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Corporate Information 公司資料

DIRECTORS

Executive Directors

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

Non-Executive Directors

CHAN Pak Lam Brian
CHAU Chi Yan Benny

Independent non-executive Directors (“INEDS”)

NG Chung Yan Linda
NG Man Kung
SZE Yeuk Lung Benedict

BOARD COMMITTEES

Audit Committee

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

Nomination Committee

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

Remuneration Committee

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

REGISTERED OFFICE

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

董事

執行董事

周安達源(*主席*)
陳昆(*行政總裁*)

非執行董事

陳柏林
周致人

獨立非執行董事(「獨立非執行董事」)

伍頌恩
吳文拱
施若龍

董事委員會

審核委員會

伍頌恩(*主席*)
周致人
吳文拱
施若龍

提名委員會

周安達源(*主席*)
陳昆
伍頌恩
吳文拱
施若龍

薪酬委員會

吳文拱(*主席*)
陳柏林
伍頌恩
施若龍

註冊辦事處

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

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

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

於中華人民共和國(「中國」)的總部

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

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

Corporate Information 公司資料

PRINCIPAL BANKERS

Chiyu Banking Corporation Limited
The Hongkong and Shanghai Banking Corporation 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

INDEPENDENT AUDITORS

Ernst & Young
Certified Public Accountants

獨立核數師

安永會計師事務所
執業會計師

LEGAL ADVISORS

As to Hong Kong law:

H. M. Chan & Co.

法律顧問

有關香港法律：

陳浩銘律師事務所

As to PRC law:

King & Wood Mallesons

有關中國法律：

金杜律師事務所

As to Cayman Islands law:

Maples and Calder

有關開曼群島法律：

邁普達律師事務所

COMPLIANCE ADVISOR

Quam Capital Limited

合規顧問

華富嘉洛企業融資有限公司

WEBSITE

www.ellhk.com

公司網站

www.ellhk.com

STOCK CODE

1395

股份代號

1395

Dear Shareholders,

On behalf of the board of directors (the “Directors” or the “Board”) of ELL Environmental Holdings Limited (“ELL Environmental” or the “Company”, together with its subsidiaries, the “Group”), I am pleased to present the interim report for the six months ended 30 June 2015.

Subsequent to the promulgation of The Air Pollution Prevention and Control Action Plan in September 2013, The Water Pollution Prevention and Control Action Plan (the “Water Action Plan”) was promulgated on 16 April 2015 after the approval by the State Council of the People’s Republic of China (the “PRC”). Ministry of Environmental Protection of the PRC predicted that the Water Action Plan will lead to a growth in the gross domestic production of approximately RMB5.7 trillion. In May 2015, the General Office of the State Council of the PRC has announced the Notice of Guidance on Promoting Corporation Model between Government and Social Enterprises in Public Services Sector issued by the Ministry of Finance, Development and Reform Commission and People’s Bank of China (the “Notice”). The Notice consists of several concrete suggestions on promoting Public-Private-Partnership (“PPP”) model in the public services sector. It also emphasizes the importance of PPP by providing clear development objectives, specific guidance on establishment, implementing rules and policies, as well as concrete planning and regulatory guidance for project developments. For a company offering a one-stop approach to the provision of wastewater treatment services using PPP model like ELL Environmental, such favorable government policies are definitely a shot in the arm for the Group’s development.

Currently, all three of the wastewater treatment facilities of the Group are located in Jiangsu Province of China, namely Haiyan Hengfa Facility, Rugao Hengfa Facility and Rugao Honghao Facility. These facilities have a total maximum capacity of over 80,000 tonnes per day. The upgrade works of Rugao Hengfa Facility, which is expected to be completed in 2015, will be a significant growth driver for the Group in this year.

致各位股東：

本人謹代表強泰環保控股有限公司（「強泰環保」）或（「本公司」，連同其附屬公司統稱「本集團」）董事會（「董事會」）欣然呈報截至二零一五年六月三十日止六個月的中期報告。

繼二零一三年九月頒佈《大氣污染防治行動計劃》後，經中華人民共和國（「中國」）國務院批准後亦於二零一五年四月十六日頒佈了《水污染防治行動計劃》（「水行動計劃」）。據中國環境保護部預測，水行動計劃將導致國內生產總值增長約人民幣5.7萬億元。於二零一五年五月，中國國務院辦公廳公佈由財政部、發展和改革委員會及中國人民銀行所發佈《關於在公共服務領域推廣政府和社會資本合作模式的指導意見》的通知（「該通知」）。該通知包括有關促進公共服務領域上公共私營合作制方式（「PPP」）的多項具體建議，同時透過提供明確的發展目標、有關制定、實行規則及政策的明確指引以及具體規劃和項目發展的監管指引來強調PPP的重要性。就採用PPP模式提供一站式污水處理服務的公司（如強泰環保）而言，該等有利政府政策必然為本集團的發展打下一道強心針。

目前，本集團的三座污水處理設施均設於中國江蘇省，即海安恆發設施、如皋恆發設施及如皋宏皓設施。此等設施合共最高處理能力每天超過80,000噸。如皋恆發設施的升級工程預計將於二零一五年完成，繼而為本集團今年增長帶來顯著動力。

Chairman's Statement 主席報告

In fact, the Group's income has been growing steadily. For the six months ended 30 June 2015, the Group has recorded a revenue of approximately HK\$79.7 million with a year-on-year growth of 84.4%. The gross profit was HK\$26.6 million, up 2% year-on-year. Stable financial position is a cornerstone for the Group's long-term development.

Looking ahead, wastewater treatment industry in Jiangsu Province will continue to be the major focus of the Group. The management believes that in order to consolidate our position in Jiangsu Province and maintain a sustainable growth, we have to leverage our extensive industry experience and knowledge of the market in Jiangsu, as well as the strong relationship with the local government authorities to acquire more new projects in the future. Currently, the Group is actively seeking new investments in wastewater treatment projects. With the growing trend of the environmental industry, the Group, as an environmental protection enterprise, will also be looking at developing other green businesses apart from wastewater treatment, including the opportunities in overseas projects.

Last but not least, I would like to express my gratitude to the continuous support of all the shareholders and clients on behalf of the Board. The Group's management team and all staff members will strive for acquiring more projects and achieve the goal of delivering a stable and satisfactory investment return for our shareholders.

Chau On Ta Yuen
Chairman

21 August 2015, Hong Kong

事實上，本集團的收入一直穩步增長。截至二零一五年六月三十日止六個月，本集團已錄得營業收入約79.7百萬港元，按年增長84.4%。毛利為26.6百萬港元，按年上升2%。穩定的財務狀況為本集團長遠發展的基石。

展望未來，江蘇省的污水處理業將繼續為本集團的發展重點。管理層認為，為了鞏固我們在江蘇省的地位並維持持續增長，我們須善用豐富的行業經驗及對江蘇省的透徹了解，以及與當地政府部門的密切關係，以於日後爭取更多新項目。目前，本集團正積極物色污水處理項目的新投資。隨著環保業日益發展，本集團作為環保企業亦將考慮開發其他環保業務（污水處理除外），包括海外項目的機遇。

最後，本人謹代表董事會感謝所有股東及客戶的不懈支持。本集團管理層成員及全體員工將繼續全力以赴以爭取更多項目，務求為股東帶來穩定可觀的投資回報。

主席
周安達源

香港，二零一五年八月二十一日

BUSINESS REVIEW AND OUTLOOK

ELL Environmental is a wastewater treatment services provider with three wastewater treatment facilities in Jiangsu Province, the PRC. We offer a one-stop approach to the provision of wastewater treatment services using the “Build-Operate-Transfer” or “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 ongoing operation and maintenance of the facilities throughout long-term concession periods. We currently have three wastewater treatment facilities, including one in Haian County, namely the Haian Hengfa Facility, and two in Rugao Economic and Technological Development Zone (the “Rugao ETDZ”), namely the Rugao Hengfa Facility and the Rugao Honghao Facility. The daily wastewater treatment capacities of the three facilities are about 40,000 tonnes, 40,000 tonnes and 3,500 tonnes, respectively.

The PRC government’s continuous promotion of urbanisation, the increasing awareness towards water pollution among Chinese communities, together with the inadequate wastewater treatment capacities in the country lay strong foundation for the long-term growth potential for the wastewater treatment industry in the PRC. On 16 April 2015, the State Council promulgated the “Water Pollution Prevention and Control Action Plan”, pursuant to which, the PRC’s water environment quality is expected to gradually improve by 2020 and the overall quality of the ecological environment will improve by 2030. Based on the input-output model analysis of the Ministry of Environmental Protection, the implementation of the new plan is expected to boost the country’s GDP by around RMB5.7 trillion.

In light of the above, the Group is proactively enhancing its capability in wastewater treatment. The upgrade works of the Rugao Hengfa Facility is expected to be completed in 2015, thereby becoming a new growth driver of the Group this year. Moreover, on 16 April 2015, the Group entered into a letter of intent with Fujian Wuping State-Owned Investment Group Co., Ltd. (福建武平國有投資集團有限公司) (“Fujian Wuping”) in relation to the proposed acquisition of a wastewater treatment facility, namely Wuping Second Waste Water Treatment Facility (武平縣第二污水處理廠) (the “Wuping Facility”). Located in Wuping County of Fujian Province, the Wuping Facility primarily treats industrial wastewater containing heavy metals that is discharged from factories operating in Wuping County Yanqian Industrial Concentration District.

