

2020 中期
報告
Interim
Report



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

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 1363

Contents 目錄

Company Profile and Corporate Information 公司簡介及公司資料	2
Management Discussion & Analysis 管理層討論與分析	3
Other Information 其他資料	10
Condensed Consolidated Statement of Profit or Loss 簡明綜合損益表	16
Condensed Consolidated Statement of Comprehensive Income 簡明綜合全面收益表	17
Condensed Consolidated Statement of Financial Position 簡明綜合財務狀況表	18
Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表	21
Condensed Consolidated Statement of Cash Flows 簡明綜合現金流量表	22
Notes to the Interim Condensed Consolidated Financial Statements 中期簡明綜合財務報表附註	24

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

EXECUTIVE DIRECTORS

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

COMPANY SECRETARY

Mr. Sit Hon Wing

REGISTERED OFFICE

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

AUDITOR

Crowe (HK) CPA Limited
Certified Public Accountants

PRINCIPAL PLACE OF BUSINESS

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

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

PRINCIPAL BANKERS

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

執行董事

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

獨立非執行董事

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

公司秘書

薛漢榮先生

註冊辦事處

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

核數師

國富浩華 (香港) 會計師事務所有限公司
執業會計師

主要營業地點

中國地區
中國廣州市
海珠區
新港東路148號
環球貿易中心20樓

香港地區
香港
九龍長沙灣道833號
長沙灣廣場
1期8樓807室

主要往來銀行

中國銀行
遠東國際商業銀行
中國工商銀行
中國建設銀行

BUSINESS REVIEW

For the six months ended 30 June 2020, the Group continued to suffer from a loss position in view of the further reduction in the utilization rate of the Group's operating facilities which in turn due to the outbreak of COVID-19 in the PRC in the first quarter of year 2020. In addition, after the complete disposal of operating companies in the Guangxi Autonomous Region in 2019, the originally estimated contributions to the Group's profitability was no longer feasible. The Group was also continued to be affected by the various litigations in relation to the centralised inspection of environmental protection (中央環保督察) by the PRC government since year 2018 with certain judgments issued against the Group during the six months ended 30 June 2020. Notwithstanding the unfavourable situation as mentioned above, the hazardous waste treatment segment showed an improved performance which was consistent with the Group's expectation in view of the increasing focus on hazardous waste by local governments.

For the six months ended 30 June 2020, the cashflow position of the Group continued to face serious challenges especially after the commencement of legal action against the Company and various subsidiaries of the Group by Bank of China (Hong Kong) Limited in February 2020 with judgment being issued in December 2020 while another judgment has been obtained by a lender of the Group's other loan in January 2020 with a threat of enforcement. The Group is continuing its effort in arriving settlement plans with the above plaintiff and other major creditors. At the same time, the Group continued its plan to dispose of non-core subsidiaries and assets from terminated facilities.

The Company's trading of shares has been suspended since 1 April 2019 due to the failure to publish the annual results for the year ended 31 December 2018. The Stock Exchange of Hong Kong Limited ("Stock Exchange") has subsequently issued certain resumption guidance to the Company. The Group will continue its utmost effort in satisfying the resumption guidance and target to resume trading as soon as practicable. The trading suspension itself did not affect the business operations of the Group.

業務回顧

截至二零二零年六月三十日止六個月，由於本集團經營設施的利用率進一步降低（其進而乃因為中國於二零二零年第一季度爆發COVID-19所致），本集團繼續蒙受若干損失。此外，在二零一九年完全出售廣西自治區的營運公司後，對本集團盈利能力的原先估計貢獻不再具有可行性。本集團亦持續受到與中國政府自二零一八年開始進行的中央環保督察相關的若干訴訟所影響，其於截至二零二零年六月三十日止六個月期間針對本集團發出若干判決。儘管存在上文所述的不利情況，鑒於地方政府日益重視危險廢物，危險廢物處理分部的表現有所改善，這與本集團的預期一致。

截至二零二零年六月三十日止六個月，本集團的現金流量狀況繼續面臨嚴峻挑戰，尤其是中國銀行（香港）有限公司於二零二零年二月開始針對本公司及本集團的若干附屬公司展開法律行動之後，已於二零二零年十二月作出判決，同時本集團其他貸款的貸款人已於二零二零年一月獲得另一項判決，並威脅強制行動。本集團正繼續努力與上述原告及其他主要債權人達成和解計劃。同時，本集團繼續實施其計劃出售非核心附屬公司及已終止運行設施的資產。

由於未能刊發截至二零一八年十二月三十一日止年度之年度業績，本公司股份已自二零一九年四月一日起暫停買賣。香港聯合交易所有限公司（「聯交所」）其後已向本公司發出若干復牌指引。本集團將繼續盡最大努力達成復牌指引，目標是在切實可行的情況下盡快恢復買賣。暫停買賣本身並不影響本集團之業務營運。

Management Discussion and Analysis

管理層討論與分析

FUTURE OUTLOOK

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

FINANCIAL REVIEW

Revenue

The revenue of the Group decreased by approximately 16.5% to approximately HKD335.6 million for the six months ended 30 June 2020 from approximately HKD401.8 million for the six months ended 30 June 2019. Such decrease was mainly attributable to the outbreak of COVID-19 which reduced the immediate demand for our treatment services during the first half of 2020.

Cost of sales

The cost of sales of the Group decreased by approximately 13.6% to approximately HKD228.1 million for the six months ended 30 June 2020 from approximately HKD264.1 million for the six months ended 30 June 2019. The decrease was consistent with the overall decrease in revenue.

未來展望

本集團於一般固體廢物行業及危險廢物處理行業的早期佈局為本集團於該等市場分部提供優勢。誠如自二零一九年起的財務業績所反映，危險廢物處理分部收益為首個復甦的分部。近年來，中國政府對危險廢物的潛在有害影響表示關注，亦關注一般固體廢物的再利用及回收率，以提高資源利用率。一般而言，就取得經營許可證或牌照以及就資本開支而言，固體廢物處理行業及危險廢物處理行業存在進入門檻。因此，本集團相信，本集團擁有的經營許可證或牌照能夠提升本集團的未來收益基礎。鑒於本集團的現金流量狀況，本集團正在出售非核心資產或項目，以進一步緩解本集團的現金流量壓力。於二零二零年九月二十八日，本集團與地方政府已就土地收回簽訂協議，現金補償約為人民幣12.4億元。本集團預期將來有類似交易，故預期出售事項將產生更多現金流入。有鑒於此，本集團有信心成功渡過此艱難時期。

財務回顧

收益

本集團之收益由截至二零一九年六月三十日止六個月約401.8百萬港元減少約16.5%至截至二零二零年六月三十日止六個月約335.6百萬港元。有關減少乃主要歸因於COVID-19的爆發減少了於二零二零年上半年期間對我們處理服務的直接需求所致。

銷售成本

本集團的銷售成本由截至二零一九年六月三十日止六個月約264.1百萬港元減少約13.6%至截至二零二零年六月三十日止六個月約228.1百萬港元。有關減少與收益整體減少一致。

FINANCIAL REVIEW (Cont'd)

Gross profit and gross profit margin

The gross profit of the Group decreased by approximately 21.9% to approximately HKD107.5 million for the six months ended 30 June 2020 from approximately HKD137.7 million for the six months ended 30 June 2019 primarily as a result of the factors described above. The gross profit margin of the Group decreased to approximately 32.0% for the six months ended 30 June 2020 from approximately 34.3% for the six months ended 30 June 2019 which was attributable the general decrease in the utilization rate of operating facilities compared with the six months ended 30 June 2019.

Other net gains

The other net gains for the six months ended 30 June 2020 was approximately HKD1.6 million (six months ended 30 June 2019: approximately HKD24.4 million). The amount for the current period mainly represented the foreign exchange gain of approximately HKD1.0 million (six months ended 30 June 2018: approximately HKD19.9 million).

Administrative expenses

The Group administrative expenses decreased by approximately 5.3% to approximately HKD117.9 million for the six months ended 30 June 2020 from approximately HKD124.6 million for the six months ended 30 June 2019. The decrease was mainly the effect of the continual execution of the general cost saving policy adopted.

Impairment loss

During the six months 30 June 2020, impairment losses on various items amounted to approximately HKD19.4 million (six months ended 30 June 2019: approximately HKD99.7 million). Such impairment loss was solely related to certain amounts due from companies controlled by a former director (six months ended 30 June 2019: approximately HKD11.7 million). For the six months ended 30 June 2019, there were also impairment loss on certain loan receivables, other receivables and on certain payments for acquisition of subsidiaries.

財務回顧 (續)

毛利及毛利率

本集團之毛利由截至二零一九年六月三十日止六個月約137.7百萬港元減少約21.9%至截至二零二零年六月三十日止六個月約107.5百萬港元，此乃主要由於上述因素所致。本集團之毛利率由截至二零一九年六月三十日止六個月約34.3%減少至截至二零二零年六月三十日止六個月約32.0%，其乃歸因於營運設施之使用率較二零一九年六月三十日止六個月整體減少。

其他收益淨額

截至二零二零年六月三十日止六個月之其他收益淨額約為1.6百萬港元（截至二零一九年六月三十日止六個月：約24.4百萬港元）。本期間的金額主要指外匯收益約1.0百萬港元（截至二零一八年六月三十日止六個月：約19.9百萬港元）。

行政開支

本集團之行政開支由截至二零一九年六月三十日止六個月約124.6百萬港元減少約5.3%至截至二零二零年六月三十日止六個月約117.9百萬港元。有關減少乃主要受持續執行已採納的整體成本節省政策影響所致。

減值虧損

截至二零二零年六月三十日止六個月，各項目之減值虧損約為19.4百萬港元（截至二零一九年六月三十日止六個月：約99.7百萬港元）。該項減值虧損乃僅與若干應收由前董事控制之公司款項（截至二零一九年六月三十日止六個月：約11.7百萬港元）相關。截至二零一九年六月三十日止六個月，亦有若干應收貸款、其他應收款項之減值虧損及收購多家附屬公司的若干付款之減值虧損。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (Cont'd)

Finance costs

The finance costs of the Group decreased by approximately 39.3% to approximately HKD75.4 million for the six months ended 30 June 2020 from approximately HKD124.3 million for the six months ended 30 June 2019. The decrease was mainly attributable to the decrease of the level of bank borrowings.

Loss attributable to owners of the Company

The loss attributable to owners of the Company was approximately HKD93.0 million for the six months ended 30 June 2020 (six months ended 30 June 2019: approximately 173.6 million) as a result of the factors described above.

EVENTS AFTER 30 JUNE 2020

Details of certain important events occurred after 30 June 2020 are set out in note 21 to this report.

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 June 2020, the principal liquidity and capital requirements of the Group primarily relate to the obligations under various bank loan agreements, construction of treatment facilities and operation expenses.

As at 30 June 2020, the carrying amount of the Group cash and bank deposits was approximately HKD43.8 million (31 December 2019: HKD177.2 million), representing a decrease of approximately 75.3% as compared to that as at 31 December 2019.

財務回顧 (續)

融資成本

本集團之融資成本由截至二零一九年六月三十日止六個月約124.3百萬港元減少約39.3%至截至二零二零年六月三十日止六個月約75.4百萬港元。有關減少乃主要歸因於銀行借款額度減少。

本公司擁有人應佔虧損

由於上述因素，截至二零二零年六月三十日止六個月，本公司擁有人應佔虧損約為93.0百萬港元（截至二零一九年六月三十日止六個月：約173.6百萬港元）。

於二零二零年六月三十日後的事項

於二零二零年六月三十日後發生的若干重要事項之詳情載於本報告附註21。

流動資金及財務資源

截至二零二零年六月三十日止六個月，本集團主要的流動資金及資本需求主要與多份銀行貸款協議項下之責任、處理設施之建設以及經營開支有關。

於二零二零年六月三十日，本集團現金及銀行存款的賬面值約為43.8百萬港元（二零一九年十二月三十一日：177.2百萬港元），較二零一九年十二月三十一日減少約75.3%。

BANK LOANS AND GEARING

As at 30 June 2020, the total amount of bank loans of the Group was approximately HKD1,651.0 million (31 December 2019: HKD1,973.8 million), in which 87.7% (31 December 2019: 87.5%) were denominated in RMB. All of the Group bank borrowings carry floating interest rates. There was no unutilised bank facilities as at 30 June 2020 and 31 December 2019.

As at 30 June 2020, the secured bank loans amounted to HKD1,443.5 million (31 December 2019: 1,724.2 million), and unsecured bank loans amounted to HKD207.5million (31 December 2019: HKD249.7 million). As at 30 June 2020, covenants relating to restrictions on the then controlling shareholder, the consolidated EBITDA to long-term borrowings matured within one year and consolidated finance cost ratio, and adjusted cash flow to consolidated debt services ratio had been breached. Since then the Group has negotiated with each of the banks in relation to: 1) obtain waiver for the above non-compliance; 2) extend the repayment date of certain overdue balance; 3) convince the relevant banks not to take legal actions; 4) explore the feasibility of providing additional securities or guarantees by subsidiaries acceptable to the relevant banks; and 5) the progress and timing of receipt of sales proceeds of intended disposal of certain assets of the Group.

As at 30 June 2020, the gearing ratio, as calculated by dividing the total borrowings (net of bank and cash balances) by the total assets of the Group, was 67.0% (31 December 2019: 69.4%).

CONTINGENT LIABILITIES AND LITIGATIONS

In April 2018, Guangzhou Haitao was alleged to have commit a number of criminal offences. Subsequently, in April 2019, The People Procuratorate of Guangzhou City, Guangdong Province (廣東省廣州市人民檢察院) filed a bill of indictment against Guangzhou Haitao, the details of which are set out in note 20 to this report. Other than the above, as at 30 June 2020 and 31 December 2019, the Group had no material contingent liabilities or guarantees.

銀行貸款及資產負債

於二零二零年六月三十日，本集團的銀行貸款總額約為1,651.0百萬港元（二零一九年十二月三十一日：1,973.8百萬港元），當中87.7%（二零一九年十二月三十一日：87.5%）以人民幣計值。本集團所有銀行借款均按浮動利率計息。於二零二零年六月三十日及二零一九年十二月三十一日概無未動用的銀行貸款額度。

於二零二零年六月三十日，有抵押之銀行貸款為1,443.5百萬港元（二零一九年十二月三十一日：1,724.2百萬港元）及無抵押之銀行貸款為207.5百萬港元（二零一九年十二月三十一日：249.7百萬港元）。於二零二零年六月三十日，已違反有關限制當時控股股東、綜合EBITDA對一年內到期之長期借款及綜合融資成本比率、調整後現金流量對綜合債務服務比率之契諾。自此，本集團已與各銀行就以下各項進行磋商：1)取得上述違反情況之豁免；2)延長若干逾期結餘之還款日期；3)說服相關銀行不採取法律行動；4)探討由附屬公司提供相關銀行信納之額外抵押或擔保之可行性；及5)收取擬出售本集團若干資產之銷售所得款項之進度及時間。

於二零二零年六月三十日，資產負債比率（按借款總額（經扣除銀行及現金結餘）除以本集團的資產總值計算）為67.0%（二零一九年十二月三十一日：69.4%）。

或有負債及訴訟

於二零一八年四月，廣州海滔被指稱觸犯若干刑事罪行。隨後，於二零一九年四月，廣東省廣州市人民檢察院對廣州海滔提出起訴書，有關詳情載於本報告附註20。除上文所述者外，於二零二零年六月三十日及二零一九年十二月三十一日，本集團概無任何重大或有負債或擔保。

Management Discussion and Analysis

管理層討論與分析

The Group has certain material litigations existed during the six months ended 30 June 2020 and up to the date of the approval of this report, details of which were set out in note 20 to this report.

