

Interim Report
中期報告

2019

CTEG

中滔環保

CT Environmental Group Limited
中滔環保集團有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 1363

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Company Profile and Corporate Information 公司簡介及公司資料

EXECUTIVE DIRECTORS

Ms. Huang Qing (*Chairman and Chief Executive Officer*)
(appointed on 12 May 2020)
Mr. Lam Wai Tong
(appointed on 29 October 2020)
Mr. Li Yang
(appointed on 3 August 2020)
Mr. Wu Changbiao
(appointed on 31 January 2020)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. He Jingyong
(appointed on 10 April 2019)
Mr. Fong Wai Ho
(appointed on 3 August 2020)
Ms. Lai Pik Chi, Peggy
(appointed on 3 August 2020)

COMPANY SECRETARY

Mr. Sit Hon Wing

REGISTERED OFFICE

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

AUDITOR

Crowe (HK) CPA Limited
Certified Public Accountants

PRINCIPAL PLACE OF BUSINESS

China
20/F, World Trade Centre
148 Xingang East Road
Haizhu District
Guangzhou China

Hong Kong
Unit 807, 8/F, Tower 1,
Cheung Sha Wan Plaza,
833 Cheung Sha Wan Road, Kowloon
Hong Kong

PRINCIPAL BANKERS

Bank of China
Far Eastern International Bank
Industrial and Commercial Bank of China
China Construction Bank

執行董事

黃青女士 (*主席兼首席執行官*)
(於二零二零年五月十二日獲委任)
林瑋瑋先生
(於二零二零年十月二十九日獲委任)
李陽先生
(於二零二零年八月三日獲委任)
伍暢標先生
(於二零二零年一月三十一日獲委任)

獨立非執行董事

何景涌先生
(於二零一九年四月十日獲委任)
方偉豪先生
(於二零二零年八月三日獲委任)
黎碧芝女士
(於二零二零年八月三日獲委任)

公司秘書

薛漢榮先生

註冊辦事處

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

核數師

國富浩華 (香港) 會計師事務所有限公司
執業會計師

主要營業地點

中國地區
中國廣州市
海珠區
新港東路148號
環球貿易中心20樓

香港地區
香港
九龍長沙灣道833號
長沙灣廣場
1期8樓807室

主要往來銀行

中國銀行
遠東國際商業銀行
中國工商銀行
中國建設銀行

BUSINESS REVIEW

For the six months ended 30 June 2019, although the Group's overall operating performance has been improved compared with that of 2018, the Group continued to suffer from certain setbacks as a consequence of the various unfavourable incidents happened in 2018. The project portfolio of the Group was the same as those compared with 2018 without any new projects added since the Group believed that 2019 should be a prudent year after the 2018 crisis. The Group should carefully and respectfully handle the relationships with all its stakeholders so as to pave the way for future recovery.

In 2018, the PRC government commenced a series of nationwide actions in tightening the environmental enforcement efforts and accountability by carrying out a centralised inspection of environmental protection (中央環保督察) which severely affected a number of subsidiaries during 2018. The Group has since then paid most of the required penalties and has performed relevant rectification works for some of the treatment facilities. However, the negative impacts continued to affect operation results for the six months ended 30 June 2019 including the termination of sludge treatment services for some of our subsidiaries, reduction in demand for our wastewater treatment services, lost of revenue during the period of rectification works and some of the alleged environmental pollution related acts has been subsequently translated into litigations in committing offences. Notwithstanding the unfavourable situation as mentioned above, the hazardous waste treatment segment did show a remarkable recovery and become the earliest segment to bounce back. This was consistent with the Group's expectation due to the increasing focus on hazardous waste by local governments.

For the six months ended 30 June 2019, the cashflow position of the Group continued to face serious challenges. In order to cope with this, the Group effectively reduce its equity stake of a non-core subsidiary with business in the Zhongshan City, Guangdong Province, from 100% to 51% at a consideration of RMB98,000,000 in the form of equity and shareholder's loan. Most of the proceeds were used to repay bank loans. At the same time, the Group continued to adopt cost savings measures while continued its plan to dispose of other non-core subsidiaries and assets from terminated facilities.

業務回顧

截至二零一九年六月三十日止六個月，儘管本集團的整體經營表現較二零一八年有所改善，但由於二零一八年發生的多項不利事件，本集團繼續遭受若干挫折。本集團的項目組合與二零一八年相同，並無新增任何項目，因為本集團相信二零一九年應為二零一八年危機後的審慎年度。本集團應謹慎及尊重地處理與所有持份者的關係，為未來復甦鋪路。

二零一八年，中國政府透過進行中央環保督察在全國範圍內開展了一系列加強環境保護執法力度及責任追究行動，於二零一八年對若干附屬公司造成嚴重影響。自此，本集團已支付大部分要求罰款，並已就部分處理設施進行相關整改工作。然而，有關負面影響繼續影響截至二零一九年六月三十日止六個月的經營業績，包括部分附屬公司的污泥處理服務終止、對我們的污水處理服務的需求減少、整改工作期間的收益損失及部分所指稱的環境污染相關行為隨後轉化為犯罪訴訟。儘管出現上述不利情況，惟危險廢物處理分部仍呈現顯著復甦，並成為最早反彈的分部。此與本集團的預期一致，乃由於地方政府日益重視危險廢物。

截至二零一九年六月三十日止六個月，本集團的現金流量狀況繼續面臨嚴峻挑戰。為應對此情況，本集團將其於廣東省中山市擁有業務的非核心附屬公司的股權由100%實際減少至51%，代價為人民幣98,000,000元，形式為股權及股東貸款。大部分所得款項已用於償還銀行貸款。同時，本集團繼續採取成本節約措施，同時繼續計劃出售其他非核心附屬公司及已終止設施的資產。

Management Discussion & Analysis

管理層討論與分析

Another challenge on cash position during the six months ended 30 June 2019 were the commencement of the legal actions against the group companies for debt recovery. Some of the judgments of the above legal actions has been issued so that our Group is now facing risk of judgment enforcement by the relevant creditors. The Group is continuing its effort in arriving settlement plans with its creditors. The Company's trading of shares has been suspended since 1 April 2019 due to the failure to publish the annual results for the year ended 31 December 2018. The Stock Exchange of Hong Kong Limited ("Stock Exchange") has subsequently issued certain resumption guidance to the Company and the Group will continue its utmost effort in satisfying the resumption guidance and target to resume trading as soon as practicable. The trading suspension itself did not affect the business operations of the Group.

FUTURE OUTLOOK

The Group's early presence in the general solid waste sector and the hazardous treatment waste sector provided the Group with advantages in these market segments. As reflected from the financial results for the six months ended 30 June 2019, the revenue from hazardous waste treatment segment was the first segment to recover. In recent years, the Chinese government has expressed its concern over the potential harmful effect of hazardous waste and also the concern over the rate of reuse and recycle of general solid waste so as to promote efficiency in resources utilization. In general, there are entry barriers to the solid waste treatment sector and the hazardous treatment sector in terms of obtaining operating permits or licenses and in terms of capital expenditure. Hence, the Group believed that the operating permits or licenses which the Group possesses can enhance the future revenue base of the Group. In view of the Group's cashflow position, the Group is in the process of disposing non-core assets or projects so as to further relieve the Group from cashflow pressure. The Group has signed an agreement with a local government in land resumption for a cash compensation of approximately RMB1.24 billion on 28 September 2020. The Group expected there will be similar transactions so that more cash inflow from disposal is expected. In view of this, the Group is confident to successfully pass through such a difficult moment.

截至二零一九年六月三十日止六個月，對現金狀況的另一項挑戰為對該等集團公司追討債務之法律行動已展開。上述法律行動的部分判決已頒佈，故本集團目前面臨相關債權人強制執行判決的風險。本集團正繼續努力與其債權人達成和解計劃。由於未能刊發截至二零一八年十二月三十一日止年度之年度業績，本公司股份已自二零一九年四月一日起暫停買賣。香港聯合交易所有限公司（「聯交所」）其後已向本公司發出若干復牌指引，本集團將繼續盡最大努力達成復牌指引，目標是在切實可行的情況下盡快恢復買賣。暫停買賣本身並不影響本集團之業務營運。

未來展望

本集團於一般固體廢物行業及危險廢物處理行業的早期佈局為本集團於該等市場分部提供優勢。誠如截至二零一九年六月三十日止六個月的財務業績所反映，危險廢物處理分部收益為首個復甦的分部。近年來，中國政府對危險廢物的潛在有害影響表示關注，亦關注一般固體廢物的再利用及回收率，以提高資源利用率。一般而言，就取得經營許可證或牌照以及就資本開支而言，固體廢物處理行業及危險廢物處理行業存在進入門檻。因此，本集團相信，本集團擁有的經營許可證或牌照能夠提升本集團的未來收益基礎。鑒於本集團的現金流量狀況，本集團正在出售非核心資產或項目，以進一步緩解本集團的現金流量壓力。於二零二零年九月二十八日，本集團與地方政府已就土地收回簽訂協議，現金補償約為人民幣12.4億元。本集團預期將來有類似交易，故預期出售事項將產生更多現金流入。有鑒於此，本集團有信心成功渡過此艱難時期。

FINANCIAL REVIEW

Revenue

The revenue of the Group decreased by approximately 59.2% to approximately HKD401.8 million for the six months ended 30 June 2019 from approximately HKD984.1 million for the six months ended 30 June 2018. Such decrease was mainly attributable to the disposal of the Group's business in the Guangxi Autonomous Region so that there was no revenue contribution to the Group's revenue for the six months ended 30 June 2019 while the corresponding revenue for the six months ended 30 June 2018 was approximately HKD274.1 million. Also, the termination of sludge treatment operations of Guangzhou Haitao and the reduction in the demand for sludge treatment services and solid waste treatment services of other subsidiaries of the Group, causing a reduction in revenue by approximately HKD123.5 million.

Cost of sales

The cost of sales of the Group decreased by approximately 55.1% to approximately HKD264.1 million for the six months ended 30 June 2019 from approximately HKD588.4 million for the six months ended 30 June 2018. The decrease was consistent with the overall decrease in revenue especially the impact from the disposal of the Group's business in the Guangxi Autonomous Region.

財務回顧

收益

本集團之收益由截至二零一八年六月三十日止六個月約984.1百萬港元減少約59.2%至截至二零一九年六月三十日止六個月約401.8百萬港元。有關減少乃主要歸因於出售本集團於廣西自治區的業務，致使於截至二零一九年六月三十日止六個月其對本集團收益並無收益貢獻，而截至二零一八年六月三十日止六個月的相應收益約為274.1百萬港元。另外，廣州海滔的污泥處理業務終止及本集團其他附屬公司對污泥處理服務及固體廢物處理服務的需求減少，導致收益減少約123.5百萬港元。

銷售成本

本集團的銷售成本由截至二零一八年六月三十日止六個月約588.4百萬港元減少約55.1%至截至二零一九年六月三十日止六個月約264.1百萬港元。有關減少與收益整體減少一致，尤其為出售本集團於廣西自治區之業務之影響一致。

Management Discussion & Analysis

管理層討論與分析

Gross profit and gross profit margin

The gross profit of the Group decreased by approximately 65.2% to approximately HKD137.7 million for the six months ended 30 June 2019 from approximately HKD395.8 million for the six months ended 30 June 2018 primarily as a result of the factors described above. The gross profit margin of the Group decreased to approximately 34.3% for the six months ended 30 June 2019 from approximately 40.2% for the six months ended 30 June 2018 which was attributable the general decrease in the utilization rate of operating facilities compared with the six months ended 30 June 2018 which in turn magnify the negative impact from sharing of fixed overhead costs.

Other income

Other income of the Group decreased by approximately 97.3% to approximately HKD2.8 million for the six months ended 30 June 2019 from approximately HKD104.3 million for the six months ended 30 June 2018. The decrease was mainly due to the substantial reduction in the amount of value-added tax refund which was a consequence of various administrative penalty notices issued under the environmental protection inspection which in turn affected the eligibility of claiming such tax refund. The decrease was also attributable to the substantial decrease in government grants which was one-off in nature.

Other net gains/(losses)

The other net gains for the six months ended 30 June 2019 was approximately HKD24.4 million, compared with other net losses of approximately HKD1.4 million for the six months ended 30 June 2018. The amount for the current period represented the gain on disposal of a subsidiary and foreign exchange gain of approximately HKD19.9 million (six months ended 30 June 2018: foreign exchange loss of approximately HKD1.6 million).

毛利及毛利率

本集團之毛利由截至二零一八年六月三十日止六個月約395.8百萬港元減少約65.2%至截至二零一九年六月三十日止六個月約137.7百萬港元，此乃主要由於上述因素所致。本集團之毛利率由截至二零一八年六月三十日止六個月約40.2%減少至截至二零一九年六月三十日止六個月約34.3%，其乃歸因於營運設施之使用率較截至二零一八年六月三十日止六個月整體減少，進而放大分佔固定間接成本產生之負面影響。

其他收入

本集團之其他收入由截至二零一八年六月三十日止六個月約104.3百萬港元減少約97.3%至截至二零一九年六月三十日止六個月約2.8百萬港元。有關減少之主要原因為增值稅退稅金額大幅減少，此乃由於根據環保督察而發出之各行政罰款通知書影響申領有關退稅之資格所致。有關減少亦歸因於屬一次過性質的政府補助大幅減少所致。

其他收益／（虧損）淨額

截至二零一九年六月三十日止六個月之其他收益淨額約為24.4百萬港元，而截至二零一八年六月三十日止六個月之其他虧損淨額約為1.4百萬港元。當前期間的金額指出售一家附屬公司的收益及外匯收益約19.9百萬港元（截至二零一八年六月三十日止六個月：外匯虧損約1.6百萬港元）。

Administrative expenses

The Group's administrative expenses decreased by approximately 5.9% to approximately HKD124.6 million for the six months ended 30 June 2019 from approximately HKD132.4 million for the six months ended 30 June 2018. The decrease was mainly attributable to general cost saving policy adopted for the year 2019 but such effect has been partially offset by the increase in legal expenses related to various litigations faced by the Group.

Impairment losses

During the six months 30 June 2019, impairment losses on various items amounted to approximately HKD99.7 million (six months ended 30 June 2018: Nil). Such impairment losses were mainly due to impairment loss on certain loan receivables (approximately HKD62.8 million), other receivables (approximately HKD10.2 million), payment for acquisitions of subsidiaries (approximately HKD15.1 million) and certain amounts due from companies controlled by a former director (approximately HKD11.7 million).

Finance costs

The finance costs of the Group increased by approximately 116.3% to approximately HKD124.3 million for the six months ended 30 June 2019 from approximately HKD57.4 million for the six months ended 30 June 2018. The increase was mainly attributable to the effect of finance costs generated by other loans commenced in the second half of 2018 with relatively higher interest rate. Also, there was no interest expenses being capitalised into construction in progress for the six months ended 30 June 2019 (six months ended 30 June 2018: approximately HKD13.2 million) due to the reduction in capital expenditure incurred by the Group.

行政開支

本集團之行政開支由截至二零一八年六月三十日止六個月約132.4百萬港元減少約5.9%至截至二零一九年六月三十日止六個月約124.6百萬港元。有關減少乃主要由於二零一九年採納的一般成本節約政策，但該效果已被與本集團面對的各種訴訟相關法律開支增加所部分抵銷。

減值虧損

截至二零一九年六月三十日止六個月，各項目之減值虧損約為99.7百萬港元（截至二零一八年六月三十日止六個月：零）。該項減值虧損乃主要由於收購若干應收貸款（約62.8百萬港元）、其他應收款項（約10.2百萬港元）、多家附屬公司的付款（約15.1百萬港元）及若干應收由前董事控制之公司款項之減值虧損（約11.7百萬港元）所致。

融資成本

本集團之融資成本由截至二零一八年六月三十日止六個月約57.4百萬港元增加約116.3%至截至二零一九年六月三十日止六個月約124.3百萬港元。有關增加乃主要歸因於自二零一八年下半年開始的具有相對較高利率之其他貸款產生的融資成本效應所致。另外，由於削減本集團產生的資本開支，截至二零一九年六月三十日止六個月並無利息開支資本化入在建工程（截至二零一八年六月三十日止六個月：約13.2百萬港元）。

Management Discussion & Analysis

管理層討論與分析

Income tax credit/(expense)

The income tax credit of the Group for the six months ended 30 June 2019 was approximately HK\$8.6 million (six months ended 30 June 2018: expense of approximately HK\$5.7 million). The current year tax provision has been increased to approximately HK\$20.0 million but there was a reversal of certain temporary difference for deferred taxation purpose amounted to approximately HKD28.6 million mainly related to the de-recognition of intangible assets pursuant to the early termination of a BOT contract of the Group.

Loss attributable to owners of the Company

The loss attributable to owners of the Company was approximately HKD173.6 million for the six months ended 30 June 2019 (six months ended 30 June 2018: profit of approximately 302.4 million) as a result of the factors described above.

EVENTS AFTER 30 JUNE 2019

Details of certain important events occurred after 30 June 2019 are set out in note 23 to this report.

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 June 2019, the principal liquidity and capital requirements of the Group primarily relate to the obligations under various bank loan agreements, construction of treatment facilities and operation expenses.

As at 30 June 2019, the carrying amount of the Group's cash and bank deposits was approximately HKD164.4 million (31 December 2018: HKD273.1 million), representing a decrease of approximately 39.8% as compared to that as at 31 December 2018.

所得稅抵免／（開支）

本集團截至二零一九年六月三十日止六個月的所得稅抵免約為8.6百萬港元（截至二零一八年六月三十日止六個月：開支約5.7百萬港元）。本年度稅項撥備增加至約20.0百萬港元，惟就遞延稅項而言的若干暫時差額撥回約28.6百萬港元，主要與根據本集團一份BOT合約之提早終止而終止確認無形資產有關。

本公司擁有人應佔虧損

由於上述因素，截至二零一九年六月三十日止六個月，本公司擁有人應佔虧損約為173.6百萬港元（截至二零一八年六月三十日止六個月：溢利約302.4百萬港元）。

於二零一九年六月三十日後的事項

於二零一九年六月三十日後發生的若干重要事項之詳情載於本報告附註23。

流動資金及財務資源

截至二零一九年六月三十日止六個月，本集團主要的流動資金及資本需求主要與多份銀行貸款協議項下之責任、處理設施之建設以及經營開支有關。

於二零一九年六月三十日，本集團現金及銀行存款的賬面值約為164.4百萬港元（二零一八年十二月三十一日：273.1百萬港元），較二零一八年十二月三十一日減少約39.8%。

BANK LOANS AND GEARING

As at 30 June 2019, the total amount of bank loans of the Group was approximately HKD2,419.1 million (31 December 2018: HKD2,795.1 million), in which 80.3% (31 December 2018: 81.6%) were denominated in RMB. All of the Group's bank borrowings carry floating interest rates. There was no unutilised bank facilities as at 30 June 2019 and 31 December 2018.

As at 30 June 2019, the secured bank loans amounted to HKD2,141.7 million (31 December 2018: 2,468.0 million), and unsecured bank loans amounted to HKD277.4 million (31 December 2018: HKD327.1 million). As at 30 June 2019, covenants relating to restrictions on the then controlling shareholder, the consolidated EBITDA to long-term borrowings matured within one year and consolidated finance cost ratio, and adjusted cash flow to consolidated debt services ratio had been breached. Subsequently, one of the banks has taken legal action against the Group, details of which are set out in note 1 to this report.

As at 30 June 2019, the gearing ratio, as calculated by dividing the total borrowings (net of bank and cash balances) by the total assets of the Group, was 64.8% (31 December 2018: 31.6%).

銀行貸款及資產負債

於二零一九年六月三十日，本集團的銀行貸款總額約為2,419.1百萬港元（二零一八年十二月三十一日：2,795.1百萬港元），當中80.3%（二零一八年十二月三十一日：81.6%）以人民幣計值。本集團所有銀行借款均按浮動利率計息。於二零一九年六月三十日及二零一八年十二月三十一日概無未動用的銀行貸款額度。

於二零一九年六月三十日，有抵押之銀行貸款為2,141.7百萬港元（二零一八年十二月三十一日：2,468.0百萬港元）及無抵押之銀行貸款為277.4百萬港元（二零一八年十二月三十一日：327.1百萬港元）。於二零一九年六月三十日，已違反有關限制當時控股股東、綜合EBITDA對一年內到期之長期借款及綜合融資成本比率、調整後現金流量對綜合債務服務比率之契諾。隨後，其中一家銀行已針對本集團採取法律行動，其詳情載於本報告附註1。

於二零一九年六月三十日，資產負債比率（按借款總額（經扣除銀行及現金結餘）除以本集團的資產總值計算）為64.8%（二零一八年十二月三十一日：31.6%）。

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CONTINGENT LIABILITIES AND LITIGATIONS

In April 2018, Guangzhou Haitao was alleged to have committed a number of criminal offences. Subsequently, in April 2019, The People's Procuratorate of Guangzhou City, Guangdong Province (廣東省廣州市人民檢察院) filed a bill of indictment against Guangzhou Haitao, the details of which are set out in note 22(c) to this report.

Other than the above, as at 30 June 2019 and 31 December 2018, the Group had no material contingent liabilities or guarantees. The Group has certain material litigations existed as at 30 June 2019 and up to the date of the approval of this report, details of which were set out in note 22 to this report.

PLEDGE OF ASSETS

As at 30 June 2019, the Group pledged certain of its property, plant and machinery and right-of-use assets with an aggregate carrying amount of approximately HKD249.1 million (31 December 2018: property, plant and equipment and lease prepayments of approximately HKD252.4 million) and pledged certain bank deposits amounted to approximately HKD86.2 million (31 December 2018: approximately HKD87.1 million) to certain banks to secure certain credit facilities granted to the Group. In addition, the Group's equity interests in major operating subsidiaries including were pledged to secure bank loans granted to the Group. Certain rights to receive service revenue were also pledged to secure bank loans granted to the Group. As at 31 December 2018, the lease prepayments of HK\$41,968,000 and property, plant and equipment of HK\$349,920,000 as included in assets of disposal group classified as held for sale were pledged for the bank loans granted to the Group. Also, the equity interest of Xintao Investment Co., Ltd. ("Xintao Investment") classified as held for sale was pledged to secure the bank loans granted to the Group.

或有負債及訴訟

於二零一八年四月，廣州海滔被指稱觸犯若干刑事罪行。隨後，於二零一九年四月，廣東省廣州市人民檢察院對廣州海滔提出起訴書，有關詳情載於本報告附註22(c)。

除上文所述者外，於二零一九年六月三十日及二零一八年十二月三十一日，本集團並無任何重大或有負債或擔保。本集團於二零一九年六月三十日及直至本報告獲批准日期擁有若干重大訴訟，有關詳情載於本報告附註22。

資產抵押

於二零一九年六月三十日，本集團向若干銀行抵押賬面值總額約為249.1百萬港元的若干物業、廠房及機器以及使用權資產（二零一八年十二月三十一日：物業、廠房及設備以及租賃預付款項約為252.4百萬港元）及質押若干銀行存款約86.2百萬港元（二零一八年十二月三十一日：約87.1百萬港元），以擔保授予本集團的若干信貸融資。此外，本集團亦將於主要營運附屬公司的股權質押，作為授予本集團的銀行貸款的抵押。若干收取服務收益之權利亦已質押，作為授予本集團的銀行貸款的抵押。於二零一八年十二月三十一日，計入分類為持作出售之出售集團資產租賃預付款項41,968,000港元及物業、廠房及設備349,920,000港元已就授予本集團的銀行貸款質押。此外，分類為持作出售之新滔投資有限公司（「新滔投資」）之股權已質押，作為授予本集團的銀行貸款的抵押。

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As at 30 June 2019, the equity interest of Zhongshan Haitao classified as held for sale was pledged to secure the bank loans granted to the Group.

CAPITAL EXPENDITURES

For the six months ended 30 June 2019, the capital expenditures of the Group (mainly including additions to property, plant and equipment and additions to lease prepayments) amounted to approximately HKD12.3 million (six months ended 30 June 2018: HKD603.9 million). These capital expenditures were funded by bank borrowings and funds generated from the operating activities of the Group.

The Group currently does not have any plans for material investments or material purchase of capital assets except for the Guangzhou Lvyou relocation project which will be financed by debt and/or equity. Please refer to note 23 of this report for more details.

FOREIGN CURRENCY RISK

The Group's assets, borrowings and major transactions are mainly denominated in RMB. The Group is exposed to currency risk primarily arising from receivables and bank loans that are denominated in a currency other than the functional currency of the relevant entities. The currencies giving rise to this risk are primarily RMB and USD. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise. As at 30 June 2019, approximately 92.8%, 0.0% and 7.2% of the cash and cash equivalent held by the Group are denominated in RMB, USD and HKD respectively (31 December 2018: 80.6%, 0.0% and 19.4%).

於二零一九年六月三十日，分類為持作出售之中山海滔股權已質押，作為授予本集團的銀行貸款的抵押。

資本開支

截至二零一九年六月三十日止六個月，本集團資本開支（主要包括物業、廠房及設備增加及租賃預付款項增加）約為12.3百萬港元（截至二零一八年六月三十日止六個月：603.9百萬港元）。該等資本開支由銀行借款及本集團經營活動所得資金撥付。

除廣州綠由搬遷項目將以債項及／或權益提供資金外，本集團目前並無任何計劃進行重大投資或購買重大資本資產。請參閱本報告附註23以取得更多詳情。

外幣風險

本集團的資產、借款及主要交易主要以人民幣計值。本集團面對的貨幣風險主要來自有關實體之功能貨幣以外貨幣計值的應收款項及銀行貸款。產生此風險的貨幣主要為人民幣及美元。本集團目前並無就外幣交易、資產及負債設立外幣對沖政策。本集團將嚴密監察其外幣風險，並將於需要時考慮對沖重大外幣風險。於二零一九年六月三十日，本集團持有的現金及現金等價物以人民幣、美元及港元計值的分別約佔92.8%、0.0%及7.2%（二零一八年十二月三十一日：80.6%、0.0%及19.4%）。

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EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2019, the Group employed 1,778 employees (30 June 2018: 1,892 employees). Employee costs amounted to approximately HKD77.8 million for the six months ended 30 June 2019 (six months ended 30 June 2018: approximately HKD111.3 million). The Group will endeavour to ensure that the employees' salary levels are in line with industry practice and prevailing market conditions, and that employees' remuneration is based on their performance.

The Company has also adopted a share option scheme and a share award scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations and which is payable to staff based on his or her individual performance and that of the Group as a whole.

MATERIAL ACQUISITION AND DISPOSAL

In April 2019, the Group entered into an agreement with an independent third party which effectively reduce its equity stake in Zhongshan Haitao Environmental Protection Technology Company Limited from 100% to 51% at a consideration of RMB98,000,000 in the form of equity and shareholder's loan. The above transaction was completed on 20 August 2020.

Save as disclosed above, during the six months ended 30 June 2019, the Group did not have any other material acquisitions or disposals of subsidiaries, associates and joint ventures.

