



CHIHO-TIANDE GROUP LIMITED
齊合天地集團有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 976

中期報告 2015
INTERIM REPORT

The leading mixed
Metal recycler
Worldwide
全球領先-混合金屬再生商



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BOARD OF DIRECTORS

Executive Directors

Mr. Tu Jianhua (*Chairman*)
Mr. Fang Ankong (*Vice Chairman and Chief Executive Officer*)
Mr. Gu Liyong (*Vice President*)
Mr. Zhang Mingjie
Mr. Meng Yi

Independent Non-Executive Directors

Dr. Loke Yu
Ms. Zhang Jingdong
Mr. Zhu Dajian

EXECUTIVE COMMITTEE

Mr. Fang Ankong (*Chairman*)
Mr. Tu Jianhua
Mr. Gu Liyong
Mr. Zhang Mingjie
Mr. Meng Yi

AUDIT COMMITTEE

Dr. Loke Yu (*Chairman*)
Ms. Zhang Jingdong
Mr. Zhu Dajian

REMUNERATION COMMITTEE

Mr. Zhu Dajian (*Chairman*)
Mr. Fang Ankong
Dr. Loke Yu
Ms. Zhang Jingdong

NOMINATION COMMITTEE

Mr. Tu Jianhua (*Chairman*)
Mr. Fang Ankong
Dr. Loke Yu
Ms. Zhang Jingdong
Mr. Zhu Dajian

董事會

執行董事

涂建華先生 (*主席*)
方安空先生 (*副主席兼行政總裁*)
顧李勇先生 (*副總裁*)
張明杰先生
孟 怡先生

獨立非執行董事

陸海林博士
章敬東女士
諸大建先生

執行委員會

方安空先生 (*主席*)
涂建華先生
顧李勇先生
張明杰先生
孟 怡先生

審核委員會

陸海林博士 (*主席*)
章敬東女士
諸大建先生

薪酬委員會

諸大建先生 (*主席*)
方安空先生
陸海林博士
章敬東女士

提名委員會

涂建華先生 (*主席*)
方安空先生
陸海林博士
章敬東女士
諸大建先生



AUTHORISED REPRESENTATIVES

Mr. Gu Liyong
Ms. Yu Miu Cheung

授權代表

顧李勇先生
余妙章女士

QUALIFIED ACCOUNTANT AND CHIEF FINANCIAL OFFICER

Mr. Chow Wan Hoi Paul

合資格會計師兼財務總監

周雲海先生

COMPANY SECRETARY

Ms. Yu Miu Cheung

公司秘書

余妙章女士

AUDITOR

Deloitte Touche Tohmatsu

核數師

德勤 • 關黃陳方會計師行

LEGAL ADVISORS

Conyers Dill & Pearman (Cayman Islands)
Stephenson Harwood (Hong Kong)
Van den Boomen Advocaten B.V. (Dutch)
Zhong Lun Law Firm (PRC)

法律顧問

Conyers Dill & Pearman (開曼群島)
羅夏信律師事務所(香港)
Van den Boomen Advocaten B.V. (荷蘭)
中倫律師事務所(中國)

PRINCIPAL BANKERS

Agriculture Bank of China
Bank of China
Bank of Communications
Shanghai Pudong Development Bank
OCBC Wing Hang Bank Limited

主要往來銀行

中國農業銀行
中國銀行
交通銀行
上海浦東發展銀行
華僑永亨銀行有限公司

REGISTERED OFFICE

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

註冊辦事處

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

48 Wang Lok Street
Yuen Long Industrial Estate
Hong Kong

香港總公司及主要營業地點

香港
元朗工業邨
宏樂街48號



Corporate Information (continued) 公司資料(續)

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Taizhou Industrial Zone of Metal Recycling
Fengjiang, Luqiao, Taizhou
Zhejiang
The PRC
Post Code 318054

中國總公司及主要營業地點

中國
浙江省
台州市路橋區峰江鎮
台州金屬再生工業園區
郵編：318054

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

香港股份登記及過戶分處

香港中央證券登記有限公司
香港灣仔
皇后大道東 183 號
合和中心 17 樓 1712-1716 號舖

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

開曼群島主要股份登記及過戶處

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

WEBSITE

www.chiho-tiande.com

公司網站

www.chiho-tiande.com

STOCK CODE

Hong Kong Stock Exchange 976

股份代號

香港聯交所 976



On behalf of the Board (the "Board") of Directors (the "Director(s)") of Chiho-Tiande Group Limited (齊合天地集團有限公司) (the "Company"), I present the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2015.

The Group incurred a loss of HK\$949.6 million attributable to owners of the Company for the first half of 2015. During the period, despite a reduction in sales from HK\$3.2 billion in the same period of 2014 to HK\$1.8 billion, representing a reduction of 43.8%, the Group recorded a gross profit of HK\$61.5 million when compared to the gross loss of HK\$136.9 million in the same period of 2014, this was mainly due to the weakness in global commodity prices with less volatility seen during the first half of 2015.

During the period, the Group recorded a loss attributable to the owners of the Company of HK\$949.6 million, when compared to the loss attributable to the owners of the Company of HK\$896.0 million recorded in the same period of 2014. Loss on the fair value changes of the derivative financial instruments of HK\$315.8 million was recognised in the first half of 2015, when compared to that of HK\$616.6 million for the same period in 2014. However, as disclosed by the Company's announcement dated 11 August 2015, there was an accounting loss of approximately HK\$559.9 million derived from the change in the fair value of the derivative components of the convertible bonds issued by the Company due to a non-cash accounting treatment solely for the purpose of complying with Hong Kong Financial Reporting Standards ("HKFRSs") as a result of the significant increase in the share price of the Company during the period.

With the overall decreasing global metal prices throughout the period, the Group faced various challenges to achieve its procurement volume to meet its processing needs through its well established overseas procurement network. The Group sold in aggregate over 242,000 tonnes of its processed products within its three business segments throughout the period. This represented a decrease of 18.5% when compared to 297,000 tonnes in the same period of 2014.

During the period, the Group continued to follow its usual practices of consistently buying mixed metal scrap and selling its recycled products in accordance with its processing ability so as to mitigate the short-term impact of price volatility on the overall performance of the Group.

Basic loss per share attributable to owners of the Company amounted to HK\$0.809 in the first half of 2015 (2014: Loss per share HK\$0.857).

本人謹代表齊合天地集團有限公司(「本公司」)董事(「董事」)會(「董事會」)，提呈本公司及其附屬公司(「本集團」)截至二零一五年六月三十日止六個月的未經審核中期業績。

本集團二零一五年上半年錄得本公司擁有人應佔虧損949,600,000港元。於期內，儘管銷售由二零一四年同期的3,200,000,000港元減少至1,800,000,000港元，減少43.8%，但本集團錄得毛利61,500,000港元，而二零一四年同期則為毛損136,900,000港元。此乃主要由於二零一五年上半年全球商品價格偏軟，波動較少。

於期內，本集團錄得本公司擁有人應佔虧損949,600,000港元，而二零一四年同期錄得本公司擁有人應佔虧損896,000,000港元。於二零一五年上半年確認源自衍生金融工具公平值變動虧損315,800,000港元，而二零一四年同期則為616,600,000港元。然而，如本公司二零一五年八月十一日的公告所披露，本公司所發行可換股債券衍生工具部份公平值變動，引致會計虧損約559,900,000港元，此款項視為僅為遵守香港財務報告準則(「香港財務報告準則」)而非現金會計處理，乃由於期內本公司股價飆升引致。

整個期內全球金屬價格整體下跌，但本集團透過其完善的海外採購網絡，正視各種考驗，達到採購量，以應付加工所需。本集團在整個期內合共售出旗下三個業務分部的加工產品超過242,000噸，較二零一四年同期的297,000噸減少18.5%。

期內，本集團秉承一貫做法，根據自身的加工能力，持續買入混合廢金屬並出售其再生產品，以減低價格波動對本集團整體表現的短期影響。

於二零一五年上半年，本公司擁有人應佔每股基本虧損為0.809港元(二零一四年：每股虧損0.857港元)。



Chairman's Statement (continued) 主席報告(續)

With a strong presence in Hong Kong established since 2012, the Group is now in a well-placed position to establish a more diversified scrap metal and electronic waste processing platform in Hong Kong. We continue to be confident that the Hong Kong facility will eventually become an important contributor to the overall performance of the Group.

As for the establishment of the new processing facilities in the Development Zone in Yantai City, the People's Republic of China (the "PRC"), we have completed the first stage of the development and are now progressively operational.

Going forward, we remain committed to further expanding our processing capability, and at the same time improving our profitability and return on equity. Our focus will continue to cover our existing operation facilities and at the same time looking for opportunities to improve the performance of the Group.

Following the subscriptions of the Company's shares as described in the Company's announcement dated 27 March 2015 and the completions of such share subscriptions on 30 April 2015 and 29 May 2015, the financial position of the Group has significantly improved from the same period in 2014. We intend to apply the proceeds from such share subscriptions to finance any potential acquisitions of businesses or assets in order to further strengthen the Group's principal business of metal recycling. In this connection, the Company is actively looking for suitable acquisition opportunities within the scrap metal recycling and related sector in mature overseas as well as domestic markets.

As indicated in the Company's announcements dated 1 December 2014 and 29 May 2015 in relation to the proposed establishment of a renewable oil investment company in the PRC and the proposed acquisition of 80% equity interest in Yantai Liheng Environmental Protection Technology Co., Ltd.* (煙台立衡環保科技有限公司), which owns certain production facilities located in Yantai, the PRC, pursuant to the two letters of intent entered into by Chiho-Tiande Investments Limited, a wholly-owned subsidiary of the Company, on 1 December 2014, we are currently at the stage of finalising the definitive agreements for these proposed transactions with the counterparties.

We will continue to be on the lookout for any potential opportunity, especially the activities within the scrap metal resources supply chain.

於二零一二年設立的香港業務實力強大，本集團現時具備優越的條件，以於香港成立更多元化的廢金屬及廢電子加工平台。我們依然確信，香港設施最終將為本集團的整體表現作出重大貢獻。

有關於中華人民共和國(「中國」)煙台市開發區建立新加工設施，我們已完成第一階段開發，營運逐步取得進展。

展望未來，我們仍將繼續致力擴大我們的加工能力，同時改善我們的盈利能力及股本回報率。我們將繼續把重點放在現有營運設施，同時物色商機改善本集團表現。

隨本公司二零一五年三月二十七日公告所述本公司股份認購事項及該等股份認購於二零一五年四月三十日及二零一五年五月二十九日完成後，本集團財務狀況較二零一四年同期大為改善。我們擬動用該等股份認購事項所得款項撥付收購任何潛在業務或資產，旨在進一步增強本集團主要金屬再生業務。就此而言，本公司正積極於成熟海內外市場廢金屬再生及相關領域尋找合適的收購機會。

誠如本公司於二零一四年十二月一日及二零一五年五月二十九日的公告所指(其內容有關建議於中國成立再生油投資公司及建議收購煙台立衡環保科技有限公司80%股本權益，該公司於中國煙台擁有若干生產設施)，根據齊合天地投資有限公司(本公司的全資附屬公司)於二零一四年十二月一日訂立的兩份意向書，我們正與對方就該等建議交易落實正式協議。

我們將繼續關注任何潛在商機，尤其是廢金屬資源供應鏈內的活動。



With the continued emphasis of support from the PRC Government to develop the recycling industry, we are confident that the metal recycling industry in the PRC will continue to grow and will become an important source and an integral part of the metal resources supply chain of the PRC in the future.

Given that the metal recycling industry contributes significantly to the protection of environment and to the preservation of valuable natural resources, we continue to place heavy emphasis on our procurement volume to ensure that it is in line with our processing needs and to cater for our expansion strategy for scrap materials in the PRC.

Tu Jianhua

Chairman

Hong Kong, 21 August 2015

* *For identification purposes only*

由於中國政府繼續重點支持發展回收行業，我們相信中國的金屬再生行業將繼續發展，並會成為中國未來金屬資源供應鏈的重要來源及不可分割的一部分。

鑒於金屬再生行業對保護環境及保護寶貴天然資源均有重大貢獻，我們將繼續加強重視採購量，以確保迎合我們的加工需求以及符合我們在中國有關廢料行業的擴展策略。

涂建華

主席

香港，二零一五年八月二十一日



Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW AND OUTLOOK

With the prolonged downward bias global metal market seen in the last 5 years, the management continued to face exceptional challenges as the metal prices are at their lowest levels since the financial crisis in 2008, resulting in a disappointing performance for the first half of 2015. With the likelihood of U.S. interest rate turning upwards in the coming months and the economic uncertainty overclouding Europe, volatility in the global metal market is expected to continue in the coming months. However, the management remains to be cautiously optimistic about the Group's performance in the coming months.

In 2015, the Group continued to face challenges arising from the difficult business environment, including the generally low global metal prices and the anticipated, slower economic growth in the PRC. During the period, despite a reduction in sales from HK\$3.2 billion in the same period of 2014 to HK\$1.8 billion, representing a reduction of 43.8%, the Group recorded a gross profit of HK\$61.5 million when compared to the gross loss of HK\$136.9 million in the same period of 2014, which was mainly due to the weakness in global commodity prices with less volatility seen during the first half of 2015.

During the period, the Group recorded a loss attributable to the owners of the Company of HK\$949.6 million, when compared to the loss attributable to the owners of the Company of HK\$896.0 million recorded in the same period of 2014. Loss on fair value changes of derivative financial instruments of HK\$315.8 million was recognised in the first half of 2015, when compared to that of HK\$616.6 million for the same period in 2014. However, there was an accounting loss of approximately HK\$559.9 million derived from the change in the fair value of the derivative components of the convertible bonds issued by the Company, due to the significant increase in the share price of the Company during the period. Nevertheless, given that the loss derived from the fair value change of the derivative components of the Company's convertible bonds is a non-cash accounting treatment solely for compliance with HKFRSs, it will not have an impact on the operating cash flow of the Group. As announced by the Company in its announcement and circular dated 5 March 2015 and 11 April 2015 respectively, the convertible bonds issued by the Company in the aggregate principal amount of HK\$815,800,000 was extended for a further two years to 1 March 2017, subject to the modifications set out in the said announcement and circular. The extension was approved by the shareholders of the Company on 27 April 2015.

業務回顧及展望

伴隨過去五年全球金屬市場一直偏向下滑，金屬價格處於二零零八年金融危機以來最低水平，管理層繼續面臨異常挑戰，導致二零一五年上半年表現頗弱。美國有望於未來數月加息，歐洲經濟不明朗，預計未來數月全球金屬市場會繼續波動。然而，管理層繼續對本集團未來數月的表現持謹慎樂觀態度。

二零一五年期間，本集團繼續面臨業務環境困難所帶來的挑戰，包括全球金屬價格普遍偏低，以及中國經濟增長一如預期減緩。期內，儘管銷售由二零一四年同期的3,200,000,000港元減少至1,800,000,000港元，減少43.8%，但本集團錄得毛利61,500,000港元，而二零一四年同期則為毛損136,900,000港元。此乃主要由於二零一五年上半年全球商品價格偏軟，波動較少。

於期內，本集團錄得本公司擁有人應佔虧損949,600,000港元，而二零一四年同期錄得本公司擁有人應佔虧損896,000,000港元。於二零一五年上半年確認源自衍生金融工具公平值變動虧損315,800,000港元，而二零一四年同期則為616,600,000港元。然而，本公司所發行可換股債券衍生工具部份公平值變動，引致會計虧損約559,900,000港元，乃由於期內本公司股價飆升引致。儘管如此，鑑於源自本公司可換股債券衍生工具部分公平值變動的虧損為僅為遵守香港財務報告準則的非現金會計處理，故不會對本集團的營運現金流有任何影響。誠如本公司於日期分別為二零一五年三月五日及二零一五年四月十一日的公告及通函所指，本公司發行本金總額為815,800,000港元的可換股債券進一步延期兩年至二零一七年三月一日，並須遵守上述公告及通函所載的修訂。有關延期已於二零一五年四月二十七日獲本公司股東批准。



BUSINESS REVIEW AND OUTLOOK (continued)

With a number of unforeseeable circumstances impacting the global supply of scrap materials, the Group continued to experience a reduced scrap materials purchase. During the period, mixed metal scrap supply remained at a low level same as the same period of 2014. The Group sold in aggregate over 242,000 tonnes of processed products within its three business segments throughout the period. This represented a decrease of 18.5% when compared to 297,000 tonnes in the same period of 2014.

During the period, the Group continued to follow its usual practices of consistently buying mixed metal scrap and selling its recycled products in accordance with its processing ability so as to mitigate the short-term impact of price volatility on the overall performance of the Group.

With regard to the legal proceedings (the “Legal Proceedings”) in the PRC between Shanghai Chiho-Tiande Resource Recycling Co., Ltd.* (上海齊合天地再生資源有限公司) (“Shanghai JV”), an indirect 51%-owned subsidiary of the Company, and Shanghai Science and Technology Co., Ltd.* (上海民營科技實業發展公司) (“SST”) in relation to certain housing and land lease contracts, further to the disclosures made by the Company in its announcements dated 14 December 2012, 15 January 2014, 22 January 2014 as well as its interim report for the six months ended 30 June 2014 and its annual report for the year ended 31 December 2014, the Second Intermediate People’s Court of Shanghai made the judgment on 19 June 2015 upholding the following orders made by Baoshan People’s Court in Shanghai on 12 January 2015:

1. Shanghai JV (as lessee) shall pay the outstanding rents of RMB9,141,360 and management fees of RMB200,000 to SST (as lessor);
2. SST shall pay to Shanghai JV a sum of RMB9,998,408.40 for the economic loss incurred by Shanghai JV; and
3. the remaining requests in the claim filed by SST and in the counterclaim filed by Shanghai JV are dismissed.

As advised by the Company’s PRC legal counsel, Shanghai JV may, by 19 December 2015, apply to Shanghai High People’s Court for re-trial and seek for other possible legal relief. The management is considering various options for this Legal Proceedings.

業務回顧及展望(續)

隨著若干不可預見情況影響全球廢料供應，本集團繼續面臨廢料採購減少。於期內，混合廢金屬供應維持在較低水平，與二零一四年同期一致。本集團在整個期內合共售出旗下三個業務分部的加工產品超過242,000噸，較二零一四年同期的297,000噸減少18.5%。

期內，本集團秉承一貫做法，根據自身的加工能力，持續買入混合廢金屬並出售其再生產品，以減低價格波動對本集團整體表現的短期影響。

就本公司間接擁有51%的附屬公司上海齊合天地再生資源有限公司(「上海合資企業」)與上海民營科技實業發展公司(「上海民營科技」)於中國進行，有關若干房屋及土地租賃合同的法律訴訟(「法律訴訟」)而言(茲提述本公司日期為二零一二年十二月十四日、二零一四年一月十五日、二零一四年一月二十二日的公告，以及截至二零一四年六月三十日止六個月的中期報告及截至二零一四年十二月三十一日止年度的年度報告的披露資料)，上海第二中級人民法院於二零一五年六月十九日作出判決，支持上海市寶山區人民法院於二零一五年一月十二日的命令：

1. 上海合資企業(作為承租人)應支付結欠上海民營科技(作為出租人)的未付租金人民幣9,141,360元及管理費人民幣200,000元；
2. 上海民營科技應向上海合資企業支付上海合資企業產生的經濟虧損合共人民幣9,998,408.40元；及
3. 上海民營科技提出的申索及上海合資企業提出的反申索下的餘下要求予以駁回。

經本公司的中國法律顧問建議，上海合資企業可於二零一五年十二月十九日前向上海市高級人民法院提出申請重審，以及尋求其他可行的法律濟助。管理層現時正就法律訴訟考慮多項意見。



BUSINESS REVIEW AND OUTLOOK (continued)

The Board takes the view that the Legal Proceedings will not have any material adverse effect on the business, operations or financial results of the Group. The Company will keep its shareholders and the investors informed of further development of the Legal Proceedings as and when appropriate.

Basic loss per share attributable to owners of the Company amounted to HK\$0.809 in the first half of 2015 (2014: Loss per share HK\$0.857).

Our Procurement Network

The Group is the largest importer of mixed metal scrap used for recycling, reuse and processing in terms of the total import volume as approved by the Ministry of Environmental Protection in the PRC. The Group imports nearly all of our mixed metal scrap and has, over the years, developed a strong international procurement network which covers Europe, North America, Oceania and Asia. Our network of suppliers was mostly established and developed by the Group leveraging on its experience in the industry. With our good business practices, we have enjoyed good business relationship with the suppliers over the years.

Corporate and Business Development

With a strong presence in Hong Kong established since 2012, the Group is now in a well-placed position to establish a more diversified scrap metal and electronic waste processing platform in Hong Kong. We continue to be confident that the Hong Kong facility will eventually become an important contributor to the overall performance of the Group.

As for the establishment of the new processing facilities in the Development Zone in Yantai City, the PRC, we have completed the first stage of the development and are now progressively operational.

Going forward, we remain committed to further expanding our processing capability, and at the same time improving our profitability and return on equity. Our focus will continue to cover our existing operation facilities and at the same time looking for opportunities to improve the performance of the Group.

業務回顧及展望(續)

董事會認為法律訴訟將不會對本集團的業務、營運或財務業績有任何重大不利影響。本公司亦將會適當時候就法律訴訟的進一步發展通知股東及投資者。

於二零一五年上半年，本公司擁有人應佔每股基本虧損為0.809港元(二零一四年：每股虧損0.857港元)。

本集團的採購網絡

按中國環境保護部批准的進口總量計算，本集團為將混合廢金屬進口作回收、循環再用及加工用途之最大進口商。本集團的絕大部分混合廢金屬均來自進口，且於多年來已建立強大的國際採購網絡，遍及歐洲、北美、大洋洲及亞洲。憑藉其行業經驗，本集團大部分供應商網絡乃自行建立及發展。本集團憑藉優良的營運手法，與供應商建立了多年良好的業務關係。

企業及業務發展

於二零一二年設立的香港業務實力強大，本集團現時具備優越的條件，以於香港成立更多元化的廢金屬及廢電子加工平台。我們依然確信，香港設施最終將為本集團的整體表現作出重大貢獻。

有關於中國煙台市開發區建立新加工設施，我們已完成第一階段開發，營運逐步取得進展。

展望未來，我們仍將繼續致力擴大我們的加工能力，同時改善我們的盈利能力及股本回報率。我們將繼續把重點放在現有營運設施，同時物色商機改善本集團表現。



BUSINESS REVIEW AND OUTLOOK (continued) Corporate and Business Development (continued)

Following the subscriptions of the Company's shares as described in the Company's announcement dated 27 March 2015 and the completions of such share subscriptions on 30 April 2015 and 29 May 2015, the financial position of the Group has significantly improved from the same period in 2014. We intend to apply the proceeds from such share subscriptions to finance any potential acquisitions of businesses or assets in order to further strengthen the Group's principal business of metal recycling. In this connection, the Company is actively looking for suitable acquisition opportunities within the scrap metal recycling and related sector in mature overseas as well as domestic markets.