PLEDGE OF ASSETS

As at 30 June 2020, the Group pledged certain of its property, plant and machinery and right-of-use assets with an aggregate carrying amount of approximately HKD233.8 million (31 December 2019: property, plant and equipment and right-of-use assets of approximately HKD243.7 million) and pledged certain bank deposits amounted to approximately HKD1.7 million (31 December 2019: approximately HKD1.7 million) to certain banks to secure certain credit facilities granted to the Group. In addition, the Group equity interests in certain major operating subsidiaries were pledged to secure bank loans granted to the Group. Certain rights to receive service revenue were also pledged to secure bank loans granted to the Group. As at 30 June 2020, the equity interest of Zhongshan Haitao classified as held for sale was pledged to secure the bank loans granted to the Group.

CAPITAL EXPENDITURES

For the six months ended 30 June 2020, the capital expenditures of the Group (mainly including additions to property, plant and equipment and additions to lease prepayments) amounted to approximately HKD48.5 million (six months ended 30 June 2019: HKD12.3 million). These capital expenditures were funded by bank borrowings and funds generated from the operating activities of the Group.

The Group currently does not have any plans for material investments or material purchase of capital assets except for the Guangzhou Lvyou relocation project which will be financed by debt and/or equity. Please refer to note 21 of this report for more details.

本集團於截至二零二零年六月三十日止六個月及直至本報告獲批准日期有若干重大訴訟，有關詳情載於本報告附註20。

資產抵押

於二零二零年六月三十日，本集團向若干銀行抵押賬面值總額約為233.8百萬港元的若干物業、廠房及機器以及使用權資產（二零一九年十二月三十一日：物業、廠房及設備以及使用權資產約為243.7百萬港元）及質押若干銀行存款約1.7百萬港元（二零一九年十二月三十一日：約1.7百萬港元），以擔保授予本集團的若干信貸融資。此外，本集團於若干主要營運附屬公司的股權已質押，作為授予本集團的銀行貸款的抵押。若干收取服務收益之權利亦已質押，作為授予本集團的銀行貸款的抵押。於二零二零年六月三十日，分類為持作出售之中山海濤股權已質押，作為授予本集團的銀行貸款的抵押。

資本開支

截至二零二零年六月三十日止六個月，本集團資本開支（主要包括物業、廠房及設備增加及租賃預付款項增加）約為48.5百萬港元（截至二零一九年六月三十日止六個月：12.3百萬港元）。該等資本開支由銀行借款及本集團經營活動所得資金撥付。

除廣州綠由搬遷項目將以債項及／或權益提供資金外，本集團目前並無任何計劃進行重大投資或購買重大資本資產。請參閱本報告附註21以取得更多詳情。

FOREIGN CURRENCY RISK

The Group assets, borrowings and major transactions are mainly denominated in RMB. The Group is exposed to currency risk primarily arising from receivables and bank loans that are denominated in a currency other than the functional currency of the relevant entities. The currencies giving rise to this risk are primarily RMB and USD. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise. As at 30 June 2020, approximately 99.9%, 0.0% and 0.1% of the cash and cash equivalent held by the Group are denominated in RMB, USD and HKD respectively (31 December 2019: 99.9%, 0.0% and 0.1%).

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2020, the Group employed 1,249 employees (30 June 2019: 1,778 employees). Employee costs amounted to approximately HKD48.6 million for the six months ended 30 June 2020 (six months ended 30 June 2019: approximately HKD77.8 million). The Group will endeavour to ensure that the employees salary levels are in line with industry practice and prevailing market conditions, and that employees remuneration is based on their performance.

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

MATERIAL ACQUISITION AND DISPOSAL

During the six months ended 30 June 2020, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

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

外幣風險

本集團的資產、借款及主要交易主要以人民幣計值。本集團面對的貨幣風險主要來自有關實體之功能貨幣以外貨幣計值的應收款項及銀行貸款。產生此風險的貨幣主要為人民幣及美元。本集團目前並無就外幣交易、資產及負債設立外幣對沖政策。本集團將嚴密監察其外幣風險，並將於需要時考慮對沖重大外幣風險。於二零二零年六月三十日，本集團持有的現金及現金等價物以人民幣、美元及港元計值的分別約佔99.9%、0.0%及0.1%（二零一九年十二月三十一日：99.9%、0.0%及0.1%）。

僱員及薪酬政策

於二零二零年六月三十日，本集團聘用1,249名僱員（二零一九年六月三十日：1,778名僱員）。截至二零二零年六月三十日止六個月，僱員成本約為48.6百萬港元（截至二零一九年六月三十日止六個月：約77.8百萬港元）。本集團將致力確保僱員薪酬水平符合行業慣例及現行市況，而僱員薪酬乃基於彼等的表現釐定。

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

重大收購及出售

截至二零二零年六月三十日止六個月，本集團並無任何其他重大收購或出售附屬公司、聯營公司及合營企業。

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

Other Information

其他資料

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

As at 30 June 2020, the Directors and chief executives of the Company and their associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (“SFO”)), as recorded in the register required kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Ltd. (“the Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”):

董事及主要行政人員於本公司及其相聯法團之股份、相關股份及債券之權益及淡倉

於二零二零年六月三十日，本公司根據證券及期貨條例（「證券及期貨條例」）第352條須予存置的登記冊所載，或依據聯交所證券上市規則（「上市規則」）附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）已知會本公司及香港聯合交易所有限公司（「聯交所」）者，本公司董事、主要行政人員及彼等的聯繫人於本公司及其相聯法團（定義見證券及期貨條例）的股份、相關股份及債券中擁有的權益如下：

Name of Director	Capacity/Nature of interest	Total number of shares	Approximate percentage of shareholding in the Company
董事姓名	身份／權益性質	股份總數	佔本公司股權概約百分比
Ms. Huang Qing	Interest of spouse and beneficial owner ⁽¹⁾	3,392,372,000 (L)	53.70%
黃青女士	配偶權益及實益擁有人 ⁽¹⁾		
Mr. Liang Qilin	Beneficial owner	146,000 (L)	0.002%
梁啟麟先生	實益擁有人		
Mr. Zhang Lu Fu	Beneficial owner	20,000 (L)	0.0003%
張魯夫先生	實益擁有人		

(L) denotes a long position in the shares

(L) 指於股份中的好倉

Notes:

附註：

(1) Ms. Huang Qing (“Ms. Huang”) is deemed under the SFO to be interested in 3,359,232,000 shares of the Company held by Keen Vast Holdings Limited, a company controlled by her spouse, Mr. Tsui Cham To (“Mr. Tsui”), 372,000 shares directly held by Mr. Tsui and 32,768,000 shares directly held by Ms. Huang herself.

(1) 根據證券及期貨條例，黃青女士（「黃女士」）被視為於建大控股有限公司（一家由其配偶徐湛滔先生（「徐先生」）控制之公司）所持之3,359,232,000股本公司股份中擁有權益，372,000股股份由徐先生直接持有及32,768,000股股份由黃女士個人直接持有。

Save as disclosed above, as at 30 June 2020, none of the Directors and chief executive of the Company had or was deemed to have any interests or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by the Company and the Stock Exchange pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code. At no time during the period was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the directors and chief executives of the Company (including their spouse and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation.

SHARE OPTION SCHEME

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

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

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

除上文所披露者外，於二零二零年六月三十日，根據本公司及聯交所按證券及期貨條例第352條存置的登記冊所載，或依據標準守則已知會本公司及聯交所本公司董事及主要行政人員並無於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有或被視為擁有任何權益或淡倉。於本期間內任何時間，本公司或本公司任何控股公司、其附屬公司或同系附屬公司概無訂立任何安排，使本公司董事及主要行政人員（包括彼等的配偶及十八歲以下子女）於本公司或其相聯法團之股份或相關股份或債券中持有任何權益或淡倉。

購股權計劃

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

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

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

Other Information

其他資料

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

No share options were granted, exercised, cancelled and lapsed under the Share Option Scheme during the period ended 30 June 2020 and there were no outstanding share options under the Share Option Scheme as at 30 June 2020. Further details of the Share Option Scheme are set out in the Company's prospectus dated 12 September 2013.

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

截至二零二零年六月三十日止期間，概無任何購股權根據購股權計劃授出、行使、註銷或失效，於二零二零年六月三十日，概無任何根據購股權計劃尚未行使的購股權。購股權計劃的其他詳情載於本公司日期為二零一三年九月十二日的招股章程。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2020, the persons (not being a Director or chief executive of the Company) who have interests in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO or have otherwise notified to the Company were as follows:

主要股東於股份及相關股份的權益

於二零二零年六月三十日，根據證券及期貨條例第336條須存置的登記冊所載或已知會本公司者，於本公司股份或相關股份中擁有權益的人士（並非本公司董事或主要行政人員）如下：

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

(L) denotes a long position in the shares

(L) 指於股份中的好倉

Other Information

其他資料

Note:

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

Save as disclosed above, as at 30 June 2020, the Directors are not aware of any other person (other than a Director or chief executive of the Company) having an interest or short position in shares and underlying shares of the Company that were recorded in the register required to be kept under section 336 of the SFO.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to achieving and maintaining the highest standards of corporate governance, consistent with the needs and requirements of the business and its shareholders. The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Listing Rules. For the six months ended 30 June 2020, except for the deviation from the CG code in relation to the separation of roles of chairman and chief executive officer which should not be performed by the same individual (currently Ms. Huang Qing has the above dual role), the Company has complied with all code provisions of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code for the six months ended 30 June 2020.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend (six months ended 30 June 2019: Nil).

附註：

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

除上文所披露者外，於二零二零年六月三十日，董事並不知悉任何其他人士（本公司一名董事或主要行政人員除外）於根據證券及期貨條例第336條須存置的登記冊所載的本公司股份及相關股份擁有權益或淡倉。

遵守企業管治守則

本公司致力達致並維持最高企業管治水平，以期符合業務所需及股東要求。本公司已採納上市規則附錄十四所載企業管治守則（「企業管治守則」）所載守則條文。截至二零二零年六月三十日止六個月，除有關主席及首席執行官的角色分立而不應由同一人擔任（現時由黃青女士兼任上述兩個角色）之企業管治守則遭偏離外，本公司已遵守企業管治守則之所有守則條文。

上市發行人董事進行證券交易的標準守則

本公司已採納標準守則，作為董事進行證券交易的行為守則。經向全體董事作出具體查詢後，所有董事已確認，截至二零二零年六月三十日止六個月，彼等一直遵守標準守則所載的規定準則。

中期股息

董事會不建議派付中期股息（截至二零一九年六月三十日止六個月：零）。

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

The Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the six months ended 30 June 2020.

REVIEW OF INTERIM REPORT

The unaudited interim financial report of the Group for the six months ended 30 June 2020 has been reviewed by the Audit Committee.

PUBLICATION OF INTERIM REPORT

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

購買、出售或贖回本公司之上市證券

本公司及其附屬公司於截至二零二零年六月三十日止六個月並無購買、出售或贖回本公司任何上市證券。

審閱中期報告

本集團截至二零二零年六月三十日止六個月之未經審核中期財務報告已由審核委員會審閱。

刊載中期報告

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

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

for the six months ended 30 June 2020 – unaudited 截至二零二零年六月三十日止六個月—未經審核

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

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
	Note 附註		
Revenue	3	335,630	401,823
Cost of sales		(228,095)	(264,114)
Gross profit		107,535	137,709
Other income	4(a)	766	2,818
Other net gains	4(b)	1,621	24,425
Administrative expenses		(117,925)	(124,573)
Impairment loss on payments for acquisitions of subsidiaries		–	(15,057)
Impairment loss on amounts due from companies controlled by a former director	11(c)	(19,365)	(11,717)
Impairment loss on loan receivables		–	(62,760)
Impairment loss on other receivables		–	(10,153)
Loss from operations		(27,368)	(59,308)
Finance costs	5(a)	(75,378)	(124,266)
Share of profit of associates		–	1,061
Loss before tax	5	(102,746)	(182,513)
Income tax credit	6	9,539	8,598
Loss for the period		(93,207)	(173,915)
Attributable to:			
Owners of the Company		(92,952)	(173,635)
Non-controlling interests		(255)	(280)
Loss for the period		(93,207)	(173,915)
Loss per share		HK\$ 港元	HK\$ 港元
Basic and diluted	7	(0.01)	(0.03)

The notes on pages 24 to 92 form part of these interim condensed consolidated financial statements.

第24至92頁的附註為本中期簡明綜合財務報表的一部分。

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

for the six months ended 30 June 2020 – unaudited 截至二零二零年六月三十日止六個月 – 未經審核

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

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
Loss for the period	期內虧損	(93,207)	(173,915)
Other comprehensive income	其他全面收益		
Item that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益的項目：		
Exchange differences on translating foreign operations	換算海外業務的匯兌差異	(12,600)	(2,440)
Reclassification adjustments for foreign operations disposed of during the period	期內出售海外業務的重新分類調整	-	3,313
		(12,600)	873
Total comprehensive loss for the period	期內全面虧損總額	(105,807)	(173,042)
Attributable to:	以下各項應佔：		
Owners of the Company	本公司擁有人	(105,552)	(172,742)
Non-controlling interests	非控股權益	(255)	(300)
Total comprehensive loss for the period	期內全面虧損總額	(105,807)	(173,042)

The notes on pages 24 to 92 form part of these interim condensed consolidated financial statements.

第24至92頁的附註為本中期簡明綜合財務報表的一部分。

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

at 30 June 2020 於二零二零年六月三十日

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

			At 30 June 2020 於 二零二零年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2019 於 二零一九年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	8	715,216	708,505
Right-of-use assets	使用權資產	9	243,572	257,726
Intangible assets	無形資產	10	658,887	682,310
Interest in associates	於聯營公司的權益		11,067	11,396
Interest in a joint venture	於一家合營企業的權益		-	-
Contract assets	合約資產		184,234	194,481
Other receivables and prepayments	其他應收款項及預付款項	11	181	12,478
Deferred tax assets	遞延稅項資產		6,271	6,172
Total non-current assets	非流動資產總值		1,819,428	1,873,068
Current assets	流動資產			
Inventories	存貨		4,535	11,047
Contract assets	合約資產		20,628	21,033
Compensation receivable	應收補償		288,142	367,263
Trade and other receivables	貿易及其他應收款項	11	325,425	564,503
Bank and cash balances	銀行及現金結餘		43,720	177,203
			682,450	1,141,049
Assets of a disposal group classified as held for sale	分類為持作出售之出售組別之資產	12	182,848	193,834
Total current assets	流動資產總值		865,298	1,334,883

Condensed Consolidated Statement of Financial Position (Cont'd) 簡明綜合財務狀況表 (續)

at 30 June 2020 於二零二零年六月三十日

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

		At 30 June 2020 於 二零二零年 六月三十日	At 31 December 2019 於 二零一九年 十二月三十一日	
		Note 附註	HK\$'000 千港元 (unaudited) (未經審核)	HK\$'000 千港元 (audited) (經審核)
LIABILITIES	負債			
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	13	608,863	695,981
Contract liabilities	合約負債		5,852	16,105
Bank loans	銀行貸款	14	1,650,957	1,973,848
Other borrowings	其他借款	15	280,567	252,946
Lease liabilities	租賃負債		17,634	24,288
Deposits received for disposal of subsidiaries	出售附屬公司之已收按金		49,921	50,903
Provisions	撥備		74,094	75,817
Current tax liabilities	即期稅項負債		44,901	47,753
			2,732,789	3,137,641
Liabilities directly associated with assets classified as held for sale	與分類為持作出售資產直接相關之負債	12	35,711	22,638
Total current liabilities	流動負債總額		2,768,500	3,160,279
Net current liabilities	流動負債淨額		(1,903,202)	(1,825,396)
Total assets less current liabilities	總資產減流動負債		(83,774)	47,672

