FCS

公司秘書

郭兆文 FCS

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR

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

開曼群島主要股份過戶登記處

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

HONG KONG BRANCH SHARE REGISTRAR

Boardroom Share Registrars (HK) Limited
31st 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
31樓

PLACE OF LISTING

The Main Board of The Stock Exchange of Hong Kong
Limited (the "Stock Exchange")

上市地

香港聯合交易所有限公司
(「聯交所」)主板

Corporate Information

公司資料

STOCK CODE

1395
(listed on the Stock Exchange on 26 September 2014)
(the “Listing Date”)

PRINCIPAL BANKERS

Chiyu Banking Corporation Limited
The Hongkong and Shanghai Banking Corporation Limited

AUDITORS

Ernst & Young
Certified Public Accountants

LEGAL ADVISORS

As to Hong Kong law:

Michael Tam & Co. in association with
Berwin Leighton Paisner (HK) LLP

As to PRC law:

King & Wood Mallesons

As to Cayman Islands law:

Maples and Calder

COMPLIANCE ADVISOR

Quam Capital Limited

WEBSITE

www.ellhk.com

股份代號

1395
(於二零一四年九月二十六日
在聯交所上市)(「上市日期」)

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

核數師

安永會計師事務所
執業會計師

法律顧問

有關香港法律：

譚國彥律師事務所聯合
博聞(香港)律師事務所

有關中國法律：

金杜律師事務所

有關開曼群島法律：

邁普達律師事務所

合規顧問

華富嘉洛企業融資有限公司

公司網站

www.ellhk.com

Dear Shareholders,

On behalf of the board (the “Board”) of directors (the “Directors”), I am pleased to present the first interim report of the Group since its listing on the Main Board of the Stock Exchange (the “Listing”) on 26 September 2014. This report sets out the interim results for the six months ended 30 June 2014.

Despite the volatile capital market condition in Hong Kong, the Company has successfully completed its initial public offering with net proceeds of approximately HK\$77.6 million. The successful listing marked a new milestone in the Group's development by entering the international capital market. With a broadened shareholder base and expanded share capital, the Group has access to more financial resources, thereby laying a solid foundation for our future development.

We offer a one-stop approach to the provision of wastewater treatment services adopting the “Build – Operate – Transfer” (the “BOT”) model. We cover the whole spectrum of activities from the design of wastewater treatment facilities, through the procurement of suitable equipment and materials, to the supervision of their construction as well as the on-going operation and maintenance of the facilities throughout long-term concession periods. We have three wastewater treatment facilities, namely Haian Hengfa Facility, Rugao Hengfa Facility and Rugao Honghao Facility. The maximum capacity of our three facilities is 83,500 tons per day. In the first half of 2014, the total wastewater treated by the three facilities reached 8,118,825 tons.

Looking forward to the second half of 2014, demand for wastewater treatment services is expected to grow in the near future as the PRC government plans to ramp up investments in environmental protection. The PRC government's 12th Five-Year Plan seeks an outlay of approximately RMB3.4 trillion in environmental protection between 2011 and 2015, including investments in wastewater treatment and related infrastructure. Accordingly, we anticipate stricter government regulations on environmental protection, including higher standard of quality of wastewater treatment as China's economy continues to develop. It will speed up the industry consolidation, whilst enterprises with proven track record such as ELL Environmental Holdings Limited (“ELL Environmental”) will benefit therefrom.

致各位股東：

本人謹代表董事（「董事」）會（「董事會」）欣然提呈本集團於二零一四年九月二十六日於聯交所主板成功上市（「上市」）後首份中期業績報告。本業績報告覆蓋本集團截至二零一四年六月三十日止六個月之中期業績。

儘管香港的資本市場較為波動，本公司仍成功完成首次公開發售，籌得資金淨額約77.6百萬港元。成功上市標誌著本集團的發展掀開嶄新一頁，踏足國際資本平台。隨著股東基礎擴大及股本增強，本集團獲得更充裕的財務資源，為未來發展奠定穩固基礎。

我們採用「建設－經營－移交」（「BOT」）模式，為客戶提供完善的一站式污水處理服務，涵蓋設計污水處理設施、採購合適的設備及材料、監督設施建設，以及在整個漫長的特許期內持續運營及保養設施。旗下三個經營中的污水處理項目－海安恆發設施、如皋恆發設施、及如皋宏皓設施，合共最高處理能力為每天83,500噸。二零一四年上半年，三個污水處理設施合共污水處理量達到8,118,825噸。

展望下半年，由於中國政府計劃加大環保投資力度，短期內污水處理服務需求將會增加。中國政府的「十二五」規劃致力於二零一一年至二零一五年間對環保投資人民幣3.4萬億元，包括投資污水處理及相關基礎設施。因此，我們預期，隨著中國經濟繼續發展，政府將繼續提高環境監管規定，包括污水處理質量標準，加速行業整合，對強泰環保控股有限公司（「強泰環保」）此類擁有良好往績的企業有利。

Chairman's Statement

主席報告

In the future, the Group will strive to obtain new wastewater treatment projects by leveraging our proven track record and close working relationships with the local government authorities, thereby reinforcing our market position in Jiangsu Province and steadily expanding our operations. We target regions that we believe to have an increasing demand for wastewater treatment services and offer attractive return.

We plan to capitalise on the opportunities from the rising environmental standards and increasing demand for wastewater treatment and environmental protection solutions in China, as we pursue strategic acquisitions, joint ventures, partnerships and other opportunities in wastewater treatment and environmental protection projects in and outside China.

I am fully confident in the future development of ELL Environmental. While the successful listing is one of the milestones in the development of our business, we look forward to further growth. I would like to express my gratitude to the continuous support of all the shareholders, investors and clients on behalf of the Board. The Group's management team and all staff members will strive for better results, so as to achieve attractive returns for our shareholders.

Chau On Ta Yuen
Chairman

30 September 2014, Hong Kong

未來，本集團將善用我們良好的往績及與地方政府機關密切的合作關係，爭取獲得更多新的污水處理項目，從而鞏固我們在江蘇省的市場地位，使業務穩定擴展。我們將瞄準污水處理服務需求將不斷增長並可提供可觀回報的區域。

鑒於中國不斷提高的環境標準，以及對污水處理及環境保護解決方案日益增加的需求，我們計劃把握時機，在中國及海外的污水處理及其他環保項目方面尋求策略收購、合營企業、合作夥伴及其他機遇。

本人對強泰環保的未來發展充滿信心，相信成功上市僅僅是本集團業務發展上的其中一個里程碑，未來將迎接更多新里程。本人謹代表董事會感謝所有股東、投資者及客戶對本集團的不懈支持，本集團管理層成員及全體員工將繼續竭盡所能爭取更佳業績，務求為股東帶來豐厚的回報。

主席
周安達源

香港，二零一四年九月三十日

BUSINESS REVIEW AND OUTLOOK

We are a wastewater treatment services provider with three wastewater treatment facilities in Jiangsu Province, China. We offer a one-stop approach to the provision of wastewater treatment services using the BOT model. We cover the whole spectrum of activities from the design of wastewater treatment facilities, through the procurement of suitable equipment and materials, to the supervision of their construction as well as the on-going operation and maintenance of the facilities throughout long-term concession periods. Our projects capability can be adapted to suit the specific nature and requirements of our customers, who are a local government authority and a local government administrative committee in Nantong City, Jiangsu Province, China, the region in which we operate.

Our Group currently has three wastewater treatment projects in operation which include (i) the Haian Hengfa Facility which involved the design, construction and operation of a municipal wastewater treatment facility, (ii) the Rugao Hengfa Facility which involved the design, construction and operation of a wastewater treatment facility to treat a mixture of municipal and industrial wastewater, and (iii) the Rugao Honghao Facility which involves the operation of a wastewater treatment facility to treat wastewater containing various types of water soluble heavy metals. These facilities have an aggregate capacity of 80,000 tons per day for municipal and industrial wastewater treatment and 3,500 tons per day for heavy metal wastewater treatment.

We believe our focus is aligned with China's economical development. China's economy depends mainly on industrial activities, which contributed 45% to 48% of GDP of the country over the past two decades. Some of the fastest growing industries in China are water-intensive in nature. Hence, the opportunities for industrial wastewater treatment facilities within these industries are enormous. Furthermore, the PRC government has poured an increasing amount of capital into the wastewater treatment industry over the past two decades. The official investment budget as noted in the country's 12th Five-Year Plan to develop wastewater treatment facilities in 2011 to 2015 was RMB430.0 billion, which represents an increase of about 14.4% from RMB376.0 billion spent from 2006 to 2010. More specifically, Jiangsu Province is a region which has experienced continued urbanisation and industrialisation over the last five years. This is set to continue and consequently demand for our wastewater treatment services is expected to grow.

