

中国博奇环保(控股)有限公司

China Boqi Environmental (Holding) Co., Ltd.

(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 : 2377



2019

Interim Report 中期報告

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Cheng Liquan Richard (*Chairman*)
Zeng Zhijun

Non-Executive Directors

Tony Tuo Zheng
Zhu Weihang
Chen Xue

Independent Non-Executive Directors

Liu Genyu
Xie Guozhong
Lu Zhifang

AUDIT COMMITTEE

Xie Guozhong (*Chairman*)
Tony Tuo Zheng
Liu Genyu

REMUNERATION COMMITTEE

Lu Zhifang (*Chairman*)
Zeng Zhijun
Liu Genyu

NOMINATION COMMITTEE

Cheng Liquan Richard (*Chairman*)
Xie Guozhong
Lu Zhifang

JOINT COMPANY SECRETARIES

Qian Xiaoning
Wong Wai Ling

AUTHORIZED REPRESENTATIVES

Zeng Zhijun
Wong Wai Ling

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F, One Pacific Place
88 Queensway, Hong Kong

董事會

執行董事

程里全 (*主席*)
曾之俊

非執行董事

鄭拓
朱偉航
陳學

獨立非執行董事

劉根鈺
謝國忠
陸志芳

審核委員會

謝國忠 (*主席*)
鄭拓
劉根鈺

薪酬委員會

陸志芳 (*主席*)
曾之俊
劉根鈺

提名委員會

程里全 (*主席*)
謝國忠
陸志芳

聯席公司秘書

錢曉寧
黃慧玲

授權代表

曾之俊
黃慧玲

核數師

德勤•關黃陳方會計師行
執業會計師
香港金鐘道88號
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REGISTERED OFFICE

PO Box 309, Ugland House
Grand Cayman KY1-1104
Cayman Islands

PLACE OF BUSINESS IN HONG KONG

40/F, Sunlight Tower
248 Queen's Road East
Wanchai, Hong Kong

HEADQUARTERS IN THE PRC

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Chaoyang District
Beijing, the PRC

COMPLIANCE ADVISER

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3 Garden Road, Central, Hong Kong

LEGAL ADVISERS

As to Hong Kong law
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Suite 702, 7/F, Two Chinachem Central,
26 Des Voeux Road Central,
Central, Hong Kong

As to PRC law
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the PRC

As to Cayman Islands Law
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53rd Floor, The Center
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Hong Kong

註冊辦事處

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Grand Cayman KY1-1104
Cayman Islands

香港營業地點

香港灣仔
皇后大道東248號
陽光中心40樓

中國主要辦事處

中國北京市
朝陽區
東三環中路63號
富力中心11樓

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招銀國際融資有限公司
香港中環花園道3號
冠君大廈45樓

法律顧問

有關香港法律
紀曉東律師行(有限法律責任合夥)
(與北京市天元律師事務所香港分所聯營)
香港中環
德輔道中26號
華懋中心二期7樓702室

有關中國法律
通商律師事務所
中國北京市建國門外大街甲12號
新華保險大廈6層
郵編100022

有關開曼群島法律
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香港
皇后大道中99號
中環中心53樓

Corporate Information (Continued)

公司資料 (續)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093
Boundary Hall
Cricket Square, Grand Cayman
KY1-1102, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

China Construction Bank, Chaoyang Branch
China Minsheng Bank, Sanyuanqiao Branch
China CITIC Bank, Beichen Branch
Jiangsu Bank, Xuanwumen Branch
China Merchants Bank, Jianguo Road Branch
Bank of China (Hong Kong) limited

STOCK CODE AND BOARD LOT

Stock Code:

2377

Board Lot:

1,000

INVESTOR RELATIONS AND COMMUNICATIONS

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主要股份過戶登記處

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KY1-1102, Cayman Islands

香港股份過戶登記處分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

主要往來銀行

中國建設銀行朝陽支行
中國民生銀行三元橋支行
中信銀行北辰支行
江蘇銀行宣武門支行
招商銀行建國路支行
中國銀行(香港)有限公司

股份代號及買賣單位

股份代號：

2377

買賣單位：

1,000股

投資者關係與聯絡

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FINANCIAL AND OPERATION HIGHLIGHTS

財務及營運摘要

For the six months ended 30 June 2019, the revenue of the Group amounted to RMB753 million, representing an increase of 4.3% as compared to the same period last year.

截至2019年6月30日止六個月，本集團的收益為人民幣753百萬元，較去年同期增長4.3%。

For the six months ended 30 June 2019, the gross profit of the Group amounted to RMB122 million and the gross profit margin of the Group was 16.2%, representing a decrease of 37.8% in gross profit and 10.9 percentage points in gross profit margin as compared to the same period last year.

截至2019年6月30日止六個月，本集團的毛利為人民幣122百萬元及本集團的毛利率為16.2%，毛利較去年同期降低37.8%及10.9個百分點。

For the six months ended 30 June 2019, the net profit of the Group amounted to RMB92 million and the net profit margin of the Group was 12.2%. If excluding the fair value gain on the Class B and Class C shares for the same period from the net profit, the adjusted net profit for the six months ended 30 June 2018 was RMB135 million and the adjusted net profit margin was 18.8%. There is a decrease of 31.9% in the adjusted net profit and 6.6 percentage points in the adjusted net profit margin as compared to the same period last year, respectively.

截至2019年6月30日止六個月，本集團的純利為人民幣92百萬元及本集團的純利率為12.2%。倘自純利中撇除同期B類股份及C類股份的公允價值收益，截至2018年6月30日止六個月的經調整純利為人民幣135百萬元及經調整純利率18.8%，今年較去年同期分別降低31.9%及6.6個百分點。

As of 30 June 2019, the contract value of Group's newly contracted projects amounted to RMB621 million, and the total contract value of newly contracted environmental protection of facilities engineering projects (including desulfurization, denitrification and dust removal projects) reached RMB358 million.

於2019年6月30日，本集團新訂約人民幣621百萬元，其中環保設施工程項目（包括脫硫、脫硝及除塵項目）的合約總值為人民幣358百萬元。

For the Group's operation and maintenance business, the Group has signed 2 new steel O&M projects with Hebei Jinxi Steel Group. As of 30 June 2019, the Group has 15 O&M projects under operation with an aggregate installed capacity of 22,340MW.

就本集團的運營與維護業務，本集團新簽訂河北津西鋼鐵集團旗下2個鋼鐵運維項目。於2019年6月30日，本集團有15個投運的運維項目，總裝機容量為22,340兆瓦。

As of 30 June 2019, the Group has cumulatively undertaken 9 concession operation projects, including 2 projects under construction and 7 projects in operation.

於2019年6月30日，本集團累計執行9個特許經營項目，包括2個在建項目及7個投運項目。

In the first half of 2019, the Group entered into an agreement to acquire a sewage treatment center of Shanxi Lubao Industrial Park at a cash consideration of RMB300 million. The consideration of acquisition shall be settled by stages as agreed in the agreement.

2019年上半年，本集團訂立協議收購山西潞寶工業園污水處理中心，現金代價為人民幣300百萬元。其收購對價將按合同約定按階段完成支付。

FINANCIAL AND OPERATION HIGHLIGHTS (Continued)

財務及營運摘要（續）

FINANCIAL HIGHLIGHTS

財務摘要

For the six months ended June 30

截至6月30日止六個月

		FY 2019 2019財政年度 RMB'000 人民幣千元 (Unaudited) (未經審核)	FY 2018 2018財政年度 RMB'000 人民幣千元 (Unaudited) (未經審核)
Revenue	收入	752,516	721,722
Cost of sales and services	銷售及服務成本	(630,252)	(526,106)
Gross profit	毛利	122,264	195,616
Other income and other gains and losses	其他收入及其他收益及虧損	26,167	27,636
Selling and distribution expenses	銷售及分銷開支	(12,194)	(10,980)
Administrative expenses	行政開支	(45,144)	(50,507)
Reversal of impairment losses on financial assets and contract assets	金融資產及合約資產的減值虧損撥回	4,215	178
Share of profit of an associates	分佔聯營公司溢利	16,263	14,941
Finance costs	財務成本	(2,438)	(2,941)
Change in fair value of Class B and C shares	B類及C類股份之公允價值變動	-	133,541
Listing expense	上市開支	-	(3,319)
Profit before tax	除稅前溢利	109,133	304,165
Income tax expense	所得稅開支	(17,460)	(35,127)
Net profit	純利	91,673	269,038
Net cash used in operating activities	經營活動所用現金淨額	(35,010)	(103,561)
Net cash used in investing activities	投資活動所用現金淨額	(353,870)	(379,694)
Net cash generated from financing activities	融資活動所得現金淨額	58,869	407,042

FINANCIAL AND OPERATION HIGHLIGHTS (Continued)

財務及營運摘要 (續)

		As at 30 June 2019 於2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Total non-current assets	非流動資產總額	1,468,678	1,253,016
Total current assets	流動資產總額	2,151,966	2,277,234
Total assets	總資產	3,620,644	3,530,250
Total current liabilities	流動負債總額	1,412,776	1,337,058
Net current assets	流動資產淨值	739,190	940,176
Total assets less current liabilities	資產總額減流動負債	2,207,868	2,193,192
Total non-current liabilities	非流動負債總額	23,983	20,018
Total liability	總負債	1,436,759	1,357,076
Net assets	資產淨值	2,183,885	2,173,174
Total liabilities and equity	負債及權益總額	3,620,644	3,530,250

Management Discussion and Analysis

管理層討論與分析

The Group is a leading enterprise in the ecological environmental protection industry in China. The Company was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited on 16 March 2018 (stock code: 2377). The Group provides environmental protection and energy-saving solutions with a focus on air pollution control of electricity and non-electricity sectors. We provide air pollution treatment services such as flue gas desulfurization, flue gas denitrification, dust removal, and comprehensive flue gas treatment. The Group commenced the flue gas treatment business in 2003 and is among the first participants in the flue gas treatment industry in China. In recent years, the Group successfully expanded its business into the flue gas treatment market for non-electricity sectors such as steel, petrochemical and electrolytic aluminum, and actively explored the business of industrial sewage treatment. With its extensive experience and professional capabilities in R&D and design, construction and operation, and operation and management, the Group has significantly reduced pollutant emissions and effectively improved productivity of the customers, thus making outstanding contributions to improving air quality, environmental protection, green economy, and sustainable development. The Group has committed itself in developing into a world-class enterprise in the comprehensive environmental protection industry and an intelligent provider of environment protection housekeeper services, making positive contributions to environmental protection and ecological civilization construction in China and around the world.