Condensed Consolidated Statement of Financial Position (Cont'd)

簡明綜合財務狀況表 (續)

at 30 June 2020 於二零二零年六月三十日

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

		Note	At 30 June 2020 於 二零二零年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2019 於 二零一九年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債		5,754	11,051
Deferred income	遞延收入		14,390	15,484
Deferred tax liabilities	遞延稅項負債		121,868	141,116
Total non-current liabilities	非流動負債總額		142,012	167,651
Net liabilities	負債淨額		(225,786)	(119,979)
EQUITY	權益			
Share capital	股本	16(a)	157,920	157,920
Other reserves	其他儲備		(374,766)	(269,214)
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額		(216,846)	(111,294)
Non-controlling interests	非控股權益		(8,940)	(8,685)
Total deficit	虧絀總額		(225,786)	(119,979)

The notes on pages 24 to 92 form part of these interim condensed consolidated financial statements

第24至92頁的附註為本中期簡明綜合財務報表的一部分。

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

for the six months ended 30 June 2020 – unaudited 截至二零二零年六月三十日止六個月 – 未經審核

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

		Attributable to owners of the Company 本公司擁有人應佔以下各項									
		Share capital	Share premium	Capital reserve	Statutory reserve	Shares held under the Share Award Scheme 股份獎勵 計劃項下 持有的股份	Exchange reserve	Retained profits	Total	Non- controlling interests	Total equity/ (deficit)
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	資本儲備 HK\$'000 千港元	法定儲備 HK\$'000 千港元	持有的股份 HK\$'000 千港元	匯兌儲備 HK\$'000 千港元	保留溢利 HK\$'000 千港元	總計 HK\$'000 千港元	非控股權益 HK\$'000 千港元	總權益/ (虧絀) HK\$'000 千港元
At 1 January 2019 (audited)	於二零一九年一月一日 (經審核)	157,920	1,113,091	19,360	251,897	(54,137)	(158,948)	(1,170,916)	158,267	(8,129)	150,138
Loss for the period	期內虧損	-	-	-	-	-	-	(173,635)	(173,635)	(280)	(173,915)
Other comprehensive income	其他全面收益	-	-	-	-	-	893	-	893	(20)	873
Total comprehensive loss	全面虧損總額	-	-	-	-	-	893	(173,635)	(172,742)	(300)	(173,042)
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	-	(256)	(256)
Cancellation of dividend declared in respect of the previous years	取消就過往年度已宣派的股息	-	60,641	-	-	-	-	-	60,641	-	60,641
At 30 June 2019 (Unaudited)	於二零一九年六月三十日 (未經審核)	157,920	1,173,732	19,360	251,897	(54,137)	(158,055)	(1,344,551)	46,166	(8,685)	37,481
At 1 January 2020 (audited)	於二零二零年一月一日 (經審核)	157,920	1,173,732	19,360	238,919	(54,137)	(172,429)	(1,474,659)	(111,294)	(8,685)	(119,979)
Loss for the period	期內虧損	-	-	-	-	-	-	(92,952)	(92,952)	(255)	(93,207)
Other comprehensive loss	其他全面虧損	-	-	-	-	-	(12,600)	-	(12,600)	-	(12,600)
Total comprehensive loss	全面虧損總額	-	-	-	-	-	(12,600)	(92,952)	(105,552)	(255)	(105,807)
At 30 June 2020 (Unaudited)	於二零二零年六月三十日 (未經審核)	157,920	1,173,732	19,360	238,919	(54,137)	(185,029)	(1,567,611)	(216,846)	(8,940)	(225,786)

The notes on pages 24 to 92 form part of these interim condensed consolidated financial statements.

第24至92頁的附註為本中期簡明綜合財務報表的一部分。

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

for the six months ended 30 June 2020 – unaudited 截至二零二零年六月三十日止六個月—未經審核

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

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
Note 附註			
Cash flows from operating activities 經營活動所得現金流量			
	Cash generated from operations 經營業務所得現金	195,777	188,452
	Income tax paid 已付所得稅	(27,392)	(6,548)
	Net cash generated from operating activities 經營活動所得現金淨額	168,385	181,904
Cash flows from investing activities 投資活動所得現金流量			
	Payment for the purchase of lease prepayment and property, plant and equipment 購買預付租賃款項以及物業、廠房及設備的付款	(60,838)	(11,070)
	Payment for construction costs 建設成本之付款	(48,006)	(49,592)
	Decrease in restricted bank balances 受限制銀行結餘減少	71,110	-
	Consideration received from disposal of subsidiaries 出售附屬公司收取之代價	209,475	-
	Compensation received for the early termination of the BOT project 提早終止BOT項目收取之補償	72,038	-
	Transaction costs paid for disposal of subsidiaries 就出售附屬公司支付之交易成本	(21,380)	-
	Net cash inflow from disposal of subsidiaries 出售附屬公司的現金流入淨額	-	4,262
	Decrease in pledged bank deposits 已質押銀行存款減少	52	919
	Advance to related parties 向關聯方墊款	(16,098)	(6,195)
	Finance income received 已收融資收入	1	146
	Advance to a former director 給予前董事的墊款	-	(510)
	Repayments from a former director 來自前董事的還款	-	5,598
	Advance to companies controlled by a former director 向前董事控制之公司墊款	(22,714)	(18,413)
	Repayments from companies controlled by a former director 前董事控制之公司還款	3,348	33,664
	Net cash generated from/(used in) investing activities 投資活動所得/(所用)現金淨額	186,988	(41,191)

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

for the six months ended 30 June 2020 – unaudited 截至二零二零年六月三十日止六個月 – 未經審核

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

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
		Note 附註	
Cash flows from financing activities 融資活動所得現金流量			
Proceeds from new bank loans	新銀行貸款所得款項	-	108,792
Repayment of bank loans	償還銀行貸款	(328,390)	(508,139)
Repayment of other borrowings	其他借款之還款	-	(4,547)
Repayment to non-controlling shareholder	向非控股股東還款	(30,010)	-
Capital element of lease payments	租賃付款之資本部分	(9,989)	(9,473)
Interest element of lease payments	租賃付款之利息部分	(1,331)	(1,826)
Interests paid	已付利息	(42,914)	(69,791)
Net cash used in financing activities 融資活動所用現金淨額		(412,634)	(484,984)
Net decrease in cash and cash equivalents 現金及現金等價物減少淨額		(57,261)	(344,271)
Cash and cash equivalents at 1 January 於一月一日的現金及現金等價物		107,008	422,998
Effect of foreign exchange rate changes	外匯匯率變動影響	(2,301)	(501)
Cash and cash equivalents at 30 June 於六月三十日的現金及現金等價物		47,446	78,226
Analysis of cash and cash equivalents 現金及現金等價物的分析			
Bank and cash balances	銀行及現金結餘	41,617	75,116
Bank and cash balances included in a disposal group classified as held for sale	計入分類為持作出售之出售組別之銀行及現金結餘	5,829	3,110
		47,446	78,226

The notes on pages 24 to 92 form part of these interim condensed consolidated financial statements.

第24至92頁的附註為本中期簡明綜合財務報表的一部分。

Notes to the Interim Condensed Consolidated Financial Statements

中期簡明綜合財務報表附註

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

1 BASIS OF PREPARATION

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

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

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), and should be read in conjunction with the 2019 annual consolidated financial statements.

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Group’s 2019 annual consolidated financial statements, except for the changes in accounting policies as set out in note 2.

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

1 編製基準

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

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

中期簡明綜合財務報表並不包括根據香港財務報告準則（「香港財務報告準則」）編製年度財務報表所需的全部資料及披露，並應與二零一九年年度綜合財務報表一併閱覽。

編製本中期簡明綜合財務報表所用之會計政策與編製本集團二零一九年年度綜合財務報表所用者貫徹一致，惟附註2所載的會計政策變動除外。

本中期簡明綜合財務報表未經審核，惟已經本公司之審核委員會進行審閱。

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

中期簡明綜合財務報表附註(續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

1 BASIS OF PREPARATION (Cont'd)

Going concern

The Group incurred a loss of HK\$93,207,000 during the six months ended 30 June 2020 and, as of that date, its current liabilities exceeded its current assets by HK\$1,903,202,000.

Certain of the Group's other borrowings together with accrued interest thereon totalling HK\$270,298,000 (31 December 2019: HK\$242,548,000) as at 30 June 2020 were overdue. The lender took legal actions against the Group for the repayment of the overdue debts and obtained judgment from the High Court of Hong Kong on 17 January 2020. On 20 July 2020, the lender informed the Company that if the judgment debt together with interest and costs were not settled by 30 September 2020, the lender shall enforce the judgment and take further actions including but not limited to winding up the Company without further notice. Up to the date of approval of these interim condensed consolidated financial statements, no repayment was made by the Group and the lender did not enforce the judgement.

The Group's bank loans of HK\$1,650,957,000 as at 30 June 2020 (31 December 2019: HK\$1,973,848,000) were either overdue, in default or in cross default. In 2017, Mr. Tsui pledged his shares in the Company. This was a breach of the terms of the loan agreement with Bank A in Hong Kong, Bank A had therefore the right to demand full repayment as a result of the breach. On 10 December 2019, Bank A demanded full repayment of the bank loans and interests. On 24 February 2020, Bank A filed a bill of indictment with the Intermediate People's Court of Guangzhou (the "Guangzhou Court"), against the Company as borrower and its fourteen subsidiaries and Mr. Tsui as guarantor claiming the immediate repayment of the loan with outstanding interest and legal and other costs totalling HK\$152,868,000. On 17 March 2020, the Guangzhou Court ordered that the bank accounts and other assets with a total carrying value of RMB137,278,000 (equivalent to HK\$153,243,000) of the Company and its fourteen subsidiaries be frozen. On 25 December 2020, the Group received a judgment from the Guangzhou Court ordering the Group to pay Bank A the outstanding amounts under the loan agreement. The Group is considering alternative course of actions available including the continual negotiation of settlement agreement with Bank A. Up to the date of approval of the interim condensed consolidated financial statements, no settlement agreement has been signed with Bank A.

1 編製基準(續)

持續經營

截至二零二零年六月三十日止六個月，本集團產生虧損93,207,000港元，而截至該日，其流動負債超出其流動資產1,903,202,000港元。

本集團於二零二零年六月三十日之若干其他借款連同其應計利息合共270,298,000港元(二零一九年十二月三十一日:242,548,000港元)為已逾期。貸方針對本集團採取法律行動以償還逾期債務，並於二零二零年一月十七日獲得香港高等法院的判決。於二零二零年七月二十日，貸方知會本公司，倘判決債務連同利息及訟費無法於二零二零年九月三十日前清償，則貸方將強制執行判決及採取進一步行動(包括但不限於將本公司清盤)，而不會另行通知。直至本中期簡明綜合財務報表獲批准日期，本集團並無作出還款，而貸方並無強制執行判決。

本集團於二零二零年六月三十日之銀行貸款1,650,957,000港元(二零一九年十二月三十一日:1,973,848,000港元)為已逾期、違約或交叉違約。於二零一七年，徐先生抵押彼於本公司的股份。此舉違反與香港之銀行A之貸款協議的條款。銀行A因此有權因該違反而要求悉數還款。於二零一九年十二月十日，銀行A要求悉數償還銀行貸款及利息。於二零二零年二月二十四日，銀行A向廣州市中級人民法院(「廣州法院」)提交針對本公司(作為借款人)及其十四家附屬公司及徐先生(作為擔保人)之起訴書，要求即時償還貸款連同未償還利息以及法律及其他成本合共152,868,000港元。於二零二零年三月十七日，廣州法院頒令凍結本公司及其十四家附屬公司的銀行賬戶及其他資產，賬面總值為人民幣137,278,000元(相當於153,243,000港元)。於二零二零年十二月二十五日，本集團接獲廣州法院的判決，命令本集團根據貸款協議向銀行A支付未償還款項。本集團正考慮採取其他行動方案，包括繼續與銀行A就和解協議進行磋商。直至中期簡明綜合財務報表獲批准日期，並無與銀行A簽署償付協議。

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

中期簡明綜合財務報表附註 (續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

1 BASIS OF PREPARATION (Cont'd)

Going concern (Cont'd)

The breach of the terms of the loan agreements with Bank A caused a cross default in loans from other creditor banks. In addition, the Group either failed to repay the loans according to the repayment schedule or failed to meet the financial and other covenants as stipulated in the various other bank loan agreements. As a result, all the bank loans totalling HK\$1,650,957,000 as at 30 June 2020 became repayable on demand.

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

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

- On 25 April 2019, the Group entered into an agreement with an independent third party pursuant to which the independent third party agreed to inject RMB98,000,000 (equivalent to HK\$107,290,000 as at 30 June 2020) into Zhongshan Haitao in form of equity and shareholder's loan which was to be accounted for as a deemed disposal of part of the Group's interest in the equity of Zhongshan Haitao. The deemed disposal was completed on 20 August 2020.

1 編製基準 (續)

持續經營 (續)

違反銀行A的貸款協議條款導致其他貸款銀行的貸款的交叉違約。此外，本集團未能根據還款時間表償還貸款或未能符合多份其他銀行貸款協議訂明之財務或其他契諾。因此，於二零二零年六月三十日之全部銀行貸款合共1,650,957,000港元成為須按要求償還。

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

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

- 於二零一九年四月二十五日，本集團與獨立第三方訂立協議，據此，該名獨立第三方同意以股權及股東貸款之形式向中山海滔注資人民幣98,000,000元（於二零二零年六月三十日相當於107,290,000港元），其將入賬列作視作出售本集團於中山海滔股權之部分權益。該視作出售事項已於二零二零年八月二十日完成。

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

中期簡明綜合財務報表附註 (續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

1 BASIS OF PREPARATION (Cont'd)

Going concern (Cont'd)

- On 22 November 2019, the Group entered into a supplementary agreement with the Longmen County government authority pursuant to which both parties agreed that the compensation for the early termination of the BOT project in Longmen County shall be based on a valuation report issued by a professional valuer recognized by both parties. Up to the date of approval of these interim condensed consolidated financial statements, the valuation was still in progress. On 24 April 2020, the Group received the first installment of the compensation payment of RMB65,800,000 (equivalent to HK\$72,038,000) from the local government. The present directors expected that the total compensation for the early termination would not be less than RMB329,000,000 (equivalent to HK\$360,189,000 as at 30 June 2020).
- In August 2020, the Group verbally agreed a repayment schedule with Bank A pursuant to which Bank A agreed not to demand for the immediate repayment of the two outstanding bank loans of HK\$208,585,000, accrued interest of HK\$7,826,000 (calculated up to 15 May 2020) and legal expenses of HK\$2,800,000 and allow the Group to repay all the outstanding balances by three installments by 30 June 2021. On 25 December 2020, the Group received a judgment from the Guangzhou Court ordering the Group to pay Bank A the outstanding amounts under the loan agreement. The Group is considering alternative course of actions available including the continual negotiation of settlement agreement with Bank A. Up to the date of approval of the interim condensed consolidated financial statements, no settlement agreement has been signed with Bank A.