As indicated in the Company's announcements dated 1 December 2014 and 29 May 2015 in relation to the proposed establishment of a renewable oil investment company in the PRC and the proposed acquisition of 80% equity interest in Yantai Liheng Environmental Protection Technology Co., Ltd.* (煙台立衡環保科技有限公司), which owns certain production facilities located in Yantai, the PRC, pursuant to the two letters of intent entered into by Chiho-Tiande Investments Limited ("CT Investments"), a wholly-owned subsidiary of the Company, on 1 December 2014, we are currently at the stage of finalising the definitive agreements for these proposed transactions with the counterparties.

On 19 June 2015, the Company, Itochu Corporation ("Itochu"), Itochu Metals Corporation ("Itochu Metals") and Suzuki Shokai Co., Ltd. (as referred to in the Company's announcement dated 19 June 2015 as Suzuki Shokai Inc.) ("Suzuki Shokai") entered into a memorandum of understanding in relation to the proposed acquisition of the entire equity interest in Dalian New Green Recycle & Resources Corporation* (大連新綠再生資源加工有限公司) ("DNG") and the proposed formation of a joint venture with Itochu Metals (or another wholly-owned subsidiary of Itochu) and Suzuki Shokai (or a wholly-owned subsidiary of Suzuki Shokai) for engaging in the trading of recycle materials with a focus on the Chinese and Japanese markets, details of which were disclosed by the Company in its announcement dated 19 June 2015. On 21 August 2015, the Company and CT Investments, a wholly-owned subsidiary of the Company, entered into the acquisition agreement with Itochu and Suzuki Shokai (as sellers), pursuant to which CT Investments conditionally agreed to purchase while Itochu and Suzuki Shokai conditionally agreed to sell their respective equity interests, collectively

業務回顧及展望(續) 企業及業務發展(續)

隨本公司二零一五年三月二十七日公告所述本公司股份認購事項及該等股份認購於二零一五年四月三十日及二零一五年五月二十九日完成後，本集團財務狀況較二零一四年同期大為改善。我們擬動用該等股份認購事項所得款項撥付收購任何潛在業務或資產，旨在進一步增強本集團主要金屬再生業務。就此而言，本公司正積極於成熟海內外市場廢金屬再生及相關領域尋找合適的收購機會。

誠如本公司於二零一四年十二月一日及二零一五年五月二十九日的公告所指(其內容有關建議於中國成立再生油投資公司及建議收購煙台立衡環保科技有限公司80%股本權益，該公司於中國煙台擁有若干生產設施)，根據齊合天地投資有限公司(「齊合天地投資」)(本公司的全資附屬公司)於二零一四年十二月一日訂立的兩份意向書，我們正與對方就該等建議交易落實正式協議。

於二零一五年六月十九日，本公司、伊藤忠商事株式會社(「伊藤忠」)、伊藤忠金屬株式會社(「伊藤忠金屬」)及鈴木商會株式會社(該公司的英文名稱於本公司日期為二零一五年六月十九日的公告中的英文名稱為Suzuki Shokai Inc.)(「鈴木商會」)訂立諒解備忘錄，內容有關建議收購大連新綠再生資源加工有限公司(「大連新綠」)的全部股本權益，以及建議與伊藤忠金屬(或伊藤忠另一間全資附屬公司)及鈴木商會(或鈴木商會的全資附屬公司)成立合營企業，以從事專注於中國及日本市場之再生物料貿易；有關詳情於本公司日期為二零一五年六月十九日的公告中披露。於二零一五年八月二十一日，本公司及本公司的全資附屬公司齊合天地投資與伊藤忠及鈴木商會(作為賣方)訂立收購協議，據此，齊合天地投資有條件同意購買而伊藤忠及鈴木商會有條件同意出售其各自持有的大連新綠股權(合共構成大連新綠的全部股權)，總代價為人民幣345,614,057元，以按每股13.50港元的發行



BUSINESS REVIEW AND OUTLOOK (continued) **Corporate and Business Development (continued)**

constituting the entire equity interest, in DNG at a total consideration of RMB345,614,057 to be settled by way of 31,037,585 consideration shares of the Company at the issue price of HK\$13.50 per share. The consideration shares will be issued under the general mandate granted by the shareholders at the annual general meeting of the Company on 21 May 2015. On the same date, CT Investments entered into the joint venture agreement with Itochu Metals and Suzuki Shokai, pursuant to which the parties conditionally agreed to form a joint venture in Hong Kong in the proposed name of Chiho-Tiande International Resource Recycling Co., Limited to principally engaged in the trading of recycle materials with a focus on the Chinese and Japanese markets and/or such other business as determined by the board of directors of the joint venture from time to time. It is agreed that CT Investments, Itochu Metals and Suzuki Shokai will hold 80.1%, 17.9% and 2% of the share capital of the joint venture respectively upon completion of the formation of the joint venture. Details of the acquisition agreement and the joint venture agreement were disclosed by the Company in its announcement dated 21 August 2015. Where necessary, the Company will make further announcement to update the status as and when appropriate in compliance with the requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

We will continue to be on the lookout for any potential opportunity, especially the activities within the scrap metal resources supply chain.

Social Responsibilities

On the environmental protection front, we continued to place great emphasis on ensuring that all of our processing facilities are in line with local and national environmental protection standards.

Our Taizhou facilities continued to qualify as one of the designated processing units for imported metal scraps recycling and utilisation in Zhejiang Province under the Environmental Protection Department of Zhejiang Province (浙江省環境保護廳). Our production processes do not consume large volumes of electricity and water and therefore produce very small volume of waste materials. We consider that we have adopted sufficient environmental protection measures and controls against air, water, solid and noise pollutions produced during the course of our production processes.

業務回顧及展望 (續) **企業及業務發展 (續)**

價發行31,037,585股本公司代價股份的方式支付。代價股份將根據一般授權發行，一般授權由股東於在二零一五年五月二十一日舉行的本公司股東週年大會上授予。同日，齊合天地投資與伊藤忠金屬及鈴木商會訂立合營協議，據此，訂約方有條件同意於香港成立建議名為齊合天地國際再生資源有限公司的合營企業，主要從事專注於中國及日本市場之再生物料貿易及／或合營企業董事會不時確定的有關其他業務。齊合天地投資、伊藤忠金屬及鈴木商會協議於完成成立合營企業後將分別持有合營企業股本之80.1%、17.9%及2%。本公司於日期為二零一五年八月二十一日的公告披露收購協議及合營協議的詳情。如有需要，本公司將於適當時候作出進一步公告以更新狀況並遵守香港聯合交易所有限公司證券上市規則（「上市規則」）下的規定。

我們將繼續關注任何潛在商機，尤其是廢金屬資源供應鏈內的活動。

社會責任

在環保方面，我們繼續把重點放在確保旗下所有加工設施均符合當地及國家的環保標準。

我們的台州設施繼續符合浙江省環境保護廳下其中一家浙江省進口廢五金類廢物加工利用定點企業的資格。本集團的生產流程不會耗用大量水電，故產生的廢料極少。本集團認為，其已採取足夠環境保護措施及監控，以減少生產工序產生的空氣、水、固體及噪音污染。



BUSINESS REVIEW AND OUTLOOK (continued)

Prospects

With the successful share subscriptions made in the first half of 2015 resulting in a total proceed of HK\$4.1 billion received, the Group is in an extremely well placed financial position to develop its metal recycling business not just within the PRC and perhaps globally, together with continued strong support from the PRC Government to develop the recycling industry, we remain confident that the metal recycling industry in the PRC will continue to grow and become an important source and an integral part of the metal resources supply chain in the PRC in the future.

Given that the metal recycling industry contributes significantly to the protection of environment and to the preservation of valuable natural resources, we continue to place heavy emphasis on our procurement volume to ensure that it is in line with our processing needs and to cater for our expansion strategy for scrap materials in the PRC.

The management will continue to make efforts to capitalise on its business development in achieving satisfactory returns to the shareholders of the Company.

FINANCIAL REVIEW

Revenue

During the period, revenue decreased by approximately HK\$1.4 billion, or 43.8%, from HK\$3.2 billion in the same period of 2014 to HK\$1.8 billion. The decrease was mainly attributable to a decrease in the sales volume and a decrease in the average selling prices of our recycled metal products and foundry products.

Cost of sales

Cost of sales decreased by approximately HK\$1.6 billion, or 48.5%, from HK\$3.3 billion in the same period of 2014 to HK\$1.7 billion in this period. The decrease is in line with the decrease in revenue and is primarily due to a decrease in the sales volume and reduction in the average purchase prices of raw materials.

Gross profit/loss and gross profit/loss margin

Gross profit of approximately HK\$61.5 million was recorded when compared to gross loss of HK\$136.9 million in the same period of 2014. The gross margin increased from -4.3% (gross loss margin) in the same period of 2014 to 3.5% (gross profit margin) in this period. The gross profit was due to less volatility in the global metal prices during the period.

業務回顧及展望(續)

前景

二零一五年上半年股份認購成功進行，所得款項總額為4,100,000,000港元後，本集團現具極優越財務條件，不僅於中國亦或能於全球發展其金屬回收業務，加上中國政府繼續重點支持發展回收行業，我們仍然確信中國的金屬再生行業將繼續發展，並會成為中國未來金屬資源供應鏈的重要來源及不可分割的一部分。

鑒於金屬再生行業對保護環境及保護寶貴天然資源均有重大貢獻，我們將繼續加強重視採購量，以確保迎合我們的加工需求以及符合我們在中國有關廢料行業的擴展策略。

管理層將繼續利用其業務發展，致力為本公司股東爭取理想回報。

財務回顧

收益

期內收益減少約1,400,000,000港元或43.8%，由二零一四年同期的3,200,000,000港元減至1,800,000,000港元。減少主要是由於再生金屬產品及鑄造產品的銷量及平均售價均告下降所致。

銷售成本

銷售成本減少約1,600,000,000港元或48.5%，由二零一四年同期的3,300,000,000港元減至期內的1,700,000,000港元。銷售成本減少與收益減少一致，主要是由於銷量減少及原料平均採購價下降所致。

毛利/毛損及毛利率/毛損率

毛利約為61,500,000港元，而二零一四年同期毛損為136,900,000港元。毛利率由二零一四年同期的-4.3%（毛損率）增加至期內的3.5%（毛利率）。毛利是由於期內全球金屬價格波動不大所致。



FINANCIAL REVIEW (continued) Distribution and selling expenses

Distribution and selling expenses decreased by approximately HK\$8.4 million or 63.6%, from HK\$13.2 million in the same period of 2014 to HK\$4.8 million in this period. This was mainly due to the decrease in selling activities in Hong Kong and PRC.

General and administrative expenses

General and administrative expenses increased by approximately HK\$9.9 million or 17.1%, from HK\$58.0 million in the same period of 2014 to HK\$67.9 million in this period. This was mainly due to the increase in staff costs, rental expenses as well as trade related contributions.

Other income

Other income increased by approximately HK\$18.0 million, or 72.6%, from HK\$24.8 million in the same period of 2014 to HK\$42.8 million in this period. This was mainly due to the additional government grants received during the period.

Other gains and losses

Other losses increased by approximately HK\$261.5 million, or 40.8% from HK\$640.5 million in the same period of 2014 to HK\$902.0 million in this period. This was mainly due to the loss on the fair value change of derivative components of convertible bonds during the period arising from a non-cash accounting treatment for the purpose of complying with HKFRSs.

Finance costs

Finance costs decreased by approximately HK\$5.1 million, or 6.3%, from HK\$80.7 million in the same period of 2014 to HK\$75.6 million in this period. This was mainly due to a decrease in the bank interest expenses as the overall bank borrowings decreased during the period.

Loss for the period

As a result of the factors discussed above, the Company incurred a net loss for the period of approximately HK\$946.8 million, when compared to a net loss of HK\$906.7 million in the same period of 2014. Despite an improvement in operating performance from a gross loss margin in the same period last year to a gross profit margin in this period, the overall increase in net loss was mainly due to losses on fair value changes of derivative financial instruments, which the Group is required to make under the "mark-to-market" accounting principle, and the derivative components of the convertible bonds, due to a non-cash accounting treatment solely for the purpose of complying with HKFRSs.

財務回顧(續) 分銷及銷售開支

分銷及銷售開支減少約8,400,000港元或63.6%，由二零一四年同期的13,200,000港元減至期內的4,800,000港元，主要由於香港及中國銷售活動減少所致。

一般及行政開支

一般及行政開支增加約9,900,000港元或17.1%，由二零一四年同期的58,000,000港元增至期內的67,900,000港元，主要是由於員工成本、租金開支以及貿易相關貢獻增加所致。

其他收入

其他收入增加約18,000,000港元或72.6%，由二零一四年同期的24,800,000港元增至期內的42,800,000港元，主要是由於期內收到額外政府補貼所致。

其他收益及虧損

其他虧損增加約261,500,000港元或40.8%，由二零一四年同期的640,500,000港元增至期內的902,000,000港元，主要由於期內為遵守香港財務報告準則，非現金會計處理使可換股債券衍生工具部分公平值變動產生虧損所致。

財務成本

財務成本減少約5,100,000港元或6.3%，由二零一四年同期的80,700,000港元減至期內的75,600,000港元，主要由於期內銀行借貸整體減少令銀行利息支出減少所致。

期內虧損

基於上述因素，本公司產生期內虧損淨額約946,800,000港元，而二零一四年同期虧損淨額906,700,000港元。雖然本期間經營表現有所改善，由去年同期的毛損率轉為毛利率，虧損淨額整體增加主要由於本集團須根據「市值計算」會計原則作出的衍生金融工具公平值變動及僅為遵守香港財務報告準則被視作非現金會計處理的可換股債券衍生工具部分虧損所致。



FINANCIAL REVIEW (continued)

Key Financial Ratios

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

Liquidity Ratios	流動資金比率	At	At
		30 June 2015 於二零一五年 六月三十日	31 December 2014 於二零一四年 十二月三十一日
Current ratio	流動比率	3.23	0.90
Quick ratio	速動比率	2.65	0.52
Gearing ratio (%)	資產負債比率(%)	19.7	58.8

財務回顧(續)

關鍵財務比率

下表載列於所示日期及期間的主要財務比率：

		Six months ended 30 June 截至六月三十日止六個月	
		2015 二零一五年	2014 二零一四年
Inventory turnover days	存貨周轉日數	113	108
Debtor's turnover days	應收賬周轉日數	13	11
Creditor's turnover days	應付賬周轉日數	15	10

Liquidity and Financial Resources and Capital Structure

The net current assets which included cash and various bank and margin deposits amounted to HK\$4,194.0 million as at 30 June 2015 (31 December 2014: HK\$707.4 million). Total bank borrowings were HK\$0.9 billion as at 30 June 2015 (31 December 2014: HK\$1.3 billion), and those were mainly used to finance the purchases of mixed metal scrap from overseas. Such borrowings were mainly denominated in US Dollar and Renminbi.

The gearing ratio of the Group as at 30 June 2015 was 19.7% (31 December 2014: 58.8%) which is calculated based on the total borrowings over total assets. The decrease was mainly due to total proceeds of approximately HK\$4.1 billion received from the subscriptions of new shares, the decrease of principal amount of convertible bonds of HK\$435.6 million following the exercise of such convertible bonds and the issue of conversion shares in relation thereto, and the decrease in bank borrowings. Details of the completion of the subscriptions of new shares and issue of conversion shares were disclosed in the announcements of the Company dated 30 April 2015, 29 May 2015, 10 June 2015 and 15 June 2015.

流動資金及財務資源及資本架構

於二零一五年六月三十日，流動資產淨值包括現金及多項銀行及保證金存款共4,194,000,000港元(二零一四年十二月三十一日：707,400,000港元)。於二零一五年六月三十日，銀行借貸總額為900,000,000港元(二零一四年十二月三十一日：1,300,000,000港元)，主要用於為向海外採購混合廢金屬提供資金。該等借貸主要以美元及人民幣計值。

本集團於二零一五年六月三十日的資產負債比率為19.7%(二零一四年十二月三十一日：58.8%)(根據借款總額除以資產總值計算)。有關減幅主要由於認購新股份的所得款項總額約4,100,000,000港元、行使可換股債券及就此發行換股股份後，435,600,000港元之可換股債券的本金額減少；以及銀行借貸減少所致。完成認購新股份及發行換股股份的詳情已分別於本公司日期為二零一五年四月三十日、二零一五年五月二十九日、二零一五年六月十日及二零一五年六月十五日的公告披露。



FINANCIAL REVIEW (continued)

Liquidity and Financial Resources and Capital Structure (continued)

Debtor's turnover days and creditor's turnover days increased from 11 days and 10 days for the same period of 2014 to 13 days and 15 days for this period respectively.

Inventory turnover days increased from 108 days for the same period of 2014 to 113 days for this period.

Capital Commitments and Contingent Liabilities

As at 30 June 2015, the Group had pledged certain buildings, land use rights and bank deposits with an aggregate carrying value of approximately HK\$555.0 million (31 December 2014: approximately HK\$577.9 million) to secure bank borrowings.

As at 30 June 2015, the capital commitments of the Group in respect of acquisition of leasehold interests for land and buildings and other property, plant and equipment, which were not provided in the Group's condensed consolidated financial statements amounted to HK\$243.1 million (31 December 2014: HK\$257.2 million).

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

Risk Management

The Group in its ordinary course of business is exposed to market risks such as commodities price risk, foreign currencies risk, interest rate risk, credit risk and liquidity risk. The Group's risk management strategy aims to minimise the adverse effects of these risks on its financial performance.

On 26 March 2015, the Board resolved to adopt a new set of policy regarding dealings in metal futures contracts in order to better reflect and restate the Group's current business requirements with regard to dealings in metal futures contracts, details of which were disclosed in the Company's announcement made on the same date and the full policy is available from the Company's website, www.chiho-tiande.com.

As part of its foreign currency hedging strategy, the Group has bought US Dollar forward contracts since the second half of 2009 primarily to mitigate our exposure to the fluctuation of the exchange rate between US Dollar and Renminbi whilst taking advantage of the favourable forward contract exchange rates. The Group will continue to adhere to this hedging strategy so long as the forward contract exchange rate justifies it.

財務回顧 (續)

流動資金及財務資源及資本架構 (續)

應收賬周轉日數和應付賬周轉日數分別由二零一四年同期的11日和10日增加至期內的13日和15日。

存貨周轉日數由二零一四年同期的108日增加至期內的113日。

資本承擔及或然負債

於二零一五年六月三十日，本集團抵押賬面總值約555,000,000港元的若干樓宇、土地使用權及銀行存款(二零一四年十二月三十一日：約577,900,000港元)，以為銀行借貸作擔保。

於二零一五年六月三十日，本集團有關收購土地及樓宇的租賃權益及其他物業、廠房及設備但並無於本集團簡明綜合財務報表計提的資本承擔為243,100,000港元(二零一四年十二月三十一日：257,200,000港元)。

於本報告日期，就董事會所知，概無任何重大或然負債。

風險管理

在日常業務過程中，本集團面對的市場風險包括商品價格風險、外匯風險、利率風險、信貸風險及流動資金風險等。本集團的風險管理策略旨在減低該等風險對本集團財務表現的不利影響。

於二零一五年三月二十六日，董事會議決採納有關買賣金屬期貨合約的一套新政策，以更好地反映及重申本集團有關買賣金屬期貨合約的現有業務規定，詳情於本公司在同日刊發的公告披露，而政策全文於本公司網站(www.chiho-tiande.com)可供查閱。

作為本集團的外幣對沖策略，本集團自二零零九年下半年起購入美元遠期合約，主要用於減低美元與人民幣匯率波動的風險，同時受惠於有利的遠期合約匯率。在遠期合約匯率證實為有利的情況下，本集團將會繼續依循此對沖策略。



FINANCIAL REVIEW (continued) Risk Management (continued)

With the relatively low interest rates currently, the Group has not entered into any interest rate hedging contracts or any other interest rate related derivative financial instruments. However, the Group continues to monitor its related interest rate exposure closely and will consider hedging significant interest rate exposure when the need arises.

As for credit risk, the Group continues to follow the trade practices of cash on collection from sales of all of its metal recycling products in order to minimise the carrying amounts of the financial assets in the Group's financial statements. In addition, the Group will continue to monitor closely its trade debtors to minimise potential impairment losses.

With regard to the liquidity risk, the Group will continue to maintain a balance between the continuity of funding and the flexibility through the use of bank borrowings.

Employees

As at 30 June 2015, the Group had a workforce of 458 employees. In addition, the Group engaged approximately 2,474 separation and selection workers through local contractors. The Group has not experienced any strikes, work stoppages or significant labor disputes which have affected its operations in the past and it has not experienced any significant difficulties in recruiting and retaining qualified staff. The Group continues to maintain good relationships with its employees.

Investor Relations

The Group considers that investor relations are important to a listed company. The Board believes that maintaining good relationship with investors and keeping them up-to-date on the latest corporate communications and business development in a timely fashion would enhance transparency and strengthen corporate governance of the Group. With the support of the Board, Mr. Gu Liyong, an Executive Director of the Company, has been assigned to take responsibility for all matters relating to investor relations of the Group.

Going forward, we will continue to make effort to keep our investors abreast of the corporate and business development, and to introduce the Group's strengths and strategies in order to gain support and recognition from them and also the market in general.