本集團是中國生態環境治理行業的領軍企業。本公司於2018年3月16日成功在香港聯合交易所有限公司主板上市（股票代碼：2377）。本集團提供環保及節能解決方案，主要處理電力及非電領域的大氣污染控制，全面提供煙氣脫硫、煙氣脫硝、除塵以及綜合煙氣處理等大氣污染防治服務。本集團於2003年開始經營煙氣處理業務，是中國煙氣處理的首批參與者。近年來，本集團成功擴大其業務於鋼鐵、石化、電解鋁等非電行業煙氣治理市場，並積極開拓工業污水處理業務。憑藉其研發與設計、建設與運行、經營與管理的豐富經驗及專業能力，大大降低污染物的排放量並有效提高客戶生產效率，為改善空氣質量、環境質量、發展綠色經濟和可持續發展做出了傑出貢獻。本集團致力於打造成為國際一流的綜合性環保產業集團及智慧型環保管家服務提供者，為中國乃至世界的環境保護和生態文明建設做出積極的貢獻。

1. INDUSTRY OVERVIEW

In the first half of 2019, the environmental protection industry in China experienced a new development. On the one hand, the PRC government continued to strengthen the comprehensive supervision of water, soil, solid waste and gas, stressing that it will continue to fight the battle of pollution prevention and control, which strongly promoted the development of environmental protection industry in China and brought larger space for growth in the environmental protection industries. On the other hand, after the tightening of financing environment in 2018, environmental protection enterprises in China faced intensified competition in the industry, striving towards high quality. Only enterprises with strong comprehensive capabilities in technology, management, investment, construction and operation can become leaders in the industry.

The Soil Pollution Prevention and Control Law of the PRC (《中華人民共和國土壤污染防治法》) has been implemented since 1 January 2019. This is the first special law on soil pollution prevention and control promulgated in China, which has improved the legal system on ecological environmental protection and pollution prevention and control. The law clearly stipulates the fundamental principles, systems, preventive protection, control and restoration, economic measures, regulatory supervision and legal responsibilities in relation to soil pollution prevention and control.

On 27 February 2019, the Ministry of Ecology and Environment of the PRC issued a notice on the issuance of the Key Points of National Air Pollution Prevention and Control Work for 2019 (《2019年全國大氣污染防治工作要點》), proposing the goals that, in 2019, the annual average concentration of fine particulate matter (PM2.5) in cities throughout the PRC that failed to meet the standards should decrease by 2% year-on-year, and the average proportion of days with excellent air quality in cities at prefecture level and above should reach 79.4%; the national total emissions of sulfur dioxide (SO₂) and nitrogen oxides (NO_x) should be reduced by 3% year-on-year. It further proposed to promote the transformation of steel enterprises for ultra-low emissions and to accelerate the management of volatile organic compounds (VOCs) in key industries.

1. 行業概覽

於2019年上半年，中國的環保產業有了全新的發展，一方面國家繼續加強對水土固廢氣全方面的監管，強調繼續打好污染防治攻堅戰，對環保產業的發展起到強有力的推動作用，環保行業迎來更加廣闊的發展空間；另一方面環保企業歷經2018年趨緊的融資環境，行業競爭加劇，向高質量方向發展，只有在技術、管理、投資、建設、運營等各方面綜合能力強的企業才能成為行業先鋒。

《中華人民共和國土壤污染防治法》自2019年1月1日起施行。這是中國首次制定土壤污染防治的專項法律，完善了生態環境保護、污染防治的法律制度體系。該法就土壤污染防治的基本原則、土壤污染防治基本制度、預防保護、管控和修復、經濟措施、監管監察和法律責任等重要內容做出了明確規定。

2019年2月27日，中國生態環境部發佈關於印發《2019年全國大氣污染防治工作要點》的通知，提出2019年全國未達標城市細顆粒物(PM2.5)年均濃度同比下降2%，地級及以上城市平均優良天數比率達到79.4%；全國二氧化硫(SO₂)、氮氧化物(NO_x)排放總量同比削減3%的目標；提出推進鋼鐵企業實施超低排放改造、加快推進重點行業揮發性有機物(VOCs)治理。

Management Discussion and Analysis (Continued)

管理層討論與分析（續）

On 28 April 2019, five government ministries of China, including the Ministry of Ecology and Environment of PRC and the National Development and Reform Commission of PRC, jointly issued the Opinions on Promoting the Implementation of Ultra-low Emissions in the Steel Industry (《關於推進實施鋼鐵行業超低排放的意見》), proposing to enhance policy support in among other things, taxation, capital, price, finance and environmental protection for enterprises in the steel industry that have completed the transformation for ultra-low emissions, strengthen corporate responsibility, adopt strict evaluation and management, and strengthen supervision and enforcement. By the end of 2020, the key areas shall have made significant progress in the transformation of steel enterprises for ultra-low emissions, and shall strive to complete the transformation of about 60% of the production capacity; by the end of 2025, the key areas should have basically completed the transformation, and the country shall strive to complete more than 80% of the production capacity.

On 17 June 2019, the General Office of the Central Committee of the Communist Party of China (“**CPC**”) and the General Office of the State Council of PRC issued the Regulations on the Central Government’s Supervision of the Ecological Environmental Protection (《中央生態環境保護督查工作規定》), aiming to standardize the supervision of ecological environmental protection, strictly fulfill the responsibility of ecological environmental protection, promote the construction of ecological civilization, and build a beautiful China. Around the corner of the second round of Central Government’s Supervision of the Ecological Environmental Protection, the issue of such regulations further demonstrated the determination of the CPC Central Committee and the State Council of the PRC to strengthen the construction of an ecological civilization and enhance ecological environmental protection efforts. Enterprises in China shall strengthen their governance on aspects, such as air, water, and solid waste to meet emission standards, further heightening the market demand for the environmental protection industry.

2019年4月28日，中國生態環境部、中國國家發展和改革委員會等五部門聯合發佈《關於推進實施鋼鐵行業超低排放的意見》，提出對完成超低排放改造的鋼鐵行業企業，加大稅收、資金、價格、金融、環保等方面政策支持力度，強化企業主體責任，嚴格評價管理，強化監督執法。到2020年底前，重點區域鋼鐵企業超低排放改造取得明顯進展，力爭60%左右產能完成改造；2025年底前，重點區域基本完成，全國力爭80%以上產能完成改造。

2019年6月17日，中國共產黨中央委員會辦公廳、中國國務院辦公廳印發《中央生態環境保護督查工作規定》，其目的是為了規範生態環境保護督查工作，壓實生態環境保護責任，推進生態文明建設，建設美麗中國。在第二輪中央生態環保督察即將啟動之際，該規定的印發進一步彰顯中國黨中央、國務院加強生態文明建設、加強生態環境保護的決心。各地企業應在大氣、水、固廢等各方面加強治理以滿足達標排放要求，環保行業市場需求將進一步釋放。

2. BUSINESS REVIEW

The Group commenced its flue gas treatment business in 2003 and is among the first independent participants in the flue gas treatment industry in China. The services of the Group cover the entire industry-chain of the flue gas treatment industry, from project design, equipment procurement and facilities construction to operation and maintenance and concession operation of flue gas treatment facilities. In the first half of 2019, the Group entered into an agreement to acquire a sewage treatment center of Shanxi Lubao Industrial Park in China and shall successfully begin its industrial sewage treatment business. We are gradually transforming our role from a coordinated flue gas solution provider to the intelligent environmental protection housekeeper in relation to flue gas, water, soil and solid waste issues. Moreover, the Group's business has a broad geographic coverage, reaching approximately 30 provinces, municipalities and autonomous regions in China. Furthermore, the Group has been striving to expand its business overseas, including in Europe, South Asia, Latin America, Africa and Southeast Asia.