業務回顧及展望

我們是一家污水處理服務供應商，在中國江蘇省有三座污水處理設施。我們採用BOT模式提供一站式污水處理服務。我們提供全套服務，涵蓋設計污水處理設施、採購合適的設備及材料、監督設施建設以及在整個漫長特許期內持續運營及保養設施。我們的項目能力可因應客戶的具體性質及要求而作出調整，而我們的客戶為我們經營所在地中國江蘇省南通市地方政府機關及地方政府管委會。

本集團目前有三個經營中的污水處理項目，包括(i)海安恆發設施(參與設計、建造及營運市政污水處理設施)、(ii)如皋恆發設施(參與設計、建造及營運可處理市政及工業污水混合物的污水處理設施)、及(iii)如皋宏皓設施(參與營運可處理含有多種不同水溶性重金屬污水的污水處理廠)。這些項目合共每天可處理80,000噸的市政及工業污水及3,500噸的重金屬污水。

我們相信我們的重心與中國的經濟發展一致。中國的經濟主要依賴工業活動，而工業活動於過去二十年為中國的GDP貢獻超過45%至48%。中國部分增長最快速的行業為耗水行業。因此，該等行業內的工業污水處理設施蘊藏龐大機遇。此外，中國政府於過去二十年向污水處理行業投入越來越多的資本。中國十二五規劃所述於二零一一年至二零一五年用於發展污水處理設施的官方投資預算為人民幣4,300億元，較二零零六年至二零一零年的開支人民幣3,760億元增加大約14.4%。具體而言，江蘇省過去五年經歷持續城市化及工業化，且這一進程將會持續，故預期我們污水處理服務的需求將增加。

Management Discussion and Analysis

管理層討論與分析

Going forward, we intend to expand our operations and capture more project opportunities by capitalising on our growing expertise and our track record of successfully operating three wastewater treatment facilities in Jiangsu Province. We will seek to participate in new wastewater treatment opportunities in the PRC as they arise, provided that such projects meet our Group's stringent market-driven and return-focused criteria in relation to prospective profitability, favourability of concession terms, credit worthiness and funding source of the potential customer, engineering and technical requirements and other key factors.

On 26 September 2014, the Company completed its initial public offering on the Main Board of the Stock Exchange (the "Offering"), which marked a milestone for our Group. The net proceeds from the Offering were approximately HK\$77.6 million.

As disclosed the Company's prospectus (the "Prospectus") dated 12 September 2014, the Company has undertaken to, among other things, disclose with respect to the Rugao Honghao Facility the status of its (i) environmental inspection and acceptance procedures to be conducted, and (ii) the application of its pollutants discharge permit, in the Company's annual report(s) and interim report(s) after the Listing until such procedures have been completed and the pollutants discharge permits have been obtained. As at the date of this report, we have not completed the environmental inspection and acceptance procedures for the Rugao Honghao Facility and have not obtained the pollutants discharge permit for such facility. Based on our communication with the relevant authorities in Rugao Economic and Technological Development Zone (國家級如皋經濟技術開發區)(the "Rugao ETDZ"), we expect to complete the environmental inspection and acceptance procedures and obtain the pollutants discharge permit for the Rugao Honghao Facility around the end of October 2014 at the earliest. We had applied and the relevant authorities in Rugao ETDZ had approved the extension of the trial operation period of Rugao Honghao to 18 March 2015. The Company will continue to update its shareholders on the above matters in the next annual report.

展望未來，我們計劃擴展業務，利用我們不斷增加的專業知識及成功運營江蘇省的三座污水處理設施的良好往績把握更多項目機會。我們將尋求參與中國出現的新污水處理機遇，惟有關項目須符合本集團以市場為導向及以回報為重心的嚴格標準，其中涉及潛在盈利能力、特許經營條款的優惠程度、潛在客戶的信用及資金來源、工程技術要求及其他關鍵因素。

於二零一四年九月二十六日，本公司完成其於聯交所主板的首次公開發售（「發售」），標示著本集團的一個里程碑。發售所得款項淨額約 77.6 百萬港元。

如本公司日期為二零一四年九月十二日的招股章程（「招股章程」）所披露，本公司承諾於上市後於本公司的年報及中期報告披露（其中包括）如皋宏皓設施(i)將予進行的環境驗收程序，及(ii)申請污染物排放許可證的狀況，直至已完成有關程序及已取得污染物排放許可證止。於本報告日期，我們並無完成如皋宏皓設施的環境驗收程序亦無就該設施取得污染物排放許可證。根據我們與國家級如皋經濟技術開發區（「如皋經濟技術開發區」）相關機構的溝通，我們預期最早於二零一四年十月底前後完成如皋宏皓設施的環境驗收程序並取得污染物排放許可證。我們已申請及如皋經濟技術開發區相關機構已批准將如皋宏皓的試運營期間延長至二零一五年三月十八日。本公司將於未來年度報告中就上述事宜的持續更新知會其股東。

FINANCIAL REVIEW

Revenue

Our total revenue increased by approximately 40.7% to approximately HK\$43.2 million for the six months ended 30 June 2014 from approximately HK\$30.7 million for the six months ended 30 June 2013, of which revenue excluding the imputed interest income increased to approximately HK\$36.1 million for the six months ended 30 June 2014 from approximately HK\$24.3 million for the six months ended 30 June 2013. During this period, the increase in revenue was primarily attributable to (i) the increased total volume of wastewater treated and (ii) the recognition of construction revenue as a result of the upgrade works of the Haian Hengfa Facility and improvement works of the Rugao Hengfa Facility which amounted to approximately HK\$6.1 million and HK\$3.3 million, respectively while no construction revenue was recognised for the six months ended 30 June 2013.

Cost of sales

Our total cost of sales increased by approximately 164.9% to approximately HK\$17.1 million for the six months ended 30 June 2014 from approximately HK\$6.5 million for the six months ended 30 June 2013 primarily due to (i) the construction costs of approximately HK\$8.4 million incurred as a result of the upgrade works of the Haian Hengfa Facility and the improvement works of the Rugao Hengfa Facility both commenced during the six months ended 30 June 2014 while no construction cost was incurred for the six months ended 30 June 2013, (ii) the increase in overhead costs of approximately HK\$1.4 million mainly due to the increase in electricity costs of the Rugao Hengfa Facility because of the need to operate additional equipment and machinery to treat the increased volume of wastewater during the six months ended 30 June 2014, (iii) the increase in direct labour costs of approximately HK\$0.3 million mainly due to the increase in basic salaries of our employees, and (iv) an increase in raw materials costs of approximately HK\$0.4 million due to the increase in chemicals used to treat the increased volume of wastewater processed during the six months ended 30 June 2014.

財務回顧

營業收入

我們的營業收入總額由截至二零一三年六月三十日止六個月約30.7百萬港元增加約40.7%至截至二零一四年六月三十日止六個月約43.2百萬港元，其中扣除推算利息收入的營業收入由截至二零一三年六月三十日止六個月約24.3百萬港元增加至截至二零一四年六月三十日止六個月約36.1百萬港元。於期內，營業收入增加乃主要因(i)污水處理總量的增加及(ii)因海安恆發設施的升級工程及如皋恆發設施的改造工程，致使確認建設營業收入分別約6.1百萬港元及3.3百萬港元，而截至二零一三年六月三十日止六個月並無確認任何建設營業收入。

銷售成本

我們的銷售成本總額由截至二零一三年六月三十日止六個月約6.5百萬港元增加約164.9%至截至二零一四年六月三十日止六個月約17.1百萬港元，主要由於(i)因截至二零一四年六月三十日止六個月開始的海安恆發設施升級工程及如皋恆發設施改造工程產生建設成本約8.4百萬港元，而截至二零一三年六月三十日止六個月並無產生任何建設成本，(ii)間接成本增加約1.4百萬港元，主要原因是如皋恆發設施於截至二零一四年六月三十日止六個月需要運作額外設備及機器處理增加的污水量而令其電力成本增加；(iii)主要因我們僱員的基本工資增加令直接勞工成本增加約0.3百萬港元；及(iv)因截至二零一四年六月三十日止六個月處理增加的污水量所用的化學品增加令原材料成本增加0.4百萬港元。

Management Discussion and Analysis

管理層討論與分析

Gross profit and gross profit margin

Our gross profit increased by approximately 7.6% to approximately HK\$26.1 million for the six months ended 30 June 2014 from approximately HK\$24.2 million for the six months ended 30 June 2013, primarily due to the relevant construction revenue and construction costs recognised during the six months ended 30 June 2014 of approximately HK\$9.5 million and HK\$8.4 million, respectively, in relation to the upgrade works of the Haian Hengfa Facility and the improvement works of the Rugao Hengfa Facility. As the gross profit margins for the construction revenue of the upgrade works of the Haian Hengfa Facility and the improvement works of the Rugao Hengfa Facility are lower than the gross profit margins for the operation of our wastewater treatment facilities, our gross profit margin decreased to approximately 60.4% for the six months ended 30 June 2014 from approximately 78.9% for the six months ended 30 June 2013.

Administrative expenses

As a percentage of our revenue, our administrative expenses represented approximately 4.4% and 42.9% for the six months ended 30 June 2013 and 2014, respectively.

Our administrative expenses increased by approximately 12.7 times to approximately HK\$18.5 million for the six months ended 30 June 2014 from approximately HK\$1.4 million for the six months ended 30 June 2013, which was primarily attributable to (i) the professional fees of HK\$14.8 million incurred in relation to the Listing during the six months ended 30 June 2014 and (ii) the increase of salaries and staff costs by approximately 184.6% to approximately HK\$1.6 million for the six months ended 30 June 2014 from approximately HK\$0.6 million for the six months ended 30 June 2013 due to the hiring of more employees, including senior personnel, as our operations expanded.

Finance costs

Our finance costs decreased by approximately 67.4% to approximately HK\$0.4 million for the six months ended 30 June 2014 from approximately HK\$1.3 million for the six months ended 30 June 2013. The decrease in finance costs was primarily attributable to the full repayment in October 2013 of the bank loan drawn down in October 2012. Thus, associated interest expenses were not incurred for the six months ended 30 June 2014.