1 編製基準 (續)

持續經營 (續)

- 於二零一九年十一月二十二日，本集團與龍門縣政府機關訂立補充協議，據此，訂約雙方同意提早終止龍門縣BOT項目的補償將以訂約雙方認可之專業估值師發出的估值報告為基準。截至該等中期簡明綜合財務報表獲批准日期，估值仍在進行中。於二零二零年四月二十四日，本集團接獲當地政府的首期補償付款人民幣65,800,000元（相當於72,038,000港元）。現任董事預期，提早終止之補償總額將不少於人民幣329,000,000元（於二零二零年六月三十日相當於360,189,000港元）。
- 於二零二零年八月，本集團與銀行A口頭協定還款時間表，據此，銀行A同意不會要求即時償還兩筆未償還銀行貸款208,585,000港元、應計利息7,826,000港元（計算至二零二零年五月十五日）及法律費用2,800,000港元，並允許本集團於二零二一年六月三十日前分三期償還全部未償還結餘。於二零二零年十二月二十五日，本集團接獲廣州法院的判決，命令本集團根據貸款協議向銀行A支付未償還款項。本集團正考慮採取其他行動方案，包括繼續與銀行A就和解協議進行磋商。截至本中期簡明綜合財務報表獲批准日期，並無與銀行A簽署償付協議。

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

中期簡明綜合財務報表附註 (續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

1 BASIS OF PREPARATION (Cont'd)

Going concern (Cont'd)

- The management has been in active discussion with the local government authorities for reaching an agreement on the compensation for the expropriation of the land held by of Guangzhou Lvyou, Guangzhou Yinglong and Guangzhou Liangang. On 28 September 2020, Guangzhou Lvyou entered into a compensation agreement with the local government authority for the expropriation of the land held by Guangzhou Lvyou pursuant to which a total cash compensation of RMB1,237,884,000 (equivalent to HK\$1,355,235,000) will be paid to Guangzhou Lvyou by four installments. Based on the negotiations with the local government authorities, the present directors estimated that the compensation for the expropriation of land held by Guangzhou Yinglong and Guangzhou Liangang would be approximately RMB259,000,000 (equivalent to HK\$283,553,000) and not less than RMB541,000,000 (equivalent to HK\$592,287,000) respectively, totalling RMB800,000,000 (equivalent to HK\$875,840,000).

In November 2020, Guangzhou Lvyou received the first payment of compensation of RMB247,577,000 (equivalent to HK\$271,047,000). The present directors expected that the first installment of RMB160,000,000 (equivalent to HK\$175,168,000), representing 20% of the total compensation for Guangzhou Yinglong and Guangzhou Liangang will be received by the end of the first quarter of 2021 and the balance of the compensation will be received within the next two years. The present directors planned to use the compensation to reduce the bank and other borrowings and towards the first repayment installment to Bank A and partial repayment of other bank loans and other borrowings.

1 編製基準 (續)

持續經營 (續)

- 管理層一直與地方政府機關進行積極討論，以就徵收廣州綠由、廣州盈隆及廣州蓮港所持有土地的補償達成協議。於二零二零年九月二十八日，廣州綠由與地方政府機關就徵收廣州綠由所持有之土地訂立補償協議，據此，總現金補償人民幣1,237,884,000元（相當於1,355,235,000港元）將分四期支付予廣州綠由。根據與地方政府機關的磋商，現任董事估計，徵收廣州盈隆及廣州蓮港所持有土地的補償將分別約為人民幣259,000,000元（相當於283,553,000港元）及不少於人民幣541,000,000元（相當於592,287,000港元），合共為人民幣800,000,000元（相當於875,840,000港元）。

於二零二零年十一月，廣州綠由已接獲首筆補償付款人民幣247,577,000元（相當於271,047,000港元）。現任董事預期第一筆分期付款人民幣160,000,000元（相當於175,168,000港元，佔廣州盈隆及廣州蓮港之補償總額20%）將於二零二一年第一季度末前收取，而補償餘額將於未來兩年內收取。現任董事計劃使用補償減少銀行及其他借款，並償還銀行A的第一筆分期付款及部分償還其他銀行貸款及其他借款。

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

中期簡明綜合財務報表附註(續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

1 BASIS OF PREPARATION (Cont'd)

Going concern (Cont'd)

- Notwithstanding the breach of the loan covenants and default in certain repayments, the creditor banks did not take hostile actions against the Group since 2018 and permitted the Group to make repayments of the outstanding bank loans orderly as and when funds were available. The management has been in active discussions with the creditor banks and updated them with the financial position of the Group and the progress on the Action Plans. Based on the discussion with the major creditor Bank D as disclosed in note 14 to the interim condensed consolidated financial statements and the fact that the estimated market value of the securities held by Bank E was sufficient to cover its risk exposure, the present directors believe that Bank D will not demand for immediate repayment of the outstanding bank loans in the immediate future.

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

- i) whether the Group is able to successfully negotiate with the local government authorities in the PRC for the compensations for the expropriation of various wastewater, hazardous waste, sludge and solid waste treatment plants operated by the Group and early termination of the BOT project in Longmen County;
- ii) whether the Group is able to successfully negotiate with the lender of the other borrowings and creditor banks to allow the Group to make repayment or partial repayment on the amounts due according to the Group's expected repayment priority and to further extend the repayment schedules to the extent and in accordance with the timetable and milestones of payments agreed or to be agreed with the local government authorities in the PRC for the expropriation of various wastewater, hazardous waste, sludge and solid waste treatment plants operated by the Group and compensations to be received on the early termination of the BOT project in Longmen County;

1 編製基準(續)

持續經營(續)

- 儘管違反貸款契諾及拖欠若干還款，惟貸款銀行自二零一八年以來並未對本集團採取敵對行動，並允許本集團於可取得資金時有序償還未償還銀行貸款。管理層一直與貸款銀行進行積極討論，並向其提供本集團財務狀況及行動計劃進展的最新資料。根據中期簡明綜合財務報表附註14所披露的與主要債權人銀行D的討論，以及銀行E持有的抵押的估計市場價值足以涵蓋其風險承擔的事實，現任董事相信，銀行D於不久將來將不會要求即時償還未償還銀行貸款。

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

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

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

中期簡明綜合財務報表附註 (續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

1 BASIS OF PREPARATION (Cont'd)

Going concern (Cont'd)

- iii) whether the creditor banks will agree not to exercise their right to demand for immediate repayment in respect of the Group's bank loans that had become in default or in cross default;
- iv) whether the lender of the other borrowings will agree not to enforce the judgement to wind up the Company; and
- v) whether the Group is able to seek other financing resources such as equity financing from potential investors which in turn depends on whether the Group is able to resume the trading of its shares on the Stock Exchange of Hong Kong Limited which is likely a condition for obtaining equity finance from potential investors.

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

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

1 編製基準 (續)

持續經營 (續)

- iii) 貸款銀行是否將同意不會就本集團已成為違約或交叉違約的銀行貸款行使要求即時還款的權利；
- iv) 其他借款的貸款人是否同意將不會強制執行將本公司清盤的判決；及
- v) 本集團是否能夠向潛在投資者尋求其他融資資源，如股本融資，其須視乎本集團是否能夠恢復其股份於香港聯合交易所有限公司買賣，其可能為向潛在投資者取得股本融資的條件。

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

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

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

中期簡明綜合財務報表附註(續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 9, *Interest Rate Benchmark Reform*
HKAS 39 and HKFRS 7

Amendment to HKFRS 16 *Covid-19-Related Rent Concessions*

Amendments to HKAS 1 *Definition of Material*
and HKAS 8

The nature and impact of the revised HKIFRSs are described below:

- (a) Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedge relationships.

2 會計政策變動

除就本期間財務資料首次採納以下經修訂香港財務報告準則(「香港財務報告準則」)外,編製中期簡明綜合財務報表所採納的會計政策與編製本集團截至二零一九年十二月三十一日止年度的全年綜合財務報表所應用者一致。

香港財務報告準則第9號、
香港會計準則第39號及香港
財務報告準則第7號(修訂本)

香港財務報告準則第16號
(修訂本)

香港會計準則第1號及香港
會計準則第8號
(修訂本)

經修訂香港財務報告準則的性質及影響如下:

- (a) 香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)旨在解決銀行同業拆息改革對財務報告的影響。該等修訂本提供可在替換現有利率基準前之不確定期限內繼續進行對沖會計處理之暫時性補救措施。此外,該等修訂本規定公司須向投資者提供有關直接受該等不確定因素影響之對沖關係之額外資料。由於本集團並無任何利率對沖關係,故該等修訂本並無對本集團的財務狀況及表現造成任何影響。

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

2 CHANGES IN ACCOUNTING POLICIES (Cont'd)

- (b) Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective retrospectively for annual periods beginning on or after 1 June 2020 with earlier application permitted. The amendments did not have any impact on the Group's interim condensed consolidated financial statements.
- (c) Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. The amendments did not have any impact on the Group's interim condensed consolidated financial statements.

2 會計政策變動 (續)

- (b) 香港財務報告準則第16號(修訂本)為承租人提供可行權宜方法,可選擇不就Covid-19疫情直接產生的租金寬免應用租賃修訂會計處理。可行權宜方法僅適用於Covid-19疫情直接產生的租金寬免及於出現下列情況方會應用:(i)租賃付款變動導致租賃代價有所修改,而經修改的代價大致相等於或少於緊接變動前的租賃代價;(ii)租賃付款的任何減幅僅影響原到期日為二零二一年六月三十日或之前的付款;及(iii)租賃的其他條款及條件並無實質性變動。該修訂本於二零二零年六月一日或之後開始的年度期間追溯生效,並可提早應用。該修訂本並無對本集團的中期簡明綜合財務報表造成任何影響。
- (c) 香港會計準則第1號及香港會計準則第8號(修訂本)提供新的重要性定義。新定義列明,倘可合理預期任何資料遭遺漏、錯誤陳述或模糊不清會影響通用財務報表的主要用戶根據該等財務報表作出的決定,則有關資料將屬重大。該等修訂本澄清,重大性將取決於資料的性質或重要程度。該等修訂本並無對本集團的中期簡明綜合財務報表造成任何影響。

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

中期簡明綜合財務報表附註(續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

(i) Disaggregation of revenue

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

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

3 收益及分部呈報

(a) 收益

(i) 收益劃分

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

按服務線劃分的客戶合約收益劃分如下：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
Revenue from contracts with customers within the scope by HKFRS 15	香港財務報告準則第15號範圍內的客戶合約收益		
<i>Recognised at a point in time</i>	於某一時間點確認		
Disaggregation by service lines	按服務線劃分		
– Revenue from supply of industrial water	– 供應工業用水之收益	9,174	11,433
– Revenue from provision of wastewater treatment plants operation services	– 提供污水處理設施營運服務之收益	72,181	83,984
– Revenue from BOT project operation services	– BOT項目營運服務之收益	16,584	18,492
– Revenue from provision of sludge and solid waste treatment services	– 提供污泥及固體廢物處理服務之收益	81,651	90,602
– Revenue from provision of hazardous waste treatment services	– 提供危險廢物處理服務之收益	149,735	190,767
		329,325	395,278
Income from other sources	其他來源收入		
<i>Recognised over time</i>	隨時間確認		
– Finance income	– 融資收入	6,305	6,545
		335,630	401,823

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

3 REVENUE AND SEGMENT REPORTING (Cont'd)

(b) Segment reporting

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

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

3 收益及分部呈報(續)

(b) 分部呈報

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

- 供應工業用水:該分部供應工業用水。
- 提供污水處理設施營運服務:該分部根據建設-擁有一營運(「BOO」)安排經營污水處理設施。
- BOT項目建設及營運服務:該分部根據BOT安排建設及營運污水及固體廢物處理設施,以自建設、營運服務以及融資收入產生營業額。
- 提供供熱服務及發電:該分部提供供熱服務及發電。
- 提供污泥及固體廢物處理服務:該分部提供污泥及固體廢物處理服務。
- 提供危險廢物處理服務:該分部提供危險廢物處理服務。

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

中期簡明綜合財務報表附註 (續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

3 REVENUE AND SEGMENT REPORTING (Cont'd)

3 收益及分部呈報 (續)

(b) Segment reporting (Cont'd)

(b) 分部呈報 (續)

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

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

For the six months ended 30 June 2020	截至二零二零年 六月三十日止六個月	Supply of	Provision of	BOT project	Provision of	Provision of	Unallocated	Total
		industrial water 供應 工業用水 HK\$'000 千港元 (unaudited) (未經審核)	wastewater treatment plants operation services 提供污水處理 設施營運服務 HK\$'000 千港元 (unaudited) (未經審核)	construction and operation services BOT項目建設 及營運服務 HK\$'000 千港元 (unaudited) (未經審核)	sludge and solid waste treatment services 提供污泥及固體 廢物處理服務 HK\$'000 千港元 (unaudited) (未經審核)	hazardous waste treatment services 提供危險廢物 處理服務 HK\$'000 千港元 (unaudited) (未經審核)		
Revenue from external customers	來自外部客戶的收益	9,174	72,181	22,889	81,651	149,735	-	335,630
Inter-segment revenue	分部間收益	-	7,195	-	24,848	215	-	32,258
Reportable segment revenue	可呈報分部收益	9,174	79,376	22,889	106,499	149,950	-	367,888
Reportable segment profit (adjusted EBITDA)	可呈報分部溢利 (調整後EBITDA)	1,836	9,660	6,013	10,832	67,241	(25,237)	70,345
Depreciation and amortisation	折舊及攤銷	(3,281)	(30,370)	(8,430)	(2,615)	(33,840)	(792)	(79,328)
Impairment loss on amounts due from companies controlled by a former director	應收前董事控制之公司款項 之減值虧損	-	-	-	-	-	(19,365)	(19,365)

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

中期簡明綜合財務報表附註 (續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

3 REVENUE AND SEGMENT REPORTING (Cont'd)

(b) Segment reporting (Cont'd)

		Supply of industrial water	Provision of wastewater treatment plants operation services	BOT project construction and operation services	Provision of sludge and solid waste treatment services	Provision of hazardous waste treatment services	Unallocated	Total
		供應工業用水	提供污水處理設施營運服務	BOT項目建設及營運服務	提供污泥及固體廢物處理服務	提供危險廢物處理服務	未分配	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
For the six months ended 30 June 2019	截至二零一九年六月三十日止六個月							
Revenue from external customers	來自外部客戶的收益	11,433	83,984	25,037	90,602	190,767	-	401,823
Inter-segment revenue	分部間收益	-	16,659	-	24,193	2,819	-	43,671
Reportable segment revenue	可呈報分部收益	11,433	100,643	25,037	114,795	193,586	-	445,494
Reportable segment profit (adjusted EBITDA)	可呈報分部溢利 (調整後EBITDA)	(673)	(76,751)	3,159	(3,748)	121,695	59,002	102,684
Depreciation and amortisation	折舊及攤銷	(2,974)	(39,799)	(9,869)	(9,528)	(24,058)	(95)	(86,323)
Gain on disposal of a subsidiary	出售一家附屬公司收益	-	-	-	-	-	3,963	3,963
Share of profits of associates	分佔聯營公司的溢利	-	-	-	35	1,026	-	1,061
Impairment loss on payments for acquisition of subsidiaries	收購附屬公司之付款之減值虧損	-	-	-	-	(15,057)	-	(15,057)
Impairment loss on amounts due from companies controlled by Mr. Tsui	應收徐先生控制之公司款項之減值虧損	-	-	-	-	-	(11,717)	(11,717)
Impairment loss on loan receivables	應收貸款之減值虧損	-	-	-	-	-	(62,760)	(62,760)
Impairment loss on other receivables	其他應收款項之減值虧損	-	(2,547)	-	(7,606)	-	-	(10,153)

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

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

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

中期簡明綜合財務報表附註 (續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

3 REVENUE AND SEGMENT REPORTING (Cont'd)

(b) Segment reporting (Cont'd)

(i) Reconciliations of reportable segment profit

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
		Note 附註	
Reportable segment profit	可呈報分部溢利		70,345
Share of profits of associates	分佔聯營公司的溢利		102,684
Finance costs	融資成本	5(a)	-
Interest income	利息收入	4(a)	1,061
Depreciation and amortisation	折舊及攤銷	5(b)	(75,378)
Net foreign exchange gain	匯兌收益淨額	4(b)	1
Gain on disposal of a subsidiary	出售一家附屬公司收益	4(b)	(79,328)
Impairment loss on payments for acquisition of subsidiaries	收購附屬公司付款之減值虧損		979
Impairment loss on other receivables	其他應收款項之減值虧損		-
Impairment loss on loan receivables	應收貸款之減值虧損		-
Impairment loss on amounts due from companies controlled by a former director	應收前董事控制之公司款項之減值虧損		-
			(19,365)
Consolidated loss before tax	綜合除稅前虧損		(11,717)
			(102,746)
			(182,513)

(ii) Information about major customers

The Group has transactions with the PRC local government authorities (under common control from the PRC central government) which in aggregate exceeded or equal to 10% of the Group's revenue. Revenue from the provision of wastewater treatment plants operation services, BOT project construction and operation services and provision of sludge and solid waste treatment services derived from local government authorities in the PRC for the six months ended 30 June 2020 amounted to HK\$46,870,000 (six months ended 30 June 2019: HK\$38,938,000).