僱員及薪酬政策

於二零一九年六月三十日，本集團聘用1,778名僱員（二零一八年六月三十日：1,892名僱員）。截至二零一九年六月三十日止六個月，僱員成本約為77.8百萬港元（截至二零一八年六月三十日止六個月：約111.3百萬港元）。本集團將致力確保僱員薪酬水平符合行業慣例及現行市況，而僱員薪酬乃基於彼等的表現釐定。

本公司亦採納一項購股權計劃及一項股份獎勵計劃，旨在對為本集團營運的成就作出貢獻的合資格參與者提供獎勵及報酬，其乃根據員工個人及本集團整體之表現向員工支付。

重大收購及出售

於二零一九年四月，本集團與一名獨立第三方訂立協議，其將於中山海滔環保科技有限公司之股權由100%實際減少至51%，代價為人民幣98,000,000元，形式為股權及股東貸款。上述交易已於二零二零年八月二十日完成。

除上文所披露者外，截至二零一九年六月三十日止六個月，本集團並無任何其他重大收購或出售附屬公司、聯營公司及合營企業。

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

As at 30 June 2019, the Directors and chief executives of the Company and their associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (“SFO”)), as recorded in the register required kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Ltd. (“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 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”):

董事及主要行政人員於本公司及其相聯法團之股份、相關股份及債券之權益及淡倉

於二零一九年六月三十日，本公司根據證券及期貨條例（「證券及期貨條例」）第352條須予存置的登記冊所載，或依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」）已知會本公司及香港聯合交易所有限公司（「聯交所」）者，本公司董事、主要行政人員及彼等的聯繫人於本公司及其相聯法團（定義見證券及期貨條例）的股份、相關股份及債券中擁有的權益如下：

Name of Director	Capacity/Nature of interest	Total number of shares	Approximate percentage of shareholding in the Company
董事姓名	身份／權益性質	股份總數	佔本公司股權概約百分比
Mr. Tsui Cham To	Interest of controlled corporations and beneficial owner ⁽¹⁾	3,359,604,000 (L)	53.19%
徐湛滔先生	受控公司權益及實益擁有人 ⁽¹⁾		
Mr. Lu Xiaolan	Beneficial owner	134,000 (L)	0.002%
陸小安先生	實益擁有人		
Mr. Liang Qilin	Beneficial owner	146,000 (L)	0.002%
梁啟麟先生	實益擁有人		
Mr. Zhang Lu Fu	Beneficial owner	20,000 (L)	0.0003%
張魯夫先生	實益擁有人		
Mr. Xu Shubiao	Beneficial owner	306,000 (L)	0.005%
徐樹標先生	實益擁有人		
Mr. Xu Juwen	Beneficial owner	220,000 (L)	0.003%
徐炬文先生	實益擁有人		
Mr. Yuan Guanghua	Beneficial owner	98,000 (L)	0.002%
袁廣華先生	實益擁有人		

(L) denotes a long position in the shares

(L) 指於股份中的好倉

Notes:

附註：

(1) Mr. Tsui Cham To is deemed under the SFO to be interested in 3,359,232,000 shares of the Company held by Keen Vast Holdings Limited, a company controlled by Mr. Tsui Cham To, and 372,000 shares directly held by himself.

(1) 根據證券及期貨條例，徐湛滔先生被視為於建大控股有限公司（一家由徐湛滔先生控制之公司）所持之3,359,232,000股本公司股份中擁有權益，而其個人直接持有372,000股股份。

Other Information

其他資料

Save as disclosed above, as at 30 June 2019, none of the Directors and chief executive of the Company had or was deemed to have any interests or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by the Company and the Stock Exchange pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code. At no time during the period was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the directors and chief executives of the Company (including their spouse and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) on 4 September 2013. The purpose of the Share Option Scheme is to provide an incentive to motivate, attract and retain eligible persons, and to encourage them to optimise their performance efficiency, enhance the value of the Company and promote the long-term growth of the Company. This scheme will provide the eligible participants, including employees, consultants, executives and officers of the Company, to have a personal stake in the Company to achieve its intended purpose.

The Share Option Scheme shall be valid and effective for a period of 10 years from 4 September 2013, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting options granted prior to the expiry of the 10-year period or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

The maximum number of shares in respect of which may be issued upon exercise of all options to be granted under the Share Option Scheme is 544,000,000, being 10% of the Shares in issue immediately after the Group’s listing on 25 September 2013 which is the effective date of such scheme and representing approximately 8.6% of the issued Shares as at the date of this interim report.

除上文所披露者外，於二零一九年六月三十日，根據本公司及聯交所按證券及期貨條例第352條存置的登記冊所載，或依據標準守則已知會本公司及聯交所本公司董事及主要行政人員並無於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有或被視為擁有任何權益或淡倉。於本期間內任何時間，本公司或本公司任何控股公司、其附屬公司或同系附屬公司概無訂立任何安排，使本公司董事及主要行政人員（包括彼等的配偶及十八歲以下子女）於本公司或其相聯法團之股份或相關股份或債券中持有任何權益或淡倉。

購股權計劃

本公司已於二零一三年九月四日採納購股權計劃（「購股權計劃」）。購股權計劃旨在提供獎勵以激勵、吸引及留任合資格人士，並鼓勵彼等優化其表現效率、提升本公司價值及促進本公司長遠發展。該計劃將向合資格參與者（包括本公司僱員、顧問、行政人員及高級職員）提供於本公司擁有個人權益的機會以實現其擬定目的。

購股權計劃由二零一三年九月四日起10年期間內有效及生效，其後不會再進一步授予或發出購股權，但購股權計劃的條文在必要的情況下仍然具有充分效力，以使於10年期限屆滿前授予的任何已存在購股權可予行使或可能根據購股權計劃條文的其他規定而生效。

因行使根據購股權計劃授出的所有購股權而可能發行的最高股份數目為544,000,000股，即緊隨二零一三年九月二十五日（即購股權計劃生效日期）本集團上市後已發行股份的10%，佔本中期報告日期已發行股份的約8.6%。

The maximum number of shares issued and to be issued upon exercise of the options granted to any eligible person under the Share Option Scheme shall not in any 12-month period up to the date of grant exceed 1% of the issued share capital of the Company from time to time. Any further grant of share options in excess of this limit is subject to the issue of a circular and shareholders' approval in general meeting. The period within which an option may be exercised under the Share Option Scheme will be determined by the board of directors of the Company (the "Board") at its absolute discretion, save that no option may be exercised later than 10 years from the date of grant of the particular option. Under the Share Option Scheme, the exercise price in relation to each option shall be determined by the Board at its absolute discretion, but in any event shall not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of such option, (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of such option, and (iii) the nominal value of a share on the date of grant of such option.

No share options were granted, exercised, cancelled and lapsed under the Share Option Scheme during the period ended 30 June 2019 and there were no outstanding share options under the Share Option Scheme as at 30 June 2019. Further details of the Share Option Scheme are set out in the Company's prospectus dated 12 September 2013.

因行使根據購股權計劃授予任何合資格人士之購股權而發行及將予發行的最高股份數目，於授出日期起任何12個月期間內，不得超過本公司不時已發行股本的1%，進一步授予超過此上限的購股權須發出一份通函及於股東大會得到股東的批准。根據購股權計劃可行使購股權的期間將由本公司董事會（「董事會」）全權酌情釐定，並須遵守該期間不得長於由個別購股權授出日期起計10年的規定。根據購股權計劃，有關每份購股權的行使價須由董事會全權酌情釐定，惟無論如何不得少於以下三項的最高者(i)於有關購股權授出日期股份於聯交所每日報價表所列的收市價，(ii)於緊接有關購股權授出日期前五個交易日股份於聯交所每日報價表所列的平均收市價，及(iii)於有關購股權授出日期股份的面值。

截至二零一九年六月三十日止期間，概無任何購股權根據購股權計劃授出、行使、註銷或失效，於二零一九年六月三十日，概無任何根據購股權計劃尚未行使的購股權。購股權計劃的其他詳情載於本公司日期為二零一三年九月十二日的招股章程。

Other Information

其他資料

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2019, the persons (not being a Director or chief executive of the Company) who have interests in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO or have otherwise notified to the Company were as follows:

主要股東於股份及相關股份的權益

於二零一九年六月三十日，根據證券及期貨條例第336條須存置的登記冊所載或已知會本公司者，於本公司股份或相關股份中擁有權益的人士（並非本公司董事或主要行政人員）如下：

Name of Shareholder 股東姓名／名稱	Capacity/Nature of interest 身份／權益性質	Total number of shares 股份總數	Approximate percentage of shareholding 股權概約百分比
Keen Vast Holdings Limited ⁽¹⁾ 建大控股有限公司 ⁽¹⁾	Beneficial owner 實益擁有人	3,359,232,000 (L)	53.18%
Li Sze Lim 李思廉	Beneficial owner 實益擁有人	536,716,000 (L)	8.50%
Haitong International Financial Solutions Limited ⁽³⁾ 海通國際金融服務有限公司 ⁽³⁾	Person having a security interest in shares 於股份中擁有抵押權益之人士	400,000,000 (L)	6.33%
Haitong International Securities Group Limited ⁽³⁾ 海通國際證券集團有限公司 ⁽³⁾	Interest of controlled corporations 受控公司權益	400,000,000 (L)	6.33%
Haitong International Holdings Limited ⁽³⁾ 海通國際控股有限公司 ⁽³⁾	Interest of controlled corporations 受控公司權益	400,000,000 (L)	6.33%
Haitong Securities Co., Ltd. ⁽³⁾ 海通證券有限公司 ⁽³⁾	Interest of controlled corporations 受控公司權益	400,000,000 (L)	6.33%

(L) denotes a long position in the shares

(L) 指於股份中的好倉

Note:

- (1) Keen Vast Holdings Limited is controlled by Mr. Tsui Cham To.
- (2) Haitong International Securities Group Limited, Haitong International Holdings Limited, and Haitong Securities Co., Ltd. are deemed to be interested in 400,000,000 shares which Haitong International Financial Solutions Limited having security interest in by virtue of interests in controlled corporations for purposes of the SFO.

Save as disclosed above, as at 30 June 2019, the Directors are not aware of any other person (other than a Director or chief executive of the Company) having an interest or short position in shares and underlying shares of the Company that were recorded in the register required to be kept under section 336 of the SFO.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to achieving and maintaining the highest standards of corporate governance, consistent with the needs and requirements of the business and its shareholders. The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Listing Rules. For the six months ended 30 June 2019, save as disclosed below, the Company has complied with all code provisions of the CG Code.

The Board noted that following the resignation of Mr. Liu Yung Chau on 26 October 2018, (a) the number of the independent non-executive Directors has fallen below the minimum number required under Rules 3.10(1) of the Listing Rules; (b) the number of the members of the Audit Committee does not meet the requirements stipulated in Rule 3.21 of the Listing Rules; (c) the Remuneration Committee does not comprise a majority of independent non-executive Directors as required under Rule 3.25 of the Listing Rules; and (d) the Nomination Committee is chaired by the chairman of the Board but does not comprise a majority of independent non-executive Directors as required by code provision A.5.1 of the CG code. Subsequently, the Company had appointed appropriate candidates in January 2019 to fill the above vacancies.

附註：

- (1) 建大控股有限公司由徐湛滔先生控制。
- (2) 就證券及期貨條例而言，海通國際證券集團有限公司、海通國際控股有限公司及海通證券有限公司因其於受控公司之權益而被視為於海通國際金融服務有限公司所擁有抵押權益之400,000,000股股份中擁有權益。

除上文所披露者外，於二零一九年六月三十日，董事並不知悉任何其他人士（本公司一名董事或主要行政人員除外）於根據證券及期貨條例第336條須存置的登記冊所載的本公司股份及相關股份擁有權益或淡倉。

遵守企業管治守則

本公司致力達致並維持最高企業管治水平，以期符合業務所需及股東要求。本公司已採納上市規則附錄十四所載企業管治守則（「企業管治守則」）所載守則條文。截至二零一九年六月三十日止六個月，除下文披露者外，本公司已遵守企業管治守則之所有守則條文。

董事會注意到，廖榕就先生於二零一八年十月二十六日辭任後，(a)獨立非執行董事人數降至少於上市規則第3.10(1)條規定之最少人數；(b)審核委員會之成員人數並不符合上市規則第3.21條訂明之規定；(c)薪酬委員會並非根據上市規則第3.25條之規定大部分由獨立非執行董事組成；及(d)提名委員會由董事會主席擔任主席，惟並非按企業管治守則之守則條文第A.5.1條所規定大部分由獨立非執行董事組成。其後，本公司已於二零一九年一月委任適當人選填補上述空缺。

Other Information

其他資料

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code for the six months ended 30 June 2019.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend (six months ended 30 June 2018: an interim dividend of HKD0.0096 per share which was subsequently withdrawn on 26 March 2019).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the six months ended 30 June 2019.

REVIEW OF INTERIM REPORT

The unaudited interim financial report of the Group for the six months ended 30 June 2019 has been reviewed by the Audit Committee.

PUBLICATION OF INTERIM REPORT

This interim report is published on the websites of the Company and the Stock Exchange. This report will be dispatched to the shareholders of the Company and made available for review on the aforesaid websites.

上市發行人董事進行證券交易的標準守則

本公司已採納標準守則，作為董事進行證券交易的行為守則。經向全體董事作出具體查詢後，所有董事已確認，截至二零一九年六月三十日止六個月，彼等一直遵守標準守則所載的規定準則。

中期股息

董事會不建議派付中期股息（截至二零一八年六月三十日止六個月：中期股息每股0.0096港元，其後於二零一九年三月二十六日已撤回）。

購買、出售或贖回本公司之上市證券

本公司及其附屬公司於截至二零一九年六月三十日止六個月並無購買、出售或贖回本公司任何上市證券。

審閱中期報告

本集團截至二零一九年六月三十日止六個月之未經審核中期財務報告已由審核委員會審閱。

刊載中期報告

本中期報告刊登於本公司及聯交所網站。本報告將適時寄發予本公司股東並於上述網站登載以供審閱。

Condensed Consolidated Statement of Profit or Loss 簡明綜合損益表

for the six months ended 30 June 2019 – unaudited 截至二零一九年六月三十日止六個月 – 未經審核

(Expressed in Hong Kong dollars) (以港元列示)

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
	Note 附註		
Revenue	4	401,823	984,121
Cost of sales		(264,114)	(588,362)
Gross profit		137,709	395,759
Other income	5(a)	2,818	104,296
Other net gains/(loss)	5(b)	24,425	(1,441)
Administrative expenses		(124,573)	(132,367)
Impairment losses on payments for acquisitions of subsidiaries		(15,057)	–
Impairment losses on amounts due from companies controlled by a former director	13(c)	(11,717)	–
Impairment loss on loan receivables		(62,760)	–
Impairment loss on other receivables		(10,153)	–
(Loss)/profit from operations		(59,308)	366,247
Finance costs	6(a)	(124,266)	(57,442)
Share of profit of associates		1,061	–
Share of losses of a joint venture		–	(675)
(Loss)/profit before tax	6	(182,513)	308,130
Income tax credit/(expense)	7	8,598	(5,689)
(Loss)/profit for the period		(173,915)	302,441
Attributable to:			
Owners of the Company		(173,635)	302,393
Non-controlling interests		(280)	48
(Loss)/profit for the period		(173,915)	302,441
(Loss)/earnings per share		HK\$港元	HK\$港元
Basic and diluted	8	(0.03)	0.05

The notes on pages 26 to 112 form part of these interim condensed consolidated financial statements.

第26至112頁的附註為本中期簡明綜合財務報表的一部分。

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

for the six months ended 30 June 2019 – unaudited 截至二零一九年六月三十日止六個月—未經審核

(Expressed in Hong Kong dollars) (以港元列示)

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
(Loss)/profit for the period	期內(虧損)/溢利	(173,915)	302,441
Other comprehensive income	其他全面收益		
Item that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益的項目：		
Exchange differences on translating foreign operations	換算海外業務的匯兌差異	(2,440)	(54,046)
Reclassification adjustments for foreign operations disposed of during the period	期內出售海外業務的重新分類調整	3,313	–
		873	(54,046)
Total comprehensive (loss)/income for the period	期內全面(虧損)/收益總額	(173,042)	248,395
Attributable to:	以下各項應佔：		
Owners of the Company	本公司擁有人	(172,742)	248,347
Non-controlling interests	非控股權益	(300)	48
Total comprehensive (loss)/income for the period	期內全面(虧損)/收益總額	(173,042)	248,395

The notes on pages 26 to 112 form part of these interim condensed consolidated financial statements.

第26至112頁的附註為本中期簡明綜合財務報表的一部分。

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

at 30 June 2019 於二零一九年六月三十日

(Expressed in Hong Kong dollars) (以港元列示)

		Note 附註	At 30 June 2019 於 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2018 於 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	697,657	874,565
Lease prepayments	預付租賃款項	10	-	263,992
Right-of-use assets	使用權資產	11	230,459	-
Intangible assets	無形資產	12	762,709	1,030,453
Investments in associates	於聯營公司的投資		10,564	9,561
Investment in a joint venture	於一家合營企業的投資		-	-
Contract assets	合約資產		199,700	300,048
Other receivables and prepayments	其他應收款項及預付款項	13	80,707	72,168
Deferred tax assets	遞延稅項資產		6,511	10,244
Total non-current assets	非流動資產總值		1,988,307	2,561,031
Current assets	流動資產			
Inventories	存貨		15,180	14,622
Contract assets	合約資產		21,419	29,444
Compensation receivable	應收補償		374,007	-
Trade and other receivables	貿易及其他應收款項	13	351,115	488,489
Bank and cash equivalents	銀行及現金等價物		161,287	273,124
			923,008	805,679
Assets of a disposal group classified as held for sale	分類為持作出售之出售組別之資產	14	916,162	1,705,463
Total current assets	流動資產總值		1,839,170	2,511,142

Condensed Consolidated Statement of Financial Position (Cont'd)

簡明綜合財務狀況表 (續)

at 30 June 2019 於二零一九年六月三十日

(Expressed in Hong Kong dollars) (以港元列示)

		Note	At 30 June 2019 於 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2018 於 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
LIABILITIES	負債			
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	15	767,247	676,385
Contract liabilities	合約負債		3,822	14,729
Bank loans	銀行貸款	16	2,419,128	2,795,108
Other borrowings	其他借款	17	225,318	212,296
Lease liabilities	租賃負債		20,051	–
Deposits received for disposal of subsidiaries	出售附屬公司之已收按金		–	415,342
Provisions	撥備		87,638	93,167
Dividend payable	應付股息		–	60,641
Current tax liabilities	即期稅項負債		47,517	35,150
			3,570,721	4,302,818
Liabilities directly associated with assets classified as held for sale	與分類為持作出售資產直接相關之負債	14	41,927	411,412
Total current liabilities	流動負債總額		3,612,648	4,714,230
Net current liabilities	流動負債淨額		(1,773,478)	(2,203,088)
Total assets less current liabilities	總資產減流動負債		214,829	357,943
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債		13,869	–
Provisions	撥備		–	9,242
Deferred income	遞延收入		16,170	16,313
Deferred tax liabilities	遞延稅項負債		147,309	182,250
Total non-current liabilities	非流動負債總額		177,348	207,805
Net assets	資產淨值		37,481	150,138
EQUITY	權益			
Share capital	股本	18(a)	157,920	157,920
Other reserves	其他儲備		(111,754)	347
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額		46,166	158,267
Non-controlling interests	非控股權益		(8,685)	(8,129)
Total equity	權益總額		37,481	150,138

The notes on pages 26 to 112 form part of these interim condensed consolidated financial statements.

第26至112頁的附註為本中期簡明綜合財務報表的一部分。

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

for the six months ended 30 June 2019 – unaudited 截至二零一九年六月三十日止六個月 – 未經審核

(Expressed in Hong Kong dollars) (以港元列示)

		Attributable to owners of the Company 本公司擁有人應佔以下各項									
		Share capital	Share premium	Capital reserve	Statutory reserve	Shares held under the Share Award Scheme 股份獎勵 計劃項下 持有的股份	Exchange reserve	Retained profits (Accumulated losses)	Total	Non- controlling interests	Total equity
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	資本儲備 HK\$'000 千港元	法定儲備 HK\$'000 千港元	HK\$'000 千港元	匯兌儲備 HK\$'000 千港元	保留溢利/ (累計虧損) HK\$'000 千港元	總計 HK\$'000 千港元	非控股權益 HK\$'000 千港元	總權益 HK\$'000 千港元
At 1 January 2018 as previously reported	於二零一八年一月一日 (如先前呈報)	157,920	1,358,084	19,360	248,894	(52,614)	(58,327)	2,789,167	4,462,484	2,860	4,465,344
Impact of prior year adjustments (note 2)	過往年度調整之影響 (附註2)	-	-	-	-	-	(2,506)	(84,265)	(86,771)	-	(86,771)
At 1 January 2018, as restated (audited)	於二零一八年一月一日 (經重列) (經審核)	157,920	1,358,084	19,360	248,894	(52,614)	(60,833)	2,704,902	4,375,713	2,860	4,378,573
Profit for the period	期內溢利	-	-	-	-	-	-	302,393	302,393	48	302,441
Other comprehensive income	其他全面收益	-	-	-	-	-	(54,046)	-	(54,046)	-	(54,046)
Total comprehensive income	全面收益總額	-	-	-	-	-	(54,046)	302,393	248,347	48	248,395
Dividends for shares held under the Share Award Scheme (note 15(b)(ii))	根據股份獎勵計劃持有的 的股份股息 (附註15(b)(ii))	-	-	-	-	885	-	-	885	-	885
Dividends approved in respect of the previous years (note 15(a))	就過往年度已批准的股息 (附註15(a))	-	(184,352)	-	-	-	-	-	(184,352)	-	(184,352)
At 30 June 2018, as restated (unaudited)	於二零一八年六月三十日 (經重列) (未經審核)	157,920	1,173,732	19,360	248,894	(51,729)	(114,879)	3,007,295	4,440,593	2,908	4,443,501
At 1 January 2019 (audited)	於二零一九年一月一日 (經審核)	157,920	1,113,091	19,360	251,897	(54,137)	(158,948)	(1,170,916)	158,267	(8,129)	150,138
Loss for the period	期內虧損	-	-	-	-	-	-	(173,635)	(173,635)	(280)	(173,915)
Other comprehensive income	其他全面收益	-	-	-	-	-	893	-	893	(20)	873
Total comprehensive loss	全面虧損總額	-	-	-	-	-	893	(173,635)	(172,742)	(300)	(173,042)
Cancellation of dividends declared in respect of the previous years	取消就過往年度已宣派的股息	-	60,641	-	-	-	-	-	60,641	-	60,641
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	-	(256)	(256)
At 30 June 2019 (unaudited)	於二零一九年六月三十日 (未經審核)	157,920	1,173,732	19,360	251,897	(54,137)	(158,055)	(1,344,551)	46,166	(8,685)	37,481

The notes on pages 26 to 112 form part of these interim condensed consolidated financial statements.

第26至112頁的附註為本中期簡明綜合財務報表的一部分。

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

for the six months ended 30 June 2019 – unaudited 截至二零一九年六月三十日止六個月—未經審核

(Expressed in Hong Kong dollars) (以港元列示)

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
Note 附註			
Cash flows from operating activities 經營活動所得現金流量			
	Cash generated from operations 經營業務所得現金	188,452	315,947
	Income tax paid 已付所得稅	(6,548)	(47,620)
	Net cash generated from operating activities 經營活動所得現金淨額	181,904	268,327
Cash flows from investing activities 投資活動所得現金流量			
	Payment for the purchase of lease prepayment and property, plant and equipment 購買預付租賃款項以及物業、廠房及設備的付款	(11,070)	(424,557)
	Payment for construction costs 建設成本之付款	(49,592)	-
	Increase in construction payable 建築項目應付款項增加	-	24,605
	Proceeds from disposal of property, plant and equipment 出售物業、廠房及設備所得款項	-	34
	Repayment of acquisition deposit 收購按金還款	-	18,133
	Repayment from consideration receivable from disposal of a subsidiary 來自出售一家附屬公司的應收代價還款	-	20,009
	Net cash inflow from disposal of subsidiaries 出售附屬公司的現金流入淨額	4,262	-
	Decrease in pledged bank deposits 已質押銀行存款減少	919	-
	Advance to a former director 給予前董事的墊款	(510)	-
	Repayments from a former director 來自前董事的還款	5,598	-
	Advance to companies controlled by a former director 向前董事控制之公司墊款	(18,413)	-
	Repayment from companies controlled by a former director 前董事控制之公司還款	33,664	-
	Placement of deposits with banks with original maturity date over three months 存放原到期日超過三個月的銀行存款	-	2,092
	Advance to related parties 向關聯方墊款	(6,195)	-
	Repayment from related parties 來自第三方還款	-	4,080
	Finance income received 已收融資收入	146	7,405
	Net cash used in investing activities 投資活動所用現金淨額	(41,191)	(348,199)

Condensed Consolidated Statement of Cash Flows (Cont'd) 簡明綜合現金流量表 (續)

for the six months ended 30 June 2019 – unaudited 截至二零一九年六月三十日止六個月 – 未經審核

(Expressed in Hong Kong dollars) (以港元列示)

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
		Note 附註	
Cash flows from financing activities	融資活動所得現金流量		
Proceeds from new bank loans	新銀行貸款所得款項	108,792	102,276
Repayment of bank loans	償還銀行貸款	(508,139)	(362,858)
Repayment of other borrowings	其他借款之還款	(4,547)	-
Advance from related parties	來自關聯方墊款	-	258,093
Advance from a third party	來自一名第三方墊款	-	50,000
Capital element of lease payments	租賃付款之資本部分	(9,473)	-
Interest element of lease payments	租賃付款之利息部分	(1,826)	-
Dividends paid to owners of the Company	向本公司擁有人派付股息	-	(184,352)
Interests paid	已付利息	(69,791)	(73,749)
		18(b)(ii)	
Net cash used in financing activities	融資活動所用現金淨額	(484,984)	(210,590)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(344,271)	(290,462)
Cash and cash equivalents at 1 January	於一月一日的現金及 現金等價物	422,998	518,960
Effect of foreign exchange rate changes	外匯匯率變動影響	(501)	(3,272)
Cash and cash equivalents at 30 June	於六月三十日的現金及 現金等價物	78,226	225,226
Analysis of cash and cash equivalents	現金及現金等價物的分析		
Bank and cash balances	銀行及現金結餘	75,116	225,226
Bank and cash balances included in a disposal group classified as held for sale	計入分類為持作出售之出售 組別之銀行及現金結餘	3,110	-
		78,226	225,226

The notes on pages 26 to 112 form part of these interim condensed consolidated financial statements.

第26至112頁的附註為本中期簡明綜合財務報表的一部分。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明綜合財務報表附註

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

1 BASIS OF PREPARATION

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

The preparation of the interim condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), and should be read in conjunction with the 2018 annual consolidated financial statements.

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Group’s 2018 annual consolidated financial statements, except for the changes in accounting policies as set out in note 3.

These interim condensed consolidated financial statements are unaudited, but have been reviewed by the audit committee of the Company.

1 編製基準

本中期簡明綜合財務報表已按照香港會計師公會（「香港會計師公會」）頒佈的香港會計準則（「香港會計準則」）第34號中期財務報告及香港聯合交易所有限公司證券上市規則附錄十六的適用披露規定編製。

中期簡明綜合財務報表的編製符合香港會計準則第34號，要求管理層按截至結算日之基準作出影響政策應用及資產及負債、收入及支出的呈報金額的判斷、估計及假設。實際結果可能有別於該等估計。

中期簡明綜合財務報表並不包括根據香港財務報告準則（「香港財務報告準則」）編製年度財務報表所需的全部資料及披露，並應與二零一八年年度綜合財務報表一併閱覽。

編製本中期簡明綜合財務報表所用之會計政策與編製本集團二零一八年年度綜合財務報表所用者貫徹一致，惟附註3所載的會計政策變動除外。

本中期簡明綜合財務報表未經審核，惟已經本公司之審核委員會進行審閱。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

1 BASIS OF PREPARATION (Cont'd)

Going concern

The Group incurred a loss of HK\$173,915,000 during the six months ended 30 June 2019 and, as of that date, its current liabilities exceeded its current assets by HK\$1,773,478,000.

Certain of the Group's other borrowings together with accrued interest thereon totalling HK\$214,798,000 as at 30 June 2019 were overdue. The lender took legal actions against the Group for the repayment of the overdue debts and obtained judgment from the High Court of Hong Kong on 17 January 2020. On 20 July 2020, the lender informed the Company that if the judgement debt together with interest and costs were not settled by 30 September 2020, the lender shall enforce the judgement and take further actions including but not limited to winding up the Company without further notice. Up to the date of approval of these interim condensed consolidated financial statements, no repayment was made by the Group and the lender did not enforce the judgment.

