



齐合环保

CHIHO

CHIHO ENVIRONMENTAL GROUP LIMITED

齊合環保集團有限公司

*(incorporated in the Cayman Islands with limited liability)*

*(於開曼群島註冊成立的有限公司)*

Stock Code 股份代號: 976

A large graphic of a butterfly with its wings spread, where the left wing is green and textured like a leaf, and the right wing is blue and contains a map of the Earth. A rainbow arches over the globe. The background is a soft-focus green forest.

超越·蝶變·昇華

Interim Report 2018 中期報告

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# Financial Highlights

## 財務摘要

### Six months ended 30 June

截至六月三十日止六個月

		2018 二零一八年 (Unaudited) (未經審核)	2017 二零一七年 (Unaudited) (未經審核)	Increase/ (Decrease) 增加/ (減少)
Operating results for the period (HK\$M)	期內經營業績 (百萬港元)			
Segment revenue	分部收益			
Asia	亞洲	<b>1,920.4</b>	2,281.0	(15.8%)
Europe	歐洲	<b>7,916.1</b>	5,729.4	38.2%
North America	北美洲	<b>1,346.5</b>	1,150.3	17.1%
Inter-segment sales	分部間銷售	<b>(120.8)</b>	(359.2)	(66.4%)
Revenue	收益	<b>11,062.2</b>	8,801.5	25.7%
Gross profit	毛利	<b>1,305.2</b>	1,044.5	25.0%
Segment profit	分部溢利			
Asia	亞洲	<b>187.8</b>	149.7	25.5%
Europe	歐洲	<b>283.9</b>	209.1	35.8%
North America	北美洲	<b>19.5</b>	38.4	(49.2%)
Unallocated	未分配	<b>109.6</b>	36.1	203.6%
Profit before interest and tax (EBIT)	除利息及稅項前溢利	<b>600.8</b>	433.3	38.7%
Finance costs, net	財務成本淨額	<b>(214.3)</b>	(162.3)	32.0%
Profit before income tax	除所得稅前溢利	<b>386.5</b>	271.0	42.6%
Income tax expense	所得稅開支	<b>(55.3)</b>	(57.0)	(3.0%)
Profit for the period	期內溢利	<b>331.2</b>	214.0	54.8%
Cash generated from operations before changes in working capital	營運資金變動前 經營業務產生的現金	<b>549.1</b>	535.1	2.6%
Earnings per share attributable to shareholders of the Company (HK\$)	本公司股東應佔 每股盈利 (港元)	<b>0.21</b>	0.12	75.0%

## Financial Highlights 財務摘要

		Six months ended 30 June 截至六月三十日止六個月		
		2018 二零一八年 (Unaudited) (未經審核)	2017 二零一七年 (Unaudited) (未經審核)	Increase/ (Decrease) 增加/ (減少)
Key ratios (%)	主要財務比率(%)			
Gross profit margin	毛利率	11.8	11.9	(0.1%)
EBIT/Revenue	除利息及稅項前溢利/ 收益	5.4	4.9	0.5%
Net profit margin <sup>1</sup>	淨溢利率 <sup>1</sup>	3.0	2.2	0.8%
Return on shareholders' funds <sup>2</sup>	股東資金回報率 <sup>2</sup>	6.4	4.6	1.8%
		<b>At 30 June 2018 於二零一八年 六月三十日 (Unaudited) (未經審核)</b>	<b>At 31 December 2017 於二零一七年 十二月三十一日 (Audited) (經審核)</b>	Increase/ (Decrease) 增加/ (減少)
Financial position (HK\$M)	財務狀況(百萬港元)			
Total assets	總資產	11,966.8	12,093.7	(1.0%)
Cash and pledged bank deposits	現金及已抵押銀行存款	1,306.0	1,071.4	21.9%
Equity attributable to shareholders of the Company	本公司股東應佔權益	5,281.0	5,073.1	4.1%
Shareholders' funds per share (HK\$)	每股股東資金(港元)	3.29	3.15	4.4%

<sup>1</sup> Net profit margin is calculated as profit attributable to shareholders of the Company as a percentage of revenue

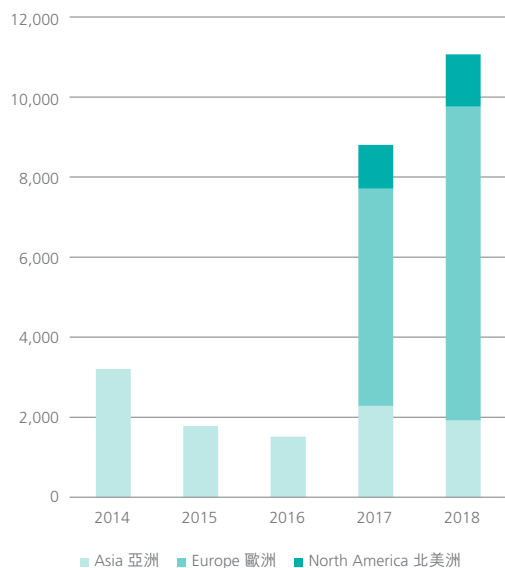
<sup>2</sup> Return on shareholders' funds is calculated based on the profit attributable to shareholders of the Company as a percentage of average shareholders' funds

<sup>1</sup> 淨溢利率是根據本公司股東應佔溢利佔收益的百分比計算

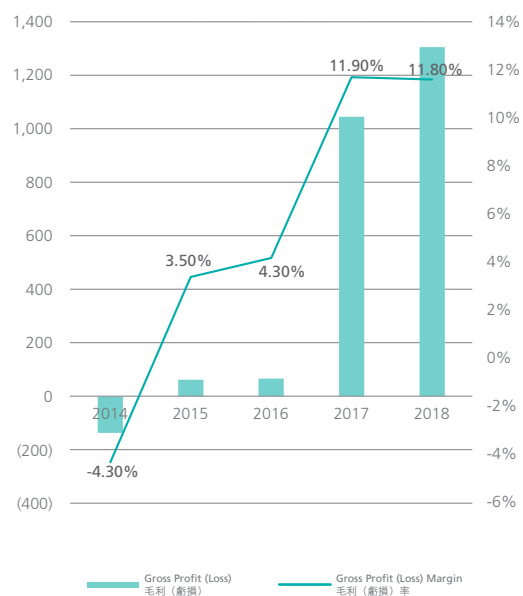
<sup>2</sup> 股東資金回報率是根據本公司股東應佔溢利佔平均股東資金的百分比計算

## Financial Highlights 財務摘要

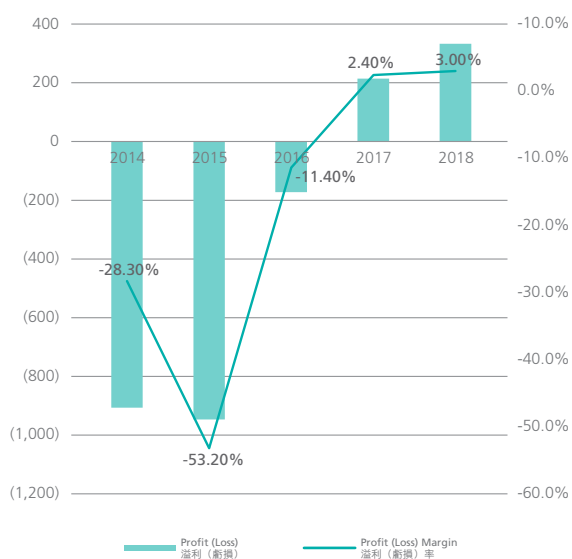
### Revenue (First 6 months) 收益 (首6個月)



### Gross Profit (Loss) and Gross Profit (Loss) Margin (First 6 months) 毛利 (虧損) 及毛利 (虧損) 率 (首6個月)



### Profit (Loss) and Profit (Loss) Margin (First 6 months) 溢利 (虧損) 及溢利 (虧損) 率 (首6個月)



- Business continues to improve; substantial increase in revenue, gross profit and net profit**  
 業務持續改善；收益、毛利及淨溢利均錄得大幅增長
- Return on Shareholders' funds continues to grow**  
 股東資金回報率持續增長

Nature conservation and sustainable development have become a common hot topic for humanity regardless territorial boundaries. The frontier environmental concept of "Circular Economy" has gradually become a development strategy that must be practiced from the countries to the enterprises. Chiho Environmental Group Limited (the "Company") and its subsidiaries (the "Group", "Chiho", "we" or "our") is an advocate and enthusiastic promotor of circular economy and focuses on resources recycling. Since 2017, through the successful integration with Scholz Holding GmbH and its subsidiaries ("Scholz Group"), a leading mixed metal recycling giant, the Group has achieved a leap-forward development in territory and supply chain: expanded from Taizhou (Zhejiang Province) in the People's Republic of China ("PRC" or "China") and Yuen Long in Hong Kong, to cover major countries and cities in Europe and North America; diversified from imported scrap motor dismantling and electronic waste processing entity, to other waste resources processing in such as mixed ferrous scrap end-of-life vehicles, waste lubricant and so on. Chiho is not only a resources related enterprise, but it can also be a solution provider for comprehensive waste management services. The Group continues to make changes and innovation, targeting to become a total waste management solution provider ultimately. By leveraging on the Scholz Group's century-old experiences in ferrous scrap and end-of-life vehicles processing, the Group will continue to deepen our knowledge in various markets, grasp the opportunities arising from increasingly tightened industry and government regulations in Asia, and make meaningful contributions to global resources recycling industry as part of our strategy. Moreover, as a responsible corporate citizen, the Group will cooperate with industry peers and associations in China by making reference to the mature operation mode in Western countries, in order to contribute to the legislative and structural development of China's resources recycling industry. Indeed, a constantly improving China resources recycling industry will benefit humanity, while bringing business opportunities to recycling companies.

保護大自然及可持續發展已成為人類社會不分國界的共同首要話題。『循環經濟』已從一個前沿的環保概念逐漸成為了從國家至企業都必須踐行的發展戰略。齊合環保集團有限公司（「本公司」）及其附屬公司（「本集團」、「齊合」或「我們」）是循環經濟的倡導者和積極的推動者，致力於實現資源的循環再用。自二零一七年起，通過對德國金屬再生巨頭順爾茨控股有限公司及其附屬公司（「順爾茨集團」）的成功整合，本集團實現了從地域到供應鏈的跨越式發展：從中華人民共和國（「中國」）浙江台州及香港元朗，到覆蓋歐洲及北美洲主要國家及地區，從一個全球最大的廢舊電機馬達及電子廢料處理公司，到涉足混合黑色廢金屬、報廢汽車、廢棄潤滑油、非金屬類廢物等廢棄資源的處理，成為了全球最大的覆蓋廢料循環全產業鏈的再生企業。齊合不僅是一個資源型企業，亦能成為綜合性廢料解決方案服務提供者。一直以來本集團專注資源再生市場，並不斷求變，朝著成為整體廢料處理解決方案服務商的目標邁進。本集團依托德國順爾茨集團百餘年處理廢鋼及報廢汽車的經驗，借助目前亞洲各國對環保及綠色相關產業的政策傾斜的趨勢完成本集團下一個階段的中期戰略佈局。並且，作為一個擔負社會責任的企業公民，齊合冀以其熟知的西方成熟的廢料再生產業模式，通過與行業同行以及各個協會組織合作，為中國的資源再生行業的立法和相關產業政策的制定，獻言獻策；以期共同推動中國這個資源密集型國家的廢料產業朝著正規化，產業化方向發展。中國的廢料產業形成成熟的產業模式，將是全人類福祉，也會是再生企業的巨大利好消息。

## Chairman's Statement 主席報告

The Group has developed a set of targeted strategies in core business, key products, markets, territories, positioning, and synergy, in order to cater to its future development:

- (1) Expansion of business scope: Expands from existing metal dismantling to smelting in China.
- (2) Expansion of product offerings: On top of non-ferrous scrap, electronic waste, ferrous products, including end-of-life vehicles recycling; we expand to waste lubricant, waste electrical appliances and computers. We also pay close attention to the opportunity for entering into the high-margin niche markets.
- (3) Opening of new markets: Focuses on development of China's domestic scrap recycling market. As China's resources recycling market and environmental standard is following the development pattern of the western economies, China extremely needs the active involvements from a company like Chiho who possesses the experience, capability and advanced technology. The Group as a market leader in the importation of mixed metal scrap in China will get actively involved in government initiatives in scrap materials/products classification and catalogue creation.
- (4) Geographical expansion: Relocate the scrap motor dismantling activities to South and South East Asia, and to expand Hong Kong to include motor dismantling, scrap cable chopping, metal cleaning and so on, so as to make good use of the benefits of its proximity to China and the rule of law advantage of one country, two systems.
- (5) Clear market positioning: Chiho strives to ultimately become a total waste management solution provider, in particular to large industrial enterprises who are in need of a partner to provide them with one-stop total solution.
- (6) Exploiting synergies: Chiho not only focuses on creating synergies between its Western and Asian operations in global sourcing, vertical integration and technology transfer, but also requires various business units within China to fully cooperate and share resources, so as to serve a wider range of customers even better.

本集團為未來的發展制定針對性的規劃，在主營業務、產品細分、市場、地域、定位、協同方面均實施行之有效的戰略。

- 一、拓寬業務領域：增加金屬熔煉生產業務，目前本集團在中國國內的基地在積極進入金屬熔煉生產領域。
- 二、拓寬產品種類：繼有色廢舊金屬、電子廢料、黑色廢舊金屬、報廢汽車外，增加廢油、廢棄「四電一腦」等各種廢舊資源處理，並密切關注個別高毛利區域利基市場，契機進入。
- 三、拓展市場：重點發展中國國內廢料回收處理市場。中國資源再生市場及環保標準正朝著歐美國家的模式發展，正需要像齊合這樣具有實力、歐美運營經驗及先進技術的參與者。緊密關注中國廢舊金屬以及廢舊汽車報廢回收產業動向及趨勢，通過長期所運營的歐洲市場所熟知並積累的產業管理經驗向行業相關部門予以分享並建言獻策。並已經通過齊合在混合廢金屬進口領域的領軍地位，參與到政府關於制定金屬廢品／製品分類管理及產品目錄的編制工作。
- 四、拓展地域：轉移至南亞及東南亞等成本較低的地區進行廢舊電機馬達拆解處理業務。發揮香港處理基地享有毗鄰中國國內市場的地理優勢及一國兩制的制度優勢，擬增加金屬初加工及清潔處理業務，進口到國內。
- 五、明確市場定位：齊合致力於成為整體廢料處理解決方案服務商。大型工業企業產生各種廢料，亟需能夠提供一站式服務，具備全面廢料管理資質的企業作為合作夥伴。
- 六、發揮協同效應：本集團各地區協同發展尤其重要。本集團不僅尋求歐美地區與亞洲地區的業務協同發展，發揮諸如全球採購及垂直整合模式的優勢、掌握市場行情、實施技術轉移；同樣要求國內各處理基地之間通力合作，整合並共用資源，以服務於更廣泛的客戶。

## REVIEW

In the first half of 2018, the Group's revenue and profit increased significantly compared to the same period of last year. Our European and North American business segments continued to grow steadily following their consolidation into the Group's financial statement in 2017. During the period under review, the total tonnage handled increased by 18.2%, resulting in revenue increase of 40.2%. Under the leadership of the Group's new management team, the business and financial optimisation measures implemented for our European and North American subsidiaries have been effective. Our business in Europe and North America continued to recover, gaining back market share and customers.

In our Asian business segment, the largest revenue contributor was the scrap motor dismantling business. Despite a reduction in the processing volume of scrap motors due to the reduction of import quota, there was an increase in gross profit by 15.6% which represented a gross profit margin increase of 3.5% as compared to the same period of last year. The main reason is that, in addition to the ongoing optimisation measures within the Group, the scrap motor market has become favorable to buyers as China limits the import of scrap motors, enabling our experienced global purchasing team to procure scrap motors at lower costs.

Overall we had a good business result in the first half of 2018.

## PROSPECT

China will stop imports of scrap motors from the first day of 2019, which will have a short-term impact on the Group's business in Taizhou, China. This is a necessary step for China's resource recycling industry to adopt the European and American development models. Only large scale participants with standardised operation will last. At the same time, the policy change provides an opportunity for our transformation. As there is no drop in demand in China market, Chiho will continue its efforts to secure upstream scrap copper resources and maintain its ability to supply clean finished products to China's market through an optimised supply chain model. The Group has a plan to relocate scrap motors dismantling to other parts of Asia, including certain countries in South and Southeast Asia, while we have also started to shred certain types of scrap motors in our European and North American bases. The Group is confident that it will continue to capture the largest share of the global scrap motor dismantling market.

## 回顧

回顧二零一八上半年，本集團總體收入及利潤均比去年同期顯著增長。其中，歐洲及北美地區業務繼二零一七年並表後保持穩步增長勢頭，回顧期內處理噸數上升18.2%，帶動收入上升40.2%。在本集團新的管理團隊帶領下，對歐洲及北美洲公司實施的經營管理、財務優化等措施均見效果，歐美地區業務持續恢復，重獲市場和客戶。

亞洲地區方面，收入佔比最大為廢舊電機馬達處理業務，雖然其處理量因進口配額下調而減少，但毛利及毛利率卻勝於去年同期，分別上升15.6%及3.5%。主要原因除了本集團內部持續的優化措施見效外，也因為隨著中國減少進口廢舊電機馬達，定價權走向買家主導，使齊合強大且富經驗的國際採購團隊得以獲得更低採購成本。

整體而言，本集團於二零一八年上半年取得滿意的業績。

## 展望

中國自明年初將停止進口廢舊電機馬達，對本集團台州的業務將帶來短期的影響。然而，這是資源再生行業趨向歐美模式發展的必經歷程，行業進入汰弱留強，有利於具規模及規範的市場參與者。同時該政策下也迎來轉型契機。中國需求基本面不變，齊合繼續鎖定上游廢銅資源，通過轉型後調整的供應鏈系統仍然能以最優化的供應鏈模式供應乾淨的成品於大陸市場。本集團已把廢舊電機馬達拆解處理業務有序地轉移至亞洲其他地區包括南亞和東南亞國家進行，而歐洲及北美洲地區的公司也已開始對若干類型的廢舊電機馬達進行機器破碎處理。本集團有信心未來仍將取得全球廢舊電機馬達拆解市場最大份額。



## Chairman's Statement 主席報告

### PROSPECT (continued)

As part of the Group's business diversification, the Group has begun recycling of waste lubricant in Yantai, Shandong Province, China since the beginning of 2018. The business has developed steadily. Our processing base in Yantai is now the largest waste lubricant processing base in Eastern and Central China with advanced technology. The Group is increasing its investment in the waste lubricant processing business with the objective of gradually rolling it out across the country.

The business of processing electronic waste at our Yuen Long processing yard in Hong Kong remained stable in the period under review. In addition, the Group has become one of the three licensed operators in Hong Kong to handle waste electrical appliances and computers. It is in the process of building its collection channels and testing processing equipment. The increased regulation and environmental protection requirements in China will further underscore the importance of our Hong Kong base. The Yuen Long processing yard will commence the business of automated processing of scrap cables and shredded motors. The processed products will be considered clean recycled raw materials that are allowed to enter into China.

Another key development strategy of the Group is to develop China's domestic scrap recycling and processing business, including ferrous and mixed metal scrap from industrial and municipal sources, as well as end-of-life vehicles. This is the strength of the Group's European and North American business segments. Shanghai and Jiangsu Province are among the most economically and industrially developed provinces in China. The Group has set up a representative office in Shanghai, which will be responsible for carrying out market research, collaborating with government agencies, and developing customers and businesses, with an aim in promoting the Group's experience, operational capabilities and scrap management solutions among customers and government agencies.

As industry regulation and environmental protection requirements have been increasingly tightened in China, companies with standardised and scaled operation such as the Group are favored. The Group will make full use of this advantage, engage in discussions with the government agencies, and seek appropriate tax incentives for the healthy and sustainable development of the industry.

### 展望 (續)

作為拓寬產品種類例子之一，本集團自二零一八年年初開始在中國山東省煙台從事國內廢棄潤滑油回收處理，該業務穩步發展，漸成規模，位於煙台的處理基地是華東華中地區最大規模並擁有先進技術的處理基地。本集團現正加大對廢油處理業務的投入，目標是在全國逐步鋪開。

香港元朗基地處理電子廢料的業務保持平穩，此外，本集團成為香港三家可處置廢棄『四電一腦』的處理商之一，目前在建設回收渠道及調試處理設備。中國監管嚴格及環保要求提高，將凸顯香港基地的重要性。元朗基地將發展機器處理廢舊電線及老扁機馬達的業務，經處理的產品屬於潔淨的再生原材料，可進口到中國國內。香港基地將做好四電一腦、貿易中轉站、未來東南亞／南亞基地對接內陸銷售網絡的橋樑。

本集團另一重點發展戰略是發展中國國內廢舊金屬包括來自工業及都市的黑色、混合廢舊金屬、及報廢汽車的回收處理。這是本集團歐美業務的專長。上海及江蘇省是中國經濟及工業最發達的省份之一，本集團已在上海設立辦事處，將負責調研市場、與政府部門協作、開拓客戶及業務等，旨在把本集團歐美業務的經驗、經營能力及廢料處理解決方案，向客戶及政府部門等推廣。將在歐洲多年經營中積累的優質上遊客戶資源進一步框架化、服務模式體系化，尋求全球合作和業務對接。

在中國政府對行業監管日趨嚴格、對環保要求日漸提高的今天，規範及規模經營就是優勢，並且符合政府部門的政策方針。本集團將發揮好該優勢，與政府部門充分交流，為業界發聲，爭取適當的稅務優惠政策、謀求行業的健康長足發展。

## PROSPECT (continued)

The Group is fully supportive of the Chinese government's new regulations on the control of import of Category 6 and 7 waste materials. The Group firmly believes that the control of foreign rubbish, especially those entered illegally, is the right move for China to improve its environmental friendliness.

Chiho believes that the new policy is favorable for large scale resource recycling enterprises in the long term. On the one hand, the new policy will address illegal smuggling activities and poor quality products that have existed in the market for a long time. Chiho believes that China is still the largest market for non-ferrous metals, and that China's infrastructure investment and grid facilities investment will continue to grow in the medium to long term, which will drive the demand for non-ferrous metals. The introduction of new regulations on imported materials will drive the establishment and improvement of the domestic recycling system for scrap metals, and advance the development towards a structured industry. This is a great opportunity for Chiho for the next decade or two.

China's new import policy is set to change the supply chain of non-ferrous metal scrap globally. Meanwhile, the Group has completed the integration with Scholz Group, and now owns a vast network of collection and processing yards in Europe and North America. Chiho will continue to secure the sources of non-ferrous metal scraps such as scrap motors in the upstream. The Group seeks to redefine a whole new supply chain model for the non-ferrous scrap by making use of its network in Europe and North America, as well as planned bases in Southeast Asia and South Asia. We believe that the output of equipment scrap and waste in the upstream will remain unchanged, so will the downstream demand. Chiho has the ability and made preparations to come up with a new model for the global supply chain of non-ferrous scrap with the greatest economic efficiency, and further consolidate and expand its advantages in this area through innovation and transformation.