3 收益及分部呈報 (續)

(b) 分部呈報 (續)

(i) 可呈報分部溢利的對賬

Six months ended 30 June
截至六月三十日止六個月

2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
---	---

70,345	102,684
-	1,061
(75,378)	(124,266)
1	146
(79,328)	(86,323)
979	19,909
-	3,963
-	(15,057)
-	(10,153)
-	(62,760)
(19,365)	(11,717)
(102,746)	(182,513)

(ii) 有關主要客戶之資料

本集團與中國地方政府機關(受中國中央政府共同控制)進行的交易合共超過或相等於本集團收益的10%。截至二零二零年六月三十日止六個月,為中國地方政府機關提供污水處理設施營運服務、BOT項目建設及營運服務及提供污泥及固體廢物處理服務帶來的收益為46,870,000港元(截至二零一九年六月三十日止六個月:38,938,000港元)。

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

中期簡明綜合財務報表附註 (續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

3 REVENUE AND SEGMENT REPORTING (Cont'd)

(b) Segment reporting (Cont'd)

(iii) Geographic information

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

(iv) Seasonality of operations

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

4 OTHER INCOME AND OTHER NET GAINS

(a) Other income

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
Government grants (i)	政府補助(i)	76	1,457
Value-added tax refund	增值稅退稅	-	109
Interest income	利息收入	1	146
Consultancy fees income	諮詢費收入	-	342
Others	其他	689	764
		766	2,818

3 收益及分部呈報 (續)

(b) 分部呈報 (續)

(iii) 地區資料

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

(iv) 業務之季節性

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

4 其他收入及其他收益淨額

(a) 其他收入

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

4 OTHER INCOME AND OTHER NET GAINS (Cont'd)

(a) Other income (Cont'd)

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

(b) Other net gains

4 其他收入及其他收益淨額(續)

(a) 其他收入(續)

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

(b) 其他收益淨額

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
Gain on disposal of a subsidiary	出售一家附屬公司收益	-	3,963
Net foreign exchange gain	匯兌收益淨額	979	19,909
Penalty	罰款	-	(455)
Others	其他	642	1,008
		1,621	24,425

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

中期簡明綜合財務報表附註(續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

5 LOSS BEFORE TAX

Loss before tax is arrived at after charging:

(a) Finance costs

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
Interest on bank loans	銀行貸款利息	45,070	74,496
Interest on other borrowings	其他借款利息	27,750	46,883
Interest on lease liabilities	租賃負債利息	1,331	1,826
Loan facility fees	貸款融資費用	1,227	1,061
Total finance costs	融資成本總額	75,378	124,266

5 除稅前虧損

除稅前虧損經扣除下列各項後達致：

(a) 融資成本

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

5 LOSS BEFORE TAX (Cont'd)

(b) Other items

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
Cost of inventories*	存貨成本*	53,748	60,668
Depreciation and amortisation	折舊及攤銷	79,328	86,323
Lease payments not under the measurement of lease liabilities	並非於租賃負債計量下之租賃付款	-	2,246
Impairment losses on amounts due from companies controlled by a former director	應收前董事控制之公司款項之減值虧損	19,365	11,717
Impairment loss on loan receivables	應收貸款之減值虧損	-	62,760
Impairment losses on prepayments for acquisition of subsidiaries	收購附屬公司之預付款項之減值虧損	-	15,057
Research and development expenses	研發開支	1,571	24

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

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

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

中期簡明綜合財務報表附註 (續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

5 LOSS BEFORE TAX (Cont'd)

(c) Staff costs

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
Note 附註			
	Salaries, wages and other benefits 薪金、工資及其他福利	46,447	73,421
	Contributions to defined contribution retirement plan 界定供款退休計劃供款	2,143	4,336
		48,590	77,757

5 除稅前虧損 (續)

(c) 員工成本

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

中期簡明綜合財務報表附註(續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

6 INCOME TAX CREDIT

Income tax credit in the condensed consolidated statement of profit or loss represents:

6 所得稅抵免

簡明綜合損益表內的所得稅抵免指：

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
Current tax – PRC income tax	即期稅項 – 中國所得稅		
Provision for PRC income tax (notes (i) and (ii))	中國所得稅撥備 (附註(i)及(ii))	7,435	20,036
		7,435	20,036
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時性差額的產生及撥回	(16,974)	(28,634)
Income tax credit	所得稅抵免	(9,539)	(8,598)

Notes:

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

No provision for Hong Kong Profits Tax was made as the Group did not earn assessable income subject to Hong Kong Profits Tax for the six months ended 30 June 2020 and 2019.

The statutory income tax rate for the PRC subsidiaries is 25% for the six months ended 30 June 2020 and 2019.

附註：

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

由於截至二零二零年及二零一九年六月三十日止六個月本集團並無賺取任何須繳納香港利得稅的應課稅收入，故並無就香港利得稅作出撥備。

截至二零二零年及二零一九年六月三十日止六個月，中國附屬公司的法定所得稅率為25%。

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

6 INCOME TAX CREDIT (Cont'd)

Notes: (Cont'd)

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

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

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

6 所得稅抵免(續)

附註:(續)

- (ii) 本集團的若干附屬公司享有以下中國優惠稅項待遇:

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

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

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

7 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss for the six months ended 30 June 2020 attributable to owners of the Company of HK\$92,952,000 (six months ended 30 June 2019: HK\$173,635,000) and the weighted average of 6,281,584,000 ordinary shares in issue during the six months ended 30 June 2020 and 2019.

		2020 二零二零年 '000 千股	2019 二零一九年 '000 千股
Number of shares	股份數目		
Issued ordinary shares at 1 January	於一月一日已發行普通股	6,316,792	6,316,792
Effect of shares held under the Share Award Scheme (note 16(b)(ii))	根據股份獎勵計劃持有股份的影響(附註16(b)(ii))	(35,208)	(35,208)
Weighted average number of ordinary shares at 30 June	於六月三十日的普通股加權平均數	6,281,584	6,281,584

(b) Diluted loss per share

During the six months ended 30 June 2020 and 2019, there were no dilutive potential ordinary shares issued. The diluted loss per share is the same as the basis loss per share.

7 每股虧損

(a) 每股基本虧損

每股基本虧損的計算方法乃根據截至二零二零年六月三十日止六個月本公司擁有人應佔虧損92,952,000港元(截至二零一九年六月三十日止六個月:173,635,000港元)以及截至二零二零年及二零一九年六月三十日止六個月已發行之6,281,584,000股普通股加權平均數而計算。

(b) 每股攤薄虧損

截至二零二零年及二零一九年六月三十日止六個月,概無發行攤薄潛在普通股。每股攤薄虧損與每股基本虧損相同。

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

中期簡明綜合財務報表附註(續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

8 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the Group acquired items of property, plant and equipment with a cost of HK\$60,838,000 (six months ended 30 June 2019: HK\$11,070,000).

Certain property, plant and equipment with a carrying amount of HK\$176,356,000 were pledged to secure the Group's bank loans as at 30 June 2020 (31 December 2019: HK\$183,650,000) (note 14).

9 RIGHT-OF-USE ASSETS

Right-of-use assets represent the Group's land use rights on leasehold land located in the PRC and leased properties under lease arrangements.

As at 30 June 2020, right-of-use assets with a carrying amount of HK\$57,467,000 were pledged to secure the Group's bank loans (31 December 2019: HK\$60,052,000 (note 14)).

10 INTANGIBLE ASSETS

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

8 物業、廠房及設備

截至二零二零年六月三十日止六個月，本集團收購物業、廠房及設備項目的成本為60,838,000港元(截至二零一九年六月三十日止六個月：11,070,000港元)。

於二零二零年六月三十日，賬面值為176,356,000港元的若干物業、廠房及設備已抵押作為本集團銀行貸款的抵押(二零一九年十二月三十一日：183,650,000港元)(附註14)。

9 使用權資產

使用權資產指本集團持有的位於中國的租賃土地及租賃安排下之租賃物業的土地使用權。

於二零二零年六月三十日，賬面值為57,467,000港元的使用權資產已抵押作為本集團銀行貸款的抵押(二零一九年十二月三十一日：60,052,000港元(附註14))。

10 無形資產

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

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

中期簡明綜合財務報表附註(續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

11 TRADE AND OTHER RECEIVABLES

11 貿易及其他應收款項

		At 30 June 2020 於 二零二零年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2019 於 二零一九年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Current	即期		
Trade receivables	貿易應收款項	327,518	361,166
Less: allowance for doubtful debts	減：呆賬撥備	(176,890)	(180,364)
		(a) 150,628	180,802
Consideration receivable from disposal of subsidiaries	出售附屬公司的應收代價	-	213,615
Money paid to the local government authority	向地方政府機關支付的款項	82,110	83,723
Receivables of value-added tax refund	增值稅退稅應收款項	-	5,872
Advances to suppliers	給予供應商的墊款	21,362	26,089
Other receivables and prepayments	其他應收款項及預付款項	69,282	52,051
Amount due from a former director	應收前董事款項	236,440	238,599
Less: allowance for doubtful debts	減：呆賬撥備	(236,440)	(238,599)
		-	-
Amounts due from companies controlled by a former director	應收前董事控制之公司款項	103,261	85,922
Less: allowance for doubtful debts	減：呆賬撥備	(103,261)	(85,922)
		-	-
Loan receivables	應收貸款	66,660	67,969
Less: allowance for doubtful debts	減：呆賬撥備	(66,660)	(67,969)
		-	-
Amounts due from related companies	應收關聯公司款項	6,025	6,262
Less: allowance for doubtful debts	減：呆賬撥備	(3,982)	(3,911)
		2,043	2,351
		325,425	564,503
Non-current	非即期		
Prepayments for purchase of lease prepayments and equipment	購買租賃預付款項及設備預付款項	-	940
Receivables of a construction project from a local government	地方政府建設項目的應收款項	-	9,175
Other receivables and prepayments	其他應收款項及預付款項	181	2,363
		181	12,478
Total	總計	325,606	576,981

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

11 TRADE AND OTHER RECEIVABLES (Cont'd)

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

(a) Aging analysis

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

		At 30 June 2020 於 二零二零年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2019 於 二零一九年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Within 1 month	一個月內	54,824	119,740
1 to 3 months	一至三個月	50,254	43,507
Over 3 months but within 1 year	超過三個月但一年內	63,759	19,127
Over 1 year	超過一年	1,670	19,968
		170,507	202,342
Less: Assets of disposal group classified as held for sale	減：分類為持作出售之 出售組別資產	(19,879)	(21,540)
		150,628	180,802

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

11 貿易及其他應收款項 (續)

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

(a) 賬齡分析

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

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

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

11 TRADE AND OTHER RECEIVABLES (Cont'd)

(b) Amount due from a former director

		HK\$'000 千港元
Gross amount	總額	
At 1 January 2020	於二零二零年一月一日	238,599
Exchange movement	匯兌變動	(2,159)
At 30 June 2020	於二零二零年六月三十日	236,440
Impairment loss	減值虧損	
At 1 January 2020	於二零二零年一月一日	238,599
Exchange movement	匯兌變動	(2,159)
At 30 June 2020	於二零二零年六月三十日	236,440
Carrying amount	賬面值	
At 30 June 2020 and 31 December 2019	於二零二零年六月三十日及 二零一九年十二月三十一日	-

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

該等款項為無抵押、免息且無固定償還期限。

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

中期簡明綜合財務報表附註 (續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

11 TRADE AND OTHER RECEIVABLES (Cont'd)

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

		HK\$'000 千港元
Gross amount	總額	
At 1 January 2020	於二零二零年一月一日	85,922
Fund advanced from the Group	本集團墊付之資金	54,288
Fund advanced to the Group	墊付予本集團之資金	(3,349)
Fund advanced from the Group used to set off with the amount due to a non-controlling shareholder	用於抵銷應付一名非控股股東的款項 本集團所墊付之資金	(30,010)
Fund advanced to from the Group used to set off with the amount due to a related company	用於抵銷應付一家 關聯公司款項而墊付予 本集團之資金	(1,564)
Exchange movement	匯兌變動	(2,026)
At 30 June 2020	於二零二零年六月三十日	103,261
Impairment loss	減值虧損	
At 1 January 2020	於二零二零年一月一日	85,922
Provided for the period	期內撥備	19,365
Exchange movement	匯兌變動	(2,026)
At 30 June 2020	於二零二零年六月三十日	103,261
Carrying amount	賬面值	
At 30 June 2020	於二零二零年六月三十日	-
At 31 December 2019	於二零一九年十二月三十一日	-

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

Subsequent to the reporting period, the Group made payments of HK\$32,696,000 to the companies controlled by Mr. Tsui during the period from July 2020 to October 2020. Out of the total payments, HK\$8,886,000 was used to set off with the amount due to a non-controlling shareholders as disclosed in note 13(b) and the remaining balance of HK\$23,810,000 were payments for the rental and advertising expenses received by the companies controlled by Mr. Tsui on behalf of Guangzhou Yanchen Zhili. The arrangement in relation to the payments received by the companies controlled by Mr. Tsui on behalf of Guangzhou Yanchen Zhili would be finalised upon the execution of the relevant agreement.

11 貿易及其他應收款項 (續)

(c) 應收前董事控制之公司款項

該等款項為無抵押、免息且無固定償還期限。

於報告期後，本集團於二零二零年七月至二零二零年十月期間向由徐先生控制的公司作出付款32,696,000港元。在該付款總額中，8,886,000港元用於抵銷附註13(b)所披露的應付非控股股東的款項，而餘額23,810,000港元為徐先生控制的公司代表廣州煙塵治理收到的租金及廣告開支之付款。與徐先生控制的公司代表廣州煙塵治理收到的付款有關之安排將於簽立相關協議後落實。

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

中期簡明綜合財務報表附註(續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

12 ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

Zhongshan Haitao

During the year ended 31 December 2019, the Group determined to dispose of its equity interest in Zhongshan Haitao, an indirect wholly owned subsidiary of the Group, to reduce the level of debt of the Group. Zhongshan Haitao was mainly engaged in the supply of industrial water and provision of waste water processing services. On 25 April 2019, the Group entered into an agreement with 中山希高房地產有限公司, (the “中山希高”), pursuant to which 中山希高 agreed to inject RMB98,000,000 (equivalent to HK\$107,290,000) into Zhongshan Haitao in form of equity and shareholder’s loan for 49% equity interest in Zhongshan Haitao. Due to the delay in administrative procedures, the deemed disposal of 49% equity interest was completed on 20 August 2020.