業務回顧及展望

強泰環保是一家污水處理服務供應商，在中華人民共和國（「中國」）江蘇省有三座污水處理設施。我們採用「建設－經營－移交」或「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。我們目前有三個經營中的污水處理設施，包括一個位於海安縣的設施（海安恆發設施）及兩個位於國家級如皋經濟技術開發區（「如皋經濟技術開發區」）的設施（如皋恆發設施及如皋宏皓設施）。該三個設施的每天可處理的污水量分別約為40,000噸、40,000噸及3,500噸。

中國政府持續推廣城市化，對水污染的關注日益增加，加上國內污水處理能力不足等，這為中國污水處理行業長遠增長潛力奠定堅固的基礎。於二零一五年四月十六日，國務院頒佈《水污染防治行動計劃》，據此，中國的水環境質量預期將於二零二零之前逐步改善，而生態環境的整體質量則於二零二零年之前有所改善。根據環境保護部的投入產出模型分析，實行新計劃預期可將全國國內生產總值提高約人民幣5.7萬億元。

鑑於上述情況，本集團積極提高其污水處理能力。如皋恆發設施的升級工程預計將於二零一五年完成，繼而為本集團今年增長帶來新動力。此外，於二零一五年四月十六日，本集團與福建武平國有投資集團有限公司（「福建武平」）訂立意向書，內容有關建議收購名為武平縣第二污水處理廠（「武平廠」）的污水處理廠。武平廠位於福建省武平縣，主要處理在武平縣岩前工業集中區經營的工廠所排放含有重金屬的工業污水。

Management Discussion and Analysis

管理層討論與分析

The current wastewater treatment capacity of the Wuping Facility is 4,000 cubic meters per day. The Group plans to expand such capacity to 10,000 cubic meters per day eventually after the acquisition.

The Group is negotiating with the local government to adjust the water tariff. We expect to see a reasonable increment to our water tariff after the completion of the upgrade works of the Haian Hengfa Facility and the Rugao Hengfa Facility. In addition, the productivity of Rugao Honghao Facility will be further increased to strengthen the project capability of the Group.

On 17 July 2015, the Group completed the environmental inspection and acceptance procedures and obtained the pollutants discharge permit for the Rugao Honghao Facility.

To provide financial support for the acquisition of the Wuping Facility and other future investments, on 30 April 2015, an aggregate of 160,000,000 existing shares (the “Top-up Placing Shares”) have been successfully placed to not less than six independent places at the placing price of HK\$0.98 per Top-up Placing Share. On 5 May 2015, an aggregate of 160,000,000 shares (the “Top-up Subscription Shares”), representing approximately 16.7% of the enlarged issued share capital of the Company immediately after the issue of such Top-up Subscription Shares, have been issued and allotted to Wealthy Sea Holdings Limited (the “Subscriber”) at the subscription price of HK\$0.98 per Top-up Subscription Share (“Top-up Subscription”). The net proceeds from the Top-up Placing and Top-up Subscription amounted to approximately HK\$151.1 million will be used in the potential acquisition of the Wuping Facility, other potential investments, as well as for further capital expenditure required for the upgrade works of the Rugao Hengfa Facility, in addition to the projected capital expenditure disclosed in the prospectus of the Company dated 12 September 2014 (the “Prospectus”).

Looking ahead, the wastewater treatment industry in Jiangsu Province and peripheral provinces remains to be our development focus. Leveraging our long accumulated experience, established network and relationships in Jiangsu Province, and proficient and effective project capability, our management believes that the Company possesses unique business strengths to ensure sustainable development of the Group. The Group will actively identify opportunities to develop and acquire other wastewater treatment projects, with a view to enhancing its wastewater treatment capacity. In light of the country’s promotion of environmental protection industry, the Group will evaluate the possibility to expand into other green businesses and extend our foothold to overseas market.

武平廠目前的污水處理量為每日4,000立方米。本集團計劃於收購後將有關處理量最終增加至每日10,000立方米。

本集團與當地政府磋商以調整水務費用。我們預期水務費用於海安恆發設施及如皋恆發設施的升級工程完成後有合理升幅。此外，如皋宏皓設施的生產力將進一步增加以加強本集團的項目能力。

於二零一五年七月十七日，本集團為如皋宏皓設施完成環境驗收程序，並取得排放污染物許可證。

為了針對收購武平廠及其他未來投資提供財務支援，於二零一五年四月三十日，已按每股先舊後新配售股份0.98港元的配售價成功向不少於六名獨立承配人配售合共160,000,000股現有股份（「先舊後新配售股份」）。於二零一五年五月五日，已按每股先舊後新認購股份0.98港元的認購價向潤海集團（香港）有限公司（「潤海」）（「認購人」）發行及配發合共160,000,000股股份（「先舊後新認購股份」），相當於本公司緊隨發行該等先舊後新認購股份後擴大之已發行股本約16.7%（「先舊後新認購事項」）。先舊後新配售事項及先舊後新認購事項的所得款項淨額約為151.1百萬港元，將用於潛在收購武平廠、其他潛在投資，以及除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」）所披露的預計資本開支外，用於如皋恆發水設施升級工程所需的額外資本開支。

展望未來，江蘇省及鄰近省份污水處理仍是我們的發展重點。憑藉我們於江蘇省累積已久的經驗、建立已久的網絡及關係，連同熟練及有效的項目處理能力，管理層相信本公司擁有獨特的業務優勢，有助確保本集團持續發展。本集團將積極物色開發及收購其他污水處理項目的機遇，務求提升其污水處理能力。鑑於全國推廣環保產業，本集團將評估拓展至其他環保業務並將業務進駐海外市場的可能性。

We will adopt a strict and disciplined approach when pursuing any new opportunities. In addition to applying our careful project selection criteria, which takes into account key factors such as profitability, growth potential and technical requirements, we will ensure that (i) we will only pursue such opportunities if they are in the best interest of the shareholders of the Company; and (ii) we have or are able to employ the necessary personnel with the appropriate experience and expertise to execute the projects.

FINANCIAL REVIEW

Revenue

Our total revenue increased by approximately 84.4% to approximately HK\$79.7 million for the six months ended 30 June 2015 from approximately HK\$43.2 million for the six months ended 30 June 2014, of which revenue excluding the imputed interest income increased to approximately HK\$72.4 million for the six months ended 30 June 2015 from approximately HK\$36.1 million for the six months ended 30 June 2014. During this period, the increase in revenue was primarily attributable to the recognition of construction revenue as a result of the upgrade works of the Rugao Hengfa Facility which amounted to approximately HK\$46.0 million, as compared to the construction revenue of approximately HK\$9.4 million recognised for the six months ended 30 June 2014.

Cost of sales

Our total cost of sales increased by approximately 209.9% to approximately HK\$53.1 million for the six months ended 30 June 2015 from approximately HK\$17.1 million for the six months ended 30 June 2014 primarily due to (i) the construction costs of approximately HK\$37.1 million incurred as a result of the upgrade works of the Rugao Hengfa Facility during the six months ended 30 June 2015, as compared to approximately HK\$8.4 million incurred as a result of the upgrade works of the Hai'an Hengfa Facility and Rugao Hengfa Facility during the six months ended 30 June 2014; and (ii) the increase in cost of sales of the Rugao Honghao Facility of approximately HK\$4.2 million because of the increase in the volume of wastewater processed and hence the increase in electricity and raw materials costs.

我們將於追求任何新機遇時採取嚴格而有紀律的方針。除應用我們計及盈利能力、增長潛力及技術要求等主要因素的謹慎選擇項目作為標準外，我們將確保(i)我們將僅於有關機遇符合股東最佳利益時追求有關機遇；及(ii)我們已或能夠委聘具備適當經驗及專業知識以執行項目的所須人員。

財務回顧

營業收入

我們的營業收入總額由截至二零一四年六月三十日止六個月約43.2百萬港元增加約84.4%至截至二零一五年六月三十日止六個月約79.7百萬港元，其中扣除推算利息收入的營業收入由截至二零一四年六月三十日止六個月約36.1百萬港元增加至截至二零一五年六月三十日止六個月約72.4百萬港元。於期內，營業收入增加乃主要因如皋恆發設施的升級工程，致使確認建設營業收入約46.0百萬港元，而截至二零一四年六月三十日止六個月則確認建設營業收入約9.4百萬港元。

銷售成本

我們的銷售成本總額由截至二零一四年六月三十日止六個月約17.1百萬港元增加約209.9%至截至二零一五年六月三十日止六個月約53.1百萬港元，主要由於(i)因截至二零一五年六月三十日止六個月開始的如皋恆發設施升級工程產生建設成本約37.1百萬港元，而截至二零一四年六月三十日止六個月則因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；及(ii)如皋宏皓設施的銷售成本增加約4.2百萬港元，原因是處理的污水量增加而令電力及原材料成本增加。

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Gross profit and gross profit margin

Our gross profit increased by approximately 2.0% to approximately HK\$26.6 million for the six months ended 30 June 2015 from approximately HK\$26.1 million for the six months ended 30 June 2014, primarily due to the relevant construction revenue and construction costs recognised during the six months ended 30 June 2015 of approximately HK\$46.0 million and HK\$37.1 million, respectively, in relation to the upgrade works of the Rugao Hengfa Facility. The decrease in our gross profit margin to approximately 33.4% for the six months ended 30 June 2015 from approximately 60.4% for the six months ended 30 June 2014 was mainly attributable to (i) the lower gross profit margin for the upgrade works of the Rugao Hengfa Facility compared to that of the operations of our wastewater treatment facilities; and (ii) the increase in cost of sales of Rugao Honghao Facility due to increase in the volume of wastewater processed.

Other income and gains

Our other income and gains increased by approximately 188.3% to approximately HK\$3.4 million for the six months ended 30 June 2015 from approximately HK\$0.2 million for the six months ended 30 June 2014, which was attributable to government grants received from local government in Jiangsu Province for the purpose of carrying out environmental works.

Administrative expenses

As a percentage of our revenue, our administrative expenses represented approximately 42.9% and 8.6% for the six months ended 30 June 2014 and 2015, respectively.

Our administrative expenses decreased by approximately 62.9% to approximately HK\$6.9 million for the six months ended 30 June 2015 from approximately HK\$18.5 million for the six months ended 30 June 2014, which was primarily attributable to the professional fees of HK\$14.8 million incurred in relation to the listing of the Company during the six months ended 30 June 2014.