毛利及毛利率

我們的毛利由截至二零一三年六月三十日止六個月約24.2百萬港元增加約7.6%至截至二零一四年六月三十日止六個月約26.1百萬港元，主要由於截至二零一四年六月三十日止六個月就海安恆發設施升級工程及如皋恆發設施改造工程分別確認相關建設營業收入及建設成本約9.5百萬港元及8.4百萬港元。由於海安恆發設施升級工程及如皋恆發設施改造工程的建設營業收入毛利率較污水處理設施營運的毛利率為低，故我們的毛利率由截至二零一三年六月三十日止六個月約78.9%下降至截至二零一四年六月三十日止六個月約60.4%。

行政開支

截至二零一三年及二零一四年六月三十日止六個月，我們行政開支佔營業收入的百分比分別約為4.4%及42.9%。

我們的行政開支由截至二零一三年六月三十日止六個月約1.4百萬港元增加約12.7倍至截至二零一四年六月三十日止六個月約18.5百萬港元，主要由於(i)截至二零一四年六月三十日止六個月產生上市相關專業費用14.8百萬港元；及(ii)薪金及員工成本因我們擴充經營增聘僱員(包括高級人員)由截至二零一三年六月三十日止六個月約0.6百萬港元增加約184.6%至截至二零一四年六月三十日止六個月約1.6百萬港元。

融資成本

我們的融資成本由截至二零一三年六月三十日止六個月約1.3百萬港元減少約67.4%至截至二零一四年六月三十日止六個月約0.4百萬港元。融資成本減少主要因為於二零一三年十月悉數償還於二零一二年十月所提取的銀行貸款，故並無於截至二零一四年六月三十日止六個月產生相關利息開支。

Profit before tax

Our profit before tax decreased by 71.8% to HK\$7.3 million for the six months ended 30 June 2014 from HK\$26.0 million for the six months ended 30 June 2013, primarily due to the factors mentioned above.

Income tax

Our income tax expense decreased by approximately 9.9% to approximately HK\$6.0 million for the six months ended 30 June 2014 from approximately HK\$6.7 million for the six months ended 30 June 2013, which was mainly attributable to (i) Haian Hengfa obtaining preferential income tax treatment on 21 February 2014 whereby its income tax is taxed at 90% of its revenue, and (ii) the reversal of the overprovision of withholding tax on the distributable profits derived from Haian Property of approximately HK\$0.4 million. Notwithstanding that the profit before tax for the six months ended 30 June 2014 decreased by approximately 71.8% as compared to the six months ended 30 June 2013, having taken into account the decrease in profit before tax was mainly due to the listing expenses, which were non-tax deductible, the income tax expenses decreased by only approximately 9.9% for the six months ended 30 June 2014 as compared to the six months ended 30 June 2013.

Profit attributable to owners of the parent

Our profit attributable to owners of the parent decreased by approximately 99.2% to approximately HK\$0.2 million for the six months ended 30 June 2014 from approximately HK\$18.4 million for the six months ended 30 June 2013 due to (i) the substantial increase in our administrative expenses due to the listing expenses, and (ii) the increase in our cost of sales as discussed above.

INTERIM DIVIDEND

On 5 September 2014, the Company declared a dividend in the total amount of HK\$30.0 million to its then shareholders, which was paid before the Listing Date.

During the meeting of the Board of Directors held on 26 September 2014, the Directors did not recommend to pay further interim dividend for the six months ended 30 June 2014 (six months ended 30 June 2013: Nil).

除稅前溢利

我們的除稅前溢利由截至二零一三年六月三十日止六個月約26.0百萬港元減少約71.8%至截至二零一四年六月三十日止六個月約7.3百萬港元主要是由於上述因素所致。

所得稅

我們的所得稅開支由截至二零一三年六月三十日止六個月約6.7百萬港元減少約9.9%至截至二零一四年六月三十日止六個月約6.0百萬港元，主要由於(i)海安恆發於二零一四年二月二十一日取得所得稅優惠待遇，故其所得稅乃按營業收入90%納稅，及(ii)撥回源自海安置業可分派溢利的預扣稅超額撥備約0.4百萬港元。儘管截至二零一四年六月三十日止六個月除稅前溢利較截至二零一三年六月三十日止六個月減少約71.8%，考慮到除稅前溢利減少乃主要由於非稅收抵扣的上市開支所致，截至二零一四年六月三十日止六個月所得稅開支較截至二零一三年六月三十日止六個月僅減少約9.9%。

本公司母公司擁有人應佔溢利

我們的母公司擁有人應佔溢利由截至二零一三年六月三十日止六個月約18.4百萬港元減少約99.2%至截至二零一四年六月三十日止六個月約0.2百萬港元，乃由於(i)就上市開支顯著增加，及(ii)上文所論述銷售成本增加所致。

中期股息

於二零一四年九月五日，本公司向其當時的股東宣派總額為30.0百萬港元股息，已於上市日期前派付。

於二零一四年九月二十六日舉行的董事會會議上，董事不建議就截至二零一四年六月三十日止六個月派付任何額外中期股息(截至二零一三年六月三十日止六個月：無)。

Management Discussion and Analysis

管理層討論與分析

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

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

As at 30 June 2014, the carrying amount of the Group's cash and cash equivalents was approximately HK\$52.1 million (31 December 2013: HK\$75.6 million), representing a decrease of 31.0% as compared to that as at 31 December 2013.

Loans and Borrowings

As at 30 June 2014, our total amount of utilised bank loans was HK\$31.7 million, of which, approximately HK\$25.8 million of the bank loans was repayable within one year and the remaining approximately HK\$5.9 million of the bank loans was repayable after one year but within five years, ignoring the effect of any repayment on demand clause. Approximately HK\$13.7 million of the outstanding bank loans were denominated in U.S. dollars with a floating interest rate at 1.25% above the U.S. dollar prime rate and approximately HK\$18.0 million of the outstanding bank loans were denominated in Hong Kong dollars with a floating interest rate at Hong Kong dollar prime rate. We had no unutilised banking facilities as at 30 June 2014.

As at 30 June 2014, one of the Group's bank loans was secured by the wastewater treatment concession rights comprising receivables under service concession arrangements with a carrying amount of HK\$208.5 million, personal guarantees provided by Mr. Chan Kwan, Ms. Wong Shu Ying and Mr. Chan Chun Keung and certain properties provided by Ms. Wong Shu Ying and Mr. Chan Chun Keung. Mr. Chan Kwan is a director and beneficial shareholder of the Company. Ms. Wong Shu Ying is a beneficial shareholder of the Company and Mr. Chan Chun Keung is a close family member of certain beneficial shareholders of the Company. Such personal guarantees and charges on properties have been released upon the Listing.

Gearing ratio is calculated by dividing total debt by total equity and total debt is the sum of other payables and accruals, amounts due to related parties, interest-bearing bank borrowings and shareholders' loans which represent payables of our Group incurred not in the ordinary course of business. Our gearing ratio was 0.1 times, as at 30 June 2014.

流動資金及資本資源

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

於二零一四年六月三十日，本集團現金及現金等價物的賬面值約為52.1百萬港元(二零一三年十二月三十一日：75.6百萬港元)，較二零一三年十二月三十一日減少31.0%。

貸款及借款

於二零一四年六月三十日，我們已動用的銀行貸款總額為31.7百萬港元，不計及任何按要求償還款條文的影響，當中約25.8百萬港元為於一年內償還的銀行貸款，而餘下約5.9百萬港元的銀行貸款為於一年後但於五年內償還。約13.7百萬港元的未償還銀行貸款為以美元列值，按美元優惠利率加1.25%的浮動利率計息，而約18.0百萬港元的未償還銀行貸款為以港元列值，以港元最優惠利率按浮動利率計息。我們於二零一四年六月三十日並無未動用銀行融資。

於二零一四年六月三十日，本集團的一筆銀行貸款由污水處理特許權(包括賬面值為208.5百萬港元的服務特許權安排下的應收款項)、陳昆先生、王穗英女士及陳進強先生提供的個人擔保及王穗英女士及陳進強先生提供的若干物業作抵押。陳昆先生為本公司的董事兼實益股東。王穗英女士為本公司的實益股東及陳進強先生為本公司若干實益股東的家族成員。有關個人擔保及物業質押已於上市時解除。

資產負債比率按債務總額除以權益總額計算，而債務總額指並非於日常業務過程中產生的本集團應付款項總額，包括其他應付款項及應計費用、應付關聯方款項、計息銀行借款及股東貸款。於二零一四年六月三十日我們的資產負債比率為0.1倍。

The gearing ratio decreased from 0.7 as at 31 December 2013 to 0.1 as at 30 June 2014 mainly due to (i) the full settlement of the amounts due to related parties, (ii) the full settlement of the shareholders' loans of HK\$7.0 million, (iii) the capitalisation of the shareholders' loans of HK\$82.3 million, (iv) decrease in other payables and accruals by HK\$35.3 million mainly attributable to the settlement of amounts due to a non-controlling equity holder of a subsidiary, and (v) drawdown of a bank loan of HK\$18.0 million.

Capital expenditures

Our major capital expenditures consist primarily of expenditures to construct wastewater treatment facilities, purchases of property, plant and equipment and other upgrades and improvement works for the wastewater treatment facilities.

For the six months ended 30 June 2014, our capital expenditures amounted to HK\$8.5 million. These capital expenditures were funded by funds generated from our operating activities.

Foreign exchange risk

Individual companies 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 the principal subsidiaries mainly carried assets and liabilities in Renminbi therefore any appreciation or depreciation of Hong Kong dollars against Renminbi will affect the Group's consolidated financial position and be reflected in the exchange fluctuation reserve.

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

Contingent liabilities

As at 30 June 2014, the Group had no contingent liabilities.

資產負債比率由二零一三年十二月三十一日的0.7下降至二零一四年六月三十日的0.1，主要由於(i)悉數清償應付關聯方款項、(ii)悉數結清股東貸款7.0百萬港元、(iii)資本化股東貸款82.3百萬港元、(iv)其他應付款項及應計費用減少35.3百萬港元，主要由於結清應付一間附屬公司非控股權益持有人款項所致，及(v)提取銀行貸款18.0百萬港元。

資本開支

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

截至二零一四年六月三十日止六個月，我們的資本開支達到8.5百萬港元。該等資本開支由我們的經營活動所得資金撥付。

外匯風險

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

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

或然負債

於二零一四年六月三十日，本集團並無或然負債。

Management Discussion and Analysis

管理層討論與分析

Employee and remuneration policies

As at 30 June 2014, the Group had 58 employees. Employee costs, including directors' emoluments, amounted to HK\$3.2 million for the six months ended 30 June 2014. Our remuneration policy for our Directors and senior management members 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 and senior management members.

