

TENGY

浙江天潔環境科技股份有限公司

Zhejiang Tengy Environmental Technology Co., Ltd

(a joint stock company incorporated in the People's Republic of China with limited liability)

(於中華人民共和國註冊成立的股份有限公司)

Stock code 股份代號：1527

中期報告

Interim Report
2018

Financial Highlights 財務摘要

- The revenue of Zhejiang Tengy Environmental Technology Co., Ltd (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) for the six months ended 30 June 2018 (the “**Reporting Period**”) was approximately RMB418.35 million, representing an increase of approximately 10.76% when compared with that of the corresponding period of last year.
- 浙江天潔環境科技股份有限公司(「**本公司**」)及其附屬公司(統稱「**本集團**」)於截至二零一八年六月三十日止六個月(「**報告期**」)之收益為約人民幣418.35百萬元，與去年同期相比增加約10.76%。
- The Group’s profit attributable to owners of the parent for the Reporting Period was approximately RMB33.13 million, representing an increase of approximately 2.53% when compared with that of the corresponding period of last year.
- 本集團於報告期內之母公司擁有人應佔溢利為約人民幣33.13百萬元，與去年同期相比增加約2.53%。
- The board (the “**Board**”) of directors of the Company (the “**Directors**”, each a “**Director**”) did not recommend the payment of any dividend for the Reporting Period.
- 本公司董事(「**董事**」)會(「**董事會**」)不建議就報告期派付任何股息。

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
 中期簡明綜合損益及其他全面收益表

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核) (Restated) (重列)
REVENUE	收益	418,346	377,688
Cost of sales	銷售成本	(327,981)	(286,042)
Gross profit	毛利	90,365	91,646
Other income	其他收入	1,617	3,731
Selling and distribution expenses	銷售及分銷開支	(10,486)	(10,882)
Administrative expenses	行政開支	(33,036)	(35,508)
Other expenses	其他開支	–	(1,511)
Finance costs	融資成本	(2,740)	(2,953)
PROFIT BEFORE TAX	稅前溢利	45,720	44,523
Income tax	所得稅	(12,588)	(12,207)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	期內溢利及全面收入總額	33,132	32,316
Attributable to: Owners of the parent	以下應佔: 母公司擁有人	33,132	32,316
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通權益持有人應佔每股盈利		
Basic and diluted (RMB) – For profit for the period	基本及攤薄(人民幣) – 期內溢利	0.25	0.24

Interim Condensed Consolidated Statement of Financial Position

中期簡明之綜合財務狀況表

		As at 於	
		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	84,305	86,906
Prepaid land lease payments	預付土地租賃付款	44,011	45,001
Intangible assets	無形資產	276	389
Deferred tax assets	遞延稅項資產	28,552	25,479
Pledged deposits	已抵押存款	1,768	3,577
Total non-current assets	非流動資產總值	158,912	161,352
CURRENT ASSETS	流動資產		
Inventories	存貨	356,012	470,939
Trade and bills receivables	貿易應收款項及應收票據	649,656	619,345
Contract assets and Contract costs	合同資產及合同成本	176,976	193,201
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	60,849	44,544
Prepaid Land lease payments	預付土地租賃款項	1,980	1,981
Tax receivable	應收稅項	24,158	14,323
Pledged deposits	已抵押存款	59,877	86,169
Bank and cash balances	銀行及現金結餘	57,833	47,706
Total current assets	流動資產總值	1,387,341	1,478,208
CURRENT LIABILITIES	流動負債		
Trade and bills payables	貿易應付款項及應付票據	356,715	419,709
Contract liabilities	合同負債	249,396	310,482
Other payables and accruals	其他應付款項及應計費用	103,020	109,379
Bank loans	銀行貸款	114,000	110,000
Total current liabilities	流動負債總額	823,131	949,570
NET CURRENT ASSETS	流動資產淨值	564,210	528,638
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	723,122	689,990
NET ASSETS	資產淨值	723,122	689,990
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	135,000	135,000
Share premium	股份溢價	239,064	239,064
Reserves	儲備	349,058	315,926
TOTAL EQUITY	權益總額	723,122	689,990

Interim Condensed Consolidated Statement of Changes in Equity

中期簡明綜合權益變動表

		Attributable to owners of the parent					Total equity
		母公司擁有人應佔權益					
		Share capital	Share premium	Statutory surplus reserve	Safety production reserve	Retained profits	
		股本	股份溢價	法定盈餘儲備	安全生產儲備	保留溢利	總權益
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018 (Audited)	於二零一八年一月一日 (經審核)	135,000	239,064	35,366	6,006	274,554	689,990
Total comprehensive income for the period	期內全面收入總額	-	-	-	-	33,132	33,132
Appropriation to statutory surplus reserve	劃撥至法定盈餘儲備	-	-	3,199	-	(3,199)	-
Appropriation to safety production reserve	劃撥至安全生產儲備	-	-	-	538	(538)	-
At 30 June 2018 (unaudited)	於二零一八年六月三十日 (未經審核)	135,000	239,064	38,565	6,544	303,949	723,122
At 1 January 2017	於二零一七年一月一日	135,000	239,064	39,001	5,524	305,696	724,285
Effect of changes in accounting policies (note2)	會計政策改變的影響 (附註2)	-	-	(11,387)	(116)	(105,956)	(117,459)
At 1 January 2017, as restated	於二零一七年一月一日 (重列)	135,000	239,064	27,614	5,408	199,740	606,826
Total comprehensive income for the period	期內全面收入總額	-	-	-	-	32,316	32,316
Appropriation to statutory surplus reserve	劃撥至法定盈餘儲備	-	-	3,122	-	(3,122)	-
Appropriation to safety production reserve	劃撥至安全生產儲備	-	-	-	286	(286)	-
At 30 June 2017, as restated (unaudited)	於二零一七年六月三十日 (未經審核)(重列)	135,000	239,064	30,736	5,694	228,648	639,142

Interim Condensed Consolidated Statement of Cash Flows

中期簡明綜合現金流量表

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Net cash used in operating activities	經營活動所用現金淨額	7,002	(13,590)
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動現金流量		
Purchases of property, plant and equipment	購買物業、廠房及設備	(784)	(255)
Purchases of intangible assets	購買無形資產	-	(299)
Net cash flows used in investing activities	投資活動所用現金流量淨額	(784)	(554)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動現金流量		
New short-term bank loans raised	新增短期銀行貸款	96,000	7,000
Repayment of bank loans	償還銀行貸款	(92,000)	(16,000)
Net cash flows used in financing activities	融資活動所用現金流量淨額	4,000	(9,000)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額	10,218	(23,144)
Cash and cash equivalents at beginning of period	期初現金及現金等價物	47,706	160,830
Effect of foreign exchange rate changes, net	匯率變動影響淨額	(91)	(775)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等價物	57,833	136,911
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結餘	57,833	136,911
Cash and cash equivalents as stated in the statements of financial position and statements of cash flows	財務狀況表及現金流量表所列的現金及現金等價物	57,833	136,911

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明綜合財務報表附註

1. GENERAL INFORMATION

Zhejiang Tengy Environmental Technology Co., Ltd (the “**Company**”) was established in the People’s Republic of China (the “**PRC**”) as a joint stock company with limited liability. The address of its registered office is TENG Y Industrial Park, Paitou Town, Zhuji City, Zhejiang Province, PRC. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company and its subsidiaries (collectively the “**Group**”) were principally engaged in design, development, manufacturing, installation and sale of environmental pollution prevention equipment and electronic products.

2. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

These condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2017 except as stated below.

1. 一般資料

浙江天潔環境科技股份有限公司(「**本公司**」)為一間在中華人民共和國(「**中國**」)成立的股份有限公司。本公司註冊辦事處位於中國浙江省諸暨市牌頭鎮天潔工業園區。本公司的股份於香港聯合交易所有限公司(「**聯交所**」)主板上市。

本公司及其附屬公司(統稱為「**本集團**」)主要從事環保污染防治設備及電子產品的設計、開發、製造、安裝及銷售。

2. 編製基準

該等簡明財務報表乃根據由香港會計師公會頒布的香港會計準則第34號「**中期財務匯報**」以及聯交所上市規則(「**上市規則**」)的適用披露要求編製。

該等簡明財務報表應與截至二零一七年十二月三十一日止年度的年度財務報表一併閱讀。除以下所述外，編製該等簡明財務報表所用的會計政策及計算方法與截至二零一七年十二月三十一日止年度財務報表所用的一致。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明綜合財務報表附註

2. BASIS OF PREPARATION (Continued)

(a) Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets at amortised cost

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

2. 編製基準(續)

(a) 金融資產

倘根據合約條款規定須於有關市場所規定期限內購入或出售資產，則金融資產按交易日基準確認入賬及終止確認，並按公平值加直接交易成本作初步確認，惟按公平值計入損益的投資則除外。收購按公平值計入損益的投資之直接應佔交易成本即時於損益確認。

按攤銷成本列賬的金融資產

撥歸此類的金融資產(包括貿易及其他應收款項)須同時符合下列兩項條件：

- 持有資產的業務模式是為收取合約現金流；及
- 資產的合約條款於特定日期產生僅為支付本金及未償還本金利息的現金流量。

有關項目其後以實際利息法按攤銷成本減預期信貸虧損的虧損撥備計量。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明綜合財務報表附註

2. BASIS OF PREPARATION (Continued)

(b) Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost and contract assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument for trade receivables and contract assets.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the Reporting Period to the required amount is recognised in profit or loss as an impairment gain or loss.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) that are relevant to its operations and effective for its accounting year beginning on 1 January 2018 and early adopted HKFRS15. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKAS”) and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current year and prior years except as stated below.

2. 編製基準(續)

(b) 預期信貸虧損的虧損撥備

本集團就按攤銷成本列賬的金融資產及合同資產的預計信貸虧損確認虧損撥備。預計信貸虧損為加權平均信貸虧損，並以發生違約風險的金額作為加權數值。

於各報告期末，本集團就貿易應收款項及合同資產按所有可能發生違約事件的預計信貸虧損除以該金融工具的預計存續期，從而計量金融工具的虧損撥備(或倘金融工具的信貸風險自初始確認以來大幅增加)。

預計信貸虧損金額或為調整報告期末虧損撥備至所需金額所作撥回金額乃於損益確認為減值收益或虧損。

3. 採納新訂及經修訂香港財務報告準則

於本期間，本集團已採納香港會計師公會(「香港會計師公會」)所頒佈所有與其營運相關，並於其二零一八年一月一日開始的會計年度生效的新訂及經修訂香港財務報告準則(「香港財務報告準則」)以及提早採納香港財務報告準則第15號。香港財務報告準則包括香港財務報告準則(「香港財務報告準則」)；香港會計準則(「香港會計準則」)；及詮釋。除下文所述者外，採納該等新訂及經修訂香港財務報告準則不會導致本集團的會計政策、本集團財務報表的呈列及本年度與過往年度的報告金額出現重大變動。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明綜合財務報表附註

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 15 “Revenue from Contracts with Customers”

Revenue of the Group’s environmental protection equipment contract was previously recognised using the percentage of completion method. Under HKFRS 15, such contracts do not meet the conditions of recognising the revenue over time. Revenue of such contracts is now recognised at a point in time when control of the products is transferred to the customers.

HKFRS 15 has been applied retrospectively and resulted in changes in the consolidated amounts reported in the financial statements as follows:

3. 採納新訂及經修訂香港財務報告準則(續)

香港財務報告準則第15號「客戶合同收益」

本集團環保設備合同的收益於過往乃按完工百分比方式確認。根據香港財務報告準則第15號，該等合同並不符合隨時間確認收益的條件。該等合同的收益現時乃在產品的控制權轉讓予客戶時確認。

本集團已追溯應用香港財務報告準則第15號，導致財務報表所呈列的綜合金額出現下列變動：

		RMB'000 人民幣千元 (Unaudited) (未經審核)
At 1 January 2017:	於二零一七年一月一日	
Decrease in statutory surplus reserve	法定盈餘儲備減少	11,387
Decrease in safety production reserve	安全生產儲備減少	116
Decrease in retained profits	保留溢利減少	105,956
		RMB'000 人民幣千元 (Unaudited) (未經審核)
For the 6 months ended 30 June 2017:	截至二零一七年六月三十日 止六個月：	
Increase in revenue	收益增加	84,228
Increase in cost of sales	銷售成本增加	79,504
Increase in administrative expenses	行政開支增加	12,870
Decrease in income tax	所得稅減少	1,021
Decrease in profit for the year	年內溢利減少	9,167
Decrease in Earnings per share	每股盈利減少	0.07

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group.

本集團並無應用已頒佈但尚未生效的新訂香港財務報告準則。應用該等新訂香港財務報告準則將不會對本集團的財務報表構成重大影響的財務報表構成重大影響。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明綜合財務報表附註

4. REVENUE

The Group's revenue represents environmental protection equipment contract revenue for installation and sale of environmental pollution prevention equipment and electronic products; the invoiced value of goods sold and the value of services rendered during the period.