* For identification purposes only

財務回顧(續) 風險管理(續)

由於現行利率相對較低，故本集團並無訂立任何利率對沖合約或任何其他利率相關衍生金融工具。然而，本集團繼續密切監察其所面對的相關利率風險，有需要時將會考慮對沖重大利率風險。

信貸風險方面，本集團所有金屬再生產品的銷售交易一直奉行貨到付現的貿易慣例，旨在減低本集團財務報表中的金融資產賬面值。此外，本集團亦將繼續密切監察應收賬情況，以減低潛在減值虧損。

至於流動資金風險方面，本集團將繼續透過利用銀行借貸，在持續獲取資金與保持靈活程度之間維持平衡。

僱員

於二零一五年六月三十日，本集團共有458名僱員。此外，本集團透過當地工頭僱用約2,474名拆解及選料工人。本集團過去並無經歷任何影響經營的罷工、停工或重大勞資糾紛，在招聘及挽留合資格僱員方面亦無遇到重大困難。本集團與僱員一直維持良好的關係。

投資者關係

本集團認為，投資者關係對上市公司十分重要。董事會相信，與投資者建立良好的關係，並適時為投資者更新企業資訊及業務發展，將能提高本集團的透明度及加強企業管治。在董事會的支持下，本公司執行董事顧李勇先生已獲委派專責處理本集團的所有投資者關係相關事宜。

展望將來，本公司將繼續努力，讓投資者了解企業及業務發展情況，並向投資者講解本集團的實力及策略，藉以贏取投資者及整體市場的支持及認同。



Disclosure of Interests

權益披露

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporations

As at 30 June 2015, the interests or short positions of the Directors and chief executives of the Company in the shares (the "Shares"), underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"), were as follows:

(i) Long positions in Shares and underlying Shares:

Name of Director 董事名稱	Capacity/Nature of Interest 身份/權益性質	Number of Shares interested 持有權益的股份數目	Number of underlying Shares interested 持有權益的相關股份數目	Total number of Shares and underlying Shares interested 持有的股份及相關股份總數	Approximate percentage of shareholding in the Company (Note 1) 佔本公司股權的概約百分比 (附註1)
Mr. Fang Ankong 方安空先生	Beneficial owner 實益擁有人	7,014,000	-	7,014,000	
	Interest in controlled corporations 於受控制法團之權益	434,103,256	11,266,667	445,369,923 (Note 2) (附註2)	
	Interest of the other parties to an agreement under Section 317 of the SFO 證券及期貨條例第317條下協議其他訂約方所持有之權益	-	52,100,000	52,100,000 (Note 3) (附註3)	
Total: 總計:				504,483,923	31.79%

董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於二零一五年六月三十日，本公司董事及主要行政人員於本公司或其任何相聯法團(定義見《證券及期貨條例》(「證券及期貨條例」)第XV部)的股份(「股份」)、相關股份及債券中擁有本公司須根據證券及期貨條例第352條須予存置的登記冊中所記錄或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及香港聯合交易所有限公司(「聯交所」)的權益或淡倉如下：

(i) 股份及相關股份的好倉：



Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporations (continued)

董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉 (續)

(i) Long positions in Shares and underlying Shares: (continued)

(i) 股份及相關股份的好倉：(續)

Name of Director 董事名稱	Capacity/Nature of Interest 身份/權益性質	Number of Shares interested 持有權益的股份數目	Number of underlying Shares interested 持有權益的相關股份數目	Total number of Shares and underlying Shares interested 持有權益的股份及相關股份總數	Approximate percentage of shareholding in the Company (Note 1) 佔本公司股權的概約百分比 (附註1)
Mr. Gu Liyong 顧李勇先生	Beneficial owner 實益擁有人	425,000	-	425,000	0.03%
Ms. Zhang Jingdong 章敬東女士	Beneficial owner 實益擁有人	-	69,000	69,000 (Note 4) (附註4)	0.004%

(ii) Long positions in debentures of the Company:

(ii) 本公司債券的好倉：

Name of Director 董事名稱	Capacity/Nature of Interest 身份/權益性質	Principal amount of the debentures held (HK\$) 所持有債券之本金額 (港元)
Mr. Fang Ankong 方安空先生	Interest in controlled corporations 於受控制法團之權益	67,600,000 (Note 5) (附註5)



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

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporations (continued)

Notes:

- (1) As at 30 June 2015, the total number of issued Shares of the Company was 1,587,040,706 Shares.
- (2) The 445,369,923 Shares and underlying Shares are held by HWH Holdings Limited ("HWH"), a company wholly-owned by Mr. Fang Ankong ("Mr. Fang"), as beneficial owner, which comprise (i) 434,103,256 Shares and (ii) 11,266,667 underlying Shares which fall to be issued to HWH upon full conversion of the convertible bonds issued by the Company on 1 March 2012 (the "Convertible Bonds") in the principal amount of HK\$67,600,000 at an initial conversion price of HK\$6.00 per Share. Therefore, Mr. Fang is deemed to be interested in an aggregate of 445,369,923 Shares and underlying Shares held by his controlled corporation, HWH, pursuant to the SFO.
- (3) Mr. Fang, Mr. Stephanus Maria van Ooijen ("Mr. van Ooijen"), Mr. Herman Maurits de Leeuw ("Mr. de Leeuw"), HWH, Delco Participation B.V. ("Delco"), Sims Metal Management Dragon Holdings Limited ("Sims") and Sims Metal Management Asia Limited ("Sims Asia") are considered having entered into an agreement under Section 317 of the SFO (the "Section 317 Agreement"). The 52,100,000 underlying Shares are held by Delco as beneficial owner which fall to be issued to Delco upon full conversion of the Convertible Bonds in the principal amount of HK\$312,600,000 at an initial conversion price of HK\$6.00 per Share. Therefore, Mr. Fang is deemed to be interested in the 52,100,000 underlying Shares held by the other parties to the Section 317 Agreement pursuant to the SFO.
- (4) This represents the outstanding share options granted to Ms. Zhang Jingdong under the Post-IPO Share Option Scheme to subscribe for 69,000 Shares as at 30 June 2015.
- (5) This represents the principal amount of the Convertible Bonds of HK\$67,600,000 held by HWH, wholly-owned by Mr. Fang, as at 30 June 2015. Mr. Fang is deemed to be interested in the same principal amount of the Convertible Bonds as HWH since HWH is wholly-owned by Mr. Fang.

Save as disclosed above, as at 30 June 2015, none of the Directors and chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉 (續)

附註：

- (1) 於二零一五年六月三十日，本公司已發行股份的總數為1,587,040,706股股份。
- (2) 方安空先生(「方先生」)全資擁有的HWH Holdings Limited(「HWH」)作為實益擁有人持有445,369,923股股份及相關股份，當中包括(i) 434,103,256股股份及(ii) 11,266,667股相關股份，此乃按每股份6.00港元之初步兌換價悉數兌換本公司於二零一二年三月一日發行，本金額為67,600,000港元的可換股債券(「可換股債券」)後而將發行予HWH的股份。因此，根據證券及期貨條例，方先生被視為於由其受控制法團(HWH)持有之合共445,369,923股股份及相關股份中擁有權益。
- (3) 方先生、Stephanus Maria van Ooijen 先生(「van Ooijen 先生」)、Herman Maurits de Leeuw 先生(「de Leeuw 先生」)、HWH、Delco Participation B.V.(「Delco」)、Sims Metal Management Dragon Holdings Limited (「Sims」)及Sims Metal Management Asia Limited (「Sims Asia」)被視為訂立證券及期貨條例第317條下的協議(「第317條協議」)。Delco 作為實益擁有人持有52,100,000股相關股份，此乃按每股份6.00港元之初步兌換價悉數兌換本金額為312,600,000港元之可換股債券後而將發行予Delco 的股份。因此，根據證券及期貨條例，方先生被視為於第317條協議其他訂約方持有的52,100,000股相關股份中擁有權益。
- (4) 此代表於二零一五年六月三十日當日，已根據首次公開發售後購股權計劃向章敬東女士授出而尚未行使可認購69,000股股份的購股權。
- (5) 此代表於二零一五年六月三十日當日，方先生全資擁有的HWH持有本金額為67,600,000港元之可換股債券。由於HWH由方先生全資擁有，故方先生被視為於相同本金額之可換股債券中擁有權益。

除上文所披露外，於二零一五年六月三十日，本公司董事及主要行政人員概無於本公司或其任何相聯法團之股份、相關股份或債券中擁有須根據證券及期貨條例第XV部第7及8分部須予知會本公司及聯交所(包括根據證券及期貨條例有關條文規定，彼等被當作或視作擁有之權益或淡倉)；或本公司根據證券及期貨條例第352條所存置之登記冊中所記錄；或根據標準守則須予知會本公司及聯交所之任何權益或淡倉。



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

As at 30 June 2015, the interests and short positions of the persons, other than the Directors and chief executives of the Company, in the Shares and underlying Shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

(i) Long positions in Shares and underlying Shares:

主要股東於本公司的股份及相關股份的權益及淡倉

於二零一五年六月三十日，除本公司董事及主要行政人員外，以下人士於本公司股份及相關股份中擁有須根據證券及期貨條例第336條須予存置之登記冊中所記錄的權益及淡倉如下：

(i) 股份及相關股份的好倉：

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份／權益性質	Number of Shares interested 持有權益的股份數目	Number of underlying Shares interested 持有權益的相關股份數目	Total number of Shares and underlying Shares interested 持有權益的股份及相關股份總數	Approximate percentage of shareholding in the Company (Note 1) 佔本公司股權的概約百分比 (附註1)
HWH Holdings Limited	Beneficial owner 實益擁有人	434,103,256	11,266,667	445,369,923 (Note 2) (附註2)	
	Interest of the other parties to an agreement under Section 317 of the SFO 證券及期貨條例第317條下協議其他訂約方所持有之權益	7,014,000	52,100,000	59,114,000 (Note 3) (附註3)	
			Total: 總計：	504,483,923	31.79%



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

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

主要股東於本公司的股份及相關股份的權益及淡倉(續)

(i) Long positions in Shares and underlying Shares: (continued)

(i) 股份及相關股份的好倉：(續)

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份/權益性質	Number of Shares interested 持有權益的股份數目	Number of underlying Shares interested 持有權益的相關股份數目	Total number of Shares and underlying Shares interested 持有權益的股份及相關股份總數	Approximate percentage of shareholding in the Company (Note 1) 佔本公司股權的概約百分比 (附註1)
Mr. Stephanus Maria van Ooijen Stephanus Maria van Ooijen 先生	Interest in controlled corporations 於受控制法團之權益	-	52,100,000	52,100,000 (Note 4) (附註4)	
	Interest of the other parties to an agreement under Section 317 of the SFO 證券及期貨條例第317條下協議其他訂約方所持有之權益	441,117,256	11,266,667	452,383,923 (Note 5) (附註5)	
Total: 總計：				504,483,923	31.79%
Delco Participation B.V.	Beneficial owner 實益擁有人	-	52,100,000	52,100,000 (Note 4) (附註4)	
	Interest of the other parties to an agreement under Section 317 of the SFO 證券及期貨條例第317條下協議其他訂約方所持有之權益	441,117,256	11,266,667	452,383,923 (Note 5) (附註5)	
Total: 總計：				504,483,923	31.79%



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

主要股東於本公司的股份及相關股份的權益及淡倉(續)

(i) Long positions in Shares and underlying Shares: (continued)

(i) 股份及相關股份的好倉：(續)

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份/權益性質	Number of Shares interested 持有權益的股份數目	Number of underlying Shares interested 持有權益的相關股份數目	Total number of Shares and underlying Shares interested 持有權益的股份及相關股份總數	Approximate percentage of shareholding in the Company (Note 1) 佔本公司股權的概約百分比 (附註1)
Mr. Herman Maurits de Leeuw Herman Maurits de Leeuw 先生	Interest in controlled corporations 於受控制法團之權益	--	52,100,000	52,100,000 (Notes 4 & 6) (附註4及6)	
	Interest of the other parties to an agreement under Section 317 of the SFO 證券及期貨條例第317條下協議其他訂約方所持有之權益	441,117,256	11,266,667	452,383,923 (Notes 5 & 6) (附註5及6)	
			Total: 總計：	504,483,923	31.79%
SVO Company B.V.	Interest in controlled corporations 於受控制法團之權益	441,117,256	63,366,667	504,483,923 (Notes 4, 5 & 6) (附註4、5及6)	31.79%
H.P.L. Metals B.V.	Interest in controlled corporations 於受控制法團之權益	441,117,256	63,366,667	504,483,923 (Notes 4, 5 & 6) (附註4、5及6)	31.79%



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

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

主要股東於本公司的股份及相關股份的權益及淡倉(續)

(i) Long positions in Shares and underlying Shares: (continued)

(i) 股份及相關股份的好倉：(續)

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份/權益性質	Number of Shares interested 持有權益的股份數目	Number of underlying Shares interested 持有權益的相關股份數目	Total number of Shares and underlying Shares interested 持有權益的股份及相關股份總數	Approximate percentage of shareholding in the Company (Note 1) 佔本公司股權的概約百分比 (附註1)
Stichting Beheer Aandelen H.P.L. Metals	Interest in controlled corporations 於受控制法團之權益	441,117,256	63,366,667	504,483,923 (Notes 4, 5 & 6) (附註4、5及6)	31.79%
Tai Security Holding Limited	Beneficial owner 實益擁有人	176,197,990	–	176,197,990 (Note 7) (附註7)	11.10%
Mr. Cai Huabo Cai Huabo 先生	Interest in controlled corporations 於受控制法團之權益	176,197,990	–	176,197,990 (Note 7) (附註7)	11.10%
Good Union Hong Kong Investment Limited 星滙香港投資有限公司	Beneficial owner 實益擁有人	120,000,000	–	120,000,000 (Note 8) (附註8)	7.56%
Mr. Zhang Mingjie 張明杰先生	Interest in controlled corporations 於受控制法團之權益	120,000,000	–	120,000,000 (Note 8) (附註8)	7.56%
Ms. Yin Qiu Ping 殷秋萍女士	Security Interest 保證權益	120,000,000	–	120,000,000 (Note 9) (附註9)	7.56%
USUM Investment Group Hong Kong Limited 渝商投資集團(香港)有限公司	Beneficial owner 實益擁有人	509,500,000	–	509,500,000 (Note 10) (附註10)	32.10%



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

主要股東於本公司的股份及相關股份的權益及淡倉(續)

(i) Long positions in Shares and underlying Shares: (continued)

(i) 股份及相關股份的好倉：(續)

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份/權益性質	Number of Shares interested 持有權益的股份數目	Number of underlying Shares interested 持有權益的相關股份數目	Total number of Shares and underlying Shares interested 持有權益的股份及相關股份總數	Approximate percentage of shareholding in the Company (Note 1) 佔本公司股權的概約百分比 (附註1)
USUM Investment Group Limited 渝商投資集團股份有限公司	Interest in controlled corporations 於受控制法團之權益	509,500,000	–	509,500,000 (Note 10) (附註10)	32.10%
Loncin Holdings Co., Ltd. 隆鑫控股有限公司	Interest in controlled corporations 於受控制法團之權益	509,500,000	–	509,500,000 (Note 10) (附註10)	32.10%
Loncin Group Co., Ltd. 隆鑫集團有限公司	Interest in controlled corporations 於受控制法團之權益	509,500,000	–	509,500,000 (Note 10) (附註10)	32.10%
Mr. Tu Jianhua 涂建華先生	Interest in controlled corporations 於受控制法團之權益	509,500,000	–	509,500,000 (Note 10) (附註10)	32.10%



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

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

(ii) Short positions in Shares and underlying Shares:

主要股東於本公司的股份及相關股份的權益及淡倉 (續)

(ii) 股份及相關股份的淡倉：

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份／權益性質	Number of Shares interested 持有權益的股份數目	Number of underlying Shares interested 持有權益的相關股份數目	Total number of Shares and underlying Shares interested 持有權益的股份及相關股份總數	Approximate percentage of shareholding in the Company (Note 1) 佔本公司股權的概約百分比 (附註1)
Mr. Stephanus Maria van Ooijen Stephanus Maria van Ooijen 先生	Interest in controlled corporations 於受控制法團之權益	-	52,100,000	52,100,000 (Notes 6 & 11) (附註6及11)	3.28%
Delco Participation B.V.	Beneficial owner 實益擁有人	-	52,100,000	52,100,000 (Notes 6 & 11) (附註6及11)	3.28%
Mr. Herman Maurits de Leeuw Herman Maurits de Leeuw 先生	Interest in controlled corporations 於受控制法團之權益	-	52,100,000	52,100,000 (Notes 6 & 11) (附註6及11)	3.28%
SVO Company B.V.	Interest in controlled corporations 於受控制法團之權益	-	52,100,000	52,100,000 (Notes 6 & 11) (附註6及11)	3.28%
H.P.L. Metals B.V.	Interest in controlled corporations 於受控制法團之權益	-	52,100,000	52,100,000 (Notes 6 & 11) (附註6及11)	3.28%
Stichting Beheer Aandelen H.P.L. Metals	Interest in controlled corporations 於受控制法團之權益	-	52,100,000	52,100,000 (Notes 6 & 11) (附註6及11)	3.28%



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

Notes:

- (1) As at 30 June 2015, the total number of issued Shares of the Company was 1,587,040,706 Shares.
- (2) The 445,369,923 Shares and underlying Shares are held by HWH as beneficial owner, which comprise (i) 434,103,256 Shares and (ii) 11,266,667 underlying Shares which fall to be issued to HWH upon full conversion of the Convertible Bonds in the principal amount of HK\$67,600,000 at an initial conversion price of HK\$6.00 per Share.
- (3) Mr. Fang, Mr. van Ooijen, Mr. de Leeuw, HWH, Delco, Sims and Sims Asia are considered having entered into an agreement under Section 317 of the SFO. The 59,114,000 Shares and underlying Shares comprise (i) 7,014,000 Shares held by Mr. Fang as beneficial owner and (ii) 52,100,000 underlying Shares held by Delco as beneficial owner which fall to be issued to Delco upon full conversion of the Convertible Bonds in the principal amount of HK\$312,600,000 at an initial conversion price of HK\$6.00 per Share. Therefore, HWH is deemed to be interested in an aggregate of 59,114,000 Shares and underlying Shares held by the other parties to the Section 317 Agreement pursuant to the SFO.
- (4) Delco is indirectly 50%-owned by Mr. van Ooijen. The 52,100,000 underlying Shares represent such number of underlying Shares which fall to be issued to Delco upon full conversion of the Convertible Bonds in the principal amount of HK\$312,600,000 at an initial conversion price of HK\$6.00 per Share. Therefore, Mr. van Ooijen is deemed to be interested in an aggregate of 52,100,000 underlying Shares held by his controlled corporation, Delco, pursuant to the SFO.
- (5) Mr. Fang, Mr. van Ooijen, Mr. de Leeuw, HWH, Delco, Sims and Sims Asia are considered having entered into an agreement under Section 317 of the SFO. The 452,383,923 Shares and underlying Shares comprise (i) 7,014,000 Shares held by Mr. Fang as beneficial owner and 434,103,256 Shares held by HWH as beneficial owner, totaling 441,117,256 Shares; and (ii) 11,266,667 underlying Shares held by HWH as beneficial owner upon full conversion of the Convertible Bonds in the principal amount of HK\$67,600,000 at an initial conversion price of HK\$6.00 per Share. Therefore, Mr. van Ooijen and Delco are deemed to be interested in an aggregate of 452,383,923 Shares and underlying Shares held by the other parties to the Section 317 Agreement pursuant to the SFO.

主要股東於本公司的股份及相關股份的權益及淡倉 (續)

附註：

- (1) 於二零一五年六月三十日，本公司已發行股份的總數為1,587,040,706股股份。
- (2) HWH作為實益擁有人持有445,369,923股股份及相關股份，當中包括(i) 434,103,256股股份及(ii) 11,266,667股相關股份，此乃按每股股份6.00港元之初步兌換價悉數兌換本金額為67,600,000港元之可換股債券後而將發行予HWH的股份。
- (3) 方先生、van Ooijen先生、de Leeuw先生、HWH、Delco、Sims及Sims Asia被視為訂立證券及期貨條例第317條協議。59,114,000股股份及相關股份包括(i) 由方先生作為實益擁有人持有的7,014,000股股份及(ii) Delco作為實益擁有人持有的52,100,000股相關股份，此乃按每股股份6.00港元之初步兌換價悉數兌換本金額為312,600,000港元之可換股債券後而將發行予Delco的股份。因此，根據證券及期貨條例，HWH被視為為於第317條協議其他訂約方持有的合共59,114,000股股份及相關股份中擁有權益。
- (4) Delco由van Ooijen先生間接擁有50%。52,100,000股相關股份乃按每股股份6.00港元之初步兌換價悉數兌換本金額為312,600,000港元之可換股債券後而將發行予Delco的相關股份。因此，根據證券及期貨條例，van Ooijen先生被視為為於其受控制法團(Delco)持有的合共52,100,000股相關股份中擁有權益。
- (5) 方先生、van Ooijen先生、de Leeuw先生、HWH、Delco、Sims及Sims Asia被視為訂立證券及期貨條例第317條協議。452,383,923股股份及相關股份包括(i) 由方先生作為實益擁有人持有的7,014,000股股份及由HWH作為實益擁有人持有的434,103,256股股份，合共441,117,256股股份；及(ii) HWH作為實益擁有人持有的11,266,667股相關股份，此乃按每股股份6.00港元之初步兌換價悉數兌換本金額為67,600,000港元之可換股債券。因此，根據證券及期貨條例，van Ooijen先生及Delco被視為為於第317條協議其他訂約方持有452,383,923股股份及相關股份中擁有權益。



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

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

Notes: (continued)

- (6) Delco is 50%-owned by each of SVO Company B.V. ("SVO") and H.P.L. Metals B.V. ("HPL"). SVO is wholly-owned by Mr. van Ooijen. HPL is wholly-owned by Stichting Beheer Aandelen H.P.L. Metals ("Stichting HPL"), a foundation for the sole benefit of Mr. de Leeuw. Therefore, each of SVO, Mr. van Ooijen, Mr. de Leeuw, HPL and Stichting HPL is deemed to be interested in the long positions and short positions held by and through Delco pursuant to the SFO.
- (7) The 176,197,990 Shares are held by Tai Security Holding Limited ("Tai Security") as beneficial owner and Tai Security is wholly-owned by Mr. Cai Huabo ("Mr. Cai") as at 30 June 2015. Therefore, Mr. Cai is deemed to be interested in the same number of Shares as held by Tai Security pursuant to the SFO.
- (8) The 120,000,000 Shares are held by Good Union Hong Kong Investment Limited ("Good Union") as beneficial owner and Good Union is wholly-owned by Mr. Zhang Mingjie ("Mr. Zhang") as at 30 June 2015. Therefore, Mr. Zhang is deemed to be interested in the same number of Shares as held by Good Union pursuant to the SFO.
- (9) This represents the security interest granted to Ms. Yin Qiu Ping ("Ms. Yin") over 120,000,000 Shares on 12 May 2015. Accordingly, Ms. Yin is deemed to be interested in such Shares pursuant to the SFO.