The major classes of assets and liabilities of Zhongshan Haitao at the end of the reporting period which have been presented separately in the interim condensed consolidated financial statements for the period ended 30 June 2020, as follows:

12 分類為持作出售之出售組別之資產

中山海滔

於截至二零一九年十二月三十一日止年度，本集團決定出售其於中山海滔(本集團之間接全資附屬公司)之股權，以降低本集團之債務水平。中山海滔主要從事供應工業用水及提供污水加工服務。於二零一九年四月二十五日，本集團與中山希高房地產有限公司(「中山希高」)訂立協議，據此中山希高同意以股權及股東貸款之形式向中山海滔注資人民幣98,000,000元(相當於107,290,000港元)，以取得中山海滔之49%股權。由於行政程序延遲，49%股權的視作出售已於二零二零年八月二十日完成。

已於截至二零二零年六月三十日止期間之中期簡明綜合財務報表單獨呈列之中山海滔於報告期末之資產及負債之主要類別如下：

		At 30 June 2020	At 31 December 2019
		於 二零二零年 六月三十日 HK\$'000 千港元	於 二零一九年 十二月 三十一日 HK\$'000 千港元
Assets	資產		
Property, plant and equipment	物業、廠房及設備	135,237	143,285
Right-of-use assets	使用權資產	17,234	17,882
Inventories	存貨	471	623
Trade receivables	應收貿易款項	19,880	21,540
Other receivables and prepayments	其他應收款項及預付款項	4,197	7,434
Bank and cash balances	銀行及現金結餘	5,829	3,070
Assets directly associated with assets classified as held for sale	與分類為持作出售資產直接相關之資產	182,848	193,834
Amounts due from group companies eliminated upon consolidation	合併時抵銷之應收集團公司款項	32,627	470
Total assets of Zhongshan Haitao	中山海滔之資產總值	215,475	194,304

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

中期簡明綜合財務報表附註 (續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

12 ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (Cont'd)

Zhongshan Haitao (Cont'd)

		30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	31 December 2019 二零一九年 十二月 三十一日 HK\$'000 千港元
Liabilities	負債		
Trade payables	貿易應付款項	7,620	5,697
Other payables and accruals	其他應付款項及應計費用	25,964	14,632
Deferred tax liabilities	遞延稅項負債	2,127	2,309
Liabilities directly associated with assets classified as held for sale	與分類為持作出售資產直接相關之負債	35,711	22,638
Amounts due to group companies eliminated upon consolidation	綜合入賬時對銷之應付集團公司款項	203,923	217,826
Total liabilities of Zhongshan Haitao	中山海滔之負債總額	239,634	240,464

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

As at 30 June 2020, the equity interest in Zhongshan Haitao was pledged to secure the bank loans granted to the Group (note 14).

12 分類為持作出售之出售組別之資產 (續)

中山海滔 (續)

		30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	31 December 2019 二零一九年 十二月 三十一日 HK\$'000 千港元
Liabilities	負債		
Trade payables	貿易應付款項	7,620	5,697
Other payables and accruals	其他應付款項及應計費用	25,964	14,632
Deferred tax liabilities	遞延稅項負債	2,127	2,309
Liabilities directly associated with assets classified as held for sale	與分類為持作出售資產直接相關之負債	35,711	22,638
Amounts due to group companies eliminated upon consolidation	綜合入賬時對銷之應付集團公司款項	203,923	217,826
Total liabilities of Zhongshan Haitao	中山海滔之負債總額	239,634	240,464

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

於二零二零年六月三十日，於中山海滔之股權已質押，作為授予本集團的銀行貸款的抵押（附註14）。

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

13 TRADE AND OTHER PAYABLES

13 貿易及其他應付款項

		At 30 June 2020 於 二零二零年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2019 於 二零一九年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
		Note 附註	
Trade payables	貿易應付款項	(a)	104,122
Other payables and accruals	其他應付款項及應計費用		161,869
Other payables for construction cost	建設成本之其他應付款項		160,241
Deposit received for property development	已就物業發展收取之按金		111,630
Interest payable	應付利息		29,830
Other tax payable	其他應付稅項		52,235
Amount due to a company controlled by a former director	應付前董事控制之公司款項		2,380
Amount due to a non-controlling shareholder	應付一名非控股股東款項	(b)	39,071
Amounts due to related parties	應付關聯方款項	(19)(c)(ii)	34,603
			695,981
			608,863

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

所有貿易及其他應付款項預期將於一年內結算或按要求償還。

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

中期簡明綜合財務報表附註 (續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

13 TRADE AND OTHER PAYABLES (Cont'd)

(a) Trade payable

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

		At 30 June 2020 於 二零二零年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2019 於 二零一九年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Within 1 month	一個月內	29,928	44,823
1 to 3 months	一至三個月	38,238	29,605
Over 3 months but within 1 year	超過三個月但一年內	48,616	16,425
Over 1 year	超過一年	23,331	18,966
		140,113	109,819
Less: Reclassified to liabilities directly associated with assets classified as held for sale	減：重新分類至與分類為持作出售資產直接相關之負債	(7,620)	(5,697)
		132,493	104,122

(b) Amount due to a non-controlling shareholder

The amount was unsecured, non-interest bearing and without fixed terms of repayment. During the six months ended 30 June 2020, payments of HK\$30,010,000 made to a company controlled by Mr. Tsui was used to set off with the amount due to a non-controlling shareholder. The outstanding balance as at 30 June 2020 was also set off with the payments made to the company controlled by Mr. Tsui subsequent to 30 June 2020.

13 貿易及其他應付款項 (續)

(a) 貿易應付款項

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

	At 30 June 2020 於 二零二零年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2019 於 二零一九年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Within 1 month	29,928	44,823
1 to 3 months	38,238	29,605
Over 3 months but within 1 year	48,616	16,425
Over 1 year	23,331	18,966
	140,113	109,819
Less: Reclassified to liabilities directly associated with assets classified as held for sale	(7,620)	(5,697)
	132,493	104,122

(b) 應付一名非控股股東款項

該款項為無抵押、不計息且無固定償還期限。截至二零二零年六月三十日止六個月，向徐先生控制之公司作出的30,010,000港元付款已用於抵銷應付一名非控股股東款項。於二零二零年六月三十日之尚未償付餘額亦已於二零二零年六月三十日後用於抵銷向徐先生控制之公司作出之付款。

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

中期簡明綜合財務報表附註(續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

14 BANK LOANS

14 銀行貸款

		At 30 June 2020 於 二零二零年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2019 於 二零一九年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Secured bank loans	有抵押銀行貸款	1,443,497	1,724,167
Unsecured bank loans	無抵押銀行貸款	207,460	249,681
		1,650,957	1,973,848

The bank loans were repayable as follows:

應償還銀行貸款如下：

		At 30 June 2020 於 二零二零年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2019 於 二零一九年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Within 1 year	一年內	860,613	1,108,617
More than 1 year but not exceeding 2 years	超過一年，但不超過兩年	259,801	263,103
More than 2 years but not exceeding 5 years	超過兩年，但不超過五年	347,535	390,217
More than 5 years	超過五年	183,008	211,911
Total	總計	1,650,957	1,973,848
Portion of bank loans that were in breach of loan agreements and repayable on demand	已違反貸款協議及須按要求償還之銀行貸款部分	(1,650,957)	(1,973,848)
Amounts due for settlement after 12 months	於12個月後到期結算之金額	-	-

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

中期簡明綜合財務報表附註 (續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

14 BANK LOANS (Cont'd)

Further analysis on the bank loans as at 30 June 2020

		At 30 June 2020 於二零二零年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Bank A	銀行A	207,460	249,681
Bank B	銀行B	170,844	253,239
Bank C	銀行C	60,038	96,370
Bank D	銀行D	1,212,615	1,374,558
		1,650,957	1,973,848

Note:

As all the bank loans were either overdue, in default or in cross default, all the bank loans were classified as current liabilities as at 30 June 2020 and 31 December 2019.

- (i) Bank loans of the Group as at 30 June 2020 were with floating-rate interest rates ranging from 3.7% to 11.3% (31 December 2019: 3.70% to 11.30%) per annum.

14 銀行貸款 (續)

於二零二零年六月三十日之銀行貸款之進一步分析

		At 30 June 2020 於二零二零年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Bank A	銀行A	207,460	249,681
Bank B	銀行B	170,844	253,239
Bank C	銀行C	60,038	96,370
Bank D	銀行D	1,212,615	1,374,558
		1,650,957	1,973,848

附註：

由於所有銀行貸款均為逾期、違約或交叉違約，故所有銀行貸款已於二零二零年六月三十日及二零一九年十二月三十一日被分類為流動負債。

- (i) 於二零二零年六月三十日，本集團之銀行貸款按年利率介乎3.7%至11.3%之浮動利率計息（二零一九年十二月三十一日：3.70%至11.30%）。

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

中期簡明綜合財務報表附註(續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

14 BANK LOANS (Cont'd)

Note: (Cont'd)

- (ii) Bank loans as at 30 June 2020 and 31 December 2019 were secured by certain of the Group's charge rights of water supply, wastewater processing and waste processing; property, plant and equipment (note 8); right-of-use assets (note 9); and the equity interests of Qingyuan Lvyou, Guangzhou Yinglong and Guangzhou Liangang Vessel Wastewater Treatment Co., Limited ("Guangzhou Liangang").

Bank loans amounted to HK\$80,811,000 as at 30 June 2020 were guaranteed by the former shareholder of Guangzhou Yinglong (31 December 2019: HK\$82,859,000).

Bank loans amounted to HK\$995,445,000 as at 30 June 2020 were guaranteed by the controlling shareholder of the Group (31 December 2019: HK\$1,167,799,000).

14 銀行貸款(續)

附註:(續)

- (ii) 於二零二零年六月三十日及二零一九年十二月三十一日的銀行貸款乃以本集團若干供水、污水處理及廢物處理的收費權;物業、廠房及設備(附註8);使用權資產(附註9);以及清遠綠由、廣州盈隆及廣州市蓮港船舶清油有限公司(「廣州蓮港」)的股權作抵押。

於二零二零年六月三十日之金額為80,811,000港元之銀行貸款由廣州盈隆之前股東作擔保(二零一九年十二月三十一日:82,859,000港元)。

於二零二零年六月三十日金額為995,445,000港元之銀行貸款已由本集團之控股股東作擔保(二零一九年十二月三十一日:1,167,799,000港元)。

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

中期簡明綜合財務報表附註(續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

15 OTHER BORROWINGS

15 其他借款

		At 30 June 2020	At 31 December 2019
		於 二零二零年 六月三十日 HK\$'000 千港元	於 二零一九年 十二月 三十一日 HK\$'000 千港元
LOAN A	貸款A		
<i>Interest bearing</i>	<i>計息</i>		
- Loans principal	- 貸款本金	185,000	185,000
- Accrued interest	- 應計利息	85,298	57,548
		(a) 270,298	242,548
LOANS B	貸款B		
<i>Non-interest bearing</i>	<i>不計息</i>		
- Loan from Mr. Gu Yaokun	- 來自古耀坤先生之貸款	(b) 3,700	3,700
- Other parties	- 其他人士	(b) 6,569	6,698
		10,269	10,398
		280,567	252,946

a) Loan A

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

a) 貸款A

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

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

15 OTHER BORROWINGS (Cont'd)

a) Loan A (Cont'd)

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

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

All the above loans were guaranteed by Mr. Tsui.

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

15 其他借款(續)

a) 貸款A(續)

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

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

上述所有貸款均由徐先生擔保。

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

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

15 OTHER BORROWINGS (Cont'd)

a) Loan A (Cont'd)

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

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

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

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

15 其他借款 (續)

a) 貸款A (續)

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

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

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

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

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

中期簡明綜合財務報表附註 (續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

15 OTHER BORROWINGS (Cont'd)

b) Loans B

The loans were unsecured and non-interest bearing. Other than the loan from Mr. Gu Yaokun of HK\$3,700,000 with a term of one month, all the other loans were repayable on demand. The loan from Mr. Gu Yaokun of HK\$3,700,000 was overdue as at 30 June 2020 and 31 December 2019.

16 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

(i) Issued share capital of the Company

		Number of shares 股份數目	
		'000 千股	HK\$'000 千港元
At 1 January 2019,	於二零一九年一月一日、		
31 December 2019 and	二零一九年十二月三十一日		
30 June 2020	及二零二零年六月三十日	6,316,792	157,920

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

(ii) Shares held under Share Award Scheme

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

15 其他借款 (續)

b) 貸款B

貸款為無抵押及不計息。除來自古耀坤先生之貸款3,700,000港元期限為一個月外，所有其他貸款均按要求償還。來自古耀坤先生之貸款3,700,000港元已於二零二零年六月三十日及二零一九年十二月三十一日逾期。

16 資本、儲備及股息

(a) 股本

(i) 本公司已發行股本

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

(ii) 根據股份獎勵計劃持有之股份

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

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

16 CAPITAL, RESERVES AND DIVIDENDS (Cont'd)

(a) Share capital (Cont'd)

(ii) Shares held under Share Award Scheme (Cont'd)

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

	No. of shares held	Value of shares
	持有股份數目 '000 千股	股份價值 HK\$'000 千港元
At 1 January 2019, 31 December 2019 and 30 June 2020	35,208	54,137
	於二零一九年一月一日、 二零一九年十二月三十一日 及二零二零年六月三十日	

During the six months ended 30 June 2020 and 2019, no shares were granted by the Company under the Share Award Scheme.

No share award expenses was recognised by the Group during the six months ended 30 June 2020 and 2019.

(b) Dividends

No Interim dividend was paid or proposed in respect of the six months periods ended 30 June 2020 and 2019.

16 資本、儲備及股息 (續)

(a) 股本 (續)

(ii) 根據股份獎勵計劃持有之股份 (續)

根據股份獎勵計劃持有之股份詳情載列如下：

	No. of shares held	Value of shares
	持有股份數目 '000 千股	股份價值 HK\$'000 千港元
At 1 January 2019, 31 December 2019 and 30 June 2020	35,208	54,137
	於二零一九年一月一日、 二零一九年十二月三十一日 及二零二零年六月三十日	

截至二零二零年及二零一九年六月三十日止六個月，本公司並無根據股份獎勵計劃授出股份。

截至二零二零年及二零一九年六月三十日止六個月，本集團並無確認股份獎勵費用。

(b) 股息

概無就截至二零二零年及二零一九年六月三十日止六個月期間派付或建議中期股息。

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2020 and 31 December 2019.