## 展望(續)

齊合支持中國政府關於對六類和七類廢舊物資進口管理出台的新規定，這將減少中國接納廢料造成的環境壓力，齊合也堅信對洋垃圾，特別是不法洋垃圾的管控，在中國目前所處的環保形勢下勢在必為。

齊合認為新政策對規模化資源再生企業是長期利好政策。一方面，新政策將徹底擊垮長期存在於市場中的走私，以次充好等違法行為。另一方面，齊合認為中國仍是有色金屬的最大市場，且中長期看中國的基建投資和電網設施投資仍將持續增長，將帶動持續增長的有色金屬需求。對進口物資的新規定出台，必將倒逼國內廢舊物資循環體系建立和完善，朝著產業化模式，規模化模式發展。這對齊合來說是下一個十年或者二十年的大機遇。

同時，中國的進口新政策將改變全球有色金屬廢料的供應鏈模式。對於齊合來講，本集團正好完成了對順爾茨集團的成功整合，在歐洲和北美均分佈有密集的料場網絡。齊合仍將繼續從上游鎖定電機等有色金屬廢料來源，通過本集團的歐美業務網絡，以及正在佈局的東南亞及南亞網絡，重新梳理並定義出全新的有色廢料供應鏈模式。我們相信，上游的設備報廢和廢料產出是不變的，下游的需求是不變的，齊合有能力有條件有資源在變化中梳理出具有最大經濟效率的有色廢料全球供應鏈新模式，並通過變革進一步鞏固並擴大本集團在這方面的優勢。



## Chairman's Statement 主席報告

### PROSPECT (continued)

The Group will continue its development strategy of organic growth and mergers and acquisitions in further expanding its business scope and scale. The Group's overall financial position has strengthened while its core business operations have performed well, resulting in continuous improvement in profitability and cash flow. The management is confident in the long-term development prospects of the Group. At the same time, we are well prepared to cope with short-term changes in the market in which we operate.

Last but not least, I would like to extend my heart-felt gratitude to the members of the Board of Directors and all our employees around the world for their unremitting efforts, professionalism and valuable contributions, and to our customers and partners for their priceless support and trust.

**Qin Yongming**  
*Chairman*

Hong Kong, 27 August 2018

### 展望 (續)

本集團將延續內在增長及兼併收購的發展路徑，逐步豐富業態，壯大規模。整體而言，齊合的財務狀況漸趨穩健，核心業務經營整體表現理想，盈利能力提高、現金流持續改善。管理層對本集團的長遠發展前景充滿信心並審慎樂觀。與此同時，本集團亦做好充分準備，以應付業務所在市場短期內出現的轉變。

最後，本人謹向董事會同仁及本集團全球所有員工之不懈努力、專業精神與寶貴貢獻致以衷心的感謝；向客戶及其他合作夥伴對本集團的支持與信任致以衷心的感謝！

**秦永明**  
*主席*

香港，二零一八年八月二十七日

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

#### Financial Overview

### 財務回顧

#### 財務概覽

		Six months ended 30 June 截至六月三十日止六個月		Increase/ (Decrease)
		2018 二零一八年 HK\$M 百萬港元	2017 二零一七年 HK\$M 百萬港元	增加／(減少) Percentage 百分比
Revenue	收益	11,062.2	8,801.5	25.7%
Gross profit	毛利	1,305.2	1,044.5	25.0%
Gross profit ratio	毛利率	11.8%	11.9%	
Other income	其他收入	48.3	50.1	(3.6%)
Other income as a percentage of revenue	其他收入佔收益的百分比	0.4%	0.6%	
Other gains, net	其他收益淨額	182.2	51.5	253.8%
Net other gains as a percentage of revenue	淨其他收益佔收益的 百分比	1.6%	0.6%	
Share of profit of an associate and joint ventures, net	應佔聯營公司及 合營企業溢利淨額	61.9	52.9	17.0%
Total operating expenses <sup>1</sup>	經營費用總額 <sup>1</sup>	(996.8)	(765.7)	30.2%
Total operating expenses as a percentage of revenue	經營費用總額佔收益的 百分比	9.0%	8.7%	
EBIT	除利息及稅項前溢利	600.8	433.3	38.7%
EBIT margin	除利息及稅項前溢利率	5.4%	4.9%	
Finance costs, net	財務成本淨額	(214.3)	(162.3)	32.0%
Net finance costs as a percentage of revenue	財務成本淨額佔收益的百分比	1.9%	1.8%	
Profit before income tax	除所得稅前溢利	386.5	271.0	42.6%
Income tax expense	所得稅開支	(55.3)	(57.0)	(3.0%)
Effective tax rate	實際稅率	14.3%	21.0%	
Profit for the period	期內溢利	331.2	214.0	54.8%
Net profit margin <sup>2</sup>	淨溢利率 <sup>2</sup>	3.0%	2.2%	
Profit/(loss) attributable to:	以下各方應佔溢利／(虧損)：			
Shareholders of the Company	本公司股東	331.6	197.9	67.6%
Non-controlling interest	非控股權益	(0.4)	16.1	(102.5%)
		<b>331.2</b>	<b>214.0</b>	<b>54.8%</b>

<sup>1</sup> Included distribution and selling expenses, and administrative expenses

<sup>1</sup> 包括分銷及銷售開支和行政開支

<sup>2</sup> Net profit margin is calculated as profit attributable to shareholders of the Company as percentage of revenue

<sup>2</sup> 淨溢利率是根據本公司股東應佔溢利佔收益的百分比計算

## Management Discussion and Analysis 管理層討論及分析

### FINANCIAL REVIEW (continued)

#### Revenue

The Group recognised a record-high revenue in the first half of 2018. The revenue was approximately HK\$11,062.2 million in the first half of 2018, representing an increase of approximately 25.7% compared to approximately HK\$8,801.5 million in the same period of 2017.

The increase in revenue was largely driven by the higher sales quantities in Europe and North America, which offset the decrease in the Asia region. It was also attributable to the ferrous and non-ferrous prices recover continuously after it bottomed out in the fourth quarter of 2016 and reached a four-year new high during the first half of 2018.

### 財務回顧(續)

#### 收益

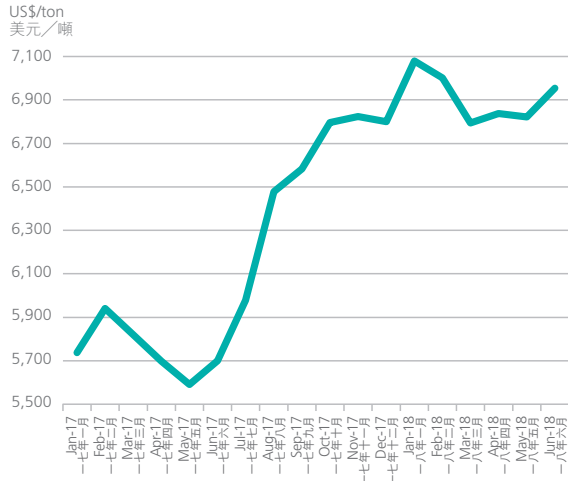
本集團於二零一八年上半年的收益錄得破紀錄新高。二零一八年上半年的收益約為110億6,220萬港元，較二零一七年同期約88億150萬港元增加約25.7%。

收益增加，主要由於歐洲和北美洲的銷售量增長，抵銷了亞洲地區的跌幅。同時亦歸因於黑色和有色金屬價格在二零一六年第四季度觸底後持續地恢復並於二零一八年上半年觸及四年新高。

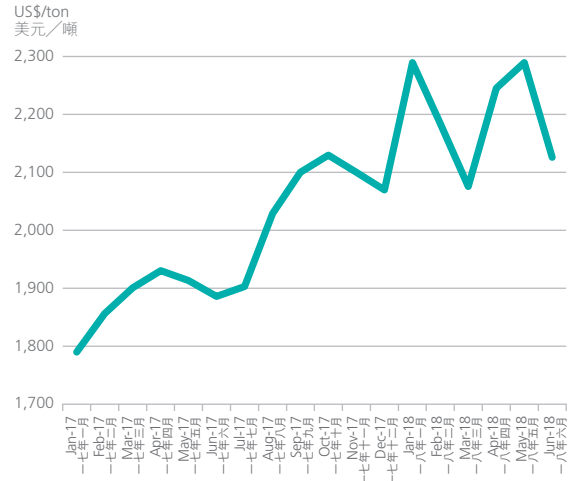
		Six months ended 30 June 截至六月三十日止六個月				Increase/ (Decrease) 增加/(減少)
		2018 二零一八年		2017 二零一七年		
		HK\$M	As a percentage of total segment revenue 佔分部收益 總額的百分比	HK\$M	As a percentage of total segment revenue 佔分部收益 總額的百分比	HK\$M
		百萬港元		百萬港元		百萬港元
Asia	亞洲	1,920.4	17.2%	2,281.0	24.9%	(360.6)
Europe	歐洲	7,916.1	70.8%	5,729.4	62.5%	2,186.7
North America	北美洲	1,346.5	12.0%	1,150.3	12.6%	196.2
Total segment revenue	分部收益總額	11,183.0	100.0%	9,160.7	100.0%	2,022.3
Inter-segment sales	分部間銷售	(120.8)		(359.2)		238.4
Revenue	收益	11,062.2		8,801.5		2,260.7

## Management Discussion and Analysis 管理層討論及分析

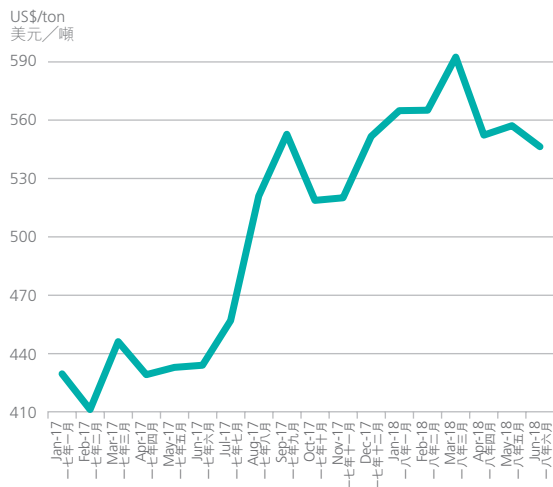
**LME Copper  
LME銅**



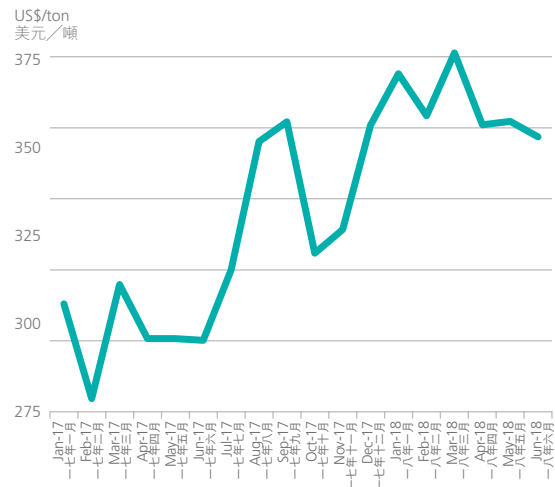
**LME Aluminum  
LME鋁**



**LME Steel Rebar  
LME螺紋鋼**



**LME Steel Scrap  
LME廢鋼**



## FINANCIAL REVIEW (continued)

### Gross Profit/Margin

Gross profit for the first half of 2018 was HK\$1,305.2 million, an increase of HK\$260.7 million or 25.0% compared to HK\$1,044.5 million recorded in the first half of last year. Gross profit margin for the period remained at approximately 11.8%. The increase in gross profit was mainly attributable to:

- synergistic effects between the European, North American and Asian operations
- increase in gross profit margin in Asia segment due to lower material cost and appropriate procurement
- volume growth in Europe and North America segments

### Profit before interest and tax (EBIT)/Margin

EBIT for the first half of 2018 was HK\$600.8 million, a significant increase of HK\$167.5 million or 38.7% compared with the first half of 2017. EBIT margin also increased from 4.9% to 5.4%.

Total operating expenses were HK\$996.8 million, an increase of 30.2% over the last interim reporting period. Total operating expenses as a percentage of revenue also increased from 8.7% to 9.0%.

Distribution and selling expenses increased from HK\$275.9 million to HK\$326.5 million, an increase of 18.3% compared with the last interim reporting period. It was mainly attributable to the increase in sales quantities in Europe and North America where local transport services were provided to customers. As a percentage of revenue, distribution and selling expenses decreased from 3.1% to 3.0%.

## 財務回顧(續)

### 毛利/毛利率

二零一八年上半年的毛利為13億520萬港元，較去年上半年錄得的10億4,450萬港元增加2億6,070萬港元或25.0%。期內毛利率保持在約11.8%。毛利的上升主要歸因於：

- 歐洲、北美洲及亞洲業務之間的協同效應
- 由於材料成本較低和採購合宜，亞洲分部的毛利率增加
- 歐洲和北美洲分部的銷量增長

### 除利息及稅項前溢利/溢利率

於二零一八年上半年的除利息及稅項前溢利為6億80萬港元，較二零一七年上半年顯著增加1億6,750萬港元或38.7%。除利息及稅項前溢利率亦由4.9%增加至5.4%。

經營費用總額較去年中期報告期間增加30.2%至9億9,680萬港元。經營費用總額佔收益的百分比亦由8.7%上升至9.0%。

分銷及銷售開支由2億7,590萬港元上升至3億2,650萬港元，較去年中期報告期間上升18.3%，主要由於歐洲和北美洲的銷售量增加，且向客戶提供本地運輸服務所致。分銷及銷售開支佔收益的百分比由3.1%減少至3.0%。

## FINANCIAL REVIEW (continued)

### Profit before interest and tax (EBIT)/Margin (continued)

Administrative expenses increased from HK\$489.8 million to HK\$670.3 million over the first half of last year. The increase was mainly due to the inclusion of the Slovenia operation, Dinos d.d., which was newly acquired in November 2017, and the additional expenses incurred for the integration of operations between the segments. As a percentage of revenue, therefore, administrative expenses increased from 5.6% to 6.0%.

## 財務回顧(續)

### 除利息及稅項前溢利／溢利率(續)

行政開支由去年上半年的4億8,980萬港元上升至6億7,030萬港元。增加主要是由於計入二零一七年十一月新收購的斯洛文尼亞業務Dinos d.d.，以及分部之間業務整合產生的額外開支所致。因此，行政開支佔收益的百分比由5.6%增加至6.0%。

		Six months ended 30 June 截至六月三十日止六個月				Increase/ (Decrease) 增加／(減少)
		2018 二零一八年		2017 二零一七年		
		HK\$M 百萬港元	As a percentage of revenue 佔收益的百分比	HK\$M 百萬港元	As a percentage of revenue 佔收益的百分比	HK\$M 百萬港元
Distribution and selling expenses	分銷及銷售開支	326.5	3.0%	275.9	3.1%	50.6
Administrative expenses	行政開支	670.3	6.0%	489.8	5.6%	180.5
Total	總計	996.8	9.0%	765.7	8.7%	231.1

### Profit Attributable to Shareholders and Earnings Per Share

Profit attributable to shareholders of the Company for the first half of 2018 was HK\$331.6 million, increased substantially by HK\$133.7 million or 67.6% as compared to the first half of 2017. Net profit margin also rose up from 2.2% to 3.0%.

Taxation charges reduced from HK\$57.0 million in the last interim reporting period to HK\$55.3 million in the first half of 2018. The effective tax rate decreased from 21.0% to 14.3%.

Basic earnings per share for the six months ended 30 June 2018 were HK\$0.21 as compared to HK\$0.12 in the previous financial period, it increased by 75.0% when compared to the first half of 2017.

### 股東應佔溢利及每股盈利

於二零一八年上半年，本公司股東應佔溢利為3億3,160萬港元，較二零一七年上半年大幅增加1億3,370萬港元或67.6%。淨溢利率亦由2.2%增加至3.0%。

稅項支出由去年中期報告期間的5,700萬港元減至二零一八年上半年的5,530萬港元。實際稅率由21.0%減少至14.3%。

截至二零一八年六月三十日止六個月的每股基本盈利為0.21港元，而上一財政期間則為0.12港元，較二零一七年上半年增加75.0%。



## Management Discussion and Analysis 管理層討論及分析

### FINANCIAL REVIEW (continued)

#### Analysis of Cash Flow from Operations

The Group's cash generated from operations before changes in working capital for the first half of 2018 was HK\$549.1 million, an increase of 2.6% as compared to HK\$535.1 million in the first half of 2017. It was mainly attributable to the increase in operating profits.

Due to the efficient inventory and procurement management, the operating cash inflow after changes in working capital for the first half of 2018 was HK\$640.0 million, an increase of HK\$1,505.1 million, as compared to cash outflow of HK\$865.1 million in the first half of 2017.

#### Liquidity and Financial Resources

Shareholders' funds as at 30 June 2018 were HK\$5,281.0 million, an increase of 4.1% from HK\$5,073.1 million as of 31 December 2017. Shareholders' funds per share increased by 4.4% from HK\$3.15 to HK\$3.29.

The Group's financial resources remain stable and steady. As at 30 June 2018, the Group had cash, various bank balances and pledged bank deposits amounting to HK\$1,306.0 million, an increase of 21.9% or HK\$234.6 million as compared to HK\$1,071.4 million as of 31 December 2017.

As a result, the current ratio increased from 1.12 as at 31 December 2017 to 1.32 as at 30 June 2018. Total external borrowings were approximately HK\$3,733.4 million (31 December 2017: approximately HK\$4,155.2 million). Such borrowings were mainly utilised for the purchase of mixed recycle metal and working capital, and denominated in Euro, U.S. Dollar and Renminbi. Approximately HK\$2,005.6 million (31 December 2017: approximately HK\$2,412.7 million) of borrowings are at fixed interest rates.

The gearing ratio of the Group as at 30 June 2018 was 31.2% (31 December 2017: 34.4%) which is calculated based on the total borrowings divided by our total assets.

As disclosed in the Company's announcement on 5 July 2018, the Group has obtained a syndicated term loan facility of up to US\$300.0 million for a term of two years with a lower financing cost for the refinancing of existing loans and working capital needs.

### 財務回顧(續)

#### 經營業務產生的現金流量分析

於二零一八年上半年本集團營運資金變動前經營業務產生的現金為5億4,910萬港元，較二零一七年上半年的5億3,510萬港元增加2.6%，主要是歸功於經營溢利的增加。

由於高效的庫存和採購管理，於二零一八年上半年營運資金變動後經營業務的現金流入為6億4,000萬港元，較二零一七年上半年的現金流出8億6,510萬港元，增加了15億510萬港元。

#### 流動資金與財務資源

於二零一八年六月三十日，股東資金為52億8,100萬港元，較截至二零一七年十二月三十一日的50億7,310萬港元上升4.1%。每股股東資金由3.15港元上升4.4%至3.29港元。

本集團的財務資源保持穩健。於二零一八年六月三十日，本集團持有的現金、多項銀行結餘及已抵押銀行存款為13億600萬港元，較截至二零一七年十二月三十一日的10億7,140萬港元增加21.9%或2億3,460萬港元。

因此，流動比率由二零一七年十二月三十一日的1.12增加至二零一八年六月三十日的1.32。外部借款總額為約37億3,340萬港元（二零一七年十二月三十一日：約41億5,520萬港元）。該等借款主要用於購買混合再生金屬和營運資金，並以歐羅、美元及人民幣計值。借款約20億560萬港元（二零一七年十二月三十一日：約24億1,270萬港元）按固定利率計息。

本集團於二零一八年六月三十日的資產負債比率為31.2%（二零一七年十二月三十一日：34.4%）（根據借款總額除以資產總值計算）。

誠如本公司於二零一八年七月五日的公告所披露，本集團已獲得一筆最高3億美元較低融資成本的銀團定期貸款融資，為期兩年，用於現有貸款的再融資及營運資金需求。

## FINANCIAL REVIEW (continued)

### Working Capital Change

Inventories as of 30 June 2018 were HK\$1,790.0 million, decreased from HK\$2,338.5 million as of 31 December 2017. The inventory turnover days for first half of the financial year was 38 days, a drop from 52 days as compared with the same period last year. The improvement in turnover days was mainly due to continuous improvement in inventory and procurement management.

Provision for inventories as of 30 June 2018 were HK\$16.9 million, as compared to the provisions of HK\$21.2 million as of 31 December 2017.

## 財務回顧(續)

### 營運資金變化

截至二零一八年六月三十日的存貨為17億9,000萬港元，較截至二零一七年十二月三十一日的23億3,850萬港元有所減少。本財政年度上半年的存貨週轉日數為38天，較去年同期的52天有所下降。週轉日數的改善主要是由於庫存和採購管理的持續改進。

截至二零一八年六月三十日的存貨撥備為1,690萬港元，而截至二零一七年十二月三十一日的撥備則為2,120萬港元。

		At 30 June 2018 於二零一八年 六月三十日	At 31 December 2017 於二零一七年 十二月三十一日
All figures are in HK\$M unless stated otherwise	除另有說明外，所有金額以百萬港元表示		
Inventories	存貨	1,790.0	2,338.5
Average inventories as a percentage of revenue (annualised)	平均存貨佔收益百分比(年化)	9.3%	11.1%
		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年	2017 二零一七年
Turnover days	週轉日數	38	52

## Management Discussion and Analysis 管理層討論及分析

### FINANCIAL REVIEW (continued)

#### Working Capital Change (continued)

Net trade and bills receivables as of 30 June 2018 were HK\$1,749.6 million, increased from HK\$1,307.3 million as of 31 December 2017. Debtor turnover days for the first half of the financial year dropped from 37 days to 25 days when compared with the same period last year. The higher receivable balance as at 30 June 2018 was mainly due to expansion of business operations in Europe and North America, and increase in revenue in the current financial period compared with the corresponding financial period last year. The Group adopts a tight management on credit exposure.

### 財務回顧(續)

#### 營運資金變化(續)

淨貿易及票據應收款項由截至二零一七年十二月三十一日的13億730萬港元增加至截至二零一八年六月三十日的17億4,960萬港元。與去年同期相比，本財政年度上半年的應收賬款週轉日數從37天下降至25天。二零一八年六月三十日的應收款項結餘增加，主要由於歐洲和北美洲的業務經營擴張和本財政期間的收益較去年相應財政期間增加所致。本集團對信貸風險實行嚴格管理。

		At 30 June 2018 於二零一八年 六月三十日	At 31 December 2017 於二零一七年 十二月三十一日
All figures are in HK\$M unless stated otherwise	除另有說明外，所有金額以百萬港元表示		
Trade and bills receivables, net	淨貿易及票據應收款項	<b>1,749.6</b>	1,307.3
Average receivables as a percentage of revenue (annualised)	平均應收款項佔收益百分比(年化)	<b>6.9%</b>	7.5%
		<b>Six months ended 30 June</b> 截至六月三十日止六個月	
		<b>2018</b> 二零一八年	2017 二零一七年
Turnover days	週轉日數	<b>25</b>	37

## FINANCIAL REVIEW (continued)

### Working Capital Change (continued)

Trade and bills payable as of 30 June 2018 were HK\$1,361.6 million, as compared to HK\$1,192.8 million as of 31 December 2017. Creditor turnover days for the six months ended 30 June 2018 was 24 days, it dropped from 28 days as compared with the corresponding financial period last year.

## 財務回顧(續)

### 營運資金變化(續)

貿易及票據應付款項於截至二零一八年六月三十日為13億6,160萬港元，而截至二零一七年十二月三十一日則為11億9,280萬港元。截至二零一八年六月三十日止六個月的應付賬款週轉日數為24天，較去年相應財政期間的28天有所減少。

		<b>At 30 June 2018</b>	At 31 December 2017
		於二零一八年 六月三十日	於二零一七年 十二月三十一日
All figures are in HK\$M unless stated otherwise	除另有說明外，所有金額以百萬港元表示		
Trade and bills payables	貿易及票據應付款項	<b>1,361.6</b>	1,192.8
		<b>Six months ended 30 June</b>	
		截至六月三十日止六個月	
		<b>2018</b>	2017
		二零一八年	二零一七年
Turnover days	週轉日數	<b>24</b>	28

### Treasury Policies

The Group's treasury policies are designed to mitigate the impact of fluctuations in foreign currency exchange rates arising from the Group's global operations. The Group principally uses forward foreign exchange contracts as appropriate to hedge the foreign exchange risks in the ordinary course of business. It is the Group's policy not to enter into derivative transactions for speculative purposes.