主要股東於本公司的股份及相關股份的權益及淡倉 (續)

附註：(續)

- (6) Delco由SVO Company B.V. (「SVO」)及H.P.L. Metals B.V. (「HPL」)各自擁有50%。SVO由van Ooijen先生全資擁有。HPL由Stichting Beheer Aandelen H.P.L. Metals (「Stichting HPL」)全資擁有而Stichting HPL為由de Leeuw先生享有唯一利益的基金會。因此，根據證券及期貨條例，SVO、van Ooijen先生、de Leeuw先生、HPL及Stichting HPL各自被視為透過Delco持有的好倉及淡倉中擁有權益。
- (7) Tai Security Holding Limited (「Tai Security」)作為實益擁有人持有176,197,990股股份，而於二零一五年六月三十日，Tai Security由Cai Huabo先生(「Cai先生」)全資擁有。因此，根據證券及期貨條例，Cai先生被視為與Tai Security持有的相同數目股份中擁有權益。
- (8) 星滙香港投資有限公司(「星滙」)作為實益擁有人持有120,000,000股股份，而於二零一五年六月三十日，星滙由張明杰先生(「張先生」)全資擁有。因此，根據證券及期貨條例，張先生被視為與星滙持有的相同數目股份中擁有權益。
- (9) 此代表於二零一五年五月十二日當日，已向殷秋萍女士(「殷女士」)授出120,000,000股股份之保證權益。因此，根據證券及期貨條例，殷女士被視為於該等股份中擁有權益。



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

Notes: (continued)

- (10) The 509,500,000 Shares are held by USUM Investment Group Hong Kong Limited (the "Subscriber") as beneficial owner, which comprise (i) 456,900,000 Shares subscribed by the Subscriber by virtue of two subscription agreements both dated 21 March 2015, as amended and restated on 27 March 2015, entered into between the Company and the Subscriber, and (ii) 52,600,000 Shares issued by the Company upon full conversion of the Convertible Bonds in the principal amount of HK\$315,600,000 at an initial conversion price of HK\$6.00 per Share by virtue of the sale and purchase agreement dated 9 April 2015 entered into between Sims as seller and Subscriber as purchaser in relation to the sale and purchase of the Convertible Bonds in the principal amount of HK\$315,600,000 from Sims to the Subscriber. The Subscriber is directly and wholly-owned by USUM Investment Group Limited ("USUM"). The single largest shareholder of USUM is Loncin Holdings Co., Ltd., with an equity interest in USUM of 46.78%. Loncin Holdings Co., Ltd. is 98% owned by Loncin Group Co., Ltd. and 2% owned by Mr. Tu Jianhua ("Mr. Tu"). Loncin Group Co., Ltd. is 98% owned by Mr. Tu. Therefore, each of USUM, Loncin Holdings Co., Ltd., Loncin Group Co., Ltd. and Mr. Tu is deemed to be interested in the same number of Shares as held by the Subscriber pursuant to the SFO.
- (11) The 52,100,000 underlying Shares represent the number of underlying Shares which fall to be issued to Delco upon full conversion of the Convertible Bonds in the principal amount of HK\$312,600,000 at an initial conversion price of HK\$6.00 per Share held by Delco. Delco is obliged to deliver such Convertible Bonds to the Company (or such parties as the Company shall introduce) at any time after 31 July 2015 pursuant to a letter of undertaking between Delco and the Company dated 3 March 2015 (as supplemented on 18 March 2015).

Save as disclosed above, as at 30 June 2015, the Company had not been notified by any persons (other than the Directors and chief executives of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

主要股東於本公司的股份及相關股份的權益及淡倉(續)

附註：(續)

- (10) 渝商投資集團(香港)有限公司(「認購人」)作為實益擁有人持有509,500,000股股份，當中包括(i)認購人透過本公司與認購人訂立日期為二零一五年三月二十一日的兩份認購協議(於二零一五年三月二十七日修訂及重訂)認購的456,900,000股股份；及(ii)52,600,000股股份，此乃按每股股份6.00港元之初步兌換價悉數兌換本金額為315,600,000港元之可換股債券後本公司將發行的股份(透過Sims(作為賣家)與認購人(作為買家)就Sims與認購人之間買賣本金額為315,600,000港元的可換股債券而訂立的日期為二零一五年四月九日的買賣協議而擁有權益)。認購人由渝商投資集團股份有限公司(「渝商」)直接全資擁有。渝商的最大單一股東為隆鑫控股有限公司，其於渝商的股本權益為46.78%。隆鑫控股有限公司分別由隆鑫集團有限公司擁有98%及涂建華先生(「涂先生」)擁有2%。隆鑫集團有限公司由涂先生擁有98%。因此，根據證券及期貨條例，渝商、隆鑫控股有限公司、隆鑫集團有限公司及涂先生各自被視為與認購人持有的相同數目股份中擁有權益。
- (11) 52,100,000股相關股份乃按每股股份6.00港元之初步兌換價悉數兌換本金額為312,600,000港元之可換股債券後而將發行予Delco 並由Delco持有的相關股份。根據日期為二零一五年三月三日Delco與本公司的承諾函件(於二零一五年三月十八日補充)，Delco有義務於二零一五年七月三十一日後任何時間向本公司(或本公司介紹之各方)交付該等可換股債券。

除上文所披露外，於二零一五年六月三十日，本公司並不知悉任何人士(本公司董事及主要行政人員除外)於本公司股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部條文規定予以披露或本公司根據證券及期貨條例第336條須予存置的登記冊所記錄的權益或淡倉。



Share Option Scheme

The Company has two share option schemes, the pre-IPO share option scheme (the “Pre-IPO Share Option Scheme”) and the post-IPO share option scheme (the “Post-IPO Share Option Scheme”), both of which were adopted on 23 June 2010.

(a) Pre-IPO Share Option Scheme

Pursuant to the terms of the Pre-IPO Share Option Scheme, all unexercised share options granted thereunder lapsed on 13 July 2014.

(b) Post-IPO Share Option Scheme

The Company adopted the Post-IPO Share Option Scheme on 23 June 2010, which was approved by the shareholders’ written resolutions, is valid and effective for a period of 10 years. It is a share incentive scheme and is established to recognize and acknowledge the contribution that the eligible participants have or may have made to the Group. Pursuant to the Post-IPO Share Option Scheme, the Board may, at its discretion, offer to grant an option to any Director, employee, advisor, consultant, distributor, contractor, supplier, customer, agent, business partner, joint venture business partner, promoter, service provider of any member of the Group.

When the Post-IPO Share Option Scheme was adopted on 23 June 2010 and as approved by the Listing Committee of the Stock Exchange, the original scheme mandate limit in respect of which share options may be granted under the Post-IPO Share Option Scheme was 100,000,000 Shares.

Pursuant to the extraordinary general meeting of the Company held on 23 May 2013 and the approval granted by the Listing Committee of the Stock Exchange, the scheme mandate limit in respect of which share options may be granted under the Post-IPO Share Option Scheme has been refreshed such that the maximum number of Shares which may be issued upon exercise of all share options to be granted under the Post-IPO Share Option Scheme shall not exceed 104,449,920 Shares. No share option has been granted under the Post-IPO Share Option Scheme after the refreshment of the scheme mandate limit on 23 May 2013.

購股權計劃

本公司於二零一零年六月二十三日採納兩項購股權計劃，即首次公開發售前購股權計劃（「首次公開發售前購股權計劃」）及首次公開發售後購股權計劃（「首次公開發售後購股權計劃」）。

(a) 首次公開發售前購股權計劃

根據首次公開發售前購股權計劃的條款，計劃下所有未行使的購股權已於二零一四年七月十三日失效。

(b) 首次公開發售後購股權計劃

本公司於二零一零年六月二十三日採納首次公開發售後購股權計劃，該計劃經股東書面決議案批准，有效期為10年。該購股權計劃是一項股份獎勵計劃，旨在肯定及認可合資格參與人士曾經或可能對本集團作出的貢獻。根據首次公開發售後購股權計劃，董事會可酌情向本集團任何成員公司的任何董事、僱員、顧問、專家顧問、批發商、承包商、供應商、客戶、代理、業務夥伴、合營企業合作夥伴、創辦人、服務供應商授出購股權。

首次公開發售後購股權計劃於二零一零年六月二十三日獲採納，並經聯交所上市委員會批准，原有的計劃授權限額（可根據首次公開發售後購股權計劃授出的購股權）為100,000,000股股份。

根據本公司於二零一三年五月二十三日舉行的股東特別大會及聯交所上市委員會授出的批准，首次公開發售後購股權計劃下可授出購股權的計劃授權限額已更新，因此於行使首次公開發售後購股權計劃下授出的所有購股權時可予發行的最高股份數目不得超過104,449,920股。於二零一三年五月二十三日計劃授權限額更新後，概無根據首次公開發售後購股權計劃授出購股權。



Share Option Scheme (continued)

(b) Post-IPO Share Option Scheme (continued)

During the period from the date of listing of the Company on 12 July 2010 to 30 June 2015, the total number of the share options exercised, lapsed and cancelled under the Post-IPO Share Option Scheme is 81,493,000 Shares.

As of 30 June 2015, the total number of securities available for issue under the Post-IPO Share Option Scheme remains the refreshed scheme mandate limit, being 104,449,920 Shares, representing:

- (i) 9.953% of the total number of Shares of the Company as at 31 December 2014;
- (ii) 9.948% of the total number of Shares of the Company as at 30 March 2015 (i.e. the date of the annual report of the Company for the year ended 31 December 2014); and
- (iii) 6.581% of the total number of Shares of the Company as at 30 June 2015.

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Post-IPO Share Option Scheme to eligible participants in any 12 months period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the approval of shareholders in a general meeting.

購股權計劃(續)

(b) 首次公開發售後購股權計劃(續)

由本公司於二零一零年七月十二日上市至二零一五年六月三十日的期間內，於首次公開發售後購股權計劃下已行使、失效及註銷的購股權總數為81,493,000股股份。

截至二零一五年六月三十日，可根據首次公開發售後購股權計劃發行的證券總數仍然為經更新的計劃授權限額，即104,449,920股股份，相等於：

- (i) 於二零一四年十二月三十一日本公司股份總數9.953%；
- (ii) 於二零一五年三月三十日(即本公司截至二零一四年十二月三十一日止年度的年報的日期)本公司股份總數9.948%；及
- (iii) 於二零一五年六月三十日本公司股份總數6.581%。

截至授出日期止十二個月內因行使有關合資格參與人士根據首次公開發售後購股權計劃所獲授購股權而發行及可發行的股份總數不得超過授出日期已發行股份的1%。額外授出超過該1%上限的購股權須經股東於股東大會批准。



Share Option Scheme (continued)

(b) Post-IPO Share Option Scheme (continued)

The subscription price of a Share in respect of any particular option granted under the Post-IPO Share Option Scheme shall not be less than the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; or (iii) the nominal value of a Share.

As at 30 June 2015, details of the share options granted under the Post-IPO Share Option Scheme are as follows:

購股權計劃(續)

(b) 首次公開發售後購股權計劃(續)

根據首次公開發售後購股權計劃所授出的任何個別購股權的相關股份認購價，不得少於下列三者之最高者：(i) 在授出日期股份於聯交所每日報價表所報收市價；(ii) 股份在緊接授出日期前五個交易日於聯交所每日報價表所報收市價的平均價；或(iii) 股份面值。

於二零一五年六月三十日，根據首次公開發售後購股權計劃所授出的購股權詳情如下：

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1)	Exercise price per Share (HK\$) 每股行使價 (港元)	Exercisable period (dd/mm/yyyy) 行使期 (日/月/年)	Number of Shares subject to outstanding options as at 1 January 2015 於二零一五年 一月一日 尚未行使 之購股權 涉及之 股份數目	Number of options granted during the period 期內授出 購股權數目	Number of options exercised during the period 期內行使 購股權數目	Number of options lapsed during the period 期內失效 購股權數目	Number of Shares subject to outstanding options as at 30 June 2015 於二零一五年 六月三十日 尚未行使之 購股權涉及之 股份數目	Approximate percentage of shareholding in the Company (Note 2) 佔本公司之 股權百分比 (附註2)
(i) Directors									
(i) 董事									
Mr. Fang Ankong 方安空先生	03/05/2011 二零一一年五月三日 (Note 5) (附註5)	6.388	04/05/2014 – 03/05/2015 二零一四年五月四日至 二零一五年五月三日 (Note 3) (附註3)	6,600,000	0	0	6,600,000	0	-
Mr. Stephanus Maria van Ooijen (Resigned on 12 March 2015) Stephanus Maria van Ooijen 先生 (於二零一五年 三月十二日辭職)	03/05/2011 二零一一年五月三日 (Note 5) (附註5)	6.388	04/05/2014 – 03/05/2015 二零一四年五月四日至 二零一五年五月三日 (Note 3) (附註3)	400,000	0	0	400,000 (Note 6) (附註6)	0	-
Mr. Gu Liyong 顧李勇先生	03/05/2011 二零一一年五月三日	6.388	04/05/2014 – 03/05/2015 二零一四年五月四日至 二零一五年五月三日 (Note 3) (附註3)	350,000	0	0	350,000	0	-



Share Option Scheme (continued)
(b) Post-IPO Share Option Scheme (continued)

購股權計劃 (續)
(b) 首次公開發售後購股權計劃 (續)

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1)	Exercise price per Share (HKS) 每股行使價 (港元)	Exercisable period (dd/mm/yyyy) 行使期 (日/月/年)	Number of Shares subject to outstanding options as at 1 January 2015 於二零一五年 一月一日 尚未行使 之購股權 涉及之 股份數目	Number of options granted during the period 期內授出 購股權數目	Number of options exercised during the period 期內行使 購股權數目	Number of options lapsed during the period 期內失效 購股權數目	Number of Shares subject to outstanding options as at 30 June 2015 於二零一五年 六月三十日 尚未行使之 購股權涉及之 股份數目	Approximate percentage of shareholding in the Company (Note 2) 佔本公司之 股權百分比 (附註2)
(i) Directors (continued)									
(i) 董事 (續)									
Dr. Loke Yu 陸海林博士	03/05/2011 二零一一年五月三日	6.388	04/05/2014 – 03/05/2015 二零一四年五月四日至 二零一五年五月三日 (Note 3) (附註3)	60,000	0	0	60,000	0	-
	28/03/2012 二零一二年三月 二十八日	4.186	28/03/2013 – 27/03/2016 二零一三年三月二十八日至 二零一六年三月二十七日	22,500	0	22,500	0	0	-
			28/03/2014 – 27/03/2016 二零一四年三月二十八日至 二零一六年三月二十七日	22,500	0	22,500	0	0	-
			28/03/2015 – 27/03/2016 二零一五年三月二十八日至 二零一六年三月二十七日 (Note 4) (附註4)	30,000	0	30,000	0	0	-
				75,000	0	75,000	0	0	-
Ms. Zhang Jingdong 章敬東女士	03/05/2011 二零一一年五月三日	6.388	04/05/2014 – 03/05/2015 二零一四年五月四日至 二零一五年五月三日 (Note 3) (附註3)	60,000	0	60,000	0	0	-
	28/03/2012 二零一二年三月 二十八日	4.186	28/03/2013 – 27/03/2016 二零一三年三月二十八日至 二零一六年三月二十七日	22,500	0	6,000	0	16,500	0.00104%
			28/03/2014 – 27/03/2016 二零一四年三月二十八日至 二零一六年三月二十七日	22,500	0	0	0	22,500	0.00142%
			28/03/2015 – 27/03/2016 二零一五年三月二十八日至 二零一六年三月二十七日 (Note 4) (附註4)	30,000	0	0	0	30,000	0.00189%
				75,000	0	6,000	0	69,000	0.00435%
				7,620,000	0	141,000	7,410,000	69,000	0.00435%



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

Share Option Scheme (continued) (b) Post-IPO Share Option Scheme (continued)

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1)	Exercise price per Share (HKS) 每股行使價 (港元)	Exercisable period (dd/mm/yyyy) 行使期 (日/月/年)	Number of Shares subject to outstanding options as at 1 January 2015 於二零一五年 一月一日 尚未行使 之購股權 涉及之 股份數目	Number of options granted during the period 期內授出 購股權數目	Number of options exercised during the period 期內行使 購股權數目	Number of options lapsed during the period 期內失效 購股權數目	Number of Shares subject to outstanding options as at 30 June 2015 於二零一五年 六月三十日 尚未行使之 購股權涉及之 股份數目	Approximate percentage of shareholding in the Company (Note 2) 佔本公司之 股權百分比 (附註2)
(ii) Employees and other participants (ii) 僱員及其他參與者	03/05/2011 二零一一年五月三日	6.388	04/05/2014 – 03/05/2015 二零一四年五月四日至 二零一五年五月三日 (Note 3) (附註3)	4,180,000	0	2,400,000	1,780,000	0	-
	28/03/2012 二零一二年三月 二十八日	4.186	28/03/2013 – 27/03/2016 二零一三年三月二十八日至 二零一六年三月二十七日	2,805,000	0	2,177,500	0	627,500	0.03954%
			28/03/2014 – 27/03/2016 二零一四年三月二十八日至 二零一六年三月二十七日	2,805,000	0	1,821,500	0	983,500	0.06197%
			28/03/2015 – 27/03/2016 二零一五年三月二十八日至 二零一六年三月二十七日 (Note 4) (附註4)	3,740,000	0	1,558,000	40,000	2,142,000	0.13497%
				9,350,000	0	5,557,000	40,000	3,753,000	0.23648%
				13,530,000	0	7,957,000	1,820,000	3,753,000	0.23648%
Total 合計				21,150,000	0	8,098,000	9,230,000	3,822,000	0.24083%

Notes:

- (1) It was the date when the Company offered to the grantees the options under the Post-IPO Share Option Scheme (the "Date of Grant").
- (2) As at 30 June 2015, the total number of issued Shares of the Company was 1,587,040,706 Shares.
- (3) Each of the grantees to whom options have been conditionally granted under the Post-IPO Share Option Scheme will be entitled to exercise:
 - (i) up to 30% of the total number of options granted at any time during the period commencing from the first anniversary of the Date of Grant, i.e. 3 May 2012, to the date of the second anniversary of the Date of Grant, i.e. 3 May 2013 (both dates inclusive);

附註:

- (1) 此為本公司根據首次公開發售後購股權計劃向承授人授出購股權的日期(「授出日期」)。
- (2) 於二零一五年六月三十日,本公司的已發行股份總數為1,587,040,706股股份。
- (3) 根據首次公開發售後購股權計劃有條件獲授購股權的各承授人,將有權:
 - (i) 自授出日期後第一週年之日(即二零一二年五月三日)起至授出日期後第二週年當日(即二零一三年五月三日)止之期間內(包括首尾兩天在內),隨時行使獲授購股權總數不超過30%;



Share Option Scheme (continued) (b) Post-IPO Share Option Scheme (continued)

Notes: (continued)

- (ii) up to 30% of the total number of options granted at any time during the period commencing from the date immediately following the second anniversary of the Date of Grant, i.e. 4 May 2013 to the date of the third anniversary of the Date of Grant, i.e. 3 May 2014 (both dates inclusive); and
 - (iii) up to 40% of the total number of options granted, at any time during the period commencing from the date immediately following the third anniversary of the Date of Grant, i.e. 4 May 2014 to the date of the fourth anniversary of the Date of Grant, i.e. 3 May 2015 (both dates inclusive).
- (4) Each of the grantees to whom options have been conditionally granted under the Post-IPO Share Option Scheme will be entitled to exercise:
- (i) as to 30%, from the date of the first anniversary of the Date of Grant, i.e. 28 March 2013, to the date immediately before the fourth anniversary of the Date of Grant, i.e. 27 March 2016 (both dates inclusive);
 - (ii) as to 30%, from the date of the second anniversary of the Date of Grant, i.e. 28 March 2014, to the date immediately before the fourth anniversary of the Date of Grant, i.e. 27 March 2016 (both dates inclusive); and
 - (iii) as to 40%, from the date of the third anniversary of the Date of Grant, i.e. 28 March 2015, to the date immediately before the fourth anniversary of the Date of Grant, i.e. 27 March 2016 (both dates inclusive).
- (5) On 3 May 2011, 16,500,000 share options and 1,000,000 share options were granted to each of Mr. Fang and Mr. van Ooijen respectively, among which 30% of the total number of the options granted has an exercisable period expiring on the second anniversary of the Date of Grant (i.e. 3 May 2013) and another 30% of total number of the options granted has an exercisable period expiring on the third anniversary of the Date of Grant (i.e. 3 May 2014) as mentioned in Note 3 above. In addition, these share options are subject to the vesting condition that the net profit of the Group for the financial year of the Company ended 31 December 2011 is equal to or exceeds 130% of the net profit of the Group for the financial year ended 31 December 2010. As the aforesaid condition has not been met, the share options granted to Mr. Fang and Mr. van Ooijen on 3 May 2011 have not been duly vested and are not exercisable. Notwithstanding this, these share options should be taken into account for the purpose of determining whether the limits under Rule 17.04(1) of the Listing Rules are exceeded.
- (6) Mr. van Ooijen resigned as Director on 12 March 2015. Hence his interest in the share options to subscribe for 400,000 Shares of the Company was lapsed on 12 March 2015.

Save as disclosed above, no options were granted, cancelled or lapsed as at 30 June 2015. The consideration paid by each grantee for each grant of option is HK\$1.00.

購股權計劃 (續) (b) 首次公開發售後購股權計劃 (續)

附註：(續)

- (ii) 自授出日期後第二週年之翌日(即二零一三年五月四日)起至授出日期後第三週年當日(即二零一四年五月三日)止之期間內(包括首尾兩天在內), 隨時行使獲授購股權總數不超過30%; 及
 - (iii) 自授出日期後第三週年之翌日(即二零一四年五月四日)起至授出日期後第四週年當日(即二零一五年五月三日)止之期間內(包括首尾兩天在內), 隨時行使獲授購股權總數不超過40%。
- (4) 根據首次公開發售後購股權計劃有條件獲授購股權的各承授人, 將有權:
- (i) 自授出日期後第一週年之日(即二零一三年三月二十八日)起至緊接授出日期後第四週年當日之前之日(即二零一六年三月二十七日)止(包括首尾兩天在內), 最多行使30%;
 - (ii) 自授出日期後第二週年之日(即二零一四年三月二十八日)起至緊接授出日期後第四週年當日之前之日(即二零一六年三月二十七日)止(包括首尾兩天在內), 最多行使30%; 及
 - (iii) 自授出日期後第三週年之日(即二零一五年三月二十八日)起至緊接授出日期後第四週年當日之前之日(即二零一六年三月二十七日)止(包括首尾兩天在內), 最多行使40%。
- (5) 於二零一一年五月三日向方先生及van Ooijen先生分別授出16,500,000份購股權及1,000,000份購股權, 如上文附註3所述, 其中30%的已授出購股權總數可於授出日期第二個週年屆滿當日(即二零一三年五月三日)行使, 另外30%的已授出購股權總數可於授出日期第三個週年屆滿當日(即二零一四年五月三日)行使。此外, 該等購股權受限於截至二零一一年十二月三十一日止本公司財政年度本集團淨溢利相等於或超逾截至二零一零年十二月三十一日止財政年度本集團淨溢利的130%的歸屬條件。由於上述條件並未達成, 因此, 於二零一一年五月三日授予方先生及van Ooijen先生的購股權並未正式歸屬及不可行使。儘管如此, 釐定有否超逾上市規則第17.04(1)條時, 仍應計及該等購股權。
- (6) van Ooijen先生已於二零一五年三月十二日辭任董事。因此, 其於可認購400,000股本公司股份的購股權權益已經於二零一五年三月十二日失效。

除上文所披露外, 於二零一五年六月三十日並無購股權授出、註銷或失效。各承授人每次接納購股權時所付代價為1.00港元。



Corporate Governance and Other Information

企業管治及其他資料

Compliance with the Corporate Governance Code

Throughout the period for the six month ended 30 June 2015, the Company has complied with all the applicable code provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the "Code") with exceptions as explained below:

During the period from 1 January 2015 to 29 April 2015, the roles of the chairman and chief executive officer of the Company have not been segregated as required by the provision A.2.1 of the Code because Mr. Fang Ankong was the Chairman and Chief Executive Officer of the Company. On 29 April 2015, Mr. Tu Jianhua was appointed as the Executive Director and Chairman of the Board, and Mr. Fang Ankong was re-designated as the Vice Chairman of the Board and remains as Chief Executive Officer of the Company since then.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' dealings in the securities of the Company. Upon specific enquiries of all the Directors, each of them confirmed that he/she has complied with the required standards set out in the Model Code during the six months ended 30 June 2015 in relation to his/her securities dealings, if any.