4. 收益

本集團的收益指期內安裝及銷售環保污染防治設備及電子產品的環保設備合同收益；銷售貨品的發票價值及所提供服務的價值。

	Six months ended 30 June 截至六月三十日止六個月	
	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Environmental protection equipment contracts 環保設備合同	416,010	374,875
Sale of goods 銷售貨品	334	2,738
Rendering of services 提供服務	2,002	75
	418,346	377,688

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明綜合財務報表附註

4. REVENUE (Continued)

Disaggregation of revenue from environmental protection equipment contracts:

4. 收益(續)

分拆環保設備合同的收益：

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Geographical markets	地區市場		
Mainland China	中國內地	413,606	374,875
Other countries	其他國家	2,404	–
Total	總計	416,010	374,875
Major products	主要產品		
Electrostatic precipitator	靜電除塵器	279,506	263,702
Electrostatic-bag composite precipitator	電袋複合除塵器	54,969	62,132
Bag filter precipitator	袋式除塵器	52,100	20,120
SO ₂ and Nox emission reduction (desulfurisation and denitrification devices)	減少二氧化硫及氮氧化物排放(脫硫及脫硝裝置)	23,950	19,899
Others (e.g. Pneumatic ash conveying system)	其他(如氣力輸灰系統)	5,485	9,022
Total	總計	416,010	374,875
Timing of revenue recognition	收益確認的時間		
At a point in time	在某一時間點		
– Environmental protection equipment contracts	– 環保設備合同	416,010	374,875
– Sale of goods	– 銷售貨品	334	2,738
– Rendering of services	– 提供服務	2,002	75
Total	總計	418,346	377,688

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5. OTHER INCOME

5. 其他收入

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Bank interest income	銀行利息收入	853	3,506
Government grants	政府補助	633	125
Gains on disposal of items of property, plant and equipment	出售物業、廠房及設備 項目收益	–	79
Others	其他	131	21
		1,617	3,731

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6. OPERATING SEGMENT INFORMATION 6. 經營分部資料

The Group's revenue during the Reporting Period was mainly derived from environmental protection equipment contract revenue for installation and sale of environmental pollution prevention equipment and electronic products; the invoiced value of goods sold and the value of services rendered. The products of the Group are subject to similar risks and returns and, therefore, the Group has only one business segment.

本集團於本報告期的收益主要來自安裝及銷售環保污染防治設備及電子產品的環保設備合同收益；銷售貨品的發票價值及所提供服務的價值。本集團產品面臨的風險及所得回報相似，因此，本集團僅有一個業務分部。

Geographical information

地區資料

(a) Revenue from external customers

(a) 來自外部客戶的收益

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Mainland China	中國內地	415,942	377,688
Other countries	其他國家	2,404	-
		418,346	377,688

The revenue information above is based on the locations of the customers.

上述收益資料乃根據客戶所在地呈列。

(b) Non-current assets

All non-current assets of the Group are located in Mainland China.

(b) 非流動資產

本集團所有非流動資產均位於中國內地。

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7. FINANCE COSTS

7. 融資成本

	Six months ended 30 June 截至六月三十日止六個月	
	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Interest on banks loans 銀行貸款的利息	2,740	2,953

8. INCOME TAX

8. 所得稅

	Six months ended 30 June 截至六月三十日止六個月	
	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
PRC Enterprise Income Tax for the year 年內中國企業所得稅	15,661	5,840
Deferred tax 遞延稅項	(3,073)	6,367
	12,588	12,207

No provision for Hong Kong profits tax was required since the Group has no assessable profit in Hong Kong for the period presented.

由於本集團於所示期間於香港並無應課稅溢利，故毋須就香港利得稅作出撥備。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明綜合財務報表附註

9. PROFIT BEFORE TAX

The Group's profit for the Reporting Period is stated after charging the following:

9. 除稅前溢利

本集團於報告期的稅前溢利乃經扣除以下各項後達致：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Cost of inventories sold	所售出存貨的成本	327,981	286,042
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,385	3,630
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	990	630
Amortisation of intangible assets	無形資產攤銷	113	72
Research and development costs	研發成本	–	1,889
Auditors' remuneration	核數師薪酬	300	742
Employee benefit expense (excluding directors', supervisors' and chief executive's remuneration)	僱員福利開支(不包括董事、監事及高級行政人員的薪酬)		
Wages and salaries	工資及薪金	22,253	19,470
Pension scheme contributions	退休金計劃供款	1,436	1,372
Staff welfare expenses	員工福利開支	2,875	90
Impairment of trade receivables	貿易應收款項減值	16,752	16,019
Impairment of other receivables	其他應收款項減值撥回	44	811
Total	合計	376,129	330,767

Notes to the Interim Condensed Consolidated Financial Statements

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10. DIVIDENDS

The Directors do not recommend the payment of any dividend for the period ended 30 June 2018 (six months ended 30 June 2017: Nil).

11. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the period of approximately RMB33,132,000 (six months ended 30 June 2017: RMB32,316,000) attributable to owners of the Company and the weighted average number of 135,000,000 (six months ended 30 June 2017: 135,000,000 ordinary shares) ordinary shares in issue during the Reporting Period.

Diluted earnings per share

No diluted earnings per share is presented as the Company did not have any dilutive potential ordinary shares during the two periods ended 30 June 2018 and 30 June 2017.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2018, the Group acquired assets with a cost of RMB784,000 (31 December 2017: RMB53,363,000).

10. 股息

董事不建議就截至二零一八年六月三十日止期內派付任何股息(二零一七年六月三十日止六個月：無)。

11. 每股盈利

每股基本盈利

本公司擁有人應佔每股基本盈利乃根據本公司擁有人應佔期內溢利約人民幣33,132,000元(二零一七年六月三十日止六個月：人民幣32,316,000元)，以及報告期內已發行普通股的加權平均數135,000,000股(二零一七年六月三十日止六個月：135,000,000股普通股)計算。

每股攤薄盈利

於截至二零一七年六月三十日及二零一八年六月三十日止兩個期內，本公司概無任何潛在攤薄普通股，故概無呈列每股攤薄盈利。

12. 物業、廠房及設備

於截至二零一八年六月三十日止六個月期間，本集團收購資產的成本為人民幣784,000元(二零一七年十二月三十一日：人民幣53,363,000元)。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明綜合財務報表附註

13. TRADE AND BILLS RECEIVABLES

13. 貿易應收款項及應收票據

		As at 於	
		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Trade receivables	貿易應收款項	611,079	535,658
Bills receivable	應收票據	98,139	162,593
		709,218	698,251
Impairment provision	減值撥備	(59,562)	(78,906)
		649,656	619,345

The Group's trading terms with its customers are payment in advance normally required from customers. Trade receivables are non-interest-bearing and the credit period is generally 1 month. The Group seeks to maintain strict control over its outstanding trade receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

The Group's bills receivable are all due within one year and are neither past due nor impaired. As at 30 June 2018, the Group's bills receivable of RMB26,916,000 (31 December 2017: RMB50,548,000) were pledged to secure the Group's bills payable (note 15).

本集團與其客戶的貿易條款通常要求客戶提前付款。貿易應收款項為免息，而信用期一般為1個月。本集團尋求對其未收回貿易應收款項維持嚴格的控制。已逾期結餘由高級管理層定期檢討。本集團並無就其貿易應收款項結餘持有任何抵押品或設有其他信用增強措施。

本集團應收票據均於一年內到期，且既未逾期亦未減值。於二零一八年六月三十日，本集團人民幣26,916,000元(二零一七年十二月三十一日：人民幣50,548,000元)的應收票據已質押，以為本集團的應付票據提供抵押(附註15)。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明綜合財務報表附註

13. TRADE AND BILLS RECEIVABLES

(Continued)

An aging analysis of the trade receivables, based on the invoice date and net of provisions, is as follows:

		As at 於	
		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 1 year	1年內	354,918	171,362
1 to 2 years	1至2年	130,934	187,705
2 to 3 years	2至3年	53,524	76,889
Over 3 years	3年以上	12,141	20,796
		551,517	456,752

13. 貿易應收款項及應收票據(續)

貿易應收款項(扣除撥備)基於發票日期的賬齡分析如下：

14. BANK AND CASH BALANCES AND PLEDGED DEPOSIT

At the end of Reporting Period, the bank and cash balances of Group denominated in RMB amounted to approximately RMB57,716,000 (2017: RMB47,282,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

Pledged deposit with banks have been placed as security for bills payables of the Group. Bank guarantees are performance guarantees and made for varying periods ranging from several months to five years depending on the agreement of the contract, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no history of default.

Bank balances carry average interest rate of 0.35% (2017: 0.35%) per annum.

14. 銀行及現金結餘及已抵押存款

於報告期末，本集團以人民幣計值的銀行及現金結餘金額為約人民幣57,716,000元(二零一七年：人民幣47,282,000元)。人民幣兌換為外幣須遵守中國的《外匯管理條例》。

銀行已抵押存款已質押，以為本集團的應付票據提供抵押。銀行擔保為履約擔保並就數個月至五年範圍內的不同期限作出，視乎合同的協議而定，並按各自短期定期存款的利率計息。銀行結餘及已抵押存款乃存入近期無拖欠記錄的信譽卓著的銀行。

銀行結餘的平均年利率為0.35% (二零一七年：0.35%)。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明綜合財務報表附註

15. TRADE AND BILLS PAYABLES

15. 貿易應付款項及應付票據

		As at 於	
		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Trade payables	貿易應付款項	286,123	360,092
Bills payable	應付票據	70,592	59,617
		356,715	419,709

The bills payable were secured by the pledge of the Group's time deposits of RMB38,288,000 (31 December 2017: RMB18,736,000) and the Group's bills receivable of RMB26,916,000 (31 December 2017: RMB50,548,000) as at 30 June 2018.

於二零一八年六月三十日，應付票據以本集團的定期存款人民幣38,288,000元（二零一七年十二月三十一日：人民幣18,736,000元），以及本集團的應收票據人民幣26,916,000元（二零一七年十二月三十一日：人民幣50,548,000元）擔保。

An aging analysis of the trade and bills payables, based on the invoice date, is as follows:

貿易應付款項及應付票據基於發票日期的賬齡分析如下：

		As at 於	
		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 1 year	一年以內	243,182	301,933
1 to 2 years	1至2年	30,476	50,760
2 to 3 years	2至3年	8,067	2,508
Over 3 years	3年以上	4,398	4,891
		286,123	360,092

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明綜合財務報表附註

16. BANK LOANS

16. 銀行貸款

		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Bank loans	銀行貸款	114,000	110,000
analysed as:	分析如下：		
Secured	有抵押	114,000	110,000
Unsecured	無抵押	-	-
		114,000	110,000

The secured bank borrowings of the Group were secured by (i) the Group's building situated in the Mainland China, which had an aggregate net carrying value of RMB12,028,000 as at 30 June 2018 (2017: RMB12,839,000); (ii) the Group's leasehold land situated in Mainland China, which had an aggregate carrying amount of RMB17,051,000 as at 30 June 2018 (2017: RMB17,668,000); and (iii) the Group's bills receivable of RMB4,000,000 as at 30 June 2018 (2017: Nil).

The effective interest rates per annum at the end of the Reporting Period were as follows:

本集團的有抵押銀行借款由以下各項作抵押：(i)本集團位於中國內地的樓宇，於二零一八年六月三十日的賬面淨值總額為人民幣12,028,000元(二零一七年：人民幣12,839,000元)；(ii)本集團位於中國內地的租賃土地，於二零一八年六月三十日的賬面值總額為人民幣17,051,000元(二零一七年：人民幣17,668,000元)；及(iii)本集團於二零一八年六月三十日的應收票據金額為人民幣4,000,000元(二零一七年：無)。

於報告期末的實際年利率如下：

		30 June 2018 二零一八年 六月三十日	31 December 2017 二零一七年 十二月三十一日
Short-term bank loans:	短期銀行貸款：		
fixed-rate	固定利率	5.00%-5.66%	5.00%-5.44%

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明綜合財務報表附註

17. SHARE CAPITAL

17. 股本

		As at 於	
		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Authorised: 135,000,000 ordinary shares of RMB\$1.00 each	法定： 135,000,000股每股面值 人民幣1.00元的普通股	135,000	135,000
Issued and fully paid: 135,000,000 ordinary shares of RMB\$1.00 each	已發行及繳足： 135,000,000股每股面值 人民幣1.00元的普通股	135,000	135,000

Capital management

The Group's primary objective when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buyback shares, raise new debts, redeem existing debts or sell assets to reduce debts.

18. CONTINGENT LIABILITIES

At the end of the Reporting Period, the Group and the Company did not have any significant contingent liabilities (2017: Nil).

資本管理

本集團管理資本的主要目標是保障本集團可持續經營的能力，透過與風險水平相對應的產品及服務定價以及獲得合理成本的融資，繼續為股東提供回報及為其他權益持有人提供利益。

本集團根據經濟狀況的變動管理其資本結構並對其作出調整。為維持或調整資本結構，本集團或會調整股息派付、發行新股、回購股份、募集新債務、贖回現有債務或出售資產以減輕債務。

18. 或然負債

於報告期末，本集團及本公司並無任何重大或然負債(二零一七年：無)。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明綜合財務報表附註

19. RELATED PARTY TRANSACTIONS

19. 關聯方交易

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the Reporting Period:

(a) 除此等財務報表其他部分詳述的交易外，報告期內，本集團與關聯方有以下交易：

			Six months ended 30 June 截至六月三十日止六個月	
			2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
		Notes 附註		
Transactions with the holding company	與控股公司的交易			
Rental expense	租賃開支	(i)	119	1,675
Electric charges paid by the holding company on behalf of the Group	控股公司代表本集團支付的電費	(ii)	1,342	1,080
Transaction with other related parties	與其他關聯方的交易			
Sales of materials: Zhejiang Qinuo	銷售材料： 浙江奇諾	(iii)	-	81
Purchases of materials: Tianjie General Machinery Tianjie New Materials	購買材料： 天潔通用機械 天潔新材料	(iii) (iii)	- 733	46
Services received: Tianjie General Machinery	接受服務： 天潔通用機械	(iv)	3,319	3,755
Rental expense: Zhuji Tianyu Zhuji Runtian	租賃開支： 諸暨天宇 諸暨潤天	(i) (i)	155 -	- 259

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明綜合財務報表附註

19. RELATED PARTY TRANSACTIONS

(Continued)

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the Reporting Period:

(Continued)

Notes:

- (i) The rental fee charged and the rental income received were based on mutually agreed prices.
- (ii) The payments were made on behalf of the Group based on the actual costs incurred.
- (iii) The sales of materials to the related parties and purchases of materials from the related parties were made based on mutually agreed prices and terms.
- (iv) The services received from the related parties were based on mutually agreed prices and terms.