### 財政政策

本集團的財政政策旨在紓緩本集團環球營運所造成的外幣匯率波動影響。本集團在適當時候主要以外匯遠期合約對沖日常業務過程中所產生外匯風險。本集團的政策是不參與投機性的衍生交易。

### Capital Expenditure

For the six months ended 30 June 2018, the Group invested HK\$247.2 million in the purchase of tangible assets including machinery and equipment, leasehold improvements, office equipment for the improvement of production efficiency (six months ended 30 June 2017: HK\$99.6 million). All of these capital expenditures were financed from internal resources.

### 資本開支

截至二零一八年六月三十日止六個月，本集團投資2億4,720萬港元購置有形資產，包括機器及設備、租賃物業裝修、辦公室設備以提高生產效率（截至二零一七年六月三十日止六個月：9,960萬港元）。所有該等資本開支均以內部資源提供資金。

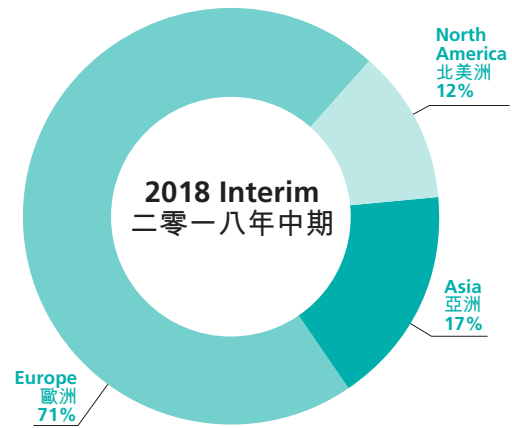
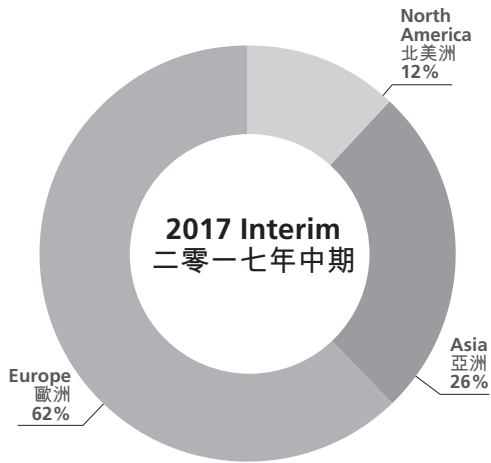
# Management Discussion and Analysis 管理層討論及分析

## BUSINESS REVIEW (continued)

業務回顧(續)

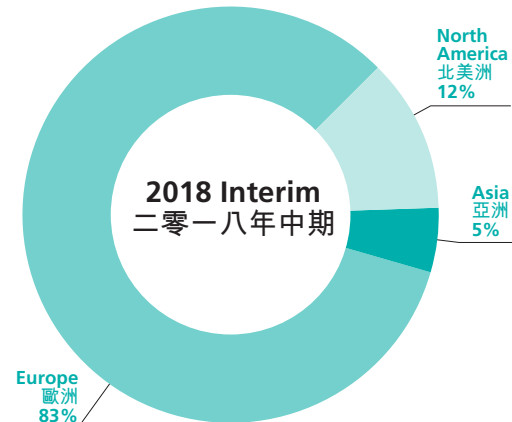
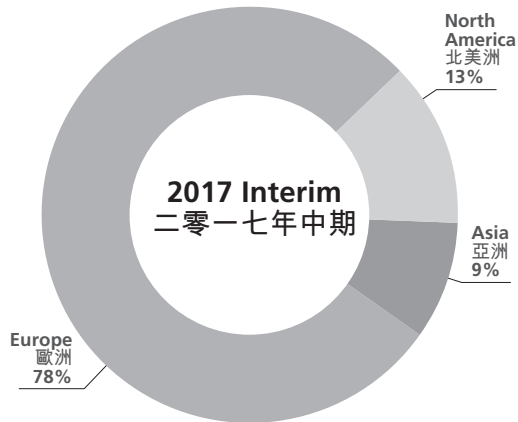
### Revenue by Regions

按地區劃分的收益



### Sales Quantity by Regions

按地區劃分的銷售量

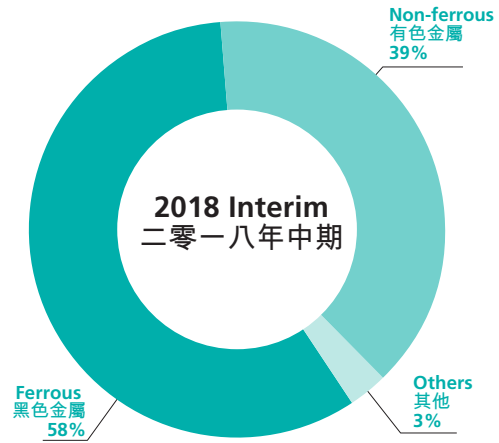
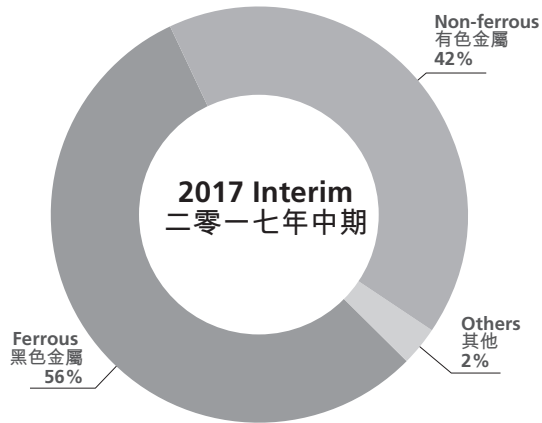


BUSINESS REVIEW (continued)

業務回顧(續)

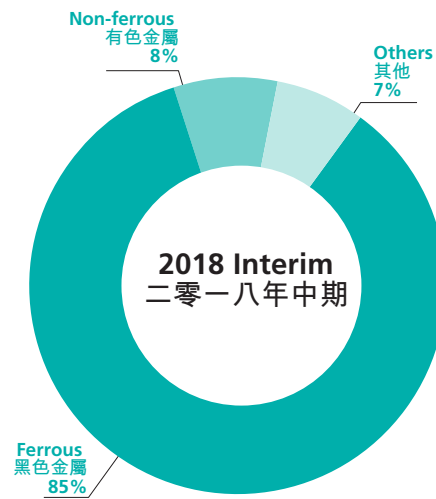
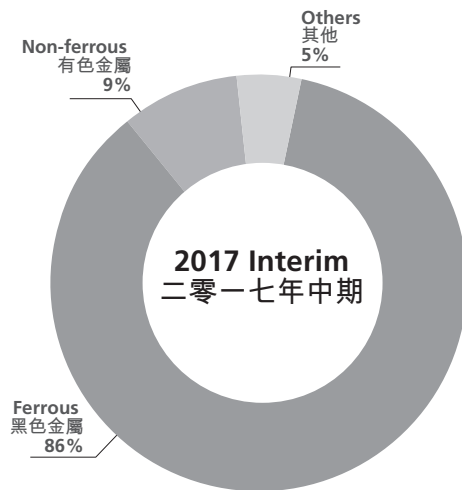
Revenue by Products

按產品劃分的收益



Sales Quantity by Products

按產品劃分的銷售量



## BUSINESS REVIEW (continued)

### The Group's performance

After the completion of the acquisition of the one of the world's largest mixed metal recyclers with advanced end-of-life vehicles ("ELV") processing technologies in Europe and North America in one and a half years ago, we are integrating our business operations in Asia, Europe and North America, and became one of the leading worldwide mixed metal recyclers with the capabilities to handle and recycle multiple types of materials. Through the geographic diversification, we are in a good position to mitigate the risks of relying on a single market.

The Group sold in aggregate over 2.75 million tonnes of recycled products in the first half of 2018. This represents a 13.6% increase when compared to 2.42 million tonnes being sold in the first half of 2017. During the first half of 2018, the Group continued its usual practices of buying mixed metal scraps and selling its recycled products in accordance with its processing ability. Moreover, the Group made efforts to streamline and improve the inventory cycle so as to mitigate the short-term impact of price volatility on the overall performance of the Group.

### Operation Performance

The Group had extended the metal recycling business from its original operation base in Asia to Europe and North America, becoming a truly global operator, ranking among the top few in the world. Management has then reorganised the Group's business segment for the purpose of reporting and analysis, with specific commentaries made on the continents where the operations situated.

## 業務回顧 (續)

### 本集團的表現

在一年半前完成收購歐洲及北美洲其中一家具備先進報廢汽車(「報廢汽車」)處理技術的全球最大混合金屬再生商後，我們正整合我們於亞洲、歐洲及北美洲的業務營運，且已躋身全球領先可處理及循環再造多類物料的混合金屬再生商之列。透過地域多元化，在減輕依賴單一市場的風險方面，我們處於有利位置。

本集團於二零一八年上半年合共售出超過275萬噸再生產品，與二零一七年上半年售出的242萬噸相比，增加13.6%。於二零一八年上半年，本集團秉承一貫做法，根據自身的處理能力，買入混合廢金屬並出售其再生產品。此外，本集團致力精簡及改善存貨週期，以減低價格波動對本集團整體表現的短期影響。

### 營運表現

本集團已將金屬再生業務從原來於亞洲的營運基地擴展至歐洲及北美洲，成為真正的全球性營運商並躋身世界前列。因此，管理層亦就呈報及分析重新組織本集團的業務分部，並按照營運所在地的各大洲作出具體評論。

## BUSINESS REVIEW (continued)

### Europe

Our Europe segment provides all steps in recycling mixed metal scraps and is equipped with the one-stop shop service for collecting, gathering, sorting and processing. We are among the processing and technology leaders in ferrous and non-ferrous metal recycling worldwide. We own many advanced processing technologies in scrap metal shredding and post-shredding.

Our scrap metal shredding services, including cleaning, sorting, shearing, shredding, and pressing, constitute a “One-Stop-Shop” process for all customers and cater to any metal supply needs. In post-shredding technologies, we are able to achieve approximately 97% recovery rate for ELV, ranking as a world leader (95% recycling rate is the existing recovery target under the European Union directive).

In the first half of 2018, total segment sales tonnage and revenue in Europe segment increased by approximately 19.5% from 1.90 million tonnes to 2.27 million tonnes and 38.2% from HK\$5,729.4 million to HK\$7,916.1 million, respectively, as compared to the first half of previous year.

Gross profit for the six months ended 30 June 2018 was HK\$920.4 million, an increase of HK\$219.2 million or 31.3% compared with the same period last year. Gross profit margin for the period decreased from 12.2% to 11.6%. The segment profit increased by 35.8% from HK\$209.1 million to HK\$283.9 million.

These achievements were contributed by launching a “Key Account Management” strategy in 2017 to enhance the services with the key customers and supplier; together with the improvement of financial situations, it regained some former suppliers and customers in the period.

## 業務回顧 (續)

### 歐洲

我們的歐洲分部提供再生混合廢金屬的所有工序，配備集收集、集中、分類及處理於一體的一站式服務。我們是全球黑色及有色金屬再生的處理及技術領導者之一，我們擁有多項先進的廢金屬破碎和後破碎處理技術。

我們的廢金屬破碎服務（包括清潔、分類、剪切、破碎和壓制）為所有客戶提供「一站式服務」和滿足任何金屬供應需求。在後破碎技術方面，我們能達到報廢汽車約97%的回收率，位居全球之冠（95%的回收率是歐盟指令的現有回收目標）。

於二零一八年上半年，歐洲分部的分部總銷售噸位及總收益較去年上半年分別由190萬噸上升約19.5%至227萬噸及由57億2,940萬港元上升38.2%至79億1,610萬港元。

截至二零一八年六月三十日止六個月之毛利為9億2,040萬港元，較去年同期增加2億1,920萬港元或31.3%。期內毛利率由12.2%減少至11.6%。分部溢利由2億910萬港元增加35.8%至2億8,390萬港元。

該等成果全賴於二零一七年推出的「關鍵客戶管理」策略，旨在改進主要客戶及供應商服務之財務狀況改善，本集團於期內已重新贏得若干前供應商及客戶。



## Management Discussion and Analysis 管理層討論及分析

### BUSINESS REVIEW (continued)

#### North America

The North America segment has highly recycle process know-how in all relevant process steps from collection, sorting, processing to trading of materials. It operates state-of-the-art shredder technology and have extensive post-shredding technologies in place for recovery optimisation.

For the six months ended 30 June 2018, the North America segment revenue increased by approximately 17.1% from HK\$1,150.3 million to HK\$1,346.5 million while the total segment sales tonnage remained flat at approximately 0.30 million tonnes.

The gross profit and gross profit margin decreased by 0.5% from HK\$150.7 million to HK\$149.9 million and from 13.1% to 11.1% in the first half of 2018 respectively. The segment profit decreased by 49.2% from HK\$38.4 million to HK\$19.5 million.

#### Asia

In Asia, our major production facilities are situated in Yuen Long (Hong Kong), Taizhou (Zhejiang) and Yantai (Shandong).

In the first half of 2018, total segment sales tonnage and revenue in Asia segment decreased by approximately 34.8% from 0.23 million tonnes to 0.15 million tonnes and 15.8% from HK\$2,281.0 million to HK\$1,920.4 million, respectively, as compared to the first half of previous year.

Gross profit for the six months ended 30 June 2018 was HK\$247.7 million, an increase of HK\$33.5 million or 15.6% compared with the same period last year. Gross profit margin for the period increased from 9.4% to 12.9%. The segment profit for Asia segment increased by 25.5% from HK\$149.7 million to HK\$187.8 million.

The decrease in revenue and sales quantities, while gross profit and gross profit margin improved were mainly caused by the reduction of import quotas for scrap motors in China. This, in turn, led to a reduction in material sourcing costs together with the contributions from continuous operational efficiency improvement.

### 業務回顧 (續)

#### 北美洲

北美洲分部在由收集、分類、處理至物料買賣的所有有關工序中具備高度再生處理的專業知識，其採用最先進的破碎技術，且具有廣泛的後破碎技術供回收優化。

截至二零一八年六月三十日止六個月，北美洲分部收益由11億5,030萬港元增加約17.1%至13億4,650萬港元，而分部總銷售噸位持平於約30萬噸。

於二零一八年上半年，毛利及毛利率分別由1億5,070萬港元減少0.5%至1億4,990萬港元及由13.1%減少至11.1%。分部溢利由3,840萬港元減少49.2%至1,950萬港元。

#### 亞洲

於亞洲，我們的主要生產設施位於香港元朗、浙江台州及山東煙台。

於二零一八年上半年，亞洲分部的分部總銷售噸位及總收益較去年上半年分別由23萬噸減少約34.8%至15萬噸及由22億8,100萬港元減少15.8%至19億2,040萬港元。

截至二零一八年六月三十日止六個月之毛利為2億4,770萬港元，較去年同期增加3,350萬港元或15.6%。期內毛利率由9.4%增加至12.9%。亞洲分部之分部溢利由1億4,970萬港元增加25.5%至1億8,780萬港元。

收益與銷售量減少而毛利與毛利率提升主要由中國廢舊電機的進口配額減少所致，這反之導致了材料採購成本的降低，以及持續提高運營效率的貢獻。

## CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2018, the Group had pledged certain plants and buildings, land use rights, inventories, trade receivables and bank deposits with an aggregate carrying value of approximately HK\$4,851.0 million (31 December 2017: approximately HK\$4,344.6 million) to secure borrowings.

As at 30 June 2018, the Group had capital commitments in respect of acquisition of property, plant and equipment, and additions in construction in progress but which are not provided for in the condensed consolidated financial information and amounted to HK\$186.0 million (31 December 2017: HK\$175.3 million).

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

The Group has contingent liabilities of approximately HK\$30.2 million (31 December 2017: HK\$42.5 million) which consist of non-financial guarantee in favour of investee entities.

A writ of summons was issued by Delco Participation B.V. ("Delco"), as plaintiff, on 21 December 2015 in the High Court of Hong Kong (High Court Action No. 3040 of 2015, "HCA 3040/2015"), followed by an amended writ on 5 December 2016, against the Company and Mr. Fang Ankong ("Mr. Fang") as defendants for a sum of HK\$57.8 million together with interest and costs. The claim relates to an alleged non-payment of a portion of the loans advanced by Delco Asia Company Limited ("Delco Asia") to subsidiaries of the Company in accordance with the terms of a shareholders loan assignment dated 24 June 2010 between, amongst others, Delco Asia and the Company. The case is still in progress.

## 資本承擔及或然負債

於二零一八年六月三十日，本集團抵押賬面總值約48億5,100萬港元的若干廠房及樓宇、土地使用權、存貨、貿易應收款項及銀行存款（二零一七年十二月三十一日：約43億4,460萬港元），為借款作擔保。

於二零一八年六月三十日，我們有關收購物業、廠房及設備及添置在建工程的已訂約但未於簡明綜合財務資料計提撥備的資本開支為1億8,600萬港元（二零一七年十二月三十一日：1億7,530萬港元）。

於本報告日期，除下文所披露者外，董事會概無知悉有任何重大或然負債。

本集團的或然負債包括以被投資實體為受益人的非金融擔保約為3,020萬港元（二零一七年十二月三十一日：4,250萬港元）。

Delco Participation B.V.（「Delco」）作為原告於二零一五年十二月二十一日以本公司及方安空先生（「方先生」）作為被告索償利息及成本5,780萬港元向香港高等法院提交訴狀（高院案例二零一五年第3040號，「HCA 3040/2015」），並於二零一六年十二月五日提交修訂傳票。該索償聲稱未根據（其中包括）Delco Asia Company Limited（「Delco Asia」）與本公司於二零一零年六月二十四日訂立的股東貸款轉讓條款支付Delco Asia向本公司子公司墊付貸款的部分款項。案件仍在進行中。

### CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES (continued)

Each of Mr. Fang, a former director of the Company, and HWH Holdings Limited (“HWH”), undertook to the Company to indemnify and hold harmless on demand (on an after-tax basis) the Company against all losses arising out of, inter alia, HCA 3040/2015 in accordance with the terms of a letter of indemnity signed by Mr. Fang and HWH in favour of the Company on 17 December 2015. Further, HWH has also agreed that a sum including the amount of HK\$57.8 million be held in escrow as security for any liability of the Company in respect of, inter alia, HCA 3040/2015. As such, the Board does not consider HCA 3040/2015 to be a claim of material importance.

A writ of summons was issued by Delco as plaintiff on 10 November 2016 in the High Court of Hong Kong (High Court Action No. 2939 of 2016, “HCA 2939/2016”) against the Company as the 1st defendant, Chiho-Tiande (HK) Limited (“CTHK”), a wholly-owned subsidiary of the Company, as the 2nd defendant, HWH as the 3rd defendant, and Mr. Fang as the 4th defendant. So far as the Company and its subsidiaries are concerned, Delco claimed against the Company for damages for an alleged breach of a letter of undertaking dated 3 March 2015 in relation to a convertible bond issued by the Company and subscribed for by Delco on 1 March 2012. Delco further claimed against CTHK for a sum of US\$1.0 million, allegedly advanced by Delco Asia to CTHK on or around 16 April 2009. Delco further claims interests, costs and further or other relief. The case is still in progress.

Whilst the Board does not consider HCA 2939/2016 to be a claim of material importance for the reason set out above, details of HCA 2939/2016 are disclosed herein for the sake of completeness.

### 資本承擔及或然負債 (續)

方先生(本公司前任董事)及HWH Holdings Limited(「HWH」)各自向本公司承諾·根據方先生與HWH以本公司為受益人於二零一五年十二月十七日簽署的彌償函件的條款·彌償本公司因(其中包括)HCA 3040/2015產生的所有損失及使本公司免受損失(按除稅後基準)。此外·HWH亦同意·把一筆總額為5,780萬港元的款項存放於託管賬戶以作為對本公司有關(其中包括)HCA 3040/2015的任何責任的擔保。因此·董事會認為HCA 3040/2015並非重大申索。

Delco作為原告於二零一六年十一月十日以本公司作為第一被告;本公司的全資子公司齊合天地(香港)有限公司(「齊合天地香港」)作為第二被告;HWH作為第三被告;及方先生作為第四被告向香港高等法院提交訴狀(高院案例二零一六年第2939號,「HCA 2939/2016」)。據本公司及其子公司所知·Delco就指稱違反日期為二零一五年三月三日的承諾函(內容關於二零一二年三月一日本公司發行及Delco認購可換股債券)的損害向本公司索償。Delco進一步向齊合天地香港索償100萬美元·其指稱由Delco Asia於二零零九年四月十六日或前後向齊合天地香港墊付該款項。Delco進一步索償利息·費用及更多或其他濟助。案件仍在進行中。

董事會因上文所載理由認為HCA 2939/2016並非重大申索·於本報告中披露HCA 2939/2016的詳情僅為保持完整。

## RISK MANAGEMENT

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

On 7 March 2018, the Board adopted a commodity price risk hedging policy which the Board believes is more suitable for the current operating conditions of the Group. The commodity price risk hedging policy is available on the Company's website, [www.chihogroup.com](http://www.chihogroup.com).

As part of its foreign currency hedging strategy, the Board will closely monitor the Group's foreign currency borrowings in the view of the volatile exchange rate for Euro and Renminbi to U.S. Dollar and other currencies, and consider various measures to minimise the foreign currency risk, such as entering foreign currency forward contracts.

The Group continues monitoring its floating interest rate exposure closely and will consider hedging significant interest rate exposure if necessary.

As for credit risk, the Group continues to follow the trade practices of cash on collection from the majority of sales of its metal recycling products in the Asia region in order to minimise the carrying amounts of the financial assets in the Group's financial statements. For the sales in Europe and North America, the Group generally grants credit terms ranging from 30 to 90 days to customers upon the approval of management according to the credit quality of individual customers. In addition, the Group will continue to monitor closely its trade debtors to minimise potential impairment losses.

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

In the second half of 2018, a Group-wide project on "Enterprise Risk Management" was initiated so as to expand risk management to cover more than financial risks focus. The project is on-going and has been running according to plan.

## 風險管理

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

於二零一八年三月七日，董事會採納商品價格風險對沖政策，董事會認為其較適合本集團的現行營運狀況。有關商品價格風險對沖政策可於本公司網站[www.chihogroup.com](http://www.chihogroup.com)查閱。

作為本集團的外幣對沖策略的一部分，鑒於歐羅及人民幣兌美元及其他貨幣匯率波動，因此董事會將密切監察本集團的外幣借款，並考慮多項措施以減少外匯風險，例如訂立外匯遠期合約。

本集團持續密切監察其浮動利率風險，並將考慮對沖重大利率風險（倘必要）。

信貸風險方面，本集團在亞洲地區就大多數金屬再生產品銷售繼續奉行貨到付現的貿易慣例，旨在減低本集團財務報表中的金融資產賬面值。至於歐洲及北美洲的銷售，本集團一般根據個別客戶的信貸質素，在獲得管理層批准後，向客戶授出介乎30至90日的信貸期。此外，本集團亦將繼續密切監察應收賬情況，以減低潛在減值虧損。

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

於二零一八年下半年，本集團啟動了一個「企業風險管理」項目，以擴大風險管理覆蓋超過只專注金融風險。該項目已按計劃正在進行中。

## Management Discussion and Analysis 管理層討論及分析

### EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2018, the Group had a workforce of 3,228 employees. In addition, the Group engaged approximately 1,428 separation and selection workers through local contractors. We have not experienced any strikes, work stoppages or significant labor disputes which have affected its operations in the past and we have not experienced any significant difficulties in recruiting and retaining qualified staff. We continue to maintain good relationships with our employees.