The Model Code has been extended to cover the senior management and relevant employees of the Group who likely possess inside information of the Company.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2015.

Interim Dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2015. Accordingly, no closure of Register of Members of the Company is proposed.

遵守企業管治守則

截至二零一五年六月三十日止六個月期間，本公司已遵守上市規則附錄十四所載《企業管治守則》（「守則」）的所有適用守則條文，惟以下所述偏離除外：

於二零一五年一月一日至二零一五年四月二十九日期間，因為方安空先生擔任本公司主席兼行政總裁，本公司主席及行政總裁的職責並無根據守則條文A.2.1所要求予以區分。於二零一五年四月二十九日，涂建華先生獲委任為執行董事兼董事會主席，而從其時起，方安空先生調任為董事會副主席，並仍然出任本公司行政總裁。

遵守上市發行人董事進行證券交易之標準守則

本公司已採納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作為董事買賣本公司證券的行為指引。經向全體董事作出具體查詢後，各董事確認，截至二零一五年六月三十日止六個月，彼等進行的證券買賣（如有）已遵守標準守則所列明的規定準則。

標準守則已擴展至包涵本集團高級管理人員及有可能擁有本公司內幕消息之有關僱員。

購買、出售或贖回本公司上市證券

截至二零一五年六月三十日止六個月，本公司及其任何附屬公司均無購買、出售或贖回任何本公司上市證券。

中期股息

董事不建議宣派截至二零一五年六月三十日止六個月的中期股息。因此，本公司並無建議暫停辦理股東名冊登記。



Interim Results

The unaudited condensed consolidated results of the Group for the six months ended 30 June 2015 have been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants, by Deloitte Touche Tohmatsu, certified public accountants in Hong Kong, and the Audit Committee of the Company with no disagreement.

Changes of Information of Director

Pursuant to Rule 13.51B of the Listing Rules, a change in any of the information of the Directors of the Company subsequent to the date of the 2014 Annual Report of the Company is required to be disclosed.

Dr. Loke Yu, an independent non-executive Director of the Company, was appointed as an independent non-executive director of China New Energy Power Group Limited (Stock Code: 1041) with effect from 28 July 2015. The company is listed on the main board of The Stock Exchange of Hong Kong Limited.

中期業績

本集團截至二零一五年六月三十日止六個月之未經審核簡明綜合業績已由香港執業會計師德勤•關黃陳方會計師行根據香港會計師公會頒佈的《香港審閱委聘準則》第2410號「由實體獨立核數師審閱中期財務資料」進行審閱，並經本公司審核委員會審閱，且無不同意見。

董事資料變動

根據上市規則第13.51B條，自本公司二零一四年年報日期以來有關本公司董事資料之任何變動均需要作出披露。

陸海林博士，本公司獨立非執行董事，於二零一五年七月二十八日起獲委任為中國新能源動力集團有限公司(股份代號：1041)的獨立非執行董事職務。該公司於香港聯合交易所有限公司主板上市。



Report on Review of Condensed Consolidated Financial Statements

簡明綜合財務報表審閱報告

Deloitte. 德勤

TO THE BOARD OF DIRECTORS OF CHIHO-TIANDE GROUP LIMITED
(incorporated in the Cayman Islands with limited liability)

致齊合天地集團有限公司董事會
(於開曼群島註冊成立的有限公司)

Introduction

We have reviewed the condensed consolidated financial statements of Chiho-Tiande Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 40 to 84, which comprise the condensed consolidated statement of financial position as of 30 June 2015 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

引言

本核數師(以下簡稱「我們」)已審閱載於第40至84頁之齊合天地集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之簡明綜合財務報表。此簡明綜合財務報表包括於二零一五年六月三十日之簡明綜合財務狀況表與截至該日止六個月期間之相關簡明綜合損益及其他全面收益表、權益變動表和現金流量表及若干說明附註。香港聯合交易所有限公司主板證券上市規則規定，就中期財務資料編製之報告必須符合當中有關條文以及香港會計師公會頒佈之香港會計準則第34號「中期財務報告」(「香港會計準則第34號」)。貴公司董事須對根據香港會計準則第34號編製及呈列之該簡明綜合財務報表負責。我們之責任是根據審閱對該簡明綜合財務報表作出結論，並按照委聘之協定條款僅向作為實體之閣下報告結論，且並無其他目的。我們不會就本報告之內容向任何其他人士負上或承擔任何責任。

審閱範圍

我們已根據香港會計師公會頒佈之香港審閱委聘準則第2410號「由實體獨立核數師審閱中期財務資料」進行審閱。審閱簡明綜合財務報表包括主要向負責財務和會計事務之人員作出查詢，並應用分析性和其他審閱程序。審閱範圍遠少於根據香港核數準則進行審核之範圍，故不能令我們保證我們將知悉在審核中可能發現之所有重大事項。因此，我們不會發表審核意見。



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

21 August 2015

結論

按照我們之審閱，我們並無發現任何事項，令我們相信簡明綜合財務報表在各重大方面未有根據香港會計準則第34號編製。

德勤 • 關黃陳方會計師行

執業會計師

香港

二零一五年八月二十一日



Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益表及其他全面收益表

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

			Six months ended 30 June 截至六月三十日止六個月	
			2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核)	2014 二零一四年 HK\$'000 千港元 (Unaudited) (未經審核)
			NOTES 附註	
Revenue	收益	3	1,779,975	3,204,362
Cost of sales	銷售成本	4	(1,718,466)	(3,341,297)
Gross profit (loss)	毛利(毛損)		61,509	(136,935)
Other income	其他收入		42,809	24,843
Other gains and losses	其他收益及虧損	5	(902,000)	(640,516)
Distribution and selling expenses	分銷及銷售開支		(4,826)	(13,245)
General and administrative expenses	一般及行政開支		(67,916)	(57,985)
Finance costs	財務成本	6	(75,618)	(80,696)
Share of profit of an associate	應佔聯營公司溢利		308	-
Loss before tax	除稅前虧損		(945,734)	(904,534)
Income tax expense	所得稅開支	7	(1,070)	(2,180)
Loss for the period	期內虧損	8	(946,804)	(906,714)
Other comprehensive (expense) income	其他全面(開支)收入			
Item that will not be reclassified subsequently to profit or loss:	其後不會重新分類至損益的項目：			
Exchange difference arising on translation to the Group's presentation currency	換算成集團呈報貨幣產生的匯兌差額		(954)	(13,590)
Items that may be reclassified subsequently to profit or loss:	其後可重新分類至損益的項目：			
Reclassification to profit or loss on disposal of available-for-sale investment	出售可供出售投資時重新分類至損益		-	499
Fair value (loss) gain on available-for-sale investment	可供出售投資之公平值(虧損)收益		(2,995)	918
			(2,995)	1,417
Other comprehensive expense for the period	期內其他全面開支		(3,949)	(12,173)
Total comprehensive expense for the period	期內全面開支總額		(950,753)	(918,887)
Loss for the period attributable to:	以下各方應佔期內虧損：			
Owners of the Company	本公司擁有人		(949,641)	(896,030)
Non-controlling interests	非控股權益		2,837	(10,684)
			(946,804)	(906,714)
Total comprehensive expense for the period attributable to:	以下各方應佔期內全面開支總額：			
Owners of the Company	本公司擁有人		(953,555)	(908,901)
Non-controlling interests	非控股權益		2,802	(9,986)
			(950,753)	(918,887)
			HK\$ 港元	HK\$ 港元
Loss per share	每股虧損			
- basic	- 基本	10	(0.809)	(0.857)
- diluted	- 攤薄	10	(0.809)	(0.857)

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2015 於二零一五年六月三十日



		NOTES 附註	At 30 June 2015 於二零一五年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2014 於二零一四年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	549,042	508,265
Prepaid lease payments	預付租金		416,262	421,461
Investment properties	投資物業		21,653	22,351
Interest in an associate	於聯營公司權益		2,917	2,609
Available-for-sale investment	可供出售投資	23	68,805	–
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備 所付按金		26,784	19,033
Deferred tax assets	遞延稅項資產		872	8,189
			1,086,335	981,908
Current assets	流動資產			
Inventories	存貨		1,031,540	1,107,789
Trade, bills and other receivables	貿易、票據及其他應收款項	12	343,177	431,443
Prepaid lease payments	預付租金		10,623	10,620
Derivative financial instruments	衍生金融工具	13	81,397	391,476
Tax recoverable	可收回稅項		10,178	10,382
Pledged bank deposits	已抵押銀行存款		128,562	182,559
Margin deposits	保證金		68,859	253,292
Bank balances and cash	銀行結餘及現金		3,996,627	271,556
			5,670,963	2,659,117
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	14	360,121	412,209
Derivative financial instruments	衍生金融工具	13	120,370	402,932
Tax payable	應付稅項		2,887	3,771
Loan from a director	來自一名董事的貸款	21	62,021	–
Bank borrowings	銀行借貸	15	931,726	1,324,831
Debt component of convertible bonds	可換股債券的債務部份	17	154,977	816,421
Embedded derivative components of convertible bonds	可換股債券的嵌入式衍生 工具部份	17	121,155	–
			1,753,257	2,960,164
Net current assets (liabilities)	流動資產(負債)淨值		3,917,706	(301,047)
Total assets less current liabilities	資產總值減流動負債		5,004,041	680,861



Condensed Consolidated Statement of Financial Position (continued)

簡明綜合財務狀況表(續)

At 30 June 2015 於二零一五年六月三十日

		NOTES 附註	At 30 June 2015 於二零一五年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2014 於二零一四年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Capital and reserves	股本及儲備			
Share capital	股本	16	15,870	10,494
Share premium and reserves	股份溢價及儲備		4,709,684	713,556
Equity attributable to owners of the Company	本公司擁有人應佔權益		4,725,554	724,050
Non-controlling interests	非控股權益		(77,892)	(80,694)
Total equity	總權益		4,647,662	643,356
Non-current liabilities	非流動負債			
Debt component of convertible bonds	可換股債券的債務部份	17	183,316	–
Embedded derivative components of convertible bonds	可換股債券的嵌入式 衍生工具部份	17	142,910	–
Deferred tax liabilities	遞延稅項負債		30,153	37,505
			356,379	37,505
			5,004,041	680,861

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

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



		Attributable to owners of the Company 本公司擁有人應佔											Attributable to non-controlling interests		Total
		Share capital	Share premium	Capital redemption reserve	Share option reserve	Statutory reserve	Enterprise expansion fund	Investment reserve	Foreign currency translation reserve	Accumulated profits (losses)	Sub-total	Interests			
		股本	溢價	資本贖回儲備	購股權儲備	資本儲備	法定發展基金	投資重估儲備	匯兌儲備	累計溢利(虧損)	小計	權益	非控股權益	總計	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
					(note i) (附註i)	(note ii) (附註ii)	(note ii) (附註ii)								
At 1 January 2014 (audited)	於二零一四年一月一日(經審核)	10,446	892,493	224	31,835	222,760	104,376	104,376	(1,417)	171,611	237,656	1,774,360	(67,671)	1,706,689	
Loss for the period	期內虧損	-	-	-	-	-	-	-	-	(896,030)	(896,030)	(10,684)	(906,714)		
Exchange difference arising on translation to the Group's presentation currency	換算成本集團呈報貨幣產生的匯兌差額	-	-	-	-	-	-	-	(14,288)	-	(14,288)	698	(13,590)		
Fair value gain on available-for-sale investment	可供出售投資之公平值收益	-	-	-	-	-	-	918	-	-	918	-	918		
Reclassified to profit or loss on disposal of available-for-sale investment	於出售可供出售投資時重新分類至損益	-	-	-	-	-	-	499	-	-	499	-	499		
Total comprehensive income (expense) for the period	期內全面收入(開支)總額	-	-	-	-	-	-	1,417	(14,288)	(896,030)	(908,901)	(9,986)	(918,887)		
Exercise of share options	行使購股權	32	11,363	-	(2,825)	-	-	-	-	-	8,570	-	8,570		
Lapse of share options	購股權失效	-	-	-	(7,857)	-	-	-	-	7,857	-	-	-		
Recognition of equity-settled share-based payments	確認以股權結算及以股份為基礎之付款	-	-	-	2,642	-	-	-	-	-	2,642	-	2,642		
Transfer of reserve	儲備轉撥	-	-	-	-	170	170	-	-	(340)	-	-	-		
At 30 June 2014 (unaudited)	於二零一四年六月三十日(未經審核)	10,478	903,856	224	23,795	222,760	104,546	104,546	-	157,323	(650,857)	876,671	(77,657)	799,014	
At 1 January 2015 (audited)	於二零一五年一月一日(經審核)	10,494	909,061	224	20,383	222,760	105,046	105,046	-	161,751	(810,715)	724,050	(80,694)	643,356	
Loss for the period	期內虧損	-	-	-	-	-	-	-	-	(949,641)	(949,641)	2,837	(946,804)		
Exchange difference arising on translation to the Group's presentation currency	換算成本集團呈報貨幣產生的匯兌差額	-	-	-	-	-	-	-	(919)	-	(919)	(35)	(954)		
Fair value loss on available-for-sale investment	可供出售投資之公平值虧損	-	-	-	-	-	-	(2,995)	-	-	(2,995)	-	(2,995)		
Total comprehensive expense for the period	期內全面開支總額	-	-	-	-	-	-	(2,995)	(919)	(949,641)	(953,555)	2,802	(950,753)		
Issue of subscription shares	發行認購股份	4,569	4,112,100	-	-	-	-	-	-	-	4,116,669	-	4,116,669		
Cost of issuance of subscription shares	認購股份發行成本	-	(6,596)	-	-	-	-	-	-	-	(6,596)	-	(6,596)		
Conversion of convertible bonds	轉換可換取債券	726	804,517	-	-	-	-	-	-	-	805,243	-	805,243		
Exercise of share options	行使購股權	81	52,975	-	(13,741)	-	-	-	-	-	39,315	-	39,315		
Lapse of share options	購股權失效	-	-	-	(3,360)	-	-	-	-	3,360	-	-	-		
Recognition of equity-settled share-based payments	確認以股權結算及以股份為基礎之付款	-	-	-	428	-	-	-	-	-	428	-	428		
Transfer of reserve	儲備轉撥	-	-	-	-	260	260	-	-	(520)	-	-	-		
At 30 June 2015 (unaudited)	於二零一五年六月三十日(未經審核)	15,870	5,872,057	224	3,710	222,760	105,306	105,306	(2,995)	160,832	(1,757,516)	4,725,554	(77,892)	4,647,662	



Condensed Consolidated Statement of Changes in Equity (continued)

簡明綜合權益變動表(續)

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

notes:

- (i) Capital reserve represents the sum of (a) the difference between the nominal value of the aggregate share capital and share premium of the subsidiaries acquired by the Company upon a group reorganisation in 2008 and the nominal value of the Company's shares issued in exchange and (b) a capitalisation of shareholders' loans in 2010.
- (ii) Statutory general reserve and enterprise expansion fund represent the appropriation of 10% of profit after tax determined based on the relevant accounting rules and regulations of the People's Republic of China (the "PRC") as required by the Articles of Association of the Company's PRC subsidiaries. The appropriation may cease to apply if the balance of the statutory general reserve and enterprise expansion fund has reached 50% of the PRC subsidiaries' registered capital. The statutory general reserve and enterprise expansion fund can be used to make up prior year losses or to increase share capital.

附註：

- (i) 資本儲備指(a)本公司於二零零八年集團重組時所收購附屬公司股本及股份溢價總額之面值與本公司交換股權所發行股份之面值的差額及(b)二零一零年資本化股東貸款。
- (ii) 本公司中華人民共和國(「中國」)附屬公司的組織章程細則規定，須根據中國相關會計規則及法規釐定將除稅後溢利10%撥入法定一般儲備及企業發展基金。倘法定一般儲備及企業發展基金餘額達中國附屬公司註冊資本的50%，則可終止撥備。法定一般儲備及企業發展基金可用於彌補過往年度虧損或增加股本。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

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



		Six months ended 30 June	
		截至六月三十日止六個月	
		2015	2014
		二零一五年	二零一四年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Operating activities	經營活動		
Loss before taxation	稅前虧損	(945,734)	(904,534)
Adjustments for:	對下列各項之調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	16,373	17,792
Loss (gain) on fair value of the derivatives on convertible bonds	可換股債券衍生工具之公平值虧損(收益)	559,913	(8,139)
Gain on fair value of warrants	認股權證之公平值收益	-	(760)
Loss on derecognition of convertible bonds	可換股債券取消確認虧損	1,210	-
Interest expenses	利息開支	75,618	80,696
Share of profit of an associate	應佔聯營公司溢利	(308)	-
Net foreign exchange loss	匯兌虧損淨額	35,953	29,280
(Reversal of allowance) allowance for inventories	存貨(撥備撥回)撥備	(8,481)	8,454
Other adjustments	其他調整	(4,077)	5,591
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	(269,533)	(771,620)
Decrease in inventories	存貨減少	85,670	1,114,608
Decrease in trade, bills and other receivables	貿易、票據及其他應收款項減少	88,147	283,106
Decrease in derivative financial instruments	衍生金融工具減少	27,517	226,919
Decrease (increase) in margin deposits	按金減少(增加)	184,119	(172,142)
(Decrease) increase in trade and other payables	貿易及其他應付款項(減少)增加	(50,080)	26,190
Cash generated from operations	經營所得現金	65,840	707,061
Tax paid	已付稅項	(1,757)	(1)
Interest paid	已付利息	(47,635)	(52,780)
Net cash from operating activities	經營活動所得現金淨額	16,448	654,280



Condensed Consolidated Statement of Cash Flows (continued)

簡明綜合現金流量表(續)

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

		Six months ended 30 June 截至六月三十日止六個月	
		2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核)	2014 二零一四年 HK\$'000 千港元 (Unaudited) (未經審核)
Net cash used in investing activities	投資活動所用現金淨額		
Purchases of property, plant and equipment	購置物業、廠房及設備	(58,571)	(81,501)
Purchases of available-for-sale investment	購買可供出售投資	(72,277)	–
Proceeds from disposal of available-for-sale investment	出售可供出售投資所得款項	–	14,917
Placement of pledged bank deposits	存入已抵押銀行存款	(201,785)	(183,450)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	255,726	142,998
Other investing activities	其他投資活動	4,569	9,843
		(72,338)	(97,193)
Net cash from (used in) financing activities	融資活動所得(所用)		
Net proceeds from issue of subscription shares	現金淨額發行認購股份所得款項淨額	4,110,073	–
New bank and other borrowings raised	新增銀行及其他借貸	1,259,408	2,448,867
Advance from a director	來自一名董事的墊款	62,021	–
Proceeds from issue of new shares from exercise of share options	因行使購股權而發行新股所得款項	39,315	8,570
Repayment of bank and other borrowings	償還銀行及其他借貸	(1,686,948)	(2,871,992)
		3,783,869	(414,555)
Net increase in cash and cash equivalents	現金及現金等值項目淨額增加	3,727,979	142,532
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值項目	270,835	270,779
Effect of foreign exchange rate changes	外匯匯率變動的影響	(2,187)	(2,133)
Cash and cash equivalents at 30 June represented by bank balances and cash	於六月三十日之現金及現金等值項目(指銀行結餘及現金)	3,996,627	411,178

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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



1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2014. In addition, the Group has applied the following accounting policy for substantial modification of convertible bonds during the current interim period:

Derecognition of financial instruments

When the contractual terms of convertible bonds are modified such that the revised terms would result in a substantial modification from the original terms, after taking into account all relevant facts and circumstances including qualitative factors, such modification is accounted for as derecognition of the original convertible bonds and the recognition of new convertible bonds. The difference between the carrying amounts of convertible bonds derecognised and the fair value of consideration paid or payable, including any liabilities assumed and derivative components recognised, is recognised in profit or loss.

1. 編製基準

簡明綜合財務報表乃按照香港會計師公會（「香港會計師公會」）頒佈之香港會計準則第34號（「香港會計準則第34號」）中期財務報告以及香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十六之適用披露規定而編製。

2. 主要會計政策

除若干金融工具以公平值計量外，該等簡明綜合財務報表按歷史成本法編製。

截至二零一五年六月三十日止六個月的簡明綜合財務報表所用的會計策略及計算方法與編製本集團截至二零一四年十二月三十一日止年度的年度綜合財務報表所遵從者一致。此外，本集團已採用以下會計政策以大幅修訂現時中期期間的可換股債券：

取消確認金融工具

當經考慮所有相關事實及情況（包括質量因素）後，可換股債券的合約條款被修訂以致經修訂條款導致大幅修訂，該修訂入賬列為取消確認原有可換股債券及確認新可換股債券。取消確認的可換股債券賬面值與已支付或應付的代價公平值（包括任何所承擔負債及已確認的衍生工具部份）之間的差額於損益內確認。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

2. PRINCIPAL ACCOUNTING POLICIES (continued)

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s condensed consolidated financial statements:

- Amendments to HKAS 19 *Defined Benefit Plans: Employee Contributions*
- Amendments to HKFRSs *Annual Improvements to HKFRSs 2010-2012 Cycle*
- Amendments to HKFRSs *Annual Improvements to HKFRSs 2011-2013 Cycle*

The application of the amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

2. 主要會計政策(續)

於本中期期間，本集團已首次應用以下由香港會計師公會頒佈與編製本集團簡明綜合財務報表有關之香港財務報告準則(「香港財務報告準則」)之修訂：

- 香港會計準則第19號(修訂本)定額福利計劃：僱員供款
- 香港財務報告準則(修訂本)二零一零年至二零一二年週期香港財務報告準則的年度改進
- 香港財務報告準則(修訂本)二零一一年至二零一三年週期香港財務報告準則的年度改進

於本中期期間採用香港財務報告準則之修訂對此等簡明綜合財務報表呈報之金額及／或此等簡明綜合財務報表所載之披露並無重大影響。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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



3. SEGMENT INFORMATION

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

Six months ended 30 June 2015

3. 分部資料

以下為按業務及可呈報分部劃分的本集團分部收益及分部業績分析。

截至二零一五年六月三十日止六個月

		Metal recycling business 金屬再生業務				Foundry business 鑄造業務		Wholesales business 批發業務					
		Copper scrap 廢銅	Steel scrap 廢鋼	Aluminium scrap 廢鋁	Iron scrap 廢鐵	Other metal scrap 其他廢金屬	Aluminium-alloy ingots 鋁錠	Copper rod and wire 銅桿及銅線	Other metal scrap 其他未加工廢金屬		Copper cathode 陰極銅	Elimination 對銷	Total 總計
									without processing 未經加工	Copper			
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
REVENUE	收益												
External sales	外部銷售	1,053,024	256,476	88,024	54,472	16,277	109,573	13,549	139,627	48,953	-	-	1,779,975
Inter-segment sales	分部間銷售	12,282	8,332	68,229	-	299	-	-	505,092	-	(594,234)	-	-
Total segment revenue	分部收益總額	1,065,306	264,808	156,253	54,472	16,576	109,573	13,549	644,719	48,953	(594,234)	-	1,779,975
Segment profit (loss)	分部溢利(虧損)	35,293	4,417	10,398	(2,929)	675	6,205	5,292	7,637	(940)	(4,539)	-	61,509
Other income	其他收入												42,809
Other gains and losses	其他收益及虧損												(902,000)
Distribution and selling expenses	分銷及銷售開支												(4,826)
General and administrative expenses	一般及行政開支												(67,916)
Finance costs	財務成本												(75,618)
Share of profit of an associate	應佔聯營公司溢利												308
Loss before tax	除稅前虧損												(945,734)
Income tax expense	所得稅開支												(1,070)
Loss for the period	期內虧損												(946,804)



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

3. SEGMENT INFORMATION (continued)

Six months ended 30 June 2014

3. 分部資料(續)

截至二零一四年六月三十日止六個月

		Metal recycling business 金屬再生業務				Foundry business 鑄造業務			Wholesales business 批發業務			
		Copper scrap	Steel scrap	Aluminium scrap	Iron scrap	Other metal scrap 其他廢金屬	Aluminium- alloy ingots 鋁錠	Copper rod and wire 銅桿及銅線	Other metal scrap without processing 其他未加工廢金屬	Copper cathode 陰極銅	Elimination 對銷	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
REVENUE	收益											
External sales	外部銷售	2,116,257	382,675	78,175	89,460	24,347	132,781	10,101	255,989	114,577	-	3,204,362
Inter-segment sales	分部間銷售	64,878	18,235	98,509	-	1,675	-	-	1,104,595	-	(1,287,892)	-
Total segment revenue	分部收益總額	2,181,135	400,910	176,684	89,460	26,022	132,781	10,101	1,360,584	114,577	(1,287,892)	3,204,362
Segment (loss) profit	分部(虧損)溢利	(123,432)	(16,343)	(10,215)	(4,790)	(3,321)	6,056	(4,124)	34,323	(11,585)	(3,504)	(136,935)
Other income	其他收入											24,843
Other gains and losses	其他收益及虧損											(640,516)
Distribution and selling expenses	分銷及銷售開支											(13,245)
General and administrative expenses	一般及行政開支											(57,985)
Finance costs	財務成本											(80,696)
Loss before tax	除稅前虧損											(904,534)
Income tax expense	所得稅開支											(2,180)
Loss for the period	期內虧損											(906,714)

Information on segment assets and segment liabilities of the Group are not reviewed by the chief operating decision maker ("CODM") for the purpose of resource allocation and performance assessment nor otherwise regularly provided to the CODM. As a result, no analysis of segment assets and segment liabilities is presented.