The following map shows the distribution of the projects of the Group within the PRC as of 30 June 2019:



2. 業務回顧

本集團於2003年開始經營煙氣處理業務，是中國煙氣處理行業的首批獨立參與者。本集團的服務涵蓋煙氣處理行業的全產業鏈，從項目設計、設備採購及設施建設，到煙氣處理設施的運營與維護以及特許經營業務。於2019年上半年，本集團訂立協議收購中國山西潞寶工業園污水處理中心，將成功開拓工業污水處理業務。本集團正逐步實現由煙氣環保協同方案提供商向集煙氣、水、土壤及固廢等智慧型環保管家業務轉變。此外，本集團的項目地理覆蓋範圍廣泛，遍及中國約30個省、市及自治區。同時，我們一直努力擴展海外包括歐洲、南亞、拉丁美洲、非洲及東南亞業務。

下圖列示於2019年6月30日，本集團在中國境內的項目分佈：

Management Discussion and Analysis (Continued)

管理層討論與分析（續）

As of 30 June 2019, the Group had also executed, or had been implementing, over ten projects in regions outside the PRC, such as Europe, South Asia, Latin America, Africa and Southeast Asia.

As an independent flue gas treatment integrated services provider, the Group is principally engaged in flue gas treatment business in three segments, namely flue gas desulfurization, flue gas denitrification and dust removal, with their respective business models. The Group also provided sewage treatment services to coal-fired power plants and intends to continuously expand its existing comprehensive environmental protection business in coal-fired power plants to provide energy conservation and environmental protection solutions to its customers by focusing on zero discharge of waste water and detoxification treatment of solid waste. The Group also provides its services through various business models including environmental protection facility engineering (“EPC”), operation and maintenance (“O&M”) and concession operations (including “Build-Operate-Transfer” or “BOT”, and “Build-Own-Operate” or “BOO”).

於2019年6月30日，本集團於中國境外地區（例如歐洲、南亞、拉丁美洲、非洲及東南亞）亦已進行或正進行十逾個項目。

作為獨立煙氣處理綜合服務商，本集團主要從事煙氣處理業務，其中包括煙氣脫硫、煙氣脫硝及除塵服務三個分部，並採用不同的業務模式。本集團亦向燃煤電廠提供污水處理服務，並將繼續拓展現有燃煤電廠的綜合環保業務，通過專注廢水零排放及固體廢棄物無害化處理為其客戶提供節能環保解決方案。本集團亦通過環保設施工程（「EPC」）、運營與維護（「運維」）和特許經營（包括「建設－運營－轉讓」或「BOT」以及「建設－擁有－運營」或「BOO」）等多種業務模式提供服務。

EPC

A typical EPC business model involves project design, procurement of equipment and materials, project construction and equipment installment services in relation to SO₂ or NO_x emission control and dust removal primarily for power plants, aluminum factories, steel factories and chemical plants. The Group acts as the main contractor and is responsible for the design of the project; procurement and selection of various environmentally friendly materials and equipment from domestic and overseas suppliers; construction subcontracting and supervision of the project construction and equipment installment; testing, inspection and trial operation of the facilities; and delivery of a project to the customer upon its completion and inspection by the competent government authority or independent third parties or customers.

In the first half of 2019, the Group further expanded its market share in the steel flue gas treatment market by entering into contracts in relation to the flue gas treatment project for 350m² sintering machine of Tianjin Iron Factory and the flue gas treatment project for 90m² sintering machine with Jinyuan Industrial Co., Ltd.. The performance of the Group in the steel industry continued to grow. The Group undertook the flue gas desulfurization and denitrification project for the LUCKY 1 x 660MW coal-fired power station in Pakistan, which was the Group's another breakthrough in the overseas market in response to China's "Belt and Road" and "China-Pakistan Economic Corridor" policy initiatives. As of 30 June 2019, the Group's overseas desulfurization units have accumulated a capacity of 5,707MW.

EPC

EPC業務主要涉及為發電廠、鋁廠、鋼鐵廠、化工廠二氧化硫或氮氧化物排放控制及除塵項目提供設計、設備與材料採購、項目建設及設備安裝服務。本集團作為主承包商行事，主要負責項目的設計；向國內及海外提供商採購並篩選多種環保材料及設備；施工分包及監督項目建設及設備安裝工程；設施的測試、檢查及試運行；及項目完工並經由政府有關當局或獨立第三方或客戶檢查後，向客戶交付項目。

於2019年上半年，本集團進一步擴大其在鋼鐵煙氣處理市場的市場份額，簽訂天津鐵廠350m²燒結機煙氣治理工程以及與晉源實業有限公司的90m²燒結機煙氣治理工程，鋼鐵行業業績持續增長。本集團承建巴基斯坦LUCKY 1 x 660MW燃煤電站煙氣脫硫脫硝項目，這是本集團響應國家「一帶一路」和「中巴經濟走廊」政策，在海外市場取得的又一突破。於2019年6月30日，本集團海外脫硫機組容量累計達到5,707MW。

Management Discussion and Analysis (Continued)

管理層討論與分析（續）

In the first half of 2019, the total contract value of new EPC projects (including desulfurization, denitrification and dust removal projects) of the Group amounted to RMB358 million, of which the contract value of new EPC projects in steel industry was RMB226 million, with a cumulative sintering machine area of 440m² in steel factories.

The following table sets forth the status of the EPC projects under construction as of 30 June 2019:

於2019年上半年，本集團新訂約EPC項目（包括脫硫、脫硝及除塵項目）的合約總值為人民幣358百萬元，其中，鋼鐵行業EPC項目新簽合同額人民幣226百萬元，累計鋼廠燒結機面積440m²。

下表列示於2019年6月30日在建EPC項目情況如下：

No. 序號	Environmental protection facility engineering projects under construction 在建環保設施工程項目	Type of project 項目類型	Newly built/ upgraded 新建/改造	Date of contract 合同簽訂時間 (Month/Year) (年/月)	Aggregate contract value 合同額 (RMB million) (人民幣百萬元)
1.	Shentou Electric Power Phase II Desulfurization System and WESP Project 神頭發電二期脫硫系統及濕式電除塵項目	Desulfurization and dust removal 脫硫及除塵	Newly built 新建	December 2014 2014年12月	354
2.	Beihai Desulfurization Project 北海脫硫項目	Desulfurization 脫硫	Newly built 新建	November 2015 2015年11月	150
3.	Shouyang Green Island Project 壽陽環保島項目	Green Island 環保島	Newly built 新建	December 2015 2015年12月	288
4.	Shangqiu Desulfurization Project 商丘脫硫項目	Desulfurization 脫硫	Newly built 新建	June 2016 2016年6月	86
5.	Phase II Desulfurization EP Project in Serbia 塞爾維亞二期脫硫EP項目	Desulfurization 脫硫	Newly built 新建	September 2016 2016年9月	90
6.	Seawater Desulfurization System and Equipment Supply Project in Pakistan 巴基斯坦海水脫硫系統設備與供應項目	Desulfurization 脫硫	Newly built 新建	November 2016 2016年11月	91
7.	Xinjiang New Energy #1-2 Unit Desulfurization Project 新疆新能1-2號機組脫硫項目	Desulfurization 脫硫	Newly built 新建	December 2016 2016年12月	72
8.	Gaoqiao Denitrification System Supplies Procurement Project 高橋脫硝系統物資採購項目	Denitrification 脫硝	Upgraded 改造	April 2017 2017年4月	17

Management Discussion and Analysis (Continued)

管理層討論與分析（續）

No. 序號	Environmental protection facility engineering projects under construction 在建環保設施工程項目	Type of project 項目類型	Newly built/ upgraded 新建／改造	Date of contract 合同簽訂時間 (Month/Year) (年／月)	Aggregate contract value 合同額 (RMB million) (人民幣百萬元)
9.	Nanyang Desulfurization Project 南陽脫硫項目	Desulfurization 脫硫	Newly built 新建	March 2017 2017年3月	168
10.	Xinjiang Guotai Xinhua Zhundong Phase I Ultra-low Emission Upgrade Project 新疆國泰新華准東一期超低排放改造項目	Desulfurization 脫硫	Upgraded 改造	May 2018 2018年5月	39
11.	Jinxi Wantong 1#, 2#, 3# Sintering Machines Flue-gas Ultra-low Emission Project 津西萬通1#、2#、3#燒結機煙氣超低排放項目	Green Island 環保島	Upgraded 改造	May 2018 2018年5月	216
12.	Jingneng Gao'antun Gas-fired Thermal Power Co., Ltd Waster Heat Boiler Denitrification Upgrade Project 京能高安屯燃氣熱電有限責任公司餘熱鍋爐 脫硝改造項目	Denitrification 脫硝	Upgraded 改造	June 2018 2018年6月	24
13.	Shandong Haihua Thermal Power Company Third Power Plant Desulfurization, Dust Removal Expansion and Upgrade Project 山東海化熱電公司三電廠脫硫除塵擴建改造項目	Desulfurization and dust removal 脫硫及除塵	Expansion and upgraded 擴建改造	July 2018 2018年7月	50
14.	Jingxi Gas Thermal Power Plant #1,#3 Boiler Denitrification System Technical Upgrade Project 京西燃氣熱電1、3號鍋爐脫硝系統技術改造工程	Denitrification 脫硝	Upgraded 改造	August 2018 2018年8月	17
15.	Zhongke Joint Venture Guangdong Refining and Chemical Integration Project Denitrification Project 中科合資廣東煉化一體化項目脫硝項目	Denitrification 脫硝	Newly built 新建	September 2018 2018年9月	25
16.	Chuanwei Denitrification, Desulfurization and Dust Removal Ultra Low Emissions Upgrade Project 川維脫硝、脫硫及除塵超低排放改造項目	Green Island 環保島	Upgraded 改造	September 2018 2018年9月	206

Management Discussion and Analysis (Continued)