Finance costs

Our finance costs increased by approximately 34.4% to approximately HK\$0.6 million for the six months ended 30 June 2015 from approximately HK\$0.4 million for the six months ended 30 June 2014. The increase in finance costs was primarily attributable to the drawdown of a bank loan in October 2014.

毛利及毛利率

我們的毛利由截至二零一四年六月三十日止六個月約26.1百萬港元增加約2.0%至截至二零一五年六月三十日止六個月約26.6百萬港元，主要由於截至二零一五年六月三十日止六個月就如皋恆發設施升級工程分別確認相關建設營業收入及建設成本約46.0百萬港元及37.1百萬港元。我們的毛利率由截至二零一四年六月三十日止六個月約60.4%下降至截至二零一五年六月三十日止六個月約33.4%，主要是由於(i)如皋恆發設施升級工程的毛利率較污水處理設施營運的毛利率為低；及(ii)處理污水量增加導致如皋宏皓設施的銷售成本增加。

其他收入及收益

其他收入及收益由截至二零一四年六月三十日止六個月約0.2百萬港元增加約188.3%至截至二零一五年六月三十日止六個月約3.4百萬港元，乃由於就進行環境工程而收取江蘇省地方政府的政府補助。

行政開支

截至二零一四年及二零一五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42.9%及8.6%。

我們的行政開支由截至二零一四年六月三十日止六個月約18.5百萬港元減少約62.9%至截至二零一五年六月三十日止六個月約6.9百萬港元，主要由於截至二零一四年六月三十日止六個月產生本公司上市相關專業費用14.8百萬港元。

融資成本

我們的融資成本由截至二零一四年六月三十日止六個月約0.4百萬港元增加約34.4%至截至二零一五年六月三十日止六個月約0.6百萬港元。融資成本增加主要因為於二零一四年十月提取一筆銀行貸款。

Profit before tax

Our profit before tax increased by 209.2% to HK\$22.6 million for the six months ended 30 June 2015 from HK\$7.3 million for the six months ended 30 June 2014, primarily due to the factors mentioned above.

Income tax

Income tax expense of approximately HK\$5.6 million was recognised for the six months ended 30 June 2015 as compared to approximately HK\$6.0 million for the six months ended 30 June 2014. The effective tax rate was 24.8% for the six months ended 30 June 2015 as compared to 8.26% for the six months ended 30 June 2014. A high effective tax rate in 2014 was due to the professional fees of HK\$14.8 million incurred which was not deductible for tax purpose.

Profit attributable to owners of the parent

Our profit attributable to owners of the parent increased by approximately 108.6 times to approximately HK\$16.4 million for the six months ended 30 June 2015 from approximately HK\$0.2 million for the six months ended 30 June 2014, primarily due to the factors mentioned above.

INTERIM DIVIDEND

During the meeting of the Board held on 21 August 2015, the Board declared an interim dividend of HK2 cents per ordinary share of the Company (the “Share”) for the six months ended 30 June 2015 (the “Interim Dividend”) (six months ended 30 June 2014: Nil).

Closure of Register of Members

- (a) For the determination of entitlement to the Interim Dividend, the register of members of the Company (the “Register of Members”) will be closed on Wednesday, 30 September 2015, on which date no transfer of Shares will be registered;
- (b) In order to qualify for the Interim Dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at 31st Floor, 148 Electric Road, North Point, Hong Kong, not later than 4:30 p.m. on Tuesday, 29 September 2015;

除稅前溢利

我們的除稅前溢利由截至二零一四年六月三十日止六個月約7.3百萬港元增加約209.2%至截至二零一五年六月三十日止六個月約22.6百萬港元主要是由於上述因素所致。

所得稅

所得稅開支約5.6百萬港元已於截至二零一五年六月三十日止六個月確認，而約6.0百萬港元則已於截至二零一四年六月三十日止六個月確認。截至二零一五年六月三十日止六個月的實際利率為24.8%，而截至二零一四年六月三十日止六個月則為8.26%。二零一四年的實際利率較高是由於產生不可扣稅的專業費用14.8百萬港元。

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二零一四年六月三十日止六個月約0.2百萬港元增加約108.6倍至截至二零一五年六月三十日止六個月約16.4百萬港元主要是由於上述因素所致。

中期股息

於二零一五年八月二十一日舉行的董事會會議上，董事會就本公司截至二零一五年六月三十日止六個月宣派每股普通股（「股份」）2港仙的中期股息（「中期股息」）（截至二零一四年六月三十日止六個月：無）。

暫停辦理股份過戶登記

- (a) 為確定獲得中期股息的權利，本公司將於二零一五年九月三十日（星期三）暫停辦理股份過戶登記手續，期間將不會辦理股份過戶登記；
- (b) 為符合資格收取中期股息，所有股份過戶文件連同有關股票須於二零一五年九月二十九日（星期二）下午四時三十分前送達本公司的香港證券登記分處－寶德隆證券登記有限公司，地址為香港北角電氣道148號31樓；

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- (c) The Interim Dividend will be payable to the shareholders of the Company (the “Shareholders”) whose names appear on the Register of Members on Wednesday, 30 September 2015; and
- (d) Warrants for the Interim Dividend will be sent to the Shareholders on or about Friday, 30 October 2015.
- (c) 中期股息將派發予於二零一五年九月三十日(星期三)名列股東名冊的本公司股東(「股東」); 及
- (d) 中期股息的股息單將於二零一五年十月三十日(星期五)或前後寄發予股東。

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 2015, the carrying amount of the Group’s cash and cash equivalents was approximately HK\$149.7 million (31 December 2014: HK\$99.1 million), representing an increase of 51.1% as compared to that as at 31 December 2014.

As at 30 June 2015, the Group’s cash and cash equivalents of HK\$48.7 million, HK\$63.2 million and HK\$37.8 million were denominated in Hong Kong dollars, United States dollars and Renminbi, respectively (31 December 2014: HK\$55.3 million and HK\$43.8 million were denominated in Hong Kong dollars and Renminbi, respectively).

Loans and borrowings

As at 30 June 2015, our total amount of utilised bank loans was approximately HK\$7.1 million, of which, approximately HK\$3.0 million of the bank loans was repayable within one year and the remaining approximately HK\$4.1 million of the bank loans was repayable after one year but within five years. Approximately HK\$7.1 million of the outstanding bank loans were denominated in Renminbi with a fixed interest rate at 6.77% per annum. We had no unutilised banking facilities as at 30 June 2015.

Gearing ratio is calculated by dividing total debt by total equity and total debt is the interest-bearing bank borrowings. Our gearing ratio was 0.01 time as at 30 June 2015.

The decrease in gearing ratio from 0.05 as at 31 December 2014 to 0.01 as at 30 June 2015 was mainly due to (i) the repayment of bank loan of approximately HK\$11.2 million; and (ii) the increase in share capital and share premium of approximately HK\$151.1 million resulting from the issuance of new shares during the six months ended 30 June 2015.

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。

於二零一五年六月三十日，本集團現金及現金等價物的賬面值約為149.7百萬港元(二零一四年十二月三十一日：99.1百萬港元)，較二零一四年十二月三十一日增加51.1%。

於二零一五年六月三十日，本集團的現金及現金等價物48.7百萬港元、63.2百萬港元及37.8百萬港元分別以港元、美元及人民幣計值(二零一四年十二月三十一日：55.3百萬港元及43.8百萬港元分別以港元及人民幣計值)。

貸款及借款

於二零一五年六月三十日，我們已動用的銀行貸款總額約為7.1百萬港元，當中約3.0百萬港元為於一年內償還的銀行貸款，而餘下約4.1百萬港元的銀行貸款為於一年後但於五年內償還。約7.1百萬港元的未償還銀行貸款為以人民幣列值，按固定年利率6.77%計息。我們於二零一五年六月三十日並無未動用銀行融資。

資產負債比率按債務總額除以權益總額計算，而債務總額指計息銀行借款。於二零一五年六月三十日我們的資產負債比率為0.01倍。

資產負債比率由二零一四年十二月三十一日的0.05下降至二零一五年六月三十日的0.01，主要由於(i)償還銀行貸款約11.2百萬港元；及(ii)於截至二零一五年六月三十日止六個月發行股份令股本及股份溢價增加約151.1百萬港元。

Treasury policies

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

Capital expenditures

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

For the six months ended 30 June 2015, our capital expenditures amounted to HK\$37.1 million. These capital expenditures were funded by funds generated from our financing activities.

Foreign exchange risk

Individual companies in Mainland China within our Group have limited foreign currency risk as most of the transactions are denominated in the same currency as the functional currency of the operations in which they relate. However, as these principal subsidiaries mainly carried assets and liabilities in 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.

As at 30 June 2015, individual companies in Hong Kong within our Group have translational currency exposure because available-for-sale investments of HK\$65.3 million and cash and cash equivalents of HK\$63.2 million were denominated in United States dollars and cash and cash equivalents of HK\$0.7 million were denominated in Renminbi.

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.

庫務政策

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

資本開支

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

截至二零一五年六月三十日止六個月，我們的資本開支達到37.1百萬港元。該等資本開支由我們的融資活動所得資金撥付。

外匯風險

由於本集團內中國內地各公司大部分交易採用的貨幣與其業務有關功能貨幣相同，因此本集團內各公司僅承受有限的外幣風險。但是，由於此等主要附屬公司的資產及負債主要以人民幣記賬，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兌波動儲備。

於二零一五年六月三十日，由於可供出售投資65.3百萬港元及現金及現金等價物63.2百萬港元以美元計值，而現金及現金等價物0.7百萬港元以人民幣計值，故本集團旗下的香港各公司須承擔換算貨幣風險。

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。

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Contingent liabilities

As at 30 June 2015, the Group had no contingent liabilities.

Employee and remuneration policies

As at 30 June 2015, the Group had 78 employees (31 December 2014: 75). Employee costs, including directors' emoluments, amounted to HK\$4.3 million for the six months ended 30 June 2015 (six months ended 30 June 2014: HK\$3.2 million). The remuneration policy for our Directors and senior management members is based on their experience, level of responsibility and general market conditions. Any discretionary bonus and other merit payments are linked to the profit performance of our Group and the individual performance of our Directors and senior management members. The Company has also adopted a share option scheme as incentives to reward and motivate eligible participants.