由於本集團的分部資產及分部負債資料並未由營運總裁(「營運總裁」)審閱以分配資源及評核表現或以其他方式定期呈交營運總裁，故並無呈列分部資產及分部負債的分析。



4. COST OF SALES

Included in cost of sales are the following (reversal of allowance) allowance for inventories:

Allowance of inventories to net realisable value recognised	按可變現淨值確認的存貨撥備
Reversal of prior year's inventories allowance	撥回過往年度存貨撥備
(Reversal of allowance) allowance for inventories	存貨(撥備撥回)撥備

Management assesses whether the carrying value of inventories exceeds their net realisable value at the end of the interim period. Management estimates the net realisable value for inventories with reference to the ask price of metal scrap in the relevant markets and the quoted prices of metal on applicable commodity exchanges at the end of the reporting period.

4. 銷售成本

銷售成本包括以下存貨(撥備撥回)撥備：

Six months ended 30 June 截至六月三十日止六個月

2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
15,406	43,783
(23,887)	(35,329)
(8,481)	8,454

管理層於中期期末評估存貨賬面值是否超過存貨可變現淨值。管理層參考於各報告期末相關市場的廢金屬賣價及相關商品交易所的金屬報價估計存貨可變現淨值。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

5. OTHER GAINS AND LOSSES

5. 其他收益及虧損

		Six months ended 30 June 截至六月三十日止六個月	
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
(Loss) gain on fair value of:	公平值(虧損)收益:		
– derivative financial instruments (note)	– 衍生金融工具(附註)		
realised loss	已變現虧損	(276,813)	(489,108)
unrealised loss	未變現虧損	(38,973)	(127,535)
– the derivatives on convertible bonds (Note 17)	– 可換股債券衍生工具(附註17)	(559,913)	8,139
– warrants (Note 17)	– 認股權證(附註17)	–	760
Loss on derecognition of convertible bonds (Note 17)	可換股債券取消確認虧損(附註17)	(1,210)	–
Impairment loss recognised on trade and other receivables	貿易及其他應收款項已確認減值虧損	–	(832)
Recovery of doubtful debts	收回壞賬	2,525	–
Net foreign exchange loss	匯兌虧損淨額	(35,953)	(29,280)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	3,641	1,033
Reclassified to profit or loss on disposal of available-for-sale investment	於出售可供出售投資時重新分類至損益	–	(499)
Others	其他	4,696	(3,194)
		(902,000)	(640,516)

note: The amount arose from aluminium, copper, lead, zinc, steel rebar and nickel future contracts, provisional pricing arrangements embedded in sales contracts and foreign currency forward contracts.

附註：該等金額乃產生自鋁、銅、鉛、鋅、鋼筋及鎳期貨合約、銷售合約附帶的臨時定價安排及外幣遠期合約。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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



6. FINANCE COSTS

6. 財務成本

		Six months ended 30 June 截至六月三十日止六個月	
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Interest on bank borrowings wholly repayable within five years	須於五年內償清的銀行借貸之利息	23,155	36,686
Interest on loan from a director (Note 21)	來自一名董事的貸款之利息(附註21)	1,096	—
Effective interest expense on convertible bonds (Note 17)	可換股債券之實際利息開支(附註17)	51,367	44,010
		75,618	80,696

7. INCOME TAX EXPENSE

7. 所得稅開支

		Six months ended 30 June 截至六月三十日止六個月	
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Current tax:	即期稅項：		
Hong Kong	香港	—	69
The People's Republic of China (the "PRC") Enterprises Income Tax ("EIT")	中華人民共和國(「中國」)企業所得稅(「企業所得稅」)	867	620
Netherlands	荷蘭	244	240
		1,111	929
(Over)underprovision in prior periods:	於過往期間(超額)撥備不足：		
Hong Kong	香港	—	331
PRC EIT	中國企業所得稅	(15)	1
		1,096	1,261
Deferred tax (credit) expense	遞延稅項(抵免)開支	(26)	919
		1,070	2,180



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

7. INCOME TAX EXPENSE (continued) PRC

The Group's subsidiaries are subject to PRC EIT at the rate of 25%.

Hong Kong

All Hong Kong subsidiaries are subject to Hong Kong Profits Tax at the rate of 16.5% on their respective estimated assessable profit.

Other jurisdictions

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

8. LOSS FOR THE PERIOD

7. 所得稅開支(續) 中國

本集團的附屬公司須按25%的稅率繳納中國企業所得稅。

香港

所有香港附屬公司均須就其各自估計應課稅溢利按16.5%的稅率繳納香港利得稅。

其他司法權區

於其他司法權區產生的稅項乃按相關司法權區的現行稅率計算。

8. 期內虧損

		Six months ended 30 June 截至六月三十日止六個月	
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Loss for the period has been arrived at after charging (crediting) the following items:	期內虧損，已扣除(計入)下列各項：		
Cost of inventories recognised as an expense	確認為開支的存貨成本	1,718,466	3,341,297
Depreciation of investment properties	投資物業折舊	698	933
Depreciation of property, plant and equipment	物業、廠房及設備折舊	16,373	17,792
Share-based payment expense (Note 20)	以股份為基礎付款之開支(附註20)	428	2,642
Amortisation of prepaid lease payments	預付租金攤銷	5,304	5,302
Interest income	利息收入	(4,341)	(3,337)



9. DIVIDEND

No dividends were paid, declared or proposed during the current and previous interim periods. The directors of the Company have determined that no dividend will be paid in respect of the current and previous interim periods.

10. LOSS PER SHARE

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

9. 股息

於本中期期間及上個中期期間概無派付、宣派或擬派付任何股息。本公司董事已決定概不就本中期期間及上個中期期間派付任何股息。

10. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃按以下數據計算：

		Six months ended 30 June 截至六月三十日止六個月	
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Loss Loss for the period attributable to owners of the Company for the purposes of basic and diluted loss per share	虧損 用於計算每股基本及攤薄虧損的本公司擁有人應佔期內虧損	949,641	896,030
Number of shares Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	股份數目 用於計算每股基本及攤薄虧損的普通股加權平均數目	1,174,102,839	1,045,383,003

In current and previous interim periods, the potential ordinary shares attributable to the Company's outstanding convertible bonds, warrants and certain share options have anti-dilutive effect as the assumed conversion and exercise would result in a decrease in loss per share.

11. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group acquired plant and equipment of HK\$58,571,000 (2014: HK\$81,501,000).

於本中期期間及過往中期期間，本公司尚未行使可換股債券、認股權證及若干購股權應佔潛在普通股具有反攤薄影響，因假設兌換及行使可能導致每股虧損減少。

11. 物業、廠房及設備

於本中期期間，本集團購入58,571,000港元(二零一四年：81,501,000港元)的廠房及設備。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

12. TRADE, BILLS AND OTHER RECEIVABLES

The Group generally allows its trade customers a credit period ranging from 30 to 90 days. A longer credit period may be granted to the trade customers with good credit quality upon the approval of management.

An analysis of the Group's trade and bills receivables by age, presented based on the invoice dates, which approximated the revenue recognition date, net of allowance for doubtful debts, is as follows:

12. 貿易、票據及其他應收款項

本集團一般給予貿易客戶30至90日的信貸期。在獲得管理層批准後，本集團可向信貸紀錄良好的貿易客戶授出更長的信貸期。

本集團貿易及票據應收款項扣除呆賬撥備後的賬齡分析按發票日期(與收益確認日期相近)呈列如下：

		At 30 June 2015 於二零一五年 六月三十日 HK\$'000 千港元	At 31 December 2014 於二零一四年 十二月三十一日 HK\$'000 千港元
Trade receivables:	貿易應收款項：		
0-30 days	0至30日	40,943	62,366
31-60 days	31至60日	239	-
61-90 days	61至90日	1,636	5,572
91-180 days	91至180日	17,490	17,413
Over 180 days	超過180日	58,593	56,546
		118,901	141,897
Bills receivables:	應收票據款項：		
0-30 days	0至30日	-	127
Other receivables	其他應收款項		
Deposits and prepayments	按金及預付款項	21,543	29,140
Deposits paid for purchase of raw materials (note)	購買原料之已付按金(附註)	164,034	221,534
VAT recoverable	可退回增值稅	30,332	28,485
Others	其他	8,367	10,260
		224,276	289,419
		343,177	431,443

note: As at 31 December 2014, it comprised an amount of HK\$4,294,000 paid to Sims Metal Management Dragon Holdings Limited ("Sims"), a former shareholder with significant influence over the Company, which disposed of its entire shareholdings in the Company to unrelated third parties on 5 March 2015 and has become an independent third party to the Group since then.

附註：於二零一四年十二月三十一日，包括已支付對本公司有重大影響之前任股東Sims Metal Management Dragon Holdings Limited (「Sims」)的4,294,000港元，Sims於二零一五年三月五日出售其於本公司的全部股權予無關連第三方，自此已成為本集團之獨立第三方。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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



13. DERIVATIVE FINANCIAL INSTRUMENTS

13. 衍生金融工具

		At 30 June 2015 於二零一五年 六月三十日 HK\$'000 千港元	At 31 December 2014 於二零一四年 十二月三十一日 HK\$'000 千港元
Derivative financial assets	衍生金融資產		
Metal commodities future contracts (note i)	金屬商品期貨合約(附註i)	81,250	390,786
Foreign currency forward contracts (note ii)	外幣遠期合約(附註ii)	147	690
		81,397	391,476
Derivative financial liabilities	衍生金融負債		
Metal commodities future contracts (note i)	金屬商品期貨合約(附註i)	120,273	402,917
Foreign currency forward contracts (note ii)	外幣遠期合約(附註ii)	97	15
		120,370	402,932

notes:

- (i) Metal commodities future contracts (net settlement)

The Group entered into aluminium, copper, lead, zinc, steel rebar and nickel future contracts in order to manage its exposure to the price risk of aluminium, copper and other metal inventories. These contracts are traded in an active market and are measured at fair values based on unadjusted quoted price at the end of the reporting period, with gain or loss recognised directly in profit or loss.

- (ii) Foreign currency forward contracts (gross settlement)

The Group entered into foreign currency forward contracts in order to minimise its exposure to foreign currency risk. These contracts were measured at fair value using quoted forward exchange rates at the end of the reporting period, with gain or loss recognised directly in profit or loss.

附註：

- (i) 金屬商品期貨合約(淨額結算)

本集團已訂立鋁、銅、鉛、鋅、鋼筋及鎳期貨合約，以管理鋁、銅及其他金屬存貨的價格風險。於報告期末，該等合約於活躍市場上交易且基於未經調整報價以公平值計量，相關損益直接於損益賬中確認。

- (ii) 遠期外匯合約(總額結算)

本集團訂立遠期外匯合約以減低外匯風險。該等合約於報告期末採用遠期報價匯率按公平值計量，相關損益直接於損益賬中確認。



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簡明綜合財務報表附註(續)

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

14. TRADE AND OTHER PAYABLES

14. 貿易及其他應付款項

		At 30 June 2015 於二零一五年 六月三十日 HK\$'000 千港元	At 31 December 2014 於二零一四年 十二月三十一日 HK\$'000 千港元
Trade payables	貿易應付款項		
Sims	Sims	–	71,077
Third parties	第三方	110,793	106,924
		110,793	178,001
Other payables	其他應付款項		
Other payables and accruals	其他應付款項及應計費用	179,998	160,839
Provision for pending legal litigations (Note 24)	待決法律訴訟撥備(附註24)	51,484	51,464
Interest payable	應付利息	4,096	6,253
Receipts in advance from customers	預收客戶款項	13,750	15,652
		249,328	234,208
		360,121	412,209

The following is an analysis of trade payables by age, presented based on the invoice date.

以下為貿易應付款項按發票日期呈列的賬齡分析。

		At 30 June 2015 於二零一五年 六月三十日 HK\$'000 千港元	At 31 December 2014 於二零一四年 十二月三十一日 HK\$'000 千港元
Trade payables:	貿易應付款項：		
0-30 days	0至30日	85,775	113,241
31-60 days	31至60日	6,154	56,525
61-90 days	61至90日	2,316	253
91-180 days	91至180日	8,460	92
Over 180 days	超過180日	8,088	7,890
		110,793	178,001



15. BANK BORROWINGS

During the current interim period, the Group obtained new secured bank borrowings of HK\$1,259,408,000 (2014: HK\$2,448,867,000) and made repayments of HK\$1,686,948,000 (2014: HK\$2,871,992,000). The bank borrowings bear interest at Hong Kong Inter-bank Offered Rate or London Inter-bank Offered Rate plus premiums.

16. SHARE CAPITAL

Ordinary shares of HK\$0.01 each 每股面值0.01港元之普通股

Authorised:

At 1 January 2015 and
30 June 2015

法定：

於二零一五年一月一日及
二零一五年六月三十日

Issued and fully paid:

At 1 January 2015
Issue of subscription
shares (note)
Conversion of convertible
bonds (Note 17)
Exercise of share
options (Note 20)
At 30 June 2015

已發行並繳足：

於二零一五年一月一日
發行認購股份(附註)
兌換可換股債券(附註17)
行使購股權(附註20)
於二零一五年六月三十日

	Number of shares 股份數目	Amounts 金額 HK\$ 港元
	5,000,000,000	50,000,000
	1,049,442,706	10,494,427
	456,900,000	4,569,000
	72,600,000	726,000
	8,098,000	80,980
	1,587,040,706	15,870,407

The new shares issued ranked pari passu in all respects with the other shares then in issue.

note: On 21 March 2015, the Company entered into the first and second subscription agreements with an independent investor, USUM Investment Group Hong Kong Limited ("USUMHK") for the first subscription of 203,900,000 shares and second subscription of 253,000,000 shares respectively at the subscription price of HK\$9.01 per share. The first subscription and second subscription were completed on 30 April 2015 and 29 May 2015 respectively, 203,900,000 shares and 253,000,000 shares were allotted and issued to USUMHK respectively. After deducting all relevant costs and expenses, the net proceeds from the first and second subscriptions amounted to HK\$1,833,841,000 and HK\$2,276,232,000 respectively. Upon the completion of the first and second subscriptions, USUMHK becomes a controlling shareholder of the Company since 29 May 2015.

15. 銀行借貸

於本中期期間，本集團獲得新有抵押銀行借貸1,259,408,000港元(二零一四年：2,448,867,000港元)及償還1,686,948,000港元(二零一四年：2,871,992,000港元)。銀行借貸乃以香港銀行同業拆息或倫敦銀行同業拆借息率加溢價計息。

16. 股本

已發行之新股份在所有方面與其他已發行股份具有同等地位。

附註：於二零一五年三月二十一日，本公司與一名獨立投資者滙商投資集團(香港)有限公司(「滙商香港」)訂立第一份及第二份認購協議，以按認購價每股股份9.01港元分別第一批認購203,900,000股股份及第二批認購253,000,000股股份。第一批認購及第二批認購分別已於二零一五年四月三十日及二零一五年五月二十九日完成，而203,900,000股股份及253,000,000股股份分別配發及發行予滙商香港。於扣除所有相關成本及開支後，第一批認購及第二批認購所得款項淨額分別為1,833,841,000港元及2,276,232,000港元。於完成首次及第二次認購後，滙商香港自二零一五年五月二十九日起成為本公司之控股股東。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

17. CONVERTIBLE BONDS

17. 可換股債券

		Debt component	Derivative component
		債務部份	衍生部份
		HK\$'000	HK\$'000
		千港元	千港元
Convertible Bonds I at 1 January 2014	可換股債券I 於二零一四年一月一日	759,406	13,353
Interest charge	利息費用	89,647	-
Interest paid	已付利息	(32,632)	-
Fair value gain	公平值收益	-	(13,353)
Carrying amount at 31 December 2014	於二零一四年十二月三十一日 之賬面值	816,421	-
Derecognition of the Convertible Bonds I	取消確認可換股債券I	(815,800)	-
Issuance of Convertible Bonds II	發行可換股 債券II	655,771	161,239
Interest charge	利息費用	51,367	-
Interest paid	已付利息	(21,310)	-
Conversion during the period	期內兌換	(348,156)	(457,087)
Fair value loss	公平值虧損	-	559,913
Carrying amount at 30 June 2015	於二零一五年六月三十日之賬面值	338,293	264,065
Analysed for reporting purposes as:	分析作報告之用為：		
Current liabilities	流動負債	154,977	121,155
Non-current liabilities	非流動負債	183,316	142,910
		338,293	264,065



17. CONVERTIBLE BONDS (continued)

notes:

- (i) On 1 March 2012 (the "Issue Date"), the Company issued convertible bonds to HWH Holdings Limited ("HWH"), Delco Participation B.V. ("Delco") and Sims (collectively the "Subscribers") with an aggregate principal sum of HK\$815,800,000 (the "Convertible Bonds I") with detachable three-year warrants (the "Warrants") at total consideration of HK\$815,800,000 (the "Subscription"). On 16 January 2013, HWH transferred the convertible bonds with the principal amount of HK\$120,000,000 to an independent third party, Greenwoods China Alpha Master Fund ("Greenwoods"). No exercise of the Warrants had taken place since the Issue Date. On 1 March 2015, the Warrants were expired.
- (ii) The major terms of Convertible Bonds I are as below:
- (a) The Convertible Bonds I carry 4% coupon interest per annum payable in arrears semi-annually. Unless previously converted, the Convertible Bonds I would be fully redeemed by the Company at its principal amount upon maturity on 1 March 2015 (the "Maturity Date"). No early redemption of the Convertible Bonds I was allowed unless the Company committed an event of default under the terms and conditions of the Convertible Bonds I.
- (b) The holders of the Convertible Bonds I had the right to convert the principal amount of the Convertible Bonds I into shares of HK\$0.01 each of the Company at an initial conversion price of HK\$6 per share (subject to anti-dilutive adjustments) at any time during the period from the second anniversary of the Issue Date up to 10 business days prior to the Maturity Date, subject to the minimum public float requirement.
- (iii) The Convertible Bonds I comprise debt component and derivative component (including conversion options), which were measured at fair value of HK\$659,611,000 and HK\$142,771,000, respectively, on initial recognition.
- (iv) The fair value of the debt component on initial recognition was calculated using the present value of contractually determined stream of future cash flows discounted at the effective interest rate of 11.756%.

In subsequent periods, the debt component of the Convertible Bonds I was carried at amortised cost using the effective interest method.

17. 可換股債券(續)

附註：

- (i) 於二零一二年三月一日(「發行日期」)，本公司向HWH Holdings Limited(「HWH」)、Delco Participation B.V.(「Delco」)及Sims(統稱「認購方」)發行三年期可拆分認股權證(「認股權證」)且本金總額為815,800,000港元之可換股債券(「可換股債券I」)，總代價為815,800,000港元(「認購事項」)。於二零一三年一月十六日，HWH轉讓本金額120,000,000港元之可換股債券予獨立第三方，Greenwoods China Alpha Master Fund(「Greenwoods」)。自發行日期起概無行使認股權證。於二零一五年三月一日，認股權證已到期。
- (ii) 可換股債券I的主要條款載列如下：
- (a) 可換股債券I附有4%的年票息，每半年支付一次。除非先前兌換，否則本公司將於二零一五年三月一日到期時(「到期日」)以本金額贖回全部可換股債券I。除非本公司違反可換股債券I的條款及條件，否則不允許提早贖回可換股債券I。
- (b) 可換股債券I持有人有權於發行日期第二週年至到期日前10個營業日之間任何時間以初步兌換價每股6港元(可予反攤薄調整)將可換股債券I的本金額兌換成本公司每股面值0.01港元的股份，惟須遵守最低公眾持股量的規定。
- (iii) 可換股債券I包括債務部分及衍生工具部分(包括兌換權)乃分別按公平值659,611,000港元及142,771,000港元於初步確認時計量。
- (iv) 初始確認時債務部分的公平值乃使用按實際利率11.756%貼現的合約釐定未來現金流的現值計算。

於其後期間，可換股債券I之債務部分乃按攤銷成本採用實際利率法列賬。



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簡明綜合財務報表附註(續)

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

17. CONVERTIBLE BONDS (continued)

notes: (continued)

- (v) The fair value of the conversion option derivative components was determined using the Binomial Option Pricing Model and the major inputs into the model are as follows:

		On issuance 發行時	At 31 December 2014 於二零一四年 十二月三十一日
Stock price	股價	HK\$4.33 4.33 港元	HK\$2.80 2.80 港元
Exercise price	行使價	HK\$6.00 6.00 港元	HK\$6.00 6.00 港元
Expected volatility (note 1)	預計波幅(附註1)	53.189%	53.189%
Dividend yield	股息收益率	0.855%	0.000%
Option life	期權年期	35.5 months 35.5 個月	1.5 months 1.5 個月
Risk free rate (note 2)	無風險利率(附註2)	0.277%	0.028%

notes:

- (1) The expected volatility was determined with reference to the implied volatility of the Company's shares as at the date of valuation.
- (2) The risk free rate was determined with reference to the Hong Kong Government Bond's and treasury bill's yield.
- (3) In subsequent periods, the derivative components were measured at fair value with changes in fair value recognised in profit and loss.
- (vi) No conversion of the Convertible Bonds I had taken place from the Issue Date to the Maturity Date.