Material acquisitions and disposals

For the six months ended 30 June 2014, the Group did not have any material acquisitions and disposals of assets.

Use of proceeds from initial public offerings

The Group was listed on the Main Board of the Stock Exchange on 26 September 2014, with the net proceeds of approximately HK\$77.6 million being raised.

The Group intends to apply the net proceeds for the following purposes:

僱員及薪酬政策

於二零一四年六月三十日，本集團共有58名僱員。截至二零一四年六月三十日止六個月的僱員成本(包括董事酬金)為3.2百萬港元。我們的董事及高級管理層成員的薪酬政策乃根據彼等的經驗、所負責任及一般市場情況釐定。任何酌情花紅及其他獎勵金均與本集團溢利表現及董事與高級管理層成員的個人表現掛鉤。

重大收購及出售事項

截至二零一四年六月三十日止六個月，本集團並無任何重大資產收購及出售事項。

首次公開發售所得款項用途

本集團於二零一四年九月二十六日在聯交所主板上市，發售所得款項淨額約為77.6百萬港元。

本集團目前計劃作以下用途：

Usage	用途	Amount 金額 (HK\$ million) (百萬港元)	Percentage 佔比
Capital expenditure for the upgrade works of the Haian Hengfa Facility	海安恆發設施升級工程的資本開支	7.5	9.7%
Capital expenditure for the upgrade works of the Rugao Hengfa Facility	如皋恆發設施升級工程的資本開支	55.2	71.1%
Potential investment into new wastewater treatment or other environmental protection projects	新污水處理或其他環保項目作出潛在投資	12.3	15.9%
Capital and general corporate purposes	資本及一般企業用途	2.6	3.3%
		77.6	100.0%

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 eligible participants as incentives or rewards for their contribution or potential contribution to our Group.

The Share Option Scheme took effect on 26 September 2014 and no options have been granted since then.

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

Since the shares of the Company (the “Shares”) were only listed on the Stock Exchange on 26 September 2014, no disclosure of interests or short positions of any Directors and/or chief executives of the Company in any shares, underlying shares or 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”)) were made to the Company under the provisions of Divisions 7 and 8 of Part XV of the SFO as at 30 June 2014.

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。

購股權計劃於二零一四年九月二十六日生效，之後概無授出任何購股權。

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

由於本公司股份（「股份」）於二零一四年九月二十六日方在聯交所上市，故截至二零一四年六月三十日並無根據證券及期貨條例第XV部第7及8分部的條文向本公司披露的本公司任何董事及／或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）的任何股份、相關股份及債權證中擁有的權益或淡倉。

Other Information 其他資料

Upon the Listing and as at 29 September 2014, the interests or short positions of the Directors or chief executives of the Company in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), were as follows:

The Company's Shares of HK\$0.0001 each

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 in the Company 於本公司概約 持股百分比
Chau On Ta Yuen (“Mr. Chau”) 周安達源(「周先生」)	Interest in a controlled corporation 受控法團權益	225,000,000 ⁽¹⁾	28.1%
Chan Kwan (“Mr. Chan”) 陳昆(「陳先生」)	Interest in a controlled corporation 受控法團權益	375,000,000 ⁽²⁾	46.9%

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 Company and Ms. Wong Mei Ling, the wife of Mr. Chau, respectively.
- 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. Judy Chan and Mr. Chan, an Executive Director and the Chief Executive Officer of the Company, respectively. Ms. Wong Shu Ying is the mother of both Ms. Judy Chan and Mr. Chan.
- All the above Shares were held in long position.

Save as disclosed above, upon the Listing and as at 29 September 2014, none of the Directors or chief executives of the Company had any interest or short positions in any shares or underlying shares or interest in any debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange or to be entered in the register referred to the SFO.

於上市時及於二零一四年九月二十九日，本公司董事或最高行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中擁有須：(a)根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益及淡倉(包括彼等根據證券及期貨條例的該等條文被當作或視為擁有的權益及淡倉)；(b)根據證券及期貨條例第352條須登記於該條所指登記冊的權益及淡倉；或(c)根據聯交所證券上市規則(「上市規則」)附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的權益及淡倉如下：

本公司每股面值 0.0001 港元的股份

Number of Shares Held 所持股份數目	Approximate Percentage of Shareholding in the Company 於本公司概約 持股百分比
225,000,000 ⁽¹⁾	28.1%
375,000,000 ⁽²⁾	46.9%

附註：

- 潤海集團有限公司(「潤海」)持有 225,000,000 股股份，並由本公司執行董事兼主席周先生及黃美玲女士(周先生的妻子)分別擁有 90% 及 10%。
- Everbest Environmental Investment Limited(「Everbest Environmental」)持有 375,000,000 股股份並由王穗英女士、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%。王穗英女士為陳芳女士及陳先生的母親。
- 上述所有股份均以好倉持有。

除上文所披露者外，於上市時及於二零一四年九月二十九日，概無本公司董事或最高行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中擁有須知會本公司及聯交所或須登記於證券及期貨條例所指登記冊的權益及淡倉。

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

Since the Shares were only listed on the Stock Exchange on the Listing Date, no disclosure of interests or short positions in any Shares or underlying Shares were made to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as at 30 June 2014.

Upon the Listing and as at 29 September 2014, to the best of the Directors' knowledge, the following persons or organizations (other than the Directors and chief executives of the Company) who/which had or were deemed or taken to have an interest and/or a short position in the Shares or the underlying Shares, which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO:

Name of Shareholders 股東姓名／名稱	Capacity/Nature of Interest 身份／權益性質	Number of Shares 股份數目	Approximate percentage of Shareholding 概約持股百分比
Everbest Environmental	Beneficial interest 實益權益	375,000,000 ⁽¹⁾	46.9%
Wong Shu Ying 王穗英	Interest in a controlled corporation 受控法團權益	375,000,000 ⁽¹⁾	46.9%
Wealthy Sea 潤海	Beneficial interest 實益權益	225,000,000 ⁽²⁾	28.1%
Wong Mei Ling 黃美玲	Interest held by spouse 配偶所持權益	225,000,000 ⁽²⁾	28.1%

Notes:

- (1) Everbest Environmental is owned as to 50% by Ms. Wong Shu Ying and, therefore, Ms. Wong Shu Ying is deemed to be interested in the 375,000,000 Shares held by Everbest Environmental pursuant to the SFO. Ms. Wong Shu Ying is the mother of Mr. Chan, an Executive Director and the Chief Executive Officer of the Company.
- (2) Wealthy Sea is owned as to 90% and 10% by Mr. Chau, an Executive Director and the Chairman of the Company 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.
- (3) All the above Shares were held in long positions.

Save as disclosed above, the Directors are not aware of any persons or organizations (other than a Director or the chief executive of the Company) who/which had, or were deemed or taken to have interests or short positions in the Shares or the underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were required to be entered in the register kept by the Company under the SFO.

主要股東及其他人士於股份及相關股份中的權益及淡倉

由於股份於上市日期方在聯交所上市，故於二零一四年六月三十日並無根據證券及期貨條例第XV部第2及3分部的條文向本公司披露的於任何股份或相關股份的權益或淡倉。

於上市時及於二零一四年九月二十九日，就董事所知，下列人士及組織（本公司董事及最高行政人員除外）被視作或當作於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及第3分部的條文作出披露的權益及／或淡倉：

附註：

- (1) Everbest Environmental由王穗英女士擁有50%，因此，根據證券及期貨條例，王穗英女士被視為於Everbest Environmental所持有的375,000,000股股份中擁有權益。王穗英女士為本公司執行董事兼行政總裁陳先生的母親。
- (2) 潤海由本公司執行董事兼主席周先生及黃美玲女士（周先生的妻子）分別擁有90%及10%。因此，根據證券及期貨條例，黃美玲女士被視為於周先生控制的潤海所持有的225,000,000股股份中擁有權益。
- (3) 上述所有股份均以好倉持有。

除上文所披露者外，董事並不知悉有任何人士或組織（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XV部第2及第3分部之條文須向本公司披露的權益或淡倉，或須登記於本公司根據證券及期貨條例存置的登記冊的權益或淡倉。

Other Information 其他資料

CORPORATE GOVERNANCE

The Company strives to maintain a high standard of corporate governance and comply with the Corporate Governance Code set out in Appendix 14 to the Listing Rules. Since the Shares were only listed on the Stock Exchange on 26 September 2014, the Corporate Governance Code was not applicable to the Company during the six months ended 30 June 2014.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the Model Code for the transactions of the Company's securities by the Directors. As the Shares were only listed on the Stock Exchange on 26 September 2014, the Model Code was not applicable to the Directors for the six months ended 30 June 2014. However, the Company has made specific enquiry with all Directors and all the Directors have confirmed their compliance with the required standards set out in the Model Code from the Listing Date to 29 September 2014.

PURCHASE, SALE AND REDEMPTION OF SHARES

As the Shares were only listed on the Stock Exchange on 26 September 2014, there was no purchase, sale and redemption of any listed securities of the Company by the Company or any of its subsidiaries during the six months ended 30 June 2014.

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 Corporate Governance Code for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises four members, namely Ms. Ng Chung Yan Linda, Mr. Ng Man Kung and Mr. Sze Yeuk Lung Benedict, all being independent non-executive Directors and Mr. Chau Chi Yan Benny, a non-executive Director. The Audit Committee and the Company's management have reviewed the accounting principles and practices adopted by the Group and the unaudited interim results of the Group for the six months ended 30 June 2014.