Material acquisitions and disposals

For the six months ended 30 June 2015, the Group did not have any material acquisitions and disposals of assets.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The net proceeds from the initial public offering of the Company's shares on the Stock Exchange on 26 September 2014 (after deducting underwriting fees and related expenses) amounted to approximately HK\$77.6 million. During the six months ended 30 June 2015, such net proceeds were applied in the manner consistent with that set out in the Prospectus.

或然負債

於二零一五年六月三十日，本集團並無或然負債。

僱員及薪酬政策

於二零一五年六月三十日，本集團共有78名僱員(二零一四年十二月三十一日：75名)。截至二零一五年六月三十日止六個月的僱員成本(包括董事酬金)為4.3百萬港元(截至二零一四年六月三十日止六個月：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鈎。本公司亦已採納一項購股權計劃作為回報及激勵合資格參與者的獎勵。

重大收購及出售事項

截至二零一五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

本公司股份於二零一四年九月二十六日在聯交所首次公開發售的所得款項淨額(經扣除包銷費用及相關開支後)約為77.6百萬港元。截至二零一五年六月三十日止六個月，該等所得款項淨額已按與招股章程所載一致的方式加以運用。

SHARE OPTION SCHEME

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

The Share Option Scheme took effect on 26 September 2014 and no options have been granted, exercised, cancelled or lapsed since then. Accordingly, as at 30 June 2015, there were no outstanding share options under the Share Option Scheme.

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招股章程附錄四「法定及一般資料—D. 購股權計劃」一節。

購股權計劃於二零一四年九月二十六日生效，之後概無購股權獲授出、行使、註銷或失效。因此，於二零一五年六月三十日，根據購股權計劃概無尚未行使的購股權。

Other Information 其他資料

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

As at 30 June 2015, the interests or short positions of the Directors or the chief executives 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”)) 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 position 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) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), are as follows:

The Company’s ordinary shares of HK\$0.0001 each (the “Shares”)

| 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⁾ | 23.44% |
| Chan Kwan (“Mr. Chan”) 陳昆(「陳先生」) | Interest in a controlled corporation 受控法團權益 | 375,000,000 ⁽²⁾ | 39.06% |

Notes:

- Wealthy Sea Holdings Limited (“Wealthy Sea”) which held 225,000,000 Shares was owned as to 90% and 10% by Mr. Chau, an Executive Director 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 was 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.

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

於二零一五年六月三十日，本公司董事或最高行政人員於本公司或其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有須：(a)根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益及淡倉（包括彼等根據證券及期貨條例的該等條文被當作或視為擁有的權益及淡倉）；(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港元的普通股（「股份」）

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。

Save as disclosed above, as at 30 June 2015, none of the Directors or chief executives of the Company had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange or to be entered in the register referred to the SFO.

除上文所披露者外，於二零一五年六月三十日，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

主要股東及其他人士於股份及相關股份中的權益及淡倉

As at 30 June 2015, to the best of the Directors' knowledge, the following persons or organizations (other than a Director and the chief executive 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:

於二零一五年六月三十日，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：

| Name of Shareholders 股東姓名／名稱 | Capacity/Nature of Interest 身份／權益性質 | Number of Shares Held 所持股份數目 | Approximate Percentage of Shareholding in the Company 於本公司概約持股百分比 |
|--|---|--------------------------------------|--|
| Everbest Environmental Everbest Environmental | Beneficial interest 實益權益 | 375,000,000 ⁽¹⁾ | 39.06% |
| Wong Shu Ying ("Ms. Wong") 王穗英(「王女士」) | Interest in controlled corporations 受控法團權益 | 377,000,000 ^{(1) & (2)} | 39.27% |
| Chan Chun Keung 陳進強 | Interest in a controlled corporation and interest held by spouse 受控法團權益及配偶所持權益 | 377,000,000 ⁽³⁾ | 39.27% |
| Wealthy Sea 潤海 | Beneficial interest 實益權益 | 225,000,000 ⁽⁴⁾ | 23.44% |
| Wong Mei Ling 黃美玲 | Interest held by spouse 配偶所持權益 | 225,000,000 ⁽⁴⁾ | 23.44% |

Other Information 其他資料

Notes:

- (1) Everbest Environmental was owned as to 50% by Ms. Wong and, therefore, Ms. Wong was deemed to be interested in the 375,000,000 Shares held by Everbest Environmental pursuant to the SFO. Ms. Wong is the mother of Mr. Chan, an Executive Director and the Chief Executive Officer of the Company.
- (2) Hightop Investments Limited (“Hightop”) was owned as to 50% by Ms. Wong and 50 % by Mr. Chan Chun Keung, the husband of Ms. Wong and therefore, each of Ms. Wong and Mr. Chan Chun Keung was deemed to be interested in the 2,000,000 Shares held by Hightop pursuant to the SFO. Together with 375,000,000 Shares held through Everbest Environmental, Ms. Wong was deemed to be interested in a total of 377,000,000 Shares pursuant to the SFO.
- (3) Mr. Chan Chun Keung was deemed to be interested in a total of 377,000,000 Shares pursuant to the SFO as he was deemed to be interested in the Shares held by Hightop and Ms. Wong, his wife.
- (4) Wealthy Sea was owned as to 90% and 10% by Mr. Chau, an Executive Director and the Chairman of the Company and Ms. Wong Mei Ling, the wife of Mr. Chau, respectively. Ms. Wong Mei Ling was, therefore, deemed to be interested in the 225,000,000 Shares held by Wealthy Sea controlled by Mr. Chau pursuant to the SFO.
- (5) 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, as at 30 June 2015, 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.

CORPORATE GOVERNANCE

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

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) Hightop Investments Limited (「Hightop」) 由王女士及陳進強先生(王女士的丈夫)分別擁有50%及50%，因此根據證券及期貨條例，王女士及陳進強先生被視為於Hightop持有的2,000,000股股份中擁有權益。連同透過Everbest Environmental持有的375,000,000股股份，根據證券及期貨條例，王女士被視為於合共377,000,000股股份中擁有權益。
- (3) 由於陳進強先生被視為於Hightop及彼之妻子王女士持有的股份中擁有權益，根據證券及期貨條例，彼被視為於合共377,000,000股股份中擁有權益。
- (4) 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。
- (5) 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)，於二零一五年六月三十日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。

企業管治

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

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as contained in Appendix 10 to the Listing Rules as its own code of conduct governing the securities transactions by the Directors. Following a specific enquiry made by the Company with the Directors, all of them have confirmed that they had complied with the required standard set out in the Model Code during the period.

PURCHASE, SALE AND REDEMPTION OF SHARES

On 22 April 2015, the Subscriber and Convoy Investment Services Limited and Yicko Securities Limited (the “Placing Agents”) entered into a top-up placing agreement, pursuant to which the Subscriber agreed to sell up to 160,000,000 Top-up Placing Shares and the Placing Agents agreed, as agents of the Subscriber, to place the Top-up Placing Shares at the placing price of HK\$0.98 each to not less than six placees who were: (i) independent of and not and would not become connected persons of the Company; or (ii) not acting in concert together.

On the same day, the Subscriber and the Company entered into a top-up subscription agreement, pursuant to which the Subscriber conditionally agreed to subscribe for such number of the Top-up Subscription Shares (i.e. Top-up Placing Shares that would be successfully placed by the Placing Agents. Upon completion of the Top-up Subscription on 5 May 2015, an aggregate of 160,000,000 Top-up Subscription Shares were issued and allotted to the Subscriber at HK\$0.98 per Top-up Subscription Share.

For details, please refer to the Company’s announcements dated 22 April 2015 and 5 May 2015.

The gross and net proceeds from the Top-up Subscription were approximately HK\$156.8 million and approximately HK\$151.1 million, respectively. The said net proceeds would be used for (i) the potential acquisition of the Wuping Second Waste Water Treatment Facility (武平縣第二污水處理廠) and other potential investments subject to the execution of the relevant definitive agreements for such potential acquisition and investments; and (ii) further capital expenditure required for the upgrade works of the wastewater treatment facility operated by Rugao Hengfa Water Treatment Company Limited, an indirect wholly-owned subsidiary of the Company established in Jiangsu Province, the PRC, in addition to the projected capital expenditure disclosed in the Prospectus.

董事進行證券交易

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

買賣及贖回股份

於二零一五年四月二十二日, 認購人與康宏證券投資服務有限公司及益高證券有限公司(配售代理)訂立先舊後新配售協議, 據此, 認購人同意出售最多160,000,000股先舊後新配售股份, 而配售代理同意作為認購人的代理按每股0.98港元的配售價向不少於六名承配人配售先舊後新配售股份, 該等承配人為(i)獨立於本公司及並非且不會成為本公司之關連人士; 或(ii)並非一致行動人士。

同日, 認購人與本公司訂立先舊後新認購協議, 據此, 認購人有條件同意認購先舊後新認購股份, 即配售代理將成功配售之先舊後新配售股份數目。於二零一五年五月五日先舊後新認購事項完成後, 合共160,000,000股先舊後新認購股份已按每股先舊後新認購股份0.98港元發行及配發予認購人。

有關詳情, 請參閱本公司日期為二零一五年四月二十二日及二零一五年五月五日的公告。

先舊後新認購事項的所得款項總額及淨額分別約156.8百萬港元及約151.1百萬港元。上述所得款項淨額將(i)用於潛在收購武平縣第二污水處理廠及其他潛在投資, 惟待訂立相關確定協議後方可作實, 及(ii)除招股章程所披露的預計資本開支外, 用於如皋恆發水處理有限公司(本公司於中國江蘇省成立的間接全資附屬公司)經營的污水處理設施升級工程所需的額外資本開支。

Other Information 其他資料

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

REVIEW BY AUDIT COMMITTEE

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

CHANGE OF DIRECTORS' AND CHIEF EXECUTIVE'S INFORMATION

With effect from 1 May 2015, Mr. Ng Man Kung, an INED, resigned as the business consultant of China Orient Asset Management (International) Holding Limited.