17. 可換股債券(續)

附註:(續)

- (v) 兌換權衍生工具部分的公平值乃按二項期權定價模式釐定及該模式所輸入之主要數據如下:

附註:

- (1) 預計波幅乃經參照本公司股份於估值日期之引伸波動而釐定。
- (2) 無風險利率乃參考香港政府債券及國庫券孳息率而釐定。
- (3) 於其後期間，衍生工具部分按公平值計量，公平值之變動於損益內確認。
- (vi) 自發行日期起至到期日概無兌換可換股債券 I。



17. CONVERTIBLE BONDS (continued)

notes: (continued)

- (vii) On 3 and 4 March 2015, the Company signed extension agreements with all bond holders with the modification of terms of convertible bonds include: (i) the Convertible Bonds I with principal amount of HK\$315,600,000 held by Sims (the "Sims Convertible Bonds") and the Convertible Bonds I with principal amount of HK\$67,600,000 held by HWH (the "HWH Convertible Bonds") together with the respective conversion options were extended for a further two years to 1 March 2017; (ii) the Convertible Bonds I with principal amount of HK\$312,600,000 held by Delco (the "Delco Convertible Bonds") will be repaid in seven quarterly instalments commencing on 1 September 2015 till 1 March 2017 and the conversion options held by Delco were extended to 1 March 2017; (iii) the Convertible Bonds I with the principal amount of HK\$120,000,000 held by Greenwoods (the "Greenwoods Convertible Bonds") together with the conversion options were extended to 1 March 2017 and Greenwoods shall have the right to demand for full repayment of principal and accrued interest on any of these date: 1 September 2015, 1 March 2016 or 1 September 2016. The Convertible Bonds I with modified terms is hereinafter collectively referred to as the "Convertible Bonds II" and considered as substantial modification. Details of the modification of terms of the Convertible Bonds I are set out in the Company's announcements dated 5 March 2015, 10 March 2015, 18 March 2015, 26 March 2015, 1 April 2015, 10 April 2015 and 27 April 2015.

Upon the derecognition of the Convertible Bonds I of HK\$815,800,000 and recognition of the Convertible Bonds II, the difference between the carrying amount of Convertible Bonds I and the fair value of Convertible Bonds II is recognised as loss on derecognition of Convertible Bonds I in the profit or loss. The fair values of the debt component and derivative components of the Convertible Bonds II are determined by the directors of the Company based on the valuation by Roma Appraisals Limited, independent qualified professional valuers not connected to the Group.

On 9 April 2015, USUMHK purchased the Sims Convertible Bonds from Sims in the aggregate principal amount of HK\$315,600,000 (the "USUMHK Convertible Bonds") without changing any terms of Convertible Bonds II. The purchase of the Sims Convertible Bonds was completed on 3 June 2015. Details of these are set out in the Company's announcements dated 9 April 2015 and 3 June 2015.

- (viii) Other than the Delco Convertible Bonds with quarterly instalments and the Greenwoods Convertible Bonds with early redemption option as disclosed in note (vii), the major terms of Convertible Bonds I discussed in note (ii)(a) and (b) above remain unchanged in the Convertible Bonds II.
- (ix) The fair value of the debt component of the Convertible Bonds II on initial recognition was calculated using the present value of contractually determined stream of future cash flows discounted at the effective interest rates of 16.957%, 17.492%, 17.492% and 17.492% for the Delco Convertible Bonds, the HWH Convertible Bonds, the USUMHK Convertible Bonds and the Greenwoods Convertible Bonds respectively.

In subsequent periods, the debt component of the Convertible Bonds II is carried at amortised cost using the effective interest method.

17. 可換股債券(續)

附註：(續)

- (vii) 於二零一五年三月三日及四日本公司與所有債券持有人簽署延長協議，並附帶可換股債券的修訂條款，當中包括：(i) Sims持有的本金額為315,600,000港元的可換股債券I(「Sims可換股債券」)及HWH持有本金額為67,600,000港元的可換股債券I(「HWH可換股債券」)，連同兩項可換股債券各自的兌換權再延期兩年至二零一七年三月一日；(ii) Delco持有的本金額為312,600,000港元的可換股債券I(「Delco可換股債券」)將由二零一五年九月一日至二零一七年三月一日分七個季度分期償還，而Delco持有的兌換權已延期至二零一七年三月一日；(iii) Greenwoods持有本金總額為120,000,000港元的可換股債券I(「Greenwoods可換股債券」)，連同兌換權已延期至2017年3月1日，而Greenwoods有權於下述任何該等日期要求悉數償還本金及累計利息：二零一五年九月一日、二零一六年三月一日或二零一六年九月一日。附帶修改條款的可換股債券I於下文稱為「可換股債券II」。可換股債券I修改條款之詳情載於本公司日期為二零一五年三月五日、二零一五年三月十日、二零一五年三月十八日、二零一五年三月二十六日、二零一五年四月一日、二零一五年四月十日及二零一五年四月二十七日的公告。

於取消確認本金額為815,800,000港元之可換股債券I及確認可換股債券II後，可換股債券I的賬面值與可換股債券II的公平值之差額於損益內確認為取消確認可換股債券I的虧損。可換股債券II債務部份及衍生工具部份的公平值乃由本公司董事根據羅馬國際評估有限公司(與本集團無關連之獨立合資格專業估值師)所作估值釐定。

於二零一五年四月九日，渝商香港向Sims購買本金總額為315,600,000港元之Sims可換股債券(「渝商香港可換股債券」)，而可換股債券II的任何條款並無更改。購買Sims可換股債券已於二零一五年六月三日完成。有關詳情載列於本公司日期為二零一五年四月九日及二零一五年六月三日之公告。

- (viii) 除附註(vii)所披露Delco可換股債券的每季分期付款及Greenwoods可換股債券附帶提早贖回權外，上文附註(ii)(a)及(b)所討論可換股債券I之主要條款於可換股債券II維持不變。

- (ix) 初始確認時可換股債券II之債務部分的公平值，就Delco可換股債券、HWH可換股債券、渝商香港可換股債券及Greenwoods可換股債券乃分別使用按實際利率16.957%、17.492%、17.492%及17.492%貼現的合約釐定未來現金流的現值計算。

於其後期間，可換股債券II之債務部分乃按攤銷成本採用實際利率法列賬。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

17. CONVERTIBLE BONDS (continued)

notes: (continued)

- (x) The fair value of the derivative components of the Convertible Bonds II (including conversion options and early redemption option) was determined using the Binomial Option Pricing Model and the major inputs into the model are as follows:

The Delco Convertible Bonds

		On issuance 發行時	At 30 June 2015 於二零一五年 六月三十日
Stock price	股價	HK\$5.30 5.30 港元	HK\$10.0 10.0 港元
Exercise price	行使價	HK\$6.00 6.00 港元	HK\$6.00 6.00 港元
Expected volatility (note 1)	預計波幅 (附註1)	31.404%	35.917% to 64.345%
Dividend yield	股息收益率	0.000%	0.000%
Option life	期權年期	6 to 24 months 6 至 24 個月	2 to 20 months 2 至 20 個月
Risk free rate (note 2)	無風險利率 (附註2)	0.475%	0.025% to 0.246%

The HWH Convertible Bonds

		On issuance 發行時	At 30 June 2015 於二零一五年 六月三十日
Stock price	股價	HK\$5.47 5.47 港元	HK\$10.0 10.0 港元
Exercise price	行使價	HK\$6.00 6.00 港元	HK\$6.00 6.00 港元
Expected volatility (note 1)	預計波幅 (附註1)	31.404%	35.917%
Dividend yield	股息收益率	0.000%	0.000%
Option life	期權年期	24 months 24 個月	20 months 20 個月
Risk free rate (note 2)	無風險利率 (附註2)	0.498%	0.246%

17. 可換股債券(續)

附註：(續)

- (x) 可換股債券II(包括兌換權及提早贖回權)衍生工具部分的公平值乃按二項期權定價模式釐定及該模式所輸入之主要數據如下：

Delco 可換股債券

	On issuance 發行時	At 30 June 2015 於二零一五年 六月三十日
Stock price	HK\$5.30 5.30 港元	HK\$10.0 10.0 港元
Exercise price	HK\$6.00 6.00 港元	HK\$6.00 6.00 港元
Expected volatility (note 1)	31.404%	35.917% to 64.345%
Dividend yield	0.000%	0.000%
Option life	6 to 24 months 6 至 24 個月	2 to 20 months 2 至 20 個月
Risk free rate (note 2)	0.475%	0.025% to 0.246%

HWH 可換股債券

	On issuance 發行時	At 30 June 2015 於二零一五年 六月三十日
Stock price	HK\$5.47 5.47 港元	HK\$10.0 10.0 港元
Exercise price	HK\$6.00 6.00 港元	HK\$6.00 6.00 港元
Expected volatility (note 1)	31.404%	35.917%
Dividend yield	0.000%	0.000%
Option life	24 months 24 個月	20 months 20 個月
Risk free rate (note 2)	0.498%	0.246%

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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



17. CONVERTIBLE BONDS (continued)

notes: (continued)

(x) (continued)

The Sims Convertible Bonds/the USUMHK Convertible Bonds

		On issuance 發行時	On conversion 兌換時
Stock price	股價	HK\$5.47 5.47 港元	HK\$12.38 12.38 港元
Exercise price	行使價	HK\$6.00 6.00 港元	HK\$6.00 6.00 港元
Expected volatility (note 1)	預計波幅 (附註1)	31.404%	40.658%
Dividend yield	股息收益率	0.000%	0.000%
Option life	期權年期	24 months 24 個月	20.5 months 20.5 個月
Risk free rate (note 2)	無風險利率 (附註2)	0.498%	0.343%

The Greenwoods Convertible Bonds

		On issuance 發行時	On conversion 兌換時
Stock price	股價	HK\$5.47 5.47 港元	HK\$11.40 11.40 港元
Exercise price	行使價	HK\$6.00 6.00 港元	HK\$6.00 6.00 港元
Expected volatility (note 1)	預計波幅 (附註1)	31.404%	34.274%
Dividend yield	股息收益率	0.000%	0.000%
Option life	期權年期	24 months 24 個月	20.7 months 20.7 個月
Risk free rate (note 2)	無風險利率 (附註2)	0.498%	0.381%

notes:

- (1) The expected volatility was determined with reference to the implied volatility of the Company's shares as at the date of valuation.
- (2) The risk free rate was determined with reference to the Hong Kong Government Bond's and treasury bill's yield.
- (3) In subsequent periods, the derivative components are measured at fair value with changes in fair value recognised in profit and loss.

附註:

- (1) 預計波幅乃經參照本公司股份於估值日期之引伸波動而釐定。
- (2) 無風險利率乃參考香港政府債券及國庫券孳息率而釐定。
- (3) 於其後期間，衍生工具部分按公平值計量，公平值之變動於損益內確認。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

17. CONVERTIBLE BONDS (continued)

notes: (continued)

(xi) During the period, the Greenwoods Convertible Bonds were fully converted into shares of HK\$0.01 each in the Company at the conversion price of HK\$6.00 per share. Accordingly, a total of 20,000,000 ordinary shares of HK\$0.01 each were allotted and issued by conversion of the Greenwoods Convertible Bonds.

During the period, the USUMHK Convertible Bonds were fully converted into shares of HK\$0.01 each in the Company at the conversion price of HK\$6.00 per share. Accordingly, a total of 52,600,000 ordinary shares of HK\$0.01 each were allotted and issued by conversion of the convertible bonds.

17. 可換股債券(續)

附註：(續)

(xi) 期內，Greenwoods可換股債券以兌換價每股6.00港元悉數兌換成本公司每股面值0.01港元的股份。因此，合共20,000,000股每股面值0.01港元之普通股透過兌換Greenwoods可換股債券予以配發及發行。

期內，渝商香港可換股債券以兌換價每股6.00港元悉數兌換成本公司每股面值0.01港元的股份。因此，合共52,600,000股每股面值0.01港元之普通股透過兌換可換股債券予以配發及發行。

18. COMMITMENTS

18. 承擔

		At 30 June 2015 於二零一五年 六月三十日 HK\$'000 千港元	At 31 December 2014 於二零一四年 十二月三十一日 HK\$'000 千港元
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of acquisition of property, plant and equipment, and prepaid lease payments	就收購物業、廠房及設備及預付租賃付款已訂約但未於簡明綜合財務報表中撥備的資本開支	243,065	257,155
Investment authorised but not contracted for in respect of acquisition of a subsidiary (note)	就收購一間附屬公司已授權但未訂約的投資 (附註)	81,158	81,126



18. COMMITMENTS (continued)

note: On 1 December 2014, the Group entered into the Letters of Intent in relation for the acquisition of 80% equity interests in Yantai Liheng Environmental Protection Technology Co., Ltd. ("Yantai Liheng") from Mr. Li Yuhu and Yantai Liyang Industrial Co., Ltd.. Yantai Liheng is principally engaged in the sale of hazardous waste, lubricating oil, gas oil, base oil, residual oil, fuel oil and the related additives. Details are set out in the Company's announcements dated 1 December 2014 and 29 May 2015.

On 19 June 2015, the Group entered into a non-legally binding memorandum of understanding with Itochu Corporation, Itochu Metals Corporation and Suzuki Shokai Co., Ltd., in relation to a proposed acquisition of the entire equity interest in Dalian New Green Recycle & Resources Corporation ("DNG"), at a consideration to be settled by way of shares of the Company. DNG is principally engaged in recycle processing and utilisation of scrap metals, discarded appliances, office machines and other wastes. Details are set out in the Company's announcement dated 19 June 2015.

19. OPERATING LEASES The Group as lessee

Minimum lease payments paid under operating leases during the year:

Premises 物業

18. 承擔(續)

附註：於二零一四年十二月一日，本集團訂立意向書，以向李玉虎先生及煙台力揚工貿有限公司收購煙台立衡環保科技有限公司(「煙台立衡」)80%的股本權益。煙台立衡主要從事銷售危險廢物、潤滑油、蠟油、基礎油料、渣油、燃料油及相關用品添加劑等。詳情載列於本公司日期為二零一四年十二月一日及二零一五年五月二十九日的公告。

於二零一五年六月十九日，本集團與伊藤忠商事株式會社、伊藤忠金屬株式會社及鈴木商會株式會社就建議收購大連新綠再生資源加工有限公司(「大連新綠」)全部股權訂立不具法定約束力的諒解備忘錄，代價將以本公司股份償付。大連新綠主要從事再生加工及使用廢舊金屬、廢舊家電、辦公機器及其他廢棄物。詳情載列於本公司日期為二零一五年六月十九日之公告。

19. 經營租賃

本集團作為承租人

		At 30 June 2015 於二零一五年 六月三十日 HK\$'000 千港元	At 31 December 2014 於二零一四年 十二月三十一日 HK\$'000 千港元
Minimum lease payments paid under operating leases during the year:	年內根據經營租賃支付的最低租金：		
Premises	物業	7,296	6,424



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

19. OPERATING LEASES (continued) The Group as lessee (continued)

The Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		At 30 June 2015 於二零一五年 六月三十日 HK\$'000 千港元	At 31 December 2014 於二零一四年 十二月三十一日 HK\$'000 千港元
Within one year	第一年內	8,417	12,649
In the second to fifth years inclusive	第二至第五年 (包括首尾兩年)	4,103	6,147
		12,520	18,796

Operating lease payments represent rentals payable by the Group for certain of its offices and production premises. Leases are negotiated for terms ranging from one to five years with fixed rentals.

The Group as lessor

Properties rental income earned during the current interim period was HK\$604,000 (2014: HK\$926,000) and reported as other income. At 30 June 2015, the Group had contracted with tenant for the following future minimum lease payments:

		At 30 June 2015 於二零一五年 六月三十日 HK\$'000 千港元	At 31 December 2014 於二零一四年 十二月三十一日 HK\$'000 千港元
Within one year	第一年內	1,007	403

19. 經營租賃(續)

本集團作為承租人(續)

本集團根據不可撤銷經營租賃將於下列時間到期的未來最低租金承擔如下：

經營租金指本集團就若干辦公室及生產廠房應付租金。租約經協商定為年期介乎一至五年及租金固定。

本集團作為出租人

於本中期間賺取之物業租賃之收入為604,000港元(二零一四年：926,000港元)並作為其他收入列賬。於二零一五年六月三十日，本集團與租戶約定未來最低租金如下：



20. SHARE-BASED PAYMENTS

Pursuant to a written resolution of all shareholders of the Company on 23 June 2010, a share option scheme (the "Post-IPO Share Option Scheme") was adopted.

Details of the share options granted under the Post-IPO Share Option Scheme and their subsequent movements are as follows:

20. 以股份為基礎之付款

根據本公司全體股東於二零一零年六月二十三日通過的書面決議案，本公司採納一項購股權計劃（「首次公開發售後購股權計劃」）。

根據首次公開發售後購股權計劃授出的購股權及其後變動詳情如下：

Category of eligible scheme participants	Date of grant	Exercise price per share	Exercisable period	Vesting date	Number of options outstanding as at 1.1.2015	Exercised during the period	Lapsed/ forfeited during the period (note)	Number of options outstanding as at 30.6.2015
合資格計劃參與者類別	授出日期	每股行使價	行使期	歸屬日期	於二零一五年一月一日尚未行使的購股權數目	期內行使	期內失效/沒收(附註)	於二零一五年六月三十日尚未行使的購股權數目
Directors 董事	3.5.2011 二零一一年五月三日	HK\$6.388 6.388港元	4.5.2014-3.5.2015 二零一四年五月四日至 二零一五年五月三日	4.5.2014 二零一四年五月四日	470,000	(60,000)	(410,000)	-
Directors 董事	28.3.2012 二零一二年三月二十八日	HK\$4.186 4.186港元	28.3.2013-27.3.2016 二零一三年三月二十八日至 二零一六年三月二十七日	28.3.2013 二零一三年三月二十八日	45,000	(28,500)	-	16,500
			28.3.2014-27.3.2016 二零一四年三月二十八日至 二零一六年三月二十七日	28.3.2014 二零一四年三月二十八日	45,000	(22,500)	-	22,500
			28.3.2015-27.3.2016 二零一五年三月二十八日至 二零一六年三月二十七日	28.3.2015 二零一五年三月二十八日	60,000	(30,000)	-	30,000
					620,000	(141,000)	(410,000)	69,000
Employees and other participants 僱員及其他參與者	3.5.2011 二零一一年五月三日	HK\$6.388 6.388港元	4.5.2014-3.5.2015 二零一四年五月四日至 二零一五年五月三日	4.5.2014 二零一四年五月四日	4,180,000	(2,400,000)	(1,780,000)	-
Employees and other participants 僱員及其他參與者	28.3.2012 二零一二年三月二十八日	HK\$4.186 4.186港元	28.3.2013-27.3.2016 二零一三年三月二十八日至 二零一六年三月二十七日	28.3.2013 二零一三年三月二十八日	2,805,000	(2,177,500)	-	627,500
			28.3.2014-27.3.2016 二零一四年三月二十八日至 二零一六年三月二十七日	28.3.2014 二零一四年三月二十八日	2,805,000	(1,821,500)	-	983,500
			28.3.2015-27.3.2016 二零一五年三月二十八日至 二零一六年三月二十七日	28.3.2015 二零一五年三月二十八日	3,740,000	(1,558,000)	(40,000)	2,142,000
					13,530,000	(7,957,000)	(1,820,000)	3,753,000
					14,150,000	(8,098,000)	(2,230,000)	3,822,000



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

20. SHARE-BASED PAYMENTS (continued)

Category of eligible scheme participants	Date of grant	Exercise price per share	Exercisable period	Vesting date	Number of options outstanding as at 1.1.2015 於二零一五年一月一日尚未行使的購股權數目	Exercised during the period 期內行使	Lapsed/ forfeited during the period (note) 期內失效/沒收(附註)	Number of options outstanding as at 30.6.2015 於二零一五年六月三十日尚未行使的購股權數目
合資格計劃參與者類別	授出日期	每股行使價	行使期	歸屬日期				
Number of options exercisable at the end of the period 期末可予行使的購股權數目					10,350,000			3,822,000
Weighted average exercise price 加權平均行使價					HK\$4.91 4.91港元	HK\$4.85 4.85港元	HK\$6.35 6.35港元	HK\$4.19 4.19港元

note: 410,000 and 1,820,000 share options granted to directors and employees respectively, were lapsed due to maturity of unexercised options in the current period or forfeited due to the resignation of certain employees.

附註：分別授予董事及僱員的410,000份及1,820,000份購股權於本期間因尚未行使購股權到期而失效或因部分僱員辭職而沒收。

The share options granted are exercisable as follows:

所獲授出的購股權可按如下方式行使：

Required service period for share options to be vested after date of grant 於授出日期後購股權歸屬所需的服務期間

Attaining 1 year
持有一年
Attaining 2 years
持有兩年
Attaining 3 years
持有三年

Maximum percentage of share options exercisable 可行使購股權的百分比上限

30% of the total number of options granted
授出購股權總數的30%
60% of the total number of options granted
授出購股權總數的60%
100% of the total number of options granted
授出購股權總數的100%

In respect of the share options exercised during the current period, the share price on the dates of exercise ranged from HK\$5.12 to HK\$12.60.

就於本期內已行使的購股權而言，於行使日期的股價介乎5.12港元至12.60港元。



20. SHARE-BASED PAYMENTS (continued)

The fair values of the options were calculated using the Binomial Option Pricing Model. The inputs into the model were as follows:

20. 以股份為基礎之付款(續)

購股權公平值按二項期權定價模式計算，該模式所輸入數據如下：

Share options granted on 3.5.2011

於二零一一年五月三日授出之購股權

	Lot 1 第一批	Lot 2 第二批	Lot 3 第三批
Grant date share price 授出日期股價	HK\$6.20 6.20 港元	HK\$6.20 6.20 港元	HK\$6.20 6.20 港元
Exercise price 行使價	HK\$6.388 6.388 港元	HK\$6.388 6.388 港元	HK\$6.388 6.388 港元
Expected volatility 預計波幅	42.747%	53.510%	51.323%
Expected option period 預計購股權期限	1.503 years 1.503 年	2.503 years 2.503 年	3.503 years 3.503 年
Risk-free rate 無風險利率	0.406%	0.778%	1.195%
Expected dividend yield 預計股息收益率	1.448%	1.448%	1.448%

Share options granted on 28.3.2012

於二零一二年三月二十八日授出之購股權

	Lot 1 第一批	Lot 2 第二批	Lot 3 第三批
Grant date share price 授出日期股價	HK\$4.10 4.10 港元	HK\$4.10 4.10 港元	HK\$4.10 4.10 港元
Exercise price 行使價	HK\$4.186 4.186 港元	HK\$4.186 4.186 港元	HK\$4.186 4.186 港元
Expected volatility 預計波幅	44.334%	46.651%	51.539%
Expected option period 預計購股權期限	2.500 years 2.500 年	3.000 years 3.000 年	3.500 years 3.500 年
Risk-free rate 無風險利率	0.276%	0.338%	0.373%
Expected dividend yield 預計股息收益率	0.902%	0.902%	0.902%



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

20. SHARE-BASED PAYMENTS (continued)

Expected volatility was determined with reference to the historical volatility of certain comparable listed companies.