18 COMMITMENTS

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

17 金融工具公平值計量

於二零二零年六月三十日及二零一九年十二月三十一日，本集團按成本或攤銷成本列賬的金融工具的賬面值與其公平值並無重大不同。

18 承擔

尚未清償且並無於中期簡明綜合財務報表撥備的資本承擔：

		At 30 June 2020 於 二零二零年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2019 於 二零一九年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Contracted for	已訂約	134,207	151,047
Authorised but not contracted for	已批准但未訂約	-	-
		134,207	151,047

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

中期簡明綜合財務報表附註(續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

19 MATERIAL RELATED PARTY TRANSACTIONS

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

19 重大關聯方交易

董事認為本集團的關聯方包括以下人士／公司：

Name of related party 關聯方姓名／名稱	Relationship with the Group 與本集團的關係
Mr. Tsui Cham To 徐湛滔先生	Controlling Shareholder, a former director and former Chairman 控股股東、前董事及前主席
Mr. Xu Juwen 徐炬文先生	a former Executive Director 前執行董事
Guangzhou To Kee (廣州滔記) (note (i)) 廣州滔記(附註(i))	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Guangzhou Tian Tian Cleaning and Washing Company Limited ("Tian Tian") (廣州天天快潔洗滌有限公司) (note (i)) 廣州天天快潔洗滌有限公司(「天天」)(附註(i))	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Longmen Yagang Copper Company Limited (“Longmen Copper”) (龍門亞鋼銅業有限公司) (note (i)) 龍門亞鋼銅業有限公司(「龍門銅業」)(附註(i))	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Haiqin Tiancheng (海沁天誠) (note (i)) 海沁天誠(附註(i))	Joint Venture of the Group 本集團合營企業
Guangzhou Haiqin Tiancheng Environmental Consultancy Company Limited (“Haiqin Tiancheng Consultancy”) (廣州市海沁天誠環境諮詢有限公司) (note (i)) 廣州市海沁天誠環境諮詢有限公司 (「海沁天誠諮詢」)(附註(i))	Effectively owned by the Controlling Shareholder 由控股股東實際擁有

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

中期簡明綜合財務報表附註(續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

19 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

19 重大關聯方交易(續)

Name of related party 關聯方姓名／名稱	Relationship with the Group 與本集團的關係
Guangzhou Yanchen Zhili Profession Company Limited (“Guangzhou Yanchen Zhili”) (廣州煙塵治理專業有限公司) (note (i)) 廣州煙塵治理專業有限公司 〔廣州煙塵治理〕 (附註(i))	Mr. Tsui Cham To is a member of key management personnel of the entity 徐湛滔先生為該實體的主要管理人員之一
Longmen Hutiao Station Company Limited (“Longmen Hutiao Station”) (龍門虎跳電站有限公司) (note (i)) 龍門虎跳電站有限公司〔龍門虎跳電站〕 (附註(i))	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Guangzhou Zhongtao (note a) (廣州中滔) (note (i)) 廣州中滔 (附註a) (附註(i))	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Golden Oasis China Development Limited (“Golden Oasis”) (金海中國發展有限公司〔金海〕)	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Silver Badge Limited (“Silver Badge”) (銀徽有限公司〔銀徽〕)	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Keen Vast Holdings Limited (“Keen Vast”) (建大控股有限公司〔建大〕)	Effectively owned by the Controlling Shareholder and ultimate holding company 由控股股東及最終控股公司實際擁有

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

19 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

19 重大關聯方交易(續)

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

Notes:

- (i) The English translation of the names is for reference only. The official names of these companies are in Chinese.

附註:

- (i) 英文版中名稱的英譯僅供參考。該等公司的官方名稱為中文名稱。

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

19 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

(a) Key management personnel remuneration

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

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
Salaries and other benefits	薪金及其他福利	4,273	4,974
Retirement scheme of defined contribution	界定供款退休計劃	145	174
		4,418	5,148

19 重大關聯方交易(續)

(a) 主要管理人員酬金

本集團主要管理人員酬金如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
Salaries and other benefits	薪金及其他福利	4,273	4,974
Retirement scheme of defined contribution	界定供款退休計劃	145	174
		4,418	5,148

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

中期簡明綜合財務報表附註 (續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

19 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

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

19 重大關聯方交易 (續)

- (b) 於報告期間內，本集團與上述關聯方所進行的重大交易詳情如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
Receipt of technical testing services from Haiqin Tiancheng	自海沁天誠獲得的技術檢測服務	116	219
Receipt of consultancy services from Luopu Kunrun	自洛浦坤潤獲得的諮詢服務	-	221
Lease obligations payable to Guangzhou Yanchen Zhili	向廣州煙塵治理應付租賃負債	4,869	5,115
Advertising expenses to Guangzhou Yanchen Zhili	向廣州煙塵治理支付的廣告開支	5,954	6,254
- Payment of interest on bank borrowing on behalf of Yanchen Zhili	- 為煙塵治理支付銀行借款利息	3,284	-
- Interest on other borrowings paid by Guangzhou To Kee	- 廣州滔記所支付的其他借款利息	-	10,047
- Expenses paid by Mr. Tsui Cham To	- 徐湛滔先生所支付的開支	-	4,728

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

19 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

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

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
Payments to:	向以下各方作出的付款：		
- Guangzhou To Kee	- 廣州滔記	-	413
- Xizhou Port	- 西洲碼頭	3,382	7,494
- Guangzhou Xinyiduo	- 廣州新益多	-	9,086
- Zengcheng Waijing	- 增城外經	-	568
- Guangzhou Lixin	- 廣州荔新	49,790	-
- Guangyuan Haitao	- 廣元海滔	-	852
- Guangyuan Taoji	- 廣元滔記	1,116	-
- Mr. Tsui Cham To	- 徐湛滔先生	-	510
- Guangzhou Weihang	- 廣州威航	12,814	6,033
- Haiqin Tiancheng	- 海沁天誠	-	162
- Longmen Copper	- 龍門銅業	-	6

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)
Payments from:	來自以下各方的付款：		
- Mr. Tsui Cham To	- 徐湛滔先生	-	870
- Guangzhou Lixin	- 廣州荔新	3,349	-
- Guangzhou To Kee	- 廣州滔記	-	23,617

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

中期簡明綜合財務報表附註 (續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

19 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

(c) Balance with related parties

(i) Amounts due from related parties

		At 30 June 2020 於 二零二零年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2019 於 二零一九年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Current	即期		
Trade receivables from:	應收以下各方貿易款項：		
– Tian Tian	– 天天	1,719	1,754
Sub-total	小計	1,719	1,754
Other receivables from:	其他應收以下各方款項：		
– Haiqin Tiancheng Consultancy	– 海沁天誠諮詢	66	67
– Longmen Copper	– 龍門銅業	11	12
– Haiqin Tiancheng	– 海沁天誠	247	369
– Guangzhou Weihang	– 廣州威航	3,982	4,060
Sub-total	小計	4,306	4,508
Total	總計	6,025	6,262
Less: impairment loss	減：減值虧損	(3,982)	(3,911)
		2,043	2,351

19 重大關聯方交易 (續)

(c) 與關聯方的結餘

(i) 應付關聯方款項

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

19 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

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

(ii) Amounts due to related parties

		At 30 June 2020 於 二零二零年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	At 31 December 2019 於 二零一九年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Other payables to:	其他應付以下各方款項：		
- Guangzhou Yanchen Zhili	- 廣州煙塵治理	22,520	16,903
- Guabgzhou Weihang	- 廣州威航	4,545	17,700
Total	總計	27,065	34,603

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

19 重大關聯方交易(續)

(c) 與關聯方的結餘(續)

(ii) 應付關聯方款項

應收／應付關聯方的款項為無抵押、免息且無固定償還期限。

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

中期簡明綜合財務報表附註(續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

20 INDICTMENTS AND LEGAL PROCEEDINGS AGAINST THE GROUP AND INVESTIGATIONS

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

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

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

20 針對本集團之起訴及法律訴訟及調查

於二零一八年四月，中國地方環境機關對本集團若干附屬公司進行檢查，其後於二零一九年，廣州海滔環保科技有限公司（「廣州海滔」）、中山海滔環保科技有限公司（「中山海滔」）及廣州市蓮港船舶清油有限公司（「廣州蓮港」）及若干高級管理人員（包括徐先生及員工）被控（其中包括由二零一五年至二零一八年不等期間）向客戶虛開增值稅發票、捏造及偽造若干合約及其他文件、提供虛假數據申領環境補貼、非法傾倒污泥、非法排放污水、提供污泥處理服務時蓄意不履行若干程序及環境污染。

獨立調查委員會已告成立，以對上述事項進行調查。調查委員會由獨立於被調查事項之現任獨立非執行董事組成。案件詳情及調查結果載列如下：

獨立調查委員會亦對向徐先生及其控制之公司的付款及收款進行調查。

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

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

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

On 9 April 2019, 廣東省廣州市南沙區人民檢察院 filed a bill of indictment against Guangzhou Liangang alleging that Guangzhou Liangang and its legal representative, Mr. Xu Juwen, a former director of the Company (a separate hearing is to be scheduled for Mr. Xu Juwen) and an accounting staff committed a criminal offence in the issue of false value added tax invoices to customers for claiming tax refund and deduction purpose during the period from January 2016 to December 2017 without providing any goods or services to its customers. The total amount of value added tax of the false VAT invoices were RMB5,650,000 (equivalent to HK\$6,186,000).

On 22 April 2019, 廣東省廣州市南沙區人民法院 the People’s Court of Nansha District, Guangzhou City, Guangdong Province, the PRC (the “Nansha Court”) delivered a judgment against Guangzhou Liangang and the accounting staff on the above case and ordered Guangzhou Liangang to pay a fine of RMB300,000 (equivalent to HK\$328,000). The accounting staff was sentenced to imprisonment with probation.

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

20 針對本集團之起訴及法律訴訟及調查(續)

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

於二零一九年四月九日, 廣東省廣州市南沙區人民檢察院針對廣州蓮港提交起訴書, 指稱廣州蓮港及其法定代表人徐炬文先生(本公司前董事)(預定對徐炬文先生進行獨立聆訊)及一名會計員工於二零一六年一月至二零一七年十二月期間內, 於並無向客戶提供任何貨品或服務之情況下, 向客戶發出虛假增值稅發票以申領退稅及扣稅用途, 觸犯刑事罪行。虛假增值稅發票之增值稅總金額為人民幣5,650,000元(相當於6,186,000港元)。

於二零一九年四月二十二日, 中國廣東省廣州市南沙區人民法院(「南沙法院」)就上述案件對廣州蓮港及該會計員工頒下判決, 並頒令廣州蓮港支付罰款人民幣300,000元(相當於328,000港元)。該會計人員被判緩刑入獄。

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

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

中期簡明綜合財務報表附註 (續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

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

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

On 29 April 2020, the Nansha Court issued its judgment against Guangzhou Liangang for committing environmental pollution offences and fined Guangzhou Liangang a sum of RMB300,000 (equivalent to HK\$328,000) (the “Guangzhou Liangang Judgement”). The senior management members were sentenced for imprisonment plus penalty. After reviewing the Guangzhou Liangang Judgment with the PRC legal advisors, Guangzhou Liangang lodged an appeal against the Guangzhou Liangang Judgment but Guangzhou Liangang lost the appeal eventually.

Findings of the investigation

The results of the investigation conducted by the investigation committee showed that Guangzhou Liangang issued 13 VAT invoices for a total amount of RMB5,650,000 (equivalent to HK\$6,186,000) in 2016 and 2017 to three companies without delivery of goods nor provision of any services. The three companies applied tax deduction based on the fraudulently issued VAT invoices and Guangzhou Liangang received the same amount of money from the three companies. The investigation committee is of the view that the fraudulent issuance of VAT invoices was a one-off event caused by the former management of Guangzhou Liangang. All the staff involved in the fraudulent issuance of VAT invoices no longer have any roles and responsibilities in the management or operations of any of the Company’s subsidiaries.

20 針對本集團之起訴及法律訴訟及調查 (續)

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

於二零二零年四月二十九日，南沙法院發出其對廣州蓮港觸犯環境污染罪行的判決及對廣州蓮港判處罰款人民幣300,000元(相當於328,000港元)(「廣州蓮港判決」)。高級管理人員被判入獄，另加罰款。經與中國法律顧問審閱廣州蓮港判決後，廣州蓮港對廣州蓮港判決已提出上訴，惟廣州蓮港最終敗訴。

調查結果

由調查委員會進行之調查之結果顯示廣州蓮港於二零一六年及二零一七年向三家公司開出13張增值稅發票，總金額人民幣5,650,000元(相當於6,186,000港元)，而概無交付貨品及提供任何服務。該三家公司根據虛開的增值稅發票申請扣稅，而廣州蓮港從該三家公司收取相同金額的款項。調查委員會認為，虛開增值稅發票為廣州蓮港前任管理層造成的一次性事件。涉及虛開增值稅發票的所有員工不再於本公司任何附屬公司的管理或營運中擔任任何職務及職責。

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

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

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

Findings of the investigation (Cont'd)

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

20 針對本集團之起訴及法律訴訟及調查 (續)

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

調查結果 (續)

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

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

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

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

Findings of the investigation (Cont'd)

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

20 針對本集團之起訴及法律訴訟及調查 (續)

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

調查結果 (續)

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

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

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

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

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

On 14 April 2020, the First People’s Court of Zhongshan City, Guangdong Province, the PRC (廣東省中山市第一人民法院) delivered a judgment against Zhongshan Haitao and ordered Zhongshan Haitao to pay a fine of RMB500,000 (equivalent to HK\$547,000) (the “Zhongshan Haitao Judgment”). The senior management members of Zhongshan Haitao were sentenced to imprisonment plus penalty. After reviewing the Zhongshan Haitao Judgment with the PRC legal advisors, Zhongshan Haitao decided not to appeal against the Zhongshan Haitao Judgment.

20 針對本集團之起訴及法律訴訟及調查(續)

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

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

於二零二零年四月十四日，中國廣東省中山市第一人民法院對中山海滔頒下判決，並頒令中山海滔支付罰款人民幣500,000元(相當於547,000港元)(「中山海滔判決」)。中山海滔高級管理人員被判入獄，另加罰款。經與中國法律顧問審閱中山海滔判決後，中山海滔決定不對中山海滔判決提出上訴。

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

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

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

Findings of the investigation

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

20 針對本集團之起訴及法律訴訟及調查 (續)

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

調查結果

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

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

中期簡明綜合財務報表附註 (續)

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

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

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

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

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

The allegations were investigated by the relevant local government authority in the PRC. In the meantime, Guangzhou Haitao paid administrative penalties and performed certain remedial work as required by the relevant environmental protection bureau. Certain books and records were seized by the local government authority for the purpose of conducting an investigation on the matter and RMB75,000,000 (equivalent to HK\$82,110,000) was paid to the local government authority, the recoverability of which will be subject to the outcome of the investigation and subsequent court decision.

20 針對本集團之起訴及法律訴訟及調查 (續)

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

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

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

有關指稱由中國相關地方政府機關進行調查。與此同時，廣州海滔已支付行政罰款，並按照相關環保局的要求進行若干補救工作。若干賬冊及記錄已遭地方政府機構扣查，以對該事宜進行調查，且已向地方政府機關支付人民幣75,000,000元(相當於82,110,000港元)之款項，其可收回性將取決於調查結果及其後法院決定。

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

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

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

On 23 April 2019, 廣東省廣州市人民檢察院 filed a bill of indictment against Guangzhou Haitao, certain senior management members of Guangzhou Haitao, Mr. Tsui and Mr. Xu Shubiao, a former director alleging that they had committed certain criminal offences, including the deliberate non-performance of certain procedures when providing sludge treatment services, and disposing of sludge illegally in various cities in Guangdong and fabrication and falsification of certain contracts and other documents during the period from 1 January 2016 to 31 March 2018. According to the bill of indictment, amongst others, Guangzhou Haitao was accused of having recognised sludge treatment service fee income of RMB174,261,000 (equivalent to HK\$190,781,000) but without completing all necessary sludge treatment procedures and disposed of the sludge illegally during the period from 1 January 2016 to 31 March 2018. In addition, Guangzhou Haitao was also charged for the issuance of false documents for claiming environmental subsidy totalling RMB7,770,000 (equivalent to HK\$8,507,000) illegally and receiving illegal sludge treatment service fee of RMB9,051,000 (equivalent to HK\$9,909,000). The court hearing has been conducted. However, up to the date of approval of these interim condensed consolidated financial statements, no judgment has been made by the relevant court.