19. 關聯方交易 (續)

(a) 除此等財務報表其他部分詳述的交易外，報告期內，本集團與關聯方有以下交易：(續)

附註：

- (i) 租金費用及租金收入按雙方協定的價格收取。
- (ii) 根據產生的實際成本代本集團支付款項。
- (iii) 向關聯方出售材料及向關聯方購買材料均按雙方協定的價格及條款進行。
- (iv) 接受關聯方的服務乃按雙方協定的價格及條款進行。

Notes to the Interim Condensed Consolidated Financial Statements 中期簡明綜合財務報表附註

19. RELATED PARTY TRANSACTIONS

(Continued)

(b) Outstanding balances with related parties:

19. 關聯方交易 (續)

(b) 與關聯方的未結清結餘：

		At 於	
		30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
		Notes 附註	
Due to the holding company:	應付控股公司款項：		
TGL	TGL	(i)	349
			2,087
Due to related companies:	應付關聯公司款項：		
Tianjie General Machinery	天潔通用機械	(i)	1,367
Tianjie New Materials	天潔新材料		-
			3,191
			4,468
			1,367

Note:

- (i) These balances were unsecured, interest-free and had no fixed terms of repayment.

附註：

- (i) 結餘為無擔保、免息及無固定還款期。

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中期簡明綜合財務報表附註

20. EVENT AFTER THE REPORTING PERIOD

In August 2018, the Company as the plaintiff filed a claim against Changchun Kaixi Environmental Protection Co., Ltd. as the defendant with Zhuji City People's Court in Zhejiang, the PRC and claimed the defendant for an aggregate amount of RMB16,925,086. Such amount was payable by the defendant under various environmental protection equipment contracts entered into between the Company and the defendant and remained outstanding. In 15 August 2018, the Company applied to the Zhuji City People's Court in Zhejiang, the PRC for an asset preservation order to preserve the PRC's land property of the defendant.

21. APPROVAL OF THE FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the Board on 27 August 2018.

20. 報告期後事件

於二零一八年八月，本公司(作為原告)向中國浙江省諸暨市人民法院提出針對長春凱希環保有限責任公司(作為被告)的申索，向被告索償合共人民幣16,925,086元。該款項應由被告根據本公司與被告訂立的多份環保設備合同支付，並仍未償付。於二零一八年八月十五日，本公司向中國浙江省諸暨市人民法院申請資產凍結令，以凍結被告的中國土地財產。

21. 批准財務報表

董事會於二零一八年八月二十七日批准及授權刊發未經審核中期簡明綜合財務報表。

Management Discussion and Analysis

管理層討論及分析

INTRODUCTION

Our Group

The Group has over 20 years of industry experience and continues to innovate in industrial technologies.

The Group is a well-established integrated atmospheric pollution control solution provider, with a primary focus on particulate emission control by offering mega-sized precipitators to customers in various industries.

Our Products

The Company's main products are Electrostatic precipitator, Electronstatic-bag composite precipitator, Bag filter precipitator and Sulphur Dioxide (SO₂) and Nitrogen Oxide (NO_x) emission reduction. During the Reporting Period, the Company's revenue was mainly derived from Electronstatic precipitator, which accounted for approximately 66.81% of the total revenue. The Company's products and equipment are involved in the flue gas treatment projects distributed in more than 30 provinces, municipalities and autonomous regions and overseas markets. Key customers include large state-owned enterprises and private leading enterprises.

簡介

本集團

本集團擁有超過20年的行業經驗且在行業技術方面持續追求創新。

本集團為著名的綜合大氣污染防治解決方案供應商，主要專注於顆粒物的排放控制，在多個行業為客戶提供特大型除塵器。

我們的產品

公司的主要產品為：靜電除塵器、電袋複合除塵器、袋式除塵器和減少二氧化硫(SO₂)及氮氧化物(NO_x)排放。報告期內公司主要的收益來自於靜電除塵器，約佔總收益約66.81%。公司的產品設備涉及的煙氣治理項目分佈在全國30餘個省、直轄市和自治區及海外市場，重點客戶包括大型國企，及民營龍頭企業。

Management Discussion and Analysis

管理層討論及分析

Domestic Market

Precipitators and flue gas desulfurisation and denitrification equipment are mainly applied in core industries such as electricity, metallurgy, steel, building materials, electrolytic aluminum, etc. The equipment are operated for a long time in harsh conditions such as high temperature, high pressure, high concentration and corrosive flue gas. Manufacturers are faced with more demanding requirements in terms of design, technology, process, quality control, reliability, stability, safety and after-sales service. Manufacturers of precipitators must pursue continuous enhancement of product performance, technological innovation and improvement of production process to gain a competitive advantage and profit. With 20 years of experience in the domestic industry and continuous technology innovation, the Group has more advantages in the domestic market.

International Markets

Leveraging on its extensive experience in the PRC market, the Group has been in the continuing expansion into international markets since 2005. This allows for the Group's application of its atmospheric pollution control solutions in foreign countries such as Vietnam, South Korea, Thailand, Indonesia, India, Chile, Panama and Russia.

本土市場

除塵設備和煙氣脫硫脫硝設備主要應用於電力、冶金、鋼鐵、建材、電解鋁等基礎型行業，設備需在高溫、高壓、高濃度及腐蝕性煙氣等惡劣環境中長期運行，對除塵設備製造商的設計、技術、工藝、質量控制、可靠性、穩定性、安全性及售後服務等方面提出了更高的要求。除塵設備製造商必須不斷推進產品性能、技術創新和生產工藝流程的改善，才能獲取競爭優勢和利潤空間，本集團憑著有著20年行業經驗在國內且在行業技術方面繼續追求創中下在國內市場佔有較大優勢。

國際市場

憑藉本集團在中國市場的豐富經驗，自二零零五年以來，本集團持續擴展至國際市場。因此，本集團的大氣污染防治解決方案應用於越南、南韓、泰國、印尼、印度、智利、巴拿馬及俄羅斯等國家。

Management Discussion and Analysis

管理層討論及分析

OVERVIEW

The Group is a well-established integrated atmospheric pollution control solution provider, with a primary focus on particulate emission control by offering mega-sized precipitators to customers in various industries. The Group has leveraging years of industry experience and continual innovation in industrial technologies.

During the Reporting Period, the Group generated its revenue primarily from (i) environmental protection equipment contracts; (ii) sale of goods; and (iii) rendering of services.

Environmental protection equipment contracts represented tailor-made and integrated atmospheric pollution control solutions offered by the Group to its customers, comprising equipment procurement and manufacturing, supervision of installation and commissioning, customer training, and repair and maintenance to its customers on a project basis. During the Reporting Period, the Group mainly offered four types of precipitators: electrostatic precipitators, bag filter precipitators, electrostatic-bag composite precipitators and wet electrostatic precipitators.

The Group's sale of goods represented sale of materials, including raw materials, spare parts and components and scrap materials to related parties or independent third parties.

The Group's rendering of services represented its technology consultancy services to its customers on a stand-alone basis, which includes repair and replacement, and on-site engineering and maintenance services to those projects which were not constructed by the Group.

Precipitators are widely installed at coal-fired power plants, metallurgical plants, paper mills and other industrial production plants. As such, the Group has an extensive range of customers including the project owners of power plants and industrial production plants, or contractors who undertake the construction work of power plants and industrial production plants.

概述

本集團為著名的綜合大氣污染防治解決方案供應商，主要專注於顆粒物的排放控制，在多個行業為客戶提供特大型除塵器。本集團擁有多年的行業經驗且在行業技術方面持續追求創新。

於報告期內，本集團的收益主要產生自(i)環保設備合同；(ii)銷售貨品；及(iii)提供服務。

環保設備合同指本集團為客戶提供的度身定製的綜合大氣污染防治解決方案，包括按項目向客戶提供設備採購及製造、指導安裝及調試、客戶培訓及維修與維護。本報告期內，本集團主要提供四種除塵器：靜電除塵器、袋式除塵器、電袋複合除塵器及濕式靜電除塵器。

本集團銷售的貨品指向關聯方或獨立第三方銷售的材料，包括原材料、備件和部件及廢料。

本集團提供的服務指本集團按獨立基準向客戶提供技術諮詢服務，包括向並非由本集團建造的項目提供維修及更換，以及現場工程及維護服務。

由於除塵器已在燃煤電廠、冶金廠、造紙廠及其他工業生產廠房廣泛安裝，因此，本集團的客戶群極為廣泛，包括發電廠及工業生產廠房的項目擁有人，或承包發電廠及工業生產廠房的建造工程的承包商。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The PRC is currently the second largest economy in the world. Up to now, coal consumption is still in a dominant position in the energy consumption composition of the PRC. Under such circumstances, the most severe atmospheric pollution problem in the PRC is coal-burning pollution, which mainly consists of pollutants such as dust, smoke dust, sulfur dioxide and nitrogen oxides. Since the 21st century, the emission volume of air pollutants, such as smoke dust (dust) and sulfur dioxide, has generally declined. This is mainly due to the fact that the PRC continues to strengthen its effort in environmental protection by strictly control the emission of air pollutants in recent years.

Efforts on the environmental protection inspection were enhanced. A stringent accountability system was rolled out with the aim to achieve the governance effect. In 2016, the State Council established a leading group, under which a central environmental protection inspection team has been formed and has inspected 16 provinces (autonomous regions and municipalities) in 2 stages. The rectification efforts are strong and in a wide range. On 14 February 2017, the Ministry of Environmental Protection of the PRC further carried out a special inspection regarding the air quality for the first quarter of 2017, efforts on supervision and its efficiency were significantly enhanced. Meanwhile, it is also expressly stated in the 2017 Report on the Work of the Government of the PRC that the urgency and importance of atmospheric control is of prime importance. With increasingly stringent environmental protection inspection, the environmental protection equipment which does not meet the requirements must be upgraded and modified immediately, which in turn will give rise to a certain demand for precipitators.

The Group believes that leveraging on its track record and advanced technologies together with its stable workplaces and staff, its ability to secure new projects will be improved. Moreover, the Group has completed various precipitators-related works in the metallurgy industry in the first half year of 2018. This laid a solid foundation for the Group to secure orders in the metallurgy industry.

業務回顧

中國是世界第二大經濟大國，截至目前，我國的能源構成依然以煤炭消費為主，該結構決定了我國的大氣污染主要以煤煙型污染為主，主要包括粉塵、煙塵、二氧化硫、氮氧化物等。二十一世紀來我國煙(粉)塵、二氧化硫等氣體污染物排放量總體呈現下降的趨勢，這是由於近年來國家加強環保力度，嚴格控制氣體污染物排放量的成果。

環保督察力度加強，嚴格問責制度有望落實治理效果。二零一六年國務院成立工作領導小組分兩批開展了16個省(區、市)的中央環保督察，整改力度強、範圍廣。二零一七年二月十四日環保部進一步組織開展二零一七年第一季度空氣品質專項督查，督查力度和效率均大幅提升；二零一七年政府工作報告亦將大氣治理的緊迫性和重要性提至首位。在日趨嚴格的環保督查力度下，尚未符合要求的環保設備勢必加快更新改造，催生出一定除塵設備需求。

本集團相信，本集團憑著以往的業績與先進的技術，加上穩定的工作場所和工作人員，有助增加本集團爭取新項目的能力。另外本集團在二零一八年上半年完成了冶金行業大量的除塵器工作，為在冶金行業拿到定單奠定了結實的基礎。

Management Discussion and Analysis

管理層討論及分析

For the Reporting Period, the revenue and the profit and total comprehensive income of the Group amounted to approximately RMB418.35 million and approximately RMB33.13 million respectively. For the Reporting Period, the Group's gross profit amounted to approximately RMB90.37 million, representing a decrease of approximately 1.40% as compared with approximately RMB91.65 million for the corresponding period of 2017; while the gross profit margin decreased by approximately 2.67% to approximately 21.60% as compared with the corresponding period of 2017. The increase in the revenue and the profit and total comprehensive income for the Reporting Period of the Group was primarily due to the completion dates of certain large-scale projects originally scheduled to be within 2017 were delayed to the first half year of 2018 because of the customers' reasons.

For the Reporting Period, the value of the Group's new contracts (which represents the aggregate value of the contracts it entered into during a specified period) was approximately RMB298.47 million. As at 30 June 2018, the Group's backlog (including applicable value-added tax) (which represents the total estimated contract value of work that remained to be completed pursuant to outstanding projects as of a certain date and assuming performance in accordance with the terms of the contract) was approximately RMB2,369 million.