1 編製基準(續)

持續經營

截至二零一九年六月三十日止六個月，本集團產生虧損173,915,000港元，而截至該日，其流動負債超出其流動資產1,773,478,000港元。

本集團於二零一九年六月三十日之若干其他借款連同其應計利息合共214,798,000港元為已逾期。貸方針對本集團採取法律行動以償還逾期債務，並於二零二零年一月十七日獲得香港高等法院的判決。於二零二零年七月二十日，貸方知會本公司，倘判決債務連同利息及訟費無法於二零二零年九月三十日前清償，則貸方將強制執行判決及採取進一步行動(包括但不限於將本公司清盤)，而不會另行通知。直至本中期簡明綜合財務報表獲批准日期，本集團並無作出還款，而貸方並無強制執行判決。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

1 BASIS OF PREPARATION (Cont'd)

Going concern (Cont'd)

The Group's bank loans of HK\$2,419,128,000 as at 30 June 2019 were either overdue, in default or in cross default. In 2017, Mr. Tsui pledged his shares in the Company. This was a breach of the terms of the loan agreement with Bank A in Hong Kong. Bank A had therefore the right to demand full repayment as a result of the breach. On 10 December 2019, Bank A demanded full repayment of the bank loans and interests. On 24 February 2020, Bank A filed a bill of indictment with the Intermediate People's Court of Guangzhou (the "Guangzhou Court"), against the Company as borrower and its fourteen subsidiaries and Mr. Tsui as guarantor claiming the immediate repayment of the loan with outstanding interest and legal and other costs totalling HK\$152,868,000. On 17 March 2020, the Guangzhou Court ordered that the bank accounts and other assets with a total carrying value of RMB137,278,000 (equivalent to HK\$152,868,000) of the Company and its fourteen subsidiaries be frozen. On 25 December 2020, the Group received a judgment from the Guangzhou Court ordering the Group to pay Bank A the outstanding amounts under the loan agreement. The Group is considering alternative course of actions available including the continual negotiation of settlement agreement with Bank A. Up to the date of approval of the interim condensed consolidated financial statements, no settlement agreement has been signed with Bank A.

The breach of the terms of the loan agreements with Bank A caused a cross default in loans from other creditor banks. In addition, the Group either failed to repay the loans according to the repayment schedule or failed to meet the financial and other covenants as stipulated in the various other bank loan agreements. As a result, all the bank loans totalling HK\$2,419,128,000 as at 30 June 2019 became repayable on demand.

1 編製基準 (續)

持續經營 (續)

本集團於二零一九年六月三十日之銀行貸款2,419,128,000港元為已逾期、違約或交叉違約。於二零一七年，徐先生抵押彼於本公司的股份。此舉違反與香港之銀行A之貸款協議的條款。銀行A因此有權因該違反而要求悉數還款。於二零一九年十二月十日，銀行A要求悉數償還銀行貸款及利息。於二零二零年二月二十四日，銀行A向廣州市中級人民法院（「廣州法院」）提交針對本公司（作為借款人）及其十四家附屬公司及徐先生（作為擔保人）之起訴書，要求即時償還貸款連同未償還利息以及法律及其他成本合共152,868,000港元。於二零二零年三月十七日，廣州法院頒令凍結本公司及其十四家附屬公司的銀行賬戶及其他資產，賬面總值為人民幣137,278,000元（相當於152,868,000港元）。於二零二零年十二月二十五日，本集團接獲廣州法院的判決，命令本集團根據貸款協議向銀行A支付未償還款項。本集團正考慮採取其他行動方案，包括繼續與銀行A就和解協議進行磋商。截至中期簡明綜合財務報表獲批准日期，尚未與銀行A簽署和解協議。

違反銀行A的貸款協議條款導致其他貸款銀行的貸款的交叉違約。此外，本集團未能根據還款時間表償還貸款或未能符合多份其他銀行貸款協議訂明之財務或其他契諾，因此，於二零一九年六月三十日之所有銀行貸款合共2,419,128,000港元成為須按要求償還。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

1 BASIS OF PREPARATION (Cont'd)

Going concern (Cont'd)

These conditions, together with the other matters as described in note 1 to the interim condensed consolidated financial statements, indicate the existence of multiple uncertainties which may cast significant doubt over the Group's ability to continue as a going concern.

In order to enable the Group to meet its immediate financing needs, the Group continues to implement a series of action plans (the "Action Plans") and measures which comprise, inter alia, (i) the disposal of Xintao Investment Co. Ltd and its four subsidiaries with operations in Guangxi, the PRC, (ii) the negotiation with the Longmen County government authority for the compensation on early termination of the BOT project in Longmen County, (iii) the negotiation with the local government authorities for compensation for the expropriation of various wastewater, hazardous waste, sludge and solid waste treatment plants operated by the Group; and (iv) negotiations with potential investors and banks for alternative equity financing, refinancing and/or extension of due dates of the relevant debts, details of which are set out below:

- On 29 November 2018, the Group entered into a transfer agreement to dispose of the 50% equity interest in Xintao Investment Co., Ltd. for RMB563,000,000 (equivalent to HK\$640,469,000). On 18 December 2019, the Group entered into another agreement with the same party to dispose of the remaining 50% equity interest in Xintao Investment Co., Ltd for RMB620,000,000 (equivalent to HK\$705,312,000). The first and the second disposals were completed on 3 January 2019 and on 19 December 2019 respectively. The disposal proceeds have been applied, amongst others, to reduce the outstanding bank loans of the Group.

1 編製基準(續)

持續經營(續)

該等情況連同中期簡明綜合財務報表附註1所述的其他事項,表明存在多項不確定性,可能對本集團的持續經營能力產生重大疑問。

為使本集團能夠滿足其即時融資需要,本集團繼續實施一系列行動計劃(「行動計劃」)及措施,其包括(其中包括):(i)出售新滔投資有限公司及其四家於中國廣西營運之附屬公司;(ii)與龍門縣政府機關就提早終止龍門縣BOT項目的補償進行磋商;(iii)與地方政府機關就徵收本集團經營的多項污水、危險廢物、污泥及固體廢物處理廠的補償進行磋商;及(iv)與潛在投資者及銀行就替代股權融資、再融資及/或延長相關債務的到期日進行磋商,其詳情載列如下:

- 於二零一八年十一月二十九日,本集團訂立轉讓協議,以按人民幣563,000,000元(相當於640,469,000港元)出售新滔投資有限公司的50%股權。於二零一九年十二月十八日,本集團與相同訂約方訂立另一份協議,以按人民幣620,000,000元(相當於705,312,000港元)出售新滔投資有限公司的餘下50%股權。第一次及第二次出售已分別於二零一九年一月三日及二零一九年十二月十九日完成。出售所得款項已用於(其中包括)減少本集團的未償還銀行貸款。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

1 BASIS OF PREPARATION (Cont'd)

Going concern (Cont'd)

- On 25 April 2019, the Group entered into an agreement with an independent third party pursuant to which the independent party agreed to inject RMB98,000,000 (equivalent to HK\$111,847,000 as at 31 December 2018) into Zhongshan Haitao in form of equity and shareholder's loan which was to be accounted for as a deemed disposal of part of the Group's interest in the equity Zhongshan Haitao. The deemed disposal was completed on 20 August 2020.
- On 22 November 2019, the Group entered into a supplementary agreement with the Longmen County government authority pursuant to which both parties agreed that the compensation for the early termination of the BOT project in Longmen County shall be based on a valuation report issued by a professional valuer recognized by both parties. Up to the date of approval of these interim condensed consolidated financial statements, the valuation was still in progress. On 24 April 2020, the Group received the first installment of the compensation payment of RMB65,800,000 (equivalent to HK\$73,453,000) from the local government. The present directors expected that the total compensation for the early termination would not be less than RMB329,000,000 (equivalent to HK\$375,488,000 as at 31 December 2018).

1 編製基準 (續)

持續經營 (續)

- 於二零一九年四月二十五日，本集團與一名獨立第三方訂立協議，據此，該名獨立第三方同意以股權及股東貸款之形式向中山海滔注資人民幣98,000,000元（於二零一八年十二月三十一日相當於111,847,000港元），其將入賬列作視作出售本集團於中山海滔之部分權益。該視作出售事項已於二零二零年八月二十日完成。
- 於二零一九年十一月二十二日，本集團與龍門縣政府機關訂立補充協議，據此，訂約方同意提早終止龍門縣BOT項目的補償將以訂約雙方認可之專業估值師發出的估值報告為基準。截至該等中期簡明綜合財務報表獲批准日期，估值仍在進行中。於二零二零年四月二十四日，本集團接獲當地政府的首期補償付款人民幣65,800,000元（相當於73,453,000港元）。現任董事預期，提早終止之補償總額將不少於人民幣329,000,000元（於二零一八年十二月三十一日相當於375,488,000港元）。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

1 BASIS OF PREPARATION (Cont'd)

Going concern (Cont'd)

- In August 2020, the Group verbally agreed a repayment schedule with Bank A pursuant to which Bank A agreed not to demand for the immediate repayment of the two outstanding bank loans of HK\$208,585,000, accrued interest of HK\$7,826,000 (calculated up to 15 May 2020) and legal expenses of HK\$2,800,000 and allow the Group to repay all the outstanding balances by three installments by 30 June 2021. On 25 December 2020, the Group received a judgment from the Guangzhou Court ordering the Group to pay Bank A the outstanding amounts under the loan agreement. The Group is considering alternative course of actions available including the continual negotiation of settlement agreement with Bank A. Up to the date of approval of the interim condensed consolidated financial statements, no settlement agreement has been signed with Bank A.
- The management has been in active discussion with the local government authorities for reaching an agreement on the compensation for the expropriation of the land held by of Guangzhou Lvyou, Guangzhou Yinglong and Guangzhou Liangang. On 28 September 2020, Guangzhou Lvyou entered into a compensation agreement with the local government authority for the expropriation of the land held by Guangzhou Lvyou pursuant to which a total cash compensation of RMB1,237,884,000 (equivalent to HK\$1,381,850,000) will be paid to Guangzhou Lvyou by four installments. Based on the negotiations with the local government authorities, the present directors estimated that the compensation for the expropriation of land held by Guangzhou Yinglong and Guangzhou Liangang would be approximately RMB259,000,000 (equivalent to HK\$289,122,000) and not less than RMB541,000,000 (equivalent to HK\$603,918,000) respectively, totalling RMB800,000,000 (equivalent to HK\$893,040,000).

1 編製基準 (續)

持續經營 (續)

- 於二零二零年八月，本集團與銀行A口頭協定還款時間表，據此，銀行A同意不會要求即時償還兩筆未償還銀行貸款208,585,000港元、應計利息7,826,000港元（計算直至二零二零年五月十五日）及法律費用2,800,000港元，並允許本集團於二零二一年六月三十日前分三期償還所有未償還結餘。於二零二零年十二月二十五日，本集團接獲廣州法院的判決，命令本集團根據貸款協議向銀行A支付未償還款項。本集團正考慮採取其他行動方案，包括繼續與銀行A就和解協議進行磋商。截至本中期簡明綜合財務報表獲批准日期，尚未與銀行A簽署和解協議。
- 管理層一直與地方政府機關進行積極討論，以就徵收廣州綠由、廣州盈隆及廣州蓮港所持有土地的補償達成協議。於二零二零年九月二十八日，廣州綠由與地方政府機關就徵用廣州綠由所持有的土地訂立賠償協議，據此，總現金賠償人民幣1,237,844,000元（相當於1,381,850,000元）將分四期支付予廣州綠由。根據與地方政府機關的磋商，現任董事估計，徵收廣州盈隆及廣州蓮港所持有土地的補償將分別約為人民幣259,000,000元（相當於289,122,000港元）及不少於人民幣541,000,000元（相當於603,918,000港元），合共為人民幣800,000,000元（相當於893,040,000港元）。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

1 BASIS OF PREPARATION (Cont'd)

Going concern (Cont'd)

In November 2020, Guangzhou Lvyou received the first payment of compensation of RMB247,577,000 (equivalent to HK\$276,370,000). The present directors expected that the first installment of RMB160,000,000 (equivalent to HK\$178,608,000), representing 20% of the total compensation for Guangzhou Yinglong and Guangzhou Liangang will be received by the end of the first quarter 2021 and the balance of the compensation will be received within the next two years. The present directors planned to use the compensation to reduce the bank and other borrowings and towards the first repayment installment to Bank A and partial repayment of other bank loans and other borrowings.

- Notwithstanding the breach of the loan covenants and default in certain repayments, the creditor banks did not take hostile actions against the Group since 2018 and permitted the Group to make repayments of the outstanding bank loans orderly as and when funds were available. The management has been in active discussions with the creditor banks and updated them with the financial position of the Group and the progress on the Action Plans. Based on the discussion with the major creditor Bank E and the fact that the estimated market value of the securities held by Bank E was sufficient to cover its risk exposure, the present directors believe that Bank E will not demand for immediate repayment of the outstanding bank loans in the immediate future.

1 編製基準 (續)

持續經營 (續)

於二零二零年十一月，廣州綠由已接獲首筆補償付款人民幣247,577,000元（相當於276,370,000港元）。現任董事預期第一筆分期付款人民幣160,000,000元（相當於178,608,000港元，佔廣州盈隆及廣州蓮港之補償總額20%）將於二零二一年第一季度末前收取，而補償餘額將於未來兩年內收取。現任董事計劃使用補償減少銀行及其他借款，並償還銀行A的第一筆分期付款及部分償還其他銀行貸款及其他借款。

- 儘管違反貸款契諾及拖欠若干還款，惟貸款銀行自二零一八年以來並未對本集團採取敵對行動，並允許本集團於可取得資金時有序償還未償還銀行貸款。管理層一直與貸款銀行進行積極討論，並向其提供本集團財務狀況及行動計劃進展的最新資料。根據與主要債權人銀行E的討論，以及銀行E持有的抵押的估計市場價值足以涵蓋其風險承擔的事實，現任董事相信，銀行E於不久將來將不會要求即時償還未償還銀行貸款。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

1 BASIS OF PREPARATION (Cont'd)

Going concern (Cont'd)

The interim condensed consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of the Action Plans which are subject to multiple uncertainties, including:

- i) whether the Group is able to successfully negotiate with the local government authorities in the PRC for the compensations for the expropriation of various wastewater, hazardous waste, sludge and solid waste treatment plants operated by the Group and early termination of the BOT project in Longmen County;
- ii) whether the Group is able to successfully negotiate with the lender of the other borrowings and creditor banks to allow the Group to make repayment or partial repayment on the amounts due according to the Group's expected repayment priority and to further extend the repayment schedules to the extent and in accordance with the timetable and milestones of payments agreed or to be agreed with the local government authorities in the PRC for the expropriation of various wastewater, hazardous waste, sludge and solid waste treatment plants operated by the Group and compensations to be received on the early termination of the BOT project in Longmen County;
- iii) whether the creditor banks will agree not to exercise their right to demand for immediate repayment in respect of the Group's bank loans that had become in default or in cross default;

1 編製基準 (續)

持續經營 (續)

中期簡明綜合財務報表乃按持續經營基準編製，其有效性取決於行動計劃的結果，其受到多項不明朗因素所影響，包括：

- i) 本集團是否能夠就徵收本集團經營的多項污水、危險廢物、污泥及固體廢物處理廠以及提早終止龍門縣BOT項目的補償與中國地方政府機關成功磋商；
- ii) 本集團是否能夠與其他借款的貸方及貸款銀行進行成功磋商，以允許本集團按照本集團的預期還款優先次序對到期款項作出還款或部分還款及進一步延長償還時間表，致使其按照與中國地方政府機關就徵收本集團經營的多項污水、危險廢物、污泥及固體廢物處理廠以及提早終止龍門縣BOT項目將予收取的補償而協定或將與協定之付款時間表及里程碑；
- iii) 貸款銀行是否將同意不會就本集團已成為違約或交叉違約的銀行貸款行使要求即時還款的權利；

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

1 BASIS OF PREPARATION (Cont'd)

Going concern (Cont'd)

- iv) whether the lender of the other borrowings will agree not to enforce the judgement to wind up the Company; and
- v) whether the Group is able to seek other financing resources such as equity financing from potential investors which in turn depends on whether the Group is able to resume the trading of its shares on the Stock Exchange of Hong Kong Limited which is likely a condition for obtaining equity finance from potential investors.

Taking into account the Group's cash flow projections prepared by the management, and assuming the successful implementation of the above measures, the present directors consider that the Group would be able to finance its operations and to meet its financial obligations as and when they fall due within the next 12 months from the date of approval of the interim condensed consolidated financial statements. Accordingly, the interim condensed consolidated financial statements have been prepared on a going concern basis.

Should the Group fail to achieve the above-mentioned Action Plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying amount of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to re-classify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in these interim condensed consolidated financial statements.

1 編製基準 (續)

持續經營 (續)

- iv) 其他借款的貸款人是否將同意不會強制執行將本公司清盤的判決；及
- v) 本集團是否能夠向潛在投資者尋求其他融資資源，如股本融資，其須視乎本集團是否能夠恢復其股份於香港聯合交易所有限公司買賣，其可能為向潛在投資者取得股本融資的條件。

經計及管理層編製的本集團現金流量預測，並假設成功實施上述措施，現任董事認為，由中期簡明綜合財務報表獲批准日期起計未來12個月內，本集團將能夠為其營運提供資金，並於到期時履行其財務責任。因此，中期簡明綜合財務報表已按持續經營基準編製。

倘本集團未能達致上述行動計劃及措施，其可能無法按持續經營基準營運，並須作出調整以將本集團資產的賬面值撇減至其可收回金額，就可能產生的任何進一步負債作出撥備，並將非流動資產及非流動負債重新分類為流動資產及流動負債。該等調整的影響並未於該等中期簡明綜合財務報表內反映。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

2 CORRECTION OF PRIOR YEARS' ERRORS

- (a) In 2018, Guangzhou CT Lvyou Environmental Protection Technology Company Limited (“Guangzhou Lvyou”), a subsidiary of the Group, was required to repay the value-added tax refunded by the PRC tax authority during the period from 2015 to 2017. The principal activities of Guangzhou Lvyou were the provision of sludge and solid waste and hazardous waste treatment services. Under the notice issued by the Ministry of Finance and the State Administration of Taxation of the PRC relating to the Catalogue of Value-Added Tax Preferences for Products and Labor Services Involving the Comprehensive Utilization of Resources (“資源綜合利用產品和勞務增值稅優惠目錄”) in 2015 (the “Notice”), Guangzhou Lvyou was entitled to claim value-added tax refund on condition that Guangzhou Lvyou could comply with the relevant environmental regulations. However, in 2015, Guangzhou Lvyou was penalized by the local environmental protection bureau for its failure to comply with certain environmental regulations. As a result, Guangzhou Lvyou was no longer entitled to claim the VAT tax refund for the next 36 months upon receipt of the penalty notice. However, without knowledge of the conditions set out in the Notice, Guangzhou Lvyou continued to claim the VAT tax refund totalling RMB65,952,000 during the period from 2015 to 2017 and recognised the VAT tax refund as other income. In 2018, the PRC tax authority requested Guangzhou Lvyou to pay back the value-added tax refund received previously together with surcharges totalling RMB76,542,000 (equivalent to HK\$86,771,000).

2 糾正先前年度錯誤

- (a) 於二零一八年，本集團附屬公司廣州中滔綠由環保科技有限公司（「廣州綠由」）須償還中國稅務機關於二零一五年至二零一七年期間退回之增值稅。廣州綠由之主要業務為提供污泥及固體廢物及危險廢物處理服務。根據由中國財政部及國家稅務總局於二零一五年刊發之有關《資源綜合利用產品和勞務增值稅優惠目錄》的通知（「該通知」），廣州綠由有權申請增值稅退稅，條件為廣州綠由能遵守相關環境法規。然而，於二零一五年，廣州綠由因未能遵守若干環境法規而受到地方環境保護局處罰。因此，廣州綠由不再有權申請收到罰款通知後未來36個月的增值稅退稅。然而，廣州綠由未有知悉該通知所載之條件，而於二零一五年至二零一七年期間繼續申領增值稅退稅合共人民幣65,952,000元，並確認增值稅退稅為其他收入。於二零一八年，中國稅務機關要求廣州綠由償還先前收取之增值稅退稅，連同附加費合共人民幣76,542,000元（相當於86,771,000港元）。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

2 CORRECTION OF PRIOR YEARS' ERRORS (Cont'd)

(a) (Cont'd)

Based on the above circumstances, the present directors consider that it is appropriate to make adjustments to the Group's consolidated financial statements for the year ended 31 December 2017 and previous years. The effects of the above adjustments on the interim condensed consolidated financial statements are summarized below.

- (b) During the review for the period ended 30 June 2019, the management discovered that there were omissions in recording a deposit received and an advance to Mr. Tsui in the previous years' consolidated financial statements. On 5 December 2016, Guangzhou Lvyou entered into a cooperation agreement with a property developer in Guangzhou, the PRC (the "Developer") for the development of a parcel of land owned by the Group. On 7 December 2016, Guangzhou Lvyou received a cheque payment of RMB100,000,000 from the Developer (the "Cheque") for payment of a deposit under the cooperation agreement. At the same time, the Cheque has been endorsed to a third party without passing through Guangzhou Lvyou's bank account which had been confirmed by Mr. Tsui to be receipt on the latter's behalf. As a result, both transactions were omitted from the books and records of the Group.

Upon discovery of the above, the present directors made the above adjustments to the prior years' consolidated financial statements. The advance to Mr. Tsui was impaired in the year ended 31 December 2018 to the consolidated financial statements.

2 糾正先前年度錯誤 (續)

(a) (續)

基於以上情況，現任董事認為，調整本集團截至二零一七年十二月三十一日止年度及先前年度之綜合財務報表屬適當。以上調整對中期簡明綜合財務報表之影響概述於下文。

- (b) 於就截至二零一九年六月三十日止期間之審核過程中，管理層發現過往年度之綜合財務報表遺漏記錄已收按金及給予徐先生的墊款。於二零一六年十二月五日，廣州綠由與一家中國廣州的地產發展商（「該發展商」）訂立合作協議，以開發本集團擁有一幅土地。於二零一六年十二月七日，廣州綠由自該發展商收取人民幣100,000,000元之支票付款（「該支票」），以支付合作協議項下之按金。同時，該支票已背書予一名第三方，而毋須通過廣州綠由的銀行賬戶，其已由徐先生代表後者確認收款。因此，本集團的賬簿及記錄遺漏該兩項交易。

於發現上述事項後，現任董事對過往年度之綜合財務報表作出上述調整。給予徐先生的墊款已於截至二零一八年十二月三十一日止年度減值並於綜合財務報表入賬。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

2 CORRECTION OF PRIOR YEARS' ERRORS (Cont'd)

(c) The effects of the restatements described above on the consolidated statement of financial position as at 31 December 2017 are as follows:

2 糾正先前年度錯誤 (續)

(c) 上述重述對於二零一七年十二月三十一日之綜合財務狀況表之影響如下：

Consolidated statement of financial position	綜合財務狀況表	As previously reported 如先前呈報 HK\$'000 千港元	Prior year adjustments 過往年度之調整		Restated 經重列 HK\$'000 千港元
			HK\$'000 千港元 (Note 2(a)) (附註2(a))	HK\$'000 千港元 (Note 2(b)) (附註2(b))	
Non-current assets	非流動資產				
Property, plant and equipment	物業、廠房及設備	3,496,201	-	-	3,496,201
Lease prepayments	租賃預付款項	335,443	-	-	335,443
Intangible assets	無形資產	1,703,829	-	-	1,703,829
Goodwill	商譽	170,240	-	-	170,240
Investments in associates	於聯營公司的投資	8,629	-	-	8,629
Investment in a joint venture	於一家合營企業的投資	3,790	-	-	3,790
Gross amounts due from customers for contract work	應收客戶合約工程款項總額	324,715	-	-	324,715
Deposits, other receivables and prepayments	按金、其他應收款項及預付款項	611,521	-	-	611,521
Deferred tax assets	遞延稅項資產	8,584	-	-	8,584
Total non-current assets	非流動資產總值	6,662,952	-	-	6,662,952
Current assets	流動資產				
Inventories	存貨	22,191	-	-	22,191
Trade and other receivables	貿易及其他應收款項	1,757,957	(50,623)	119,630	1,826,964
Gross amounts due from customers for contract work	應收客戶合約工程款項總額	30,938	-	-	30,938
Bank and cash balances	銀行及現金結餘	610,947	-	-	610,947
Total current assets	流動資產總值	2,422,033	(50,623)	119,630	2,491,040
Current liabilities	流動負債				
Trade and other payables	貿易及其他應付款項	741,632	36,148	119,630	897,410
Bank loans	銀行貸款	1,881,461	-	-	1,881,461
Current tax liabilities	即期稅項負債	130,423	-	-	130,423
Total current liabilities	流動負債總額	2,753,516	36,148	119,630	2,909,294
Net current liabilities	流動負債淨額	(331,483)	(86,771)	-	(418,254)

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

2 CORRECTION OF PRIOR YEARS' ERRORS (Cont'd)

(c) (Cont'd)

Consolidated statement of financial position	綜合財務狀況表	As previously reported 如先前呈報 HK\$'000 千港元	Prior year adjustments 過往年度之調整		Restated 經重列 HK\$'000 千港元
			(Note 2(a)) (附註2(a))	(Note 2(b)) (附註2(b))	
Total assets less current liabilities	總資產減流動負債	6,331,469	(86,771)	-	6,244,698
Non-current liabilities	非流動負債				
Bank loans	銀行貸款	1,580,398	-	-	1,580,398
Deferred income	遞延收入	17,613	-	-	17,613
Deferred tax liabilities	遞延稅項負債	268,114	-	-	268,114
Total non-current liabilities	非流動負債總額	1,866,125	-	-	1,866,125
Net assets	資產淨值	4,465,344	(86,771)	-	4,378,573
CAPITAL AND RESERVES	資本及儲備				
Share capital	股本	157,920	-	-	157,920
Reserves	儲備	4,304,564	(86,771)	-	4,217,793
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額	4,462,484	(86,771)	-	4,375,713
Non-controlling interests	非控股權益	2,860	-	-	2,860
Total equity	權益總額	4,465,344	(86,771)	-	4,378,573

2 糾正先前年度錯誤 (續)

(c) (續)

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

3 CHANGES IN ACCOUNTING POLICIES

New and revised HKFRSs that are first effective for the current accounting period

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Except for HKFRS 16, *Lease*, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

HKFRS 16 replaces HKAS 17, *Leases*, and the related interpretations, HK(IFRIC) 4, *Determining whether an arrangement contains a lease*, HK(SIC) 15, *Operating leases – incentives*, and HK(SIC) 27, *Evaluating the substance of transactions involving the legal form of a lease*. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less (“short-term leases”) and leases of low-value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

HKFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

The Group has initially applied HKFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

3 會計政策變動

於本會計期間首次生效的新訂及經修訂香港財務報告準則

香港會計師公會已頒佈若干於本集團本會計期間首次生效之新訂香港財務報告準則及香港財務報告準則之修訂。除香港財務報告準則第16號租賃外，概無發展對本集團於本期間或過往期間之業績及財務狀況之編製或呈列方式造成重大影響。

香港財務報告準則第16號取代香港會計準則第17號租賃及相關詮釋、香港（國際財務報告詮釋委員會）詮釋第4號釐定安排是否包括租賃、香港（詮釋常務委員會）詮釋第15號經營租賃－優惠及香港（詮釋常務委員會）詮釋第27號評估涉及租賃法律形式交易的內容。其就承租人引入單一會計模式，並規定承租人就所有租賃確認使用權資產及租賃負債，惟租期為12個月或以下的租賃（「短期租賃」）及低價值資產的租賃除外。出租人會計規定沿用香港會計準則第17號，大致維持不變。

香港財務報告準則第16號亦引入額外定性及定量披露規定，旨在使財務報表使用者評估租賃對實體的財務狀況、財務表現及現金流量的影響。

本集團自二零一九年一月一日起首次應用香港財務報告準則第16號。本集團已選擇使用經修訂追溯法，因此已將首次應用之累計影響確認為對二零一九年一月一日之期初權益結餘的調整。比較資料並未重列，且繼續根據香港會計準則第17號呈報。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

3 CHANGES IN ACCOUNTING POLICIES (Cont'd)

New and revised HKFRSs that are first effective for the current accounting period (Cont'd)

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(a) *New definition of a lease*

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases. Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

(b) *Lessee accounting and transitional impact*

At the date of transition to HKFRS 16 (i.e. 1 January 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 January 2019. The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments was 10%.