The Group's total staff costs for the current interim period were approximately HK\$633.9 million. The remuneration package of the staff consists of basic salary, mandatory provident fund, insurances and other benefits as considered appropriate. Remuneration of the employees of the Group is determined by reference to the market, individual performance and their respective contribution to the Group.

The emoluments of the directors of the Company (the "Directors") are subject to the recommendations of the remuneration committee of the Company and the Board's approval. Other emoluments including discretionary bonuses, are determined by the Board with reference to the Directors' duties, abilities, reputation and performance.

### INVESTOR RELATIONS AND COMMUNICATIONS WITH SHAREHOLDERS

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

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

### 僱員及薪酬政策

於二零一八年六月三十日，本集團共有3,228名僱員。此外，本集團透過當地承包商僱用約1,428名拆解及選料工人。我們過去並無經歷任何影響經營的罷工、停工或重大勞資糾紛，在招聘及挽留合資格僱員方面亦無遇到重大困難。我們與僱員一直維持良好的關係。

本集團的本中期期間員工成本總額為約6億3,390萬港元。員工薪酬組合包括基本薪金、強制性公積金、保險及其他合適福利。本集團僱員的薪酬乃參考市場、個人表現及其各自對本集團貢獻而定。

本公司董事（「董事」）酬金由本公司薪酬委員會推薦建議及須經董事會批准。其他酬金（包括酌情花紅）由董事會參考董事的職務、能力、名聲及表現釐定。

### 投資者關係及與股東的溝通

本集團認為，投資者關係對上市公司十分重要。董事會相信，與投資者建立良好的關係，並適時為投資者更新企業傳訊及業務發展，將能提高本集團的透明度及加強企業管治。在董事會的支持下，本集團公共關係及投資者關係主管莊明先生已獲委派專責處理本集團的所有投資者關係相關事宜。

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

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

As at 30 June 2018, the interests or short positions of the Directors and Chief Executives of the Company in the shares (the "Shares"), underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"), were as follows:

董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於二零一八年六月三十日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見《證券及期貨條例》（「證券及期貨條例」）第XV部）的股份（「股份」）、相關股份及債券中擁有本公司須根據證券及期貨條例第352條須予存置的登記冊中所記錄或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及香港聯合交易所有限公司（「聯交所」）的權益或淡倉如下：

Name of Director 董事名稱	Capacity/Nature of Interest 身份／權益性質	Long position (L)/ Short position (S) 好倉(L)／淡倉(S)	Total number of Shares interested 持有權益的股份總數	Approximate percentage of shareholding in the Company (Note 1) 佔本公司股權 概約百分比 (附註1)
Mr. Tu Jianhua 涂建華先生	Interest in controlled corporations 於受控制法團之權益	L	1,008,885,181 (Note 2) (附註2)	62.85%

Notes:

(1) As at 30 June 2018, the total number of issued Shares of the Company was 1,605,152,291 Shares.

附註：

(1) 於二零一八年六月三十日，本公司已發行股份的總數為1,605,152,291 股股份。

## Disclosure of Interests 權益披露

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION (continued)

Notes: (continued)

- (2) The 1,008,885,181 Shares were held by the USUM Investment Group Hong Kong Limited ("USUMHK"), a company in which Mr. Tu Jianhua ("Mr. Tu") was indirectly interested. USUMHK is directly wholly owned by USUM Investment Group Limited ("USUM Group"), a limited liability company incorporated in the PRC. The single largest shareholder of USUM Group is Loncin Holdings Co., Ltd. ("Loncin Holdings"), with an equity interest in USUM Group of 45.956%. The remaining equity interests in USUM Group are held by 22 individuals and 30 companies, all of whom are independent third parties of Loncin Holdings and Mr. Tu, and they each hold between 0.29% to 10% equity interests in USUM Group. Loncin Holdings is 98% owned by Loncin Group Co., Ltd. ("Loncin Group") and 2% owned by Mr. Tu. Loncin Group is 98% owned by Mr. Tu; 1% owned by Ms. Tu Jianmin and 1% owned by Ms. Tu Jianrong, both being sisters of Mr. Tu. USUMHK held 1,008,885,181 Shares as at 30 June 2018. Therefore, Mr. Tu was deemed to be interested in the Shares held by USUMHK pursuant to the SFO.

Save as disclosed above, as at 30 June 2018, none of the Directors and Chief Executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

附註：（續）

- (2) 1,008,885,181股股份乃由渝商投資集團（香港）有限公司（「渝商香港」）持有，渝商香港為一間涂建華先生（「涂先生」）間接擁有權益的公司。渝商香港由渝商投資集團股份有限公司（「渝商集團」）直接全資擁有，渝商集團為一間於中國註冊成立之有限公司。渝商集團的最大單一股東為隆鑫控股有限公司（「隆鑫控股」），其於渝商集團的股本權益為45.956%。渝商集團的餘下權益由22名個人及30間公司（均為獨立於隆鑫控股及涂先生的第三方）持有。該等個人及公司分別持有渝商集團0.29%至10%之股權。隆鑫控股分別由隆鑫集團有限公司（「隆鑫集團」）擁有98%及涂先生擁有2%。隆鑫集團由涂先生擁有98%；由涂建敏女士及涂建容女士（均為涂先生的姊妹）分別擁有1%。截至二零一八年六月三十日，渝商香港持有1,008,885,181股股份。因此，根據證券及期貨條例，涂先生被視為為渝商香港持有的股份中擁有權益。

除上文所披露外，於二零一八年六月三十日，本公司董事及主要行政人員概無於本公司或其任何相聯法團之股份、相關股份或債券中擁有須根據證券及期貨條例第XV部第7及8分部須予知會本公司及聯交所（包括根據證券及期貨條例有關條文規定，彼等被當作或視作擁有之權益或淡倉）；或本公司根據證券及期貨條例第352條所存置之登記冊中所記錄；或根據標準守則須予知會本公司及聯交所之任何權益或淡倉。

**SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY**

As at 30 June 2018, the interests and short positions of the persons, other than the Directors and chief executives of the Company, in the Shares and underlying Shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

**主要股東於本公司的股份及相關股份的權益及淡倉**

於二零一八年六月三十日，除本公司董事及主要行政人員外，以下人士於本公司股份及相關股份中擁有須根據證券及期貨條例第336條須予存置之登記冊中所記錄的權益及淡倉如下：

Name of Director 董事名稱	Capacity/Nature of Interest 身份／權益性質	Long position (L)/ Short position (S) 好倉(L)／淡倉(S)	Total number of Shares interested 持有權益的股份總數	Approximate percentage of Shareholding in the Company (Note 1) 佔本公司股權 概約百分比 (附註1)
USUM Investment Group Hong Kong Limited 渝商投資集團(香港)有限公司	Beneficial owner 實益擁有人	L	1,008,885,181 (Note 2) (附註2)	62.85%
USUM Investment Group Limited 渝商投資集團股份有限公司	Interest in controlled corporations 於受控制法團之權益	L	1,008,885,181 (Note 2) (附註2)	62.85%
Loncin Holdings Co., Ltd. 隆鑫控股有限公司	Interest in controlled corporations 於受控制法團之權益	L	1,008,885,181 (Note 2) (附註2)	62.85%
Loncin Group Co., Ltd. 隆鑫集團有限公司	Interest in controlled corporations 於受控制法團之權益	L	1,008,885,181 (Note 2) (附註2)	62.85%
Mr. Tu Jianhua 涂建華先生	Interest in controlled corporations 於受控制法團之權益	L	1,008,885,181 (Note 2) (附註2)	62.85%



## Disclosure of Interests 權益披露

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (continued)

主要股東於本公司的股份及相關股  
份的權益及淡倉（續）

Name of Director 董事名稱	Capacity/Nature of Interest 身份／權益性質	Long position (L)/ Short position (S) 好倉(L)／淡倉(S)	Total number of Shares interested 持有權益的股份總數	Approximate percentage of Shareholding in the Company (Note 1) 佔本公司股權 概約百分比 (附註1)
Tai Security Holding Limited Tai Security Holding Limited	Beneficial owner 實益擁有人	L	98,773,990 (Note 3) (附註3)	6.15%
Good Union Hong Kong Investment Limited 星滙香港投資有限公司	Beneficial owner 實益擁有人	L	44,700,000 (Note 4) (附註4)	2.78%
Mr. Zhang Mingjie 張明杰先生	Interest in controlled corporations 於受控制法團之權益	L	143,473,990 (Notes 3 & 4) (附註3及4)	8.94%
Pengda Value Fund SPC (acting for and on behalf of DTC SP) Pengda Value Fund SPC (代DTC SP行事)	Beneficial Owner 實益擁有人	L	97,250,000 (Note 5) (附註5)	6.06%
Cinda Asset Management (Cayman) Limited Cinda Asset Management (Cayman) Limited	Interest in controlled corporations 於受控制法團之權益	L	97,250,000 (Note 5) (附註5)	6.06%
Cinda (BVI) Limited Cinda (BVI) Limited	Interest in controlled corporations 於受控制法團之權益		97,250,000 (Note 5) (附註5)	6.06%

## Disclosure of Interests 權益披露

Name of Director 董事名稱	Capacity/Nature of Interest 身份／權益性質	Long position (L)/ Short position (S) 好倉(L)／淡倉(S)	Total number of Shares interested 持有權益的股份總數	Approximate percentage of Shareholding in the Company (Note 1) 佔本公司股權 概約百分比 (附註1)
Cinda International Holdings Limited 信達國際控股有限公司	Interest in controlled corporations 於受控制法團之權益	L	97,250,000 (Note 5) (附註5)	6.06%
Sinoday Limited Sinoday Limited	Interest in controlled corporations 於受控制法團之權益		97,250,000 (Note 5) (附註5)	6.06%
China Cinda (HK) Holdings Company Limited 中國信達(香港)控股有限公司	Interest in controlled corporations 於受控制法團之權益		97,250,000 (Note 5) (附註5)	6.06%
China Cinda Asset Management Co., Ltd.* 中國信達資產管理股份有限公司	Interest in controlled corporations 於受控制法團之權益	L	97,250,000 (Note 5) (附註5)	6.06%

\* For identification purpose only

## Disclosure of Interests 權益披露

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (continued)

Notes:

- (1) As at 30 June 2018, the total number of issued Shares of the Company was 1,605,152,291 Shares.
- (2) The 1,008,885,181 Shares were held by the USUMHK, a company in which Mr. Tu was indirectly interested. USUMHK is directly wholly owned by USUM Group, a limited liability company incorporated in the PRC. The single largest shareholder of USUM Group is Loncin Holdings, with an equity interest in USUM Group of 45.956%. The remaining equity interests in USUM Group are held by 22 individuals and 30 companies, all of whom are independent third parties of Loncin Holdings and Mr. Tu, and they each hold between 0.29% to 10% equity interests in USUM Group. Loncin Holdings is 98% owned by Loncin Group and 2% owned by Mr. Tu. Loncin Group is 98% owned by Mr. Tu; 1% owned by Ms. Tu Jianmin and 1% owned by Ms. Tu Jianrong, both being sisters of Mr. Tu. USUMHK held 1,008,885,181 Shares as at 30 June 2018. Therefore, Mr. Tu was deemed to be interested in the Shares held by USUMHK pursuant to the SFO.
- (3) The 98,773,990 Shares were held by Tai Security Holding Limited ("Tai Security") as beneficial owner and Tai Security is directly wholly-owned by Mr. Zhang as at 30 June 2018. Therefore, Mr. Zhang was deemed to be interested in the same number of Shares as held by Tai Security pursuant to the SFO.
- (4) The 44,700,000 Shares were held by Good Union Hong Kong Investment Limited ("Good Union") as beneficial owner and Good Union is directly wholly-owned by Mr. Zhang as at the 30 June 2018. Therefore, Mr. Zhang was deemed to be interested in the same number of Shares as held by Good Union pursuant to the SFO.
- (5) The 97,250,000 Shares were held by Pengda Value Fund SPC (acting for and on behalf of DTC SP) ("Pengda") as beneficial owner and Pengda was wholly-owned by Cinda Asset Management (Cayman) Limited ("Cinda Asset Management"). Cinda Asset Management was wholly-owned by Cinda (BVI) Limited which was in turn wholly-owned by Cinda International Holdings Limited ("Cinda International"). Cinda International was held as to 63% by Sinoday Limited which was wholly-owned by China Cinda (HK) Holdings Company Limited, which was in turn wholly-owned by China Cinda Asset Management Co., Ltd. Therefore, all the aforesaid companies were deemed to be interested in the same number of Shares as held by Pengda pursuant to the SFO.

### 主要股東於本公司的股份及相關股份的權益及淡倉 (續)

附註：

- (1) 於二零一八年六月三十日，本公司已發行股份的總數為1,605,152,291股股份。
- (2) 1,008,885,181股股份乃由渝商香港持有，渝商香港為一間由涂先生間接擁有權益的公司。渝商香港由渝商集團直接全資擁有，渝商集團為一間於中國註冊成立之有限公司。渝商集團的最大單一股東為隆鑫控股，其於渝商集團的股本權益為45.956%。渝商集團的餘下權益由22名個人及30間公司（均為獨立於隆鑫控股及涂先生的第三方）持有。該等個人及公司分別持有渝商集團0.29%至10%之股權。隆鑫控股分別由隆鑫集團擁有98%及涂先生擁有2%。隆鑫集團由涂先生擁有98%；由涂建敏女士及涂建容女士（均為涂先生的姊妹）分別擁有1%。於二零一八年六月三十日，渝商香港持有1,008,885,181股股份。因此，根據證券及期貨條例，涂先生被視為於渝商香港持有的股份中擁有權益。
- (3) 於二零一八年六月三十日，Tai Security Holding Limited（「Tai Security」）作為實益擁有人持有98,773,990股股份，而Tai Security由張先生直接全資擁有。因此，根據證券及期貨條例，張先生被視為於Tai Security持有的相同數目股份中擁有權益。
- (4) 於二零一八年六月三十日，星滙香港投資有限公司（「星滙」）作為實益擁有人持有44,700,000股股份，而星滙由張先生直接全資擁有。因此，根據證券及期貨條例，張先生被視為於星滙持有的相同數目股份中擁有權益。
- (5) 97,250,000股股份由Pengda Value Fund SPC（代DTC SP行事）（「Pengda」）作為實益擁有人持有，而Pengda由Cinda Asset Management (Cayman) Limited（「Cinda Asset Management」）全資擁有。Cinda Asset Management由Cinda (BVI) Limited全資擁有，而Cinda (BVI) Limited由信達國際控股有限公司（「信達國際」）全資擁有。信達國際由Sinoday Limited持有63%，而Sinoday Limited由中國信達（香港）控股有限公司全資擁有，而中國信達（香港）控股有限公司由中國信達資產管理股份有限公司全資擁有。因此，根據證券及期貨條例，上述所有公司被視為於Pengda持有的相同數目股份中擁有權益。

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (continued)

Save as disclosed above, as at 30 June 2018, the Company had not been notified by any persons (other than the Directors and Chief Executives of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## SHARE OPTION SCHEME

The Post-IPO Share Option Scheme was adopted by the Company on 23 June 2010 (the "Post-IPO Share Option Scheme"). The Post-IPO Share Option Scheme was approved by written resolutions of the shareholders of the Company and as approved by the listing committee of the Stock Exchange is valid and effective for a period of 10 years commencing on 23 June 2010.

Pursuant to the terms of the Post-IPO Share Option Scheme and in compliance with the provisions in Chapter 17 of the Listing Rules, the maximum number of Shares which may be issued upon exercise of all share options to be granted under the Post-IPO Share Option Scheme and all other share option schemes of the Company shall not exceed 161,973,829 Shares, being 10% of the Shares in issue as at 17 February 2017, being the date of the 2017 extraordinary general meeting ("2017 EGM"), when the scheme mandate limit was last refreshed.

There were no options outstanding as at 30 June 2018 and no share options were granted, exercised, cancelled or lapsed during the reporting period.

## 主要股東於本公司的股份及相關股份的權益及淡倉 (續)

除上文所披露外，於二零一八年六月三十日，本公司並不知悉任何人士（本公司董事及主要行政人員除外）於本公司股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部條文規定予以披露或本公司根據證券及期貨條例第336條須予存置的登記冊所記錄的權益或淡倉。

## 購股權計劃

本公司於二零一零年六月二十三日採納首次公開發售後購股權計劃（「首次公開發售後購股權計劃」）。首次公開發售後購股權計劃經本公司股東書面決議案批准以及經聯交所上市委員會批准，有效期為二零一零年六月二十三日起計十年。

根據首次公開發售後購股權計劃的條款及遵守上市規則第17章的條文，於行使首次公開發售後購股權計劃及本公司所有其他購股權計劃下將予授出的所有購股權時可予發行的最高股份數目不得超過161,973,829股，即於二零一七年二月十七日（即二零一七年股東特別大會（「二零一七年股東特別大會」）日期，計劃授權限額獲更新之最後日期）已發行股份的10%。

於二零一八年六月三十日，概無尚未行使購股權，於報告期間內亦無授出、行使、註銷購股權或購股權失效。

## Corporate Governance and Other Information 企業管治及其他資料

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company recognises the importance of corporate transparency and accountability and is committed to achieving a high standard of corporate governance. Throughout the six months ended 30 June 2018, the Company has complied with all the applicable code provisions of the Corporate Governance Code (the “CG Code”) and Corporate Governance Report, contained in Appendix 14 to the Listing Rules with exceptions as explained below:

Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Qin Yongming currently holds the offices of chairman (“Chairman”) and chief executive officer (“CEO”) of the Company. The Board believes that vesting the roles of both Chairman and CEO in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. Accordingly, the Directors consider that the deviation from provision A.2.1 of the Code is appropriate in such circumstance.

The Company will, from time to time, review the effectiveness of the Group’s corporate governance structure and consider whether any changes, including the separation of the roles of Chairman and CEO, are necessary.

### COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors’ securities transactions by Directors. All Directors have confirmed following specific enquiries made by the Company, that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2018.

### 遵守企業管治守則

本公司深知企業透明度及問責制之重要性，並致力於實現高標準企業管治。截至二零一八年六月三十日止六個月，本公司已遵守上市規則附錄十四所載《企業管治守則》（「企業管治守則」）及《企業管治報告》的所有適用的守則條文，惟以下所述偏離除外：

根據企業管治守則條文第A.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。秦永明先生現時擔任本公司主席（「主席」）及行政總裁（「行政總裁」）職務。董事會認為，由一人同時擔任主席及行政總裁，可為本公司提供強大而貫徹的領導，並有效地規劃及執行業務決定及策略。因此，董事認為在此情況下偏離守則第A.2.1條屬恰當。

本公司將不時審閱本集團企業管治架構之效率及考慮是否需要作出任何修改，包括區分主席及行政總裁之職務。

### 遵守董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易之標準守則（「標準守則」）作為本公司董事進行證券交易之行為守則。經本公司作出特定查詢後，所有董事已確認，於截至二零一八年六月三十日止六個月內彼等均一直遵守標準守則之規定。

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2018.

## INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2018.

## SIGNIFICANT EVENTS

The Company and any of its subsidiaries did not have any significant events which have occurred since 30 June 2018.

## INTERIM REPORTS

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed the financial matters and internal control systems, including reviewed and approved of the Group's unaudited condensed consolidated results for the six months ended 30 June 2018 and this interim report.

## DISCLOSURE UNDER RULE 13.21 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE (THE "LISTING RULES")

On 19 December 2016, the Company as issuer entered into a subscriptions agreement ("Subscriptions Agreement") with an independent third party institution (the "Subscriber") pursuant to which the Company agrees to issue and the Subscriber agrees to subscribe for certain notes ("Notes") in the principal amount of US\$200,000,000 due 2018.

Pursuant to the Subscriptions Agreement, Mr. Tu and USUM Investment Group Hong Kong Limited 渝商投資集團(香港)有限公司("USUMHK") shall also provide a personal guarantee and a corporate guarantee, respectively, in favour of the Subscriber to secure, among others, the due and punctual observance and performance by the Company under the Subscriptions Agreement and other documents.

## 購買、出售或贖回本公司上市證券

於二零一八年六月三十日止六個月內本公司及其任何附屬公司均無購買、售出或贖回任何本公司的上市證券。

## 中期股息

董事不建議派付截至二零一八年六月三十日止六個月的中期股息。

## 重大影響的事件

本公司及其附屬公司自二零一八年六月三十日起並無發生任何有重大影響的事件。

## 中期報告

審核委員會已審檢本集團採納之會計原則及慣例，並討論財務申報事宜及內部監控系統，包括審閱及通過本集團截至二零一八年六月三十日止六個月之未經審核簡明綜合業績及本中期報告。

## 根據聯交所證券上市規則(「上市規則」)第13.21條之披露

於二零一六年十二月十九日，本公司(作為發行人)與一名獨立第三方機構(「認購人」)訂立一份認購協議(「認購協議」)，據此，本公司同意發行且認購人同意認購於二零一八年到期之本金額為200,000,000美元之若干票據(「票據」)。

根據認購協議，涂先生及渝商投資集團(香港)有限公司(「渝商香港」)亦須以認購人為受益人分別提供個人擔保及公司擔保，以確保(其中包括)本公司切實及準時遵守及履行認購協議及其他文件。

## Corporate Governance and Other Information 企業管治及其他資料

### DISCLOSURE UNDER RULE 13.21 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE (THE “LISTING RULES”) (continued)

Pursuant to the terms of the Notes, it will be an event of default if, among others, (i) USUMHK ceases to beneficially own (directly or indirectly) at all times a shareholding in the Company representing the single largest shareholding in the Company, or (ii) USUMHK ceases at all times to be controlled by Mr. Tu and Mr. Tu ceases to be the single largest shareholder of USUMHK. For the purposes of this clause, “control” of each person means (whether by way of ownership of shares, proxy, contract, agency or otherwise): (a) having the power to cast, or control the casting of 40% of the votes that might be cast at a general meeting of such person; or (b) having the power to appoint a majority of the board of directors or remove any director of such person; or (c) having the power or ability to influence the management and financial policies of such person. If any event of default occurs, the Subscriber may require the Notes to be repaid immediately. As at the date of this report, USUMHK owns 62.85% of the total issued share capital of the Company and Mr. Tu indirectly owns 42.10% of the total issued share capital of USUMHK.

On 29 June 2018, the Company as borrower entered into a facility agreement (“Facility Agreement”) with, among others, certain independent third party institutions (the “Lenders”) pursuant to which the Company agrees to borrow and the Lenders agrees to make a syndicated term loan facility of up to US\$300,000,000 (“Loan”) for a term of two years for the refinancing of existing loans and working capital purposes.

Pursuant to the Facility Agreement, Mr. Tu and USUMHK among others, shall provide a personal guarantee and a corporate guarantee, respectively, in favour of the Lenders to secure, among others, the due and punctual observance and performance by the Company under the Facility Agreement and other ancillary documents.

Pursuant to the terms of the Loan, the Company shall ensure and procure that, among other things, Mr. Tu remains, directly or indirectly, as the single largest shareholder of the Company, and that it will be an event of default if, among others, (i) Mr. Tu ceases to, directly or indirectly, be the single largest shareholder of the Company.