The Group's profit before tax for the Reporting Period increased to approximately RMB45.72 million and profits attributable to owners of the parent company of the Company increased to approximately RMB33.13 million, representing an increase of approximately 2.69% and 2.53% respectively when compared to the corresponding period of 2017. The aforesaid increase was mainly due to the increase in the revenue of approximately 10.76% to approximately RMB418.35 million for the Reporting Period.

於報告期內，本集團的收益及溢利及全面收入總額分別為約人民幣418.35百萬元及約人民幣33.13百萬元。於報告期內，本集團毛利較二零一七年同期的約人民幣91.65百萬元減少約1.40%至約人民幣90.37百萬元，而毛利率則較二零一七年同期減少約2.67%至約21.60%。本集團於報告期的收益及期內溢利及全面收入總額增加的主要原因為原定於二零一七年完成的幾個大專案因客戶的原因推遲到二零一八年上半年完成。

於報告期內，本集團新合同的價值（即本集團於特定期間訂立的合同總值）為約人民幣298.47百萬元。於二零一八年六月三十日，本集團的未完成合同額（包括適用增值稅）（指根據截至某一特定日期的未完成合同得出的有待完成項目的估計合同總值及根據合同條款作出的假設表現）為約人民幣2,369百萬元。

於報告期內，本集團的稅前溢利增加至約人民幣45.72百萬元，而本公司的母公司擁有人應佔溢利則增加至約人民幣33.13百萬元，較二零一七年同期增加約2.69%及約2.53%。上述增加主要由於本集團於報告期內的收益增加約10.76%至約人民幣418.35百萬元所致。

Management Discussion and Analysis

管理層討論及分析

At the time of raising the amount of product sales, the Group spent great effort to enhance cost management to make its products and solutions more cost competitive. The atmospheric pollution control solutions offered by the Group mainly comprise the atmospheric pollution control devices designed and manufactured on its own. The Group possesses the qualifications and expertise in manufacture and supply of the key atmospheric pollution control system of the projects it undertakes based on customised design proposals. The Group is dedicated to improving manufacturing process and management system by managing the product quality and operation, reducing energy consumption and assessing the environmental impact in accordance with international standards. The quantitative management, environmental management and quality management systems of the Group were awarded with a number of ISO certificates. These systems help the company estimate costs, smoothen project operations and improve operating efficiency.

As of 30 June 2018, the Group had 43 registered patents (including 3 invention patents and 40 utility model patents) in the PRC. Based on the strong design and manufacturing capabilities, the Group primarily provides comprehensive atmospheric pollution control solutions to its customers. The Group offers a wide range of models of electrostatic precipitators which support electricity generators with capacity spanning from 6.25MW to over 1000MW. The Group is one of the few manufacturers in the PRC which provides electrostatic precipitators for single generator unit with capacity of 1000MW or above.

As at 30 June 2018, the Group maintained a total of 624 full-time employees (As at 31 December 2017: 605). The remuneration payable to the Group's employees includes basic wages, bonuses and other staff benefit. The Group conducts periodic performance reviews for the employees and determine their remuneration based on factors including qualifications, contributions, years of experience and performance.

在提高產品銷售額的同時，本集團大力加強成本管理，使產品及解決方案更具成本競爭力。本集團提供的大氣污染防治解決方案主要包括自主設計及製造的大氣污染防治裝置。本集團擁有根據訂製設計方案製造及供應所承接項目的主要大氣污染防治系統的資歷及專長。本集團致力於改善生產流程及管理系統，按照國際標準管理產品質量及營運、減少所耗用能源及進行環境影響評估。本集團的計量管理、環保管理及質量管理系統獲發多項ISO合格證。該等系統有助公司估算成本，確保項目順利實施以及提升經營效率。

截至二零一八年六月三十日，本集團在中國擁有43項註冊專利(包括3項發明專利及40項實用新型專利)。基於本集團強大設計及製造能力，本集團主要產品為向客戶提供的全面大氣污染防治解決方案。本集團提供的靜電除塵器型號繁多，支援介乎6.25兆瓦至逾1,000兆瓦的發電機。本集團是中國少數能為1,000兆瓦或以上的單一發電裝置提供靜電除塵器的製造商。

於二零一八年六月三十日，本集團共有624名全職僱員(於二零一七年十二月三十一日:605名)。應付予本集團僱員的薪酬包括基本工資、花紅及其他員工福利。本集團定期檢討僱員的表現，按僱員的資歷、貢獻、年資及表現等因素釐定他們的薪酬。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

The accounting information contained in this interim report has not been audited by the Company's auditor.

Revenue

The revenue of the Group amounted to approximately RMB418.35 million for the Reporting Period, representing an increase of approximately 10.76% for the corresponding period of 2017. The increase was mainly due to the delay of the completion dates of certain large-scale projects to the first half year of 2018.

Revenue generated from environmental protection equipment contracts of the Group amounted to over 97% of its total revenue. Depending on the specifications and requirements of its customers, the Group may provide an integrated set of atmospheric pollution control devices comprising precipitators, desulfurisation system and/or denitrification system, or only provide one type of the said atmospheric pollution control devices on a stand-alone basis towards new installation projects or upgrading or modification projects. A majority of the Group's environmental protection equipment contracts of the Group are related to the manufacture, installation and sales of electrostatic precipitators.

Cost of Sales

The Group's costs incurred in environmental protection equipment contracts of the Group principally comprise material costs, staff costs, depreciation and overhead costs. The Group's major raw materials used in the manufacturing process of ash removal and transfer devices and desulfurisation and denitrification devices are steel, electrical instruments, filter bags and others.

The cost of sales of the Group amounted to approximately RMB327.98 million for the Reporting Period, representing an increase of approximately 14.66% from approximately RMB286.04 million for the corresponding period of 2017.

財務回顧

本中期報告所載會計資料未經本公司核數師審核。

收益

本集團的收益由二零一七年同期增加約10.76%至本報告期內的約人民幣418.35百萬元。有關增加乃主要由於幾個大型項目推遲至二零一八年上半年完成所致。

本集團的環保設備合同產生的收益佔總收益達97%以上。視乎客戶的規格及要求，本集團可為新安裝項目或升級或改造項目提供一整套大氣污染防治裝置，包括除塵器、脫硫系統及／或脫硝系統，或只單獨提供上述一種大氣污染防治裝置。本集團大部分環保設備合同與製造、安裝及銷售靜電除塵器有關。

銷售成本

本集團環保設備合同所產生的成本主要包括材料成本、員工成本、折舊及經常費用成本。本集團用於清除及轉移灰塵裝置以及脫硫及脫硝裝置的製造過程的主要原材料為鋼材、電力儀器、過濾袋及其他。

本集團的銷售成本由截至二零一七年同期的約人民幣286.04百萬元增加約14.66%至本報告期內的約人民幣327.98百萬元。

Management Discussion and Analysis

管理層討論及分析

Gross Profit Margin

The unaudited gross profit margin for the Reporting Period was approximately 21.60%, representing a decrease of approximately 2.67% from approximately 24.27% for the corresponding period of 2017.

Profit attributable to owners of the parent

The unaudited profit attributable to the owners of the parent for the Reporting Period was approximately RMB33.13 million, representing an increase of approximately 2.53% from approximately RMB32.32 million for the corresponding period of 2017. Weighted average earnings per share amounted to approximately RMB0.25 cents for the Reporting Period.

WORKING CAPITAL

As at 30 June 2018, the Group's working capital (current assets less current liabilities) amounted to approximately RMB564.21 million (31 December 2017: approximately RMB528.64 million).

Gearing Ratio

As of 30 June 2018, the Group's gearing ratio (Note) was approximately 7.8% (31 December 2017: approximately 9.0%).

Note:

Gearing ratio = (total bank loan – cash and cash equivalents)/total equity x 100%

Foreign currency risk

The Group is exposed to transactional currency risk. Such exposures arise from sales by operating units in currencies other than the units' functional currencies. Approximately 0.57% and 0% of the Group's sales for the period ended 30 June 2018 and 30 June 2017, were denominated in currencies other than the functional currencies of the operating units making the sale. At present, the Group does not intend to seek to hedge its exposure to foreign exchange fluctuations. However, management of the Group constantly monitors the economic situation and its foreign exchange risk profile, and will consider appropriate hedging measures in the future should the need arise.

毛利率

於報告期內，未經審核毛利率約為21.60%，由二零一七年同期的約24.27%減少約2.67%。

母公司擁有人應佔溢利

於報告期內，未經審核母公司擁有人應佔溢利約為人民幣33.13百萬元，由去年同期的約人民幣32.32百萬元增加約2.53%。於報告期內，加權平均每股盈利為約人民幣0.25仙。

營運資金

於二零一八年六月三十日，本集團的營運資金（流動資產減流動負債）約為人民幣564.21百萬元（二零一七年十二月三十一日：約人民幣528.64百萬元）。

資本負債比率

本集團截至二零一八年六月三十日的資本負債比率（附註）為約7.8%（二零一七年十二月三十一日：約9.0%）。

附註：

資本負債比率 = (銀行貸款總額 – 現金及現金等價物) / 權益總額 x 100%

外幣風險

本集團承受交易貨幣風險，乃因營運單位以其功能貨幣以外的貨幣進行銷售所致。截至二零一八年六月三十日止期間，本集團約0.57%（二零一七年六月三十日止期間：0%）的銷售額以進行銷售的營運單位功能貨幣以外的貨幣計值。目前，本集團無意尋求對沖外匯波動風險。然而，本集團管理層會一直監察經濟形勢及其外匯風險狀況，日後有需要時會考慮採取適當的對沖措施。

Management Discussion and Analysis

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INTERIM DIVIDEND

The Directors did not propose to declare an interim dividend for the Reporting Period (six months ended 30 June 2017: Nil).

MATERIAL LITIGATION AND ARBITRATION

As at 30 June 2018, the Group was not involved in any material litigation or arbitration.

MATERIAL ACQUISITION AND DISPOSAL

As at 30 June 2018, save as disclosed herein, the Group was not involved in any material acquisition and disposal.

PROSPECT

Atmospheric pollution has become a serious problem in China and other developing countries, which has posed a serious threat to national public health. Such problem has been considered a by-product of China's economic takeoff in the past few decades, attracting much attention from the national government and citizens. The air quality in 90% of the major cities in the PRC fails to meet the standards. Given that the PRC Government is increasingly concerned about the environment, it is expected that the rigid societal demand for air pollution control equipments and integrated solutions businesses in the second half-year of 2018 will be higher than the first half-year. Towards this end, the Group's main work focuses in the second half of 2018 are as follows:

1. To further strengthen the Company's standardised management, deepen the construction and implementation of internal control systems, strengthen safety production management to ensure stable operation of the production and installation business.
2. By virtue of the Group's solid expertise and reputation in the application of particulate emission control solutions to the conventional coal-fired power generation industry, to strengthen investments in and marketing efforts on the exploration of further business opportunities in other relevant sectors (such as, among others, the paper-making, construction material and metal smelting industries) with a view to ensuring sustainability of the Group's development in the foreseeable future.

中期股息

於報告期內，董事不擬宣派中期股息(截至二零一七年六月三十日止六個月：零元)。

重大訴訟及仲裁

於二零一八年六月三十日，本集團並無牽涉任何重大訴訟或仲裁。

重大收購及出售

於二零一八年六月三十日，除本報告所披露者外，本集團並無牽涉任何重大收購及出售。

展望

大氣污染已成為中國及其他發展中國家的一大嚴重問題，嚴重威脅國民公眾健康。該問題於過去幾十年一直被視為中國經濟起飛的副產品，引起國家政府及市民的注意。90%中國主要城市的空氣質素均未能達標。鑒於中國政府愈趨關注環境問題，預期二零一八年下半年社會對控制空氣污染的設備及綜合方案業務的固定需求將較上半年大。因此，本集團於二零一八年下半年的主要工作重點如下：

1. 進一步加強本集團的標準化管理，深入推進內部控制系統的建設及執行，強化安全生產管理，以確保生產及安裝業務的穩定營運。
2. 憑藉應用於傳統燃煤發電行業的顆粒物排放控制方案具備雄厚專業知識及聲譽，本集團加強投資於其他相關行業(其中包括造紙、建築物料及金屬熔化工業)，並就拓展該等行業的進一步商機進行市場推廣，以確保本集團於可見未來之可持續發展。

Management Discussion and Analysis

管理層討論及分析

3. To further improve the gross profit margin by focusing on (i) the quality projects and quality customer selection, paying special attention to pricing terms and customer reputation; and (ii) constantly making cost control, lowering the procurement costs for raw materials and improving labour productivity.
 4. To continue to increase the investment in research and development, enhance technological innovation, organise an air pollution control and design institute based on the existing design and development team, introduce research and development personnel in coordination with excellent domestic and international industry research institutions, and increase research and development facilities, such that the research and development capabilities of the Company could be fully enhanced.
 5. To actively expand financing channels to fund the Group's continuing development, and to meet the tremendous growth of the market.
 6. To enhance the Group's national and international brand recognition, as well as develop potential overseas markets to expand its international market share.
3. 透過聚焦於(i)提供優質項目及選擇優質客戶，格外注意價格條款及客戶信譽；及(ii)持續作出成本控制，降低原材料採購價格及提升勞動生產力，進一步提高毛利率。
 4. 繼續增加研發方面的投資，強化科技創新，在現有設計及發展團隊基礎上組織空氣污染控制及設計研究院，推進研發人才與本地及海外優秀行業研究中心協調，並增加研發設施以全面提升本公司的研發能力。
 5. 積極拓寬融資渠道，為本集團持續發展提供資金，並滿足市場龐大的增長。
 6. 提高本集團國內及國際品牌知名度，以及開發潛在海外市場以擴大本集團國際市場份額。

Details Regarding Directors and Supervisors

董事及監事之有關詳情

BOARD OF DIRECTORS

The Board currently consists of nine members, comprising three executive Directors, three non-executive Directors and three independent non-executive Directors. The powers and duties of the Board include convening meetings of the Company's Shareholders (the "**Shareholders**") and reporting the Board's work at Shareholders' meetings, implementing resolutions passed at Shareholders' meetings, determining the Group's business plans and investment plans, formulating the Group's annual budget and final accounts, formulating proposals for profit distributions and for the increase or reduction of share capital as well as exercising other powers, functions and duties as conferred by the articles of association of the Company ("**Articles of Association**"). Each of the Directors has entered into a service contract/letter of appointment with the Group.