PUBLICATION OF INTERIM REPORT

This interim report will be published on the respective websites of the Stock Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.ellhk.com>). It will also be despatched to the shareholders of the Company and made available for review on the aforesaid websites.

企業管治

本公司致力維持高標準的企業管治，並遵守上市規則附錄十四所載企業管治守則。由於股份於二零一四年九月二十六日方在聯交所上市，故截至二零一四年六月三十日止六個月企業管治守則並不適用於本公司。

進行證券交易的標準守則

董事會已採納董事進行本公司證券交易的標準守則。由於股份於二零一四年九月二十六日方在聯交所上市，故截至二零一四年六月三十日止六個月標準守則並不適用於董事。然而，本公司已向全體董事作出具體查詢，而全體董事已確認，彼等自上市日期起至二零一四年九月二十九日遵守標準守則所規定的準則。

買賣及贖回股份

由於股份於二零一四年九月二十六日方在聯交所上市，故本公司或任何其附屬公司於截至二零一四年六月三十日止六個月並無買賣或贖回本公司任何上市證券。

由審核委員會審閱

本公司已遵照上市規則第3.21條及企業管治守則第C.3段成立審核委員會（「審核委員會」），旨在審閱及監督本集團的財務申報程序及內部控制。審核委員會包括四名成員，即獨立非執行董事伍頌恩女士、吳文拱先生及施若龍先生及執行董事周致人先生。審核委員會已與本公司管理層審閱本集團所採納的會計原則及慣例以及本集團截至二零一四年六月三十日止六個月的未經審核中期業績。

刊發中期報告

本中期報告同時刊將於聯交所網站 (<http://www.hkex.com.hk>) 及本公司網站 (<http://www.ellhk.com>)，並將寄發予本公司股東並可供於上述網站閱覽。

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

For the six months ended 30 June 2014 截至二零一四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	2014 二零一四年 (Unaudited) (未經審核) HK\$'000 千港元	2013 二零一三年 (Unaudited) (未經審核) HK\$'000 千港元
REVENUE	營業收入	3, 4	43,205	30,706
Cost of sales	銷售成本		(17,129)	(6,466)
Gross profit	毛利		26,076	24,240
Other income and gains	其他收入及收益	4	173	4,339
Administrative expenses	行政開支		(18,526)	(1,352)
Finance costs	融資成本	5	(413)	(1,265)
PROFIT BEFORE TAX	除稅前溢利	6	7,310	25,962
Income tax expense	所得稅開支	7	(6,035)	(6,696)
PROFIT FOR THE PERIOD	期內溢利		1,275	19,266
OTHER COMPREHENSIVE INCOME	其他全面收入			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>	<i>於隨後期間重新分類至損益的其他全面收入：</i>			
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額		(7,753)	4,277
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	期內全面收入總額		(6,478)	23,543
Profit attributable to:	以下各方應佔溢利：			
Owners of the parent	母公司擁有人		150	18,426
Non-controlling interests	非控股權益		1,125	840
			1,275	19,266

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

For the six months ended 30 June 2014 截至二零一四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	
	Note 附註	2014 二零一四年 (Unaudited) (未經審核) HK\$'000 千港元	2013 二零一三年 (Unaudited) (未經審核) HK\$'000 千港元
Total comprehensive income attributable to:			
Owners of the parent		(6,934)	22,306
Non-controlling interests		456	1,237
		(6,478)	23,543
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	9	HK0.03 cents 0.03 港仙	HK3.07 cents 3.07 港仙

Details of dividend are disclosed in note 8 to the unaudited condensed interim financial information.

股息詳情於未經審核簡明中期財務資料附註8披露。

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

30 June 2014 二零一四年六月三十日

		Notes 附註	30 June 2014 二零一四年 六月三十日 (Unaudited) (未經審核) HK\$' 000 千港元	31 December 2013 二零一三年 十二月三十一日 (Audited) (經審核) HK\$' 000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	2,398	2,520
Receivables under service concession arrangements	服務特許權安排下的應收款項	11	288,867	289,604
Total non-current assets	非流動資產總值		291,265	292,124
CURRENT ASSETS	流動資產			
Inventories	存貨		348	349
Receivables under service concession arrangements and bills receivable	服務特許權安排下的應收款項及應收票據	11	31,851	50,804
Prepayments and other receivables	預付款項及其他應收款項		2,707	6,238
Amounts due from related parties	應收關聯方款項		—	542
Cash and cash equivalents	現金及現金等價物		52,148	75,625
Total current assets	總流動資產		87,054	133,558
CURRENT LIABILITIES	流動負債			
Trade payables	貿易應付款項	12	6,593	2,474
Other payables and accruals	其他應付款項及應計費用		7,732	43,003
Amounts due to related parties	應付關聯方款項		—	8,965
Interest-bearing bank borrowings	計息銀行借款	13	31,650	17,550
Income tax payables	應付所得稅		1,872	9,900
Total current liabilities	總流動負債		47,847	81,892
NET CURRENT ASSETS	流動資產淨值		39,207	51,666
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		330,472	343,790

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

30 June 2014 二零一四年六月三十日

		Note 附註	30 June 2014 二零一四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2013 二零一三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
NON-CURRENT LIABILITIES	非流動負債			
Shareholders' loans	股東貸款		—	89,329
Deferred tax liabilities	遞延稅項負債		34,748	35,075
Provision for major overhauls	重大檢修撥備		4,646	4,134
Total non-current liabilities	非流動負債總額		39,394	128,538
Net assets	資產淨值		291,078	215,252
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Issued capital	已發行股本	14	60	—
Reserves	儲備		263,656	188,346
			263,716	188,346
Non-controlling interest	非控股權益		27,362	26,906
Total equity	權益總額		291,078	215,252

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

		Attributable to owners of the parent 母公司擁有人應佔							Non- controlling interest 非控股 權益	Total equity 權益 總額
		Issued capital 已發行股本 (Unaudited) (未經審核) HK\$'000 千港元	Share premium 股份溢價 (Unaudited) (未經審核) HK\$'000 千港元	Other reserve 其他儲備 (Unaudited) (未經審核) HK\$'000 千港元	Exchange fluctuation reserve 匯率波動 儲備 (Unaudited) (未經審核) HK\$'000 千港元	Reserve funds 儲備金 (Unaudited) (未經審核) HK\$'000 千港元	Retained profits 保留溢利 (Unaudited) (未經審核) HK\$'000 千港元	Total 總計 (Unaudited) (未經審核) HK\$'000 千港元		
At 1 January 2014 (Audited)	於二零一四年 一月一日 (經審核)	—	—*	—*	38,640*	11,219*	138,487*	188,346	26,906	215,252
Profit for the period	期內溢利	—	—	—	—	—	150	150	1,125	1,275
Other comprehensive income for the period:	期內其他全面收入：									
Exchange differences on translation of foreign operations	換算海外業務的 匯兌差額	—	—	—	(7,084)	—	—	(7,084)	(669)	(7,753)
Total comprehensive income for the period	期內全面收入總額	—	—	—	(7,084)	—	150	(6,934)	456	(6,478)
Issue of shares	股份發行	—	—	—	—	—	—	—	—	—
Issue of shares pursuant to the Share Swap (note 14(ii))	根據股份互換的 股份發行 (附註14(ii))	60	113,720	(113,780)	—	—	—	—	—	—
Capitalisation of shareholders' loans	股東貸款資本化	—	—	82,304	—	—	—	82,304	—	82,304
Transfer to reserve funds	轉撥至儲備金	—	—	—	—	225	(225)	—	—	—
At 30 June 2014 (Unaudited)	於二零一四年 六月三十日 (未經審核)	60	113,720*	(31,476)*	31,556*	11,444*	138,412*	263,716	27,362	291,078

* These reserve accounts comprise the consolidated reserves of HK\$263,656,000 (31 December 2013: HK\$188,346,000) in the condensed consolidated statement of financial position.

* 該等儲備賬目組成簡明綜合財務狀況表中的綜合儲備263,656,000港元(二零一三年十二月三十一日：188,346,000港元)。

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

		Attributable to owners of the parent 母公司擁有人應佔						Non- controlling interest 非控股 權益	Total equity 權益 總額
		Issued capital 已發行股本 (Unaudited) (未經審核) HK\$' 000 千港元	Share premium 股份溢價 (Unaudited) (未經審核) HK\$' 000 千港元	Other reserve 其他儲備 (Unaudited) (未經審核) HK\$' 000 千港元	Exchange fluctuation reserve 匯率波動 儲備 (Unaudited) (未經審核) HK\$' 000 千港元	Reserve funds 儲備金 (Unaudited) (未經審核) HK\$' 000 千港元	Retained profits 保留溢利 (Unaudited) (未經審核) HK\$' 000 千港元	Total (Unaudited) (未經審核) HK\$' 000 千港元	
At 1 January 2013 (Audited)	於二零一三年 一月一日 (經審核)	—	—	—	31,104	8,241	109,206	148,551	173,072
Profit for the period	期內溢利	—	—	—	—	—	18,426	18,426	19,266
Other comprehensive income for the period:	期內其他全面收入：								
Exchange differences on translation of foreign operations	換算海外業務的 匯兌差額	—	—	—	3,880	—	—	3,880	4,277
Total comprehensive income for the period	期內全面收入總額	—	—	—	3,880	—	18,426	22,306	23,543
Transfer to reserve funds	轉撥至儲備金	—	—	—	—	1,461	(1,461)	—	—
At 30 June 2013 (Unaudited)	於二零一三年 六月三十日 (未經審核)	—	—	—	34,984	9,702	126,171	170,857	196,615