### 根據聯交所證券上市規則（「上市規則」）第13.21條之披露（續）

根據票據之條款，倘（其中包括）(i) 渝商香港在任何時候終止（直接或間接）實益擁有本公司股權，即本公司之單一最大股權，或(ii) 渝商香港在任何時候終止由涂先生控制，而涂先生不再為渝商香港之單一最大股東，即構成違約事項。就該條款而言，個人「控制」指（不論以股份擁有權、委任代表、合約、代理或其他方式）：(a) 該人士有權於股東大會上行使或控制40%的投票權；或(b) 該人士有權委任或罷免大部分董事；或(c) 該人士有權或有能力影響管理及財務政策。倘出現任何違約事項，則認購人可即時要求償還票據。於本報告日期，渝商香港擁有本公司全部已發行股本62.85%，而涂先生間接擁有渝商香港全部已發行股本42.10%。

於二零一八年六月二十九日，本公司（作為借方）與（其中包括）若干獨立第三方機構（「貸方」）訂立融資協議（「融資協議」），據此，本公司同意借入而貸方同意作出最高達300,000,000美元之銀團定期貸款融資（「貸款」），年期為兩年，以用作現有貸款的再融資及一般營運資金。

根據融資協議，涂先生與渝商香港（其中包括）須以貸方為受益人分別提供個人擔保及公司擔保，以確保（其中包括）本公司妥善及準時遵守及履行融資協議及其他輔助文件。

根據貸款之條款，本公司須確保並促使（其中包括）涂先生仍（直接或間接）為本公司之單一最大股東，且倘（其中包括）(i) 涂先生不再（直接或間接）為本公司之單一最大股東，則將屬違約事件。

## CHANGES OF INFORMATION IN RESPECT OF DIRECTORS

In accordance with Rule 13.51B(1) of the Listing Rules, the changes in information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules after the publication of the Annual Report 2017 of the Company are set out below:

### Experience including other directorships

- (a) **Dr. Loke Yu Alias Loke Hoi Lam (陸海林)**, an independent non-executive Director, has resigned as an independent non-executive director at Shenzhou Space Park Group Limited (Stock Code: 692, formerly known as China Household Holdings Limited) with effect from 6 August 2018, and resigned as an independent non-executive director at Winfair Investment Company Limited (Stock Code: 287) with effect from 3 April 2018. Dr. Loke has been appointed as an independent non-executive director of TC Orient Lighting Holdings Limited (Stock Code: 515) with effect from 6 June 2018.
- (b) **Mr. Zhu Hongchao (朱洪超)**, an independent non-executive Director, has resigned as an independent director at Shanghai First Pharmaceutical Co., Ltd (Stock Code: 600833(SHA)) with effect from 26 June 2018. Mr. Zhu has been appointed as an independent non-executive director at E-House (China) Enterprise Holdings Limited (Stock Code: 2048) with effect from 10 July 2018.

## 有關董事資料的變動

根據上市規則第13.51B(1)條，本公司二零一七年年報刊登後，董事根據上市規則第13.51(2)條第(a)至(e)段及第(g)段須予披露的資料變動載列如下：

### 經驗（包括其他董事職務）

- (a) **陸海林博士**，獨立非執行董事，已辭任神州航天樂園集團有限公司（股份代號：692，前稱中國家居控股有限公司）獨立非執行董事一職，自二零一八年八月六日起生效，彼亦辭任永發置業有限公司（股份代號：287）獨立非執行董事一職，於二零一八年四月三日起生效。陸博士已獲委任為達進東方照明控股有限公司（股份代號：515）之獨立非執行董事，自二零一八年六月六日起生效。
- (b) **朱洪超先生**，獨立非執行董事，已辭任上海第一醫藥股份有限公司（股份代號：600833(SHA)）之獨立董事，自二零一八年六月二十六日起生效。朱先生獲委任為易居（中國）企業控股有限公司（股份代號：2048）獨立非執行董事，自二零一八年七月十日起生效。



# Condensed Consolidated Statement of Profit or Loss

## 簡明綜合損益表

		<b>Six months ended 30 June</b> 截至六月三十日止六個月		
		Notes 附註	2018 二零一八年 HK\$M 百萬港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$M 百萬港元 (Unaudited) (未經審核)
Revenue	收益	6	<b>11,062.2</b>	8,801.5
Cost of sales	銷售成本		<b>(9,757.0)</b>	(7,757.0)
Gross profit	毛利		<b>1,305.2</b>	1,044.5
Other income	其他收入		<b>48.3</b>	50.1
Other gains, net	其他收益淨額	7	<b>182.2</b>	51.5
Distribution and selling expenses	分銷及銷售開支		<b>(326.5)</b>	(275.9)
Administrative expenses	行政開支		<b>(670.3)</b>	(489.8)
			<b>538.9</b>	380.4
Finance income	財務收入	8	<b>16.8</b>	23.2
Finance costs	財務成本	8	<b>(231.1)</b>	(185.5)
Finance costs, net	財務成本淨額		<b>(214.3)</b>	(162.3)
Share of post-tax loss of an associate	應佔聯營公司除稅後虧損		<b>(0.5)</b>	-
Share of post-tax profits of joint ventures	應佔合營企業除稅後溢利		<b>62.4</b>	52.9
Profit before income tax	除所得稅前溢利		<b>386.5</b>	271.0
Income tax expense	所得稅開支	10	<b>(55.3)</b>	(57.0)
Profit for the period	期內溢利	9	<b>331.2</b>	214.0
Profit/(loss) attributable to: Shareholders of the Company	以下各方應佔溢利/(虧損): 本公司股東		<b>331.6</b>	197.9
Non-controlling interests	非控股權益		<b>(0.4)</b>	16.1
			<b>331.2</b>	214.0
Earnings per share attributable to shareholders of the Company for the period (expressed in HK\$ per share)	本公司股東應佔期內每股盈利(以每股港元列示)			
Basic earnings per share	每股基本盈利	12	<b>0.21</b>	0.12
Diluted earnings per share	每股攤薄盈利	12	<b>0.21</b>	0.12

The notes on pages 48 to 84 form an integral part of this interim condensed consolidated financial information.

第48頁至84頁的附註為本中期簡明綜合財務資料的一部分。

# Condensed Consolidated Statement of Comprehensive Income

## 簡明綜合全面收益表

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$M 百萬港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$M 百萬港元 (Unaudited) (未經審核)
Profit for the period	期內溢利	331.2	214.0
<b>Other comprehensive (loss)/income</b>	<b>其他全面(虧損)/收益</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益之項目:</i>		
Currency translation differences	匯兌差額	(123.8)	271.4
<i>Item that will not be reclassified subsequently to profit or loss:</i>	<i>其後將不會重新分類至損益之項目:</i>		
Changes in the fair value of financial assets at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產之公平值變動	(0.2)	-
Other comprehensive (loss)/income for the period	期內其他全面(虧損)/收益	(124.0)	271.4
Total comprehensive income for the period	期內全面收益總額	207.2	485.4
<b>Total comprehensive income/(loss) for the period attributable to:</b>	<b>以下各方應佔期內全面收益/(虧損)總額:</b>		
Shareholders of the Company	本公司股東	207.9	466.6
Non-controlling interests	非控股權益	(0.7)	18.8
		207.2	485.4

The notes on pages 48 to 84 form an integral part of this interim condensed consolidated financial information.

第48頁至84頁的附註為本中期簡明綜合財務資料的一部分。

# Condensed Consolidated Balance Sheet

## 簡明綜合資產負債表

			<b>At 30 June 2018</b> 於二零一八年 六月三十日	At 31 December 2017 於二零一七年 十二月三十一日
		Notes 附註	<b>HK\$M</b> 百萬港元 <b>(Unaudited)</b> (未經審核)	HK\$M 百萬港元 (Audited) (經審核)
<b>ASSETS</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	13	<b>3,506.9</b>	3,559.3
Leasehold land and land use rights	租賃土地及土地使用權		<b>405.0</b>	412.9
Investment properties	投資物業		<b>3.4</b>	3.5
Intangible assets	無形資產		<b>1,185.6</b>	1,207.7
Investments accounted for using the equity method	使用權益法入賬之投資		<b>614.9</b>	591.2
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產		<b>2.0</b>	-
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產		<b>113.3</b>	-
Other non-current assets	其他非流動資產		<b>6.9</b>	128.8
Deferred income tax assets	遞延所得稅資產		<b>188.4</b>	168.1
			<b>6,026.4</b>	6,071.5
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨		<b>1,790.0</b>	2,338.5
Trade, bills and other receivables	貿易、票據及其他應收款項	14	<b>2,333.6</b>	1,992.4
Fixed return investment	固定回報投資		<b>350.6</b>	339.0
Amounts due from related parties	應收關聯方款項	20	<b>96.6</b>	205.6
Derivative financial instruments	衍生金融工具		<b>46.3</b>	6.1
Tax recoverable	可退回稅項		<b>12.2</b>	25.8
Pledged bank deposits	已抵押銀行存款		<b>383.4</b>	95.0
Cash and cash equivalents	現金及現金等值項目		<b>922.6</b>	976.4
			<b>5,935.3</b>	5,978.8
Assets classified as held for sale	分類為持作出售的資產		<b>5.1</b>	43.4
<b>Total assets</b>	<b>資產總值</b>		<b>11,966.8</b>	12,093.7

## Condensed Consolidated Balance Sheet 簡明綜合資產負債表

		Notes 附註	At 30 June 2018 於二零一八年 六月三十日 HK\$M 百萬港元 (Unaudited) (未經審核)	At 31 December 2017 於二零一七年 十二月三十一日 HK\$M 百萬港元 (Audited) (經審核)
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to shareholders of the Company</b>				
Share capital	股本	17	16.1	16.1
Other reserves	其他儲備		6,895.2	7,018.9
Accumulated losses	累計虧損		(1,630.3)	(1,961.9)
			<b>5,281.0</b>	5,073.1
Non-controlling interests	非控股權益		(26.7)	(26.0)
<b>Total equity</b>			<b>5,254.3</b>	5,047.1
<b>Non-current liabilities</b>				
Borrowings	借款	16	1,680.9	1,133.0
Retirement benefit obligations	退休福利責任		34.6	26.7
Other payables	其他應付款項	15	93.8	105.2
Deferred income tax liabilities	遞延所得稅負債		402.5	416.5
			<b>2,211.8</b>	1,681.4
<b>Current liabilities</b>				
Trade, bills and other payables	貿易、票據及其他應付款項	15	2,206.9	2,092.0
Current income tax liabilities	即期所得稅負債		145.0	113.2
Borrowings	借款	16	2,052.5	3,022.2
Amounts due to related parties	應付關聯方款項	20	79.2	110.9
Derivative financial instruments	衍生金融工具		17.1	26.9
			<b>4,500.7</b>	5,365.2
<b>Total liabilities</b>			<b>6,712.5</b>	7,046.6
<b>Total equity and liabilities</b>			<b>11,966.8</b>	12,093.7

The notes on pages 48 to 84 form an integral part of this interim condensed consolidated financial information.

第48頁至84頁的附註為本中期簡明綜合財務資料的一部分。

# Condensed Consolidated Statement of Changes in Equity

## 簡明綜合權益變動表

Unaudited  
未經審核

Attributable to shareholders of the Company  
本公司股東應佔

		Share capital	Share premium	Capital redemption reserve	Share option reserve	Capital reserve	Statutory general reserve	Enterprise expansion fund	Re-measurement of pension plans	Foreign currency translation reserve	Accumulated losses	Sub-total	Non-controlling interest	Total equity
		股本	股份溢價	資本贖回儲備	購股權儲備	資本儲備	法定一般儲備	企業發展基金	重新計量退休金計劃	外幣匯兌儲備	累計虧損	小計	非控股權益	總權益
		HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
		百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元
						(Note i) (附註i)	(Note ii) (附註ii)	(Note ii) (附註ii)						
At 1 January 2017 (audited)	於二零一七年一月一日 (經審核)	16.2	5,977.3	0.2	-	222.8	105.1	105.1	-	75.4	(2,384.9)	4,117.2	(32.8)	4,084.4
Comprehensive income Profit for the period	全面收益 期內溢利	-	-	-	-	-	-	-	-	-	197.9	197.9	16.1	214.0
Total other comprehensive income for the period, net of tax Currency translation differences	期內其他全面收益總額， 扣除稅項 匯兌差額	-	-	-	-	-	-	-	-	268.7	-	268.7	2.7	271.4
Total comprehensive income for the period, net of tax	期內全面收益總額， 扣除稅項	-	-	-	-	-	-	-	-	268.7	197.9	466.6	18.8	485.4
Transactions with shareholders in their capacity as shareholders Subscription shares repurchased and cancelled (Note 17(a))	與股東（以股東身份） 進行交易 購回並註銷的認購股份 (附註17(a))	(0.1)	(65.4)	0.1	-	-	-	-	-	-	(0.1)	(65.5)	-	(65.5)
Total transactions with shareholders in their capacity as shareholders	與股東（以股東身份） 進行交易總額	(0.1)	(65.4)	0.1	-	-	-	-	-	-	(0.1)	(65.5)	-	(65.5)
At 30 June 2017 (unaudited)	於二零一七年六月三十日 (未經審核)	16.1	5,911.9	0.3	-	222.8	105.1	105.1	-	344.1	(2,187.1)	4,518.3	(14.0)	4,504.3

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

		Unaudited 未經審核													
		Attributable to shareholders of the Company 本公司股東應佔													
		Share capital	Share premium	Capital redemption reserve	Share option reserve	Capital reserve	Statutory general reserve	Enterprise expansion fund	Re-measurement of pension plans	Revaluation reserve	Foreign currency translation reserve	Accumulated losses	Sub-total	Non-controlling interest	Total equity
		股本	股份溢價	資本贖回儲備	購股權儲備	資本儲備	法定一般儲備	企業發展基金	重新計量退休金計劃	重估儲備	外幣匯兌儲備	累計虧損	小計	權益	總權益
		HK\$M 百萬港元	HK\$M 百萬港元	HK\$M 百萬港元	HK\$M 百萬港元	HK\$M 百萬港元 (Note i) (附註i)	HK\$M 百萬港元 (Note ii) (附註ii)	HK\$M 百萬港元 (Note ii) (附註ii)	HK\$M 百萬港元	HK\$M 百萬港元 (Note iii) (附註iii)	HK\$M 百萬港元	HK\$M 百萬港元	HK\$M 百萬港元	HK\$M 百萬港元	HK\$M 百萬港元
At 1 January 2018 (audited)	於二零一八年一月一日 (經審核)	16.1	5,911.9	0.3	-	210.9	107.0	106.9	0.4	-	681.5	(1,961.9)	5,073.1	(26.0)	5,047.1
Comprehensive income/(loss) Profit/(loss) for the period	全面收益/(虧損) 期內溢利/(虧損)	-	-	-	-	-	-	-	-	-	-	331.6	331.6	(0.4)	331.2
Total other comprehensive loss for the period, net of tax	期內其他全面虧損 總額，扣除稅項	-	-	-	-	-	-	-	-	-	-	-	(123.5)	(0.3)	(123.8)
Currency translation differences	匯兌差額	-	-	-	-	-	-	-	-	-	-	-	(123.5)	-	(123.5)
Change in the fair value of financial assets at fair value through other comprehensive income	按公平值計入其他 全面收益之金融資產之 公平值變動	-	-	-	-	-	-	-	-	(0.2)	-	-	(0.2)	-	(0.2)
		-	-	-	-	-	-	-	-	(0.2)	(123.5)	-	(123.7)	(0.3)	(124.0)
Total comprehensive income/(loss) for the period, net of tax	期內全面收益/(虧損) 總額，扣除稅項	-	-	-	-	-	-	-	-	(0.2)	(123.5)	331.6	207.9	(0.7)	207.2
At 30 June 2018 (unaudited)	於二零一八年六月三十日 (未經審核)	16.1	5,911.9	0.3	-	210.9	107.0	106.9	0.4	(0.2)	558.0	(1,630.3)	5,281.0	(26.7)	5,254.3

Notes:

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

附註：

- (i) 資本儲備指(a)本公司於二零零八年集團重組時所收購子公司股本及股份溢價總額之面值與本公司交換股權所發行股份之面值的差額及(b)二零一零年資本化股東貸款。
- (ii) 本公司中國子公司的組織章程細則規定，須根據中國相關會計規則及法規釐定將除稅後溢利10%撥入法定一般儲備及企業發展基金。倘法定一般儲備及企業發展基金餘額達中國子公司註冊資本的50%，則可終止撥備。法定一般儲備及企業發展基金可用於彌補過往年度虧損或增加股本。
- (iii) 重估儲備指按公平值計入其他全面收益之金融資產之公平值累計變動。

The notes on pages 48 to 84 form an integral part of this interim condensed consolidated financial information.

第48頁至84頁的附註為本中期簡明綜合財務資料的一部分。

# Condensed Consolidated Statement of Cash Flows

## 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 HK\$M 百萬港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$M 百萬港元 (Unaudited) (未經審核)
<b>Cash flows from operating activities</b>	<b>經營活動所得現金流</b>		
Cash generated from operations before changes in working capital	經營所得現金 (營運資金變動前)	549.1	535.1
Changes in working capital	營運資金變動	90.9	(1,400.2)
<b>Cash generated from/(used in) operations</b>	<b>經營所得/(所用)現金</b>	<b>640.0</b>	<b>(865.1)</b>
Interest paid	已付利息	<b>(123.2)</b>	(139.0)
Tax paid	已支付稅項	<b>(30.6)</b>	(1.9)
<b>Net cash generated from/(used in) operating activities</b>	<b>經營活動所得/(所用)現金淨額</b>	<b>486.2</b>	<b>(1,006.0)</b>
<b>Cash flows from investing activities</b>	<b>投資活動所得現金流</b>		
Placement of pledged bank deposits	存入已抵押銀行存款	<b>(301.4)</b>	(3.6)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	2.0	9.5
Purchases of property, plant and equipment and intangible assets	購置物業、廠房及設備以及無形資產	<b>(187.3)</b>	(84.6)
Deposit paid for property, plant and equipment	已付物業、廠房及設備按金	<b>(1.2)</b>	(15.1)
Proceeds from disposal of property, plant and equipment and intangible assets	出售物業、廠房及設備以及無形資產之所得款項	50.0	17.9
Proceeds from disposal of investment properties	出售投資物業之所得款項	202.8	-
Proceeds from disposal of assets classified as held for sale	出售分類為持作出售資產之所得款項	152.6	47.6
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之金融資產之所得款項	17.7	0.4
Dividend received from joint ventures	已收合營企業股息	26.9	-
Dividend received from financial assets at fair value through other comprehensive income	已收按公平值計入其他全面收益之金融資產之股息	4.2	-
Other investing activities	其他投資活動	5.1	0.8

## Condensed Consolidated Statement of Cash Flows 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 HK\$M 百萬港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$M 百萬港元 (Unaudited) (未經審核)
		Notes 附註	
<b>Net cash used in investing activities</b>	<b>投資活動所用現金淨額</b>		
		<b>(28.6)</b>	(27.1)
<b>Cash flows from financing activities</b>	<b>融資活動所得現金流</b>		
Proceeds from borrowings	借款之所得款項	<b>1,726.5</b>	1,992.8
Repayment of bank borrowings	償還銀行借款	<b>(1,121.2)</b>	(1,694.2)
Repayment of other borrowings and note payable	償還其他借款及應付票據	<b>(1,065.0)</b>	(191.5)
Redemption of convertible bonds	贖回可換股債券	-	(67.6)
Repayment to the immediate holding company	向直接控股公司償還款項	-	(197.0)
Repayment to an intermediate holding company	向中間控股公司償還款項	-	(3.4)
Advance from an intermediate holding company	來自中間控股公司之墊款	-	12.5
Additions in finance lease liabilities	新增融資租賃責任	-	18.3
Repayment to finance lease liabilities	償還融資租賃責任	<b>(32.7)</b>	(35.4)
Repurchase of subscription shares	購回認購股份	-	(65.5)
		17(a)	
<b>Net cash used in financing activities</b>	<b>融資活動所用現金淨額</b>		
		<b>(492.4)</b>	(231.0)
Cash and cash equivalents at beginning of the period	期初之現金及現金等值項目	<b>976.4</b>	1,656.7
Net decrease in cash and cash equivalents	現金及現金等值項目減少淨額	<b>(34.8)</b>	(1,264.1)
Exchange differences on cash and cash equivalents	現金及現金等值項目之匯兌差額	<b>(19.0)</b>	17.2
<b>Cash and cash equivalents at end of the period</b>	<b>期末之現金及現金等值項目</b>		
		<b>922.6</b>	409.8

The notes on pages 48 to 84 form an integral part of this interim condensed consolidated financial information.

第48頁至84頁的附註為本中期簡明綜合財務資料的一部分。



# Notes to the Condensed Consolidated Financial Information

## 簡明綜合財務資料附註

### 1 GENERAL INFORMATION

Chiho Environmental Group Limited ('the Company') is an investment holding company. The Company and its subsidiaries (together "the Group") are mainly engaged in the principal business of metal recycling, involving the recycling of mixed metal scrap into copper scrap, steel scrap, aluminum scrap, iron scrap and other metal scrap in Asia, Europe and North America.

The Company is incorporated and registered as an exempted company in the Cayman Islands under the Companies Law of the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited.

This condensed consolidated interim financial information is presented in Hong Kong Dollar ("HK\$"), unless otherwise stated.

Significant events and transactions incurred in the current interim period has been disclosed in the Management Discussion and Analysis section in the Interim Report 2018.

### 2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2018 has been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34"), 'Interim Financial Reporting' issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

### 1 一般資料

齊合環保集團有限公司(「本公司」)為投資控股公司。本公司及其子公司(統稱「本集團」)主要於亞洲、歐洲及北美洲從事金屬再生業務，涉及將混合廢金屬回收分成廢銅、廢鋼、廢鋁、廢鐵及其他廢金屬。

本公司根據開曼群島公司法於開曼群島註冊成立及註冊為獲豁免有限公司。其註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

本公司以香港聯合交易所有限公司為第一上市地。

除另有所指外，本簡明綜合中期財務資料以港元(「港元」)呈列。

本中期期間發生的重大事項及交易已於二零一八年中中期報告的管理層討論及分析一節披露。

### 2 編製基準

截至二零一八年六月三十日止六個月的本簡明綜合中期財務資料乃按照香港會計師公會(「香港會計師公會」)頒佈之香港會計準則第34號(「香港會計準則第34號」)「中期財務報告」而編製。簡明綜合中期財務資料應與根據香港財務報告準則(「香港財務報告準則」)編製的截至二零一七年十二月三十一日止年度的年度綜合財務報表一併閱讀。

### 3 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2017, as described in those annual consolidated financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of amendments to HKFRSs effective for the financial year ending 31 December 2018.

#### (a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies and make adjustments as a result of adopting the following standards:

- HKFRS 9 Financial Instruments, and
- HKFRS 15 Revenue from Contracts with Customers.

The impact of the adoption of these standards and the new accounting policies are disclosed in note 22 below. The other standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

#### (b) Impact of standards issued but not yet applied by the Group

##### HKFRS 16 Leases

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

### 3 會計政策

採用的會計政策與截至二零一七年十二月三十一日止年度的年度綜合財務報表（如該等年度綜合財務報表所述）的會計政策一致，惟採用預期總年度盈利適用的稅率估計所得稅以及採納截至二零一八年十二月三十一日止財政年度生效的香港財務報告準則的修訂除外。

#### (a) 本集團採納的新訂及經修訂準則

多項新訂或經修訂準則於本報告期間適用，及本集團已因採納以下準則而須改變其會計政策及作出調整：

- 香港財務報告準則第9號金融工具，及
- 香港財務報告準則第15號來自客戶合約之收益。

採納此等準則及新會計政策的影響於下文附註22披露。其他準則對本集團的會計政策並無造成任何影響，且不要求追溯調整。

#### (b) 已頒佈但尚未獲本集團採用的準則的影響

##### 香港財務報告準則第16號租賃

香港財務報告準則第16號於二零一六年一月頒佈。此準則刪除了經營與融資租賃的劃分，將導致絕大部分租賃於資產負債表內確認。根據新準則，資產（租賃項目的使用權）與支付租金的金融負債將被確認。豁免僅適用於短期及低價值租賃。

## Notes to the Condensed Consolidated Financial Information 簡明綜合財務資料附註

### 3 ACCOUNTING POLICIES (continued)

#### (b) Impact of standards issued but not yet applied by the Group (continued)

##### HKFRS 16 Leases (continued)

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments (as lessee) of HK\$174.4 million (note 19(b)). However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the standard before its effective date.