Executive Director

Mr. BIAN Yu (邊宇) ("Mr. Bian"), aged 35, is the chairman of the Board and an executive Director appointed on 28 December 2009. Mr. Bian was also appointed as general manager of the Company on 15 May 2017. Mr. Bian has approximately 13 years of experience in the business of provision of atmospheric pollution control solutions. Mr. Bian has also been the executive director of various subsidiaries of the Company including Zhuji City Tianjie Electronic and Technology Co., Ltd.* (諸暨市天潔電子科技有限公司), Zhuji City Tianjie Installation Engineering Co., Ltd.* (諸暨市天潔安裝工程有限公司) ("**Tianjie Installation Engineering**") and Turpan Environmental Technology Co., Ltd.* (吐魯番天潔環境科技有限公司) since June 2009, March 2008 and July 2013 respectively.

董事會

董事會現由三名執行董事、三名非執行董事及三名獨立非執行董事共九名成員組成。董事會的權力及職責包括：召開本公司股東(「股東」)大會、於股東大會上報告董事會的工作、推行於股東大會通過的決議案、釐定本集團的業務計劃及投資計劃、制定本集團的年度預算及決算賬目、制定關於利潤分派及股本增減的建議，以及行使本公司組織章程細則(「組織章程細則」)所賦予的其他權力、職能及職責。各董事均已與本集團訂立服務合約／委任函。

執行董事

邊宇先生(「邊先生」)，35歲，於二零零九年十二月二十八日獲委任為董事會主席兼執行董事。邊先生亦已於二零一七年五月十五日獲委任為本公司總經理。邊先生於提供大氣污染防治解決方案業務方面具備約13年經驗。邊先生亦自二零零九年六月、二零零八年三月及二零一三年七月起分別擔任本公司多間附屬公司(包括諸暨市天潔電子科技有限公司、諸暨市天潔安裝工程有限公司(「天潔安裝工程」)及吐魯番天潔環境科技有限公司)的執行董事。

Details Regarding Directors and Supervisors 董事及監事之有關詳情

Mr. Bian has worked as a director of Tengy Group Limited* (天潔集團有限公司) (“TGL”) since August 2003. He is responsible for the overall strategies, planning and business development of TGL. Particularly, he focuses on the management of the business of the provision of atmospheric pollution control solutions carried on by TGL prior to the establishment of the Company in December 2009. From September 2005 to December 2007, he served in various positions such as general commander and general manager in different departments in the subsidiaries of TGL such as Zhejiang Tianjie Special Steel Co., Ltd.* (浙江天潔特鋼有限公司) (“Tianjie Special Steel”), Zhejiang Tianjie New Materials Co., Ltd.* (浙江天潔新材料有限公司) (“Tianjie New Materials”) and Zhejiang Tianjie Magnetic Materials Co., Ltd.* (浙江天潔磁性材料股份有限公司) which were principally engaged in manufacturing, processing and marketing of steel blade and he was mainly responsible for the overall operation and production management.

He worked as a director in various companies such as Zhejiang Tianjie General Machinery Co., Ltd.* (浙江天潔通用機械有限公司) (“Tianjie General Machinery”) (being principally engaged in manufacturing and marketing of machinery and parts) since April 2008, Shanghai Tianjie Metal Material Co., Ltd.* (上海天潔金屬材料有限公司) (being principally engaged in sale of metal materials, construction materials and chemical rawmaterials) from July 2010 to October 2012, Shanghai Guotuo Mining Investments Limited* (上海國拓礦業投資有限公司) (being principally engaged in management and exploration of mines and development of mining technology) from July 2010 to May 2015, Zhuji Tengy Small Loan Co. Ltd.* (諸暨市天潔小額貸款有限公司) (being principally engaged in providing small loan and financial consultancy service in Zhuji City) since June 2011, and as chairman of the board of Zhuji City Tianyu Industry Investment Ltd* (諸暨市天宇實業投資有限公司) (being principally engaged in real estate development and property investment) since November 2010 and of Zhuji City Runtian Property Management Ltd.* (諸暨市潤天物業管理有限公司) (being principally engaged in property management) since September 2011. He was mainly responsible for advising on operational and business strategy of the foregoing entities.

邊先生自二零零三年八月起擔任天潔集團有限公司(「TGL」)的董事，負責TGL的整體策略、規劃及業務發展。尤其是，彼在本公司於二零零九年十二月成立之前均專注於管理TGL所進行有關提供大氣污染防治解決方案的業務。彼於二零零五年九月至二零零七年十二月期間分別於TGL的附屬公司(如浙江天潔特鋼有限公司(「天潔特鋼」)、浙江天潔新材料有限公司(「天潔新材料」)及浙江天潔磁性材料股份有限公司)的不同部門擔任多項職務，如總指揮及總經理，該等公司主要從事製造、加工及營銷鋼片，而邊先生於該等公司中主要負責整體營運及生產管理。

彼在多間不同公司擔任董事，例如自二零零八年四月起於浙江天潔通用機械有限公司(「天潔通用機械有限公司」)(主要從事製造及營銷機械及零件)、自二零一零年七月至二零一二年十月於上海天潔金屬材料有限公司(主要從事金屬材料、建築材料及化學原材料銷售)、自二零一零年七月至二零一五年五月於上海國拓礦業投資有限公司(主要從事礦場管理及勘察以及開採技術開發)及自二零一一年六月起於諸暨市天潔小額貸款有限公司(主要從事在諸暨市提供小額貸款及金融諮詢服務)擔任董事，並自二零一零年十一月起擔任諸暨市天宇實業投資有限公司(主要從事房地產開發及物業投資)的董事會主席，以及自二零一一年九月起擔任諸暨市潤天物業管理有限公司(主要從事物業管理)的董事會主席。彼主要負責就營運及業務策略向上述實體提供意見。

Details Regarding Directors and Supervisors

董事及監事之有關詳情

Mr. Bian is currently the standing council member (常務理事) of the second Council of Zhejiang Association of Equipment Industries for Environmental Protection (浙江省環保裝備行業協會第二屆理事會). He has also been the deputy officer member* (副主任委員) of the sixth Electrostatic Precipitator Committee of The Environmental Protection Industry* (中國環境保護產業協會電除塵委員會第六屆電除塵委員會) since February 2014.

Mr. Bian graduated with a bachelor's degree in mechanical engineering and automation from Zhejiang University (浙江大學) in June 2005. He obtained his master of science degree in corporate and international finance from University of Durham in the United Kingdom in January 2008. He is the son of Mr. Bian Jianguang, the brother of Ms. Bian Shu, and the brother-in-law of Mr. Zhang Yuanyuan.

Mr. Bian is a member of the family comprising Mr. Bian Jianguang, Ms. Bian Shu and himself ("**Bian Family**") and the Bian Family is a controlling Shareholder (within the meaning of the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**") of the Company ("**Controlling Shareholders**", each being a "**Controlling Shareholder**").

邊先生現任浙江省環保裝備行業協會第二屆理事會的常務理事。自二零一四年二月起，其亦擔任中國環境保護產業協會電除塵委員會第六屆電除塵委員會的副主任委員。

邊先生於二零零五年六月畢業於浙江大學，獲頒機械工程及自動化學士學位。彼於二零零八年一月自英國杜倫大學取得企業及國際金融理學碩士學位。彼為邊建光先生的兒子、邊姝女士的弟弟及章袁遠先生的妻弟。

邊先生為包括邊建光先生、邊姝女士及其自身家族(「**邊氏家族**」)的成員，而邊氏家族是本公司的控股股東(「**控股股東**」)(定義見聯交所證券上市規則(「**上市規則**」))。

Details Regarding Directors and Supervisors 董事及監事之有關詳情

Mr. BIAN Weican (邊偉燦), aged 58, is an executive Director and the deputy general manager of the Company appointed on 28 December 2009 and 5 February 2018 respectively. Mr. Bian Weican has approximately 25 years of experience in the business of provision of atmospheric pollution control solutions.

From 1982 to 1995, Mr. Bian Weican worked as a worker of Zhuji County Mechanical Model Plant* (諸暨縣機械模型廠), worked as the supply procurement manager of Zhuji County Cement Machinery Plant* (諸暨縣水泥機械廠), and also worked as the supply procurement manager of Zhejiang Zhuji City Industrial Environmental Protection Equipment Factory* (浙江省諸暨市工業環保設備總廠) respectively. He worked as the director of the material procuring department of TGL from June 1995 to August 2013 in which he was responsible for the materials procurement planning and management of suppliers.

Mr. Bian Weican graduated from Zhuji County Tongshan Community High School (諸暨縣同山人民公社中心學校) in Zhejiang Province in July 1976.

邊偉燦先生，58歲，分別於二零零九年十二月二十八日及二零一八年二月五日獲委任為本公司執行董事及副總經理。邊偉燦先生於提供大氣污染防治解決方案業務方面具備約25年經驗。

邊偉燦先生由一九八二年至一九九五年歷任諸暨縣機械模型廠工人、諸暨縣水泥機械廠供應採購經理、浙江省諸暨市工業環保設備總廠的供應採購經理。彼由一九九五年六月至二零一三年八月擔任TGL物資採購部總監，負責物資採購規劃及供應商管理。

邊偉燦先生於一九七六年七月畢業於浙江省的諸暨縣同山人民公社中心學校。

Details Regarding Directors and Supervisors 董事及監事之有關詳情

Ms. BIAN Shu (邊姝), aged 37, is an executive Director and the deputy manager of the administration department of the Company. She was appointed as a Director on 1 June 2016, and has served as the deputy manager of the administration department of the Company since September 2014. Previously, Ms. Bian Shu worked as the manager of the human resources department of TGL from February 2006 to January 2010 and was responsible for the human resources management and administration work of TGL. She worked as the chief financial officer of TGL between February 2010 to December 2011 and was responsible for accounting matters and financial planning and management. Ms. Bian Shu served as the vice president of TGL from December 2011 to August 2014, and was responsible for day-to-day operations and management and to deputise the president when necessary. Furthermore, she served as the chairman of the supervisory committee of the Company (“**Supervisory Committee**”, each member thereof being “**Supervisor**”) from 28 December 2009 to 31 May 2016 and as the employee representative Supervisor from 10 May 2014 to 31 May 2016, and was primarily responsible for supervising and overseeing the performance of the Directors and other senior management members of the Company.

Ms. Bian Shu holds a bachelor’s degree of philosophy from Zhejiang University in June 2003. She holds a master degree of international business from the University of Sydney in October 2006. She is the spouse of Mr. Zhang Yuanyuan, the sister of Mr. Bian Yu and the daughter of Mr. Bian Jianguang.

Ms. Bian Shu is a member of the Bian Family and the Bian Family is a Controlling Shareholder.

邊姝女士，37歲，執行董事兼本公司行政部副經理。彼於二零一六年六月一日獲委任為董事及自二零一四年九月起就任本公司行政部副經理。邊姝女士曾於二零零六年二月至二零一零年一月擔任TGL人力資源部經理，負責TGL的人力資源管理及行政工作。彼於二零一零年二月至二零一一年十二月擔任TGL的財務總監，負責會計事宜以及財務規劃及管理。邊姝女士自二零一一年十二月起至二零一四年八月擔任TGL的副總裁，負責日常營運及管理並在必要時代理總裁一職。此外，彼自二零零九年十二月二十八日起至二零一六年五月三十一日擔任本公司監事會（「**監事會**」，各成員為「**監事**」）的主席，且自二零一四年五月十日起至二零一六年五月三十一日擔任職工代表監事，主要負責督導及監察董事及本公司其他高級管理層成員的表現。

邊姝女士於二零零三年六月自浙江大學取得哲學學士學位。彼於二零零六年十月自悉尼大學取得國際商務碩士學位。彼為章袁遠先生的配偶、邊宇先生的姐姐及邊建光先生的女兒。

邊姝女士為邊氏家族的成員，而邊氏家族為控股股東。

Details Regarding Directors and Supervisors 董事及監事之有關詳情

Non-Executive Director

Mr. BIAN Jianguang (邊建光), aged 63, is the vice chairman of the Board and a non-executive Director appointed on 28 December 2009. Mr. Bian Jianguang has approximately 27 years of experience in the business of the provision of atmospheric pollution control solutions.