管理層討論與分析（續）

No. 序號	Environmental protection facility engineering projects under construction 在建環保設施工程項目	Type of project 項目類型	Newly built/ upgraded 新建／改造	Date of contract 合同簽訂時間 (Month/Year) (年／月)	Aggregate contract value 合同額 (RMB million) (人民幣百萬元)
17.	Weiqiao Group Aluminium Power One, Two, Three, Four, Five, Yangxin and Beihai Electrolytic Aluminum Flue Gas Desulfurization Project 魏橋集團鋁電一、二、三、四、五、陽信、北海公司電解鋁煙氣脫硫項目	Desulfurization 脫硫	Upgraded 改造	November 2018 2018年11月	156
18.	Tianjin Iron Factory 350m ² Sintering Machines Flue Gas Treatment Project 天津鐵廠350m ² 燒結機煙氣治理工程	Desulfurization, denitrification and dust removal 脫硫脫硝除塵	Upgraded 改造	March 2019 2019年3月	164
19.	POWER CHINA Lucky 660MW Coal-fired Power Plant Desulfurization Equipment Procurement Project in Pakistan 中國電建巴基斯坦Lucky 660MW燃煤電站脫硫設備採購項目	Desulfurization 脫硫	Newly built 新建	April 2019 2019年4月	132
20.	Jinyuan Industrial Co., Ltd. 90m ² Sintering Machines Flue Gas Treatment Project 晉源實業有限公司90m ² 燒結機煙氣治理工程	Desulfurization, denitrification and dust removal 脫硫脫硝除塵	Newly built 新建	April 2019 2019年4月	62

O&M

The provision of O&M services mainly includes operation services and regular maintenance services for desulfurization and denitrification facilities owned by the customers. The Group acts as a contractor to provide desulfurization, denitrification and dust removal operation services. The scope of work involves the full operation, repair, upgrade and maintenance of flue gas treatment system/facilities of coal-fired power plants. Under the O&M projects, our customers are either charged service fees for the O&M services based on the total amount of on-grid electricity generated during the service period, or a price predetermined at the commencement of the project based on the pre-agreed scope of work. Revenues from the O&M business can be a recurring one, generating stable cash flow for the Group.

運維

運維服務的提供主要包括對客戶擁有的脫硫及脫硝設施提供運營服務及常規維護服務。本集團作為承包商提供脫硫、脫硝及除塵運營服務，工作範疇包括全面運營、檢修、升級及維護燃煤發電廠的煙氣處理系統／設施。根據運維項目，我們向客戶收取就運維服務基於服務期間總上網電量計算的服務費或在項目開始預先根據預先協定的開展工作範圍釐定的價格。運營與維護業務收入可以為本集團提供經常性收入來源和穩定的現金流量。

In the first half of 2019, the Group acted as a contractor under the O&M projects to provide desulfurization, denitrification and dust removal operation services. Regular maintenance services included provision of technical support, facilities testing, maintenance services and spare parts replacement for flue gas facilities. In the first half of 2019, the Group had 15 O&M projects under operation with an aggregate installed capacity of 22,340MW. Such projects have operated consistently with their emissions in compliance with required standards. They shall provide stable growth in the business of the Group. In particular, the Group entered into new contracts in relation to O&M projects in the steel industry, namely Jinxi Iron and Steel O&M Project and Jinxi Special Steel O&M Project, which was a breakthrough in the steel O&M industry.

The following table sets forth the installed capacities and status of the O&M projects of the Group under operation as of 30 June 2019:

於2019年上半年，本集團作為承包商根據運維項目提供脫硫、脫硝及除塵運營服務。常規維護服務包括為煙氣設施提供技術支持、設備測試、維護服務以及備件替換服務。於2019年上半年，本集團有15個投運的運維項目，總裝機容量為22,340兆瓦。各項目穩定運行，達標排放，能夠為本集團提供穩健的業績增長來源。尤其是本集團新簽訂的鋼鐵行業運維項目，即津西鋼鐵運維項目和津西特鋼運維項目，為本集團在鋼鐵運維領域取得的突破進展。

於2019年6月30日，本集團的投運運維項目的裝機容量及項目情況如下：

No. 序號	Project name 項目名稱	Type of project 項目類型	Starting date of service 服務起始 日期 (Month/Year) (年/月)	Expiring date of service contract 服務合約屆滿 日期 (Month/Year) (年/月)	Installed capacity 裝機容量
1.	Yangcheng #1-6 Unit Flue Gas Desulfurization O&M Project 陽城1-6號機組煙氣脫硫運維項目	Desulfurization 脫硫	July 2018 2018年7月	August 2019 2019年8月	6×350MW
2.	Yangcheng #7-8 Unit Flue Gas Desulfurization O&M Project 陽城7-8號機組煙氣脫硫運維項目	Desulfurization 脫硫	June 2018 2018年6月	August 2019 2019年8月	2×600MW
3.	Yangcheng #7-8 Unit Slag Removal O&M Project 陽城7-8號機組除渣運維項目	Slag removal 除渣	June 2018 2018年6月	August 2019 2019年8月	2×600MW

Management Discussion and Analysis (Continued)

管理層討論與分析（續）

No. 序號	Project name 項目名稱	Type of project 項目類型	Starting date of service 服務起始 日期 (Month/Year) (年/月)	Expiring date of service contract 服務合約屆滿 日期 (Month/Year) (年/月)	Installed capacity 裝機容量
4.	Bulian Flue Gas Desulfurization O&M Project 布連煙氣脫硫運維項目	Desulfurization 脫硫	April 2013 2013年4月	June 2019 2019年6月	2×660MW
5.	Qinzhou Desulfurization Q&M Project 欽州脫硫運維項目	Desulfurization 脫硫	July 2015 2015年7月	June 2021 2021年6月	2×630MW+ 2×1,000MW
6.	Jingjiang Flue Gas Desulfurization and Dust Removal O&M Project 靖江煙氣脫硫及除塵運維項目	Desulfurization and dust removal 脫硫及除塵	March 2016 2016年3月	March 2020 2020年3月	2×660MW
7.	Tianjin SDIC Jinneng Power Plant Desulfurization, WESP and Water Intake System Operation and Cleaning Project 天津國投津能脫硫濕電取水運行及保潔項目	Desulfurization 脫硫	August 2016 2016年8月	December 2020 2020年12月	4×1,000MW
8.	Yangxi Flue Gas Desulfurization and Denitrification O&M Project 陽西煙氣脫硫脫硝運維項目	Desulfurization and Denitrification 脫硫及脫硝	January 2017 2017年1月	December 2025 2025年12月	2×660MW+ 2×600MW
9.	Chengde Desulfurization O&M Project 承德脫硫運維項目	Desulfurization 脫硫	May 2017 2017年5月	September 2019 2019年9月	2×350MW
10.	Shouguang Auxiliary Ashing and Sulfurization Control System Entrusted Operation Project 壽光灰硫化輔控系統委託運行項目	Desulfurization 脫硫	May 2018 2018年5月	May 2021 2021年5月	2×1,000MW
11.	Shanyin Phase II Environmental Protection O&M Project 山陰二期環保運行維護項目	Denitrification, desulfurization and dust removal 脫硝脫硫及除塵	June 2018 2018年6月	May 2021 2021年5月	2×350MW
12.	Jiantou Zunhua Auxiliary System Entrusted Operation Project 建投遵化輔助系統運行外委項目	Desulfurization 脫硫	August 2018 2018年8月	July 2019 2019年7月	2×350MW

Management Discussion and Analysis (Continued)

管理層討論與分析（續）

No. 序號	Project name 項目名稱	Type of project 項目類型	Starting date of service 服務起始 日期 (Month/Year) (年/月)	Expiring date of service contract 服務合約屆滿 日期 (Month/Year) (年/月)	Installed capacity 裝機容量
13.	Xilinhaote Desulfurization and Denitrification O&M Project 錫林浩特脫硫脫硝運維項目	Desulfurization and denitrification 脫硫脫硝	Expected to be August 2019 預計2019年8月	Expected to be July 2020 預計2020年7月	2×660MW
14.	Jinxi Iron and Steel O&M Project 津西鋼鐵運維項目	Denitrification, desulfurization and dust removal 脫硝脫硫及除塵	March 2019 2019年3月	February 2022 2022年2月	265m ² sintering machines 265m ² 燒結機
15.	Jinxi Special Steel O&M Project 津西特鋼運維項目	Denitrification, desulfurization and dust removal 脫硝脫硫及除塵	March 2019 2019年3月	February 2022 2022年2月	2×210m ² + 1×265m ² sintering machines 2×210m ² + 1×265m ² 燒結機

Concession Operation Business

Under the concession operation business model, the Group is responsible for the financing, investment, construction and upgrading of a project according to its concession contracts with its customers. In general, the concession projects are funded by the Group's internal funds or borrowings from local banks. Upon the completion of construction, the Group owns the project assets and operates the project for a period specified in the concession agreement, which is typically 15 to 20 years, and the Group is entitled to collect revenues generated from the project during the term of the contract. Revenues generated from the concession operation business during the operation phase of the relevant projects are calculated based on the on-grid power generation of the customer during the operation phase multiplied by the unit price specified in the concession contract, which is generally settled every calendar month. Further, the Group also generates revenues from the sales of by-products during the operation of the environmental protection facilities. The fees that the Group receives for the provision of concession services under concession agreement typically include service fees based on a guaranteed minimum flue gas treatment volume multiplied by a fixed unit price (pre-determined at the time the concession agreement is entered into with the customer) and such fees are subject to adjustment by certain variable costs the Group incurred.