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2014 截至二零一四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	
		2014 二零一四年 (Unaudited) (未經審核) HK\$'000 千港元	2013 二零一三年 (Unaudited) (未經審核) HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動產生的現金流量		
Cash generated from operations	經營產生的現金	25,693	4,778
Income tax paid	已付所得稅	(13,359)	(1,418)
Net cash flows from operating activities	經營活動產生的現金 流量淨額	12,334	3,360
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動產生的現金流量		
Payment for purchases of items of property, plant and equipment	購買物業、廠房及 設備項目的付款	(139)	(612)
Acquisition of subsidiaries	收購附屬公司	—	13,350
Decrease in amounts due from related parties	應收關聯方款項減少	533	20,192
Other cash flows arising from investing activities	投資活動產生的其他 現金流量	118	929
Net cash flows from investing activities	投資活動產生的現金 流量淨額	512	33,859
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動產生的現金流量		
New bank borrowing	新造銀行借款	18,000	—
Repayment of a bank borrowing	償還銀行借款	(3,900)	(3,900)
Decrease in amounts due to related parties	應付關聯方款項減少	(15,849)	(42,719)
Decrease in an amount due to a non-controlling equity holder of a subsidiary	應付附屬公司一名非控股 權益擁有人款項減少	(32,847)	—
Other cash flows arising from financing activities	融資活動產生的其他 現金流量	(288)	(1,174)
Net cash flows used in financing activities	融資活動所用現金 流量淨額	(34,884)	(47,793)

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2014 截至二零一四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	
		2014 二零一四年 (Unaudited) (未經審核) HK\$'000 千港元	2013 二零一三年 (Unaudited) (未經審核) HK\$'000 千港元
Net cash flows used in financing activities	融資活動所用現金 流量淨額	(34,884)	(47,793)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物 減少淨額	(22,038)	(10,574)
Cash and cash equivalents at beginning of period	期初現金及現金等價物	75,625	29,606
Effect of foreign exchange rate changes, net	外匯匯率變動的 影響，淨額	(1,439)	337
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等價物	52,148	19,369
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物 結餘分析		
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	簡明綜合財務狀況表 所載現金及現金等價物	52,148	19,369

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

30 June 2014 二零一四年六月三十日

1. GENERAL INFORMATION

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

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

Pursuant to the reorganisation of the Company in connection with the Listing (the "Reorganisation"), the Company became the holding company of the companies now comprising the Group on 25 February 2014. The shares of the Company were listed on the Main Board of the Stock Exchange on 26 September 2014. Details of the Reorganisation are set out in the paragraph headed "Reorganisation" in the section headed "History, Reorganisation and Corporate Structure" of the prospectus of the Company dated 12 September 2014 (the "Prospectus").

The Reorganisation has been accounted for in accordance with the principle similar to a reverse acquisition as set out in HKFRS 3 *Business Combinations*. The issue of shares of the Company in exchange for the equity interest in Everbest Water Treatment Development Company Limited ("Everbest Water Treatment Development") resulted in the Company becoming the holding company of Everbest Water Treatment Development. The unaudited condensed interim financial information of the Group has been prepared as a continuation of Everbest Water Treatment Development and its subsidiaries ("Everbest Water Group") and the assets and liabilities of Everbest Water Group are recognised and measured at their historical carrying values prior to the Reorganisation.

1. 一般資料

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

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

根據本公司就其上市進行重組（「重組」），本公司於二零一四年二月二十五日成為現時組成本集團各公司的控股公司。本公司股份於二零一四年九月二十六日在聯交所主板上市。重組詳情載於本公司日期為二零一四年九月十二日的招股章程（「招股章程」）「歷史、重組及公司架構」一節「重組」一段。

重組已根據與香港財務報告準則第3號業務合併所載的反向收購類似的原則入賬。本公司發行股份以換取恆發水務發展有限公司（「恆發水務發展」）的股權使本公司成為恆發水務發展的控股公司。本集團未經審核簡明中期財務資料已按作為恆發水務發展及其附屬公司（「恆發水務集團」）的延續而編製，恆發水務集團的資產及負債乃按其於重組前的歷史賬面值確認及計量。

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

30 June 2014 二零一四年六月三十日

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

The unaudited condensed interim financial information of the Group has been prepared in accordance with the same accounting policies adopted in the Accountants’ Report included in Appendix I to the Prospectus.

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

All Hong Kong Financial Reporting Standards (“HKFRS”) effective for the accounting period commencing from 1 January 2014, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the unaudited condensed interim financial information since 1 January 2013.

The Group has not early adopted any new and revised HKFRSs, that have been issued but are not yet effective, in this unaudited condensed interim financial information. The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position.

2. 編製基準及會計政策

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

本集團未經審核簡明中期財務資料乃根據招股章程附錄一所載會計師報告所採用的相同會計政策編製。

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

本集團編製自二零一三年一月一日起的未經審核簡明中期財務資料時已提早採納於二零一四年一月一日開始的會計期間生效的所有香港財務報告準則（「香港財務報告準則」）連同有關過渡條文。

本集團並無於未經審核簡明中期財務資料提早採納已頒佈但尚未生效的新訂及經修訂香港財務報告準則。本集團正評估首次應用該等新訂及經修訂香港財務報告準則的影響，惟尚不確定該等新訂及經修訂香港財務報告準則會否對經營業績及財務狀況有重大影響。

Notes to Condensed Interim Financial Information

簡明中期財務資料附註

30 June 2014 二零一四年六月三十日

3. SEGMENT INFORMATION

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

Geographical information

All of the Group's revenue during the six months ended 30 June 2013 and 2014 are derived from customers located in the PRC, and all of the Group's non-current assets are located in the PRC as at 31 December 2013 and 30 June 2014.

Information about major customers

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

Customer A	客戶 A	13,059	6,317
Customer B	客戶 B	30,146	24,389
		43,205	30,706

3. 分部資料

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

地理資料

本集團於截至二零一三年及二零一四年六月三十日止六個月所有的營業收入均來自中國的客戶，且於二零一三年十二月三十一日及二零一四年六月三十日，本集團所有的非流動資產均位於中國。

有關主要客戶的資料

佔本集團10%或以上營業收入的每名主要客戶的營業收入載列於下：

Six months ended 30 June 截至六月三十日止六個月

2014 二零一四年 (Unaudited) (未經審核) HK\$'000 千港元	2013 二零一三年 (Unaudited) (未經審核) HK\$'000 千港元
13,059	6,317
30,146	24,389
43,205	30,706

Notes to Condensed Interim Financial Information

簡明中期財務資料附註

30 June 2014 二零一四年六月三十日

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents: (1) an appropriate proportion of contract revenue of construction contracts under service concession arrangements; (2) revenue from operation of wastewater treatment facilities under service concession arrangements, net of government surcharges; and (3) the imputed interest income on receivables under service concession arrangements.

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

4. 營業收入、其他收入及收益

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

營業收入、其他收入及收益的分析如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 (Unaudited) (未經審核) HK\$'000 千港元	2013 二零一三年 (Unaudited) (未經審核) HK\$'000 千港元
Revenue	營業收入		
Construction services	建設服務	9,458	—
Wastewater treatment facilities operation services	污水處理設施營運服務	26,595	24,327
Imputed interest income on receivables under service concession arrangements	服務特許權安排下應收款項推算利息收入	7,152	6,379
		43,205	30,706
Other income and gains	其他收入及收益		
Interest income	利息收入	51	929
Exchange gains, net	外匯收益淨額	77	—
Gain on bargain purchase of subsidiaries	議價購買附屬公司收益	—	3,410
Others	其他	45	—
		173	4,339

Notes to Condensed Interim Financial Information

簡明中期財務資料附註

30 June 2014 二零一四年六月三十日

5. FINANCE COSTS

5. 融資成本

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 (Unaudited) (未經審核) HK\$'000 千港元	2013 二零一三年 (Unaudited) (未經審核) HK\$'000 千港元
Interest on a bank loan wholly repayable within five years	須於五年內全部償還的銀行借款的利息	288	1,171
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	125	94
		413	1,265

6. PROFIT BEFORE TAX

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

6. 除稅前溢利

本集團的除稅前溢利乃經扣除以下各項後得出：

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 (Unaudited) (未經審核) HK\$'000 千港元	2013 二零一三年 (Unaudited) (未經審核) HK\$'000 千港元
Cost of construction services	建設服務成本	8,362	—
Cost of wastewater treatment facilities operation services rendered	提供污水處理設施營運服務的成本	8,767	6,466
Depreciation of property, plant and equipment	物業、廠房及設備折舊	198	132
Listing expenses	上市開支	14,835	—

Notes to Condensed Interim Financial Information

簡明中期財務資料附註

30 June 2014 二零一四年六月三十日

7. INCOME TAX

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

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

7. 所得稅

根據開曼群島及英屬處女群島規則及法規，本集團毋須於開曼群島及英屬處女群島繳納任何所得稅。

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

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 (Unaudited) (未經審核) HK\$'000 千港元	2013 二零一三年 (Unaudited) (未經審核) HK\$'000 千港元
Current tax charge for the period	期內即期稅項開支		
– Mainland China	– 中國內地	5,534	4,530
Deferred tax	遞延稅項	501	2,166
Total tax charge for the period	期內稅項開支總額	6,035	6,696

8. DIVIDEND

No dividend has been paid or declared by the Company from 25 February 2014 (the date of incorporation) to 30 June 2014.

8. 股息

本公司自二零一四年二月二十五日（註冊成立日期）起至二零一四年六月三十日止概無派付或宣派任何股息。

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

30 June 2014 二零一四年六月三十日

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

The calculation of the basic earnings per share amount for the six months ended 30 June 2014 is based on the profit for the period attributable to ordinary equity holders of the parent of HK\$150,000 (six months ended 30 June 2013: HK\$18,426,000), and the weighted average number of ordinary shares of 600,000,000 (six months ended 30 June 2013: 600,000,000) in issue during the reporting period, as if the Reorganisation had been effective since 1 January 2013.