3 會計政策變動 (續)

於本會計期間首次生效的新訂及經修訂香港財務報告準則 (續)

有關過往會計政策變動的性質及影響及所應用的過渡性選擇的進一步詳情載列如下：

(a) *租賃的新定義*

租賃定義的變動主要與控制權的概念有關。香港財務報告準則第16號根據客戶是否在一時段內控制已識別資產的使用（其可由指定使用量釐定）而對租賃作出定義。當客戶有權指示可識別資產的用途以及從該用途中獲得絕大部分經濟利益時，即已獲賦予控制權。

香港財務報告準則第16號內租賃的新定義僅適用於本集團於二零一九年一月一日或之後訂立或變更的合約。就於二零一九年一月一日之前訂立的合約而言，本集團已採用過渡性可行的權宜方法以豁免屬租賃或包含租賃的現有安排的過往評估。因此，先前根據香港會計準則第17號評估為租賃的合約繼續根據香港財務報告準則第16號入賬列為租賃，而先前評估為非租賃服務安排的合約則繼續入賬列為未生效合約。

(b) *承租人會計處理方法及過渡影響*

於過渡至香港財務報告準則第16號當日（即二零一九年一月一日），本集團釐定剩餘租期長短，並就先前分類為經營租賃之租賃按剩餘租賃付款現值計量租賃負債，使用於二零一九年一月一日之相關增量借款利率貼現。用於釐定剩餘租賃付款現值之加權平均增量借款利率為10%。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

3 CHANGES IN ACCOUNTING POLICIES (Cont'd)

New and revised HKFRSs that are first effective for the current accounting period (Cont'd)

(b) Lessee accounting and transitional impact (Cont'd)

The following table reconciles the operating lease commitments as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

		1 January 2019 二零一九年 一月一日 HK\$'000 千港元
Operating lease commitments at 31 December 2018	於二零一八年十二月三十一日的經營租賃承擔	97,487
Less: commitments relating to leases exempt from capitalisation:	減：與獲豁免資本化租賃有關的承擔：	
– short-term leases and other leases with remaining lease term ending on or before 31 December 2019	– 短期租賃及餘下租期於二零一九年十二月三十一日或之前結束之其他租賃	(3,005)
– adjustment on commitments relating to a lease contract for assets to be expropriated by the local government	– 有關將被地方政府徵收資產之租賃合約承擔之調整	(26,698)
		67,784
Less: total future interest expenses	減：未來利息開支總額	(9,467)
Total lease liabilities recognised at 1 January 2019	於二零一九年一月一日確認的租賃負債總額	58,317

3 會計政策變動 (續)

於本會計期間首次生效的新訂及經修訂香港財務報告準則 (續)

(b) 承租人會計處理方法及過渡影響 (續)

下表載列於二零一八年十二月三十一日的經營租賃承擔與於二零一九年一月一日確認的租賃負債期初餘額之對賬：

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

3 CHANGES IN ACCOUNTING POLICIES (Cont'd)

New and revised HKFRSs that are first effective for the current accounting period (Cont'd)

(b) Lessee accounting and transitional impact (Cont'd)

The following table summarises the impacts of the adoption of HKFRS 16 on the Group's consolidated statement of financial position:

	Carrying amount at 31 December 2018 二零一八年 十二月三十一日 之賬面值 HK\$'000 千港元	Impact on adoption of HKFRS 16 採納香港財務 報告準則第16號 之影響 HK\$'000 千港元	Carrying amount at 1 January 2019 於二零一九年 一月一日 之賬面值 HK\$'000 千港元
Line items in the consolidated statement of financial position impacted by the adoption of HKFRS 16:	綜合財務狀況表中受採納香港財務報告準則第16號影響之項目：		
Lease prepayments	263,992	(263,992)	-
Right-of-use assets	-	309,509	309,509
Total non-current assets	2,561,031	45,517	2,606,548
Provisions (current)	(93,167)	3,558	(89,609)
Lease liabilities (current)	-	(22,702)	(22,702)
Current liabilities	(4,714,230)	(19,144)	(4,733,374)
Net current liabilities	(2,203,088)	(19,144)	(2,222,232)
Total assets less current liabilities	357,943	26,373	384,316
Provisions (non-current)	(9,242)	9,242	-
Lease liabilities (non-current)	-	(35,615)	(35,615)
Total non-current liabilities	(207,805)	(26,373)	(234,178)
Net assets	150,138	-	150,138

3 會計政策變動 (續)

於本會計期間首次生效的新訂及經修訂香港財務報告準則 (續)

(b) 承租人會計處理方法及過渡影響 (續)

下表概述採納香港財務報告準則第16號對本集團綜合財務狀況表之影響：

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

3 CHANGES IN ACCOUNTING POLICIES (Cont'd)

New and revised HKFRSs that are first effective for the current accounting period (Cont'd)

(c) *Impact on the financial results, segment results and cash flows of the Group:*

After initial recognition of right-of-use assets and lease liabilities as at 1 January 2019, the Group as a lessee is required to recognise interest expenses accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term.

In the cash flow statement, the Group as a lessee is required to split rentals paid under capitalised leases into their capital element and interest element. These elements are classified as financing cash outflows, similar to how leases previously classified as finance leases under HKAS 17 were treated, rather than as operating cash outflows, as was the case for operating leases under HKAS 17. Although total cash flows are unaffected, the adoption of HKFRS 16 therefore results in a significant change in presentation of cash flows within the cash flow statement.

(d) *Lessor accounting*

The accounting policies applicable to the Group as a lessor remain substantially unchanged from those under HKAS 17.

3 會計政策變動(續)

於本會計期間首次生效的新訂及經修訂香港財務報告準則(續)

(c) 對本集團財務業績、分部業績及現金流量之影響：

於二零一九年一月一日初始確認使用權資產及租賃負債後，本集團(作為承租人)須確認租賃負債尚未償還結餘應計之利息開支及使用權資產折舊，而非按先前政策於租期內按直線基準確認租金開支。

於現金流量表中，本集團(作為承租人)須將資本化租賃項下所付之租金分為資本部份及利息部份。該等部份分類為融資現金流出(與先前根據香港會計準則第17號分類為融資租賃之租賃處理方法相若)，而非根據香港會計準則第17號以經營現金流出處理。雖然現金流量總額不受影響，採納香港財務報告準則第16號導致現金流量表內現金流量的呈列出現重大變動。

(d) 出租人會計處理方法

適用於本集團(作為出租人)的會計政策基本上與香港會計準則第17號項下者大致維持不變。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

3 CHANGES IN ACCOUNTING POLICIES (Cont'd)

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts ¹
Amendments to HKFRS 3	Definition of a Business ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁴
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ⁴
Conceptual framework for financial reporting 2018 HKFRS 16 (Amendments)	Revised conceptual framework for financial reporting ² COVID-19 related rent concessions ⁵

3 會計政策變動(續)

已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第17號	保險合約 ¹
香港財務報告準則第3號之修訂本	業務之定義 ²
香港財務報告準則第10號及香港會計準則第28號之修訂本	投資者與其聯營公司或合營企業之間的資產出售或注資 ³
香港會計準則第1號及香港會計準則第8號之修訂本	重大之定義 ⁴
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號之修訂本	利率基準改革 ⁴
二零一八年財務報告概念框架	財務報告經修訂概念框架 ²
香港財務報告準則第16號(修訂本)	與COVID-19有關的租金優惠 ⁵

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

3 CHANGES IN ACCOUNTING POLICIES (Cont'd)

New and revised HKFRSs in issue but not yet effective (Cont'd)

Amendments to annual improvements project	Annual improvement 2018-2020 cycle ⁶
HKAS 16 (Amendments)	Proceeds before intended use ⁶
HKAS 37 (Amendments)	Cost of fulfilling a contract ⁶
HKFRS 3 (Amendments)	Reference to the conceptual framework ⁶
HKAS 1 (Amendments)	Presentation of financial statements on classification of liabilities ⁷

- ¹ Effective for annual periods beginning on or after 1 January 2021.
- ² Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
- ³ Effective for annual periods beginning on or after a date to be determined.
- ⁴ Effective for annual periods beginning on or after 1 January 2020.
- ⁵ Effective for annual periods beginning on or after 1 June 2020.
- ⁶ Effective for annual periods beginning on or after 1 January 2022.
- ⁷ Effective for annual periods beginning on or after 1 January 2023.

3 會計政策變動 (續)

已頒佈但尚未生效之新訂及經修訂香港財務報告準則 (續)

年度改進項目 修訂本	二零一八年至二零二零年週期的年度改進 ⁶
香港會計準則 第16號 (修訂本)	達到擬定用途前的 所得款項 ⁶
香港會計準則 第37號 (修訂本)	履行合約的成本 ⁶
香港財務報告準則 第3號 (修訂本)	概念框架的引用 ⁶
香港會計準則第1號 (修訂本)	財務報表呈報的 負債分類 ⁷

- ¹ 於二零二一年一月一日或之後開始之年度期間生效。
- ² 對收購日期為二零二零年一月一日或之後開始的首個年度期間開始時或之後的業務合併及資產收購生效。
- ³ 於待定期限或之後開始的年度期間生效。
- ⁴ 於二零二零年一月一日或之後開始之年度期間生效。
- ⁵ 於二零二零年六月一日或之後開始之年度期間生效。
- ⁶ 於二零二二年一月一日或之後開始之年度期間生效。
- ⁷ 於二零二三年一月一日或之後開始之年度期間生效。

Notes to the Interim Condensed Consolidated Financial Statements (*Cont'd*)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

3 CHANGES IN ACCOUNTING POLICIES (*Cont'd*)

New and revised HKFRSs in issue but not yet effective (*Cont'd*)

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the Amendments to References to the Conceptual Framework in HKFRS Standards, will be effective for annual periods beginning on or after 1 January 2020.

The directors of the Company anticipate that the application of the above new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

(i) Disaggregation of revenue

Revenue represents the revenue from the supply of industrial water, the provision of wastewater treatment plants operation services, heating and electricity generation services, sludge and solid waste treatment services, hazardous waste treatment services, BOT project construction services, BOT project operation services and finance income.

3 會計政策變動 (續)

已頒佈但尚未生效之新訂及經修訂香港財務報告準則 (續)

除上述新訂及經修訂香港財務報告準則外，於二零一八年頒佈經修訂財務報告概念框架。其後續修訂香港財務報告準則中對概念框架的提述的修訂將於二零二零年一月一日或之後開始之年度期間生效。

本公司董事預計上述新訂及經修訂香港財務報告準則將不會於可見將來對綜合財務報表造成重大影響。

4 收益及分部呈報

(a) 收益

(i) 收益劃分

收益指來自供應工業用水、提供污水處理設施營運服務、供熱及發電服務、污泥及固體廢物處理服務、危險廢物處理服務、BOT項目建設服務、BOT項目營運服務及融資收入。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

4 REVENUE AND SEGMENT REPORTING (Cont'd)

(a) Revenue (Cont'd)

(i) Disaggregation of revenue (Cont'd)

Disaggregation of revenue from contracts with customers by service lines is as follows:

4 收益及分部呈報 (續)

(a) 收益 (續)

(i) 收益劃分 (續)

按服務線劃分的客戶合約收益劃分如下:

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
Revenue from contracts with customers within the scope by HKFRS 15	香港財務報告準則第15號範圍內的客戶合約收益		
<i>Recognised at a point in time</i>	於某一時間點確認		
Disaggregation by service lines	按服務線劃分		
- Revenue from supply of industrial water	- 供應工業用水之收益	11,433	24,606
- Revenue from provision of wastewater treatment plants operation services	- 提供污水處理設施營運服務之收益	83,984	148,359
- Revenue from BOT project operation services	- BOT項目營運服務之收益	18,492	77,851
- Revenue from provision of heating and electricity generation services	- 提供供熱及發電服務之收益	-	70,763
- Provision of land levelling services	- 提供土地平整服務	-	244,019
- Revenue from provision of sludge and solid waste treatment services	- 提供污泥及固體廢物處理服務之收益	90,602	223,585
- Revenue from provision of hazardous waste treatment services	- 提供危險廢物處理服務之收益	190,767	186,903
		395,278	976,086
Income from other sources	其他來源收入		
<i>Recognised over time</i>	隨時間確認		
- Finance income	- 融資收入	6,545	8,035
		401,823	984,121

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

4 REVENUE AND SEGMENT REPORTING (Cont'd)

(b) Segment reporting

The Group manages its business by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following six reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Supply of industrial water: this segment supplies industrial water.
- Provision of wastewater treatment plants operation services: this segment operates wastewater treatment plants under Build-Own-Operate ("BOO") arrangement.
- BOT project construction and operation services: this segment constructs and operates wastewater and solid waste treatment plants under BOT arrangement to generate turnover from construction, operation services and finance income.
- Provision of heating services and electricity generation: this segment provides heating services and electricity generation.
- Provision of land levelling services: this segment provides land levelling services inside industrial parks for those customers from other business segments.
- Provision of sludge and solid waste treatment services: this segment provides sludge and solid waste treatment services.
- Provision of hazardous waste treatment services: this segment provides hazardous waste treatment services.

4 收益及分部呈報 (續)

(b) 分部呈報

本集團按部門(按業務線組成)管理業務。本集團按與就資源分配及表現評估向本集團最高行政管理人員內部呈報資料方式一致的方式,確定以下六個可呈報分部。概無將任何經營分部匯總,以構成下列可呈報分部。

- 供應工業用水:該分部供應工業用水。
- 提供污水處理設施營運服務:該分部根據建設—擁有一營運(「BOO」)安排經營污水處理設施。
- BOT項目建設及營運服務:該分部根據BOT安排建設及營運污水及固體廢物處理設施,以自建設、營運服務以及融資收入產生營業額。
- 提供供熱服務及發電:該分部提供供熱服務及發電。
- 提供土地平整服務:該分部於產業園內向來自其他業務分部之客戶提供土地平整服務。
- 提供污泥及固體廢物處理服務:該分部提供污泥及固體廢物處理服務。
- 提供危險廢物處理服務:該分部提供危險廢物處理服務。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

4 REVENUE AND SEGMENT REPORTING (Cont'd)

4 收益及分部呈報 (續)

(b) Segment reporting (Cont'd)

(b) 分部呈報 (續)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

向本集團高級管理層就期內資源分配及分部表現評估提供之與本集團可呈報分部有關之資料載列如下：

For the six months ended 30 June 2019	截至二零一九年 六月三十日止六個月	Supply of industrial water 供應工業用水 HK\$'000 千港元 (unaudited) (未經審核)	Provision of wastewater treatment plants operation services 提供污水處理 設施營運服務 HK\$'000 千港元 (unaudited) (未經審核)	BOT project construction and operation services BOT項目建設 及營運服務 HK\$'000 千港元 (unaudited) (未經審核)	Provision of sludge and solid waste treatment services 提供污泥及固體 廢物處理服務 HK\$'000 千港元 (unaudited) (未經審核)	Provision of hazardous waste treatment services 提供危險 廢物處理服務 HK\$'000 千港元 (unaudited) (未經審核)	Unallocated 未分配 HK\$'000 千港元 (unaudited) (未經審核)	Total 總額 HK\$'000 千港元 (unaudited) (未經審核)
Revenue from external customers	來自外部客戶的收益	11,433	83,984	25,037	90,602	190,767	-	401,823
Inter-segment revenue	分部間收益	-	16,659	-	24,193	2,819	-	43,671
Reportable segment revenue	可呈報分部收益	11,433	100,643	25,037	114,795	193,586	-	445,494
Reportable segment profit (adjusted EBITDA)	可呈報分部溢利 (調整後EBITDA)	(673)	(76,751)	3,159	(3,748)	121,695	59,002	102,684
Depreciation and amortisation	折舊及攤銷	(2,974)	(39,799)	(9,869)	(9,528)	(24,058)	(95)	(86,323)
Gain on disposal of a subsidiary	出售一家附屬公司收益	-	-	-	-	-	3,963	3,963
Share of profits of associates	分佔聯營公司的溢利	-	-	-	35	1,026	-	1,061
Impairment loss on payments for acquisition of subsidiaries	收購附屬公司之付款之減值虧損	-	-	-	-	(15,057)	-	(15,057)
Impairment loss on amounts due from companies controlled by Mr. Tsui	應收徐先生控制之公司款項之減值虧損	-	-	-	-	-	(11,717)	(11,717)
Impairment loss on loan receivables	應收貸款之減值虧損	-	-	-	-	-	(62,760)	(62,760)
Impairment loss on other receivables	其他應收款項之減值虧損	-	(2,547)	-	(7,606)	-	-	(10,153)

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

4 REVENUE AND SEGMENT REPORTING (Cont'd)

(b) Segment reporting (Cont'd)

		Supply of industrial water	Provision of wastewater treatment plants operation services	BOT project construction and operation services	Provision of heating services and electricity generation	Provision of land levelling services	Provision of sludge and solid waste treatment services	Provision of hazardous waste treatment services	Unallocated	Total
		供應工業用水	提供污水處理設施營運服務	BOT項目建設及營運服務	提供供熱服務及發電	提供土地平整服務	提供污泥及固體廢物處理服務	提供危險廢物處理服務	未分配	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
For the six months ended 30 June 2018	截至二零一八年六月三十日止六個月									
Revenue from external customers	來自外部客戶的收益	24,606	148,359	85,886	70,763	244,019	223,585	186,903	-	984,121
Inter-segment revenue	分部間收益	-	44,701	-	-	-	5,239	14,736	-	64,676
Reportable segment revenue	可呈報分部收益	24,606	193,060	85,886	70,763	244,019	228,824	201,639	-	1,048,797
Reportable segment profit (adjusted EBITDA)	可呈報分部溢利 (調整後EBITDA)	21,429	100,806	23,710	36,435	154,149	99,994	96,352	(10,743)	522,132
Depreciation and amortisation	折舊及攤銷	(5,061)	(46,557)	(12,375)	(10,169)	-	(42,707)	(44,674)	-	(161,543)
Share of loss of a joint venture	分攤一家合營企業的虧損	-	(675)	-	-	-	-	-	-	(675)

The measure used for reporting segment profit is “adjusted EBITDA” i.e. “adjusted earnings before interest, taxes, depreciation and amortisation”. To arrive at adjusted EBITDA the Group’s earnings are further adjusted for items not specifically attributed to individual segments, such as share of profits of associates and a joint venture, directors’ and auditors’ remuneration and other head office or corporate administration costs.

用於報告分部溢利的計量方式為「調整後EBITDA」，即「未計及利息、稅項、折舊及攤銷前的調整後盈利」。為達致調整後EBITDA，本集團之盈利乃對並未指定歸屬於個別分部之項目作出進一步調整，如分佔聯營公司及一家合營企業的溢利、董事及核數師薪酬及其他總部或企業行政成本。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

4 REVENUE AND SEGMENT REPORTING (Cont'd)

(b) Segment reporting (Cont'd)

(i) Reconciliations of reportable segment profit

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
Reportable segment profit	可呈報分部溢利	102,684	522,132
Elimination of inter-segment profits	分部間溢利對銷	-	(134)
		102,684	521,998
Share of (loss)/profits of associates and a joint venture	分佔聯營公司及一家合營企業的(虧損)/溢利	1,061	(675)
Finance costs	融資成本	(124,266)	(57,442)
Interest income	利息收入	146	7,405
Depreciation and amortisation	折舊及攤銷	(86,323)	(161,543)
Net foreign exchange (loss)/gain	匯兌(虧損)/收益淨額	19,909	(1,613)
Gain on disposal of a subsidiary	出售一家附屬公司收益	3,963	-
Impairment loss on payments for acquisition of subsidiaries	收購附屬公司之付款之減值虧損	(15,057)	-
Impairment loss on other receivables	其他應收款項之減值虧損	(10,153)	-
Impairment loss on loan receivables	應收貸款之減值虧損	(62,760)	-
Impairment loss on amounts due from companies controlled by Mr. Tsui	應收徐先生控制之公司款項之減值虧損	(11,717)	-
Consolidated (loss)/profit before tax	綜合除稅前(虧損)/溢利	(182,513)	308,130

4 收益及分部呈報 (續)

(b) 分部呈報 (續)

(i) 可呈報分部溢利的對賬

Six months ended 30 June
截至六月三十日止六個月

		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
Reportable segment profit	可呈報分部溢利	102,684	522,132
Elimination of inter-segment profits	分部間溢利對銷	-	(134)
		102,684	521,998
Share of (loss)/profits of associates and a joint venture	分佔聯營公司及一家合營企業的(虧損)/溢利	1,061	(675)
Finance costs	融資成本	(124,266)	(57,442)
Interest income	利息收入	146	7,405
Depreciation and amortisation	折舊及攤銷	(86,323)	(161,543)
Net foreign exchange (loss)/gain	匯兌(虧損)/收益淨額	19,909	(1,613)
Gain on disposal of a subsidiary	出售一家附屬公司收益	3,963	-
Impairment loss on payments for acquisition of subsidiaries	收購附屬公司之付款之減值虧損	(15,057)	-
Impairment loss on other receivables	其他應收款項之減值虧損	(10,153)	-
Impairment loss on loan receivables	應收貸款之減值虧損	(62,760)	-
Impairment loss on amounts due from companies controlled by Mr. Tsui	應收徐先生控制之公司款項之減值虧損	(11,717)	-
Consolidated (loss)/profit before tax	綜合除稅前(虧損)/溢利	(182,513)	308,130

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

4 REVENUE AND SEGMENT REPORTING (Cont'd)

(b) Segment reporting (Cont'd)

(ii) Information about major customers

The Group has transactions with the PRC local government authorities (under common control from the PRC central government) which in aggregate exceeded or equal to 10% of the Group's revenue. Revenue from the provision of wastewater treatment plants operation services, BOT project construction and operation services and provision of sludge and solid waste treatment services derived from local government authorities in the PRC for the six months ended 30 June 2019 amounted to HK\$38,938,000 (six months ended 30 June 2018: HK\$138,802,000).

(iii) Geographic information

Analysis of the Group's revenue and assets by geographical market has not been presented as substantially all of the Group's revenue and assets are generated and located in the PRC.

(iv) Seasonality of operations

There is a seasonal factor in the Group's revenue. In general, revenue in the second half of the year is better than the first half of the year, because the demand for treatments for wastewater, sludge and solid waste and hazardous waste from the Group's customers increase in the second half of the year. The Group's customers are expected to enlarge their production scales during the second half of the year.

4 收益及分部呈報(續)

(b) 分部呈報(續)

(ii) 有關主要客戶之資料

本集團與中國地方政府機關(受中國中央政府共同控制)進行的交易合共超過或相等於本集團收益的10%。截至二零一九年六月三十日止六個月,為中國地方政府機關提供污水處理設施營運服務、BOT項目建設及營運服務及提供污泥及固體廢物處理服務帶來的收益為38,938,000港元(截至二零一八年六月三十日止六個月:138,802,000港元)。

(iii) 地區資料

由於本集團絕大部分收益及資產產生於及位於中國境內,故並無呈列本集團按地區市場劃分的收益及資產分析。

(iv) 業務之季節性

本集團收益存在季節性因素。通常,下半年收益會較上半年為佳,原因為本集團客戶於下半年對處理污水、污泥及固體廢物及危險廢物的需求增加。預期本集團客戶於下半年擴大其生產規模。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

5 OTHER INCOME AND OTHER NET GAINS/(LOSSES)

(a) Other income

Government grants (i)	政府補助(i)
Value-added tax refund	增值稅退稅
Interest income	利息收入
Consultancy fees income	諮詢費收入
Others	其他

(i) Government grants represent various forms of incentives and subsidies granted to the Group by the local government authorities in the PRC. There were no unfulfilled conditions and other contingencies attached to the receipts of such government grants.

(b) Other net gains/(losses)

Gain on disposal of a subsidiary	出售一家附屬公司收益
Net foreign exchange (loss)/gain	匯兌(虧損)/收益淨額
Penalty	罰款
Others	其他

5 其他收入及其他收益/(虧損)淨額

(a) 其他收入

Six months ended 30 June
截至六月三十日止六個月

2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
1,457	76,256
109	20,458
146	7,405
342	–
764	177
2,818	104,296

(i) 政府補助指中國地方政府機關授予本集團不同形式之獎勵及補貼。概無有關收取該等政府補助附帶之未達成條件及其他或然事項。

(b) 其他收益/(虧損)淨額

Six months ended 30 June
截至六月三十日止六個月

2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
3,963	–
19,909	(1,613)
(455)	–
1,008	172
24,425	(1,441)

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

6 (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax is arrived at after charging:

(a) Finance costs

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
Interest on bank loans	銀行貸款利息	74,496	70,631
Interest on other borrowings	其他借款利息	46,883	–
Interest on lease liabilities	租賃負債利息	1,826	–
Loan facility fees	貸款融資費用	1,061	–
		124,266	70,631
Less: Interest expenses capitalised into construction in progress	減：資本化入在建工程的利息開支	–	(13,189)
Total finance costs	融資成本總額	124,266	57,442

6 除稅前(虧損)/溢利

除稅前(虧損)/溢利經扣除下列各項後達致：

(a) 融資成本

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

6 (LOSS)/PROFIT BEFORE TAX (Cont'd)

(b) Other items

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
Cost of inventories*	存貨成本*	60,668	89,363
Cost of BOT projects construction services	BOT項目建設服務成本	-	36,823
Depreciation and amortisation	折舊及攤銷	86,323	161,543
Lease payments not under the measurement of lease liabilities	並非於租賃負債計量下之租賃付款	2,246	-
Operating lease charges	經營租賃開支	-	5,371
Impairment losses on amounts due from companies controlled by a former director	應收前董事控制之公司款項之減值虧損	11,717	-
Impairment loss on loan receivables	應收貸款之減值虧損	62,760	-
Impairment losses on payments for acquisition of subsidiaries	收購附屬公司之付款之減值虧損	15,057	-
Research and development expenses	研發開支	24	2,900

* Cost of inventories represented raw materials consumed during the supply of industrial water, provision of waste water treatment plants operation services, provision of sludge and solid waste treatment services and provision of hazardous waste treatment services.

(c) Staff costs

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
Salaries, wages and other benefits	薪金、工資及其他福利	73,421	100,927
Contributions to defined contribution retirement plan	界定供款退休計劃供款	4,336	10,410
		77,757	111,337

6 除稅前(虧損)/溢利(續)

(b) 其他項目

Six months ended 30 June
截至六月三十日止六個月

2019
二零一九年
HK\$'000
千港元
(unaudited)
(未經審核)

2018
二零一八年
HK\$'000
千港元
(unaudited)
(未經審核)

* 存貨成本指供應工業用水及提供污水處理設施營運服務以及提供污泥及固體廢物處理服務及提供危險廢物處理服務所消耗的原材料。

(c) 員工成本

Six months ended 30 June
截至六月三十日止六個月

Note
附註

2019
二零一九年
HK\$'000
千港元
(unaudited)
(未經審核)

2018
二零一八年
HK\$'000
千港元
(unaudited)
(未經審核)

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

7 INCOME TAX (CREDIT)/EXPENSE

Income tax (credit)/expense in the condensed consolidated statement of profit or loss represents:

7 所得稅(抵免)/開支

簡明綜合損益表內的所得稅(抵免)/開支指:

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
Current tax – PRC income tax	即期稅項 – 中國所得稅		
Provision for PRC income tax (notes (i) and (ii))	中國所得稅撥備 (附註(i)及(ii))	20,036	25,163
Over-provision in respect of prior periods	過往期間超額撥備	-	(13,049)
		20,036	12,114
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時性差額的產生及撥回	(28,634)	(6,425)
Income tax (credit)/expense	所得稅(抵免)/開支	(8,598)	5,689

Notes:

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

No provision for Hong Kong Profits Tax was made as the Group did not earn assessable income subject to Hong Kong Profits Tax for the six months ended 30 June 2019 and 2018.