From 1982 to 1995, Mr. Bian Jianguang worked as the factory director of Zhuji County Mechanical Model Plant* (諸暨縣機械模型廠), worked as the factory director of Zhuji County Cement Machinery Plant* (諸暨縣水泥機械廠), and also worked as the factory director of Zhejiang Zhuji City Industrial Environmental Protection Equipment Factory* (浙江省諸暨市工業環保設備總廠) respectively. From June 1995 to August 2003, he served as the chairman of the board of directors and the executive director of TGL and he later resigned as chairman of the board of directors and have been serving as vice chairman of the board of directors of TGL since August 2003 responsible for the overall management and business operation of TGL. He worked as the director of Tianjie General Machinery (being principally engaged in the manufacturing and marketing of machinery and parts) from November 1999 to April 2008 in which he was responsible for its overall management and business operation.

非執行董事

邊建光先生，63歲，於二零零九年十二月二十八日獲委任為董事會副主席及非執行董事。邊建光先生於提供大氣污染防治解決方案業務方面具備約27年經驗。

邊建光先生由一九八二年至一九九五年歷任諸暨縣機械模型廠的廠長、諸暨縣水泥機械廠的廠長、浙江省諸暨市工業環保設備總廠的廠長。彼由一九九五年六月至二零零三年八月擔任TGL董事會主席兼執行董事，彼其後辭任董事會主席並自二零零三年八月起擔任TGL董事會副主席，負責TGL的整體管理及業務營運。彼由一九九九年十一月至二零零八年四月擔任天潔通用機械的董事，該公司主要從事機械及零部件的製造及市場營銷，而彼負責整體管理及業務營運。

Details Regarding Directors and Supervisors 董事及監事之有關詳情

Mr. Bian Jianguang has been working as the general manager of Tianjie New Materials (principally engaged in manufacturing, processing and marketing of steel blade) since August 1997, Tianjie General Machinery (being principally engaged in manufacturing and marketing of machinery and parts) from November 1999 to January 2005, as an executive director for various companies such as Tianjie Special Steel (principally engaged in manufacturing, processing and marketing of steel blade) since March 2006, Zhuji City Tianjie Heavy Machines Limited* (諸暨市天潔重工機械有限公司) (being principally engaged in research, design and development of heavy machines) since October 2008, Akesu Xintian Technology Limited* (阿克蘇新天科技有限公司) (being principally engaged in raw iron and sponge iron related business) since October 2011, and he is mainly responsible for day-to-day operation and management, and overall business management in these companies.

Mr. Bian Jiangguang once served as the chairman and legal representative of Chongqing Tianjie Industry Co Ltd* (重慶天潔實業有限公司), a company incorporated in the PRC (“**Chongqing Tianjie**”), with a business scope covering sales of construction and decoration materials. Since Chongqing Tianjie no longer carried on business and did not conduct annual inspection, its business licence was revoked on 30 March 2005. According to Mr. Bian Jiangguang, Chongqing Tianjie was solvent and dormant at the time of it being revoked and such revocation did not result in any liability or obligation imposed against him. Mr. Bian Jianguang is the father of Mr. Bian and Ms. Bian Shu, and the father-in-law of Mr. Zhang Yuanyuan.

Mr. Bian Jianguang is a member of the Bian Family and the Bian Family is a Controlling Shareholder.

邊建光先生自一九九七年八月起擔任天潔新材料(主要從事製造、加工及營銷鋼片)的總經理，自一九九九年十一月至二零零五年一月擔任天潔通用機械(主要從事製造及營銷機械及部件)的總經理，並擔任多間不同公司的執行董事，例如自二零零六年三月起於天潔特鋼(主要從事製造、加工及營銷鋼片)、自二零零八年十月起於諸暨市天潔重工機械有限公司(主要從事研究、設計及開發重工機械)及自二零一一年十月起於阿克蘇新天科技有限公司(主要從事生鐵及海綿鐵相關業務)擔任執行董事，而彼主要負責該等公司的日常營運及管理以及整體業務管理。

邊建光先生曾任重慶天潔實業有限公司(「**重慶天潔**」)的主席及法人代表。重慶天潔為一間在中國註冊成立的公司，其業務範圍涵蓋銷售建築及裝修材料。由於重慶天潔不再經營業務及並無進行年度審查，其營業執照於二零零五年三月三十日被撤銷。據邊建光先生告知，重慶天潔在被撤銷執照時具備償能力及並無經營業務，而有關被撤銷執照並無對其造成任何負債或責任。邊建光先生為邊先生及邊姝女士的父親及章袁遠先生的岳父。

邊建光先生為邊氏家族的成員，而邊氏家族為控股股東。

Details Regarding Directors and Supervisors 董事及監事之有關詳情

Mr. ZHANG Yuanyuan (章袁遠), aged 37, is a non-executive Director appointed on 28 December 2009. Mr. Zhang Yuanyuan has approximately 7 years of experience in the business of the provision of atmospheric pollution control solutions.

From May 2007 to January 2009, Mr. Zhang Yuanyuan worked as the general manager of Jiangxi Chenyu Aluminium Industry Ltd.* (江西晨宇鋁業有限公司) (“**Chenyu Lvye**”) which was principally engaged in the non-ferrous metals processing, production, marketing and trading of machineries and components, metal products and components, metal doors and windows and electrical products, and he was responsible for its overall operation and management. He has been working as the director of Zhejiang Tianjie New Energy Co., Ltd. (being principally engaged in wind power generation and solar power generation) since May 2008 and was responsible for giving advice on operation strategy, attending board meeting and evaluation of business operation and development strategy. He has been working as the president of TGL since January 2009 and is responsible for the overall management and business operation of TGL. He is currently the vice chairman of Shanghai Aluminum Trade Association (上海鋁業行業協會).

Mr. Zhang Yuanyuan holds a bachelor’s degree of applied physics from Tongji University (同濟大學) in July 2003. He holds a master degree of engineering management from the University of Technology, Sydney (悉尼科技大學) in Australia in July 2007. He is the spouse of Ms. Bian Shu, the brother-in-law of Mr. Bian and the son-in-law of Mr. Bian Jianguang. Mr. Bian, Ms. Bian Shu and Mr. Bian Jianguang are members of the Bian Family and the Bian Family is a Controlling Shareholder.

章袁遠先生，37歲，於二零零九年十二月二十八日獲委任為非執行董事。章袁遠先生在提供大氣污染防治解決方案業務方面擁有約七年經驗。

章袁遠先生自二零零七年五月至二零零九年一月擔任江西晨宇鋁業有限公司(「晨宇鋁業」)的總經理，該公司主要從事有色金屬加工、生產、營銷及買賣機械及部件、金屬產品及部件、金屬門窗及電子產品，而彼負責整體營運及管理。彼自二零零八年五月起擔任浙江天潔新能源股份有限公司(主要從事風力發電及太陽能發電)的董事，負責就營運策略提供意見、出席董事會會議以及評估業務營運及發展策略。彼自二零零九年一月起擔任TGL總裁，負責TGL的整體管理及業務營運。彼目前為上海鋁業行業協會的副理事長。

章袁遠先生於二零零三年七月自同濟大學取得應用物理學士學位。彼於二零零七年七月自澳洲悉尼科技大學取得工程管理碩士學位。彼為邊姝女士的配偶、邊先生的姐夫及邊建光先生的女婿。邊先生、邊姝女士及邊建光先生為邊氏家族的成員，而邊氏家族為控股股東。

Details Regarding Directors and Supervisors 董事及監事之有關詳情

Mr. CHEN Jiancheng (陳建誠), aged 55, worked as a worker at Zhuji County Mechanical Modelling Factory* (諸暨縣機械模型廠), worked as a technical supervisor* (技術科長) of Zhuji Cement Machinery Factory* (諸暨水泥機械廠), worked as a technical supervisor* (技術科長) of Zhejiang Zhuji Environmental Industrial Equipment Factory* (浙江省諸暨市工業環保設備總廠) and also worked as an assistant to general manager at TGL from 1985 to 2000 respectively. Mr. Chen served as a deputy director of the Office of Technological Transformation (技術改造辦公室副主任) of TGL overseeing projects in relation to strip steel, medium sheets and other products from 2000 to 2009. From 2009 onwards, Mr. Chen has become the chief technology officer (技術總監) of TGL primarily responsible for technological research and development as well as product quality control.

Mr. CHEN Jiancheng graduated from Zhuji Paitou Middle School* (諸暨市牌頭中學) in July 1979.

Independent Non-Executive Director

Mr. YU Zhao Fei (余劍飛) (“Mr. YU”), aged 37, is an Independent Non-executive Director appointed on 30 March 2018. Mr. Yu has more than seven years of work experience in the legal field. He is extremely experienced in economic law.

Mr. YU graduated with 2 bachelor’s degrees in law and economics respectively in July 2004 from the Faculty of Law of Zhongnan University of Economics and Law (中南財經政法大學). In July 2007, he graduated as a master of law from Northwest University of Political Science and Law (西北政法大學). From September 2007 to July 2010, he studied in Renmin Law School (中國人民大學法學院) and gained the doctor of law degree. From July 2010 to August 2012, he engaged in the post-doctoral research at the Theoretical Economics Postdoctoral Station of Renmin University of China (中國人民大學).

Mr. YU joined Shen Jun Ru Law School of Hangzhou Normal University (杭州師範大學沈鈞儒法學院) in August 2012 as a lecturer for economic law. From September 2007 to July 2010, he engaged in the post-doctoral research at the Theoretical Economics Post-doctoral Station of Renmin University of China (中國人民大學) and the Post-doctoral Research Station of China Executive Leadership Academy Pudong (中國浦東幹部學院).

陳建誠先生，55歲，由一九八五年至二零零零年歷任諸暨縣機械模型廠工人、諸暨水泥機械廠技術科長、浙江省諸暨市工業環保設備總廠技術科長和TGL總經理助理。由二零零零年至二零零九年，陳先生在TGL擔任技術改造辦公室副主任，監管有關帶鋼、中板及其他產品的項目。自二零零九年起，陳先生擔任TGL技術總監，主要負責技術研發及產品質量控制。

陳建誠先生於一九七九年七月畢業於諸暨市牌頭中學。

獨立非執行董事

余劍飛先生(「余先生」)，37歲，於二零一八年三月三十日獲委任為獨立非執行董事。余先生於法律領域擁有逾七年的工作經驗。彼在經濟法方面經驗豐富。

余先生於二零零四年七月畢業於中南財經政法大學法學院，取得法學與經濟學雙學士學位。於二零零七年七月，彼畢業於西北政法大學，獲得法學碩士學位。自二零零七年九月至二零一零年七月，彼於中國人民大學法學院進修，並獲得法律博士學位。自二零一零年七月至二零一二年八月，彼於中國人民大學理論經濟學博士後科研流動站從事博士後研究工作。

余先生於二零一二年八月加入杭州師範大學沈鈞儒法學院，擔任經濟法講師。自二零零七年九月至二零一零年七月，彼於中國人民大學理論經濟學博士後科研流動站及中國浦東幹部學院博士後科研工作站從事博士後研究工作。

Details Regarding Directors and Supervisors 董事及監事之有關詳情

Mr. FUNG Kui Kei (馮鉅基) (“Mr. FUNG”), aged 37, is an Independent Nonexecutive Director appointed on 30 March 2018. Mr. FUNG has more than 15 years of work experience in the accounting field. He is extremely experienced in advising on corporate finance matters including pre-IPO, acquisitions and mergers, and corporate governance and general compliance issues for listed companies and private companies.

Mr. FUNG graduated with a bachelor’s degree in accounting from the Hong Kong Polytechnic University (香港理工大學) in October 2003. Mr. FUNG is one of the founders of JMD & PME CPA Limited and OCTOSEC CPA LIMITED, providers of professional corporate advisory to enterprises in Hong Kong, and has been a partner of the same since August 2014 and July 2016 respectively. From May 2011 to March 2014, he worked as the assistant finance manager of AZONA (HK) LIMITED principally engaged in fashion retail. From December 2008 to May 2011, he was the auditor of Shu Lun Pan Hong Kong CPA LIMITED and subsequently the assistant manager of BDO Limited (due to a merger between Shu Lun Pan Hong Kong CPA LIMITED), which is the Hong Kong member firm of BDO International Limited. From January 2006 to October 2008, he was the auditor of BDO Limited. From October 2003 to December 2005, he was an auditor in CWCC, a professional advisory firm providing a full range of business services in Hong Kong and major cities in mainland China.

Mr. FUNG has been a member of the Association of Chartered Certified Accountants (“**ACCA**”) since 2007. He has also been a member of the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) since 2011.