With effect from 1 June 2015, Mr. Lui Hin Weng Samuel resigned from, and Mr. Fan Chi Chiu was appointed as, the Chief Financial Officer of the Company.

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

由審核委員會審閱

本公司已遵照上市規則第3.21條及企業管治守則第C.3段成立審核委員會，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(主席)、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、本集團於本期間的未經審核中期業績。

董事及最高行政人員變更資料

自二零一五年五月一日起，獨立非執行董事吳文拱先生已辭任中國東方資產管理(國際)控股有限公司的業務顧問。

自二零一五年六月一日起，呂顯榮先生已辭任而范智超先生已獲委任為本公司財務總監。

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

For the six months ended 30 June 2015 截至二零一五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 | 2015 二零一五年 (Unaudited) (未經審核) HK\$' 000 千港元 | 2014 二零一四年 (Unaudited) (未經審核) HK\$' 000 千港元 |
| REVENUE | 營業收入 | 3, 4 | 79,670 | 43,205 |
| Cost of sales | 銷售成本 | | (53,083) | (17,129) |
| Gross profit | 毛利 | | 26,587 | 26,076 |
| Other income and gains | 其他收入及收益 | 4 | 3,431 | 173 |
| Administrative expenses | 行政開支 | | (6,864) | (18,526) |
| Finance costs | 融資成本 | 5 | (555) | (413) |
| PROFIT BEFORE TAX | 除稅前溢利 | 6 | 22,599 | 7,310 |
| Income tax expense | 所得稅開支 | 7 | (5,598) | (6,035) |
| PROFIT FOR THE PERIOD | 期內溢利 | | 17,001 | 1,275 |
| OTHER COMPREHENSIVE INCOME | 其他全面收入 | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | 於隨後期間重新分類至損益的其他全面收入： | | | |
| Exchange differences on translation of financial statements of entities not using Hong Kong dollar as functional currency | 換算並非以港元為功能貨幣的實體的財務報表的匯兌差額 | | (508) | (7,753) |
| Changes in fair value of available-for-sale investments | 可供出售投資的公平值變動 | | 249 | — |
| OTHER COMPREHENSIVE INCOME FOR THE PERIOD | 期內其他全面收入 | | (259) | (7,753) |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 期內全面收入總額 | | 16,742 | (6,478) |
| Profit attributable to: | 以下各方應佔溢利： | | | |
| Owners of the parent | 母公司擁有人 | | 16,441 | 150 |
| Non-controlling interest | 非控股權益 | | 560 | 1,125 |
| | | | 17,001 | 1,275 |

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

For the six months ended 30 June 2015 截至二零一五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 | |
|---|--------------------------------|---|---|
| | | 2015 二零一五年 (Unaudited) (未經審核) HK\$'000 千港元 | 2014 二零一四年 (Unaudited) (未經審核) HK\$'000 千港元 |
| Note 附註 | | | |
| Total comprehensive income attributable to: 以下各方應佔全面收入總額： | | | |
| | Owners of the parent 母公司擁有人 | 16,167 | (6,934) |
| | Non-controlling interest 非控股權益 | 575 | 456 |
| | | 16,742 | (6,478) |
| EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT | | | |
| | 母公司普通股股權 持有人應佔每股盈利 | | |
| | Basic and diluted 基本及攤薄 | HK1.93 cents | HK0.03 cent |
| | | 9 | |

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

30 June 2015 二零一五年六月三十日

| | | | 30 June 2015 二零一五年 六月三十日 (Unaudited) (未經審核) HK\$' 000 千港元 | 31 December 2014 二零一四年 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 | 2,593 | 2,778 |
| Available-for-sale investments | 可供出售投資 | | 65,300 | — |
| Receivables under service concession arrangements | 服務特許權安排下的應收款項 | 11 | 335,524 | 292,759 |
| Total non-current assets | 非流動資產總值 | | 403,417 | 295,537 |
| CURRENT ASSETS | 流動資產 | | | |
| Inventories | 存貨 | | 318 | 308 |
| Receivables under service concession arrangements | 服務特許權安排下的應收款項 | 11 | 39,671 | 42,240 |
| Prepayments and other receivables | 預付款項及其他應收款項 | | 1,268 | 647 |
| Cash and cash equivalents | 現金及現金等價物 | | 149,665 | 99,064 |
| Total current assets | 總流動資產 | | 190,922 | 142,259 |
| CURRENT LIABILITIES | 流動負債 | | | |
| Trade payables | 貿易應付款項 | 12 | 4,887 | 5,062 |
| Other payables and accruals | 其他應付款項及應計費用 | | 2,562 | 6,424 |
| Interest-bearing bank borrowings | 計息銀行借款 | 13 | 3,072 | 12,720 |
| Income tax payables | 應付所得稅 | | 740 | 848 |
| Total current liabilities | 總流動負債 | | 11,261 | 25,054 |
| NET CURRENT ASSETS | 流動資產淨值 | | 179,661 | 117,205 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 總資產減流動負債 | | 583,078 | 412,742 |

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

30 June 2015 二零一五年六月三十日

| | | Notes 附註 | 30 June 2015 二零一五年 六月三十日 (Unaudited) (未經審核) HK\$' 000 千港元 | 31 December 2014 二零一四年 十二月三十一日 (Audited) (經審核) HK\$' 000 千港元 |
|--|-------------------|-------------|--|---|
| NON-CURRENT LIABILITIES | 非流動負債 | | | |
| Interest-bearing bank borrowing | 計息銀行借款 | 13 | 4,062 | 5,621 |
| Deferred tax liabilities | 遞延稅項負債 | | 40,303 | 37,017 |
| Provision for major overhauls | 重大檢修撥備 | | 5,999 | 5,275 |
| Total non-current liabilities | 非流動負債總額 | | 50,364 | 47,913 |
| Net assets | 資產淨值 | | 532,714 | 364,829 |
| 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 | 96 | 80 |
| Reserves | 儲備 | | 503,809 | 336,515 |
| | | | 503,905 | 336,595 |
| Non-controlling interest | 非控股權益 | | 28,809 | 28,234 |
| Total equity | 權益總額 | | 532,714 | 364,829 |

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

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

| | | Attributable to owners of the parent 母公司擁有人應佔 | | | | | | | | | |
|--|---------------------------------------|--|--|---|---|--|---|---|---|--|---|
| | | Issued capital 已發行股本 (Unaudited) HK\$'000 千港元 | Share premium 股份溢價 (Unaudited) HK\$'000 千港元 | Other reserves 其他儲備 (Unaudited) HK\$'000 千港元 | Available- for-sale investments revaluation reserve 可供 出售投資 重估儲備 (Unaudited) HK\$'000 千港元 | Exchange fluctuation reserve 匯兌 波動儲備 (Unaudited) HK\$'000 千港元 | Reserve funds 儲備金 (Unaudited) HK\$'000 千港元 | Retained profits 保留溢利 (Unaudited) HK\$'000 千港元 | Total 總計 (Unaudited) HK\$'000 千港元 | Non- controlling interest 非控股權益 (Unaudited) HK\$'000 千港元 | Total equity 權益總額 (Unaudited) HK\$'000 千港元 |
| At 1 January 2015 | 於二零一五年一月一日 | 80 | 183,340* | (31,476)* | —* | 25,678* | 13,830* | 145,143* | 336,595 | 28,234 | 364,829 |
| Profit for the period | 期內溢利 | — | — | — | — | — | 16,441 | 16,441 | 560 | 17,001 | |
| Other comprehensive income for the period: | 期內其他全面收入： | | | | | | | | | | |
| Exchange differences on translation of financial statements of entities not using Hong Kong dollar as functional currency | 換算並非以港元為功能 貨幣的實體的 財務報表的 匯兌差額 | — | — | — | — | (523) | — | (523) | 15 | (508) | |
| Changes in fair value of available-for-sale investments | 可供出售投資的 公平值變動 | — | — | — | 249 | — | — | 249 | — | 249 | |
| Total comprehensive income for the period | 期內全面收入總額 | — | — | — | 249 | (523) | — | 16,441 | 16,167 | 575 | 16,742 |
| Issue of shares pursuant to the Placing (note 14(v)) | 根據配售事項發行股份 (附註14(v)) | 16 | 151,127 | — | — | — | — | 151,143 | — | 151,143 | |
| Transfer to reserve funds | 轉撥至儲備金 | — | — | — | — | 1,830 | (1,830) | — | — | — | |
| At 30 June 2015 | 於二零一五年六月三十日 | 96 | 334,467* | (31,476)* | 249* | 25,155* | 15,660* | 159,754* | 503,905 | 28,809 | 532,714 |

* These reserve accounts comprise the consolidated reserves of HK\$503,809,000 (31 December 2014: HK\$336,515,000) 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503,809,000港元(二零一四年十二月三十一日: 336,515,000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 2015 截至二零一五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 reserves 其他儲備 (Unaudited) (未經審核) HK\$' 000 千港元 | Exchange fluctuation reserve 匯兌波動 儲備 (Unaudited) (未經審核) HK\$' 000 千港元 | Reserve funds 儲備金 (Unaudited) (未經審核) HK\$' 000 千港元 | Retained profits 保留溢利 (Unaudited) (未經審核) HK\$' 000 千港元 | Total 總計 (Unaudited) (未經審核) HK\$' 000 千港元 | |
| At 1 January 2014 | 於二零一四年一月一日 | — | — | — | 38,640 | 11,219 | 138,487 | 188,346 | 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 financial statements of entities not using Hong Kong dollar as functional currency | 換算並非以港元為功能 貨幣的實體的 財務報表的 匯兌差額 | — | — | — | (7,084) | — | — | (7,084) | (669) |
| Total comprehensive income for the period | 期內全面收入總額 | — | — | — | (7,084) | — | 150 | (6,934) | (6,478) |
| Issue of shares pursuant to the Share Swap (note 14(iii)) | 根據股份互換的股份發行 (附註 14(iii)) | 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 | 於二零一四年六月三十日 | 60 | 113,720 | (31,476) | 31,556 | 11,444 | 138,412 | 263,716 | 291,078 |