特許經營業務

在特許經營業務模式下，本集團負責根據與其客戶訂立的特許經營合同為項目籌措資金、投資、建設及改造。一般而言，本集團以自有資本或向當地銀行借款為特許經營項目撥付資金。竣工後，本集團亦於特許協議預先規定的期限（通常為15至20年）內擁有項目資產並經營項目，本集團亦有權在合約期內收取項目所得收入。特許經營業務於相關項目經營期內產生的收入乃按經營期內客戶的上網電量使用特許經營合約所訂明之單價計算，並一般按月與客戶結算。此外，本集團亦於環保設施投運期間自銷售副產品產生收入。本集團根據特許合約提供特許經營服務而收取的費用通常包括按最低保證煙氣處理量計算乘以固定單價（與客戶訂立特許協議時預先釐定）的服務費，該等費用會根據本集團承擔的某些可變成本相應調整。

In the first half of 2019, the Group continued to carry out its concession operation business, including desulfurization, denitrification and green island (which is an integrated flue gas treatment system to treat synergistically the flue gas pollutants produced by the boilers of coal-fired power plants, including denitrification, desulfurization, dust removal, induced-drafted fan system, reheating system). As of 30 June 2019, the Group has accumulated nine concession operation projects with two currently under construction and seven in operation, laying a strong foundation for us to operate continuously and develop steadily.

於2019年上半年，本集團繼續實施其特許經營業務，包括脫硫、脫硝及環保島（其為燃煤電廠鍋爐燃燒後的煙氣污染物協同處理的集成煙氣處理系統，包括脫硝、脫硫、除塵、引風機系統、再加熱器等各種裝置）。截至2019年6月30日，本集團累計執行9個特許經營項目，包括2個在建項目及7個投運項目，為本集團持續經營和穩定發展奠定重要基礎。

The following table sets forth details of the concession operation projects of the Group under operation as of 30 June 2019:

於2019年6月30日，本集團投運的特許經營項目詳情如下：

No.	Project name	Installed capacity	Type of project	Newly built/ upgraded	Total investment	Date of signing contract	Ending date of concession period
序號	項目名稱	裝機容量	項目類型	新建/改造	投資總額 RMB million 人民幣百萬元	合同簽訂日期 (Month/Year) (年/月)	特許經營期限 屆滿日期 (Month/Year) (年/月)
1.	Jiangxi Jinggangshan BOT Project 江西井岡山BOT項目	2x300MW+ 2x660MW	Desulfurization 脫硫	Newly built 新建	224	January 2008 (for Phase I) August 2008 (for Phase II) 2008年1月（一期） 2008年8月（二期）	July 2030 (for Phase I) December 2030 (for Phase II) 2030年7月（一期） 2030年12月（二期）
2.	Shanxi Hejin BOT Project 山西河津BOT項目	2x350MW	Denitrification 脫硝	Newly built 新建	90	June 2012 2012年6月	September 2033 (for Unit #1) May 2033 (for Unit #2) 2033年9月（1號機組） 2033年5月（2號機組）
3.	Shanxi Puzhou Phase I BOT Project 山西蒲洲一期BOT項目	2x300MW	Denitrification 脫硝	Newly built 新建	84	June 2012 2012年6月	January 2034 (for Unit #1) May 2033 (for Unit #2) 2034年1月（1號機組） 2033年5月（2號機組）
4.	Shanxi Puzhou Phase II BOT Project 山西蒲洲二期BOT項目	2x350MW	Denitrification 脫硝	Newly built 新建	112	May 2014 2014年5月	End of 2037 2037年底

Management Discussion and Analysis (Continued)

管理層討論與分析 (續)

No.	Project name	Installed capacity	Type of project	Newly built/ upgraded	Total investment	Date of signing contract	Ending date of concession period
序號	項目名稱	裝機容量	項目類型	新建/改造	投資總額 RMB million 人民幣百萬元	合同簽訂日期 (Month/Year) (年/月)	特許經營期限 屆滿日期 (Month/Year) (年/月)
5.	Shanxi Yuguang BOT Project 山西昱光BOT項目	2x300MW	Green Island 環保島	Upgraded 改造	82	May 2015 2015年5月	February 2036 (for Unit #1) May 2035 (for Unit #2) 2036年2月(1號機組) 2035年5月(2號機組)
6.	Xinjiang Shenhuo BOT Project 新疆神火BOT項目	4x350MW	Green Island 環保島	Upgraded 改造	490	June 2017 2017年6月	End of 2032 2032年底
7.	Huainan Guqiao BOT Project 淮南顧橋BOT項目	2x330MW	Green Island 環保島	Upgraded 改造	173	May 2018 2018年5月	End of 2033 2033年底
8.	Xinjiang Guotai Xinhua BOT Project 新疆國泰新華BOT項目	2x350MW	Green Island 環保島	Upgraded 改造	150	July 2018 2018年7月	June 2028 2028年6月
9.	Guangxi Laibin Desulfurization, Denitrification and Dust Removal BOO Project 廣西來賓脫硫脫硝除塵BOO項目	2x300MW	Green Island 環保島	Upgraded 改造	281	December 2018 2018年12月	End of 2033 2033年底

Industrial Sewage Treatment Business

In the first half of 2019, the Group entered into an agreement to acquire a sewage treatment center in Shanxi Lubao Industrial Park in China (“**Lubao Sewage Treatment Center**”) at a cash consideration of RMB300,000,000. The designed capacity of the wastewater (sewage) biological treatment unit, the wastewater (sewage) advanced treatment and recycling unit, and the reclaimed water and sewage recycling unit is 560m³/h, 560m³/h and 400m³/h, respectively. The operation of Lubao Sewage Treatment Center requires application of advanced technologies, including ultrafiltration, nanofiltration, reverse osmosis and other processes. With wastewater biochemical treatment, wastewater advanced recycling equipment and reclaimed water and sewage recycling, it operates throughout the business chain.

The sewage treatment business is one of the new directions for the Group's future development. Through the acquisition of Lubao Sewage Treatment Center, the Group shall successfully explore a new sector in the environmental protection market, which will bring continuous and stable benefits to the Group's performance. The Group regards Lubao Sewage Treatment Center as a demonstration project for such industry and intends to train a team of technology and operating professionals in industrial wastewater treatment, so as to lay a solid foundation for the development of the sewage treatment market of chemical parks in China.

工業污水處理業務

2019年上半年，本集團訂立協議收購中國山西潞寶工業園污水處理中心（「**潞寶污水處理中心**」），現金代價為人民幣300,000,000元，廢（污）水生物處理單元的設計規模為560m³/h、廢（污）水深度處理及回用單元的設計處理規模為560m³/h、循環水排污水回用單元的設計處理規模為400m³/h。潞寶污水處理中心技術含量高，包括超濾、納濾、反滲透等工藝，具有廢水生化處理、廢水深度回用裝置以及循環水排污水回用，業務鏈條完整。

污水處理業務是本集團未來發展的新方向之一，通過收購潞寶污水處理中心，將成功開拓環保市場新領域，未來為集團業績帶來持續穩定的收益。本集團將以潞寶污水中心作為該領域的示範項目，培養出一批工業污水處理領域的技術和運行專業人員，為集團開拓中國化工園區污水處理的市場奠定基礎。

3. FINANCIAL POSITION & OPERATION

In the first half of 2019, Chinese economy showed downward trend, due to the global economy in the down-turn and the US-China trade war. However, in order to drive its strategic transformation, China Boqi has expanded the market share, adjusted its business structure and driven growth; as a result it kept a stable operation and financial position. The number of contracts, income of sales and amount received increased as compared with the corresponding period of last year; net profit decreased, due to the power generated by the thermal power industry; the structure of assets remained sound.

Revenue

For the six months ended 30 June 2019, the Group's total revenue increased by 4.3% to RMB753 million as compared with RMB722 million for the first half of 2018, primarily attributable to the significant increase in revenue of each BOT segment of the Group during the Reporting Period.

The Group generated revenues primarily from three major operating segments: (i) the EPC business, (ii) the O&M business, and (iii) concession operation business. The following table sets forth a breakdown of the revenue of the Group by segment for the periods stated.

		Segment revenue	
		分部收益	
		Six months ended 30 June	
		截至6月30日止六個月	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
EPC	EPC	268,347	245,778
O&M	運維	150,943	248,620
Concession Operation	特許經營	322,124	214,024
Others	其他	11,102	13,300
Total	總計	752,516	721,722

3. 財務狀況及運營

2019年上半年，在全球經濟進入下滑期和中美貿易戰影響的背景下，中國經濟呈現下行的態勢。中國博奇在企業戰略轉型的主導下，拓市場，調結構，促發展，保持了生產經營和財務狀況的穩健運行。市場合同、銷售收入和資金收款比上年同期有所增長。淨利潤受火電行業發電影響有所下降；資產結構依然保持良好狀況。

收入

截至2019年6月30日止六個月，本集團的收入總額為人民幣753百萬元，較2018年上半年的人民幣722百萬元增加4.3%，主要由於本集團各BOT板塊報告期內收入增幅明顯。

本集團主要從三個經營分部賺取收入：(i) EPC業務；(ii)運維業務；及(iii)特許經營業務。下表載列本集團於所示期間按分部劃分的收入明細。

Management Discussion and Analysis (Continued)

管理層討論與分析（續）

In the first half of 2019, the Group's revenue generated from the EPC business increased by 8.9% to RMB268 million as compared with RMB246 million for the first half of 2018, mainly attributable to the increased number of projects newly contracted by the Group in steel, petrochemical and electrolytic aluminum fields as compared with the corresponding period of last year.