馮鉅基先生(「馮先生」)，37歲，於二零一八年三月三十日獲委任為獨立非執行董事。馮先生在會計領域擁有逾15年的工作經驗。彼在就公司融資事項(包括上市公司及私人公司的首次公開發售前、併購及公司管治及一般合規事宜)提供建議方面極富經驗。

馮先生於二零零三年十月畢業於香港理工大學，獲得會計學學士學位。馮先生為向香港企業提供專業企業諮詢的供應商滙業聯通會計師事務所有限公司及奧德盛會計師事務所有限公司的創始人之一，並分別自二零一四年八月及二零一六年七月起一直為該等公司的合夥人。自二零一一年五月至二零一四年三月，彼曾擔任凱崙(香港)有限公司的助理財務經理，主要從事時裝零售。自二零零八年十二月至二零一一年五月，彼曾先後擔任香港立信會計師事務所有限公司的核數師及香港立信德豪會計師事務所有限公司助理經理(因香港立信會計師事務所有限公司合併所致)，而該公司為BDO International Limited的香港成員所。自二零零六年一月至二零零八年十月，彼曾任香港立信德豪會計師事務所有限公司核數師。自二零零三年十月至二零零五年十二月，彼為專業顧問公司CWCC(在香港及中國內地主要城市提供全方位的商業服務)的核數師。

馮先生自二零零七年起為特許公認會計師公會(「**ACCA**」)的會員。彼自二零一一年起亦為香港會計師公會(「**香港會計師公會**」)會員。

Details Regarding Directors and Supervisors

董事及監事之有關詳情

Mr. ZHANG Bing (張炳), aged 36, is an independent nonexecutive Director appointed on 15 September 2014. Mr. Zhang Bing has approximately 8 years of experience in the field of environmental planning.

Mr. Zhang Bing worked as a lecturer in the School of Environment, Nanjing University (南京大學環境學院) in December 2008 in which he was responsible for teaching and conducting research. He was promoted to an associate professor and assumed the said role from December 2010 to December 2013 in which he was responsible for teaching, conducting research and personnel training, and he later became a professor and has been working since December 2013 in which he is responsible for teaching, conducting research and supervising doctoral students. Mr. Zhang Bing has been the director of the Center for Environmental Management and Policy of Jiangsu Environmental Protection.

Mr. Zhang Bing was a committee member and the deputy secretary of the second committee of the Society for Environmental Economics of the Chinese Society for Environmental Sciences (中國環境科學學會環境經濟學分會) from October 2008 to September 2012 and has been the director of Chinese Society of Optimisation, Overall Planning and Economical Mathematics, Energy Economics and Management* (中國優選法統籌法與經濟數學研究會能源經濟與管理研究分會) since November 2012.

Mr. Zhang Bing obtained the Scientific and Technological Progress Award (Second Class)* (科學技術進步二等獎) from the Ministry of Education of the People's Republic of China (中華人民共和國教育部) in January 2010, the Eighth Young Scientist Award of the Chinese Society for Environmental Sciences* (第八屆中國環境科學學會青年科技獎) in December 2012 from the Society of Environmental Science of the PRC (中國環境科學學會) and the Environmental Protection and Scientific Award (First Class)* (環境保護科學技術進步獎一等獎) from the Ministry of Environmental Protection of the PRC (中華人民共和國環境保護部) in December 2012.

Mr. Zhang Bing obtained a bachelor's degree in environmental planning from Nanjing University (南京大學) in June 2003 and a doctorate degree in environmental planning and management from Nanjing University (南京大學) in December 2008.

張炳先生，36歲，於二零一四年九月十五日獲委任為獨立非執行董事。張炳先生在環境規劃領域擁有約八年經驗。

張炳先生於二零零八年十二月擔任南京大學環境學院講師，負責教學及研究。彼自二零一零年十二月起晉升為副教授，任職至二零一三年十二月，負責教學、研究及人員培訓，其後自二零一三年十二月起升任教授並一直擔任此職，負責教學、研究及督導博士生。張炳先生擔任江蘇省環保廳環境管理與政策研究中心主任。

張炳先生自二零零八年十月至二零一二年九月擔任中國環境科學學會環境經濟學分會第二屆委員會委員兼副秘書長，以及自二零一二年十一月起擔任中國優選法統籌法與經濟數學研究會能源經濟與管理研究分會理事。

張炳先生於二零一零年一月獲中華人民共和國教育部頒發科學技術進步二等獎、於二零一二年十二月獲中國環境科學學會頒發第八屆中國環境科學學會青年科技獎，以及於二零一二年十二月獲中華人民共和國環境保護部頒發環境保護科學技術進步獎一等獎。

張炳先生於二零零三年六月自南京大學取得環境規劃學士學位，並於二零零八年十二月自南京大學取得環境規劃與管理博士學位。

Details Regarding Directors and Supervisors 董事及監事之有關詳情

SUPERVISORY COMMITTEE

The Supervisory Committee consists of three members, comprising two representatives of Shareholders and one representative of employees. Employee representative Supervisor is elected democratically by the employees representative congress, while Shareholder representative Supervisors are elected by the Shareholders. The term of office of each Supervisor is three years, which is renewable upon re-election and re-appointment. The powers and duties of the Supervisory Committee include reviewing and verifying financial reports, business reports and profit distribution proposals prepared by the Board; and if in doubt, appointing certified public accountants and practicing auditors to re-examine the Company's financial information; monitoring the financial activities of the Company, supervising the performance of the Directors, the president and other senior management members, and monitoring whether they had acted in violation of the laws, regulations and Articles of Association in the performance of their duties; requesting the Directors, the president and senior management members to rectify actions which are detrimental to the Company's interests; and exercising other rights given to them under the Articles of Association. Each of the Supervisors has entered into a service contract with the Group.

監事會

監事會包括三名成員，由兩名股東代表及一名僱員代表組成。僱員代表監事由僱員代表大會以民主方式選出，而股東代表監事則由股東選出。各監事的任期為三年，可於重選及重新委任時續期。監事會的權力及職責包括審閱及核實董事會編製的財務報告、業務報告及利潤分配方案；並在有疑問的情況下委任執業會計師及執業核數師重新審查本公司的財務資料；監察本公司的財務活動；監督董事、總裁及其他高級管理層成員的表現，以及監察他們於履行職責時的行為有否違反法律、法規及組織章程細則；要求董事、總裁及高級管理層成員糾正有損本公司利益的行動；以及行使組織章程細則賦予他們的其他權利。各監事已與本集團訂立服務合同。

Details Regarding Directors and Supervisors

董事及監事之有關詳情

Employee representative Supervisor

Mr. CHEN Xinhua (陳新華), aged 55, is an employee representative Supervisor and the head of the procurement department of the Company. He joined the Group on 28 December 2009.

From January 1997 to May 2000, Mr. Chen Xinhua served as the manager of the department of supplies of Zhejiang Shengjie Environmental Engineering Co. Ltd.* (浙江勝潔環保工程有限公司) and was responsible for the overall departmental management. From June 2000 to October 2001, he served as the manager of technology transformation projects of Tianjie Strip Steel Factory* (天潔帶鋼廠). From November 2001 to May 2003 and from January 2009 to December 2009, he served as the procurement manager and vice general manager of procurement centre, respectively, of TGL, and was responsible for the procurement of raw materials. From June 2003 to December 2008, he served as the vice general manager of Zhejiang Liyu Stainless Steel Co. Ltd.* (浙江立宇不銹鋼有限公司), and was responsible for assisting the general manager in its overall operation.

Mr. Chen was graduated from Shaoxing Vocational Secondary College* (紹興市職工中等專業學校) in July 1990 majoring in industrial enterprise management.

Shareholder representative Supervisors

Mr. FU Jun (傅均), aged 37, is a Shareholder representative Supervisor. Prior to joining the Group on 18 October 2014, Mr. Fu Jun joined the school of computer science and information technology of Zhejiang Gongshang University (浙江工商大學) in December 2009 and was appointed as a lecturer in April 2010. He was promoted to become an assistant professor in November 2013 responsible for teaching and conducting research. Since June 2014, he has been working as a supervisor to master students in which he is responsible for supervising master students.

Mr. Fu Jun obtained a bachelor's degree of bio-medical engineering from Zhejiang University (浙江大學) in June 2004 and a doctorate degree in bio-medical engineering from Zhejiang University (浙江大學) in December 2009. He also completed two years of minor studies in Japanese language in Zhejiang University (浙江大學) in June 2003.

僱員代表監事

陳新華先生，55歲，為本公司職工代表監事及購部主管。彼於二零零九年十二月二十八日加入本集團。

自一九九七年一月起至二零零零年五月，陳新華先生擔任浙江勝潔環保工程有限公司供應部經理，負責整體部門管理。自二零零零年六月起至二零零一年十月，彼擔任天潔帶鋼廠技術變革項目經理。自二零零一年十一月起至二零零三年五月及自二零零九年一月起至二零零九年十二月，彼分別擔任TGL採購部經理及採購中心副總經理，負責原材料的採購。自二零零三年六月起至二零零八年十二月，彼擔任浙江立宇不銹鋼有限公司副總經理，負責協助總經理進行整體營運。

陳先生於一九九零年七月畢業於紹興市職工中等專業學校，專業為工業企業管理。

股東代表監事

傅均先生，37歲，為股東代表監事。於二零一四年十月十八日加入本集團前，傅均先生於二零零九年十二月加入浙江工商大學計算機與信息工程學院，並於二零一零年四月獲委任為講師。彼於二零一三年十一月晉升為副教授，負責教學及進行研究。自二零一四年六月起，彼擔任碩士生導師，負責督導碩士生。

傅均先生於二零零四年六月取得浙江大學的生物醫學工程學士學位及於二零零九年十二月取得浙江大學的生物醫學工程博士學位。彼亦於二零零三年六月在浙江大學完成兩年副修日語課程。

Details Regarding Directors and Supervisors 董事及監事之有關詳情

Mr. FANG Zhiguo (方治國), aged 40, is a Shareholder representative Supervisor. Prior to joining the Group on 18 October 2014, he worked as a post-doctoral researcher in environmental science and engineering at the Research Centre for Eco-Environment Sciences of the Chinese Academy of Sciences (中國科學院生態環境研究中心) from August 2005 to August 2008, in which he was responsible for conducting research. He joined the school of environmental science and engineering of Zhejiang Gongshang University (浙江工商大學) in August 2008 and became an assistant professor since October 2009, in which he is responsible for teaching and conducting research.

Mr. Fang Zhiguo obtained a master degree of science majoring in ecology from Zhejiang University (浙江大學) in June 2002 and a doctorate degree in science majoring in ecology from the Graduate School of the Chinese Academy of Science (中國科學院研究生院) (later renamed as the University of Chinese Academy of Sciences (中國科學院大學)) in July 2005. He was a visiting scholar at the University of Oklahoma in the United States from June 2006 to May 2008.

Except as disclosed herein, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, there are no other matters relating to the appointment of Supervisors that need to be brought to the attention of the Shareholders, nor is there any information (including changes thereto, if any) relating to the Supervisors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules such as, among others, matters relating to directorship held by Supervisors in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

方治國先生，40歲，為股東代表監事。於二零一四年十月十八日加入本集團前，彼於二零零五年八月至二零零八年八月在中國科學院生態環境研究中心擔任環境科學與工程博士後研究員，負責進行研究。彼於二零零八年八月加入浙江工商大學環境科學與工程學院，並自二零零九年十月起擔任助理教授，負責教學及進行研究。

方治國先生於二零零二年六月獲得浙江大學生態學理學碩士學位，並於二零零五年七月獲中國科學院研究生院(後改稱中國科學院大學)生態學理學博士學位。彼自二零零六年六月至二零零八年五月為美國奧克拉荷馬大學訪問學者。

除本文所披露者外，經作出一切合理查詢後，就董事所深知、盡悉及確信，並無其他有關委任監事的事宜須提請股東垂注，亦無有關監事的任何資料(包括有關變動，如適用)須根據上市規則第13.51(2)條予以披露，例如(其中包括)過去三年監事在證券於香港或海外任何證券市場上市的任何公眾公司中擔任董事職務的有關事宜。

Details Regarding Directors and Supervisors

董事及監事之有關詳情

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS AND LETTER OF APPOINTMENTS

Each of the executive Directors and non-executive Directors entered into a service contract with the Company on the respective appointment date. Each of the independent non-executive Directors entered into a letter of appointment on the respective appointment date. The principal particulars of these service contracts and letters of appointment are (a) for a term commencing from the respective effective dates of their appointment until the day on which the next general meeting of the Shareholders for re-election of Directors is held, and (b) are subject to termination in accordance with their respective terms.

Mr. Chen Xinhua entered into a service contract with Company and each of Mr. Fu Jun and Mr. Fang Zhigou entered into a letter of appointment on the respective appointment date. As required under the Opinions on Further Promotion of Standardising Operations and Intensifying Reform of Overseas Listed Companies (Guojingmaogai No. [1999]230), the Supervisory Committee shall be with external Supervisors comprising more than half of its composition, among whom Mr. Fu Jun and Mr. Fang Zhigou are independent.

Save as disclosed in the above, none of the Directors and the Supervisors had entered into a service contract with the Company or its subsidiaries which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

EMOLUMENT POLICY

The Company's nomination committee and the remuneration committee were set up for, among others, reviewing and making recommendations on remuneration policy and scheme for the Directors, Supervisors, senior management and employees, taking into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

The Company had not adopted any share award scheme or share option scheme during the Reporting Period.