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

For the six months ended 30 June 2015 截至二零一五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 | |
|--|---------------------------------|--|--|
| | | 2015 二零一五年 (Unaudited) (未經審核) HK\$' 000 千港元 | 2014 二零一四年 (Unaudited) (未經審核) HK\$' 000 千港元 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated (used in)/from operations | 經營活動產生的現金流量 經營(所用)/產生的現金 | (21,263) | 25,693 |
| Income tax paid | 已付所得稅 | (2,449) | (13,359) |
| Net cash flows (used in)/from operating activities | 經營活動(所用)/產生的 現金流量淨額 | (23,712) | 12,334 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchases of items of property, plant and equipment | 投資活動產生的現金流量 購買物業、廠房及 設備項目 | (42) | (139) |
| Purchases of available-for-sale investments | 購買可供出售投資 | (64,724) | — |
| Decrease in amounts due from related parties | 應收關聯方款項減少 | — | 533 |
| Other cash flows arising from investing activities | 投資活動產生的 其他現金流量 | 275 | 118 |
| Net cash flows (used in)/from investing activities | 投資活動(所用)/產生的 現金流量淨額 | (64,491) | 512 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| New bank borrowing | 融資活動產生的現金流量 新造銀行借款 | — | 18,000 |
| Repayment of bank borrowings | 償還銀行借款 | (11,208) | (3,900) |
| Decrease in amounts due to related parties | 應付關聯方款項減少 | — | (15,849) |
| 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) |
| Gross proceeds from the Placing | 配售事項所得款項總額 | 156,800 | — |
| Payment of expenses directly attributable to the Placing | 配售事項直接應佔 開支付款 | (5,657) | — |
| Other cash flows used in financing activities | 融資活動所用的 其他現金流量 | (390) | (288) |
| Net cash flows from/(used in) financing activities | 融資活動所得/(所用) 現金流量淨額 | 139,545 | (34,884) |

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

For the six months ended 30 June 2015 截至二零一五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 | |
|---|-------------------------------|--|--|
| | | 2015 二零一五年 (Unaudited) (未經審核) HK\$' 000 千港元 | 2014 二零一四年 (Unaudited) (未經審核) HK\$' 000 千港元 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 現金及現金等價物增加/ (減少)淨額 | 51,342 | (22,038) |
| Cash and cash equivalents at beginning of period | 期初現金及現金等價物 | 99,064 | 75,625 |
| Effect of foreign exchange rate changes, net | 外匯匯率變動的影響， 淨額 | (741) | (1,439) |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 期末現金及現金等價物 | 149,665 | 52,148 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | 現金及現金等價物 結餘分析 | | |
| Cash and bank balances | 現金及銀行結餘 | 67,206 | 52,148 |
| Non-pledged time deposits with original maturity of less than three months when acquired | 於購買時原到期日少於 三個月的非抵押 定期存款 | 82,459 | — |
| | | 149,665 | 52,148 |

Notes to Condensed Interim Financial Information

簡明中期財務資料附註

30 June 2015 二零一五年六月三十日

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 of the shares of the Company on the Stock Exchange (the "Reorganisation"), the Company became the holding company of the companies now comprising the Group on 25 February 2014. Details of the Reorganisation are set out in the paragraph headed "Reorganisation" in the section headed "History, Reorganisation and Corporate Structure" to 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.

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。

根據本公司就本公司股份於聯交所上市進行重組(「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。重組詳情載於招股章程「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。

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

30 June 2015 二零一五年六月三十日

2. BASIS OF PREPARATION AND CHANGES IN 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 consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2014.

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

The accounting policies and basis of preparation adopted in the preparation of the unaudited interim condensed consolidated financial information is consistent with those adopted in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong, except for the adoption of the following new amendments to HKFRSs for the first time for the current period’s unaudited interim condensed consolidated financial information:

Amendments to HKAS 19
香港會計準則第19號(修訂本)

Annual Improvements 2010-2012 Cycle
二零一零至二零一二年週期的年度改進

Annual Improvements 2011-2013 Cycle
二零一一至二零一三年週期的年度改進

Defined Benefit Plans: Employee Contributions
界定福利計劃：僱員供款

Amendments to a number of HKFRSs
多項香港財務報告準則的修訂

Amendments to a number of HKFRSs
多項香港財務報告準則的修訂

2. 編製基準及會計政策變動

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

未經審核簡明中期綜合財務資料並不包括年度綜合財務報表規定的所有資料及披露，且應與本集團截至二零一四年十二月三十一日止年度的年度綜合財務報表一併閱讀。

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

未經審核中期簡明綜合財務資料所採納的會計政策及編製基準與編製本集團於截至二零一四年十二月三十一日止年度的年度綜合財務報表所採納者一致，而該等未經審核中期簡明綜合財務報表乃按照香港會計師公會頒佈的香港財務報告準則(包括所有香港財務報告準則、香港會計準則及詮釋)、香港公認會計原則而編製，惟就本期間的未經審核中期簡明綜合財務資料首次採納下列香港財務報告準則新修訂本除外：

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

30 June 2015 二零一五年六月三十日

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Cont'd)

The adoption of these revised HKFRSs has had no significant financial effect on the unaudited interim condensed consolidated financial information.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective in current accounting period.

In addition, the Group adopted the accounting policy for its available-for-sale financial assets as below:

Available-for-sale financial investments are non-derivative financial assets in listed debt securities. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investments revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in profit or loss, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investments revaluation reserve to profit or loss. Interests earned whilst holding the available-for-sale financial investments is reported as interest income and is recognised in profit or loss.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

2. 編製基準及會計政策變動(續)

採納此等經修訂香港財務報告準則對未經審核中期簡明綜合財務資料並無重大財務影響。

本集團並無提早採納於本會計期間已頒佈但尚未生效的任何準則、詮釋或修訂本。

此外，本集團就其可供出售金融資產採納會計政策如下：

可供出售金融投資為上市債務證券的非衍生金融資產。此分類項下的債券證券為擬無限期持有的債務證券，並可能因應流動資金需要或市況變化而出售。

於初步確認後，可供出售金融資產其後按公平值計量，並未變現收益或虧損於可供出售金融投資估值儲備中確認為其他全面收入，直至該投資取消確認，屆時累計收益或虧損則於損益確認，或直至該投資被確定為已減值，屆時累計收益或虧損從可供出售投資重估儲備重新分類至損益。在持有可供出售金融投資時所賺取的利息呈報為利息收入及於損益確認。

本集團會評估在短期內出售可供出售金融資產的能力及意向是否仍屬適當。在罕有的情況下，當基於市場不活躍而導致本集團無法買賣該等金融資產時，倘本集團有意且有能力於可預見未來持有該等資產或持有該等資產至到期，則本集團可選擇將該等金融資產重新分類。

至於可供出售金融資產，本集團於各報告期末對是否有客觀證據表明投資或投資組發生減值作出評估。

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

30 June 2015 二零一五年六月三十日

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Cont'd)

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is removed from other comprehensive income and recognised in profit or loss.

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. Impairment losses on debt instruments are reversed through profit or loss if the subsequent increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

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 2014 and 2015 are derived from customers located in Mainland China, and all of the Group's non-current assets, except for the available-for-sale investments which are located in Hong Kong, are located in Mainland China as at 31 December 2014 and 30 June 2015.

2. 編製基準及會計政策變動(續)

倘可供出售資產發生減值，則將按其成本(減去已償還的本金及攤銷額)與當前公平值之間的差額減去任何以前於損益確認的減值虧損所得的金額，從其他全面收入轉出並於損益確認。

倘債務工具被列作可供出售類別，則會根據按攤銷成本列賬的金融資產相同的標準進行減值評估，惟列賬的減值金額為按攤銷成本與當期公平值(減過往就該投資於損益確認的任何減值虧損)之間差額計量的累計虧損。日後利息收入會就該資產的削減賬面值持續累計，並按計量減值虧損時對未來現金流進行貼現時使用的利率累計。利息收入按財務收入的一部分列賬。若其後債務工具的公平值增加可客觀地連繫至減值虧損於損益確認後發生的事件，該工具的減值虧損可透過損益撥回。

3. 分部資料

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

地理資料

本集團截至二零一四年及二零一五年六月三十日止六個月所有的營業收入均來自中國內地的客戶，且本集團於二零一四年十二月三十一日及二零一五年六月三十日所有的非流動資產均位於中國內地，惟可供出售投資則位於香港。

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

30 June 2015 二零一五年六月三十日

3. SEGMENT INFORMATION (Cont'd)

Information about major customers

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

| | | 2015 二零一五年 (Unaudited) (未經審核) HK\$' 000 千港元 | 2014 二零一四年 (Unaudited) (未經審核) HK\$' 000 千港元 |
|------------|------|--|--|
| Customer A | 客戶 A | 6,702 | 13,059 |
| Customer B | 客戶 B | 72,968 | 30,146 |
| | | 79,670 | 43,205 |

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents: (1) an appropriate proportion of contract revenue of construction contracts under service concession arrangements; (2) revenue from 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.