The statutory income tax rate for the PRC subsidiaries is 25% (for the six months ended 30 June 2018: 25%).

附註:

- (i) 根據開曼群島及英屬處女群島(「英屬處女群島」)的相關規則及法規,本集團於開曼群島及英屬處女群島毋須繳納任何所得稅。

由於截至二零一九年及二零一八年六月三十日止六個月本集團並無賺取任何須繳納香港利得稅的應課稅收入,故並無就香港利得稅作出撥備。

中國附屬公司的法定所得稅率為25%(截至二零一八年六月三十日止六個月:25%)。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

7 INCOME TAX (CREDIT)/EXPENSE (Cont'd)

Notes: (Cont'd)

- (ii) Certain subsidiaries of the Group are entitled to the following PRC preferential tax treatments:

Guangzhou CT Lvyou Environmental Protection Technology Company Limited* (originally known as Guangzhou Lvyou Industrial Waste Reclamation Treatment Company Limited) ("Guangzhou Lvyou") was approved as a High and New Technology Enterprise in September 2015, which entitled it to the preferential income tax rate of 15% from 2015 to 2017 and 2018 to 2020.

Heyuan Solid Waste Centralized Treatment Centre Company Limited ("Heyuan Solid") was approved as a High and New Technology Enterprise in December 2016, which entitled it to the preferential income tax rate of 15% from 2016 to 2018.

Qingyuan Lvyou Environmental Protection Technology Company Limited ("Qingyuan Lvyou"), a subsidiary engaged in solid waste treatment, is entitled to the 3+3 tax holiday starting from the year in which the project starts to generate operating revenue. Qingyuan Lvyou is subject to exemption from income tax from 2014 to 2016 and reduction of half of the income tax from 2017 to 2019. Additionally, in October 2015 and November 2018, Qingyuan Lvyou was approved as a High and New Technology Enterprise, which then entitled it to the preferential income tax rate of 15% from 2015 to 2017 and from 2018 to 2020. As the tax rate applied during the tax holiday is lower than the tax rate applied for High and New Technology Enterprise, the effective income tax rate of Qingyuan Lvyou is 12.5% from 2017 to 2018. No preferential tax was enjoyed by Qingyuan Lvyou during the period ended 30 June 2019 as Qingyuan Lvyou failed to file the annual application to local tax authority and meet the annual research and development requirement.

Lvyou Environmental Protection Equipment Company Limited ("Lvyou Equipment") was approved as a High and New Technology Enterprise in December 2016, which entitled it to the preferential income tax rate of 15% from 2016 to 2018.

7 所得稅(抵免)/開支(續)

附註:(續)

- (ii) 本集團的若干附屬公司享有以下中國優惠稅項待遇:

廣州中滔綠由環保科技有限公司(原名廣州綠由工業棄置廢物回收處理有限公司)(「廣州綠由」)於二零一五年九月被認為高新技術企業,於二零一五年至二零一七年及二零一八年至二零二零年享有15%的優惠所得稅率。

河源市固體廢物集中處置中心有限公司(「河源固廢」)於二零一六年十二月獲認為高新技術企業,於二零一六年至二零一八年享有15%的優惠所得稅率。

清遠綠由環保科技有限公司(「清遠綠由」)為從事固體廢物處理的附屬公司,從項目開始產生營運收益的年度起享有3+3稅項優惠。清遠綠由於二零一四年至二零一六年獲豁免徵收所得稅及於二零一七年至二零一九年獲減免一半所得稅。此外,於二零一五年十月及二零一八年十一月,清遠綠由被認為高新技術企業,其後於二零一五年至二零一七年及於二零一八年至二零二零年享有15%的優惠所得稅率。由於稅項優惠期內所適用之稅率較高,故清遠綠由於二零一七年至二零一八年的實際所得稅率為12.5%。截至二零一九年六月三十日止期間,清遠綠由並無享有優惠稅項,原因為清遠綠由未能向地方稅務機關提交年度申請及達成研發要求。

Lvyou Environmental Protection Equipment Company Limited(「Lvyou Equipment」)於二零一六年十二月認為高新技術企業,於二零一六年至二零一八年享有15%的優惠所得稅率。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

8 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the (loss)/profit for the six months ended 30 June 2019 attributable to owners of the Company of HK\$173,635,000 (2018: HK\$302,393,000) and the weighted average of 6,281,584,000 ordinary shares (2018: 6,286,552,000 shares) in issue during the six months ended 30 June 2019.

		2019 二零一九年 '000 千股	2018 二零一八年 '000 千股
Number of shares	股份數目		
Issued ordinary shares at 1 January	於一月一日已發行普通股	6,316,792	6,316,792
Effect of shares held under the Share Award Scheme (note 18(a)(ii))	根據股份獎勵計劃持有股份的影響 (附註18(a)(ii))	(35,208)	(30,240)
Weighted average number of ordinary shares at 30 June	於六月三十日的普通股加權平均數	6,281,584	6,286,552

(b) Diluted (loss)/earnings per share

During the six months ended 30 June 2019 and 2018, there were no dilutive potential ordinary shares issued. The diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share.

9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2019, the Group acquired items of property, plant and equipment with a cost of HK\$11,070,000 (six months ended 30 June 2018: HK\$593,211,000). No plants and equipment was disposed during the six months ended 30 June 2019 (Items of plants and equipment with a carrying amount of HK\$34,000 were disposed during the six months ended 30 June 2018).

8 每股 (虧損) / 盈利

(a) 每股基本 (虧損) / 盈利

每股基本 (虧損) / 盈利的計算方法乃根據截至二零一九年六月三十日止六個月本公司擁有人應佔 (虧損) / 溢利173,635,000港元 (二零一八年: 302,393,000港元) 以及截至二零一九年六月三十日止六個月已發行之6,281,584,000股 (二零一八年: 6,286,552,000股) 普通股加權平均數而計算。

(b) 每股攤薄 (虧損) / 盈利

截至二零一九年及二零一八年六月三十日止六個月, 概無發行攤薄潛在普通股。每股攤薄 (虧損) / 盈利與每股基本 (虧損) / 盈利相同。

9 物業、廠房及設備

截至二零一九年六月三十日止六個月, 本集團收購物業、廠房及設備項目的成本為11,070,000港元 (截至二零一八年六月三十日止六個月: 593,211,000港元)。截至二零一九年六月三十日止六個月, 並無出售廠房及設備 (截至二零一八年六月三十日止六個月出售賬面值為34,000港元的廠房及設備項目)。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

9 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Certain property, plant and equipment with a carrying amount of HK\$187,466,000 were pledged to secure the Group's bank loans as at 30 June 2019 (31 December 2018: HK\$188,627,000) (note 16).

10 LEASE PREPAYMENTS

As at 31 December 2018, lease prepayments represent the Group's land use rights on leasehold land located in the PRC. As at 31 December 2018, lease prepayments with a carrying amount of HK\$63,763,000 were pledged to secure the Group's bank loans.

Upon the adoption of HKFRS 16 on 1 January 2019, the lease prepayments were reclassified to right-of-use assets.

11 RIGHT-OF-USE ASSETS

As at 30 June 2019, the rights-of-use assets represent the Group's land use rights in leasehold land located in the PRC and the leased properties under the lease arrangements. The right-of-use assets with a carrying amount of HK\$61,652,000 were pledged to secure the Group's bank loans as at 30 June 2019.

12 INTANGIBLE ASSETS

Intangible assets represent the Group's supply of industrial water, waste water treatment plants, sludge and solid waste treatment and hazardous waste treatment operation rights.

9 物業、廠房及設備(續)

於二零一九年六月三十日，賬面值為187,466,000港元的若干物業、廠房及設備已抵押作為本集團銀行貸款的抵押(二零一八年十二月三十一日：188,627,000港元)(附註16)。

10 租賃預付款項

於二零一八年十二月三十一日，租賃預付款項指本集團持有的位於中國的租賃土地的土地使用權。於二零一八年十二月三十一日，賬面值為63,763,000港元的租賃預付款項已抵押作為本集團銀行貸款的抵押。

於二零一九年一月一日採納香港財務報告準則第16號後，租賃預付款項已重新分類為使用權資產。

11 使用權資產

於二零一九年六月三十日，使用權資產指本集團位於中國的租賃土地之土地使用權及租賃安排下的租賃物業。於二零一九年六月三十日，賬面值為61,652,000港元的使用權資產已被質押，以作為本集團銀行貸款的抵押。

12 無形資產

無形資產指本集團供應工業用水、污水處理設施、污泥及固體廢物處理以及危險廢物處理經營權。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

13 TRADE AND OTHER RECEIVABLES

13 貿易及其他應收款項

		Note 附註	At 30 June 2019 於 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2018 於 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Current	即期			
Trade receivables	貿易應收款項		318,578	437,247
Less: allowance for doubtful debts	減：呆賬撥備		(186,483)	(187,627)
		(a)	132,095	249,620
Consideration receivable from disposal of a subsidiary	出售一家附屬公司的應收代價		-	4,565
Money paid to the local government authority	支付予地方政府部門的款項		85,260	85,598
Receivables of value-added tax refund	增值稅退稅應收款項		-	6,288
Advances to suppliers	給予供應商的墊款		21,221	25,818
Other receivables and prepayments	其他應收款項及預付款項		66,593	39,378
Amount due from a former director	應收前董事款項	(b)	266,835	272,372
Less: allowance for doubtful debts	減：呆賬撥備		(240,650)	(241,100)
			26,185	31,272
Amounts due from companies controlled by a former director	應收前董事控制之公司款項	(c)	39,181	54,924
Less: allowance for doubtful debts	減：呆賬撥備		(39,181)	(27,791)
			-	27,133
Loan receivables	應收貸款		61,600	-
Less: allowance for doubtful debts	減：呆賬撥備		(61,600)	-
			-	-
Amounts due from related parties	應收關聯方款項	21(c)(i)	23,740	22,811
Less: allowance for doubtful debts	減：呆賬撥備		(3,979)	(3,994)
			19,761	18,817
			351,115	488,489
Non-current	非即期			
Prepayments for purchase of lease prepayments and equipment	購買租賃預付款項及設備預付款項		71,635	59,795
Receivables of a construction project from a local government	地方政府建設項目的應收款項		8,866	8,902
Other receivables and prepayments	其他應收款項及預付款項		206	3,471
			80,707	72,168
Total	總計		431,822	560,657

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

13 TRADE AND OTHER RECEIVABLES (Cont'd)

All of the prepayments and other receivables (including amounts due from related parties), apart from those classified as non-current portion, are expected to be recovered or recognised as expenses within one year.

(a) Aging analysis

As at the end of the reporting period, the aging analysis of trade receivables, including those classified as part of a disposal group held for sale, based on the invoice date, and net of allowance for doubtful debts, is as follows:

		At 30 June 2019 於 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2018 於 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Within 1 month	一個月內	22,171	179,073
1 to 3 months	一至三個月	38,514	53,319
Over 3 months but within 1 year	超過三個月但一年內	58,646	45,904
Over 1 year	超過一年	34,063	21,056
		153,394	299,352
Less: Assets of disposal group classified as held for sale	減：分類為持作出售之 出售組別資產	(21,299)	(49,732)
		132,095	249,620

The Group allows an average credit period of 30 days to its customers. The Group does not hold any collateral over these balances.

13 貿易及其他應收款項(續)

所有預付款項及其他應收款項(包括應收關聯方款項)預期將於一年內收回或確認為開支,惟不包括分類為非即期的部分。

(a) 賬齡分析

於報告期末,貿易應收款項(包括該等分類為持作出售之出售組別一部分者)按發票日期及經扣除呆賬撥備的賬齡分析如下:

本集團向其客戶提供平均為30日之信貸期。本集團並無就該等結餘持有任何抵押品。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

13 TRADE AND OTHER RECEIVABLES (Cont'd)

(b) Amount due from a former director

Mr. Tsui	徐先生	HK\$'000 千港元
Gross amount		
At 1 January 2019	於二零一九年一月一日	272,372
Fund advanced to Mr. Tsui	墊付予徐先生之資金	510
Expensed paid by Mr. Tsui	徐先生支付之開支	(4,728)
Fund from Mr. Tsui	來自徐先生之資金	(870)
Exchange movement	匯兌變動	(449)
At 30 June 2019	於二零一九年六月三十日	266,835
Impairment loss		
At 1 January 2019	於二零一九年一月一日	241,100
Exchange movement	匯兌變動	(450)
At 30 June 2019	於二零一九年六月三十日	240,650
Carrying amount		
At 30 June 2019	於二零一九年六月三十日	26,185
At 31 December 2018	於二零一八年十二月三十一日	31,272

The amount was unsecured, interest-free and without fixed terms of repayment.

In the six months ended 31 December 2019, further unauthorised payments of HK\$291,000 were made to and repayments of HK\$28,700,000 were received from Mr. Tsui.

13 貿易及其他應收款項(續)

(b) 應收前董事款項

該等款項為無抵押、免息且無固定償還期限。

截至二零一九年十二月三十一日止六個月，向徐先生授出進一步未經授權付款291,000港元並自徐先生收到還款28,700,000港元。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

13 TRADE AND OTHER RECEIVABLES (Cont'd)

13 貿易及其他應收款項(續)

(c) Amounts due from companies controlled by a former director

(c) 應收前董事控制之公司款項

		HK\$'000 千港元
Gross amount	總額	
At 1 January 2019	於二零一九年一月一日	54,924
Fund advanced from the Group	本集團墊付之資金	18,413
Fund advanced to the Group	墊付予本集團之資金	(23,617)
Interest on other borrowings paid by Guangzhou To Kee	廣州滔記支付之其他借款利息	(10,047)
Exchange movement	匯兌變動	(492)
At 30 June 2019	於二零一九年六月三十日	39,181
Impairment loss	減值虧損	
At 1 January 2019	於二零一九年一月一日	27,791
Provided for the period	期內撥備	11,717
Exchange movement	匯兌變動	(327)
At 30 June 2019	於二零一九年六月三十日	39,181
Carrying amount	賬面值	
At 30 June 2019	於二零一九年六月三十日	-
At 31 December 2018	於二零一八年十二月三十一日	27,133

The amounts were unsecured, interest-free and without fixed terms of repayment.

該等款項為無抵押、免息且無固定償還期限。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

13 TRADE AND OTHER RECEIVABLES (Cont'd)

(c) Amounts due from companies controlled by a former director (Cont'd)

The present directors noted that there were no proper control over the authorisation of the payments of HK\$18,413,000 made to and repayments of HK\$33,664,000 received from companies controlled by Mr. Tsui during the six months ended 30 June 2019. In the six months ended 31 December 2019, further payments without proper authorisation of HK\$121,182,000 were made to and repayments of HK\$78,611,000 received from the companies controlled by Mr. Tsui. In addition, the Group made net payments of HK\$84,277,000 to the companies controlled by Mr. Tsui during the period from January 2020 to October 2020. Out of the total payments, HK\$19,365,000 were payments without proper authorization, HK\$39,071,000 was used to set off with the amount due to a non-controlling shareholder as disclosed in note 15 and the remaining balance of HK\$25,841,000 were payments for the rental and advertising expenses received by companies controlled by Mr. Tsui on behalf of Guangzhou Yanchen Zhili. The arrangement in relation to the payments received by companies controlled by Mr. Tsui on behalf of Guangzhou Yanchen Zhili would be finalized upon the execution of the relevant agreement.

13 貿易及其他應收款項 (續)

(c) 應收前董事控制之公司款項 (續)

現任董事注意到，截至二零一九年六月三十日止六個月，對向徐先生控制的公司作出的授權付款18,413,000港元及從其收到的還款33,664,000港元並無適當的控制權。截至二零一九年十二月三十一日止六個月，向徐先生控制的公司作出並無適當授權的進一步付款121,182,000港元及從其收到還款78,611,000港元。此外，從二零二零年一月至二零二零年十月，本集團向徐先生控制的公司作出付款淨額84,277,000港元。在該付款總額中，19,365,000港元為未經適當授權的付款，39,071,000港元用於抵銷附註15所披露的應付非控股股東的款項，而餘額25,841,000港元為徐先生控制的公司代表廣州煙塵治理收到的租金及廣告開支之付款。與徐先生控制的公司代表廣州煙塵治理收到的付款有關之安排將於簽立相關協議後落實。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

14 ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/DISPOSAL OF SUBSIDIARIES

(a) Zhongshan Haitao

During the six months ended 30 June 2019, the Group determined to dispose of its equity interest in Zhongshan Haitao, an indirect wholly owned subsidiary of the Group, to reduce the level of debt of the Group. Zhongshan Haitao was mainly engaged in the supply of industrial water and provision of waste water processing services. On 25 April 2019, the Group entered into an agreement with 中山希高房地產有限公司, (the “中山希高”), pursuant to which 中山希高 agreed to inject RMB98,000,000 (equivalent to HK\$109,397,000) into Zhongshan Haitao in form of equity and shareholder's loan for 49% equity interest in Zhongshan Haitao. Due to the delay in administrative procedures, the deemed disposal of 49% equity interest was completed on 20 August 2020.

The major classes of assets and liabilities of Zhongshan Haitao at the end of the reporting period which have been presented separately in the interim condensed consolidated financial statements for the six months ended 30 June 2019, as follows:

14 分類為持作出售的出售組別的資產／出售附屬公司

(a) 中山海滔

於截至二零一九年六月三十日止六個月，本集團決定出售其於中山海滔（本集團之間接全資附屬公司）之股權，以降低本集團之債務水平。中山海滔主要從事供應工業用水及提供污水加工服務。於二零一九年四月二十五日，本集團與中山希高房地產有限公司（「中山希高」）訂立協議，據此中山希高同意以股權及股東貸款之形式向中山海滔注資人民幣98,000,000元（相當於109,397,000港元），以取得中山海滔之49%股權。由於行政程序延遲，49%股權的視作出售已於二零二零年八月二十日完成。

已於截至二零一九年六月三十日止六個月之中期簡明綜合財務報表單獨呈列之中山海滔於報告期末之資產及負債之主要類別如下：

		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
Assets	資產	
Property, plant and equipment	物業、廠房及設備	145,302
Right-of-use assets	使用權資產	18,526
Inventories	存貨	624
Trade receivables	應收貿易款項	21,299
Other receivables and prepayments	其他應收款項及預付款項	32,960
Bank and cash balances	銀行及現金結餘	3,110
Assets directly associated with assets classified as held for sale	與分類為持作出售資產直接相關之資產	221,821
Amounts due from group companies eliminated upon consolidation	合併時抵銷之應收集團公司款項	9,997
Total assets of Zhongshan Haitao	中山海滔之資產總值	231,818

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

14 ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/DISPOSAL OF SUBSIDIARIES (Cont'd)

(a) Zhongshan Haitao (Cont'd)

		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
Liabilities	負債	
Trade payables	貿易應付款項	10,383
Other payables and accruals	其他應付款項及應計費用	29,145
Deferred tax liabilities	遞延稅項負債	2,399
Liabilities directly associated with assets classified as held for sale	與分類為持作出售資產直接相關之負債	41,927
Amounts due to group companies eliminated upon consolidation	綜合入賬時對銷之應付集團公司款項	234,076
Total liabilities of Zhongshan Haitao	中山海滔之負債總額	276,003

Upon the completion of deemed disposal of 49% equity interest in Zhongshan Haitao, the Group classified the remaining 51% equity interest in Zhongshan Haitao as interest in a joint venture as any significant fund payments and decision making of Zhongshan Haitao shall be jointly approved and agreed with the purchaser. Therefore, the present directors consider that the Group has lost control over this subsidiary.

As at 30 June 2019, the equity interest in Zhongshan Haitao was pledged to secure the bank loans granted to the Group.

14 分類為持作出售的出售組別的資產／出售附屬公司 (續)

(a) 中山海滔 (續)

於完成視作出售於中山海滔之49%股權後，本集團已將於中山海滔之餘下51%股權分類為於合營企業之權益，此乃由於中山海滔之重大資金付款及決策須獲買方共同批准及同意。因此，現任董事認為，本集團已失去對該附屬公司之控制權。

於二零一九年六月三十日，於中山海滔之股權已質押，作為授予本集團的銀行貸款的抵押。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

14 ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/DISPOSAL OF SUBSIDIARIES (Cont'd)

(b) Disposal of Xintao Investment Co. Ltd.

During the period ended 30 June 2019, the Group disposed of 50% equity interest in Xintao Investment Co. Ltd. and its subsidiaries ("Xintao Group") to Agile Eco Technology (Hong Kong) limited, an independent third party, at a total cash consideration of RMB563,000,000 (equivalent to HK\$640,469,000). The assets and liabilities of Xintao Group was classified as held for sale as at 31 December 2018.

The effect of the disposal on the Group's assets and liabilities is set out below:

14 分類為持作出售的出售組別的資產／出售附屬公司 (續)

(b) 出售新滔投資有限公司

截至二零一九年六月三十日止期間，本集團向雅居樂生態環保科技(香港)有限公司(一名獨立第三方)出售新滔投資有限公司及其附屬公司(「新滔集團」)之50%股權，現金代價總額為人民幣563,000,000元(相當於640,469,000港元)。新滔集團之資產及負債於二零一八年十二月三十一日分類為持作出售。

出售對本集團資產及負債之影響載列如下：

		Carrying amount as at the date of disposal 於出售日期的賬面值 HK\$'000 千港元
Total consideration	代價總額	640,469
Net assets disposed of	已出售資產淨值	(1,317,642)
Carrying amount of 50% equity interest retained and classified as assets held for sale (note)	保留及分類為持作出售資產的50%股權之賬面值(附註)	694,341
Release of exchange reserve	匯兌儲備解除	(3,298)
Transaction costs	交易成本	(10,971)
Gain on disposal	出售收益	2,899
Property, plant equipment	物業、廠房及設備	1,082,637
Right-of-use assets	使用權資產	45,389
Other non-current assets	其他非流動資產	43,537
Inventories	存貨	3,181
Trade and other receivables	貿易及其他應收款項	319,515
Bank and cash balances	銀行及現金結餘	236,196
Trade and other payable	貿易及其他應付款項	(364,678)
Current tax liabilities	即期稅項負債	(40,342)
Deferred income	遞延收入	(7,793)
Net assets disposed of	已出售資產淨值	1,317,642

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

14 ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/DISPOSAL OF SUBSIDIARIES (Cont'd)

(b) Disposal of Xintao Investment Co. Ltd. (Cont'd)

Note:

The carrying amount of 50% equity interest retained represented the subsequent disposal consideration of RMB620,000,000 less costs of disposal. Subsequent disposal was completed on 19 December 2019.

		HK\$'000 千港元
<hr/>		
i) <i>Analysis of the net cash inflow from the disposal of subsidiaries</i>	i) 出售附屬公司之現金流入淨額分析	
Consideration	代價	640,469
Less:	減:	
Deposit received in 2018	於二零一八年收取之按金	(400,000)
Bank and cash balance disposed of	已出售之銀行及現金結餘	(236,196)
<hr/>		
Net cash inflow	現金流入淨額	4,273
<hr/>		

(c) Disposal of 廣州綠滔環境治理有限公司

During the period ended 30 June 2019, 中滔(廣州)生態環境治理有限公司 entered into an agreement to dispose of the entire 68% equity interest in 廣州綠滔環境治理有限公司 at a consideration of RMB1,360,000 (equivalent to HK\$1,546,000). All the assets and liabilities of 廣州綠滔 have been derecognised upon disposal and a gain of disposal was amounted to HK\$1,064,000.

14 分類為持作出售的出售組別的資產／出售附屬公司 (續)

(b) 出售新滔投資有限公司 (續)

附註:

保留50%股權之賬面值指其後出售代價人民幣620,000,000元減出售成本。其後出售於二零一九年十二月十九日完成。

(c) 出售廣州綠滔環境治理有限公司

截至二零一九年六月三十日止期間，中滔(廣州)生態環境治理有限公司訂立協議，以出售廣州綠滔環境治理有限公司之全部68%股權，代價為人民幣1,360,000元(相當於1,546,000港元)。於出售後，已終止確認廣州綠滔的所有資產及負債，而出售收益為1,064,000港元。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

15 TRADE AND OTHER PAYABLES

15 貿易及其他應付款項

		At 30 June 2019 於 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2018 於 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Trade payables	貿易應付款項	8,951	62,309
Other payables and accruals	其他應付款項及應計費用	382,356	157,812
Other payable for construction costs	建築成本之其他應付款項	156,602	206,090
Deposit received for property development	已就物業發展收取之按金	113,680	114,130
Other tax payable	其他應付稅項	46,498	70,002
Interest payable	應付利息	-	3,259
Amount due to companies controlled by a former director	應付前董事控制之公司款項	2,425	2,433
Amount due to a non-controlling shareholder	應付一名非控股股東款項	39,788	39,946
Amounts due to related parties	應付關聯方款項	16,947	20,404
		767,247	676,385

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

所有貿易及其他應付款項預期將於一年內結算或按要求償還。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

15 TRADE AND OTHER PAYABLES (Cont'd)

The credit period granted by the suppliers ranges from 30 days to 90 days. As at the end of the reporting period, the aging analysis of trade payables, including those classified as part of a disposal group classified as held for sale, based on the invoice date, is as follows:

15 貿易及其他應付款項 (續)

供應商授出的信貸期介乎30日至90日不等。於報告期末，貿易應付款項（包括該等分類為持作出售之出售組別一部分者）按發票日期的賬齡分析如下：

		At 30 June 2019 於 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2018 於 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Within 1 month	一個月內	10,111	55,921
1 to 3 months	一至三個月	4,229	22,400
Over 3 months but within 1 year	超過三個月但一年內	1,950	16,015
Over 1 year	超過一年	3,044	10,474
		19,334	104,810
Less: Reclassified to liabilities directly associated with assets classified held for sale	減：重新分類至與分類為持作出售資產直接相關之負債	(10,383)	(42,501)
		8,951	62,309

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

16 BANK LOANS

16 銀行貸款

		At 30 June 2019 於 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2018 於 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Secured bank loans	有抵押銀行貸款	2,141,653	2,467,990
Unsecured bank loans	無抵押銀行貸款	277,475	327,118
		2,419,128	2,795,108

The bank loans were repayable as follows:

應償還銀行貸款如下：

		At 30 June 2019 於 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2018 於 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Within 1 year	一年內	1,269,053	1,257,005
More than 1 year but not exceeding 2 years	超過一年，但不超過兩年	480,763	484,363
More than 2 years but not exceeding 5 years	超過兩年，但不超過五年	427,742	673,198
More than 5 years	超過五年	241,570	380,542
Total	總計	2,419,128	2,795,108
Portion of bank loans that were in breach of loan agreements and repayable on demand	已違反貸款協議及須按要求償還之銀行貸款部分	(2,419,128)	(2,795,108)
Amounts due for settlement after 12 months	於12個月後到期結算之金額	-	-

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

16 BANK LOANS (Cont'd)

Further analysis on the bank loans as at 30 June 2019

		At 30 June 2019 於 二零一九年 六月三十日 HK\$'000 千港元	At 31 December 2018 於 二零一八年 十二月三十一日 HK\$'000 千港元
Bank A	銀行A	277,475	327,118
Bank B	銀行B	257,890	258,910
Bank C	銀行C	83,468	113,557
Bank D	銀行D	-	228,260
Bank E	銀行E	1,800,295	1,867,263
		2,419,128	2,795,108

Note:

As all the bank loans were either overdue, in default or in cross default, all the bank loans were classified as current liabilities as at 30 June 2019 and 31 December 2018.