### 4 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 December 2017.

### 3 會計政策 (續)

#### (b) 已頒佈但尚未獲本集團採用的準則的影響 (續)

##### 香港財務報告準則第16號租賃 (續)

對出租者的會計處理將不會有重大改變。

此準則將主要影響本集團經營租賃的會計處理。於報告日期，本集團的不可撤銷經營租賃承擔（作為承租人）為1億7,440萬港元（附註19(b)）。然而，本集團未能確定該等承擔將導致資產及負債就未來付款確認的程度，以及將如何影響本集團的溢利和現金流量分類。

部分承擔可能屬於短期及低價值租賃之例外情況，而部分承擔可能與將不符合香港財務報告準則第16號項下之租賃之安排有關。

此準則必須於二零一九年一月一日或之後開始的年度報告期間內之首個中期期間執行。本集團無意於其生效日期前採納此準則。

### 4 估計

管理層須於編製中期財務資料時作出影響會計政策之應用以及資產及負債、收入及支出之呈報金額之判斷、估計及假設。實際結果可能有別於該等估計。

管理層於此編製簡明綜合中期財務資料時就應用本集團之會計政策所作出重大判斷以及估計不明朗因素之主要來源，與截至二零一七年十二月三十一日止年度之年度綜合財務報表所應用者相同。

## 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2017.

There have been no changes in the risk management policies since year ended 31 December 2017.

### 5.2 Liquidity risk

Compared to year ended 31 December 2017, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

### 5.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 30 June 2018 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

## 5 金融風險管理及金融工具

### 5.1 金融風險因素

本集團的業務使本集團面對不同金融風險：市場風險（包括外匯風險、利率風險及價格風險）、信貸風險及流動資金風險。

中期簡明綜合財務資料並不包括年度綜合財務報表規定的所有金融風險管理資料及披露，並應與本集團於二零一七年十二月三十一日的年度綜合財務報表一併閱讀。

風險管理政策自截至二零一七年十二月三十一日止年度起並無變動。

### 5.2 流動資金風險

與截至二零一七年十二月三十一日止年度相比，金融負債之合約未貼現現金流出並無重大變動。

### 5.3 公平值估計

下表分析本集團於二零一八年六月三十日按公平值列賬之金融工具，透過計量公平值所用之估計方法之輸入數據層級劃分。有關輸入數據在公平值層級內分為以下三級別：

- 活躍市場上相同資產或負債的報價（未經調整）（第一級）。
- 除第一級所包括的報價外，資產或負債的可直接（即價格）或間接（即從價格得出）觀察所得輸入值（第二級）。

## Notes to the Condensed Consolidated Financial Information 簡明綜合財務資料附註

### 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

#### 5.3 Fair value estimation (continued)

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Financial assets/(financial liabilities) 金融資產/(金融負債)	Fair value as at 於以下日期的公平值		Fair value hierarchy 公平值層級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據
	30 June 2018 二零一八年 六月三十日 HK\$M 百萬港元	31 December 2017 二零一七年 十二月三十一日 HK\$M 百萬港元		
1) Metal commodities future contracts classified as derivative financial instruments in the condensed consolidated balance sheet 於簡明綜合資產負債表中分類為衍生金融工具之金屬商品期貨合約	3.4 -	0.9 (1.8)	Level 1 第一級	Quoted bid commodities futures prices on the London Metal Exchange 倫敦金屬交易所所報之商品期貨買入價
2) Metal commodities options classified as derivative financial instruments in the condensed consolidated balance sheet 於簡明綜合資產負債表中分類為衍生金融工具之金屬商品期權	-	0.3	Level 1 第一級	Quoted bid commodities options prices on the London Metal Exchange 倫敦金屬交易所所報之商品期權買入價
3) Metal commodities future contracts classified as derivative financial instruments in the condensed consolidated balance sheet 於簡明綜合資產負債表中分類為衍生金融工具之金屬商品期貨合約	42.8 (13.5)	4.4 (9.9)	Level 2 第二級	Par method, taking actively traded future forward prices into account 面值法，參考交投活躍的期貨遠期價格

### 5 金融風險管理及金融工具 (續)

#### 5.3 公平值估計 (續)

- 並非根據可觀察市場數據釐定的資產或負債輸入值 (即不可觀察輸入值) (第三級)。

## Notes to the Condensed Consolidated Financial Information 簡明綜合財務資料附註

### 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

#### 5.3 Fair value estimation (continued)

Financial assets/(financial liabilities) 金融資產/(金融負債)	Fair value as at 於以下日期的公平值		Fair value hierarchy 公平值層級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據
	30 June 2018 二零一八年 六月三十日 HK\$M 百萬港元	31 December 2017 二零一七年 十二月三十一日 HK\$M 百萬港元		
4) Foreign currency forward contracts classified as derivative financial instruments in the condensed consolidated balance sheet 於簡明綜合資產負債表中分類為衍生金融工具之外幣遠期合約	0.1 (3.6)	0.5 (10.5)	Level 2 第二級	Present value of the future cash flows based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates. 基於遠期匯率(於報告期末可觀察的遠期匯率)及已訂約的遠期比率的未來現金流的現值。
5) Interest rate swap contracts classified as derivatives financial instruments in the condensed consolidated balance sheet 於簡明綜合資產負債表中分類為衍生金融工具之利率掉期合約	-	(4.7)	Level 2 第二級	Present value of the estimated future cash flows based on observed yield curves. 估計未來現金流的現值(根據所觀察的回報曲線)。
6) Financial assets at fair value through profit or loss 按公平值計入損益之金融資產	2.0	-	Level 3 第三級	Primarily based on the present value of the estimated future cash flows of the investee entities. 主要基於被投資實體估計未來現金流的現值。
7) Financial assets at fair value through other comprehensive income 按公平值計入其他全面收益之金融資產	113.3	-	Level 3 第三級	Primarily based on the present value of the estimated future cash flows of the investee entities. 主要基於被投資實體估計未來現金流的現值。
8) Other non-current assets – available-for-sale financial assets 其他非流動資產 – 可供出售金融資產	-	121.4	Level 3 第三級	Primarily based on the present value of the estimated future cash flows of the investee entities. 主要基於被投資實體估計未來現金流的現值。
9) Contingent consideration payable 應付或然代價	(182.3)	(186.5)	Level 3 第三級	Primarily based on the present value of the estimated future cash flows. 主要基於估計未來現金流的現值。

### 5 金融風險管理及金融工具 (續)

#### 5.3 公平值估計(續)

## Notes to the Condensed Consolidated Financial Information 簡明綜合財務資料附註

### 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

#### 5.3 Fair value estimation (continued)

Fair value measurements recognised in the condensed consolidated balance sheet:

		Level 1 第一級 HK\$M 百萬港元	Level 2 第二級 HK\$M 百萬港元	Level 3 第三級 HK\$M 百萬港元	Total 總計 HK\$M 百萬港元
As at 30 June 2018		於二零一八年六月三十日			
<b>Assets</b>		<b>資產</b>			
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	-	-	2.0	2.0
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產	-	-	113.3	113.3
Derivative financial instruments	衍生金融工具	3.4	42.9	-	46.3
<b>Liabilities</b>		<b>負債</b>			
Derivative financial instruments	衍生金融工具	-	(17.1)	-	(17.1)
Other payable – contingent consideration payable	其他應付款項 – 應付或然代價	-	-	(182.3)	(182.3)
As at 31 December 2017		於二零一七年十二月三十一日			
<b>Assets</b>		<b>資產</b>			
Other non-current assets – available-for-sale financial assets	其他非流動資產 – 可供出售金融資產	-	-	121.4	121.4
Derivative financial instruments	衍生金融工具	1.2	4.9	-	6.1
<b>Liabilities</b>		<b>負債</b>			
Derivative financial instruments	衍生金融工具	(1.8)	(25.1)	-	(26.9)
Other payable – contingent consideration payable	其他應付款項 – 應付或然代價	-	-	(186.5)	(186.5)

There were no transfers between the three levels during either of the period ended 30 June 2018 or year ended 31 December 2017. The management considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the condensed consolidated financial information approximate their fair value.

### 6 SEGMENT INFORMATION

The Group's revenue represents the amounts received or receivable for the sales of metal scrap, net of sales related taxes, during the period.

### 5 金融風險管理及金融工具 (續)

#### 5.3 公平值估計 (續)

簡明綜合資產負債表確認的公平值計量：

截至二零一八年六月三十日止期間或截至二零一七年十二月三十一日止年度，三個層級之間並無轉移。管理層認為，於簡明綜合財務資料內按攤銷成本計量的金融資產及金融負債的賬面值與其公平值相若。

### 6 分部資料

本集團收益指期內銷售廢金屬之已收或應收款項，扣除銷售相關稅項。

## Notes to the Condensed Consolidated Financial Information 簡明綜合財務資料附註

### 6 SEGMENT INFORMATION (continued)

There are differences in the basis of operating and reportable segments from the last annual consolidated financial statements.

After the acquisition of Scholz Group, the management organised the Group and reviewed the Group's financial performance and allocated resources on a geographic basis, and hence, the operating and reportable segments were identified based on the location of the main operation of the legacy Group ("Greater China" region) and Scholz Group (Europe and North America, collectively known as "Non-Greater China" region).

From 2018 onward, to better evaluate the Group's performance in each economic environment, management further divides the Non-Greater China region into the Europe region and the North America region. Also, in view of the plans for future business expansions in other Asian countries, the Greater China region has been renamed as Asia region. As a result, the operating and reportable segment of the Group now includes Asia, Europe and North America regions. The comparative segment information for the interim period ended 30 June 2017 and as at 31 December 2017 has been restated to align with the presentation of the current period's segment information disclosure.

In the current interim period, the Group's CODM assesses the performance of the operating segments based on the measure of segment profit/(loss). This measurement basis excludes the effects of non-operating gains/(losses), such as gain/(loss) on fair value change of financial assets at fair value through profit or loss. The measure also excludes centralised costs such as the Group's key managements' remunerations and other central administrative expenses. Finance income, finance costs, income tax expenses and those unallocated income and expenses are not included in the result for each operating segment that is reviewed by the Group's CODM.

Total segment assets exclude deferred income tax assets, fixed return investment, tax recoverable, derivative financial instruments and cash and cash equivalents which are managed centrally. Information relating to segment liabilities is not disclosed as such information is not regularly reported to the CODM.

### 6 分部資料(續)

與上一年度綜合財務報表的業務及可呈報分部基準存在差異。

收購順爾茨集團後，管理層按地域組織、審視本集團的財務表現及分配資源，因此，業務及可呈報分部乃按固有集團（「大中華」地區）及順爾茨集團（歐洲及北美洲，統稱為「非大中華」地區）的主要營運位置來劃分。

自二零一八年起，為更好地評估本集團在各經濟環境中的表現，管理層進一步將非大中華地區劃分為歐洲地區及北美洲地區。此外，鑒於在其他亞洲國家的未來業務擴展計劃，大中華地區已更名為亞洲地區。因此，本集團的業務及可呈報分部現時包括亞洲、歐洲及北美洲地區。截至二零一七年六月三十日止中期期間及於二零一七年十二月三十一日的比較分部資料已經重列，以與本期間分部資料披露的呈列一致。

於本中期期間，本集團的首席營運決策者根據分部溢利／（虧損）的計量評估經營分部的表現。此計量基礎不包括非經營收益／（虧損）的影響，例如按公平值計入損益之金融資產的公平值變動收益／（虧損）。計量亦不包括中央成本，例如本集團主要管理層的薪酬及其他中央行政開支。財務收入、財務成本、所得稅開支及該等未分配收入及開支並不包括在本集團的首席營運決策者所審閱的各個經營分部的業績中。

總分部資產不包括中央管理的遞延所得稅資產、固定回報投資、可退回稅項、衍生金融工具以及現金及現金等值項目。有關分部負債的資料並不披露，由於該等資料並非定期向首席營運決策者報告。



## Notes to the Condensed Consolidated Financial Information 簡明綜合財務資料附註

### 6 SEGMENT INFORMATION (continued)

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Inter-segment sales are charged at prevailing market price.

The following tables present revenue and segment profit information regarding the Group's reportable segments for the six months ended 30 June 2018 and 2017 respectively.

### 6 分部資料 (續)

業務及可呈報分部的會計政策與本集團的會計政策相同。分部間銷售按當前市價收費。

下表分別呈列有關本集團截至二零一八年及二零一七年六月三十日止六個月可呈報分部的收益及分部溢利的資料。

		For the six months ended 截至六個月止					30 June 2017 (restated) 二零一七年六月三十日 (經重列)				
		30 June 2018 二零一八年六月三十日					30 June 2017 (restated) 二零一七年六月三十日 (經重列)				
		Asia 亞洲 HK\$M 百萬港元	Europe 歐洲 HK\$M 百萬港元	North America 北美洲 HK\$M 百萬港元	Unallocated 未分配 HK\$M 百萬港元	Total 總計 HK\$M 百萬港元	Asia 亞洲 HK\$M 百萬港元	Europe 歐洲 HK\$M 百萬港元	North America 北美洲 HK\$M 百萬港元	Unallocated 未分配 HK\$M 百萬港元	Total 總計 HK\$M 百萬港元
Revenue	收益										
Total segment revenue	分部收益總額	1,920.4	7,916.1	1,346.5	-	11,183.0	2,281.0	5,729.4	1,150.3	9,160.7	
Inter-segment sales	分部間銷售	-	(81.7)	(39.1)	-	(120.8)	-	(300.2)	(59.0)	(359.2)	
External sales	外部銷售	1,920.4	7,834.4	1,307.4	-	11,062.2	2,281.0	5,429.2	1,091.3	8,801.5	
Segment profit	分部溢利	187.8	283.9	19.5	109.6	600.8	149.7	209.1	38.4	433.3	
Finance income	財務收入					16.8				23.2	
Finance costs	財務成本					(231.1)				(185.5)	
Profit before income tax	除所得稅前溢利					386.5				271.0	
Income tax expense	所得稅開支					(55.3)				(57.0)	
Profit for the period	期內溢利					331.2				214.0	
Depreciation and amortisation expenses	折舊及攤銷開支	(35.8)	(127.9)	(31.2)	(13.9)	(208.8)	(37.8)	(99.5)	(22.2)	(184.3)	
Fair value gain on derivative financial instruments and financial assets at fair value through profit or loss	衍生金融工具及按公平值計入損益之金融資產公平值收益	-	-	-	29.8	29.8	-	-	-	16.3	
Gain on disposal of property, plant and equipment, investment properties and intangible assets	出售物業、廠房及設備、投資物業及無形資產之收益	-	-	-	12.8	12.8	-	-	-	6.8	
Gain on disposal of assets classified as held for sale	出售分類為持作出售資產之收益	-	-	-	109.5	109.5	-	-	-	38.3	
Gain on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之金融資產之收益	-	-	-	14.3	14.3	-	-	-	-	

## Notes to the Condensed Consolidated Financial Information 簡明綜合財務資料附註

### 6 SEGMENT INFORMATION (continued)

#### Segment assets

Reconciliation of segment assets to total assets as at 30 June 2018 and 31 December 2017 are provided as follows:

		30 June 2018 二零一八年六月三十日				31 December 2017 (restated) 二零一七年十二月三十一日 (經重列)			
		Asia 亞洲 HK\$M 百萬港元	Europe 歐洲 HK\$M 百萬港元	North America 北美洲 HK\$M 百萬港元	Total 總計 HK\$M 百萬港元	Asia 亞洲 HK\$M 百萬港元	Europe 歐洲 HK\$M 百萬港元	North America 北美洲 HK\$M 百萬港元	Total 總計 HK\$M 百萬港元
Segment assets	分部資產	2,656.5	6,748.3	1,041.9	10,446.7	3,036.5	6,593.5	948.3	10,578.3
Deferred income tax assets	遞延所得稅資產				188.4				168.1
Fixed return investment	固定回報投資				350.6				339.0
Tax recoverable	可退回稅項				12.2				25.8
Derivative financial instruments	衍生金融工具				46.3				6.1
Cash and cash equivalents	現金及現金等值項目				922.6				976.4
Total assets	資產總值				11,966.8				12,093.7

### 6 分部資料 (續)

#### 分部資產

於二零一八年六月三十日及二零一七年十二月三十一日分部資產與資產總值的對賬如下：

## Notes to the Condensed Consolidated Financial Information 簡明綜合財務資料附註

### 7 OTHER GAINS, NET

### 7 其他收益淨額

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$M 百萬港元	2017 二零一七年 HK\$M 百萬港元
Gains/(losses) on fair value change of:	公平值變動收益／(虧損)：		
– derivative financial instruments	– 衍生金融工具	29.8	17.7
– financial assets at fair value through profit or loss	– 按公平值計入損益之金融資產	–	(1.4)
Foreign exchange (loss)/gain, net	匯兌(虧損)／收益淨額	(7.6)	5.1
Reversal of provision/(provision) for impairment on trade and other receivables, net of reversal	貿易及其他應收款項之減值撥備撥回／(撥備)(扣除回撥)	40.7	(14.1)
Gain on disposal of assets classified as held for sale (Note)	出售分類為持作出售資產之收益(附註)	109.5	38.3
Gain on disposal of property, plant and equipment, investment properties and intangible assets	出售物業、廠房及設備、投資物業及無形資產之收益	12.8	6.8
Gain on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之金融資產之收益	14.3	–
Others	其他	(17.3)	(0.9)
		<b>182.2</b>	<b>51.5</b>

Note:

During the six months ended 30 June 2018, a land use right classified as held for sale located in Shandong Province, the PRC, with carrying amount of approximately RMB32.0 million (equivalent to HK\$38.3 million) was surrendered to the local government and a discretionary compensation of RMB124.1 million (equivalent to HK\$152.6 million) was received after the negotiations with the local government.

附註：

截至二零一八年六月三十日止六個月，位於中國山東省且賬面值約人民幣3,200萬元(相等於3,830萬港元)的土地使用權(分類為持作出售的資產)已移交予地方政府，且與地方政府多次磋商後收取酌情賠償為人民幣1億2,410萬元(相等於1億5,260萬港元)。

Notes to the Condensed Consolidated Financial Information  
簡明綜合財務資料附註

8 FINANCE COSTS, NET

8 財務成本淨額

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$M 百萬港元	2017 二零一七年 HK\$M 百萬港元
Interest income from bank deposits	銀行存款之利息收入	3.5	5.5
Interest income from joint ventures (Note 20(a))	來自合營企業之利息收入 (附註20(a))	0.6	0.4
Interest income from related parties (Note 20(a))	來自關聯方之利息收入 (附註20(a))	1.1	6.5
Interest income from fixed return investment	固定回報投資之利息收入	11.6	10.8
<b>Finance income</b>	<b>財務收入</b>	<b>16.8</b>	<b>23.2</b>
Interest expense on bank loans, overdrafts and bills payable	銀行貸款、透支及應付 票據之利息開支	(62.5)	(69.7)
Interest expense on note payable	票據應付款項之利息開支	(107.8)	(107.3)
Effective interest expense on other borrowings	其他借款之實際利息開支	(21.3)	–
Interest expense on early redemption of note payable	提早贖回票據應付款項之 利息開支	(18.4)	–
Interest expense on early repayment of other borrowings	提早償還其他借款之 利息開支	(14.2)	–
Interest expense on finance lease liabilities	融資租賃責任之利息開支	(6.6)	(5.2)
Effective interest expenses on convertible bond	可換股債券之實際利息開支	–	(2.0)
Interest expense on loan from the immediate holding company (Note 20(a))	來自直接控股公司的貸款之 利息開支(附註20(a))	–	(0.2)
Interest expense on loan from an intermediate holding company (Note 20(a))	來自中間控股公司的貸款之 利息開支(附註20(a))	–	(0.8)
Interest expense on loan from related parties (Note 20(a))	來自關聯方的貸款之 利息開支(附註20(a))	(0.3)	(0.3)
<b>Finance costs</b>	<b>財務成本</b>	<b>(231.1)</b>	<b>(185.5)</b>
<b>Finance costs, net</b>	<b>財務成本淨額</b>	<b>(214.3)</b>	<b>(162.3)</b>

## Notes to the Condensed Consolidated Financial Information 簡明綜合財務資料附註

### 9 PROFIT FOR THE PERIOD

### 9 期內溢利

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$M 百萬港元	2017 二零一七年 HK\$M 百萬港元
Profit for the period has been arrived after charging/(crediting):	扣除／(計入)下列各項後達致之期內溢利：		
Changes in inventories of work-in-progress and finished goods	在製品及製成品存貨之變動	<b>553.9</b>	(490.9)
Raw materials and consumables used (Utilisation of provision for)/provision for inventories, net	所用原料及消耗品(動用撥備)／存貨撥備淨額	<b>8,931.8</b>	7,409.8
Employee benefit expenses	僱員福利開支	<b>(4.0)</b>	5.2
Depreciation and amortisation expenses	折舊及攤銷開支	<b>633.9</b>	527.6
Legal and professional expenses	法律及專業開支	<b>208.8</b>	184.3
		<b>48.1</b>	66.3

### 10 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profit for the period.

Under the law of the PRC on Enterprise Income Tax (the "EIT") and the relevant EIT Implementation Regulations, the PRC EIT has been provided at the rate of 25% (2017: 25%) on the estimated assessable profit for the period.

Germany and USA income taxes have been provided at rate of 30% (2017: 30%) and 21% (2017: 39%) respectively on the estimated assessable profit for the period.

Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates. Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the period.

### 10 所得稅開支

香港利得稅乃根據期內估計應課稅溢利按稅率16.5% (二零一七年: 16.5%) 計提撥備。

根據中國企業所得稅法(「企業所得稅」)及相關企業所得稅實施條例,中國企業所得稅乃根據期內估計應課稅溢利按稅率25% (二零一七年: 25%) 計提撥備。

德國及美國所得稅乃分別按期內估計應課稅溢利按稅率30% (二零一七年: 30%) 及21% (二零一七年: 39%) 計提撥備。

海外溢利之稅項乃按本集團經營所在國家之現行稅率計算期內估計應課稅溢利。所得稅開支乃根據管理層對期內預期的加權平均年度所得稅稅率的估計確認。

Notes to the Condensed Consolidated Financial Information  
簡明綜合財務資料附註

10 INCOME TAX EXPENSE (continued)

10 所得稅開支(續)

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$M 百萬港元	2017 二零一七年 HK\$M 百萬港元
Current income tax expense/(credit):	即期所得稅開支／(抵免)：		
Germany	德國	79.3	54.9
PRC EIT	中國企業所得稅	0.2	–
Hong Kong profits tax	香港利得稅	(2.4)	0.1
USA	美國	3.4	–
Other jurisdictions	其他司法權區	5.7	3.2
		86.2	58.2
Deferred income tax credit	遞延所得稅抵免	(30.9)	(1.2)
Income tax expense	所得稅開支	55.3	57.0

11 DIVIDEND

No dividend was paid or proposed during current and previous interim periods, nor has any dividend been proposed by the Company since the end of the reporting period in respect of the period ended 30 June 2018 and 2017.