3. 分部資料(續)

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

| | | 2015 二零一五年 (Unaudited) (未經審核) HK\$' 000 千港元 | 2014 二零一四年 (Unaudited) (未經審核) HK\$' 000 千港元 |
|------------|------|--|--|
| Customer A | 客戶 A | 6,702 | 13,059 |
| Customer B | 客戶 B | 72,968 | 30,146 |
| | | 79,670 | 43,205 |

4. 營業收入、其他收入及收益

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

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

30 June 2015 二零一五年六月三十日

4. REVENUE, OTHER INCOME AND GAINS (Cont'd)

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

4. 營業收入、其他收入及收益(續)

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 | |
|---|------------------------|--|--|
| | | 2015 二零一五年 (Unaudited) (未經審核) HK\$'000 千港元 | 2014 二零一四年 (Unaudited) (未經審核) HK\$'000 千港元 |
| Revenue | 營業收入 | | |
| Construction services | 建設服務 | 45,964 | 9,458 |
| Wastewater treatment facilities operation services | 污水處理設施營運服務 | 26,405 | 26,595 |
| 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 | 7,301 | 7,152 |
| | | 79,670 | 43,205 |
| Other income and gains | 其他收入及收益 | | |
| Interest income | 利息收入 | 602 | 51 |
| Government grants# | 政府補助# | 1,720 | — |
| Foreign exchange gains, net | 外匯收益淨額 | 1,011 | 77 |
| Others | 其他 | 98 | 45 |
| | | 3,431 | 173 |

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

政府補貼就實施環保工程自江蘇省地方政府收取。於二零一五年六月三十日概無有關補貼的未完成條件或或然事件。

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

30 June 2015 二零一五年六月三十日

5. FINANCE COSTS

| | | | |
|--|-------------------------|------------|-----|
| Interest on bank loans | 銀行借款的利息 | 390 | 288 |
| 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 | 165 | 125 |
| | | 555 | 413 |

5. 融資成本

Six months ended 30 June
截至六月三十日止六個月

| 2015 二零一五年 (Unaudited) (未經審核) HK\$' 000 千港元 | 2014 二零一四年 (Unaudited) (未經審核) HK\$' 000 千港元 |
|--|--|
| 390 | 288 |
| 165 | 125 |
| 555 | 413 |

6. PROFIT BEFORE TAX

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

| | | | |
|---|-----------------|---------------|--------|
| Cost of construction services | 建設服務成本 | 37,067 | 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 | 16,016 | 8,767 |
| Depreciation | 折舊 | 228 | 198 |
| Listing expenses | 上市開支 | — | 14,835 |

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

| 2015 二零一五年 (Unaudited) (未經審核) HK\$' 000 千港元 | 2014 二零一四年 (Unaudited) (未經審核) HK\$' 000 千港元 |
|--|--|
| 37,067 | 8,362 |
| 16,016 | 8,767 |
| 228 | 198 |
| — | 14,835 |

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

30 June 2015 二零一五年六月三十日

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 period (six months ended 30 June 2014: Nil). The provision for the PRC income tax is based on the respective corporate income tax rates applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of the PRC.

Haian Hengfa Wastewater Treatment Company Limited (“Haian Hengfa”) and Rugao Hengfa Water Treatment Company Limited* (“Rugao Hengfa”) obtained preferential income tax treatment in 2014 whereby their income taxes are taxed at the taxable profit based on 90% of the revenue generated for the current and the prior period.

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。

由於本集團於期內並無於香港產生任何可評稅溢利(截至二零一四年六月三十日止六個月：無)，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。

海安恆發污水處理有限公司(「海安恆發」)及如皋恆發水處理有限公司(「如皋恆發」)於二零一四年獲得所得稅優惠待遇，據此，其所得稅按基於其於本年度及過往年度產生的90%營業收入計算的應稅所得繳納。

Six months ended 30 June 截至六月三十日止六個月

| | | 2015 二零一五年 (Unaudited) (未經審核) HK\$'000 千港元 | 2014 二零一四年 (Unaudited) (未經審核) HK\$'000 千港元 |
|---|--------------------|---|---|
| Current tax charge for the period – Mainland China | 期內即期稅項開支 – 中國內地 | 2,341 | 5,534 |
| Deferred tax | 遞延稅項 | 3,257 | 501 |
| Total tax charge for the period | 期內稅項開支總額 | 5,598 | 6,035 |

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

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

30 June 2015 二零一五年六月三十日

8. DIVIDEND

The Board declared an interim dividend of HK2 cents per ordinary share for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil). No dividend had been paid by the Company during the period ended 30 June 2015 (six months ended 30 June 2014: Nil).

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 2015 is based on the profit for the period attributable to ordinary equity holders of the parent of HK\$16,441,000 (six months ended 30 June 2014: HK\$150,000), and the weighted average number of ordinary shares of 850,387,000 (six months ended 30 June 2014: 600,000,000, as if the Reorganisation had been effective since 1 January 2014) in issue during the period.

The weighted average number of ordinary shares used to calculate the basic earnings per share amounts for the six months ended 30 June 2014 included 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 2014.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2014 and 2015 as the Company had no potentially dilutive ordinary share in issue during the reporting periods.

8. 股息

董事會就截至二零一五年六月三十日止六個月宣派每股普通股2港仙的中期股息(截至二零一四年六月三十日止六個月：無)。本公司於截至二零一五年六月三十日止期內概無派付任何股息(截至二零一四年六月三十日止六個月：無)。

9. 母公司普通股股權持有人應佔每股盈利

截至二零一五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16,441,000港元(截至二零一四年六月三十日止六個月：150,000港元)及期內已發行普通股加權平均數850,387,000計算(截至二零一四年六月三十日止六個月：以600,000,000計算，猶如重組已自二零一四年一月一日起生效)計算。

截至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(附註14(ii))發行的599,999,000股新普通股，猶如所有該等股份於截至二零一四年六月三十日止六個月已發行。

由於本公司於期內並無已發行潛在攤薄普通股，故並無對所呈列截至二零一四年及二零一五年六月三十日止六個月的每股基本盈利金額作出調整。

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30 June 2015 二零一五年六月三十日

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, the Group incurred HK\$42,000 (six months ended 30 June 2014: HK\$139,000) on the acquisition of items of property, plant and equipment.

11. SERVICE CONCESSION ARRANGEMENTS

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

10. 物業、廠房及設備

截至二零一五年六月三十日止六個月，本集團因收購物業、廠房及設備項目產生42,000港元(截至二零一四年六月三十日止六個月：139,000港元)。

11. 服務特許權安排

服務特許權安排下的應收款項指「建設－經營－移交」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 2015 二零一五年 六月三十日 (Unaudited) (未經審核) HK\$' 000 千港元 | 31 December 2014 二零一四年 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 | 375,195 | 334,999 |
| Portion classified as current assets | 分類為流動資產的部分 | (39,671) | (42,240) |
| Non-current portion | 非流動部分 | 335,524 | 292,759 |

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

30 June 2015 二零一五年六月三十日

11. SERVICE CONCESSION ARRANGEMENTS (Cont'd)

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

| | | 30 June 2015 二零一五年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | 31 December 2014 二零一四年 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 | 18,522 | 15,947 |
| 4 to 6 months | 4至6個月 | 14,318 | 14,784 |
| 7 to 12 months | 7至12個月 | — | 5,001 |
| | | 32,840 | 35,732 |
| Not yet billed | 尚未開具發票 | 342,355 | 299,267 |
| | | 375,195 | 334,999 |

As at 31 December 2014, certain wastewater treatment concession rights of the Group comprising receivables under service concession arrangements with a carrying amount of HK\$225,139,000 were pledged to secure a bank loan granted to the Group. This bank loan was fully repaid in February 2015.

11. 服務特許權安排(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：

| | | 30 June 2015 二零一五年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | 31 December 2014 二零一四年 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 | 18,522 | 15,947 |
| 4 to 6 months | 4至6個月 | 14,318 | 14,784 |
| 7 to 12 months | 7至12個月 | — | 5,001 |
| | | 32,840 | 35,732 |
| Not yet billed | 尚未開具發票 | 342,355 | 299,267 |
| | | 375,195 | 334,999 |

於二零一四年十二月三十一日，本集團若干污水處理特許權(包括賬面值為225,139,000港元的服務特許權安排下的應收款項)獲抵押作為授予本集團一筆銀行貸款的擔保。此筆銀行貸款已於二零一五年二月悉數償還。

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

30 June 2015 二零一五年六月三十日

12. TRADE PAYABLES

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

| | | 30 June 2015 二零一五年 六月三十日 (Unaudited) (未經審核) HK\$' 000 千港元 | 31 December 2014 二零一四年 十二月三十一日 (Audited) (經審核) HK\$' 000 千港元 |
|----------------|----------|--|---|
| Within 1 month | 1 個月以內 | 3,670 | 3,900 |
| 1 to 3 months | 1 至 3 個月 | 100 | 404 |
| Over 3 months | 3 個月以上 | 1,117 | 758 |
| | | 4,887 | 5,062 |

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 2015 二零一五年 六月三十日 (Unaudited) (未經審核) HK\$' 000 千港元 | 31 December 2014 二零一四年 十二月三十一日 (Audited) (經審核) HK\$' 000 千港元 |
|----------------|----------|--|---|
| Within 1 month | 1 個月以內 | 3,670 | 3,900 |
| 1 to 3 months | 1 至 3 個月 | 100 | 404 |
| Over 3 months | 3 個月以上 | 1,117 | 758 |
| | | 4,887 | 5,062 |

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 2015 二零一五年 六月三十日 (Unaudited) (未經審核) HK\$' 000 千港元 | 31 December 2014 二零一四年 十二月三十一日 (Audited) (經審核) HK\$' 000 千港元 |
|--|-------------------------|--|---|
| Current | 即期 | | |
| Interest-bearing bank loans - secured | 計息銀行貸款－有抵押 | 3,072 | 12,720 |
| Non-current | 非即期 | | |
| Interest-bearing bank loan - secured | 計息銀行貸款－有抵押 | 4,062 | 5,621 |
| | | 7,134 | 18,341 |
| Analysed into: | 按以下分析： | | |
| Bank loans repayable: | 須於以下時間償還的 銀行貸款： | | |
| Within one year or on demand | 於一年內或按要求 | 3,072 | 12,720 |
| In the second year | 第二年 | 3,286 | 3,176 |
| In the third to fifth years, inclusive | 第三年至第五年(包括 該第三年及第五年) | 776 | 2,445 |
| | | 7,134 | 18,341 |

13. 計息銀行借款

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30 June 2015 二零一五年六月三十日

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

As at 30 June 2015, the Group had a three-year bank loan of HK\$7,134,000 (31 December 2014: HK\$8,591,000) which was denominated in Renminbi with a fixed interest rate at 6.77% (31 December 2014: 6.77%) per annum. This bank loan was secured by the Group's land use rights and properties used in the operation of the Group's wastewater treatment business with a total construction cost of HK\$6,047,000 which had been charged to the cost of sales in the years of construction in prior years in accordance with HK(IFRIC)-Int 12.