The weighted average number of ordinary shares used to calculate the basic earnings per share amounts for the six months ended 30 June 2013 and 2014 includes the 1,000 ordinary share of the Company issued upon incorporation (note 14(i)) and the 599,999,000 new ordinary shares issued in the Share Swap (note 14(ii)), as if all these shares had been in issue throughout the six months ended 30 June 2013 and 2014.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2013 and 2014 as the Company had no potentially dilutive ordinary share in issue during the reporting periods.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2014, the Group incurred HK\$139,000 (six months ended 30 June 2013: HK\$615,000) on the acquisition of items of property, plant and equipment.

9. 母公司普通股股權持有人應佔每股盈利

截至二零一四年六月三十日止六個月每股基本盈利金額乃根據母公司普通股股權持有人應佔期內溢利150,000港元(截至二零一三年六月三十日止六個月: 18,426,000港元)及報告期間已發行普通股加權平均數600,000,000(截至二零一三年六月三十日止六個月: 600,000,000)計算, 猶如重組已自二零一三年一月一日起生效。

截至二零一三年及二零一四年六月三十日止六個月用於計算每股基本盈利金額的普通股加權平均數包括本公司於註冊成立時發行的1,000股普通股(附註14(i))及於股份互換發行的599,999,000股新普通股(附註14(ii)), 猶如該等股份於截至二零一三年及二零一四年六月三十日止六個月已發行。

由於本公司於報告期間並無已發行潛在攤薄普通股, 故並無對所呈列截至二零一三年及二零一四年六月三十日止六個月的每股基本盈利金額作出調整。

10. 物業、廠房及設備

截至二零一四年六月三十日止六個月, 本集團因收購物業、廠房及設備產生139,000港元(截至二零一三年六月三十日止六個月: 615,000港元)。

Notes to Condensed Interim Financial Information

簡明中期財務資料附註

30 June 2014 二零一四年六月三十日

11. SERVICE CONCESSION ARRANGEMENTS AND BILLS RECEIVABLE

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

11. 服務特許權安排及應收票據

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

		30 June 2014 二零一四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2013 二零一三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Receivables under service concession arrangements	服務特許權安排下的應收款項	314,472	340,408
Bills receivable	應收票據	6,246	—
		320,718	340,408
Receivables under service concession arrangements	服務特許權安排下的應收款項	314,472	340,408
Portion classified as current assets	分類為流動資產的部分	(25,605)	(50,804)
Non-current portion	非流動部分	288,867	289,604

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

30 June 2014 二零一四年六月三十日

11. SERVICE CONCESSION ARRANGEMENTS AND BILLS RECEIVABLE (Cont'd)

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

		30 June 2014 二零一四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2013 二零一三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Billed:	已開具發票：		
Within 3 months	3個月內	18,307	17,209
4 to 6 months	4至6個月	1,171	16,964
7 to 12 months	7至12個月	—	6,094
Over 1 year	1年以上	—	4,481
Not yet billed	尚未開具發票	19,478 294,994	44,748 295,660
		314,472	340,408

As at 30 June 2014, certain wastewater treatment concession rights of the Group comprising receivables under service concession arrangements with a carrying amount of HK\$208,473,000 (31 December 2013: HK\$231,467,000) were pledged to secure a bank loan of the Group.

11. 服務特許權安排及應收票據(續)

根據發票日期對服務特許權安排下的應收款項的賬齡分析如下：

於二零一四年六月三十日，本集團若干污水處理特許權(包括賬面值為208,473,000港元(二零一三年十二月三十一日：231,467,000港元)的服務特許權安排下的應收款項)獲抵押作為本集團一筆銀行貸款的擔保。

Notes to Condensed Interim Financial Information

簡明中期財務資料附註

30 June 2014 二零一四年六月三十日

12. TRADE PAYABLES

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

		30 June 2014 二零一四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2013 二零一三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Within 1 month	1 個月以內	6,049	1,798
1 to 3 months	1 至 3 個月	61	155
Over 3 months	3 個月以上	483	521
		6,593	2,474

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

12. 貿易應付款項

根據發票日期對貿易應付款項的賬齡分析如下：

	30 June 2014 二零一四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2013 二零一三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Within 1 month	6,049	1,798
1 to 3 months	61	155
Over 3 months	483	521
	6,593	2,474

貿易應付款項為不計息及一般於30日內清償。

13. INTEREST-BEARING BANK BORROWINGS

		30 June 2014 二零一四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2013 二零一三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Current	即期		
Interest-bearing bank loans which contain a repayable on demand clause	載有須按要求償還條款的計息銀行貸款	31,650	17,550

13. 計息銀行借款

	30 June 2014 二零一四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2013 二零一三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
的	31,650	17,550

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

30 June 2014 二零一四年六月三十日

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

As at 30 June 2014, one of the Group's bank loans was secured by the wastewater treatment concession rights comprising receivables under service concession arrangements with a carrying amount of HK\$208,473,000 (31 December 2013: HK\$231,467,000), personal guarantees provided by Mr. Chan, Ms. Wong Shu Ying and Mr. Chan Chun Keung and certain properties provided by Ms. Wong Shu Ying and Mr. Chan Chun Keung. Mr. Chan is a director and beneficial shareholder of the Company. Ms. Wong Shu Ying is a beneficial shareholder of the Company and Mr. Chan Chun Keung is a close family member of certain beneficial shareholders of the Company. Such personal guarantees and charges on properties has been released upon the Listing.

As at 30 June 2014, the Group undertakes with a bank that any payment of dividends or other similar distribution of certain of the Group's subsidiaries located in the Mainland China to their Hong Kong immediate holding company shall be firstly applied to repay a bank loan of the Group amounted to HK\$18,000,000.

13. 計息銀行借款(續)

於二零一四年六月三十日，本集團的一筆銀行貸款由污水處理特許權(包括於賬面值為208,473,000港元(二零一三年十二月三十一日：231,467,000港元)的服務特許權安排下的應收款項)、陳先生、王穗英女士及陳進強先生提供的個人擔保及王穗英女士及陳進強先生提供的若干物業作抵押。陳先生為本公司的董事兼實益股東。王穗英女士為本公司的實益股東及陳進強先生為本公司若干實益股東的家族成員。有關個人擔保及物業質押已於上市後解除。

於二零一四年六月三十日，本集團向一家銀行承諾本集團位於中國內地的若干附屬公司向其香港直接控股公司派付的股息或其他類似分派應優先用於償還本集團為數18,000,000港元的銀行貸款。

Notes to Condensed Interim Financial Information

簡明中期財務資料附註

30 June 2014 二零一四年六月三十日

14. SHARE CAPITAL

The Reorganisation was only completed on 25 February 2014, hence, the paid-in capital as at 31 December 2013 represented the paid-in capital of Everbest Water Treatment Development and the paid-in capital as at 30 June 2014 represented the paid-in capital of the Company.

Shares

Authorised:
100,000 ordinary shares of HK\$1 each

法定：
100,000 股每股面值
1 港元的普通股

100

Issued and fully paid:
4 ordinary shares of HK\$1 each

已發行及繳足：
4 股每股面值 1 港元的普通股

—

Authorised:
3,800,000,000 ordinary shares of HK\$0.0001 each

法定：
3,800,000,000 股每股面值
0.0001 港元的普通股

380

Issued and fully paid:
600,000,000 ordinary shares of HK\$0.0001 each

已發行及繳足：
600,000,000 股每股面值
0.0001 港元的普通股

60

The Company is a limited liability company incorporated in the Cayman Islands on 25 February 2014 with an initial authorised share capital of HK\$380,000 divided into 3,800,000,000 ordinary shares of HK\$0.0001 each.

14. 股本

重組於二零一四年二月二十五日完成，故於二零一三年十二月三十一日的實繳股本指恆發水務發展的實繳股本，而於二零一四年六月三十日的實繳股本指本公司的實繳股本。

股份

**31 December
2013**
二零一三年
十二月三十一日
(Audited)
(經審核)
HK\$'000
千港元

**30 June
2014**
二零一四年
六月三十日
(Unaudited)
(未經審核)
HK\$'000
千港元

本公司為於二零一四年二月二十五日在開曼群島註冊成立的有限公司，最初法定股本為380,000港元，分為3,800,000,000股每股面值0.0001港元的普通股。

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

30 June 2014 二零一四年六月三十日

14. SHARE CAPITAL (Cont'd)

The movements in the Company's issued share capital during the period from 25 February 2014 (date of incorporation) to 30 June 2014 were as follows:

		Notes 附註	Number of ordinary shares in issue 已發行 普通股 數目 (Unaudited) (未經審核)	Issued capital 已發行 股本 (Unaudited) (未經審核) HK\$'000 千港元
At 25 February 2014 (date of incorporation)	於二零一四年二月 二十五日 (註冊成立日期)		—	—
Issue of shares	股份發行	(i)	1,000	—
Issue of shares pursuant to the Share Swap	根據股份互換的股份發行	(ii)	599,999,000	60
At 30 June 2014	於二零一四年六月三十日		600,000,000	60

Notes:

- (i) On the date of incorporation, one ordinary share was allotted and issued by the Company to the initial subscriber, Mapcal Limited, at HK\$0.0001 per share and such one share was transferred to Wealthy Sea on the same day. On the same day, 625 ordinary shares were allotted and issued to Everbest Water Treatment Investment (Haian) Limited ("Everbest Investment Haian") and another 374 ordinary shares were allotted and issued to Wealthy Sea for cash at par value. Wealthy Sea and Everbest Investment Haian were the shareholders of Everbest Water Treatment Development prior to the completion of the Reorganisation on 25 February 2014.
- (ii) On 25 February 2014, Everbest Investment Haian and Wealthy Sea transferred all the shares they held in Everbest Water Treatment Development to a directly wholly-owned subsidiary of the Company in consideration of the Company allotting and issuing 374,999,375 and 224,999,625 ordinary shares to them, respectively, in connection with the Reorganisation (the "Share Swap"). Further details are set out in the paragraph "Reorganisation" in the section headed "History, Reorganisation and Corporate Structure" to the Prospectus.