11 股息

本公司於本中期期間及過往中期期間均無派付或建議派付任何股息，自截至二零一八年及二零一七年六月三十日止期間的報告期末亦無建議派付任何股息。

## Notes to the Condensed Consolidated Financial Information 簡明綜合財務資料附註

### 12 EARNINGS PER SHARE

#### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

### 12 每股盈利

#### (a) 基本

每股基本盈利乃按本公司股東應佔本期間溢利除以已發行普通股加權平均數目計算得出。

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$M 百萬港元	2017 二零一七年 HK\$M 百萬港元
<b>Profit</b>	<b>溢利</b>		
Profit for the period attributable to shareholders of the Company	本公司股東應佔本期間溢利	<b>331.6</b>	197.9
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number of ordinary shares in issue	已發行普通股加權平均數目	<b>1,605,152,291</b>	1,617,805,507
Basic earnings per share (expressed in HK\$)	每股基本盈利 (以港元列報)	<b>0.21</b>	0.12

#### (b) Diluted

The Group has no potentially dilutive shares outstanding during the interim period ended 30 June 2018 and 2017.

#### (b) 攤薄

截至二零一八年及二零一七年六月三十日止中期期間本集團並無已發行潛在攤薄股份。

## Notes to the Condensed Consolidated Financial Information 簡明綜合財務資料附註

### 13 PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group acquired property, plant and equipment of HK\$247.2 million (2017: HK\$99.6 million). Property, plant and equipment with a net book value of HK\$37.2 million (2017: HK\$11.1 million) were disposed of by the Group during the current interim period resulting in a net gain on disposal of HK\$12.7 million (2017: HK\$6.8 million).

### 13 物業、廠房及設備

於本中期期間，本集團購入物業、廠房及設備2億4,720萬港元（二零一七年：9,960萬港元）。本集團於本中期期間出售賬面淨值為3,720萬港元的物業、廠房及設備（二零一七年：1,110萬港元），導致錄得出售收益淨額1,270萬港元（二零一七年：680萬港元）。

### 14 TRADE, BILLS AND OTHER RECEIVABLES

### 14 貿易、票據及其他應收款項

		At 30 June 2018 於二零一八年 六月三十日 HK\$M 百萬港元	At 31 December 2017 於二零一七年 十二月三十一日 HK\$M 百萬港元
Trade receivables	貿易應收款項	<b>1,827.0</b>	1,434.5
Less: Provision for impairment	減：減值撥備	<b>(80.2)</b>	(127.8)
Trade receivables, net	貿易應收款項淨額	<b>1,746.8</b>	1,306.7
Bills receivables	票據應收款項	<b>2.8</b>	0.6
Other receivables (Note)	其他應收款項（附註）	<b>105.9</b>	308.1
Deposits and prepayments	按金及預付款項	<b>205.1</b>	191.8
Deposits paid for purchase of raw materials	購買原料之已付按金	<b>140.1</b>	55.1
VAT recoverable	可退回增值稅	<b>132.9</b>	130.1
		<b>2,333.6</b>	1,992.4

Note: As at 30 June 2018, the balance includes a receivable of HK\$68.0 million (31 December 2017: HK\$265.8 million) from a government authority in the PRC.

附註：於二零一八年六月三十日，結餘包括來自中國政府當局應收款項6,800萬港元（二零一七年十二月三十一日：2億6,580萬港元）。



## Notes to the Condensed Consolidated Financial Information 簡明綜合財務資料附註

### 14 TRADE, BILLS AND OTHER RECEIVABLES (continued)

The Group generally grants credit terms ranging from 30 to 90 days to customers upon the approval of management according to the credit quality of individual customers. At 30 June 2018 and 31 December 2017, the aging analysis of the trade receivables based on invoice date were as follows:

		<b>At 30 June 2018</b> 於二零一八年 六月三十日 <b>HK\$M</b> 百萬港元	At 31 December 2017 於二零一七年 十二月三十一日 <b>HK\$M</b> 百萬港元
0 – 90 days	0至90日	<b>1,708.2</b>	1,335.7
91 – 180 days	91至180日	<b>37.3</b>	37.8
Over 180 days	超過180日	<b>81.5</b>	61.0
		<b>1,827.0</b>	1,434.5

### 14 貿易、票據及其他應收款項 (續)

在獲得管理層批准後，本集團一般根據個別客戶的信貸質素，向客戶授出介乎30至90日的信貸期。於二零一八年六月三十日及二零一七年十二月三十一日，貿易應收款項按發票日期的賬齡分析如下：

### 15 TRADE, BILLS AND OTHER PAYABLES

		<b>At 30 June 2018</b> 於二零一八年 六月三十日 <b>HK\$M</b> 百萬港元	At 31 December 2017 於二零一七年 十二月三十一日 <b>HK\$M</b> 百萬港元
Trade payables	貿易應付款項	<b>1,335.9</b>	1,192.8
Bills payable	應付票據	<b>25.7</b>	–
Contract liabilities	合約負債	<b>25.6</b>	–
Other tax payable	其他應付稅項	<b>91.4</b>	180.3
Accrued salaries and employee benefits	應計薪金及僱員福利	<b>97.5</b>	132.0
Provision for claims and contingencies	索償及或然事項撥備	<b>4.9</b>	19.6
Accrued professional expenses	應計專業開支	<b>17.0</b>	47.7
Asset retirement obligations	資產報廢責任	<b>83.2</b>	85.4
Other payables and accruals	其他應付款項及應計費用	<b>619.5</b>	539.4
		<b>2,300.7</b>	2,197.2
Less: Non-current portion	減：非流動部分		
Asset retirement obligations	資產報廢責任	<b>(83.2)</b>	(85.4)
Other payables	其他應付款項	<b>(10.6)</b>	(19.8)
		<b>2,206.9</b>	2,092.0

### 15 貿易、票據及其他應付款項

## Notes to the Condensed Consolidated Financial Information 簡明綜合財務資料附註

### 15 TRADE, BILLS AND OTHER PAYABLES (continued)

The aging analysis of the trade payables based on invoice date was as follows:

		<b>At 30 June 2018</b>	At 31 December 2017
		於二零一八年 六月三十日	於二零一七年 十二月三十一日
		<b>HK\$M</b>	HK\$M
		百萬港元	百萬港元
0 – 90 days	0至90日	<b>1,255.1</b>	1,133.5
91 – 180 days	91至180日	<b>39.4</b>	17.5
Over 180 days	超過180日	<b>41.4</b>	41.8
		<b>1,335.9</b>	1,192.8

### 15 貿易、票據及其他應付款項 (續)

貿易應付款項根據發票日期之賬齡分析如下：

### 16 BORROWINGS

		<b>At 30 June 2018</b>	At 31 December 2017
		於二零一八年 六月三十日	於二零一七年 十二月三十一日
		<b>HK\$M</b>	HK\$M
		百萬港元	百萬港元
<b>Non-current</b>			
<b>非流動</b>			
Bank borrowings	銀行借款	<b>470.6</b>	572.0
Other borrowings (Note a)	其他借款(附註a)	<b>1,077.1</b>	418.9
Finance lease liabilities	融資租賃責任	<b>133.2</b>	142.1
		<b>1,680.9</b>	1,133.0
<b>Current</b>			
<b>流動</b>			
Bank borrowings	銀行借款	<b>823.7</b>	1,083.0
Other borrowings (Note a)	其他借款(附註a)	<b>261.1</b>	379.1
Note payable (Note b)	應付票據(附註b)	<b>911.6</b>	1,476.6
Finance lease liabilities	融資租賃責任	<b>56.1</b>	83.5
		<b>2,052.5</b>	3,022.2
<b>Total borrowings</b>	<b>總借款</b>	<b>3,733.4</b>	4,155.2

### 16 借款

## Notes to the Condensed Consolidated Financial Information 簡明綜合財務資料附註

### 16 BORROWINGS (continued)

Notes:

(a) Other borrowings

During the current interim period, the Group has drawn down from a new syndicated term loan of approximately US\$140.0 million (equivalent to HK\$1,098.3 million) to early repay certain other borrowings and note payable. The loan was guaranteed by USUMHK and Mr. Tu. The Group has pledged the shares of certain subsidiaries to secure the loan.

(b) Note payable

On 20 December 2016, the Company issued a 8% note with a principal amount of US\$200.0 million to an independent third party ("the Subscriber"). The note matures in 2 years from the issue date and can be extended for one year subject to agreement of both parties. Mr. Tu and USUMHK shall also provide a personal guarantee and a corporate guarantee respectively to the Subscriber. The Group made an early repayment of US\$80.8 million during the current interim period.

### 16 借款(續)

附註：

(a) 其他借款

於本中期期間，本集團已支取新銀團定期貸款約1億4,000萬美元（相等於10億9,830萬港元）以提前償還若干其他借款及應付票據。貸款乃由渝商香港及涂先生擔保。本集團已抵押若干子公司的股票以擔保此貸款。

(b) 應付票據

於二零一六年十二月二十日，本公司向一名獨立第三方（「認購人」）發行本金額為2億美元的8%票據。票據由發行日期起計兩年內到期，倘若雙方同意，可延長一年。涂先生及渝商香港亦須向認購人分別提供個人擔保及公司擔保。本集團於本中期期間提前償還8,080萬美元。

Notes to the Condensed Consolidated Financial Information  
簡明綜合財務資料附註

17 SHARE CAPITAL

Authorised share capital

17 股本

法定股本

		Numbers of shares 股份數目 (Thousands) (千股)	Share capital 股本 HK\$M 百萬港元
Ordinary shares of HK\$0.01 each at 1 January 2017, 30 June 2017, 1 January 2018 and 30 June 2018	於二零一七年一月一日、 二零一七年六月三十日、 二零一八年一月一日及 二零一八年六月三十日 每股面值0.01港元之普通股	5,000,000	50
<b>Issued and fully paid</b>	<b>已發行及繳足</b>		
At 1 January 2017	於二零一七年一月一日	1,619,739	16.2
Repurchase of shares (Note a)	購回股份(附註a)	(14,586)	(0.1)
At 30 June 2017, 1 January 2018 and 30 June 2018	於二零一七年六月三十日、 二零一八年一月一日及 二零一八年六月三十日	1,605,153	16.1

Note:

- (a) During the period ended 30 June 2017, the Company repurchased 14.6 million of its own shares on the Stock Exchange, which were cancelled and deducted from shareholders' equity at the period ended 30 June 2017, at an aggregate consideration of approximately HK\$65.5 million. The highest and lowest prices paid were HK\$5.27 and HK\$3.34, respectively.

附註：

- (a) 截至二零一七年六月三十日止期間，本公司於聯交所購回其本身之1,460萬股股份，而該等股份於截至二零一七年六月三十日之期間內註銷並從股東權益中扣除，總代價約為6,550萬港元。已付最高及最低價格分別為5.27港元及3.34港元。

## Notes to the Condensed Consolidated Financial Information 簡明綜合財務資料附註

### 18 PLEDGE OF ASSETS

At the end of the reporting period, the Group has pledged the following assets to banks to secure certain bank borrowings and general banking facilities granted to the Group:

		<b>At 30 June 2018</b>	At 31 December 2017
		於二零一八年 六月三十日	於二零一七年 十二月三十一日
		<b>HK\$M</b>	HK\$M
		百萬港元	百萬港元
Property, plant and equipment	物業、廠房及設備	<b>2,183.0</b>	2,054.5
Leasehold land and land use rights	租賃土地及土地使用權	<b>331.0</b>	333.9
Inventories	存貨	<b>887.5</b>	873.5
Trade receivables	貿易應收款項	<b>1,066.1</b>	987.7
Pledged bank deposits	已抵押銀行存款	<b>383.4</b>	95.0
		<b>4,851.0</b>	4,344.6

### 18 資產抵押

於報告期末，本集團已向銀行抵押以下資產，以擔保授予本集團之若干銀行借款及一般銀行信貸：

### 19 COMMITMENTS

#### (a) Capital commitments

As at 30 June 2018 and 31 December 2017, capital expenditure contracted for but not yet incurred is as follows:

		<b>At 30 June 2018</b>	At 31 December 2017
		於二零一八年 六月三十日	於二零一七年 十二月三十一日
		<b>HK\$M</b>	HK\$M
		百萬港元	百萬港元
Capital expenditure contracted for but not provided in the condensed consolidated financial information in respect of:	已訂約但未於簡明綜合財務資料中撥備的資本開支：		
– Acquisition of property, plant and equipment	– 收購物業、廠房及設備	<b>143.4</b>	128.3
– Additions in construction in progress	– 添置在建工程	<b>42.6</b>	47.0
		<b>186.0</b>	175.3

### 19 承擔

#### (a) 資本承擔

於二零一八年六月三十日及二零一七年十二月三十一日，已訂約但未產生之資本開支如下：

**Notes to the Condensed Consolidated Financial Information**  
**簡明綜合財務資料附註**

**19 COMMITMENTS (continued)**

**(b) Operating lease commitments – as lessee**

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

**19 承擔 (續)**

**(b) 經營租賃承擔 – 承租人**

根據不可撤銷經營租賃之未來最低租賃付款總額如下：

		<b>At 30 June 2018 於二零一八年 六月三十日 HK\$M 百萬港元</b>	At 31 December 2017 於二零一七年 十二月三十一日 HK\$M 百萬港元
Land and buildings	土地及樓宇		
– No later than 1 year	– 不遲於一年	<b>35.9</b>	34.3
– Later than 1 year and no later than 5 years	– 遲於一年但不遲於五年	<b>42.1</b>	47.3
– Later than 5 years	– 遲於五年	<b>64.0</b>	77.1
		<b>142.0</b>	158.7
Property, plant and equipment	物業、廠房及設備		
– No later than 1 year	– 不遲於一年	<b>12.9</b>	11.6
– Later than 1 year and no later than 5 years	– 遲於一年但不遲於五年	<b>19.5</b>	24.6
– Later than 5 years	– 遲於五年	–	0.8
		<b>32.4</b>	37.0

## Notes to the Condensed Consolidated Financial Information 簡明綜合財務資料附註

### 19 COMMITMENTS (continued)

#### (c) Operating lease commitments – as lessor

The future aggregate minimum lease payments receivable under non-cancellable operating leases are as follows:

		At 30 June 2018 於二零一八年 六月三十日 HK\$M 百萬港元	At 31 December 2017 於二零一七年 十二月三十一日 HK\$M 百萬港元
Property, plant and equipment	物業、廠房及設備		
– No later than 1 year	– 不遲於一年	9.0	25.0
– Later than 1 year and no later than 5 years	– 遲於一年但不遲於五年	20.4	26.9
– Later than 5 years	– 遲於五年	16.7	16.1
		<b>46.1</b>	<b>68.0</b>

### 20 RELATED PARTIES TRANSACTIONS

The Group is controlled by USUMHK which owns 63% of the Company's shares. The remaining 37% of the shares are widely held. The ultimate holding company of the Group is Loncin Group Co., Ltd (incorporated in the PRC). The ultimate controlling party of the Group is Mr. Tu.

#### (a) Transactions

In addition to those disclosed elsewhere in the condensed consolidated financial information, the Group had the following transactions with its related parties during the interim period ended 30 June 2018 and 2017.

### 19 承擔(續)

#### (c) 經營租賃承擔 – 出租人

根據不可撤銷經營租賃之未來最低租賃付款總額如下：

### 20 關聯方交易

本集團由渝商香港控制，渝商香港擁有本公司63%股份。其餘37%股份由廣泛持有人持有。本集團最終控股公司為隆鑫集團有限公司（於中國註冊成立）。本集團最終控制方為涂先生。

#### (a) 交易

除已在簡明綜合財務資料其他部分披露者外，本集團於截至二零一八年及二零一七年六月三十日止中期期間曾與其關聯方進行以下交易。

## Notes to the Condensed Consolidated Financial Information 簡明綜合財務資料附註

### 20 RELATED PARTIES TRANSACTIONS (continued)

#### (a) Transactions (continued)

All of the transactions were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties. They are summarised as follows:

### 20 關聯方交易(續)

#### (a) 交易(續)

所有交易均於本集團日常業務過程中按交易雙方所協定的條款進行，詳情概述如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$M 百萬港元	2017 二零一七年 HK\$M 百萬港元
Sales of goods to	向以下各方銷售商品		
– Joint ventures	– 合營企業	45.4	80.8
– Related parties	– 關聯方	343.5	238.7
Purchases of goods from	從以下各方採購商品		
– An associate	– 聯營公司	(1.2)	(49.0)
– Joint ventures	– 合營企業	(158.1)	(185.2)
– Related parties	– 關聯方	(82.8)	(112.4)
Interest income from	來自以下各方之利息收入		
– Joint ventures	– 合營企業	0.6	0.4
– Related parties	– 關聯方	1.1	6.5
Interest expense to	支付予以下各方之利息開支		
– The immediate holding company	– 直接控股公司	–	(0.2)
– An intermediate holding company	– 中間控股公司	–	(0.8)
– Related parties	– 關聯方	(0.3)	(0.3)
Other income from (Note)	來自以下各方之其他收入 (附註)		
– Joint ventures	– 合營企業	0.8	2.3
– Related parties	– 關聯方	3.7	6.2
Administrative expenses	行政開支		
– Management fee paid to joint ventures	– 支付予合營企業的管理費	(0.1)	(0.2)
– Lease expense paid to related parties	– 支付予關聯方的租賃開支	(3.2)	(4.7)

Note: Other income mainly comprised of management fee income, rental income and commission income.

附註：其他收入主要包括管理費收入、租金收入及佣金收入。



## Notes to the Condensed Consolidated Financial Information 簡明綜合財務資料附註

### 20 RELATED PARTIES TRANSACTIONS (continued)

#### (b) Key management compensation

Key management includes all directors, chief executive officer, chief financial officer, chief operation officer, chief investment officer and chairman of the Company. The compensation paid or payable to key management for employee services is shown below:

### 20 關聯方交易(續)

#### (b) 主要管理層薪酬

主要管理層包括全體董事、行政總裁、首席財務官、首席營運官、首席投資官及本公司主席。就提供僱員服務而已付或應付主要管理層的薪酬列示如下：

#### Six months ended 30 June

截至六月三十日止六個月

		2018 二零一八年 HK\$M 百萬港元	2017 二零一七年 HK\$M 百萬港元
Wages and salaries, including restructuring costs and other termination benefits	工資及薪金，包括重組成本及其他終止僱傭福利	8.1	5.4
Pension costs – defined contribution plans	退休金成本—界定供款計劃	0.1	0.1
Other employee benefits	其他僱員福利	0.7	0.3
Total	總計	8.9	5.8

**Notes to the Condensed Consolidated Financial Information**  
**簡明綜合財務資料附註**

**20 RELATED PARTIES TRANSACTIONS (continued)**

**20 關聯方交易(續)**

**(c) Period-end balances**

**(c) 期末結餘**

		<b>At 30 June 2018</b>	At 31 December 2017
		於二零一八年 六月三十日	於二零一七年 十二月三十一日
		<b>HK\$M</b>	HK\$M
		百萬港元	百萬港元
Receivables from:	應收以下各方款項：		
– Joint ventures (Note (i))	– 合營企業(附註(i))	<b>52.2</b>	64.8
– Related parties (Note (i))	– 關聯方(附註(i))	<b>44.4</b>	140.8
		<b>96.6</b>	205.6
Payables to:	應付以下各方款項：		
– Joint ventures (Note (ii))	– 合營企業(附註(ii))	<b>(41.2)</b>	(30.6)
– Related parties (Note (ii))	– 關聯方(附註(ii))	<b>(38.0)</b>	(80.3)
		<b>(79.2)</b>	(110.9)

Note:

- (i) The receivables from joint ventures and related parties include trade receivables and other receivables. Trade receivables are repayable within 60 days, and other receivables are repayable on demand. Both of them are unsecured and non-interest bearing.
- (ii) The payables to joint ventures and related parties include trade payables and other payables. Trade payables are repayable within 60 days, and other payable are repayable on demand. Both of them are unsecured and non-interest bearing.

附註：

- (i) 應收合營企業及關聯方款項包括貿易應收款項及其他應收款項。貿易應收款項須於60日內償還，其他應收款項則須按要求償還。該兩類款項均為無抵押及不計息。
- (ii) 應付合營企業及關聯方款項包括貿易應付款項及其他應付款項。貿易應付款項須於60日內償還，而其他應付款項則須按要求償還。該兩類款項均為無抵押及不計息。

## 21 CONTINGENCIES

- (a) The Company is a defendant to a legal claim by Delco regarding an alleged non-payment of the loan advanced by Delco Asia to subsidiaries of the Company, amounting to approximately HK\$57.8 million together with interest and costs. Delco alleged that it acquired the assets and liabilities of Delco Asia in 2011. Delco Asia was dissolved by deregistration in 2012. Each of Mr. Fang and HWH undertook to the Company to indemnify and hold the Company harmless on demand against all losses arising out of, inter alia, this claim in accordance with the terms of a letter of indemnity signed by Mr. Fang and HWH in favour of the Company on 17 December 2015 (the "Indemnity"). In addition, HWH has paid the amount of HK\$57.8 million to a lawyer in an escrow account ("Escrow Account") as security for any liability of the Company in respect of, inter alia, this claim.

The court case is still in progress. The directors of the Company, after taking legal advice from its legal advisers and in review of the Indemnity and the Escrow Account, are of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle this claim. Accordingly, no provision of this claim has been made.

- (b) The Company is a defendant to another legal claim by Delco regarding an alleged breach of a letter of undertaking in relation to a convertible bond issued by the Company and subscribed for by Delco. Delco further claimed against Chiho-Tiande (HK) limited ("CTHK") for a sum of US\$1.0 million, allegedly advanced by Delco Asia to CTHK. Delco further claimed interests, costs and further or other relief of HK\$6.3 million.

## 21 或然事項

- (a) 本公司為Delco就聲稱未償還Delco Asia墊付予本公司子公司的貸款金額約5,780萬港元連同利息及相關費用而提起的法律索賠的被告人。Delco 稱其已於二零一一年收購Delco Asia的資產及負債。於二零一二年，Delco Asia以撤銷註冊方式解散。方先生及HWH各自向本公司承諾，根據方先生與HWH以本公司為受益人於二零一五年十二月十七日簽署的彌償函件的條款，彌償本公司因（其中包括）此索賠產生的所有損失及使本公司不受到損失（「彌償」）。此外，HWH已向律師支付5,780萬港元的信託賬戶（「信託賬戶」），作為本公司有關（其中包括）此索賠的任何責任的擔保。

訴訟現正在進行中。經考慮本公司法律顧問的法律意見及審閱彌償及信託賬戶後，本公司董事認為清償此索賠不可能導致經濟利益的流出。因此，並無就此索賠作出撥備。

- (b) 本公司為Delco就聲稱違反本公司所發行及Delco所認購之可換股債券所涉及之承諾函件而提起的另一宗法律索賠的被告人。Delco進一步向齊合天地（香港）有限公司（「齊合香港」）申索金額100萬美元，該款項聲稱是由Delco Asia墊付予齊合香港。Delco再申索利息、訟費及進一步或其他寬免，涉及金額630萬港元。

## 21 CONTINGENCIES (continued)

- (b) (continued)  
The court case is still in progress. The directors of the Company, after taking legal advice from its legal advisers, are of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle this claim. Accordingly, no provision of this claim has been made.
- (c) As at 30 June 2018, the Group has contingent liabilities of approximately HK\$30.2 million (31 December 2017: HK\$42.5 million) which consist of non-financial guarantee in favour of investee entities.