In the first half of 2019, the Group's revenue generated from the O&M business decreased by 39.4% to RMB151 million as compared with RMB249 million for the first half of 2018. The decrease was mainly attributable to the decrease in power generation hours due to the changed service content of O&M projects for large-scaled power generation contracted by the Group and the overhauling.

In the first half of 2019, revenue from concession operation business increased by 50.5% to RMB322 million as compared with RMB214 million for the first half of 2018, mainly attributable to the commencement of operation of the Group's certain BOT projects upon completion of transformation, as well as the construction income of newly contracted BOT projects during the Reporting Period.

於2019年上半年，本集團EPC業務收入為人民幣268百萬元，較2018年上半年的人民幣246百萬元增加8.9%，主要由於本集團鋼鐵、石化及電解鋁等領域新承接項目較上年同期有所增加。

於2019年上半年，本集團的運維業務的收入為人民幣151百萬元，較2018年上半年的人民幣249百萬元減少39.4%，主要由於本集團承接的大型發電運維項目服務內容有所變化及停機檢修而導致發電小時減少所致。

於2019年上半年，特許經營業務的收入為人民幣322百萬元，較2018年上半年的人民幣214百萬元增加50.5%，主要由於本集團部分BOT項目完成改造投入運營和報告期內新增加BOT項目建造收入。

Cost of Sales and Services

For the six months ended 30 June 2019, the Group's cost of sales and services increased by 19.8% to RMB630 million as compared with RMB526 million for the six months ended 30 June 2018, mainly attributable to the increase in cost resulting from the increased projects of BOT business segment of the Group during the Reporting Period.

Cost of sales and services for the Group's EPC business consists primarily of design, procurement, construction and installation costs. For the six months ended 30 June 2019, the cost of sales and services for the Group's EPC business increased by 10.3% to RMB256 million as compared with RMB232 million for the six months ended 30 June 2018, mainly attributable to the increase in newly contracted projects in steel, petrochemical and electrolytic aluminum fields and the recognition of costs of certain projects.

Cost of sales and services for the O&M business consists of raw materials costs, staff costs and repair and maintenance costs. For the six months ended 30 June 2019, the cost of sales and services for the Group's O&M business decreased by 6.1% to RMB123 million as compared with RMB131 million for the six months ended 30 June 2018, mainly attributable to the decrease in power generation of the Group's O&M projects.

Cost of sales and services for the Group's concession operation business consists primarily of raw material costs, staff costs, construction costs and amortization and depreciation. In the first half of 2019, the cost of sales and services for the Group's concession operation business increased by 55.3% to RMB250 million as compared with RMB161 million for the first half of 2018, mainly attributable to the commencement of operation of newly constructed projects of the Group and the increase in costs of newly built BOT projects.

銷售及服務成本

截至2019年6月30日止六個月，本集團的銷售及服務成本為人民幣630百萬元，較截至2018年6月30日止六個月的人民幣526百萬元增加19.8%，主要由於本集團BOT業務板塊報告期內項目增加致使成本增加。

本集團EPC業務的銷售及服務成本主要包括設計、採購、建築及安裝成本。截至2019年6月30日止六個月，本集團EPC業務的銷售及服務成本為人民幣256百萬元，較截至2018年6月30日止六個月的人民幣232百萬元增加10.3%，主要由於本集團在鋼鐵、石化及電解鋁等領域新承接項目的增加及部分項目成本的確認。

運維業務的銷售及服務成本包括原材料成本、人工成本及維修維護成本。截至2019年6月30日止六個月，本集團的運維業務的銷售及服務成本為人民幣123百萬元，較截至2018年6月30日止六個月的人民幣131百萬元減少6.1%，主要由於本集團運維項目發電量減少所致。

本集團的特許經營業務的銷售及服務成本主要包括原材料成本、人工成本、建造成本及攤銷折舊。於2019年上半年，特許經營業務的銷售及服務成本為人民幣250百萬元，較2018年上半年的人民幣161百萬元增加55.3%，主要由於本集團新建項目投入運營及新建BOT項目成本增加。

Management Discussion and Analysis (Continued)

管理層討論與分析（續）

Gross Profit and Gross Profit Margin

In the first half of 2019, the Group's consolidated gross profit decreased year-on-year. The gross profit of the Group decreased by 37.8% to RMB122 million as compared with RMB196 million for the first half of 2018, mainly attributable to the significant reduction in gross profit of the Group's large-scale O&M projects affected by power generation and the lower gross profit of newly contracted EPC projects.

The following table sets forth the Group's gross profit and gross profit margin for each of the business segments for the periods stated:

		For the six months ended 30 June 2019 截至2019年6月30日止六個月		For the six months ended 30 June 2018 截至2018年6月30日止六個月	
		Gross Profit		Gross Profit	
		RMB'000 人民幣千元	Margin % 毛利率%	RMB'000 人民幣千元	Margin % 毛利率%
EPC	EPC	12,293	4.6	13,576	5.5
O&M	運維	28,274	18.7	118,014	47.5
Concession Operation	特許經營	71,959	22.3	53,365	24.9
Others	其他	9,738	87.7	10,661	80.2
Total	總計	122,264	16.2	195,616	27.1

毛利及毛利率

於2019年上半年，集團綜合毛利同比有所降低，本集團的毛利為人民幣122百萬元，較2018年上半年的人民幣196百萬元降低37.8%，主要由於本集團承接的大型運維項目受發電量影響毛利大幅降低及新承接的EPC工程項目毛利較低所致。

下表載列本集團於所列期間各業務分部的毛利及毛利率：

The gross profit of the Group's EPC business decreased by 14.3% to RMB12 million as compared with RMB14 million for the first half of 2018, mainly attributable to the decrease in profit of the projects due to the delay of some engineering projects and the increase in steel prices.

本集團EPC業務的毛利為人民幣12百萬元，較2018年上半年的人民幣14百萬元減少14.3%，主要由於部分工程類項目工期延後，且鋼材價格上漲壓縮了項目的利潤空間。

The gross profit of the Group's O&M business decreased by 76.3% to RMB28 million as compared with RMB118 million for the first half of 2018, mainly attributable to the decrease in power generation hours due to the changed service content of O&M projects for large-scaled power generation contracted by the Group and the overhauling.

本集團運維業務的毛利為人民幣28百萬元，較2018年上半年的人民幣118百萬元減少76.3%，主要由於本集團承接的大型發電運維項目服務內容有所變化及停機檢修發電小時減少所致。

The gross profit of the Group's concession operation business increased by 35.9% to RMB72 million as compared with RMB53 million for the first half of 2018, mainly attributable to the commencement of operation of the Group's upgraded BOT projects, and the investment and construction of new BOT projects.

本集團特許經營業務的毛利為人民幣72百萬元，較2018年上半年的人民幣53百萬元增加35.9%，主要由於本集團改造完成的BOT項目投入運營及新BOT項目投資建造。

Other Income and Other Gains and Losses

For the six months ended 30 June 2019, other income and other gains and losses consist primarily of interest income, government subsidy and rental income.

其他收入及其他收益及虧損

截至2019年6月30日止六個月，其他收入及其他收益及虧損主要包括利息收入、政府補助及租金收入等。

Management Discussion and Analysis (Continued)

管理層討論與分析 (續)

The following table sets forth a breakdown of other income and other gains and losses for the periods stated:

		For the six months ended 30 June 2019 截至2019年 6月30日止六個月 RMB'000 人民幣千元	For the six months ended 30 June 2018 截至2018年 6月30日止六個月 RMB'000 人民幣千元
Interest income	利息收入	16,735	21,496
Government grants	政府補助	9,333	6,572
Rental income, net	租金收入淨值	817	475
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	6	10
Foreign exchange losses	外匯虧損	(3,005)	(1,074)
Others	其他	1,612	157
Fair value gain on debt instruments at FVTPL	按公允價值計入損益的 債務工具之公允價值收益	669	-
		26,167	27,636

下表載列我們於所列期間的其他收入及其他收益及虧損的明細：

For the six months ended 30 June 2019, the Group's other income and revenue amounted to RMB26 million, which was close to RMB28 million for the first half of 2018, mainly attributable to (1) interest income from services concession projects; (2) VAT refund.

Selling and Distribution Expenses

For the six months ended 30 June 2019, the Group's selling and distribution expenses were RMB12 million as compared with RMB11 million for the first half of 2018, with the ratio of selling and distribution expenses to revenue increasing from 1.5% for the same period to 1.6%, mainly attributable to the increase in sales personnel for new businesses.

Administrative Expenses

For the six months ended 30 June 2019, the Group's administrative expenses reduced by RMB6 million to RMB45 million as compared with RMB51 million for the first half of 2018, with the share of revenue dropping from 7.1% for the same period to 6.0%, mainly attributable to the less expenditures from the stricter internal control of the Group's costs.