附註：

- (i) 於註冊成立日期，一股普通股由本公司按每股0.0001港元配發及發行予初始認購人Mapcal Limited，而該一股股份同日獲轉讓予潤海。同日，本公司按每股普通股面值分別配發及發行625股普通股予恆發水務投資(海安)有限公司(「恆發投資海安」)及374股普通股予潤海以換取現金。潤海及恆發投資海安於二零一四年二月二十五日重組完成前為恆發水務發展的股東。
- (ii) 於二零一四年二月二十五日，就重組而言，恆發投資海安及潤海分別轉移彼等於恆發水務發展持有的所有股份予本公司一間直接附屬公司，作為本公司向彼等配發及發行374,999,375股及224,999,625股普通股的代價(「股份互換」)。進一步詳情載於本招股章程「歷史、重組及公司架構」一節「重組」一段。

Notes to Condensed Interim Financial Information

簡明中期財務資料附註

30 June 2014 二零一四年六月三十日

15. COMMITMENTS

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

		30 June 2014 二零一四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2013 二零一三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Contracted, but not provided for	已訂約但未撥備	5,142	4,916
Authorised, but not contracted for	已授權但未訂約	47,668	56,753
		52,810	61,669

16. CONTINGENT LIABILITIES

As at 30 June 2014, the Group had no significant contingent liabilities (31 December 2013: Nil).

17. RELATED PARTY TRANSACTIONS

(a) Recurring transactions with related parties

The Group has sub-leased the commercial premises located at Units 1-3, 11th Floor, Westlands Centre, 20 Westlands Road, Hong Kong (the "Office Premises") for use as offices from Dragonfield Management Limited ("Dragonfield"), a company substantially owned by Ms. Judy Chan and Ms. Wong Shu Ying, both are beneficial shareholders of the Company, at nil consideration during the six months ended 30 June 2014 (six months ended 30 June 2013: nil consideration). On 5 September 2014, the Group entered into a commercial premises sub-lease agreement with Dragonfield for the continuing use and occupation of the Office Premises after the Listing, retrospectively, effective from 27 August 2014 to 26 September 2016 at a rental of HK\$276,000 per annum.

15. 承擔

於報告期末，本集團擁有以下與服務特許權安排有關的重大資本承擔：

	30 June 2014 二零一四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2013 二零一三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Contracted, but not provided for	5,142	4,916
Authorised, but not contracted for	47,668	56,753
	52,810	61,669

16. 或然負債

於二零一四年六月三十日，本集團概無重大或然負債(二零一三年十二月三十一日：無)。

17. 關聯方交易

(a) 與關聯方的經常性交易

截至二零一四年六月三十日止六個月，本集團已以零代價(截至二零一三年六月三十日止六個月：零代價)向龍田管理有限公司(「龍田」，由本公司實益股東陳芳女士及王穗英女士實質擁有的公司)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(「辦公室物業」)用作辦公室。於二零一四年九月五日，本集團與龍田訂立商用物業分租協議，以於上市後持續使用及佔用辦公室物業，並追溯生效，自二零一四年八月二十七日起至二零一六年九月二十六日止，年租金為276,000港元。

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

30 June 2014 二零一四年六月三十日

17. RELATED PARTY TRANSACTIONS (Cont'd)

(b) Non-recurring transactions with related parties

- (i) During the six months ended 30 June 2013, certain of the Group's wastewater treatment concession rights were pledged to secure a bank loan of Greatcorp International Limited ("Greatcorp"), which became the wholly-owned subsidiary of the Group since 15 February 2013. Prior to the acquisition, Ms. Judy Chan and Ms. Wong Shu Ying, beneficial shareholders of the Group, effectively each hold 50% in Greatcorp. This bank loan is also secured by personal guarantees provided by Mr. Chan, Ms. Wong Shu Ying and Mr. Chan Chun Keung and certain properties provided by Ms. Wong Shu Ying and Mr. Chan Chun Keung.
- (ii) On 15 February 2013, the Group entered into a sale and purchase agreement with certain beneficial shareholders of the Group to acquire 100% equity interest in Greatcorp at an aggregate consideration of HK\$18,397,000.

(c) Outstanding balances with related parties

17. 關聯方交易(續)

(b) 與關聯方的非經常性交易

- (i) 截至二零一三年六月三十日止六個月，本集團若干污水處理特許權獲抵押作為授予宏皓國際有限公司(「宏皓」，自二零一三年二月十五日起成為本集團全資附屬公司)的銀行貸款的擔保。於收購前，本集團實益股東陳芳女士及王穗英女士各自實際持有宏皓50%權益。該筆銀行貸款亦以陳先生、王穗英女士及陳進強先生提供的個人擔保以及王穗英女士及陳進強先生提供的若干物業作擔保。
- (ii) 於二零一三年二月十五日，本集團與若干實益股東訂立買賣協議，以總代價18,397,000港元收購宏皓全部股權。

(c) 與關聯方的未清償結餘

			30 June 2014 二零一四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2013 二零一三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Due from related party:	應收關聯方款項：			
- Mr. Chan	— 陳先生	(i)	—	542
Due to related parties:	應付關聯方款項：			
- Mr. Chan	— 陳先生	(i)	—	8,965
Shareholders' loans:	股東貸款：			
- Wealthy Sea	— 潤海	(ii)	—	30,822
- Everbest Investment Haian	— 恆發投資海安	(ii)	—	58,507

Notes to Condensed Interim Financial Information

簡明中期財務資料附註

30 June 2014 二零一四年六月三十日

17. RELATED PARTY TRANSACTIONS (Cont'd)

(c) Outstanding balances with related parties (Cont'd)

- (i) Mr. Chan was appointed as an executive director of the Company on 25 February 2014. The balances represented advances that were non-trade in nature, unsecured, interest-free and repayable on demand. All of these balances had been settled by cash as at 30 June 2014.
- (ii) These entities are the shareholders of Everbest Water Treatment Development prior to the completion of the Reorganisation on 25 February 2014. The amounts were unsecured, interest-free and not repayable within one year. On 25 February 2014, in consideration for cancellation of shareholders' loans of HK\$51,481,000 and HK\$30,823,000 owed by the Group to Everbest Investment Haian and Wealthy Sea, respectively, 623 shares and 373 shares of HK\$1.00 each of Everbest Water Treatment Development were allotted and issued to Everbest Investment Haian, and Wealthy Sea, respectively. The remaining balances had been settled by cash as at 30 June 2014.

(d) Compensation of key management personnel of the Group:

17. 關聯方交易(續)

(c) 與關聯方的未清償結餘(續)

- (i) 陳先生於二零一四年二月二十五日獲委任為本公司執行董事。未清償結餘指為非貿易性質、無抵押、免息及須按要求償還的墊款。所有有關結餘於二零一四年六月三十日已以現金清償。
- (ii) 於二零一四年二月二十五日完成重組前，該等實體為恆發水務發展的股東。該等款項為無抵押、免息及毋須於一年內償還。於二零一四年二月二十五日，作為註銷本集團分別欠付恆發投資海安及潤海的51,481,000港元及30,823,000港元股東貸款的代價，恆發水務發展分別配發及發行623股及373股每股面值1.00港元的股份予恆發投資海安及潤海。餘額於二零一四年六月三十日已清償。

(d) 本集團主要管理人員的薪酬

		Six months ended 30 June	
		截至六月三十日止六個月	
		2014	2013
		二零一四年	二零一三年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	1,083	244
Pension scheme contribution	退休金計劃供款	18	4
		1,101	248

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

30 June 2014 二零一四年六月三十日

18. FAIR VALUE MEASUREMENTS

The carrying amounts and fair values of the Group's financial instruments reasonably approximate to fair values.

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

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

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

The fair value of non-current portion of receivables under service concession arrangement has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

During the six months ended 30 June 2014, there was no transfer of fair value measurement between Level 1 and Level 2 and no transfer into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2013: nil).

18. 公平值計量

本集團金融工具的賬面值及公平值與公平值合理相若。

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

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

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

服務特許權安排下的應收款項非即期部分的公平值乃透過按現時應用在具相若條款、信貸風險及剩餘到期日的工具上的利率對預期未來現金流量進行貼現而計算得出。

截至二零一四年六月三十日止六個月，公平值計量無第一層級與第二層級間的轉換，也無金融資產及金融負債轉入或轉出第三層級（截至二零一三年六月三十日止六個月：無）。

Notes to Condensed Interim Financial Information

簡明中期財務資料附註

30 June 2014 二零一四年六月三十日

19. EVENTS AFTER THE REPORTING PERIOD

- (i) On 5 September 2014, the Company declared a dividend in the total amount of HK\$30.0 million to its then shareholders, which was paid before the Listing Date.
- (ii) The Group was listed on the Stock Exchange on 26 September 2014, with the net proceeds of approximately HK\$77.6 million being raised.

20. APPROVAL OF THE CONDENSED INTERIM FINANCIAL INFORMATION

The unaudited condensed interim financial information was approved by the Board of Directors on 26 September 2014.

19. 報告期間後的事項

- (i) 於二零一四年九月五日，本公司向其當時股東宣派總額為30.0百萬港元的股息，已於上市日期前派付。
- (ii) 本集團於二零一四年九月二十六日在聯交所上市，發售所得款項淨額約為77.6百萬港元。

20. 簡明中期財務資料的批准

未經審核簡明中期財務資料已於二零一四年九月二十六日獲董事會批准。



ELL
Environmental
Holdings Limited