- (i) Bank loans of the Group as at 30 June 2019 were with floating interest rates ranging from 3.7% to 7.72% (31 December 2018: 3.70% to 6.37%) per annum.
- (ii) Bank loans as at 30 June 2019 and 31 December 2018 were secured by certain of the Group's charge rights of water supply, wastewater processing and waste processing; property, plant and equipment (note 9); lease prepayments (note 10); right-of-use assets (note 11) and the equity interests of Qingyuan Lvyou, Guangzhou Yinglong and Guangzhou Liangang Vessel Wastewater Treatment Co., Limited ("Guangzhou Liangang").

Bank loans amounted to HK\$84,380,000 as at 30 June 2019 were guaranteed by a former shareholder of Guangzhou Yinglong (31 December 2018: HK\$84,714,000).

Bank loans amounted to HK\$1,090,047 as at 30 June 2019 were guaranteed by a controlling shareholder of the Group (31 December 2018: HK\$1,174,022).

16 銀行貸款 (續)

於二零一九年六月三十日之銀行貸款之進一步分析

		At 30 June 2019 於 二零一九年 六月三十日 HK\$'000 千港元	At 31 December 2018 於 二零一八年 十二月三十一日 HK\$'000 千港元
Bank A	銀行A	277,475	327,118
Bank B	銀行B	257,890	258,910
Bank C	銀行C	83,468	113,557
Bank D	銀行D	-	228,260
Bank E	銀行E	1,800,295	1,867,263
		2,419,128	2,795,108

附註：

由於所有銀行貸款均為逾期、違約或交叉違約，故所有銀行貸款已於二零一九年六月三十日及二零一八年十二月三十一日被分類為流動負債。

- (i) 於二零一九年六月三十日，本集團之銀行貸款按年利率介乎3.7%至7.72%之浮動利率計息（二零一八年十二月三十一日：3.70%至6.37%）。
- (ii) 於二零一九年六月三十日及二零一八年十二月三十一日的銀行貸款乃以本集團若干供水、污水處理及廢物處理的收費權；物業、廠房及設備（附註9）；租賃預付款項（附註10）；使用權資產（附註11）；以及清遠綠由、廣州盈隆及廣州市蓮港船舶清油有限公司（「廣州蓮港」）的股權作抵押。

於二零一九年六月三十日之金額為84,380,000港元之銀行貸款由廣州盈隆之前股東作擔保（二零一八年十二月三十一日：84,714,000港元）。

於二零一九年六月三十日金額為1,090,047港元之銀行貸款已由本集團之控股股東作擔保（二零一八年十二月三十一日：1,174,022港元）。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

17 OTHER BORROWINGS

17 其他借款

		At 30 June 2019 於二零一九年 六月 三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月 三十一日 HK\$'000 千港元
LOAN A	貸款A		
<i>Interest bearing</i>	<i>計息</i>		
- Loans principal	- 貸款本金	185,000	185,000
- Accrued interest	- 應計利息	29,798	12,183
		(a) 214,798	197,183
LOANS B	貸款B		
<i>Non-interest bearing</i>	<i>不計息</i>		
- Loan from Mr. Gu Yaokun	- 來自古耀坤先生之貸款	(b) 3,700	3,700
- Other parties	- 其他人士	(b) 6,820	11,413
		10,520	15,113
		225,318	212,296

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

17 OTHER BORROWINGS (Cont'd)

a) Loan A

On 26 June 2018, the Company entered into an loan agreement with an independent third party (the “Individual”) (the “First Loan Agreement”) pursuant to which the Company borrowed HK\$50,000,000 for one calendar month from the Individual (the “First Loan”). The First Loan together with interest shall be repaid on or before 26 July 2018. The First Loan bears interest at 30% per annum (2.5% per month).

On 19 July 2018, the Company entered into another loan agreement with the Individual (the “Second Loan Agreement”) pursuant to which the Company borrowed HK\$135,000,000 for two calendar months from the Individual (the “Second Loan”). The Second Loan together with interest shall be repaid on or before 19 September 2018. The Second Loan bears interest at 30% per annum (2.5% per month).

On 26 July 2018, the maturity date of the First Loan, the Company entered into a third loan agreement with the individual (the “Third Loan Agreement”) to extend the First Loan of HK\$50,000,000 (the “Third Loan”) for a period of two calendar months. The Third Loan together with interest shall be repaid on or before 26 September 2018. The Third Loan bears interest at 30% per annum (2.5% per month).

All the above loans were guaranteed by Mr. Tsui.

17 其他借款 (續)

a) 貸款A

於二零一八年六月二十六日，本公司與一名獨立第三方（「該個人」）訂立貸款協議（「第一份貸款協議」），據此，本公司向該個人借入50,000,000港元，為期一個曆月（「第一筆貸款」）。第一筆貸款連同利息須於二零一八年七月二十六日或之前償還。第一筆貸款的年利率為30%（每月2.5%）。

於二零一八年七月十九日，本公司與該個人訂立另一份貸款協議（「第二份貸款協議」），據此，本公司向該個人借入135,000,000港元，為期兩個曆月（「第二筆貸款」）。第二筆貸款連同利息須於二零一八年九月十九日或之前償還。第二筆貸款的年利率為30%（每月2.5%）。

於二零一八年七月二十六日（即第一筆貸款之到期日），本公司與該個人訂立第三份貸款協議（「第三份貸款協議」），以延長第一筆貸款50,000,000港元（「第三筆貸款」），為期兩個曆月。第三筆貸款連同利息須於二零一八年九月二十六日或之前償還。第三筆貸款的年利率為30%（每月2.5%）。

上述所有貸款均由徐先生擔保。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

17 OTHER BORROWINGS (Cont'd)

a) Loan A (Cont'd)

Upon the respective maturity date, the Company failed to make repayments of the Second and the Third Loans. On 16 October 2019, the Individual made a formal demand for the repayment of the Second and Third Loans together with accrued interests. On 23 October 2019, the Company received a writ of summons from the High Court of Hong Kong pursuant to which the Individual made a claim against the Company and Mr. Tsui for repayment of the outstanding loan principal totalling HK\$185,000,000 together with accrued interest calculated.

In the final judgment dated 17 January 2020 issued by the High Court of Hong Kong (the "Judgment"), the Company and Mr. Tsui were ordered to pay the Individual:

- (i) the sum of HK\$130,375,000 together with interest thereon at 30% per annum calculated daily on a 365-day basis from 20 July 2018, less HK\$11,710,135 being interest payment received until the date full payment is received;
- (ii) the sum of HK\$50,000,000 together with interest thereon at 30% per annum calculated on a 365-day basis from 26 July 2018, less HK\$6,267,123 being interest payments received until the date full payment is received; and
- (iii) costs of HK\$11,545.

On 20 July 2020, the Individual informed the Company that if the judgment debt together with interest and costs were not settled by 30 September 2020, the Individual shall enforce the Judgment dated 17 January 2020 and take further actions including but not limited to winding up the Company and issue a bankruptcy petition against Mr. Tsui without further notice.

Up to the date of approval of these interim condensed consolidated financial statements, no repayment was made by the Group and the individual has not taken any action to enforce the judgment.

17 其他借款 (續)

a) 貸款A (續)

於各到期日，本公司未能償還第二筆及第三筆貸款。於二零一九年十月十六日，該個人正式要求償還第二筆及第三筆貸款連同應計利息。於二零一九年十月二十三日，本公司接獲香港高等法院的傳訊令狀，據此，該個人向本公司及徐先生申索償還合共185,000,000港元的未償還貸款本金連同所計算的應計利息。

於香港高等法院於二零二零年一月十七日頒佈的最終判決（「判決」）中，本公司及徐先生被頒令向該個人支付：

- (i) 130,375,000港元之款項，連同其由二零一八年七月二十日起以365日基準按年利率30%每日計算之利息，減11,710,135港元（即直至收取悉數付款日期前已收取之利息付款）；
- (ii) 50,000,000港元之款項，連同其由二零一八年七月二十六日起以365日基準按年利率30%每日計算之利息，減6,267,123港元（即直至收取悉數付款日期前已收取之利息付款）；及
- (iii) 訟費11,545港元。

於二零二零年七月二十日，該個人知會本公司，倘判決債務連同利息及訟費並未於二零二零年九月三十日前清償，則該個人將強制執行日期為二零二零年一月十七日的該判決，並採取進一步行動（包括但不限於將本公司清盤及向徐先生發出破產呈請），而不會另行通知。

直至本中期簡明綜合財務報表獲批准日期，本集團並無作出還款，而該名個人未有採取任何行動以強制執行判決。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

17 OTHER BORROWINGS (Cont'd)

b) Loans B

The loans were unsecured and non-interest bearing. Other than the loan from Mr. Gu Yaokun of HK\$3,700,000 with a term of one month, all the other loans were repayable on demand. The loan from Mr. Gu Yaokun of HK\$3,700,000 was overdue as at 30 June 2019 and 31 December 2018.

18 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

(i) Issued share capital of the Company

		Number of shares 股份數目	'000 千股	HK\$'000 千港元
At 1 January 2018,	於二零一八年一月一日、			
31 December 2018 and	二零一八年十二月三十一日			
30 June 2019	及二零一九年六月三十日	6,316,792		157,920

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

17 其他借款(續)

b) 貸款B

貸款為無抵押及不計息。除來自古耀坤先生之貸款3,700,000港元期限為一個月外，所有其他貸款均按的要求償還。來自古耀坤先生之貸款3,700,000港元已於二零一九年六月三十日及二零一八年十二月三十一日逾期。

18 資本、儲備及股息

(a) 股本

(i) 本公司已發行股本

普通股持有人有權收取不時宣派的股息，並於本公司大會上享有每股一票投票權。就本公司的剩餘資產而言，所有普通股享有同等地位。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

18 CAPITAL, RESERVES AND DIVIDENDS (Cont'd)

(a) Share capital (Cont'd)

(ii) Shares held under Share Award Scheme

On 12 November 2015, the Board of Directors of the Company approved the adoption of a share award scheme (the "Share Award Scheme") under which shares of the Company (the "Awarded Shares") may be awarded to selected employees (the "Selected Employees") in accordance with the provisions of the Share Award Scheme.

Details of the shares held under the Share Award Scheme are set out below:

		Average purchase price 平均購買價 HK\$ 港元	No. of shares held 持有股份數目 '000 千股	Value of shares 股份價值 HK\$'000 千港元
At 1 January 2018	於二零一八年 一月一日		30,240	52,614
Shares purchased during the period	期內購入股份		4,968	1,523
At 31 December 2018, at 1 January 2019 and 30 June 2019	於二零一八年十二月 三十一日、 二零一九年一月 一日及二零一九年 六月三十日		35,208	54,137

During the six months ended 30 June 2019 and 2018, no shares were granted by the Company under the Share Award Scheme.

No share award expenses was recognised by the Group during the six months ended 30 June 2019 and 2018.

16 資本、儲備及股息(續)

(a) 股本(續)

(ii) 根據股份獎勵計劃持有之股份

於二零一五年十一月十二日，本公司董事會批准採納股份獎勵計劃(「股份獎勵計劃」)，據此，根據股份獎勵計劃之條文，本公司股份(「獎勵股份」)可獎勵予獲選僱員(「獲選僱員」)。

根據股份獎勵計劃持有之股份詳情載列如下：

截至二零一九年及二零一八年六月三十日止六個月，本公司並無根據股份獎勵計劃授出股份。

截至二零一九年及二零一八年六月三十日止六個月，本集團並無確認股份獎勵費用。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

18 CAPITAL, RESERVES AND DIVIDENDS (Cont'd)

(b) Dividends

- (i) Dividends payable to equity shareholders of the Company attributable to the interim period:

Interim dividend of HK\$ Nil per ordinary share declared after the interim period (2018: Interim dividend of HK\$0.0096 per ordinary share)

中期期間後宣派中期股息每股普通股零港元 (二零一八年：中期股息每股普通股0.0096港元)

The interim dividend has not been recognised as a liability at the end of the reporting period.

- (ii) Dividends payable to owners of the Company attributable to the previous financial year, approved and paid during the interim period:

Final dividend in respect of the previous financial year of HK\$ Nil per ordinary share and a special dividend of HK\$0.0198 per ordinary share (six months ended 30 June 2018: final dividend in respect of the previous financial year of HK\$0.0095 per ordinary share and a special dividend of HK\$0.0198 per ordinary share)

過往財政年度之末期股息每股普通股零港元及特別股息每股普通股0.0198港元 (截至二零一八年六月三十日止六個月：過往財政年度之末期股息每股普通股0.0095港元及特別股息每股普通股0.0198港元)

18 資本、儲備及股息 (續)

(b) 股息

- (i) 中期期間應佔應付本公司權益股東股息：

Six months ended 30 June
截至六月三十日止六個月

2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
-	60,641

中期股息於報告期末尚未確認為負債。

- (ii) 過往財政年度應佔並於中期期間內批准及支付的應付本公司擁有人股息：

Six months ended 30 June
截至六月三十日止六個月

2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (Restated) (經重列)
-	184,352

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

19 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2019 and 31 December 2018.

20 COMMITMENTS

(a) Capital commitments outstanding not provided for in the interim condensed consolidated financial statements:

		At 30 June 2019 於 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2018 於 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Contracted for	已訂約	153,964	381,440
Authorised but not contracted for	已批准但未訂約	-	-
		153,964	381,440

(b) Operating lease commitments

The total future minimum lease payments under operating leases were payable as follows:

		At 30 June 2019 於 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2018 於 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Within 1 year	一年內	636	29,558
After 1 year but within 5 years	一年後但五年內	-	43,681
After 5 years	五年後	-	24,248
		636	97,487

Operating leases mainly represent a land use right leasing arrangement with a total leasing period of 16 years.

19 金融工具公平值計量

於二零一九年六月三十日及二零一八年十二月三十一日，本集團按成本或攤銷成本列賬的金融工具的賬面值與其公平值並無重大不同。

20 承擔

(a) 尚未清償且並無於中期簡明綜合財務報表撥備的資本承擔：

		At 30 June 2019 於 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2018 於 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Contracted for	已訂約	153,964	381,440
Authorised but not contracted for	已批准但未訂約	-	-
		153,964	381,440

(b) 經營租賃承擔

根據經營租賃應付之未來最低租賃付款總額如下：

		At 30 June 2019 於 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2018 於 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Within 1 year	一年內	636	29,558
After 1 year but within 5 years	一年後但五年內	-	43,681
After 5 years	五年後	-	24,248
		636	97,487

經營租賃主要指總租期為16年的土地使用權租賃安排。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

21 MATERIAL RELATED PARTY TRANSACTIONS

The directors are of the view that related parties of the Group include the following individuals/companies:

21 重大關聯方交易

董事認為本集團的關聯方包括以下人士／公司：

Name of related party 關聯方姓名／名稱	Relationship with the Group 與本集團的關係
Mr. Tsui Cham To 徐湛滔先生	Controlling Shareholder, a former director and former Chairman 控股股東、前董事及前主席
Mr. Xu Juwen 徐炬文先生	Executive Director 執行董事
Mr. Gu Yaokun (note ii) 古耀坤先生(附註ii)	A minority shareholder of the Company/ a former Executive Director 本公司少數股東／前執行董事
Mr. Xu Zhencheng (note iii) 許振成先生(附註iii)	Key management personnel 主要管理人員
Guangzhou To Kee (廣州滔記實業發展集團有限公司) (note (i)) 廣州滔記(附註(i))	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Guangzhou Tian Tian Cleaning and Washing Company Limited ("Tian Tian") (廣州天天快潔洗滌有限公司) (note (i)) 廣州天天快潔洗滌有限公司(「天天」)(附註(i))	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Longmen Yagang Copper Company Limited (「Longmen Copper」)(龍門亞鋼銅業有限公司) (note (i)) 龍門亞鋼銅業有限公司(「龍門銅業」)(附註(i))	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Haiqin Tiancheng (廣州海沁天誠技術檢測服務有限公司) (note (i)) 海沁天誠(附註(i))	Joint Venture of the Group 本集團合營企業

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

21 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

21 重大關聯方交易(續)

Name of related party 關聯方姓名／名稱	Relationship with the Group 與本集團的關係
Guangzhou Haiqin Tiancheng Environmental Consultancy Company Limited (“Haiqin Tiancheng Consultancy”) (廣州市海沁天誠環境諮詢有限公司) (note (i)) 廣州市海沁天誠環境諮詢有限公司 (「海沁天誠諮詢」) (附註(i))	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Zhuhai Yingrun Environmental Protection Technology Company Limited (“Zhuhai Yingrun”) (珠海市盈潤環保科技有限公司) (note (i)) 珠海市盈潤環保科技有限公司 (「珠海盈潤」) (附註(i))	Effectively owned by the close family member of Mr. Gu Yaokun 由古耀坤先生之關係密切的家庭成員實際擁有
Guangzhou Nansha Development Zone Lvjie Disposal Recycling Store (“Nansha Lvjie”) (廣州南沙開發區綠傑廢舊金屬物品回收站) (note (i)) 廣州南沙開發區綠傑廢舊金屬物品回收站 (「南沙綠傑」) (附註(i))	Effectively owned by Mr. Gu Yaokun 由古耀坤先生實際擁有
Guangzhou Panyu Luopu Kunrun Information Technology and Consulting Services Department (“Luopu Kunrun”) (廣州市番禺區洛浦坤潤資訊技術諮詢服務部) (note (i)) 廣州市番禺區洛浦坤潤資訊技術諮詢服務部 (「洛浦坤潤」) (附註(i))	Effectively owned by Mr. Gu Yaokun 由古耀坤先生實際擁有
Guangzhou Wofeng Biological Technology Company Limited (“Guangzhou Wofeng”) (廣州市沃豐生物科技有限公司) (note (i)) 廣州市沃豐生物科技有限公司 (「廣州沃豐」) (附註(i))	Effectively owned by Mr. Gu Yaokun 由古耀坤先生實際擁有

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

21 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

21 重大關聯方交易 (續)

Name of related party 關聯方姓名／名稱	Relationship with the Group 與本集團的關係
Guangzhou Lvchi Environmental Protection Technology Company Limited ("Guangzhou Lvchi") (廣州綠馳環保科技有限公司) (note (i)) 廣州綠馳環保科技有限公司 (「廣州綠馳」) (附註(i))	Effectively owned by Mr. Gu Yaokun 由古耀坤先生實際擁有
Guangzhou Lvhao Technology Service Company Limited ("Guangzhou Lvhao") (廣州綠灝技術服務有限公司) (note (i)) 廣州綠灝技術服務有限公司 (「廣州綠灝」) (附註(i))	Effectively owned by Mr. Gu Yaokun 由古耀坤先生實際擁有
Guangzhou Anjing Environmental Protection Technology Company Limited ("Guangzhou Anjing") (廣州市安淨環保科技有限公司) (note (i)) 廣州市安淨環保科技有限公司 (「廣州安淨」) (附註(i))	Effectively owned by Mr. Gu Yaokun 由古耀坤先生實際擁有
Guangzhou Lvcheng Industrial Company Limited ("Guangzhou Lvcheng") (廣州市綠城工業有限公司) (note (i)) 廣州市綠城工業有限公司 (「廣州綠城」) (附註(i))	Effectively owned by Mr. Gu Yaokun 由古耀坤先生實際擁有
Guangzhou Yanchen Zhili Profession Company Limited ("Guangzhou Yanchen Zhili") (廣州煙塵治理專業有限公司) (note (i)) 廣州煙塵治理專業有限公司 (「廣州煙塵治理」) (附註(i))	Mr. Tsui Cham To is a member of key management personnel of the entity 徐湛滔先生為該實體的主要管理人員之一
Hengyang Lvtao Environmental Ceramsite Equipment Company Limited ("Hengyang Lvtao") (衡陽綠陶環保陶粒設備有限公司) (note (i)) 衡陽綠陶環保陶粒設備有限公司 (「衡陽綠陶」) (附註(i))	Mr. Gu Yaokun is a member of key management personnel of the entity 古耀坤先生為該實體的主要管理人員之一

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

21 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

21 重大關聯方交易 (續)

Name of related party 關聯方姓名／名稱	Relationship with the Group 與本集團的關係
Guangzhou Changbao Environmental Management Company Limited (“Guangzhou Changbao”) (廣州昌寶環境治理有限公司) (notes (i) & (iii)) 廣州昌寶環境治理有限公司 (「廣州昌寶」) (附註(i)及(iii))	Mr. Xu Zhencheng is a member of key management personnel of the entity 許振成先生為該實體的主要管理人員之一
Guangzhou Hengqin Environmental Protection Technology Company Limited (“Guangzhou Hengqin”) (廣州恒沁環保科技有限公司) (note (i) & (iii)) 廣州恒沁環保科技有限公司 (「廣州恒沁」) (附註(i)及(iii))	Mr. Xu Zhencheng is a member of key management personnel of the entity 許振成先生為該實體的主要管理人員之一
Guangzhou Longdao Investment Company Limited (“Guangzhou Longdao”) (廣州隆道投資有限責任公司) (note (i)) 廣州隆道投資有限責任公司 (「廣州隆道」) (附註(i))	Effectively owned by key management personnel 由主要管理人員實際擁有
Longmen Hutiao Station Company Limited (“Longmen Hutiao Station”) (龍門虎跳電站有限公司) (note (i)) 龍門虎跳電站有限公司 (「龍門虎跳電站」) (附註(i))	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Guangzhou Zhongtao (note a) (廣州中滔) (note (i)) 廣州中滔 (附註a) (附註(i))	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Golden Oasis China Development Limited (“Golden Oasis”) (金海中國發展有限公司) (「金海」)	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Silver Badge Limited (“Silver Badge”) (Silver Badge Limited) (「Silver Badge」)	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Keen Vast Holdings Limited (“Keen Vast”) (建大控股有限公司) (「建大」)	Effectively owned by the Controlling Shareholder and ultimate holding company 由控股股東及最終控股公司實際擁有

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

21 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

21 重大關聯方交易(續)

Name of related party 關聯方姓名／名稱	Relationship with the Group 與本集團的關係
Guangzhou Xizhou Port Company Limited ("Xizhou Port") (note (i)) 廣州西洲碼頭有限公司(「西洲碼頭」)(附註(i))	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Guangyuan Taoji Textile Company Limited ("Guangyuan Taoji") (note (i)) 廣元滔記紡織有限公司(「廣元滔記」)(附註(i))	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Guangyuan Haitao Textile Company Limited ("Guangyuan Haitao") (note (i)) 廣元海滔紡織有限公司(「廣元海滔」)(附註(i))	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Guangzhou Xinyiduo Investment Company Limited ("Guangzhou Xinyiduo") (note (i)) 廣州市新益多投資股份有限公司(「廣州新益多」) (附註(i))	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Zengcheng Waijing Trading Company Limited ("Zengcheng Waijing") (note (i)) 增城市外經貿易有限公司(「增城外經」)(附註(i))	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Guangzhou Weihang Trading Development Company Limited ("Guangzhou Weihang") (note (i)) 廣州威航貿易發展有限公司(「廣州威航」)(附註(i))	Mr. Tsui is a member of key management personnel of the entity 徐先生為該實體的主要管理人員之一

Notes:

- (i) The English translation of the names is for reference only. The official names of these companies are in Chinese.
- (ii) Mr. Gu Yaokun resigned as executive director on 24 May 2018.
- (iii) Mr. Xu Zhencheng was appointed as executive director on 24 August 2017 and resigned on 8 November 2018.

附註：

- (i) 英文版中名稱的英譯僅供參考。該等公司的官方名稱為中文名稱。
- (ii) 古耀坤先生於二零一八年五月二十四日辭任執行董事。
- (iii) 許振成先生於二零一七年八月二十四日獲委任為執行董事，並於二零一八年十一月八日辭任。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

21 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group is as follows:

21 重大關聯方交易(續)

(a) 主要管理人員酬金

本集團主要管理人員酬金如下:

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
Salaries and other benefits	薪金及其他福利	4,974	6,540
Retirement scheme of defined contribution	界定供款退休計劃	174	117
		5,148	6,657

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

21 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

(b) Particulars of significant transactions between the Group and the above related parties during the reporting period are as follows:

21 重大關聯方交易 (續)

(b) 於報告期間內，本集團與上述關聯方所進行的重大交易詳情如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
Receipt of technical testing services from Haiqin Tiancheng	自海沁天誠獲得的技術檢測服務	219	609
Receipt of consulting services from	自以下公司獲得的諮詢服務		
– Haiqin Tiancheng Consultancy	– 海沁天誠諮詢	–	787
– Guangzhou Changbao	– 廣州昌寶	–	1,251
Receipt of consultancy services from Luopu Kunrun	自洛浦坤潤獲得的諮詢服務	221	–
Lease obligations payable to Guangzhou Yanchen Zhili	向廣州煙塵治理應付租賃承擔	5,115	–
Advertising expenses to Guangzhou Yanchen Zhili	向廣州煙塵治理支付的廣告開支	6,254	–
– Interest on other borrowings paid by Guangzhou To Kee	– 廣州滔記所支付的其他借款利息	10,047	–
– Expenses paid by Mr. Tsui Cham To	– 徐湛滔先生所支付的開支	4,728	–

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

21 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

(b) Particulars of significant transactions between the Group and the above related parties during the reporting period are as follows: (Cont'd)

21 重大關聯方交易(續)

(b) 於報告期間內，本集團與上述關聯方所進行的重大交易詳情如下：(續)

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
Transfer the title of certain assets from Mr. Gu Yaokun	古耀坤先生轉讓若干資產之所有權	-	159,156

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
Payments to:	向以下各方作出的付款：		
- Guangzhou To Kee	- 廣州滔記	413	-
- Zengcheng Waijing	- 增城外經	568	-
- Guangyuan Haitao	- 廣元海滔	852	-
- Mr. Tsui Cham To	- 徐湛滔先生	510	-
- Guangzhou Weihang	- 廣州威航	6,033	-
- Haiqin Tiancheng	- 海沁天誠	162	-
- Longmen Copper	- 龍門銅業	6	-
- Guangzhou Xinyiduo	- 廣州新益多	9,086	-
- Xizhou Port	- 西洲碼頭	7,494	-

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

21 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

- (b) Particulars of significant transactions between the Group and the above related parties during the reporting period are as follows: (Cont'd)

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
Payments from:	來自以下各方的付款：		
- Mr. Tsui Cham To	- 徐湛滔先生	870	225,000
- Guangzhou To Kee	- 廣州滔記	23,617	-

(c) Balance with related parties

- (i) Amounts due from related parties

		At 30 June 2019 於 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2018 於 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Current	即期		
Trade receivables from:	應收以下各方貿易款項：		
- Tian Tian	- 天天	1,785	1,792
Sub-total	小計	1,785	1,792

21 重大關聯方交易 (續)

- (b) 於報告期間內，本集團與上述關聯方所進行的重大交易詳情如下：(續)

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
Payments from:	來自以下各方的付款：		
- Mr. Tsui Cham To	- 徐湛滔先生	870	225,000
- Guangzhou To Kee	- 廣州滔記	23,617	-

(c) 與關聯方的結餘

- (i) 應收關聯方款項

		At 30 June 2019 於 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2018 於 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Current	即期		
Trade receivables from:	應收以下各方貿易款項：		
- Tian Tian	- 天天	1,785	1,792
Sub-total	小計	1,785	1,792

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

21 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

(c) Balance with related parties (Cont'd)

(i) Amounts due from related parties (Cont'd)

		At 30 June 2019 於 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2018 於 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Other receivables from:	其他應收以下各方款項：		
- Haiqin Tiancheng Consultancy	- 海沁天誠諮詢	67	95
- Zhuhai Yingrun	- 珠海盈潤	-	109
- Guangzhou Longdao	- 廣州隆道	-	5,043
- Longmen Copper	- 龍門銅業	11	6
- Guangzhou Weihang	- 廣州威航	21,495	15,407
- Haiqin Tiancheng	- 海沁天誠	382	359
Sub-total	小計	21,955	21,019
Total	總計	23,740	22,811
Less: Impairment loss	減：減值虧損	(3,979)	(3,994)
		19,761	18,817

21 重大關聯方交易 (續)

(c) 與關聯方的結餘 (續)

(i) 應收關聯方款項 (續)

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

21 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

(c) Balance with related parties (Cont'd)

(ii) Amounts due to related parties

		At 30 June 2019 於 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2018 於 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Other payables to:	其他應付以下各方款項：		
- Hengyang Lvtao	- 衡陽綠陶	-	241
- Nansha Lvjie	- 南沙綠傑	-	1,989
- Guangzhou Wofeng	- 廣州沃豐	-	705
- Guangzhou Lvhao	- 廣州綠灝	-	3,400
- Guangzhou Anjing	- 廣州安淨	-	5,549
- Guangzhou Yanchen Zhili	- 廣州煙塵治理	-	5,811
- Luopu Kunrun	- 洛浦坤潤	16,947	2,351
- Guangzhou Lvchi	- 廣州綠馳	-	358
Total (note 15)	總計 (附註15)	16,947	20,404

The amounts due from/to the related parties are unsecured, interest-free and have no fixed repayment terms.