## 22 CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of HKFRS 9 Financial Instruments and HKFRS 15 Revenue from Contracts with Customers on the Group's condensed consolidated financial information and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

## 21 或然事項 (續)

- (b) (續)  
訴訟現正在進行中。經考慮本公司法律顧問的法律意見後，本公司董事認為清償此索賠不可能導致經濟利益的流出。因此，並無就此索賠作出撥備。
- (c) 於二零一八年六月三十日，本集團擁有或然負債約3,020萬港元（二零一七年十二月三十一日：4,250萬港元），由以被投資實體為受益人的非融資性擔保組成。

## 22 會計政策之變更

本附註說明採納香港財務報告準則第9號金融工具及香港財務報告準則第15號來自客戶合約之收益對本集團簡明綜合財務資料之影響，且亦披露自二零一八年一月一日起應用的新會計政策（倘其與過往期間所應用者不同）。

## Notes to the Condensed Consolidated Financial Information 簡明綜合財務資料附註

### 22 CHANGES IN ACCOUNTING POLICIES (continued)

#### (a) Impact on the financial information

As explained in notes 22(b)(i) and 22(c)(i) below, HKFRS 9 and HKFRS 15 were adopted by the Group without restating comparative information. As a result, the reclassifications and adjustments arising from the adoption of HKFRS 9 and HKFRS 15 are therefore not reflected in the consolidated balance sheet as at 31 December 2017, but are recognised in the opening condensed consolidated balance sheet as at 1 January 2018.

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. The adjustments are explained in more detail by standard below.

#### Condensed consolidated balance sheet (extract)

	31 December 2017 二零一七年 十二月 三十一日 HK\$M 百萬港元	Effect of HKFRS 9 香港財務報告 準則第9號 的影響 HK\$M 百萬港元	Effect of HKFRS 15 香港財務報告 準則第15號 的影響 HK\$M 百萬港元	1 January 2018 二零一八年 一月一日 HK\$M 百萬港元
<b>Non-current assets</b>				
Other non-current assets – available-for-sale financial assets				
Financial assets at fair value through profit or loss (“FVPL”)	121.4	(121.4)	–	–
Financial assets at fair value through other comprehensive income (“FVOCI”)	–	5.3	–	5.3
	–	116.1	–	116.1
<b>Current liabilities</b>				
Trade, bills and other payables – other payables and accruals	539.4	–	(17.9)	521.5
Trade, bills and other payables – contract liabilities	–	–	17.9	17.9

### 22 會計政策之變更(續)

#### (a) 對財務資料之影響

誠如下文附註22(b)(i)及22(c)(i)所闡釋，本集團採納香港財務報告準則第9號及香港財務報告準則第15號時毋須重列可比較資料。因此，採納香港財務報告準則第9號及香港財務報告準則第15號所產生之重新分類及調整並無於二零一七年十二月三十一日的綜合資產負債表中反映，惟於二零一八年一月一日的期初簡明綜合資產負債表中確認。

下表列示就各單獨項目確認調整。並無載列不受有關變動影響的項目。該等調整的詳情將載於下述準則說明。

#### 簡明綜合資產負債表(摘錄)

## 22 CHANGES IN ACCOUNTING POLICIES (continued)

### (b) Adoption of HKFRS 9 Financial Instruments

#### (i) HKFRS 9 Financial Instruments – Impact of adoption

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 “Financial instruments” from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in note 22(b)(ii) below. In accordance with the transition provisions in HKFRS 9 (7.2.15), comparative figures have not been restated.

#### *Classification and measurement*

On 1 January 2018 (the date of initial application of HKFRS 9), the Group’s management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. The main effects resulting from this reclassification are set out in note 22(a) and 22(b)(ii).

#### *Reclassification from available-for-sale to FVPL*

Certain equity investments were reclassified from available-for-sale to financial assets at FVPL (HK\$5.3 million as at 1 January 2018). They do not meet the HKFRS 9 criteria for classification at amortised cost, because their cash flows do not represent solely payments of principal and interest.

For the period ended 30 June 2018, net disposal gain of HK\$14.3 million relating to these investments were recognised in profit or loss.

## 22 會計政策之變更(續)

### (b) 採納香港財務報告準則第9號金融工具

#### (i) 香港財務報告準則第9號金融工具－採納的影響

香港財務報告準則第9號取代香港會計準則第39號有關確認、分類及計量金融資產及金融負債、終止確認金融工具、金融資產減值及對沖會計的條文。

由於自二零一八年一月一日起採納香港財務報告準則第9號「金融工具」，故此會計政策變動及財務報表內已確認金額有所調整。新會計政策載於下文附註22(b)(ii)。根據香港財務報告準則第9號(7.2.15)過渡條文，並無重列比較數字。

#### *分類及計量*

於二零一八年一月一日(初次應用香港財務報告準則第9號當日)，本集團管理層已評估應就本集團所持有的金融資產採用何種業務模式，並已將其金融工具分類至香港財務報告準則第9號項下適當的類別。此重新分類導致的主要影響載於附註22(a)及22(b)(ii)。

#### *從可供出售重新分類至按公平值計入損益*

若干股本投資從可供出售重新分類至按公平值計入損益之金融資產(於二零一八年一月一日為530萬港元)。彼等並不符合香港財務報告準則第9號標準之按攤銷成本分類，原因為彼等的現金流量並不唯一表示支付本金及利息。

於截至二零一八年六月三十日止期間內，有關該等投資的出售收益淨額1,430萬港元乃於損益內確認。

## Notes to the Condensed Consolidated Financial Information 簡明綜合財務資料附註

### 22 CHANGES IN ACCOUNTING POLICIES (continued)

#### (b) Adoption of HKFRS 9 Financial Instruments (continued)

##### (i) HKFRS 9 Financial Instruments – Impact of adoption (continued)

###### *Reclassification from available-for-sale to FVOCI*

The Group elected to present in other comprehensive income changes in the fair value of certain equity investments previously classified as available-for-sale, because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. As a result, these investments were reclassified from available-for-sale financial assets to financial assets at FVOCI (HK\$116.1 million as at 1 January 2018).

Other than that, there were no changes to the classification and measurement of financial instruments.

###### *Impairment of financial assets*

Financial asset at amortised cost include trade, bills and other receivables, fixed return investment and balances with related parties.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (“ECL”) rather than only incurred credit losses as is the case under HKAS 39.

The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets. The Group applies the HKFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables.

The Group established ECL model based on historical settlement records, past experience and available forward-looking information. The Group has concluded that the impact of ECL is insignificant as at 1 January 2018.

### 22 會計政策之變更 (續)

#### (b) 採納香港財務報告準則第9號金融 工具 (續)

##### (i) 香港財務報告準則第9號 金融工具—採納的影響 (續)

從可供出售重新分類至按公平值計入其他全面收益因為本集團先前分類為可供出售的若干股本投資乃持作長期策略投資，預期在中短期內不會出售，該等投資之公平值變動被選定於其他全面收益中呈列。故此，該等投資已從可供出售金融資產重新分類至按公平值計入其他全面收益的金融資產（於二零一八年一月一日為1億1,610萬港元）。

除此之外，金融工具的分類及計量並無變動。

###### *金融資產減值*

按攤銷成本之金融資產包括貿易、票據及其他應收款項、固定回報投資及與關聯方之結餘。

新減值模式要求減值撥備須按預期信貸虧損（「預期信貸虧損」）確認，而非根據香港會計準則第39號所述僅按已產生的信貸虧損確認。

根據香港財務報告準則第9號，本集團須修改該等類別資產各自的減值方法。本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，就所有貿易應收款項使用整個年期的預期虧損撥備。

本集團已基於過往結算記錄、過往經驗及可取得的前瞻性資料制訂預期信貸虧損模式。本集團認為於二零一八年一月一日的預期信貸虧損的影響並不重大。

## 22 CHANGES IN ACCOUNTING POLICIES (continued)

### (b) Adoption of HKFRS 9 Financial Instruments (continued)

#### (i) HKFRS 9 Financial Instruments – Impact of adoption (continued)

##### *Impairment of financial assets (continued)*

The Group adopted expected credit risk model on other financial asset at amortised cost other than trade, bills and other receivables and concluded that the impact is insignificant as at 1 January 2018.

#### (ii) HKFRS 9 Financial Instruments – Accounting policies applied from 1 January 2018

##### *Classification*

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (“OCI”), or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

## 22 會計政策之變更(續)

### (b) 採納香港財務報告準則第9號金融 工具(續)

#### (i) 香港財務報告準則第9號 金融工具 – 採納的影響 (續)

##### *金融資產減值(續)*

本集團就按攤銷成本之其他金融資產而非貿易、票據及其他應收款項採納預期信貸風險模式，並認為於二零一八年一月一日的影響並不重大。

#### (ii) 香港財務報告準則第9號金融 工具 – 自二零一八年一 月一日起應用的會計政策 分類

自二零一八年一月一日起，本集團將其金融資產分類為以下計量類別：

- 其後將按公平值(計入其他全面收益(「其他全面收益」)或計入損益)計量的金融資產，及
- 將按攤銷成本計量的金融資產。

該分類取決於本集團管理金融資產的業務模式及現金流量的合約條款。

就按公平值計量的資產而言，收益及虧損將計入損益或其他全面收益。就並非持作買賣的權益工具投資而言，將視乎本集團是否有在初步確認時作出不可撤銷的選擇，以按公平值計入其他全面收益的股本投資列賬。

當且僅當本集團管理該等資產的業務模式改變時，方會對債務投資進行重新分類。



## 22 CHANGES IN ACCOUNTING POLICIES (continued)

### (b) Adoption of HKFRS 9 Financial Instruments (continued)

#### (ii) HKFRS 9 Financial Instruments – Accounting policies applied from 1 January 2018 (continued)

##### *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

##### *Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other gains, net", together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the condensed consolidated statement of profit or loss.

##### *Equity instruments*

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

## 22 會計政策之變更(續)

### (b) 採納香港財務報告準則第9號金融工具(續)

#### (ii) 香港財務報告準則第9號金融工具—自二零一八年一月一日起應用的會計政策計量

於初步確認時，本集團按其公平值（倘金融資產並非按公平值計入損益，則另加收購金融資產直接應佔的交易成本）計量金融資產。以按公平值計入損益列賬的金融資產的交易成本於損益內支銷。

##### *債務工具*

債務工具的後續計量取決於本集團管理資產的業務模式及資產的現金流量特徵。

倘為收取合約現金流量而持有的資產的現金流量僅為本金及利息付款，則該等資產按攤銷成本計量。該等金融資產的利息收入採用實際利率法計入財務收入。終止確認產生的任何收益或虧損直接於損益內確認，並連同外匯收益及虧損於「其他收益淨額」呈列。減值虧損於簡明綜合損益表內作為單獨項目呈列。

##### *權益工具*

本集團其後按公平值計量所有股本投資。倘本集團管理層已選擇於其他全面收益呈列股本投資的公平值收益及虧損，則於終止確認有關投資後，公平值收益及虧損其後不再重新分類至損益。當本集團收取付款的權利確立時，有關投資的股息繼續於損益內確認為其他收入。

22 CHANGES IN ACCOUNTING POLICIES  
(continued)

(b) Adoption of HKFRS 9 Financial Instruments  
(continued)

(ii) HKFRS 9 Financial Instruments – Accounting  
policies applied from 1 January 2018  
(continued)

*Equity instruments (continued)*

Changes in the fair value of financial assets at FVPL are recognised in “other gains, net” in the condensed consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

*Impairment*

From 1 January 2018, the Group assesses on a forward looking basis the ECL associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

22 會計政策之變更(續)

(b) 採納香港財務報告準則第9號金融工具(續)

(ii) 香港財務報告準則第9號金融工具 – 自二零一八年一月一日起應用的會計政策  
權益工具(續)

按公平值計入損益的金融資產的公平值變動於簡明綜合損益表(如適用)「其他收益淨額」內確認。按公平值計入其他全面收益計量的股本投資的減值虧損(及減值虧損撥回)不會與公平值的其他變動分開呈報。

*減值*

自二零一八年一月一日起，本集團按前瞻性基準評估與其按攤銷成本列賬的資產相關的預期信貸虧損。所應用的減值方法取決於信貸風險是否顯著增加。

就貿易應收款項而言，本集團採用香港財務報告準則第9號所允許的簡化方法，該方法規定預期使用年期虧損將自初步確認應收款項起確認。

22 CHANGES IN ACCOUNTING POLICIES  
(continued)

(c) Adoption of HKFRS 15 Revenue from Contracts with Customers

(i) HKFRS 15 Revenue from Contracts with Customers – Impact of adoption

HKFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a Group's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service.

The adoption of HKFRS 15 has resulted in changes in accounting policies and adjustments to the amounts recognised in the condensed consolidated financial information. In accordance with the transition provisions in HKFRS 15, the Group elected to use a modified retrospective approach which allows the Group to recognise the accumulative effects of initially applying HKFRS 15 as an adjustment to the opening balance of retained earnings in the 2018 financial year. The Group elected to apply the practical expedient for completed contracts and did not restate the contracts completed before 1 January 2018, thus the comparative figures have not been restated.

22 會計政策之變更(續)

(c) 採納香港財務報告準則第15號來自客戶合約之收益

(i) 香港財務報告準則第15號來自客戶合約之收益－採納的影響

香港財務報告準則第15號規管收益確認之處理方法，並就收益之性質、金額、時間及不確定因素，以及因本集團與客戶之合約而產生之現金流量制訂的原則向財務報表使用者呈報有用資料。當客戶取得貨品或服務之控制權，並因此能指揮有關貨品或服務之使用及取得有關貨品或服務之利益時，收益方獲確認。

採納香港財務報告準則第15號已導致會計政策的變動及於簡明綜合財務資料內所確認金額的調整。根據香港財務報告準則第15號的過渡條文，本集團選擇使用經修訂追溯方法，其允許本集團將初步應用香港財務報告準則第15號的累計影響確認為一項對二零一八年財政年度的保留盈利期初結餘的調整。本集團選擇就已完成合約採用可行權宜方法，並無對在二零一八年一月一日前已完成的合約進行重列，因此並無重列比較數字。

22 CHANGES IN ACCOUNTING POLICIES  
(continued)

(c) Adoption of HKFRS 15 Revenue from Contracts with Customers (continued)

(i) HKFRS 15 Revenue from Contracts with Customers – Impact of adoption (continued)

The standard replaces HKAS 18 Revenue and HKAS 11 Construction contracts and related interpretations. The new accounting policies are set out in note 22(c)(ii) below. The impacts of the adoption of HKFRS 15 are as follows:

*Presentation of liabilities related to contracts with customers*

Contract liabilities (HK\$17.9 million as at 1 January 2018) which were previously included in other payables and accruals are now presented separately in note 15 to the condensed consolidated balance sheet to reflect the terminology of HKFRS 15.

*Timing of revenue recognition*

The adoption of HKFRS 15 does not have a significant impact on when the Group recognises revenue from sales of goods.

22 會計政策之變更(續)

(c) 採納香港財務報告準則第15號來自客戶合約之收益(續)

(i) 香港財務報告準則第15號來自客戶合約之收益—採納的影響(續)

該準則取代香港會計準則第18號收益及香港會計準則第11號建設合約以及相關詮釋。新會計政策載於下文附註22(c)(ii)。採納香港財務報告準則第15號的影響如下所示：

*呈列有關客戶合約之負債*

先前計入其他應付款項及應計費用的合約負債(於二零一八年一月一日為1,790萬港元)現時於簡明綜合資產負債表的附註15內單獨呈列以反映香港財務報告準則第15號的術語。

*收益確認的時間*

採納香港財務報告準則第15號並無對本集團確認來自銷售貨品收益的時間造成重大影響。

22 CHANGES IN ACCOUNTING POLICIES  
(continued)

(c) Adoption of HKFRS 15 Revenue from Contracts  
with Customers (continued)

(ii) HKFRS 15 Revenue from Contracts with  
Customers – Accounting policies

The following describes the Group's updated revenue recognition policy to reflect the adoption of HKFRS 15.

*Sale of goods*

The Group sells a range of metal scrap including copper scrap, steel scrap, aluminium scrap, iron scrap and other metal scrap recycled from mixed metal scrap to buyers. Revenue from the sales of goods are recognised when control of the products has transferred.

22 會計政策之變更(續)

(c) 採納香港財務報告準則第15號來自客戶合約之收益(續)

(ii) 香港財務報告準則第15號來自客戶合約之收益—會計政策

下文闡述本集團為反映採納香港財務報告準則第15號而更新的收益確認政策。

*貨品銷售*

本集團向買家銷售多種廢金屬，包括廢銅、廢鋼、廢鋁、廢鐵及回收自混合廢金屬的其他廢金屬。貨品銷售的收益於產品的控制權已轉讓時確認。

## BOARD OF DIRECTORS

### Executive Directors

Mr. Qin Yongming (*Chairman*) (*Chief Executive Officer*)  
Mr. Tu Jianhua  
Mr. Wong Wun Lam

### Independent Non-Executive Directors

Dr. Loke Yu  
Ms. Qian Liping  
Mr. Zhu HongChao  
(*appointed on 18 April 2018*)  
Mr. Zhu Dajian  
(*retired on 12 June 2018*)

## EXECUTIVE COMMITTEE

Mr. Qin Yongming (*Chairman*)  
Mr. Tu Jianhua  
Mr. Wong Wun Lam

## AUDIT COMMITTEE

Dr. Loke Yu (*Chairman*)  
Ms. Qian Liping  
Mr. Zhu HongChao  
(*appointed on 18 April 2018*)  
Mr. Zhu Dajian  
(*retired on 12 June 2018*)

## NOMINATION COMMITTEE

Mr. Qin Yongming (*Chairman*)  
Dr. Loke Yu  
Ms. Qian Liping  
Mr. Zhu HongChao  
(*appointed on 18 April 2018*)  
Mr. Zhu Dajian  
(*retired on 12 June 2018*)

## REMUNERATION COMMITTEE

Mr. Zhu HongChao  
(*Chairman, appointed on 18 April 2018*)  
Dr. Loke Yu  
Ms. Qian Liping  
Mr. Zhu Dajian  
(*retired on 12 June 2018*)

## 董事會

### 執行董事

秦永明先生 (*主席*) (*行政總裁*)  
涂建華先生  
黃煥霖先生

### 獨立非執行董事

陸海林博士  
錢麗萍女士  
朱洪超先生  
(*於二零一八年四月十八日獲委任*)  
諸大建先生  
(*於二零一八年六月十二日退任*)

## 執行委員會

秦永明先生 (*主席*)  
涂建華先生  
黃煥霖先生

## 審核委員會

陸海林博士 (*主席*)  
錢麗萍女士  
朱洪超先生  
(*於二零一八年四月十八日獲委任*)  
諸大建先生  
(*於二零一八年六月十二日退任*)

## 提名委員會

秦永明先生 (*主席*)  
陸海林博士  
錢麗萍女士  
朱洪超先生  
(*於二零一八年四月十八日獲委任*)  
諸大建先生  
(*於二零一八年六月十二日退任*)

## 薪酬委員會

朱洪超先生  
(*主席, 於二零一八年四月十八日獲委任*)  
陸海林博士  
錢麗萍女士  
諸大建先生  
(*於二零一八年六月十二日退任*)

## STRATEGY AND INVESTMENT COMMITTEE

Mr. Qin Yongming (*Chairman*)  
Mr. Tu Jianhua  
Mr. Wong Wun Lam  
Mr. William Thomas Bird  
(*appointed on 13 June 2018*)  
Mr. Goh Kian Guan

## PRICING COMMITTEE

Mr. Qin Yongming (*Chairman*)  
Mr. Wong Wun Lam  
Mr. William Thomas Bird  
Mr. Udo Langhans

## AUTHORISED REPRESENTATIVES

Mr. Tu Jianhua  
Ms. Yiu Yi Ting  
(*appointed on 3 July 2018*)  
Mr. Koon Wai Hung  
(*resigned on 3 July 2018*)

## CHIEF FINANCIAL OFFICER

Mr. Wong Wun Lam

## COMPANY SECRETARY

Ms. Yiu Yi Ting  
(*appointed on 3 July 2018*)  
Mr. Koon Wai Hung  
(*resigned on 3 July 2018*)

## AUDITOR

PricewaterhouseCoopers

## LEGAL ADVISORS

Conyers Dill & Pearman (Cayman Islands)  
DLA Piper Hong Kong  
Deacons (Hong Kong)  
Dechert LLP (Hong Kong)  
Zhejiang Xingce Law Firm (China)  
Latham & Watkins LLP (Germany)  
CMS Hasche Sigle (Germany)  
Menold Bezler (Germany)

## 戰略與投資委員會

秦永明先生 (*主席*)  
涂建華先生  
黃煥霖先生  
William Thomas Bird先生  
(*於二零一八年六月十三日獲委任*)  
吳健源先生

## 定價委員會

秦永明先生 (*主席*)  
黃煥霖先生  
William Thomas Bird先生  
Udo Langhans先生

## 授權代表

涂建華先生  
姚懿庭女士  
(*於二零一八年七月三日獲委任*)  
官偉雄先生  
(*於二零一八年七月三日辭任*)

## 首席財務官

黃煥霖先生

## 公司秘書

姚懿庭女士  
(*於二零一八年七月三日獲委任*)  
官偉雄先生  
(*於二零一八年七月三日辭任*)

## 核數師

羅兵咸永道會計師事務所

## 法律顧問

Conyers Dill & Pearman (開曼群島)  
歐華律師事務所 (香港)  
的近律師行 (香港)  
德杰律師事務所 (香港)  
浙江星冊律師事務所 (中國)  
Latham & Watkins LLP (德國)  
CMS Hasche Sigle (德國)  
Menold Bezler (德國)

### PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Bank of China  
Agricultural Bank of China  
Shanghai Pudong Development Bank  
KeyBank National Association

### REGISTERED OFFICE IN CAYMAN ISLANDS

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

### REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

48 Wang Lok Street  
Yuen Long Industrial Estate  
Hong Kong

### GROUP HEADQUARTERS

23/F, Infinitus Plaza  
199 Des Voeux Road Central  
Hong Kong

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 8, Baijin Road  
Taizhou Renewable Metal Resources Industry Base Luqiao, Taizhou  
Zhejiang  
The PRC

### HEADQUARTERS IN EUROPE

Berndt-Ulrich-Scholz-Str.1  
73457 Essingen  
Deutschland

### 主要往來銀行

渣打銀行(香港)有限公司  
香港上海滙豐銀行有限公司  
中國銀行  
中國農業銀行  
上海浦東發展銀行  
KeyBank National Association

### 開曼群島註冊辦事處

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

### 香港註冊辦事處及主要營業地點

香港  
元朗工業邨  
宏樂街48號

### 集團總部

香港  
德輔道中199號  
無限極廣場23樓

### 中國總部及主要營業地點

中國  
浙江省  
台州市路橋區  
台州金屬資源再生產業基地  
白金路8號

### 歐洲總部

Berndt-Ulrich-Scholz-Str.1  
73457 Essingen  
Deutschland



## Corporate Information 公司資料

### HEADQUARTERS IN NORTH AMERICA

2144 W. McDowell Road  
Phoenix, AZ 85004  
USA 85009

\* For business addresses of other principal operational bases of the Group, please refer to the Company's website.

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

### WEBSITE

[www.chihogroup.com](http://www.chihogroup.com)

### STOCK CODE

Hong Kong Stock Exchange 976

### 北美洲總部

2144 W. McDowell Road  
Phoenix, AZ 85004  
USA 85009

\* 請訪問公司網站以獲取集團其他主要運營基地之營業地址。

### 香港股份登記及過戶分處

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

### 開曼群島主要股份登記及過戶處

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

### 公司網站

[www.chihogroup.com](http://www.chihogroup.com)

### 股份代號

香港聯交所976



CHIHO ENVIRONMENTAL GROUP LIMITED  
齊合環保集團有限公司

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

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

Fax 傳真: (852) 2587 7799