董事及監事之服務合約及委任函

各執行董事及非執行董事已於各自的委任日期與本公司訂立服務合約。各獨立非執行董事已於各自的委任日期訂立委任函。該等服務合約及委任函主要包括(a)董事的任期由彼等各自的委任生效日期開始直至就重選董事而舉行下屆股東大會之日期為止；及(b)可根據各自條款予以終止。

陳新華已與本公司訂立服務合約，傅均先生及方治國先生亦於各自的委任日期訂立委任函。誠如《關於進一步促進境外上市公司規範運作和深化改革的意見》(國經貿企改[1999]230號)規定，監事會須由超過一半外部監事組成，其中，傅均先生及方治國先生為獨立監事。

除上文所披露者外，董事及監事概無與本公司或其附屬公司訂立任何可於一年內在毋須支付賠償(法定補償除外)的情況下終止的服務合約。

薪酬政策

本公司已成立提名委員會與薪酬委員會，以(其中包括)檢討我們董事、監事、高級管理層及僱員的薪酬政策及計劃，並就此提供建議，當中會考慮可比較公司支付的薪金、我們董事的時間投入及責任，以及本集團的表現。

本公司於報告期間並無採納任何股份獎勵計劃或購股權計劃。

Details Regarding Directors and Supervisors

董事及監事之有關詳情

REMUNERATION OF DIRECTORS AND SUPERVISORS

董事及監事的薪酬

		Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
		費用	薪資、補貼及實物福利	退休計劃供款	薪酬總額
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Six months ended	截至二零一八年				
30 June 2018	六月三十日				
	止六個月				
Executive directors:	執行董事：				
Bian Yu	邊宇	–	226	12	238
Bian Weican	邊偉燦	–	111	12	123
Bian Shu	邊姝	–	100	12	112
		–	437	36	473
Non-executive directors:	非執行董事：				
Bian Jianguang	邊建光	–	60	–	60
Zhang Yuanyuan	章袁遠	–	60	12	72
Chen Jiancheng	陳建誠	–	20	–	20
		–	140	12	152
Independent nonexecutive directors:	獨立非執行董事：				
Fung Kui Kei	馮鉅基	–	49	–	49
Zhang Bing	張炳	–	30	–	30
Yu Zhao Fei	余釗飛	–	20	–	20
		–	49	–	99
Supervisors:	監事：				
Chen Xinhua	陳新華	–	75	6	81
Fu Jun	傅均	–	30	–	30
Fang Zhiguo	方治國	–	30	–	30
		–	135	6	141
		–	811	54	865

Other Information 其他資料

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND/OR SHORT POSITION IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2018, the interests and short positions of each of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("SFO")), as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Listing Rules were as follows:

1. Long position in respect of domestic shares of the Company ("**Domestic Shares**") as at 30 June 2018:

董事及高級行政人員於本公司之股份、相關股份及證券的權益及／或淡倉

於二零一八年六月三十日，本集團董事及高級行政人員概無於本集團或其任何相聯法團（定義見證券及期貨條例（香港法例第571章）（「證券及期貨條例」）第XV部）之股份、相關股份或債券中擁有任何記錄於本集團根據證券及期貨條例第352條的規定存置之登記冊的權益或淡倉；或須根據上市規則所載之規定，另行通知本集團及聯交所的權益或淡倉。

1. 截至二零一八年六月三十日持有之本公司內資股（「內資股」）好倉：

Name of Director/ Chief executive	Capacity/ Nature of interest	Number of Domestic Shares	Approximate of total issued Domestic Shares 佔已發行 內資股之 概約百分比	Approximate % of Company's share capital 佔本公司 已發行股本之 概約百分比
董事/ 高級行政人員姓名	身份/ 權益性質	所持 內資股數目		
Mr. Bian Yu (Note 1) 邊宇先生(附註1)	Beneficial owner 實益擁有人	13,671,000	13.67	10.13
	Interest in a controlled corporation (Note 2) 受控制法團權益(附註2)	46,169,100	46.17	34.20
Mr. Bian Jianguang (Note 1) 邊建光先生(附註1)	Beneficial owner 實益擁有人	6,843,000	6.84	5.07
	Interest in a controlled corporation (Note 2) 受控制法團權益(附註2)	46,169,100	46.17	34.20
Mr. Bian Weican 邊偉燦先生	Beneficial owner 實益擁有人	1,851,000	1.85	1.37
Ms. Bian Shu (Note 1) 邊妹女士(附註1)	Beneficial owner 實益擁有人	3,933,000	3.93	2.91
	Interest in a controlled corporation (Note 2) 受控制法團權益(附註2)	46,169,100	46.17	34.20

Other Information 其他資料

Name of Director/ Chief executive	Capacity/ Nature of interest	Number of Domestic Shares	Approximate of total issued Domestic Shares	Approximate % of Company's share capital
董事/ 高級行政人員姓名	身份/ 權益性質	所持 內資股數目	佔已發行 內資股之 概約百分比	佔本公司 已發行股本之 概約百分比
Mr. Chen Jiancheng (Note 1) 陳建誠先生(附註1)	Beneficial owner 實益擁有人	1,851,000	1.85	1.37
Mr. Zhang Yuanyuan (Note 3) 章袁遠先生(附註3)	Family interest of spouse 配偶的家族權益	50,102,100	50.10	37.11

Notes:

- The Company is held as to approximately 34.20% by TGL, approximately 10.13% by Mr. Bian Yu, approximately 5.07% by Mr. Bian Jianguang, approximately 1.37% by Mr. Bian Weican, approximately 2.91% by Ms. Bian Shu and approximately 1.37% by Mr. Chen Jiancheng. TGL is held as to approximately 64.08% by Mr. Bian Yu, approximately 22.81% by Mr. Bian Jianguang and approximately 13.11% by Ms. Bian Shu.
- The disclosed interest represents the interest in the Company held by TGL which is in turn approximately 64.08% owned by Mr. Bian Yu, approximately 22.81% owned by Mr. Bian Jianguang and approximately 13.11% owned by Ms. Bian Shu. Therefore, Mr. Bian Yu, Mr. Bian Jianguang and Ms. Bian Shu are deemed to be interested in TGL's interest in the Company by virtue of the SFO. The indirect interests in the Company's share capital owned by Mr. Bian Yu, Mr. Bian Jianguang and Ms. Bian Shu via their respective interests in TGL are approximately 21.92%, 7.80% and 4.48% respectively.
- Mr. Zhang Yuanyuan, the spouse of Ms. Bian Shu, is deemed to be interested in Ms. Bian Shu's interest in the Company by virtue of the SFO.

附註：

- 本公司由TGL持有約34.20%的權益、由邊宇先生持有約10.13%的權益、由邊建光先生持有約5.07%的權益、由邊偉燦先生持有約1.37%的權益、由邊姝女士持有約2.91%的權益以及由陳建誠先生持有約1.37%的權益。TGL由邊宇先生、邊建光先生以及邊姝女士分別持有約64.08%、22.81%及13.11%的權益。
- 所披露權益指TGL於本公司所持權益，而TGL則由邊宇先生擁有約64.08%的權益、由邊建光先生擁有約22.81%的權益及由邊姝女士擁有約13.11%的權益。因此，根據證券及期貨條例，邊宇先生、邊建光先生及邊姝女士被視為於TGL所持的本公司權益中擁有權益。邊宇先生、邊建光先生及邊姝女士透過其各自於TGL的權益於本公司股本所擁有的間接權益分別為約21.92%、7.80%及4.48%。
- 章袁遠先生為邊姝女士的配偶，因此，根據證券及期貨條例，章袁遠先生被視為於邊姝女士所持的本公司權益中擁有權益。

Other Information 其他資料

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITION IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

In respect of the register of substantial Shareholders (not being a director or chief executive of the Company) required to be kept under section 336 of Part XV of the SFO shows that as at 30 June 2018, the Company had been notified of the following substantial shareholders' interests and short positions. These interests are in addition to those disclosed above in respect of the directors and chief executives of the Company.

1. Long position in respect of Domestic Shares as at 30 June 2018:

主要股東於本公司之股份及相關股份的權益及／或淡倉

根據證券及期貨條例第XV部第336條存置的主要股東名冊所記錄，截至二零一八年六月三十日，本公司獲知會下列主要股東權益及淡倉。此等權益並不包括以上披露之本公司董事及高級行政人員之權益。

1. 截至二零一八年六月三十日就內資股之好倉：

Name	Capacity/ Nature of interest	Number of Domestic Shares	Approximate % of total issued Domestic Shares 佔已發行 內資股之 概約百分比	Approximate % of Company's share capital 佔本公司 已發行股本之 概約百分比
股東	身份／權益性質	內資股數目		
TGL (Note 1) TGL(附註1)	Beneficial owner 實益擁有人	46,169,100	46.17	34.20
Ms. Bao Guo (Note 2) 鮑國女士(附註2)	Family interest of spouse 配偶的家族權益	59,840,100	59.84	44.33
Ms. Xu You (Note 3) 徐幼女士(附註3)	Family interest of spouse 配偶的家族權益	53,012,100	53.01	39.27
寧波梅山保稅港區道博宏川 股權投資合夥企業 (有限合夥)	Beneficial owner 實益擁有人	5,727,200	5.73	4.24
杭州九益投資合夥企業 (有限合夥)	Beneficial owner 實益擁有人	5,318,200	5.32	3.94

Notes:

- TGL is directly interested in approximately 34.20% in the Company.
- Ms. Bao Guo, the spouse of Mr. Bian Yu, is deemed to be interested in Mr. Bian Yu's interests in the Company by virtue of the SFO.
- Ms. Xu You, the spouse of Mr. Bian Jianguang, is deemed to be interested in Mr. Bian Jianguang's interests in the Company by virtue of the SFO.

附註：

- TGL直接擁有本公司約34.20%的權益。
- 根據證券及期貨條例，鮑國女士(邊宇先生的配偶)被視為於邊宇先生所持的本公司權益中擁有權益。
- 根據證券及期貨條例，徐幼女士(邊建光先生的配偶)被視為於邊建光先生所持的本公司權益中擁有權益。

Other Information 其他資料

2. Long position in respect of H Shares of the Company (“H Shares”) as at 30 June 2018: 2. 截至二零一八年六月三十日就本公司H股(「H股」)之好倉：

Name	Capacity/ Nature of interest	Number of H Shares	Approximate % of total issued H Shares 佔已發行 H股之 概約百分比	Approximate % of Company's share capital 佔本公司 已發行股本之 概約百分比
股東	身份／權益性質	H股數目		
Shou Erjun 壽爾均	Beneficial owner 實益擁有人	10,000,000	28.57	7.41
Hong Kong Joint Financial Investment Ltd	Beneficial owner 實益擁有人	5,297,000	15.13	3.92
Zhao Kaiyuan (Note 4) 趙開源(附註4)	Interest in a controlled corporation 受控制法團權益	5,297,000	15.13	3.92

Notes:

4. Mr. Zhao Kaiyuan, the controlling shareholder of Hong Kong Joint Financial Investment Ltd, is deemed to be interested in Hong Kong Joint Financial Investment Ltd's interests in the Company by virtue of the SFO.

附註：

4. 趙開源先生為Hong Kong Joint Financial Investment Ltd控股股東，根據證券及期貨條例，趙開源先生被視為於Hong Kong Joint Financial Investment Ltd所持的本公司權益中擁有權益。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by any members of the Group during the Reporting Period.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issues (the “Model Code”), as set out in Appendix 10 of the Listing Rules throughout the Reporting Period. Having made all reasonable enquiries from all Directors, each of them has complied with the required standard set out in the Model Code.

購買、出售或贖回上市證券

於報告期內，本集團任何成員公司概無購買、出售或贖回本公司的上市證券。

遵守標準守則

本公司已於整個報告期內就董事進行證券交易採納一套不遜於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」)的行為規則。經向全體董事作出所有合理查詢後，彼等各自確認已遵守標準守則所規定的標準。

Other Information 其他資料

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company has complied with the code provisions listed in the Code on Corporate Governance Practices (the “**Corporate Governance Code**”) as set out in Appendix 14 of the Listing Rules throughout the Reporting Period.

AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) pursuant to a resolution of the Directors passed on 10 November 2014 with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules. The written terms of reference of the Audit Committee was adopted in compliance with paragraphs C.3.3 and C.3.7 of the Corporate Governance Code. Its terms of reference are available on the websites of the Company and the Stock Exchange. The Audit Committee comprises three independent non-executive Directors, namely Mr. Fung Kui Kei (chairman), Mr. Yu Zhao Fei and Mr. Zhang Bing.

APPROVAL OF FINANCIAL STATEMENTS

The unaudited financial statements of the Group for the Reporting Period were reviewed by the Audit Committee and approved by the Board on 27 August 2018.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim report is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tengy.com). The interim report of the Company for the Reporting Period containing all the information required by the Listing Rules will be despatched to the Shareholders and available on the aforesaid websites in due course.

遵守企業管治守則

董事認為，本公司已於報告期內一直遵守上市規則附錄十四所載企業管治常規守則(「**企業管治守則**」)。

審核委員會

本公司根據於二零一四年十一月十日通過的董事決議案成立審核委員會(「**審核委員會**」)，並根據上市規則第3.21條及3.22條以書面制定其職權範圍。審核委員會的書面職權範圍乃根據企業管治守則第C.3.3段及C.3.7段採納。審核委員會的職權範圍可在本公司及聯交所網站上查閱。審核委員會由三名獨立非執行董事組成，即馮鉅基先生(主席)、余釗飛先生及張炳先生。

批准財務報表

於報告期內，本集團未經審核的財務報表由審核委員會審閱，並獲董事會於二零一八年八月二十七日批准。

刊登業績公告及中期報告

中期報告已於聯交所網站(www.hkexnews.hk)及本公司網站(www.tengy.com)登載。載有上市規則規定的所有資料之本公司於報告期內的中期報告，將於適當時候寄發予股東及載於上述網站。

* for identifications only

僅供識別

TENGY

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