應收／應付關聯方的款項為無抵押、免息且無固定償還期限。

21 重大關聯方交易 (續)

(c) 與關聯方的結餘 (續)

(ii) 應付關聯方款項

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22 INDICTMENTS AND LEGAL PROCEEDINGS AGAINST THE GROUP AND INVESTIGATIONS

In April 2018, the local environmental authorities in the PRC conducted inspections on certain of the Group's subsidiaries and subsequently in 2019 廣州海滔環保科技有限公司 Guangzhou Haitao Environmental Protection Technology Company Limited ("Guangzhou Haitao"), 中山海滔環保科技有限公司 Zhongshan Haitao Environmental Protection Technology Company Limited ("Zhongshan Haitao") and 廣州市蓮港船舶清油有限公司 Guangzhou Liangang Vessel Wastewater Treatment Company Limited ("Guangzhou Liangang") and certain senior management members including Mr. Tsui and staff members were charged for, amongst others, fraudulent issuance of value-added tax invoices to customers, fabrication and falsification of certain contracts and other documents, the provision of false data for claiming environmental subsidies, illegal disposal of sludge, discharge of wastewater illegally, the deliberate non-performance of certain procedures when providing sludge treatment services and environmental pollution, during the period varying from 2015 to 2018.

22 針對本集團之起訴及法律訴訟及調查

於二零一八年四月，中國地方環境機關對若干本集團附屬公司進行檢查，其後於二零一九年廣州海滔環保科技有限公司（「廣州海滔」）、中山海滔環保科技有限公司（「中山海滔」）及廣州市蓮港船舶清油有限公司（「廣州蓮港」）及若干高級管理人員（包括徐先生及員工）被控於二零一五年至二零一八年不同期間（其中包括）向客戶虛開增值稅發票、捏造及偽造若干合約及其他文件、提供虛假數據申領環境補貼、非法傾倒污泥、非法排放污水及提供污泥處理服務時蓄意不履行若干程序及環境污染。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22 INDICTMENTS AND LEGAL PROCEEDINGS AGAINST THE GROUP AND INVESTIGATIONS (Cont'd)

An independent investigation committee was formed to conduct an investigation on the above matters. The investigation committee composed of the present independent non-executive directors who are independent of the matters under investigation. The details of the cases and the findings of the investigation are set out below:

The independent investigation committee also conducted an investigation on the payments to and receipts from Mr. Tsui and the companies controlled by him.

(a) Legal proceedings against Guangzhou Liangang Vessel Wastewater Treatment Company Limited (“Guangzhou Liangang”) by the local government authority in the PRC

On 9 April 2019, 廣東省廣州市南沙區人民檢察院 filed a bill of indictment against Guangzhou Liangang alleging that Guangzhou Liangang and its legal representative, Mr. Xu Juwen, a former director of the Company (a separate hearing is to be scheduled for Mr. Xu Juwen) and an accounting staff committed a criminal offence in the issue of false value added tax invoices to customers for claiming tax refund and deduction purpose during the period from January 2016 to December 2017 without providing any goods or services to its customers. The total amount of value added tax of the false VAT invoices were RMB5,650,000 (equivalent of HK\$6,448,000).

22 針對本集團之起訴及法律訴訟及調查(續)

獨立調查委員會經已成立，以對上述事宜進行調查。調查委員會由現任獨立非執行董事組成，其獨立於正在進行調查之事宜。案件及調查結果之詳情載列如下：

獨立調查委員會亦對向徐先生及其控制的公司的付款及收款進行調查。

(a) 中國地方政府機關針對廣州市蓮港船舶清油有限公司(「廣州蓮港」)之法律訴訟

於二零一九年四月九日，廣東省廣州市南沙區人民檢察院針對廣州蓮港提交起訴書，指稱廣州蓮港及其法定代表人徐炬文先生(本公司前董事)(預定對徐炬文先生進行獨立聆訊)及一名會計員工於二零一六年一月至二零一七年十二月期間內，於並無向客戶提供任何貨品或服務之情況下，向客戶發出虛假增值稅發票以申領退稅及扣稅用途，觸犯刑事罪行。虛假增值稅發票之增值稅總金額為人民幣5,650,000元(相當於6,448,000港元)。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22 INDICTMENTS AND LEGAL PROCEEDINGS AGAINST THE GROUP AND INVESTIGATIONS (Cont'd)

(a) Legal proceedings against Guangzhou Liangang Vessel Wastewater Treatment Company Limited (“Guangzhou Liangang”) by the local government authority in the PRC (Cont'd)

On 22 April 2019, 廣東省廣州市南沙區人民法院 the People’s Court of Nansha District, Guangzhou City, Guangdong Province, the PRC (the “Nansha Court”) delivered a judgment against Guangzhou Liangang and the accounting staff on the above case and ordered Guangzhou Liangang to pay a fine of RMB300,000 (equivalent of HK\$335,000). The accounting staff was sentenced to imprisonment with probation.

In addition, on 9 April 2019, 廣東省廣州市南沙區人民檢察院, filed another bill of indictment against Guangzhou Liangang alleging that Mr. Xu Juwen, Guangzhou Liangang and certain of its senior management members committed a criminal offence of environmental pollution by collaborating with a third party to deal with hazardous waste treatment illegally (a separate hearing is to be scheduled for Mr. Xu Juwen).

On 29 April 2020, the Nansha Court issued its judgment against Guangzhou Liangang for committing environmental pollution offences and fined Guangzhou Liangang a sum of RMB300,000 (equivalent to HK\$335,000) (the “Guangzhou Liangang Judgement”). The senior management members were sentenced for imprisonment plus penalty. After reviewing the Guangzhou Liangang Judgment with the PRC legal advisors, Guangzhou Liangang lodged an appeal against the Guangzhou Liangang Judgment but Guangzhou Liangang lost the appeal eventually.

22 針對本集團之起訴及法律訴訟及調查 (續)

(a) 中國地方政府機關針對廣州市蓮港船舶清油有限公司 (「廣州蓮港」) 之法律訴訟 (續)

於二零一九年四月二十二日，中國廣東省廣州市南沙區人民法院 (「南沙法院」) 就上述案件對廣州蓮港及該會計員工頒下判決，並頒令廣州蓮港支付罰款人民幣300,000元 (相當於335,000港元)。該會計人員被判緩刑入獄。

此外，於二零一九年四月九日，廣東省廣州市南沙區人民檢察院針對廣州蓮港提交另一份起訴書，指稱徐炬文先生、廣州蓮港及其若干高級管理人員與第三方合作以非法處理危險廢物，觸犯環境污染刑事罪行 (預定對徐炬文先生進行獨立聆訊)。

於二零二零年四月二十九日，南沙法院發出其對廣州蓮港觸犯環境污染罪行的判決及對廣州蓮港判處罰款人民幣300,000元 (相當於335,000港元) (「廣州蓮港判決」)。高級管理人員被判入獄，另加罰款。經與中國法律顧問審閱廣州蓮港判決後，廣州蓮港對廣州蓮港判決提出上訴，惟廣州蓮港最終上訴失敗。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22 INDICTMENTS AND LEGAL PROCEEDINGS AGAINST THE GROUP AND INVESTIGATIONS (Cont'd)

(a) Legal proceedings against Guangzhou Liangang Vessel Wastewater Treatment Company Limited (“Guangzhou Liangang”) by the local government authority in the PRC (Cont'd)

Findings of the investigation

The results of the investigation conducted by the investigation committee showed that Guangzhou Liangang issued 13 VAT invoices for a total amount of RMB5,650,000 (equivalent to HK\$6,448,000) in 2016 and 2017 to three companies without delivery of goods nor provision of any services. The three companies applied tax deduction based on the fraudulently issued VAT invoices and Guangzhou Liangang received the same amount of money from the three companies. The investigation committee is of the view that the fraudulent issuance of VAT invoices was a one-off event caused by the former management of Guangzhou Liangang. All the staff involved in the fraudulent issuance of VAT invoices no longer have any roles and responsibilities in the management or operations of any of the Company's subsidiaries.

According to the judgement dated 29 April 2020, during the period from January 2017 to April 2018, Guangzhou Liangang leased part of the premises and equipment to a company in Shenzhen (“Shenzhen Party”) for it to operate the “oil cleaning” business. Shenzhen Party illegally applied the “sulphuric acid clay method” to clean oil at the site and illegally provided the hazardous waste (white clay residue) produced in the oil cleaning process to a third party who did not possess a business license for such disposal, causing environmental pollution. The charge for Guangzhou Liangang was the provision to Shenzhen Party with services and conveniences to assist and ensure the smooth operation of Shenzhen Party's “oil cleaning” business.

22 針對本集團之起訴及法律訴訟及調查 (續)

(a) 中國地方政府機關針對廣州市蓮港船舶清油有限公司(「廣州蓮港」)之法律訴訟 (續)

調查結果

由調查委員會進行之調查之結果顯示廣州蓮港於二零一六年及二零一七年向三家公司開出13張增值稅發票，總金額人民幣5,650,000元(相當於6,448,000港元)，而概無交付貨品及提供任何服務。該三家公司根據虛開的增值稅發票申請扣稅，而廣州蓮港從該三家公司收取相同金額的款項。調查委員會認為，虛開增值稅發票為廣州蓮港前任管理層造成的一次性事件。涉及虛開增值稅發票的所有員工不再於本公司任何附屬公司的管理或營運中擔任任何職務及職責。

根據日期為二零二零年四月二十九日的判決，於二零一七年一月至二零一八年四月期間，廣州蓮港向一家深圳公司(「深圳方」)租賃部分物業及設備，以供其營運「清油」業務。深圳方非法應用「硫酸黏土法」在該場所進行清油，並非法將於清油過程中產生的有害廢物(白土殘渣)提供予並無擁有有關處置之營業執照之第三方，導致環境污染。廣州蓮港被控向深圳方提供服務及便利以協助並確保深圳方的「清油」業務順利營運。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22 INDICTMENTS AND LEGAL PROCEEDINGS AGAINST THE GROUP AND INVESTIGATIONS (Cont'd)

(a) Legal proceedings against Guangzhou Liangang Vessel Wastewater Treatment Company Limited (“Guangzhou Liangang”) by the local government authority in the PRC (Cont'd)

Findings of the investigation (Cont'd)

Based on the results of the investigation, the investigation committee noted that Guangzhou Liangang did lease its site and oil tank equipment to Shenzhen Party and the terms of the lease contract stipulated that Shenzhen Party should comply with relevant national laws and regulations for the use of oil tanks as well as to comply with the relevant safety regulations, and should not use the premises for conducting illegal business activities. As the responsible accounting staff had already left, the completeness and correctness of the record of Guangzhou Liangang's income from Shenzhen Party could not be ascertained. The investigation results indicated that the relevant prima facie evidences show that (i) Guangzhou Liangang did provide Shenzhen Party with additional services other than site and equipment rental. Guangzhou Liangang believed that it was not to cover up Shenzhen Party's criminal acts but only considerations of customer services and safety. However, the court ultimately held that Guangzhou Liangang was an accomplice in the environmental pollution offences; and there was insufficient information to analyse whether Guangzhou Liangang did cooperate in hazardous waste disposal by the third party and the impact on the Group's financial statements.

22 針對本集團之起訴及法律訴訟及調查 (續)

(a) 中國地方政府機關針對廣州市蓮港船舶清油有限公司(「廣州蓮港」)之法律訴訟 (續)

調查結果 (續)

根據調查結果，調查委員會注意到，廣州蓮港租賃場所及油罐設備予深圳方，而租賃合約之條款明確訂明，深圳方於使用油罐時須遵守相關國家法律及法規，並須遵守相關安全規例，不應使用場所進行非法業務活動。由於，負責會計員工已離職，且無法確認廣州蓮港來自深圳方之收入記錄之完整性及正確性。調查結果表示相關表面證據顯示(i)除場所及設備租賃外，廣州蓮港確實向深圳方提供額外服務。廣州蓮港認為，此舉並非掩飾深圳方的犯罪行為，而僅為對客戶服務及安全的考慮。然而，法院最終認定廣州蓮港為有關環境污染罪行的共犯；及(ii)並無足夠資料以供分析廣州蓮港是否曾與第三方合作處置有害廢物，以及有關罪行對本集團財務報表的整體影響。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22 INDICTMENTS AND LEGAL PROCEEDINGS AGAINST THE GROUP AND INVESTIGATIONS (Cont'd)

(b) Legal proceedings against Zhongshan Haitao Environmental Protection Technology Company Limited (“Zhongshan Haitao”) by the local enforcement authority in the PRC

On 15 April 2019, 中山市第一市區人民檢察院 filed a bill of indictment against Zhongshan Haitao and certain senior management members of Zhongshan Haitao (the “Defendants”) alleging that the Defendants committed a criminal offence of environmental pollution by discharging wastewater and sludge illegally during the period from 2015 to June 2018.

On 14 April 2020, the First People’s Court of Zhongshan City, Guangdong Province, the PRC (廣東省中山市第一人民法院) delivered a judgment against Zhongshan Haitao and ordered Zhongshan Haitao to pay a fine of RMB500,000 (equivalent to HK\$558,000) (the “Zhongshan Haitao Judgment”). The senior management members of Zhongshan Haitao were sentenced to imprisonment plus penalty. After reviewing the Zhongshan Haitao Judgment with the PRC legal advisors, Zhongshan Haitao decided not to appeal against the Zhongshan Haitao Judgment.

22 針對本集團之起訴及法律訴訟及調查 (續)

(b) 中國地方執法機關針對中山海滔環保科技有限公司 (「中山海滔」) 之法律訴訟

於二零一九年四月十五日，中山市第一市區人民檢察院針對中山海滔及中山海滔若干高級管理人員 (「被告」) 提交起訴書，指稱被告於二零一五年至二零一八年六月期間非法排放廢水及污泥，觸犯環境污染刑事罪行。

於二零二零年四月十四日，中國廣東省中山市第一人民法院對中山海滔頒下判決，並頒令中山海滔支付罰款人民幣500,000元 (相當於558,000港元) (「中山海滔判決」)。中山海滔高級管理人員被判入獄，另加罰款。經與中國法律顧問審閱中山海滔判決後，中山海滔決定不對中山海滔判決提出上訴。

Notes to the Interim Condensed Consolidated Financial Statements (*Cont'd*) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22 INDICTMENTS AND LEGAL PROCEEDINGS AGAINST THE GROUP AND INVESTIGATIONS (*Cont'd*)

(b) Legal proceedings against Zhongshan Haitao Environmental Protection Technology Company Limited (“Zhongshan Haitao”) by the local enforcement authority in the PRC (*Cont'd*)

Findings of the investigation

According to the judgement dated 14 April 2020, since 2015, the representative of Zhongshan Haitao allowed and/or acquiesced the then plant manager in the arrangement of employees to discharge unprocessed sewage and sludge through concealed pipes and modified the online monitoring data. Therefore, Zhongshan Haitao was convicted of the environmental pollution offence. The management of Zhongshan Haitao acknowledged that the concealed pipes were arranged by the then plant manager who authorised and arranged employees to carry out the process. Zhongshan Haitao and the Group were not aware of the illegal discharge of unprocessed sewage and sludge through concealed pipes and the modification of the online monitoring data. The relevant government authority has completely dismantled the concealed pipes and the clear water pipes used to inject clean water to dilute the sewage and interfere with the online monitoring data. The investigation results showed that Zhongshan Haitao did illegally discharge sewage and sludge and interfered with the online monitoring data. However, there was insufficient information to ascertain the volume of sewage and sludge Zhongshan Haitao had discharged at the material times and the amount of online monitoring data being modified or to quantify the relevant impact on the Group's financial statements as a whole.

22 針對本集團之起訴及法律訴訟及調查 (續)

(b) 中國地方執法機關針對中山海滔環保科技有限公司(「中山海滔」)之法律訴訟 (續)

調查結果

根據日期為二零二零年四月十四日之判決，自二零一五年起，中山海滔之代表允許及／或默許廠房經理安排僱員透過隱藏管道排放未經處理的污水及污泥；及修改線上監控數據。因此，中山海滔被判環境污染罪。中山海滔之管理層承認，隱藏管道被發現為由當時的廠房經理所安排，該廠房經理授權並安排僱員進行程序。中山海滔及本集團並不知悉透過隱藏管道非法排放未經處理污水及污泥及修改線上監控數據。相關政府機關已完全拆除隱藏管道及用於注入清水以稀釋污水並干擾線上監控數據的清水管道。調查結果顯示中山海滔確實已非法排放污水及污泥，並干擾線上監控數據。然而，並無足夠資料以確定中山海滔已於關鍵時間排放之污水及污泥量及所修改之線上監控數據量或量化對本集團財務報表之整體相關影響。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22 INDICTMENTS AND LEGAL PROCEEDINGS AGAINST THE GROUP AND INVESTIGATIONS (Cont'd)

(c) Legal proceedings against Guangzhou Haitao Environmental Protection Technology Company Limited (“Guangzhou Haitao”) by the local government authority in the PRC

In October 2018, the Ministry of Ecology and Environment of the PRC made allegations against Guangzhou Haitao for illegal disposal of sludge, the deliberate non-performance of certain procedures when providing sludge treatment services and suspected forgery of the seals of state authorities.

Guangzhou Haitao was alleged for having received sludge in excess of its treatment capacity and has deliberately excluded certain procedures when providing sludge treatment services in order to reduce costs. It was also alleged that since 2016, through collusion with other wastewater treatment plants, Guangzhou Haitao had provided false data for the purpose of claiming local government subsidies.

The allegations were investigated by the relevant local government authority in the PRC. In the meantime, Guangzhou Haitao paid administrative penalties and performed certain remedial work as required by the relevant environmental protection bureau. Certain books and records were seized by the local government authority for the purpose of conducting an investigation on the matter and RMB75,000,000 (equivalent to HK\$85,598,000) was paid to the local government authority, the recoverability of which will be subject to the outcome of the investigation and subsequent court decision.

22 針對本集團之起訴及法律訴訟及調查 (續)

(c) 中國地方政府機關針對廣州海滔環保科技有限公司(「廣州海滔」)之法律訴訟

於二零一八年十月，中國生態環境部就非法傾倒污泥、提供污泥處理服務時蓄意不履行若干程序及涉嫌偽造國家機關印章針對廣州海滔作出指控。

廣州海滔被指稱接收超出其處理能力的污泥，並於提供污泥處理服務時蓄意排除若干程序以降低成本。廣州海滔亦被指稱自二零一六年起，透過與其他污水處理廠串謀，廣州海滔提供虛假數據，藉以申領地方政府補貼。

有關指稱由中國相關地方政府機關進行調查。與此同時，廣州海滔已支付行政罰款，並按照相關環保局的要求進行若干補救工作。若干賬冊及記錄已遭地方政府機構扣查，以對該事宜進行調查，且人民幣75,000,000元(相當於85,598,000港元)之款項已支付予地方政府機關，其可收回性將取決於調查結果及其後法院決定。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22 INDICTMENTS AND LEGAL PROCEEDINGS AGAINST THE GROUP AND INVESTIGATIONS (Cont'd)

(c) Legal proceedings against Guangzhou Haitao Environmental Protection Technology Company Limited (“Guangzhou Haitao”) by the local government authority in the PRC (Cont'd)

On 23 April 2019, 廣東省廣州市人民檢察院 filed a bill of indictment against Guangzhou Haitao, certain senior management members of Guangzhou Haitao, Mr. Tsui and Mr. Xu Shubiao, a former director alleging that they had committed certain criminal offences, including the deliberate non-performance of certain procedures when providing sludge treatment services, and disposing of sludge illegally in various cities in Guangdong and fabrication and falsification of certain contracts and other documents during the period from 1 January 2016 to 31 March 2018. According to the bill of indictment, amongst others, Guangzhou Haitao was accused of having recognised sludge treatment service fee income of RMB174,261,000 (equivalent to HK\$198,884,000) but without completing all necessary sludge treatment procedures and disposed of the sludge illegally during the period from 1 January 2016 to 31 March 2018. In addition, Guangzhou Haitao was also charged for the issuance of false documents for claiming environmental subsidy totalling RMB7,770,000 (equivalent to HK\$8,868,000) illegally and receiving illegal sludge treatment service fee of RMB9,051,000 (equivalent to HK\$10,330,000). The court hearing has been conducted. However, up to the date of approval of these interim condensed consolidated financial statements, no judgment has been made by the relevant court.

22 針對本集團之起訴及法律訴訟及調查 (續)

(c) 中國地方政府機關針對廣州海滔環保科技有限公司(「廣州海滔」)之法律訴訟 (續)

於二零一九年四月二十三日，廣東省廣州市人民檢察院針對廣州海滔、廣州海滔之若干高級管理人員、徐先生及前董事徐樹標先生提交起訴書，指稱彼等已觸犯若干刑事罪行，包括於二零一六年一月一日至二零一八年三月三十一日期間提供污泥處理服務時蓄意不履行若干程序、於廣東各城市非法傾倒污泥及捏造及偽造若干合約及其他文件。根據起訴書(其中包括)，廣州海滔被控於二零一六年一月一日至二零一八年三月三十一日期間確認污泥處理服務費收入人民幣174,261,000元(相當於198,884,000港元)，但並未完成所有必要污泥處理程序及非法傾倒污泥。此外，廣州海滔亦被控發出虛假文件，以非法申領環境補貼合共人民幣7,770,000元(相當於8,868,000港元)，並收取非法污泥處理服務費人民幣9,051,000元(相當於10,330,000港元)。法院聆訊已進行，然而，直至本中期簡明綜合財務報表獲批准日期，相關法院尚未作出任何判決。

Notes to the Interim Condensed Consolidated Financial Statements (*Cont'd*)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22 INDICTMENTS AND LEGAL PROCEEDINGS AGAINST THE GROUP AND INVESTIGATIONS (*Cont'd*)

(c) Legal proceedings against Guangzhou Haitao Environmental Protection Technology Company Limited (“Guangzhou Haitao”) by the local government authority in the PRC (*Cont'd*)

Findings of the investigation

Suspected forgery of seals of state authorities

The seals of state authorities were found in a co-working space which is a common area that can be accessed by personnel of the Group and by employees of a non-listed affiliated company. Therefore, it is hard to ascertain which party held or owned the forged official seals at the time when they were found on spot. The statement of claim issued by the People’s Procuratorate of Guangzhou City, Guangdong Province (the “Procuratorate”) showed that neither Guangzhou Haitao nor the Company was prosecuted for forging official seals of the state authorities.

In light of the abovementioned and relevant prima facie evidence, there is no concrete evidence to prove that Guangzhou Haitao and the Company were involved in forging the seals of state authorities.

22 針對本集團之起訴及法律訴訟及調查 (續)

(c) 中國地方政府機關針對廣州海滔環保科技有限公司 (「廣州海滔」) 之法律訴訟 (續)

調查結果

涉嫌偽造國家機關印章

國家機關印章乃於共用辦公室空間被發現，該地點屬於共用空間，本集團人員及非上市聯屬公司僱員均可進出。因此，當於該地點發現偽造公章時，難以確定其由何人持有或擁有該等偽造公章。廣東省廣州市人民檢察院 (「檢察院」) 頒佈之申索陳述書已顯示，廣州海滔及本公司均無就偽造國家機關公章而遭受起訴。

鑒於上述各項及相關表面證據，概無具體證據證明廣州海滔及本公司涉及偽造國家機關印章。

Notes to the Interim Condensed Consolidated Financial Statements (*Cont'd*) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22 INDICTMENTS AND LEGAL PROCEEDINGS AGAINST THE GROUP AND INVESTIGATIONS (*Cont'd*)

(c) Legal proceedings against Guangzhou Haitao Environmental Protection Technology Company Limited (“Guangzhou Haitao”) by the local government authority in the PRC (*Cont'd*)

Findings of the investigation (Cont'd)

Deliberate non-performance of certain procedures when providing sludge treatment services and disposing of sludge illegally

The management stated that Guangzhou Haitao adopted another sludge treatment process (the “Adopted Process”) which shortened the time required for sludge processing and increased efficiency. The Adopted Process is included in the “Sludge Disposal Technology Policy and Guidelines” issued by the State as a permitted sludge treatment process. According to the industry expert engaged in the investigation, the State has no unified process for sludge disposal and the requirements of sludge treatment process vary according to the ultimate use of the sludge. The treatment plant shall determine the most appropriate treatment process depending on the sludge itself. According to the legal advisor of Guangzhou Haitao, the accusation of environmental pollution offence is unfounded as the sludge disposed of by Guangzhou Haitao was anaerobic nutrient soil, which met the standards of agricultural sludge and would not lead to environmental pollution. The dumping site contained sludge other than Guangzhou Haitao’s, and other third parties who piled up construction waste at the same location. Notwithstanding Guangzhou Haitao changed the sludge treatment process, there was not enough prima facie evidence to support that the sludge treatment process and procedures of Guangzhou Haitao are inappropriate which led to the litigation.

22 針對本集團之起訴及法律訴訟及調查 (續)

(c) 中國地方政府機關針對廣州海滔環保科技有限公司(「廣州海滔」)之法律訴訟 (續)

調查結果 (續)

於提供污泥處理服務時蓄意不履行除若干程序及非法傾倒污泥

管理層表示，廣州海滔採用另一種污泥處理程序(「已採用程序」)，以縮短污泥處理所需的時間並提高效率。已採用程序亦包括在國家頒佈的「污泥處置技術政策與指南」其獲准許污泥處理程序內。據進行調查的業內專家表示，國家並無污泥處理之統一程序，而污泥處理程序的要求依照污泥的最終用途而有所不同。處理廠將視乎污泥本身而釐定最合適之處理程序。據廣州海滔的法律顧問表示，對環境污染罪行的指控並無根據，原因為廣州海滔所傾倒的污泥為厭氧營養土壤，符合農業污泥標準，並不會導致環境污染。除廣州海滔的污泥外，傾倒地點亦包括其他第三方於同一位置堆放建築廢物。儘管廣州海滔改變污泥處理程序，惟並無足夠表面證據支持廣州海滔的污泥處理過程及程序不當，導致訴訟出現。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22 INDICTMENTS AND LEGAL PROCEEDINGS AGAINST THE GROUP AND INVESTIGATIONS (Cont'd)

(c) Legal proceedings against Guangzhou Haitao Environmental Protection Technology Company Limited (“Guangzhou Haitao”) by the local government authority in the PRC (Cont'd)

Findings of the investigation (Cont'd)

Issuance of false documents for claiming environmental subsidy totalling RMB7,770,000

The management of Guangzhou Haitao confirmed that Guangzhou Haitao had collaborated with its customers (the “Zhengcheng Sewage Plants”) to manipulate the sludge treatment volume. According to findings of the investigation, the Zhengcheng Sewage Plants requested Guangzhou Haitao to manipulate the sludge treatment volume by informing Guangzhou Haitao the volume to be recorded and Guangzhou Haitao would then produce the related records for the Zhengcheng Sewage Plants. The management of Guangzhou Haitao stated that they were unclear about how the amount of RMB7,770,000 (equivalent to HK\$8,868,000) was calculated. According to the industry expert, the environmental protection subsidy was paid by the government to the Zhengcheng Sewage Plants directly but not paid to Guangzhou Haitao.