截至2019年6月30日止六個月，本集團其他收入及收益為人民幣26百萬元，較2018年上半年的人民幣28百萬元趨於持平，主要是(1)服務特許經營項目利息收入；(2)增值稅返回。

銷售及分銷開支

截至2019年6月30日止六個月，本集團銷售及分銷開支為人民幣12百萬元，2018年上半年為人民幣11百萬元。銷售及分銷開支佔收入比率由同期1.5%增至1.6%，主要由於新業務增加銷售人員。

行政開支

截至2019年6月30日止六個月，本集團的行政開支為人民幣45百萬元，較2018年上半年人民幣51百萬元減少人民幣6百萬元，行政開支佔收入由同期的7.1%降至6.0%。主要由於集團內部加強費用管控，節約開支。

Finance Costs

Finance costs of the Group refer to interest expense on bank borrowings. For the six months ended 30 June 2019, the Group's finance costs decreased by 17.2% to RMB2.4 million as compared with RMB2.9 million for the six months ended 30 June 2018, mainly attributable to the decrease in year-on-year bank borrowings of the Group during the Reporting Period.

Gearing Ratio

The gearing ratio is determined based on the Group's total liabilities as a percentage of the Group's total assets. The Group's gearing ratio increased from 38.4% as of 31 December 2018 to 39.7% as of 30 June 2019.

Income Tax Expenses

The income tax expenses of the Group for the six months ended 30 June 2019 were RMB17 million, representing a decrease of 51.4% as compared with RMB35 million of the same period in 2018, mainly attributable to the year-on-year decrease in taxable profit of the Group during the Reporting Period.

Profit for the Reporting Period

As of 30 June 2019, profit for the Reporting Period of the Group decreased by RMB44 million (excluding the impact of preference shares for the same period) from RMB136 million of the same period in 2018 to RMB92 million, mainly attributable to the decrease in power generation hours due to the changed service content of O&M projects for large-scaled power generation contracted by the Group and the overhauling.

Profit Attributable to the Owners of the Company

Profit attributable to the owners of the Company decreased by RMB45 million (excluding the impact of preference shares for the same period) from RMB136 million of the same period in 2018 to RMB91 million for the six months ended 30 June 2019.

財務費用

本集團的財務費用為銀行借款的利息開支。截至2019年6月30日止六個月，本集團的財務費用為人民幣2.4百萬元，較截至2018年6月30日止六個月的人民幣2.9百萬元減少17.2%，主要由於本集團報告期內同比銀行借款減少所致。

資產負債比率

資產負債比率乃根據本集團的負債總額佔本集團的總資產的百分比釐定。本集團的資產負債比率由2018年12月31日38.4%上升至2019年6月30日39.7%。

所得稅開支

本集團於截至2019年6月30日止六個月的所得稅開支為人民幣17百萬元。較2018年同期的人民幣35百萬元減少51.4%，主要由於本集團報告期內應稅利潤同比減少所致。

報告期內溢利

截至2019年6月30日止，本集團期內溢利為人民幣92百萬元，剔除同期優先股影響因素後，較2018年同期的人民幣136百萬元減少了人民幣44百萬元。主要由於本集團承接的大型發電運維項目服務內容有所變化及停機檢修發電小時減少所致。

本公司擁有人應佔溢利

截至2019年6月30日止歸屬於本集團擁有人的利潤為人民幣91百萬元，剔除同期優先股影響因素後，較2018年同期的人民幣136百萬元減少了人民幣45百萬元。

Management Discussion and Analysis (Continued)

管理層討論與分析 (續)

Liquidity and Capital Resources

Taking into account the financial resources available to the Group, including cash and cash equivalents in hand, cash generated from operations and available facilities of the Company, and the net proceeds from the Listing, and after diligent and careful enquiry, the Directors are of the view that the Group has sufficient working capital required for the Group's operations at present and for the year ending 31 December 2019.

Cash Flows

The following table sets forth the cash flow position of the Group in the first half of 2018 and the first half of 2019:

		For the six months ended 30 June 2019 截至2019年 6月30日止六個月 (RMB million) (人民幣百萬元)	For the six months ended 30 June 2018 截至2018年 6月30日止六個月 (RMB million) (人民幣百萬元)
Net cash (used in) operating activities	經營活動(所用) 現金淨額	(35)	(104)
Net cash (used in) investing activities	投資活動(所用) 現金淨額	(354)	(380)
Net cash generated from financing activities	融資活動所得現金淨額	59	407
Net increase (decrease) in cash and cash equivalents	現金及現金等價物增加 (減少)淨額	(330)	(77)

The Group's bank balances and cash decreased by RMB181 million to RMB449 million for the six months ended 30 June 2019, as compared with RMB630 million for the six months ended 30 June 2018, mainly attributable to (1) cash outflow for acquisition and construction of BOT assets; (2) advance agreed under contracts of certain iron and steel EPC projects.

流動資金及資本來源

考慮到本集團可動用的財務資源(包括本公司留存的現金及現金等價物、經營所得現金及可動用融資)及上市所得款項淨額,並經審慎及仔細查詢後,董事認為本集團擁有充足的營運資金滿足本集團目前及截至2019年12月31日止年度的經營需求。

現金流量

下表載列本集團於2018年上半年及2019年上半年的現金流量狀況:

截至2019年6月30日止六個月,本集團的銀行結餘及現金為人民幣449百萬元,較截至2018年6月30日止六個月的人民幣630百萬元減少人民幣181百萬元,主要由於(1)BOT資產購置及建設現金流出;(2)部分鋼鐵EPC項目按照合同約定需要墊資。

Capital Expenditure

The capital expenditure of the Group comprises expenditures on the purchase and construction of BOT projects, as well as equity investment. In the first half of 2019, the total capital expenditure of the Group was RMB242 million, representing a decrease of 2.4% as compared to RMB248 million for the same period in the first half of 2018.

Pledge of the Group's Assets

As at 30 June 2019, the Group borrowed an aggregate amount of RMB62 million from banks. In particular, bank borrowings for BOT projects of RMB3 million were secured by the pledge of bank deposit or the right to the future income or the pledge of the concession arrangements for borrowings used in concession operation. The Group also had RMB71 million of notes receivable that has been discounted as at 30 June 2019, of which the Group still has continuing involvement.

Contingent Liabilities

As of 30 June 2019, the Group did not have any material contingent liabilities.

Significant Investments Held, Material Acquisitions and Disposals

In the first half of 2019, the Group entered into an agreement to acquire Lubao Sewage Treatment Center at a cash consideration of RMB300,000,000. For details of the above acquisition, please refer to the section headed "Business Review — Industrial Sewage Treatment Business" on page 22 of this report and the announcement of the Company dated 10 June 2019.

Saved as disclosed above, the Group had no significant investments held or material acquisitions and disposals of subsidiaries and associated companies during the Reporting period.

資本開支

本集團的資本開支主要包括購置和建設BOT項目及股權投資。於2019年上半年，本集團的資本開支總額為人民幣242百萬元。較2018年上半年同期人民幣248百萬元，下降2.4%。

本集團資產抵押

於2019年6月30日，本集團向銀行借款合共人民幣62百萬元，其中BOT項目銀行借款人民幣3百萬元乃透過質押銀行存款或未來收入權利或質押特許經營所用借款的特許經營安排作擔保。本集團亦有於2019年6月30日，應收票據擔保貼現人民幣71百萬元。

或有負債

於2019年6月30日，本集團並無任何重大或有負債。

所持重大投資、重大收購及出售

2019年上半年，本集團訂立協議收購潞寶污水處理中心，現金代價為人民幣300,000,000元。有關上述收購詳情，請參閱本報告第22頁「業務回顧—工業污水處理業務」一節以及公司日期為2019年6月10日之公告。

除上述披露外，本集團在報告期概無持有重大投資，亦無重大附屬公司及關聯公司收購或處置事項。

4. RISK FACTORS AND RISK MANAGEMENT

Risks on Environmental Protection and Pollution Control Policies

The Group provides various environmental protection services for customers in the PRC. Its business development depends primarily on the pollution prevention and control policies of China. The environmental protection industry is one of the key industries benefiting from the continuous support of PRC government. The demand for the environmental protection services provided by the Group and the income generated from such services are directly related to the environmental protection regulations imposed on the existing and potential customers of the Group. However, the Group cannot guarantee that such preferential policies that we enjoy will continue to exist. In addition, these policies and incentives may attract other new players into the market and encourage the introduction of other products or services, which have better pollution prevention and control effect than our products or services. Therefore, we cannot guarantee that the Group will directly benefit from the changed policies for the industry. However, as a leading independent flue gas treatment integrated services provider in China, the Group will seize the market opportunities to expand its coverage of the whole industry chain and discover new potential markets in the flue gas treatment industry, and actively develop non-electric markets (such as steel, petrochemical and electrolytic aluminum), expand into new environmental protection fields (such as industrial wastewater treatment and environmental restoration), so as to realize the sustainable business development of the Group.

4. 風險因素及風險管理

環保及污染防治政策的風險

本集團向中國客戶提供絕大部分環保服務，且其業務發展在很大程度上取決於中國的污染防治政策。環保行業是受惠於中國政府持續支持的主要行業之一。對本集團環保服務的需求以及於該服務產生的收益與施加於本集團現有及潛在客戶的環保規定直接相關。然而，本集團無法保證目前享有的特定優惠政策將繼續存在。此外，該等政策及激勵措施或會吸引其他新商家進入市場，並可能鼓勵污染防治效果較本集團的產品及服務更好的其他產品或服務。因此，無法保證本集團將直接受惠於已變更的行業政策。然而，本集團作為中國獨立煙氣處理綜合服務提供商的領導者，將把握市場機遇，以進一步涵蓋煙氣處理行業的全產業鏈及深挖潛在市場，同時，積極發展鋼鐵、石化、電解鋁等非電行業新領域市場，開拓工業廢水處理、環境修復等環保業務，以期實現本集團業務的可持續發展。

Liquidity Risks

The ability of the Group to generate enough cash inflow from the operating activities in the future will depend on the project timeline and payment arrangement, the ability of the Group to collect the receivables in time and the credit term available to the Group. If the Group fails to generate enough cash flow from the operation, the development prospect of the Group may be adversely and materially affected. The Directors shall be ultimately responsible for the liquidity risk management. They have established a proper liquidity risk management framework to meet the short-term, mid-term and long-term capital and liquidity management requirements of the Group. The Group managed the liquidity risk by maintaining adequate reserves, banking facilities and reserved bank financing, continuously monitoring the forecast and actual cash flows and comparing the maturity of the financial assets and liabilities.