20 針對本集團之起訴及法律訴訟及調查 (續)

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

於二零一九年四月二十三日，廣東省廣州市人民檢察院針對廣州海滔、廣州海滔之若干高級管理人員、徐先生及前董事徐樹標先生提交起訴書，指稱彼等已觸犯若干刑事罪行，包括於二零一六年一月一日至二零一八年三月三十一日期間提供污泥處理服務時蓄意不履行若干程序、於廣東各城市非法傾倒污泥及捏造及偽造若干合約及其他文件。根據起訴書(其中包括)，廣州海滔被控於二零一六年一月一日至二零一八年三月三十一日期間確認污泥處理服務費收入人民幣174,261,000元(相當於190,781,000港元)，但並未完成所有必要污泥處理程序及非法傾倒污泥。此外，廣州海滔亦被控發出虛假文件，以非法申領環境補貼合共人民幣7,770,000元(相當於8,507,000港元)，並收取非法污泥處理服務費人民幣9,051,000元(相當於9,909,000港元)。法院聆訊已進行。然而，截至本中期簡明綜合財務報表獲批准日期，相關法院尚未作出任何判決。

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

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

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

Findings of the investigation

Suspected forgery of seals of state authorities

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

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

20 針對本集團之起訴及法律訴訟及調查 (續)

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

調查結果

涉嫌偽造國家機關印章

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

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

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

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

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

Findings of the investigation (Cont'd)

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

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

20 針對本集團之起訴及法律訴訟及調查 (續)

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

調查結果 (續)

於提供污泥處理服務時蓄意不履行若干程序及非法傾倒污泥

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

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

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

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

Findings of the investigation (Cont'd)

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

The management of Guangzhou Haitao confirmed that Guangzhou Haitao had collaborated with its customers (the “Zhengcheng Sewage Plants”) to manipulate the sludge treatment volume. According to findings of the investigation, the Zhengcheng Sewage Plants requested Guangzhou Haitao to manipulate the sludge treatment volume by informing Guangzhou Haitao the volume to be recorded and Guangzhou Haitao would then produce the related records for the Zhengcheng Sewage Plants. The management of Guangzhou Haitao stated that they were unclear about how the amount of RMB7,770,000 (equivalent to HK\$8,507,000) was calculated. According to the industry expert, the environmental protection subsidy was paid by the government to the Zhengcheng Sewage Plants directly but not paid to Guangzhou Haitao.

20 針對本集團之起訴及法律訴訟及調查(續)

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

調查結果(續)

發出虛假文件，以申領環境補貼合共人民幣7,770,000元

廣州海滔管理層確認，廣州海滔確實已與其客戶(「增城污水廠」)合作，以操縱污泥處理量。根據調查結果，增城污水廠要求廣州海滔操縱污泥處理量，方法為告知廣州海滔將記錄的污泥量，而廣州海滔其後將為增城污水廠提交相關記錄。廣州海滔的管理層表示，其不清楚如何計算人民幣7,770,000元(相當於8,507,000港元)之款項。據業內專家表示，環保補貼乃由政府直接支付予增城污水廠，而並非支付予廣州海滔。

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

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

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

Findings of the investigation (Cont'd)

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

Guangzhou Haitao together with a third party (the "Third Party") signed two contracts with the local government authority in providing river dredging, sludge transportation and disposal, and river maintenance services for the Yonghe River in Zengcheng District of Guangzhou City for three years. The contract sum was RMB47,605,000 (equivalent to HK\$52,118,000). The management of Guangzhou Haitao stated that the purpose and scope of the project were mainly the river excavation and dredging and sludge disposal is not the main service required. Guangzhou Haitao did not weigh the sludge dredged from the river as there was no such requirements stated in the contracts. In order to meet the additional requirements subsequently added for processing of payment by the local government, Guangzhou Haitao estimated the amount of sludge dredged and then prepared the "Weighing List" which was subsequently stated in the indictment as fabricated documents. Guangzhou Haitao changed the sludge treatment process to the Adopted Process as Guangzhou Haitao believed that the river sludge could be treated by the Adopted Process. However, Guangzhou Haitao did not report to the local government in advance about the change in the treatment process. The management of Guangzhou Haitao stated that Guangzhou Haitao has no intention to deceive the other parties under the contract and the breach of contracts is of civil in nature instead of a criminal offence. According to the investigation result, the local government paid the Third Party a sum of RMB33,323,000 (equivalent to HK\$36,482,000). After deducting of management fee, tax and other costs, the Third Party paid Guangzhou Haitao a total sum of RMB30,629,000 (equivalent to HK\$33,533,000) under the contracts.

20 針對本集團之起訴及法律訴訟及調查 (續)

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

調查結果 (續)

收取非法污泥處理服務費人民幣9,051,000元

廣州海滔連同一名第三方(「第三方」)與地方政府機關簽署兩份合約，以於廣州市增城區永和河提供河道疏浚、污泥運輸及傾倒及河道維護服務，為期三年。合約金額為人民幣47,605,000元(相當於52,118,000港元)。廣州海滔管理層表示，項目目的及範圍主要是河流開挖及疏浚，而污泥傾倒並非所要求的主要服務。由於合約並無載有關要求，故廣州海滔並無量度從河道挖出的污泥重量。為滿足地方政府其後增加的處理付款的額外要求，廣州海滔估計所疏浚的污泥量，然後編製「重量清單」，該清單其後於起訴書中被列為偽造文件。廣州海滔將污泥處理程序更改為已採用程序，原因為廣州海滔認為河流污泥可以透過已採用程序進行處理。然而，廣州海滔並無事先向地方政府報告更改處理程序。廣州海滔管理層表示，廣州海滔無意欺騙合約之其他各方，而違反合約於性質上屬民事罪行，而並非刑事罪行。根據調查結果，地方政府向第三方支付人民幣33,323,000元(相當於36,482,000港元)之款項。於扣除管理費、稅項及其他成本後，第三方根據合約向廣州海滔支付合共人民幣30,629,000元(相當於33,533,000港元)之款項。

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

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

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

- (i) On 30 May 2018, Guangzhou Liangang received a penalty notice for RMB5,528,000 (equivalent to HK\$6,542,000) from the local environmental authority which stated that Guangzhou Liangang constructed certain facilities without obtaining permissions from the local authority. Guangzhou Liangang filed two appeals with the local courts, however, both appeals were failed and judgments were made against Guangzhou Liangang. On 6 January 2020, the local environmental authority issued another penalty notice requiring Guangzhou Liangang to pay the original penalty plus additional charge for late payment totalling RMB11,057,000 (equivalent to HK\$13,084,000). On 22 April 2020, the local environmental authority obtained a court order to enforce Guangzhou Liangang to pay the outstanding penalty and provision has been made in the interim condensed consolidated financial statements.

20 針對本集團之起訴及法律訴訟及調查(續)

(d) 本集團作為一方之其他訴訟詳情如下：

- (i) 於二零一八年五月三十日，廣州蓮港接獲地方政府機關發出的罰款通知人民幣5,528,000元(相當於6,542,000港元)，當中說明廣州蓮港興建若干設施而未取得地方機關的批准。廣州蓮港向地方法院提出兩項上訴，然而，該兩項上訴均獲駁回，且廣州蓮港獲判敗訴。於二零二零年一月六日，地方環境機關發出另一項罰款通知，要求廣州蓮港支付原罰款另加逾期付款額外費用合共人民幣11,057,000元(相當於13,084,000港元)。於二零二零年四月二十二日，地方環境機關取得法院頒令以逼使廣州蓮港支付尚未支付罰款，中期簡明綜合財務報表中已作出撥備。

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

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

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

(ii) On 9 July 2019, Guangzhou Environmental Protection Federation (廣東省環境保護基金會) filed a claim against Guangzhou Liangang in the Intermediate People's Court of Guangzhou for a compensation of RMB33,947,000 (equivalent to HK\$40,170,000) in respect of environmental pollution caused by Guangzhou Liangang during 2017 to 2018. Up to the date of approval of these interim condensed consolidated financial statements, no judgement was issued by the court. After taking into account the legal advice and considering the outcomes of other litigations involved by Guangzhou Liangang, a provision of HK\$40,170,000 was made in the interim condensed consolidated financial statements.

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

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

20 針對本集團之起訴及法律訴訟及調查 (續)

(d) 本集團作為一方之其他訴訟詳情如下: (續)

(ii) 於二零一九年七月九日，廣東省環境保護基金會已針對廣州蓮港於廣州市中級人民法院提出索償，就廣州蓮港於二零一七年至二零一八年期間產生之環境污染索償人民幣33,947,000元（相當於40,170,000港元）。直至本中期簡明綜合財務報表獲批准日期，法院並無頒佈判決。於計及法律意見及考慮廣州蓮港所涉及之其他訴訟之結果後，已於中期簡明綜合財務報表作出撥備40,170,000港元。

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

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

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

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

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

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

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

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

20 針對本集團之起訴及法律訴訟及調查(續)

(d) 本集團作為一方之其他訴訟詳情如下:(續)

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

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

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

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

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

- (d) Details of other litigations in which the Group were as follows: (Cont'd)
- (v) On 10 October 2019, the local government authority in Foshan, the PRC filed a claim against Guangzhou Lvyou in the Foshan Sanshui District People's Court for a compensation of RMB46,948,000 (equivalent to HK\$53,581,000) in respect of environmental pollution caused by Guangzhou Lvyou during the period from 2014 to 2016.

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

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

20 針對本集團之起訴及法律訴訟及調查 (續)

- (d) 本集團作為一方之其他訴訟詳情如下：(續)

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

於二零二零年六月二十八日，法院判廣州綠由勝訴，現任董事認為毋須作出撥備。

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

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

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

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

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

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

- (viii) On 23 October 2019, the Company received a writ of summons from the High Court of Hong Kong pursuant to which the lender claim against the Company for repayment of other borrowings with outstanding principal of HK\$185,000,000 (31 December 2019: HK\$185,000,000).

20 針對本集團之起訴及法律訴訟及調查(續)

(d) 本集團作為一方之其他訴訟詳情如下：(續)

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

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

- (viii) 於二零一九年十月二十三日，本公司接獲香港高等法院的傳訊令狀，據此，貸款人向本公司申索償還其他借款未償還本金185,000,000港元(二零一九年十二月三十一日：185,000,000港元)。

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

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

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

In addition to the above, the Group has contingent liabilities arising from the ordinary course of business relating to claims from suppliers, employees and other parties during the period ended 30 June 2020 and subsequent periods. Judgements for certain cases were made by courts in the PRC against the Group. The present directors considered that sufficient provision had been made in the interim condensed consolidated financial statements according to the judgements and the present directors' best estimates.

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

20 針對本集團之起訴及法律訴訟及調查 (續)

- (d) 本集團作為一方之其他訴訟詳情如下：(續)
- (ix) 於二零二零年二月二十四日，本公司其中一家貸款銀行向中國廣州法院提出針對本公司及其十四家附屬公司及徐先生之民事申訴，要求即時償還貸款連同未償還利息以及法律及其他成本合共152,868,000港元，詳情載於附註1。

除上文所述者外，於截至二零二零年六月三十日止期間及其後期間，本集團於日常業務過程中產生與供應商、僱員及其他人士的索償有關的或然負債。中國法院已就若干案件針對本集團作出判決。現任董事認為，已根據判決及現任董事之最佳估計於中期簡明綜合財務報表內作出足夠撥備。

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

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

21 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

- a) Certain group entities were sued by their creditors as set out in notes 1 and 20 to the interim condensed consolidated financial statements.
- b) On 25 April 2019, the Group entered into an agreement with an independent third party pursuant to which the independent third party agreed to inject RMB98,000,000 (equivalent to HK\$107,290,000 as at 30 June 2020) into Zhongshan Haitao of which RMB43,235,000 (equivalent to HK\$47,334,000) shall be in the form of 49% equity and the balance in form of a shareholder's loan. The transaction was finalised in 2020 and the independent third party held 49% equity interest in Zhongshan Haitao upon completion which took place on 20 August 2020. After the completion of the capital injection, the Group lost control over Zhongshan Haitao and Zhongshan Haitao ceased to be a subsidiary of the Group and the Group waived certain of its shareholder's loan to Zhongshan Haitao of approximately HK\$90 million.
- c) On 28 September 2020, Guangzhou Lvyou entered into a compensation agreement with the local government authority pursuant to which Guangzhou Lvyou shall obtain a cash compensation of RMB1,237,884,000 (equivalent to HK\$1,355,235,000) and a piece of land with total area of 33,334 square meters for the relocation of its existing sludge and solid and hazardous waste treatment plant and the expropriation of its land, facilities and the business operation. The payment schedules of the compensation are as follows:
- i) A compensation of RMB247,577,000 (equivalent to HK\$271,047,000), representing 20% of the total cash compensation has been received in November 2020;

21 報告期後非調整事項

- a) 如中期簡明綜合財務報表附註1及20所載，若干集團實體遭其債權人控告。
- b) 於二零一九年四月二十五日，本集團與獨立第三方訂立協議，據此，該名獨立第三方同意向中山海滔注資人民幣98,000,000元（於二零二零年六月三十日相當於107,290,000港元），其中人民幣43,235,000元（相當於47,334,000港元）之注資形式將為49%股權，而結餘之形式為股東貸款。該交易於二零二零年落實，而完成於二零二零年八月二十日進行後，該名獨立第三方於中山海滔持有49%股權。於完成注資後，本集團失去對中山海滔之控制權，而中山海滔不再為本集團之附屬公司，且本集團已放棄其授予中山海滔之若干股東貸款約90百萬港元。
- c) 於二零二零年九月二十八日，廣州綠由與地方政府訂立賠償協議，據此，廣州綠由將取得現金賠償人民幣1,237,884,000元（相當於1,355,235,000港元）及總面積為33,334平方米之地塊以作遷移其現有污泥及固體及危險廢物處理廠及徵收其土地、設施及業務營運。賠償之付款時間表如下：
- i) 賠償人民幣247,577,000元（相當於271,047,000港元），佔總現金代價的20%，已於二零二零年十一月收取；

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

(For the six months ended 30 June 2020) (截至二零二零年六月三十日止六個月)

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

c) (Cont'd)

- ii) RMB618,942,000 (equivalent to HK\$677,618,000), representing 50% of the total cash compensation will be received when Guangzhou Lvyou completes its construction of the new production plant and commences the foundation work for medical waste treatment plant on the reallocated land which shall be completed by 30 June 2021;
 - iii) RMB123,788,000 (equivalent to HK\$135,523,000), representing 10% of the total cash compensation will be received when Guangzhou Lvyou completes the demolition of the existing plant and facilities;
 - iv) RMB247,577,000 (equivalent to HK\$271,047,000), representing 20% of the total cash compensation will be received within 3 months when Guangzhou Lvyou finished the soil maintenance and handover the land to the local government authority which shall take place on or before 30 September 2022.
- d) On 21 August 2020, Guangzhou Lvyou entered into an investment agreement with the local government authority of Nansha, Guangzhou for the development of a new hazardous waste treatment plant as mentioned in note (c) above. The total investment amount shall not be less than RMB1,080,660,000 (equivalent to HK\$1,183,107,000).
- e) Subsequent to 30 June 2020, the Group made further payments to the companies controlled by Mr. Tsui the details of which are set out in note 11(c).

21 報告期後非調整事項(續)

c) (續)

- ii) 人民幣618,942,000元(相當於677,618,000港元),佔總現金代價的50%,將於廣州綠由完成新生產廠房的建設並開始醫療廢物處理廠房於搬遷土地之地基工程(將於二零二一年六月三十日前竣工)後收取;
 - iii) 人民幣123,788,000元(相當於135,523,000港元),佔總現金代價的10%,將於廣州綠由完成清拆現有廠房及設施後收取;
 - iv) 人民幣247,577,000元(相當於271,047,000港元),佔總現金代價的20%,將於廣州綠由完成土壤維護及移交土地予地方政府機關(其將於二零二二年九月三十日或之前落實)後3個月內收取。
- d) 於二零二零年八月二十一日,廣州綠由與廣州南沙地方政府機關訂立一份投資協議,以開發上文附註(c)所述之新危險廢物處理廠。總投資額將不少於人民幣1,080,660,000元(相當於1,183,107,000港元)。
- e) 於二零二零年六月三十日後,本集團已向由徐先生控制之公司作出進一步付款,其詳情載於附註11(c)。



CTEG

中滔環保

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

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

香港九龍長沙灣道833號
長沙灣廣場1期8樓807室

www.chongto.com