22 針對本集團之起訴及法律訴訟及調查 (續)

(c) 中國地方政府機關針對廣州海滔環保科技有限公司 (「廣州海滔」) 之法律訴訟 (續)

調查結果 (續)

發出虛假文件，以申領環境補貼合共人民幣7,770,000元

廣州海滔管理層確認，廣州海滔確定已與其客戶 (「增城污水廠」) 合作，以操縱污泥處理量。根據調查結果，增城污水廠要求廣州海滔操縱污泥處理量，方法為告知廣州海滔將記錄的污泥量，而廣州海滔其後將為增城污水廠提交相關記錄。廣州海滔的管理層表示，其不清楚如何計算人民幣7,770,000元 (相當於8,868,000港元) 之款項。據業內專家表示，環保補貼乃由政府直接支付予增城污水處理廠，而並非支付予廣州海滔。

Notes to the Interim Condensed Consolidated Financial Statements (*Cont'd*)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22 INDICTMENTS AND LEGAL PROCEEDINGS AGAINST THE GROUP AND INVESTIGATIONS (*Cont'd*)

(c) Legal proceedings against Guangzhou Haitao Environmental Protection Technology Company Limited (“Guangzhou Haitao”) by the local government authority in the PRC (*Cont'd*)

Findings of the investigation (Cont'd)

Receiving illegal sludge treatment service fee of RMB9,051,000

Guangzhou Haitao together with a third party (the “Third Party”) signed two contracts with the local government authority in providing river dredging, sludge transportation and disposal, and river maintenance services for the Yonghe River in Zengcheng District of Guangzhou City for three years. The contract sum was RMB47,605,000 (equivalent to HK\$54,332,000). The management of Guangzhou Haitao stated that the purpose and scope of the project were mainly the river excavation and dredging and sludge disposal is not the main service required. Guangzhou Haitao did not weigh the sludge dredged from the river as there was no such requirements stated in the contracts. In order to meet the additional requirements subsequently added for processing of payment by the local government, Guangzhou Haitao estimated the amount of sludge dredged and then prepared the “Weighing List” which was subsequently stated in the indictment as fabricated documents. Guangzhou Haitao changed the sludge treatment process to the Adopted Process as Guangzhou Haitao believed that the river sludge could be treated by the Adopted Process. However, Guangzhou Haitao did not report to the local government in advance about the change in the treatment process. The management of Guangzhou Haitao stated that Guangzhou Haitao has no intention to deceive the other parties under the contract and the breach of contracts is of civil in nature instead of a criminal offence. According to the investigation result, the local government paid the Third Party a sum of RMB33,323,000 (equivalent to HK\$38,032,000). After deducting of management fee, tax and other costs, the Third Party paid Guangzhou Haitao a total sum of RMB30,629,000 (equivalent to HK\$34,957,000) under the contracts.

22 針對本集團之起訴及法律訴訟及調查 (續)

(c) 中國地方政府機關針對廣州海滔環保科技有限公司(「廣州海滔」)之法律訴訟 (續)

調查結果 (續)

收取非法污泥處理服務費人民幣9,051,000元

廣州海滔連同一名第三方(「第三方」)與地方政府機關簽署兩份合約,以於廣州市增城區永和河提供河道疏浚、污泥運輸及傾倒及河道維護服務,為期三年。合約金額為人民幣47,605,000元(相當於54,332,000港元)。廣州海滔管理層表示,項目目的及範圍主要是河流開挖及疏浚,而污泥傾倒並非所要求的主要服務。由於合約並無載有關要求,故廣州海滔並無量度從河道挖出的污泥重量。為滿足地方政府其後增加的處理付款的額外要求,廣州海滔估計所疏浚的污泥量,然後編製「重量清單」,該清單其後於起訴書中被列為偽造文件。廣州海滔將污泥處理程序更改為已採用程序,原因為廣州海滔認為河流污泥可以透過已採用程序進行處理。然而,廣州海滔並無事先向地方政府報告更改處理程序。廣州海滔管理層表示,廣州海滔無意欺騙合約之其他各方,而違反合約於性質上屬民事罪行,而並非刑事罪行。根據調查結果,地方政府向第三方支付人民幣33,323,000元(相當於38,032,000港元)之款項。於扣除管理費、稅項及其他費用後,第三方根據合約向廣州海滔支付合共人民幣30,629,000元(相當於34,957,000港元)之款項。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22 INDICTMENTS AND LEGAL PROCEEDINGS AGAINST THE GROUP AND INVESTIGATIONS (Cont'd)

(c) Legal proceedings against Guangzhou Haitao Environmental Protection Technology Company Limited (“Guangzhou Haitao”) by the local government authority in the PRC (Cont'd)

Given the above circumstances and that certain books and records of Guangzhou Haitao for the current and previous years were seized by the local government authority for investigation purpose and were not accessible and that Mr. Tsui and certain senior management and staff members of certain subsidiaries were either arrested in 2018 and charged for, amongst others, the fabrication and falsification of certain contracts and other documents or had left the Group and were not contactable, the present directors have not been able to obtain sufficient documentary evidence, information and explanations to satisfy themselves regarding the reliability, completeness and accuracy of the books and records of these subsidiaries for the current and previous years and whether there are any fraudulently recorded or unrecorded transactions or liabilities for the year ended and as at 31 December 2018. The financial information of the above subsidiaries including, amongst others, revenue of HK\$187,562,000 and loss of HK\$671,726,000 was consolidated into the Group's interim condensed consolidated financial statements for the six months ended 30 June 2018. The former directors and certain senior management members also took managerial role in other subsidiaries in the current and previous years. As a result, the present directors were also unable to represent the completeness and accuracy of the financial information of these other subsidiaries.

22 針對本集團之起訴及法律訴訟及調查 (續)

(c) 中國地方政府機關針對廣州海滔環保科技有限公司(「廣州海滔」)之法律訴訟 (續)

鑒於上述情況及廣州海滔本年度及過往年度的若干賬冊及記錄已遭地方政府機關扣查以作調查用途並無法獲取，且徐先生及若干附屬公司的若干高級管理人員及員工於二零一八年被拘捕，並被控(其中包括)捏造及偽造若干合約及其他文件，或已離開本集團並無法聯絡。現任董事未能取得足夠的文件證據、資料及解釋，以令彼等信納有關該等附屬公司於本年度及過往年度之賬冊及記錄之可靠性、完整性及準確性以及截至二零一八年十二月三十一日止年度及於該日是否存在任何欺詐性入賬或未入賬交易或負債。上述附屬公司的財務資料包括(其中包括)已於本集團截至二零一八年六月三十日止六個月的中期簡明綜合財務報表內綜合入賬的收益187,562,000港元及虧損671,726,000港元。前董事及若干高級管理人員亦於本年度及過往年度於其他附屬公司擔任管理職務。因此，現任董事亦無法對該等附屬公司的財務資料的完整性及準確性作出陳述。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22 INDICTMENTS AND LEGAL PROCEEDINGS AGAINST THE GROUP AND INVESTIGATIONS (Cont'd)

(d) Details of other litigations in which the Group were as below:

- (i) On 30 May 2018, Guangzhou Liangang received a penalty notice for RMB5,528,000 (equivalent to HK\$6,542,000) from the local environmental authority which stated that Guangzhou Liangang constructed certain facilities without obtaining permissions from the local authority. Guangzhou Liangang filed two appeals with the local courts, however, both appeals were failed and judgments were made against Guangzhou Liangang. On 6 January 2020, the local environmental authority issued another penalty notice requiring Guangzhou Liangang to pay the original penalty plus additional charge for late payment totalling RMB11,057,000 (equivalent to HK\$13,084,000). On 22 April 2020, the local environmental authority obtained a court order to enforce Guangzhou Liangang to pay the outstanding penalty and provision has been made in the interim condensed consolidated financial statements.
- (ii) On 9 July 2019, Guangzhou Environmental Protection Federation (廣東省環境保護基金會) filed a claim against Guangzhou Liangang in the Intermediate People's Court of Guangzhou for a compensation of RMB33,947,000 (equivalent to HK\$40,170,000) in respect of environmental pollution caused by Guangzhou Liangang during 2017 to 2018. Up to the date of approval of these interim condensed consolidated financial statements, no judgement was issued by the court. After taking into account the legal advice and considering the outcomes of other litigations involved by Guangzhou Liangang, a provision of HK\$40,170,000 was made in the interim condensed consolidated financial statements.

22 針對本集團之起訴及法律訴訟及調查 (續)

(d) 本集團作為一方之其他訴訟詳情如下：

- (i) 於二零一八年五月三十日，廣州蓮港接獲地方政府機關發出的罰款通知人民幣5,528,000元（相當於6,542,000港元），當中說明廣州蓮港興建若干設施而未取得地方機關的批准。廣州蓮港向地方法院提出兩項上訴，然而，該兩項上訴均獲駁回，且廣州蓮港獲判敗訴。於二零二零年一月六日，地方環境機關發出另一項罰款通知，要求廣州蓮港支付原罰款另加逾期付款額外費用合共人民幣11,057,000元（相當於13,084,000港元）。於二零二零年四月二十二日，地方環境機關取得法院頒令以逼使廣州蓮港支付尚未支付罰款，中期簡明綜合財務報表中已作出撥備。
- (ii) 於二零一九年七月九日，廣東省環境保護基金會已針對廣州蓮港於廣州市中級人民法院提出索償，就廣州蓮港於二零一七年至二零一八年期間產生之環境污染索償人民幣33,947,000元（相當於40,170,000港元）。直至本中期簡明綜合財務報表獲批准日期，法院並無頒佈判決。於計及法律意見及考慮廣州蓮港所涉及之其他訴訟之結果後，已於中期簡明綜合財務報表作出撥備40,170,000港元。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22 INDICTMENTS AND LEGAL PROCEEDINGS AGAINST THE GROUP AND INVESTIGATIONS (Cont'd)

(d) Details of other litigations in which the Group were as below: (Cont'd)

- (iii) On 21 June 2018, one of the customers of Guangzhou Haitao (The "Customer A") filed a civil complaint against Guangzhou Haitao in the Guangzhou Tianhe District People's Court claiming compensation of RMB6,800,000 (equivalent to HK\$7,762,000) in respect of breach of contract terms caused by Guangzhou Haitao.

On 25 April 2019, the court issued a judgment against Guangzhou Haitao and ordered Guangzhou Haitao to pay a compensation of HK\$7,762,000 to Customer A. Guangzhou Haitao filed an appeal with the Intermediate People's Court of Guangzhou and the Intermediate People's Court of Guangzhou issued a final judgment which was in favor of Guangzhou Haitao and revoked the order made by Guangzhou Tianhe District People's Court. As such, the present directors considered a provision for this case was not necessary.

- (iv) On 27 September 2018, the local government in Guangzhou, the PRC filed a claim against Guangzhou Haitao in the Intermediate People's Court of Guangzhou for a compensation of RMB4,550,000 (equivalent to HK\$5,193,000) and an appraisal fee of environmental damage level of RMB447,000 (equivalent to HK\$510,000) in respect of environmental pollution caused by Guangzhou Haitao.

On 28 June 2020, the court issued a judgment against Guangzhou Haitao and ordered Guangzhou Haitao to pay a compensation of HK\$5,193,000 and appraisal fee of environmental damage level of HK\$510,000 to the local government. Guangzhou Haitao is planning to file an appeal against the court's decision. A provision of HK\$5,703,000 was recognised in the interim condensed consolidated financial statements.

22 針對本集團之起訴及法律訴訟及調查 (續)

(d) 本集團作為一方之其他訴訟詳情如下：(續)

- (iii) 於二零一八年六月二十一日，廣州海滔之其中一名客戶（「客戶A」）針對廣州海滔於廣州天河區人民法院提出民事訴訟，就廣州海滔違反合約條款索償人民幣6,800,000元（相當於7,762,000港元）。

於二零一九年四月二十五日，法院對廣州海滔頒下判決，並頒令廣州海滔向客戶A支付賠償7,762,000港元。廣州海滔於廣州市中級人民法院提出上訴，而廣州市中級人民法院頒佈最終判決，判廣州海滔勝訴，並撤回廣州天河區人民法院作出之頒令。因此，現任董事認為毋須就此案件作出撥備。

- (iv) 於二零一八年九月二十七日，中國廣州地方政府針對廣州海滔於廣州市中級人民法院提出索償，就廣州海滔造成之環境污染索償人民幣4,550,000元（相當於5,193,000港元）及環境損害程度評估費用人民幣447,000元（相當於510,000港元）。

於二零二零年六月二十八日，法院對廣州海滔頒下判決，並頒令廣州海滔向地方政府支付賠償5,193,000港元及環境損害程度評估費用510,000港元。廣州海滔正計劃針對法院決定提出上訴。已於中期簡明綜合財務報表確認撥備5,703,000港元。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22 INDICTMENTS AND LEGAL PROCEEDINGS AGAINST THE GROUP AND INVESTIGATIONS (Cont'd)

(d) Details of other litigations in which the Group were as below: (Cont'd)

- (v) On 29 May 2019, the local government in Xinfeng, the PRC filed a claim against Xinfeng Lvzhi in the Xinfeng County People's Court for the cancellation of a project investment agreement dated 2 August 2010 and a supplementary agreement entered into between the local government and Xinfeng Lvzhi ("the Agreements") and the return of a piece of land leased to Guangzhou Lvzhi as Guangzhou Lvzhi failed to honor the terms of the Agreements. The local government offered a compensation of RMB4,105,000 (equivalent to HK\$4,684,000) to Xinfeng Lvzhi for the return of the land.

On 27 December 2019, the court issued a judgment against Xinfeng Lvzhi and ordered Xinfeng Lvzhi to return the land to the local government.

On 15 January 2020, Xinfeng Lvzhi filed an appeal with the Shaoguan City Municipality Intermediate People's Court. Up to the date of approval of these interim condensed consolidated financial statements, the appeal was still in progress. The present directors considered that the litigation would have no material financial impact on the Group.

22 針對本集團之起訴及法律訴訟及調查 (續)

(d) 本集團作為一方之其他訴訟詳情如下：(續)

- (v) 於二零一九年五月二十九日，中國新豐縣地方政府針對新豐綠智於新豐縣人民法院提出索償，以取消地方政府與新豐綠智訂立日期為二零一零年八月二日之項目投資協議及補充協議（「該等協議」），並交還向廣州綠智租出之地塊，原因為廣州綠智未能遵守該等協議之條款。地方政府提出就交還土地向新豐綠智賠償人民幣4,105,000元（相當於4,684,000港元）。

於二零一九年十二月二十七日，法院對新豐綠智頒下判決，並命令新豐綠智向地方政府交還土地。

於二零二零年一月十五日，新豐綠智向韶關市中級人民法院提出上訴。直至該等中期簡明綜合財務報表獲批准日期，該上訴仍在進行中。現任董事認為該訴訟將不會對本集團造成重大財務影響。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22 INDICTMENTS AND LEGAL PROCEEDINGS AGAINST THE GROUP AND INVESTIGATIONS (Cont'd)

(d) Details of other litigations in which the Group were as below: (Cont'd)

- (vi) On 29 July 2019, one of the contractors of Longmen Zhongtao Recycling ("Contractor A") filed a claim against Longmen Zhongtao Recycling in the Longmen County People's Court requesting the payment by Longmen Zhongtao Recycling of an overdue trade debt and quality deposits totalling RMB2,048,000 (equivalent to HK\$2,337,000). As at 30 June 2019 and 31 December 2018, the amount of HK\$2,337,000 payable to Contractor A has been recorded in the interim condensed consolidated financial statements.

On 13 November 2019, Longmen Zhongtao Recycling reached a mediation with Contractor A pursuant to which Longmen Zhongtao Recycling agreed to settle the outstanding amount by installment. The present directors considered that the dispute had no material impact on the Group's financial position as the other payables were already recorded in these consolidated financial statements.

- (vii) On 10 October 2019, the local government authority in Foshan, the PRC filed a claim against Guangzhou Lvyou in the Foshan Sanshui District People's Court for a compensation of RMB46,948,000 (equivalent to HK\$53,581,000) in respect of environmental pollution caused by Guangzhou Lvyou during the period from 2014 to 2016.

On 28 June 2020, the court issued a judgment in favour of Guangzhou Lvyou and the present directors considered that no provision was necessary.

22 針對本集團之起訴及法律訴訟及調查 (續)

(d) 本集團作為一方之其他訴訟詳情如下：(續)

- (vi) 於二零一九年七月二十九日，龍滔循環之其中一名承包商（「承包商A」）針對龍滔循環於龍門縣人民法院提出索償，要求龍滔循環支付逾期貿易債項及質量保證金合共人民幣2,048,000元（相當於2,337,000港元）。於二零一九年六月三十日及二零一八年十二月三十一日，應付承包商A之款項2,337,000港元已於中期簡明綜合財務報表內記錄。

於二零一九年十一月十三日，龍滔循環與承包商A達成調解，據此，龍滔循環同意分期償付尚未支付款項。現任董事認為該糾紛對本集團之財務狀況並無重大影響，原因為有關其他應付款項已於本綜合財務報表記錄。

- (vii) 於二零一九年十月十日，中國佛山地方政府機關針對廣州綠由於佛山市三水區人民法院提出索償，就廣州綠由於二零一四年至二零一六年期間造成之環境污染索償人民幣46,948,000元（相當於53,581,000港元）。

於二零二零年六月二十八日，法院判廣州綠由勝訴，現任董事認為毋須作出撥備。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22 INDICTMENTS AND LEGAL PROCEEDINGS AGAINST THE GROUP AND INVESTIGATIONS (Cont'd)

(d) Details of other litigations in which the Group were as below: (Cont'd)

(viii) In early 2020, three business introducers of Guangzhou Lvyou filed applications with Guangzhou Arbitration Commission requesting Guangzhou Lvyou to settle overdue advisory fee for the years ended 31 December 2017 and 2018 and accrued interests totalling RMB23,426,000 (equivalent to HK\$27,720,000). In early 2020, Guangzhou Lvyou entered into settlement agreements with these business introducers pursuant to which Guangzhou Lvyou agreed to settle the outstanding fees by installments. The outstanding fees payable have been recorded in the books and records and the present directors believed that the disputes had no material impact on the Group's interim condensed consolidated financial statements.

(ix) On 16 April 2019, one of the contractors of Haoying Solid ("Contractor B") filed a claim against Haoying Solid in the Foshan Sanshui District People's Court requesting Haoying Solid for a settlement of overdue construction costs and accrued interest totalling RMB6,651,000 (equivalent to HK\$7,590,000). The amount payable to Contractor B was recorded in the interim condensed consolidated financial statements.

Up to the date of approval of these interim condensed consolidated financial statements, no judgment was issued. As the overdue amount has been recorded in the books and records, the present directors considered that the claim had no material impact on the interim condensed consolidated financial statements.

22 針對本集團之起訴及法律訴訟及調查(續)

(d) 本集團作為一方之其他訴訟詳情如下:(續)

(viii) 於二零二零年初,廣州綠由之三名業務介紹人向廣州仲裁委員會作出申請,要求廣州綠由償付截至二零一七年及二零一八年十二月三十一日止年度之逾期顧問費及累計利息合共人民幣23,426,000元(相當於27,720,000港元)。於二零二零年初,廣州綠由與該等業務介紹人訂立和解協議,據此,廣州綠由同意分期償付尚未支付費用。應付之尚未支付費用已記錄於賬簿及記錄內,而現任董事相信,有關糾紛對本集團之中期簡明綜合財務報表並無重大影響。

(ix) 於二零一九年四月十六日,浩盈固廢之其中一名承包商(「承包商B」)針對浩盈固廢於佛山市三水區人民法院提出索償,要求浩盈固廢償付逾期建設成本及累計利息合共人民幣6,651,000元(相當於7,590,000港元)。應付承包商B之款項已於中期簡明綜合財務報表內記錄。

直至本中期簡明綜合財務報表獲批准日期,並無頒佈判決。由於該逾期款項已記錄於賬簿及記錄內,故現任董事認為該索償對中期簡明綜合財務報表並無重大影響。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

22 INDICTMENTS AND LEGAL PROCEEDINGS AGAINST THE GROUP AND INVESTIGATIONS (Cont'd)

(d) Details of other litigations in which the Group were as below: (Cont'd)

(x) On 23 October 2019, the Company received a writ of summons from the High Court of Hong Kong pursuant to which the lender claim against the Company for repayment of other borrowings with balance of HK\$197,183,000. The details are set out in note 1.

(xi) On 24 February 2020, one of the Company's creditor bank filed a civil complaint with the Guangzhou Court in the PRC against the Company and its fourteen subsidiaries and Mr. Tsui claiming the immediate repayment of the loan and outstanding interest and legal and other costs totalling HK\$152,868,000, the details of which are set out in note 1.

In addition to the above, the Group has contingent liabilities arising from the ordinary course of business relating to claims from suppliers, employees and other parties during the period ended 30 June 2019 and subsequent periods. Judgements for certain cases were made by courts in the PRC against the Group. The present directors considered that sufficient provision had been made in the interim condensed consolidated financial statements according to the judgements and the present directors' best estimates.

The present directors have made estimates for potential litigation costs and claims based upon consultation with PRC lawyers. Actual results could differ from these estimates. In the opinion of the present directors, such litigations and claims will not have a material adverse effect on the Group's financial position, financial performance or cash flows.

22 針對本集團之起訴及法律訴訟及調查 (續)

(d) 本集團作為一方之其他訴訟詳情如下: (續)

(x) 於二零一九年十月二十三日,本公司接獲香港高等法院的傳訊令狀,據此,貸款人向本公司申索償還其他借款結餘197,183,000港元。詳情載於附註1。

(xi) 於二零二零年二月二十四日,本公司其中一家貸款銀行向中國廣州法院提出針對本公司及其十四家附屬公司及徐先生之民事申訴,要求即時償還貸款連同未償還利息以及法律及其他成本合共152,868,000港元,有關詳情載於附註1。

除上文所述者外,截至二零一九年六月三十日止期間及其後期間,本集團於日常業務過程中產生與供應商、僱員及其他人士的索償有關的或然負債。中國法院已就若干案件針對本集團作出判決。現任董事認為,已根據判決及現任董事之最佳估計於中期簡明綜合財務報表內作出足夠撥備。

經諮詢中國律師後,現有董事對潛在訴訟費用及索償作出估計。實際結果可能與該等估計有所不同。現任董事認為,該等訴訟及索償將不會對本集團的財務狀況、財務表現或現金流量產生重大不利影響。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

23 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

- (a) Certain group entities were sued by their creditors as set out in notes 1 and 22 to the interim condensed consolidated financial statements.
- (b) On 25 April 2019, the Group entered into an agreement with an independent third party pursuant to which the independent third party agreed to inject RMB98,000,000 (equivalent to HK\$111,847,000 as at 31 December 2018) into Zhongshan Haitao of which RMB43,235,000 (equivalent to HK\$49,344,000) shall be in the form of 49% equity and the balance in form of a shareholder's loan. The transaction was finalised in 2020 and the independent third party held 49% equity interest in Zhongshan Haitao upon completion which took place on 20 August 2020. After the completion of the capital injection, the Group lost control over Zhongshan Haitao and Zhongshan Haitao ceased to be a subsidiary of the Group and the Group waived certain of its shareholder's loan to Zhongshan Haitao of approximately HK\$90 million.
- (c) On 28 September 2020, Guangzhou Lvyou entered into a compensation agreement with the local government authority pursuant to which Guangzhou Lvyou shall obtain a cash compensation of RMB1,237,884,000 (equivalent to HK\$1,381,850,000) and a piece of land with total area of 33,334 square meters for the relocation of its existing sludge and solid and hazardous waste treatment plant and the expropriation of its land, facilities and the business operation.

23 報告期後非調整事項

- (a) 如中期簡明綜合財務報表附註1及22所載，若干集團實體遭其債權人控告。
- (b) 於二零一九年四月二十五日，本集團與獨立第三方訂立協議，據此，該名獨立第三方同意向中山海滔注資人民幣98,000,000元（於二零一八年十二月三十一日相當於111,847,000港元），其中人民幣43,235,000元（相當於49,344,000港元）之注資形式將為49%股權，而結餘之形式為股東貸款。該交易於二零二零年落實，而完成於二零二零年八月二十日進行後，該名獨立第三方於中山海滔持有49%股權。於完成注資後，本集團失去對中山海滔之控制權，而中山海滔不再為本集團之附屬公司，而本集團已放棄其授予中山海滔之若干股東貸款約90百萬港元。
- (c) 於二零二零年九月二十八日，廣州綠由與地方政府訂立賠償協議，據此，廣州綠由將取得現金賠償人民幣1,237,884,000元（相當於1,381,850,000港元）及總面積為33,334平方米之地塊以作遷移其現有污泥及固體廢物及危險廢物處理廠及徵收其土地、設施及業務營運。

Notes to the Interim Condensed Consolidated Financial Statements (Cont'd) 中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2019 截至二零一九年六月三十日止六個月

23 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD (Cont'd)

- (d) On 21 August 2020, Guangzhou Lvyou entered into an investment agreement with the local government authority of Nansha, Guangzhou for the development of a new hazardous waste treatment plant as mentioned in note (e) above. The total investment amount shall not be less than RMB1,080,660,000 (equivalent to HK\$1,206,341,000).
- (e) Subsequent to 30 June 2019, the Group made further payments to Mr. Tsui and companies controlled by him, the details of which are set out in notes 13(b) and 13(c) respectively.
- (f) The disposal of the remaining 50% equity interest in Xintao Investment Co., Ltd. was completed on 19 December 2019.
- (g) Since early 2020, the Group's operation has been affected by quarantine measures imposed by the local government to contain the COVID-19 outbreak. The Group has been paying close attention to the impact of the situation on its operation and taking all possible and reasonable measures to mitigate and limit the impact on the Group's operation. As the extent to which the COVID-19 outbreak will continue is uncertain, the overall financial effect that the COVID-19 outbreak may have on the Group's businesses and financial results cannot be reliably estimated as at the date when these interim condensed consolidated financial statements are authorized for issue.

24 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current period's presentation and to provide comparative amounts in respect of items disclosed for first time in 2019.

23 報告期後非調整事項(續)

- (d) 於二零二零年八月二十一日，廣州綠由與廣州南沙地方政府機關訂立一份投資協議，以開發上文附註(e)所述之新危險廢物處理廠。總投資額為不少於人民幣1,080,660,000元(相當於1,206,341,000港元)。
- (e) 於二零一九年六月三十日之後，本集團向徐先生及由彼控制之公司作出進一步付款，其詳情分別載於附註13(b)及13(c)。
- (f) 出售新滔投資有限公司的餘下50%股權已於二零一九年十二月十九日完成。
- (g) 自二零二零年初，本集團的營運受地方政府為遏制COVID-19爆發而實施的檢疫措施所影響。本集團一直密切關注疫情對其營運的影響，並採取一切可能及合理措施減輕及限制對本集團營運的影響。由於COVID-19爆發之持續程度乃不確定，故於該等中期簡明財務報表獲授權刊發日期，無法可靠地估計COVID-19爆發對本集團業務及財務業績的整體財務影響。

24 比較數字

若干比較數字已經重新分類以符合本期間的呈列並就二零一九年首次披露的項目提供比較數額。



CTEG

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