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

In respect of the share options granted, taking into account of (i) the applicable vesting period and (ii) the number of options expected to ultimately vest, the Group recognised share-based payment expense of HK\$428,000 for the current interim period (1.1.2014 to 30.6.2014: HK\$2,642,000).

21. CONNECTED AND RELATED PARTY DISCLOSURES

(a) Transactions

During the interim period, the Group had the following transactions with related parties, certain of which are also deemed to be connected persons pursuant to Chapter 14A of the Listing Rules:

20. 以股份為基礎之付款(續)

預計波幅乃參照若干可比較上市公司的過往波動釐定。

計算購股權公平值所用變量及假設按董事的最佳估計而定。購股權價值因若干主觀假設的不同變數而有所不同。

就所授出之購股權而言，經計及(i)適用歸屬期間及(ii)預期將最終歸屬的購股權數目，於本中期期間，本集團確認以股份為基礎付款之開支428,000港元(二零一四年一月一日至二零一四年六月三十日：2,642,000港元)。

21. 關連人士及關連方披露

(a) 交易

於中期期間，本集團與關連方有以下交易，其中若干關連方根據上市規則第14A章亦被視為關連人士：

Name of party 關連方名稱	Nature of transaction 交易性質	Six months ended 30 June 截至六月三十日止六個月	
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
<i>Connected and related party transactions</i> 關連交易及關連方交易			
Sims (notes i & iii) Sims(附註i及iii)	Purchase of scrap metals 購買廢金屬	56,759	277,457
	Interest expense of convertible bonds with principal amount of HK\$315,600,000 本金額315,600,000港元的可換股債券之利息支出	6,538	17,025



21. CONNECTED AND RELATED PARTY DISCLOSURES (continued)
(a) Transactions (continued)

21. 關連人士及關連方披露(續)

(a) 交易(續)

Name of party 關連方名稱	Nature of transaction 交易性質	Six months ended 30 June 截至六月三十日止六個月	
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Delco (notes ii & iii) Delco (附註ii及iii)	Interest expense of convertible bonds with principal amount of HK\$312,600,000 本金額312,600,000港元的可換股債券之利息支出	11,667	16,864
HWH (note iii) HWH (附註iii)	Interest expense of convertible bonds with principal amount of HK\$67,600,000 本金額67,600,000港元的可換股債券之利息支出	4,422	3,647
USUMHK (note iv) 渝商香港 (附註iv)	Interest expense of convertible bonds with principal amount of HK\$315,600,000 本金額315,600,000港元的可換股債券之利息支出	1,606	—
	Conversion of convertible bonds with principal amount of HK\$315,600,000 兌換本金額315,600,000港元的可換股債券	315,600	—
Mr. Fang Ankang (note v) 方安空先生 (附註v)	Interest expense of loan with principal amount of USD8,000,000 本金額8,000,000美元的貸款之利息支出	1,096	—
<i>Related party transaction</i> 關連方交易			
Poly Metals Company Limited ("Poly Metals") (note vi) 寶勵金屬有限公司(「寶勵」)(附註vi)	Purchase of scrap metals 購買廢金屬	39,398	7,791



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

21. CONNECTED AND RELATED PARTY DISCLOSURES (continued)

(a) Transactions (continued)

notes:

- (i) These represent transactions between the Group and Sims up to 5 March 2015, on which Sims disposed of its entire shareholdings in the Company and becomes an independent third party to the Group.
- (ii) Delco disposed of its entire shareholdings in the Company and becomes an independent third party to the Group on 17 April 2015.
- (iii) As set out in Note 17, the Company issued convertible bonds to Sims, Delco and HWH. HWH is a substantial shareholder with significant influence over the Company and Sims and Delco were substantial shareholders with significant influence over the Company up to 5 March 2015 and 17 April 2015 as disclosed in (i) and (ii).
- (iv) On 3 June 2015, the Sims Convertible Bonds were purchased by USUMHK, a controlling shareholder of the Company since 29 May 2015.
- (v) In January 2015, the Group borrowed USD8,000,000 from Mr. Fang Ankong who is a director of and a substantial shareholder with significant influence over the Company. The balance is unsecured, interest bearing at 4% per annum and fully repaid in July 2015.
- (vi) In April 2014, the Group invested in an associate, Poly Metals at consideration of HK\$40. The amount represents transaction between the Group and Poly Metals after April 2014.

21. 關連人士及關連方披露(續)

(a) 交易(續)

附註:

- (i) 指本集團與Sims直至二零一五年三月五日的交易，於當日Sims出售其於本公司的全部股權並成為本集團之獨立第三方。
- (ii) Delco於二零一五年四月十七日出售其於本公司的全部股權並成為本集團之獨立第三方。
- (iii) 如附註17所載，本公司向Sims、Delco及HWH發行可換股債券，HWH為對本公司具有重大影響力之主要股東及Sims與Delco直至二零一五年三月五日及二零一五年四月十七日為對本公司具有重大影響力之主要股東(如(i)及(ii)所披露)。
- (iv) 於二零一五年六月三日，渝商香港(自二零一五年五月二十九日起為公司之控股股東)購入Sims可換股債券。
- (v) 於二零一五年一月，本集團向本公司一名具有重大影響力之董事及主要股東方安空先生借入8,000,000美元。借款為無抵押，並按4%的年利率計息，已於二零一五年七月悉數償還。
- (vi) 於二零一四年四月，本集團以代價40港元投資於一間聯營公司寶勵。該金額指自二零一四年四月起本集團與寶勵之間的交易。



21. CONNECTED AND RELATED PARTY DISCLOSURES (continued)

(b) Connected and related party balances

The Group had the following balances with connected and related parties:

(b) 關連人士及關連方結餘

本集團與關連人士及關連方有以下結餘：

Name of parties 關連方名稱	Nature of balance 結餘性質	At 30 June 2015 於二零一五年 六月三十日	At 31 December 2014 於二零一四年 十二月三十一日
		HK\$'000 千港元	HK\$'000 千港元
<i>Balances with connected and related parties</i> 與關連人士及關連方結餘			
Sims	Deposit paid for purchase of raw materials (note i)	-	4,294
Sims	購買原料之已付按金(附註i)		
	Trade payables (note i)	-	71,077
	貿易應付款項(附註i)		
	Warrants	-	75,831
	認股權證		
	Convertible bonds	-	315,600
	可換股債券		
Delco	Convertible bonds	-	312,000
Delco	可換股債券		
HWH	Convertible bonds	67,600	67,600
HWH	可換股債券		
Mr. Fang Ankong 方安空先生	Loan from a director (note ii) 來自一名董事的貸款(附註ii)	62,021	-

notes:

- (i) The amounts are unsecured and interest-free. The average credit period of trade payables is 60 days and they are aged less than 60 days of their invoice dates.
- (ii) The amount is unsecured, interest-bearing at 4% per annum and has fixed repayment term within one year.

附註：

- (i) 該金額為無抵押及免息。貿易應付款項的平均信貸期為60日，而該等款項的賬齡少於60日(換發票日期起計)。
- (ii) 該金額為無抵押、按年息4%計息及固定還款期為一年內。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

21. CONNECTED AND RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel

The remuneration of directors and other members of key management were as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	2,094	2,131
Post-employment benefits	僱用後福利	55	41
Share-based payments	以股份為基礎之付款	41	588
		2,190	2,760

22. PLEDGE OF ASSETS

The Group had pledged the following assets to banks to secure the general banking facilities granted to the Group:

		At 30 June 2015 於二零一五年 六月三十日 HK\$'000 千港元	At 31 December 2014 於二零一四年 十二月三十一日 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	65,786	68,258
Investment properties	投資物業	21,653	22,351
Prepaid lease payments	預付租金	339,028	304,746
Bank deposits	銀行存款	128,562	182,559
		555,029	577,914

21. 關連人士及關連方披露(續)

(c) 主要管理人員薪酬

董事及其他主要管理人員的薪酬如下：

22. 資產抵押

本集團已向銀行抵押以下資產，以擔保授予本集團之一般銀行信貸：



23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used), as well as the level of fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

23. 金融工具公平值計量

按經常性基準以公平值計量之本集團金融資產及金融負債之公平值

本集團部分金融資產及金融負債於各報告期末按公平值計量。下表提供有關根據公平值計量的輸入數據的可觀測程度如何釐定該等金融資產及金融負債之公平值(特別是所使用的估值技術及輸入數據), 及公平值計量所劃分之公平值級別水平(一至三級)之資料。

- 一級公平值計量指按同類資產或負債於活躍市場的報價(未經調整)計量;
- 二級公平值計量指按資產或負債的直接(即價格)或間接(即按價格計算者)可觀察參數(一級計量所用報價除外)計量; 及
- 第三級公平值計量乃根據估值技術得出, 其中包括對資產或負債而言不可根據可觀察市場數據取得之輸入資料(不可觀察輸入資料)。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

23. 金融工具公平值計量(續)

按經常性基準以公平值計量之本集團金融資產及金融負債之公平值(續)

Financial assets (financial liabilities)	Fair value as at 30 June 2015	Fair value as at 31 December 2014	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
金融資產(金融負債)	於二零一五年 六月三十日 之公平值 HK\$'000 千港元	於二零一四年 十二月三十一日 之公平值 HK\$'000 千港元	公平值架構	估值技術及 主要輸入資料	重大 不可觀察 輸入資料	不可觀察 輸入資料與 公平值的關係
1) Listed equity securities in Australia classified as available-for-sale investment in the condensed consolidated statement of financial position 於簡明綜合財務狀況表中分類為可供出售投資之於澳洲上市股本證券	68,805	-	Level 1 一級	Quoted bid price on the Australian Securities Exchange. 於澳洲證券交易所之報價。	N/A 不適用	N/A 不適用
2) Metal commodities future contracts classified as derivative financial instruments in the condensed consolidated statement of financial position 於簡明綜合財務狀況表中分類為衍生金融工具之金屬商品期貨合約	81,250 (120,273)	390,786 (402,917)	Level 1 一級	Quoted bid commodity futures prices on the London Metal Exchange and Shanghai Futures Exchange. 倫敦金屬交易所及上海期貨交易所所報商品期貨報價。	N/A 不適用	N/A 不適用



23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

23. 金融工具公平值計量(續)

按經常性基準以公平值計量之本集團金融資產及金融負債之公平值(續)

	Fair value as at 30 June 2015 於二零一五年 六月三十日 之公平值 HK\$'000 千港元	Fair value as at 31 December 2014 於二零一四年 十二月三十一日 之公平值 HK\$'000 千港元	Fair value hierarchy 公平值架構	Valuation technique(s) and key input(s) 估值技術及 主要輸入資料	Significant unobservable inputs 重大 不可觀察 輸入資料	Relationship of unobservable inputs to fair value 不可觀察 輸入資料與 公平值的關係
3) Foreign currency forward contracts classified as derivative financial instruments in the condensed consolidated statement of financial position 於簡明綜合財務狀況表中分類為衍生金融工具之外幣遠期合約	147 (97)	690 (15)	Level 2 二級	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates. 根據遠期外幣兌換率(於報告期末可觀察的遠期外幣兌換率)及已訂約的遠期比率來估計未來現金流。	N/A 不適用	N/A 不適用



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

23. 金融工具公平值計量(續)

按經常性基準以公平值計量之本集團金融資產及金融負債之公平值(續)

Financial assets (financial liabilities)	Fair value as at 30 June 2015	Fair value as at 31 December 2014	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
金融資產(金融負債)	於二零一五年 六月三十日 之公平值 HK\$'000 千港元	於二零一四年 十二月三十一日 之公平值 HK\$'000 千港元	公平值架構	估值技術及 主要輸入資料	重大 不可觀察 輸入資料	不可觀察 輸入資料與 公平值的關係
4) Embedded derivative components of convertible bonds (note) 可換股債券嵌入式衍生工具部分(附註)	(264,065)	-	Level 3 三級	Binomial Option Pricing Model. The key inputs are the Company's share price, expected volatility, dividend yield, option life and risk free rate. 二項期權定價模式。主要數據為本公司股價、預計波幅、股息收益率、期權年期及無風險利率。	Expected volatility, taking into account of the average historical volatility of the Company's share price as at the date of valuation. 預計波幅乃計及本公司股價於估值日之平均歷史波幅。 Dividend yield, taking into account of the Company's most recent dividends payout ratio and management's experience. 股息收益率乃計及本公司最近期股息派發率及管理層經驗。	The higher the expected volatility, the higher the fair value. 預計波幅越大，公平值越大。 The higher the dividend yield, the lower the fair value. 股息收益率越高，公平值越小。



23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

note: If the expected volatility to the Binomial Option Pricing Model was 10% higher and lower while all other variables were held constant, the carrying amount of the embedded derivative components of convertible bonds would increase by HK\$8,422,000 (31 December 2014: HK\$2,000) and decrease by HK\$5,866,000 (31 December 2014: nil) respectively.

No dividend was paid or proposed during the year ended 31 December 2014 and the six months ended 30 June 2015. Dividend yield as at valuation date of 30 June 2015 is nil (31 December 2014: nil), no sensitivity analysis for dividend yield was performed in the current interim period and prior year.

In management's opinion, the sensitivity analyses are not necessarily representative of the fair value as the pricing model used in the fair value valuation of the embedded derivative components of convertible bonds involves multiple variable where certain variables are interdependent.

Except as detailed in above table, the directors of the Company consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

23. 金融工具公平值計量(續)

按經常性基準以公平值計量之本集團金融資產及金融負債之公平值(續)

附註：倘於其他變數保持不變的情況下，二項期權定價模式的預計波幅提高或降低10%，可換股債券嵌入式衍生工具部分之賬面值將分別增加5,866,000港元(二零一四年十二月三十一日：2,000港元)及減少8,422,000港元(二零一四年十二月三十一日：零)。

於截至二零一四年十二月三十一日止年度及截至二零一五年六月三十日止六個月，概無派付或建議派付股息。於估值日期，即二零一五年六月三十日，股息收益率為零(二零一四年十二月三十一日：零)，於本中期期間及上個年度並無就股息收益率進行敏感度分析。

管理層認為，由於可換股債券嵌入式衍生工具部分之公平值估值中所使用的定價模式涉及多個變數，而其中若干變數屬互為影響，故敏感度分析未必代表公平值。

除上表所詳述外，本公司董事認為，於簡明綜合財務報表內按攤銷成本入賬的其他金融資產及金融負債的賬面值與其公平值相若。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Reconciliation of Level 3 fair value measurements of financial liabilities

23. 金融工具公平值計量(續)

金融負債三級公平值計量的對賬

		Derivative components of convertible bonds 可換股債券 衍生工具部分 HK\$'000 千港元
Convertible Bonds I	可換股債券I	
At 1 January 2014	於二零一四年一月一日	13,353
Gain recognised in profit or loss	於損益確認之收益	(8,139)
At 30 June 2014	於二零一四年六月三十日	<u>5,214</u>
At 1 January 2015 and 30 June 2015	於二零一五年一月一日及二零一五年六月三十日	<u>-</u>
Convertible Bonds II	可換股債券II	
Issuance of Convertible Bonds II	發行可換股債券II	161,239
Conversion of convertible bonds	兌換可換股債券	(457,087)
Loss recognised in profit or loss	於損益確認之虧損	<u>559,913</u>
At 30 June 2015	於二零一五年六月三十日	<u>264,065</u>

Of the total losses or gains for the current interim period included in profit or losses, unrealised losses of HK\$209,610,000 (1.1.2014 to 30.06.2014: unrealised gains of HK\$8,139,000) related to embedded derivative components of convertible bonds held at the end of the reporting period. The fair value losses or gains are included in other gains and losses.

本中期期間計入損益內的損益總額中，未變現虧損209,610,000港元(二零一四年一月一日至二零一四年六月三十日：未變現收益8,139,000港元)與報告期末持有的可換股債券的嵌入式衍生工具部份相關。公平值收益計入其他收益及虧損。

Fair value measurements and valuation process

The Chief Financial Officer of the Company determines the appropriate valuation techniques and inputs for fair value measurements.

公平值計量及估值程序

本公司財務總監就公平值計量釐定合適的估值方法及輸入數據。



23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Fair value measurements and valuation process (continued)

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 and 2 inputs are not available, the Group engages third party qualified valuers to perform the valuation for financial instruments that are measured at fair value on a recurring basis. The Chief Financial Officer works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

The Chief Financial Officer engages the external valuers to perform the valuations of the derivative portion of convertible bonds required for financial reporting purpose, including Level 3 fair value measurements of financial instruments. As a part of the valuation process, the Chief Financial Officer reports the findings to the board of directors of the Company semi-annually, in line with the Group's interim and annual reporting dates.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed above.

Business and economic circumstances affecting fair value of measurements

There was a sharp increase in the market price of the Company's shares during current interim period that resulted in a significant deviation between the exercise price of the convertible bonds and the shares prices of the Company. The upward movement and the volatility in the Company's share led to the fair value loss on the derivative components of convertible bonds recognised in profit or loss.

During the current interim period, the Group experienced an adverse impact of the prolonged volatility and the overall downward movement of the global metal prices. The Group entered into metal commodities future contracts in order to manage its exposure to the volatility in metals' price risks. The decline in the commodity market prices led to a realised loss in the fair value change of derivative financial instruments.

23. 金融工具公平值計量(續)

公平值計量及估值程序(續)

於估計資產或負債的公平值時，本集團運用其獲得的市場觀察數據。倘第一及第二級輸入數據不可用，本集團委聘第三方合資格估值師對按經常性基準以公平值計量之金融工具進行估值。財務總監與外聘合資格估值師密切合作以制定合適的估值技術及輸入數據模式。

財務總監就財務報告目的聘用外部估值師對可換股債券衍生工具部分進行估值，包括金融工具第三級公平值計量。作為估值程序的一部分，財務總監每半年向本公司董事會報告估值結果，報告的時間與本集團中期及年度報告日期一致。

有關釐定不同資產及負債公平值所使用的估值方法及輸入數據詳情載於上文。

業務及經濟環境影響公平值計量

於本中期期間，本公司股份的市價急升，致使可換股債券的行使價與本公司股價出現大幅偏差。本公司股份向上攀升及波動導致於損益確認可換股債券衍生工具部分之公平值虧損。

於本中期期間，本集團承受全球金屬價格長期波動及整體下滑的不利影響。本集團訂立金屬商品期貨合約以管理其金屬價格波動風險。商品市場價格的下跌導致衍生金融工具公平值變動已變現虧損。



Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

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

24. PENDING LITIGATIONS

The Group is a defendant in legal claims filed by the lessor of certain properties in Shanghai, the PRC for unpaid rent, management fees, early termination fee and reinstatement costs totalling approximately RMB40.6 million (equivalent to approximately HK\$51.5 million). The Group filed a counter-claim against the lessor of overall expected direct economic loss of approximately RMB108 million (equivalent to approximately HK\$136.9 million) as a result of alleged misrepresentation by the lessor.

The People's Court in Baoshan District, Shanghai, the PRC ("Baoshan District Court") delivered an initial judgement in December 2013. In summary, the initial judgment is in favour to the Group, details of which are set out in the announcement of the Company dated on 15 January 2014. Both the Group and the lessor had applied for an appeal against this judgement. On 12 January 2015, the Baoshan District Court delivered the revised judgement in relation to these legal claims. The Group applied for an appeal against the judgement given on 12 January 2015. On 19 June 2015, the Shanghai No. 2 Intermediate People's Court revoked the appeal and upheld the judgement made on 12 January 2015. In summary, the revised judgment is in favour to the Group. Both the Group and the lessor have a right to appeal against the judgement.

Due to the uncertainty on any appeal made by the lessor after the judgement on 19 June 2015, the Group does not reverse the provision made. The directors of the Company, after obtaining legal advice and considering the full provision already made by the Group, are of the opinion that any appeal made by the lessor will not have any material adverse impact to the Group's future results and financial position.

25. MAJOR NON-CASH TRANSACTION

During the current interim period, the Group derecognised the original convertible bonds upon the substantial modification of terms and recognised the new convertible bonds. Details of the derecognition and recognition of convertible bonds are set out in Note 17 above.

This report is published in both English and Chinese languages. Should there be any inconsistency between the Chinese and English versions, the English version shall prevail.

24. 待決訴訟

本集團因中國上海若干物業的出租人就未付租金、管理費、提早終止費及重置成本總計約人民幣40,600,000元(約等於51,500,000港元)提出法律訴訟而成為被告。本集團就因出租人之指稱失實陳述而導致的整體預期直接經濟損失約人民幣108,000,000元(約等於136,900,000港元)對出租人提出反申索。

於二零一三年十二月，中國上海寶山區人民法院(「寶山區法院」)作出初步判決，概括而言，初審的判決對本集團有利，其詳情載於本公司日期為二零一四年一月十五日的公告。本集團與出租人均對此判決提出上訴。於二零一五年一月十二日，寶山區法院就該等法律訴訟作出修訂判決。本集團已對二零一五年一月十二日作出的判決提出上訴。於二零一五年六月十九日，上海市第二中級人民法院駁回上訴並維持二零一五年一月十二日作出的判決。概括而言，修訂判決對本集團有利。本集團及出租人均有權對判決提出上訴。

由於於二零一五年六月十九日的判決後，出租人所作任何上訴的結果存在不確定因素，本集團並無撥回已計提的撥備。本公司董事經獲得法律意見及考慮本集團已作出全數撥備後，認為出租人所作任何上訴的結果將不會對本集團的未來業績及財務狀況造成任何重大不利影響。

25. 重大非現金交易

於本中期間，本集團對原有可換股債券的條款作重大修改後，並取消確認原有可換股債券及確認新可換股債券。取消確認及確認可換股債券的詳情載於上文附註17。

本報告以中英文兩種語言印製，在兩種文體的說明上存在歧義時，以英文為準。



www.chiho-tiande.com



CHIHO-TIANDE GROUP LIMITED
齊合天地集團有限公司

48 Wang Lok Street,
Yuen Long Industrial Estate, Hong Kong
香港元朗工業邨宏樂街48號

Tel 電話: (852) 2587 7700 / (852)2589 3500

Fax 傳真: (852) 2587 7799