During the six months ended 30 June 2015, the Group has repaid a bank loan with a carrying amount as at 31 December 2014 of HK\$9,750,000. This bank loan was a five-year term loan repayable on demand. It was denominated in United State dollar with a floating interest rate at 1.25% above the US\$ prime rate per annum. As at 31 December 2014, it was secured by the wastewater treatment concession rights comprising receivables under service concession arrangements with a carrying amount of HK\$225,139,000.

13. 計息銀行借款(續)

於二零一五年六月三十日，本集團有一筆三年期銀行貸款7,134,000港元(二零一四年十二月三十一日：8,591,000港元)，該貸款以人民幣計值，按6.77%(二零一四年十二月三十一日：6.77%)的固定年利率計息。該筆銀行貸款以用於本集團污水處理業務營運的土地使用權及物業作抵押，有關土地使用權及物業的總建築成本為6,047,000港元，已於過往年度根據香港(國際財務報告詮釋委員會)－詮釋第12號扣自建築年度銷售成本。

截至二零一五年六月三十日止六個月，本集團已償還一筆於二零一四年十二月三十一日賬面值為9,750,000港元的銀行貸款。該筆銀行貸款為須按要求償還的五年定期貸款。其以美元計值，按美元優惠利率加1.25%的浮動年利率計息。於二零一四年十二月三十一日，其以污水處理特許權(包括賬面值為225,139,000港元的服務特許權安排下的應收款項)作抵押。

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

30 June 2015 二零一五年六月三十日

14. SHARE CAPITAL

Shares

14. 股本

股份

| | | 30 June 2015 二零一五年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | 31 December 2014 二零一四年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|---|---|---|--|
| Authorised: | 法定： | | |
| 3,800,000,000 ordinary shares of HK\$0.0001 each | 3,800,000,000 股 每股面值 0.0001 港元 的普通股 | 380 | 380 |
| Issued and fully paid: | 已發行及繳足： | | |
| 960,000,000 (31 December 2014: 800,000,000) ordinary shares of HK\$0.0001 each | 960,000,000 股 (二零一四年 十二月三十一日： 800,000,000 股) 每股面值 0.0001 港元 的普通股 | 96 | 80 |

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

30 June 2015 二零一五年六月三十日

14. SHARE CAPITAL (Cont'd)

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

14. 股本(續)

本公司已發行股本的變動概要如下：

| | | | 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 |
|--|---------------------------------|-------------|---|---|
| | | Notes 附註 | | |
| 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 | 根據股份互換發行股份 | (ii) | 599,999,000 | 60 |
| Issue of shares pursuant to the Share Offer | 根據股份發售發行股份 | (iii) | 200,000,000 | 20 |
| At 31 December 2014 and 1 January 2015 | 於二零一四年 十二月三十一日及 二零一五年一月一日 | | 800,000,000 | 80 |
| Issue of shares pursuant to the Placing | 根據配售事項發行股份 | (iv) | 160,000,000 | 16 |
| At 30 June 2015 | 於二零一五年六月三十日 | | 960,000,000 | 96 |

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30 June 2015 二零一五年六月三十日

14. SHARE CAPITAL (Cont'd)

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 Limited (“Everbest Water Treatment Development”) prior to the completion of the reorganisation (the “Reorganisation”) on 25 February 2014 in connection with the listing of the Company.
- (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”).
- (iii) In connection with the listing of the shares of the Company on the Stock Exchange (the “Share Offer”), 200,000,000 new ordinary shares of HK\$0.0001 each were issued at a price of HK\$0.55 per ordinary share for a total cash consideration, before expenses, of HK\$110,000,000. Dealings in the shares of the Company on the Stock Exchange commenced on 26 September 2014.
- (iv) On 5 May 2015, 160,000,000 new ordinary shares of HK\$0.0001 each were issued at a price of HK\$0.98 per ordinary share pursuant to the top-up placing and top-up subscription agreement under the general mandate of the Company (the “Placing”) for a total cash consideration, before expenses, of HK\$156,800,000. Further details are set out in the announcements of the Company dated 23 April 2015 and 5 May 2015.

14. 股本(續)

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就本公司上市進行重組(「重組」)完成前為恆發水務發展有限公司(「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全資附屬公司，作為本公司向彼等分別配發及發行374,999,375股及224,999,625股普通股的代價(「股份互換」)。
- (iii) 就本公司股份於聯交所上市(「股份發售」)而言，200,000,000股每股面值0.0001港元的新普通股已按每股普通股0.55港元的價格發行，總現金代價(未計入有關開支)為110,000,000港元。本公司股份於二零一四年九月二十六日在聯交所開始買賣。
- (iv) 於二零一五年五月五日，根據本公司一般授權項下的先舊後新配售及先舊後新認購協議，160,000,000股每股面值0.0001港元的新普通股已按每股普通股0.98港元的價格發行(「配售事項」)，總現金代價(未計入有關開支)為156,800,000港元。進一步詳情載於本公司日期為二零一五年四月二十三日及二零一五年五月五日的公告。

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30 June 2015 二零一五年六月三十日

15. COMMITMENTS

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

| | |
|------------------------------------|---------|
| Contracted, but not provided for | 已訂約但未撥備 |
| Authorised, but not contracted for | 已授權但未訂約 |

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 2015 二零一五年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | 31 December 2014 二零一四年 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 | 14,825 | 35,287 |
| Authorised, but not contracted for | 已授權但未訂約 | 35,092 | 51,645 |
| | | 49,917 | 86,932 |

16. CONTINGENT LIABILITIES

As at 30 June 2015, the Group had no significant contingent liabilities (31 December 2014: Nil).

16. 或然負債

於二零一五年六月三十日，本集團概無重大或然負債(二零一四年十二月三十一日：無)。

17. RELATED PARTY TRANSACTIONS

(a) 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. 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. The amount charged to profit or loss during the six months ended 30 June 2015 was HK\$138,000. The Group expects total rental expenses to Dragonfield in second half of 2015 and whole year of 2016 to be approximately HK\$138,000 and HK\$184,000, respectively.

17. 關聯方交易

(a) 截至二零一四年六月三十日止六個月，本集團已以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。截至二零一五年六月三十日止六個月，自損益扣除的金額為138,000港元。本集團預期於二零一五年下半年及二零一六年全年向龍田支付的總租賃開支分別約為138,000港元及184,000港元。

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17. RELATED PARTY TRANSACTIONS (Cont'd)

(b) Outstanding balances with related parties

The Group has no outstanding balances with related parties as at 30 June 2015 (31 December 2014: Nil).

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

17. 關聯方交易(續)

(b) 與關聯方的未清償結餘

本集團於二零一五年六月三十日並無與關聯方的未清償結餘(二零一四年十二月三十一日：無)。

(c) 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 | |
|---|------------|--|--|
| | | 2015 二零一五年 (Unaudited) (未經審核) HK\$' 000 千港元 | 2014 二零一四年 (Unaudited) (未經審核) HK\$' 000 千港元 |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 | 1,204 | 763 |
| Pension scheme contribution | 退休金計劃供款 | 19 | 11 |
| | | 1,223 | 774 |

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18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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, other receivables, cash and cash equivalents, trade payables, other payables and current portion of 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 arrangements and interest-bearing bank borrowing have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings as at 30 June 2015 and 31 December 2014 was assessed to be insignificant.

The fair values of available-for-sale investments are based on quoted market prices.

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、其他應收款項、現金及現金等價物、貿易應付款項、其他應付款項及計息銀行借款即期部分的公平值與其賬面值相若，主要由於該等工具到期時間短所致。

本集團由財務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及計息銀行貸款非即期部分及計息銀行借款的公平值乃透過按現時應用在具相若條款、信貸風險及剩餘到期日的工具上的利率對預期未來現金流量進行貼現而計算得出。於二零一五年六月三十日及二零一四年十二月三十一日，本集團本身對計息銀行借款的不履約風險被評估為並不重大。

可供出售投資的公平值乃按市場報價計算。

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30 June 2015 二零一五年六月三十日

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

Fair value hierarchy

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

Assets measured at fair value:

As at 30 June 2015 (Unaudited)

18. 公平值計量(續)

公平值等級

下表說明本集團可供出售投資的公平值計量等級：

按公平值計量的資產：

於二零一五年六月三十日
(未經審核)

| | | Fair value measurement using 採用下列方法計量公平值 | | | |
|--------------------------------|--------|---|--|--|------------------|
| | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
| | | 活躍市場的報價 (第一層級) | 重大可觀察 輸入數據 (第二層級) | 重大不可觀察 輸入數據 (第三層級) | 合計 |
| | | HK\$' 000 千港元 | HK\$' 000 千港元 | HK\$' 000 千港元 | HK\$' 000 千港元 |
| Available-for-sale investments | 可供出售投資 | 65,300 | — | — | 65,300 |

The Group did not have any financial assets measured at fair value as at 31 December 2014.

The Group did not have any financial liabilities measured at fair value as at 30 June 2015 (31 December 2014: Nil).

During the six months ended 30 June 2015, 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 2014: Nil).

本集團於二零一四年十二月三十一日並無任何按公平值計量的金融資產。

本集團於二零一五年六月三十日並無任何按公平值計量的金融負債(二零一四年十二月三十一日：無)。

截至二零一五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(截至二零一四年六月三十日止六個月：無)。

19. APPROVAL OF THE CONDENSED INTERIM FINANCIAL INFORMATION

The unaudited condensed interim financial information was approved by the Board of Directors on 21 August 2015.

19. 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二零一五年八月二十一日獲董事會批准。