Credit Risks

The credit risk mainly comes from the trade and notes receivables, receivables under concession arrangement, bank balances and cash, pledged bank deposits, contract assets, debt instruments measured at fair value through other comprehensive income, other receivables and amounts due from related parties. Due to the business nature of the Group, the credit risk of the Group mainly came from a few customers and the financial guarantees provided by the Group. As of 30 June 2019, the total trade and notes receivables from the top 5 customers of the Group amounted to RMB342 million, representing for 48.9% of the total trade and notes receivables of the Group as of 30 June 2019. Geographically, the credit risk of the Group was mainly incurred in China. The Group has implemented credit policies to continuously monitor the credit risks.

流動資金風險

本集團未來自經營活動產生充足現金流入的能力將取決於項目時間表及付款安排、本集團及時收回應收款項的能力及本集團能取得的信貸期。倘本集團未能從營運中產生充足的現金流量，本集團的發展前景可能受到重大不利影響。董事須為流動資金風險管理負上最終責任，彼等已建立適當的流動資金風險管理框架，以滿足本集團的短期、中期及長期資金及流動資金管理需要。本集團透過維持足夠備用現金、銀行融資及預留銀行融資、持續監察預測及實際現金流量以及比對金融資產與負債的到期情況來管理流動資金風險。

信貸風險

信貸風險主要來自貿易應收款項及應收票據、特許經營安排項下的應收款項、銀行結餘及現金、已抵押銀行存款、合約資產、按公允價值計入其他全面收益的債務工具、其他應收款項以及應收關連方款項。由於本集團的業務性質，本集團的信貸風險主要集中於少數客戶以及本集團提供的財務擔保。截至於2019年6月30日，本集團五大客戶的貿易應收款項及應收票據總額為人民幣342百萬元，佔本集團2019年6月30日貿易應收款項及應收票據總額的48.9%。本集團的信貸風險地域上僅集中於中國。本集團已落實信貸政策，持續監察所面對的該等信貸風險。

Foreign Exchange and Conversion Risks

As of 30 June 2019, majority of the business of the Group were carried out in China, and majority of the transactions were denominated in RMB. The foreign exchange and conversion risks of the Group mainly came from the sales and purchases carried out in other currencies other than RMB. In addition, RMB cannot be freely converted into foreign currency, and the conversion of RMB into foreign currency is subject to rules and regulations of the foreign exchange control promulgated by the PRC Government.

As of 30 June 2019, the Group did not have any foreign currency hedging policy. However, the Directors closely monitor the foreign exchange risk of the Group and may consider adopting significant foreign currency hedging policy in the future, depending on the circumstances and trend of foreign currency.

5. OUTLOOK ON THE GROUP'S FUTURE DEVELOPMENT

Ecological environment protection in China entered into a new development stage in 2019. With fading of the capital boom and strengthening of environmental protection regulation, the environmental protection industry is under pressure to undergo a new round of shuffle and reshaping, and will enter into a phase of transformation. Faced with a new competition landscape and looking forward, the Group will stay true to its mission and forge ahead, vigorously explore new businesses, and improve its core competitiveness, with an aim to become a world class integrated environmental protection industry group and an intelligent environmental protection and housekeeping service provider. The Group will focus on the following key works in the second half of 2019:

外匯與貨幣兌換風險

截止於2019年6月30日，本集團幾乎所有經營業務均在中國進行，且大部分交易以人民幣計值。本集團所面對的外匯及兌換風險主要來自以人民幣以外的其他貨幣所進行的銷售及採購業務。此外，人民幣不可自由兌換為外幣，而且將人民幣兌換為外幣須受中國政府頒佈的外匯管制規則及條例規限。

截止於2019年6月30日，本集團並無外幣對沖政策。然而，董事密切監察本集團的外匯風險，並可能於日後視乎外幣的情況及走勢考慮採納重大外幣對沖政策。

5. 本集團未來發展的展望

進入2019年，中國生態環境保護事業進入全新的發展階段，在資本熱潮退去和環保督查更加嚴格的雙重壓力下，環保行業歷經新一輪的洗禮和重塑，進入轉型期。面對全新的競爭格局，著眼未來，本集團將不忘使命，奮勇直前，大力拓展新業務，增強企業的核心競爭力，矢志打造成為國際一流的綜合性環保產業集團及智能型環保管家服務提供商。2019年下半年，本集團將開展如下重點工作：

Strategic Adjustment of Flue Gas Treatment Business

The PRC government has always placed great attention to the air pollution prevention and control, especially the pollution prevention and control in non-electric fields in recent years. The ultra-low emission modification in non-electric field is of great urgency. In the second half of 2019, on one hand, the Group shall seize the opportunities in air pollution prevention and control in non-electric industries, continue to expand its market share in the flue gas treatment in fields such as steel, petrochemical and electrolytic aluminum, and intend to obtain more businesses by leveraging on its project experiences and technical and capital advantages; on the other hand, the Group shall continue to enhance the cooperation with overseas energy engineering companies and large technical companies and expand its market shares overseas with the help of policy initiatives such as “Belt and Road” and “Going Out”.

戰略性調整煙氣治理業務

中國政府始終高度重視大氣污染防治問題，近年來更加關注非電領域大氣污染治理，非電領域超低排放改造的形勢已刻不容緩。2019年下半年本集團一方面將抓住非電行業大氣污染治理的機遇，繼續擴大在鋼鐵、石化、電解鋁等領域的煙氣治理市場，借助現階段已有的項目經驗優勢、自身技術優勢及資金優勢，進一步獲得更多市場業務；另一方面，本集團將借助國家「一帶一路」、「走出去」等有利政策，繼續加強與海外能源工程公司、大型技術公司的合作，擴大其海外市場份額。

Vigorous Development of Industrial Sewage Treatment and Environmental Restoration Business

2019 shall not only be a period of transformation for the environmental protection industry in China, but also a new starting point for the Group to reform, innovate and strive for breakthroughs. The Group established a water environment department and an environmental restoration department to focus on the sewage treatment and environmental restoration respectively, which are of relatively large scale and high profit in the environmental protection industry. The Group entered into an agreement to acquire the Lubao Sewage Treatment Center in the first half of 2019. In the future, the Group will continue to develop the industrial sewage treatment business by leveraging on the treatment technology and project experience of the Lubao Sewage Treatment Center. In the second half of 2019, the Group shall focus on the exploration of new businesses, enhance the R&D investment for the new businesses, improve technical reserve, pursue high-quality investment and acquisition targets, and promote the diversified business development of the Group by means of technical cooperation, strategic collaboration, and merger and acquisition.

大力發展工業污水處理、環境修復業務

2019年不僅是中國環保行業的轉型期，也是本集團改革創新、力求突破的新起點。集團成立水環境部和環境修復部，分別重點著眼於環保行業市場規模較大、利潤較高的污水治理和環境修復領域。2019上半年，本集團訂立協議收購潞寶污水處理中心，未來本集團將借助潞寶污水處理中心的處理技術和項目經驗，繼續發展工業污水處理業務。2019年下半年，本集團將以發展新業務為重點，增加新業務研發投入，提高技術儲備，關注優質投資併購目標，通過技術合作、戰略合作、及兼併收購等多種形式，推動本集團業務多元化發展。

Active Participation in and Preparation for Solid Waste Treatment Business

With the rapid development and urbanization in China, a new era has begun for the ecological civilization, and the problem of ensuring the disposal of urban and industrial wastes in an environmentally friendly way needs to be solved promptly. With the great support from government policies, the solid waste treatment industry in China has entered into a stage of rapid development, and the refined and differentiated solid waste disposal is promoted. In China, the urban waste sorting program started in June 2019, and Shanghai was the first to respond. Huge quantity of industrial solid waste was produced with the development of economy and the waste increased year on year. The Group intends to take an active role in strategically entering the industrial solid waste treatment field, pay close attention to the market trends, improve its technical capacity and employ more technical talents, in order to achieve new business growth for the long-term development of the Group.

積極參與並籌備固廢處理業務

中國城鎮化高速發展，生態文明開啟新時代，城市及工業垃圾的環保處置問題急需解決。在政策的大力推動下，中國的固廢處理行業進入快速發展期，固廢處理也走向精細化、區別化處理。2019年6月，中國開始在城市全面啟動生活垃圾分類工作，由上海市率先響應。工業固廢產生量伴隨著經濟的發展逐年遞增，數量龐大。本集團將積極參與並戰略性進軍工業固廢處理領域，密切關注市場動態，提升科技水平，儲備技術人才，為本集團長期發展謀求新的業績增長方向。

Major Events in the First Half of 2019

2019年上半年大事記

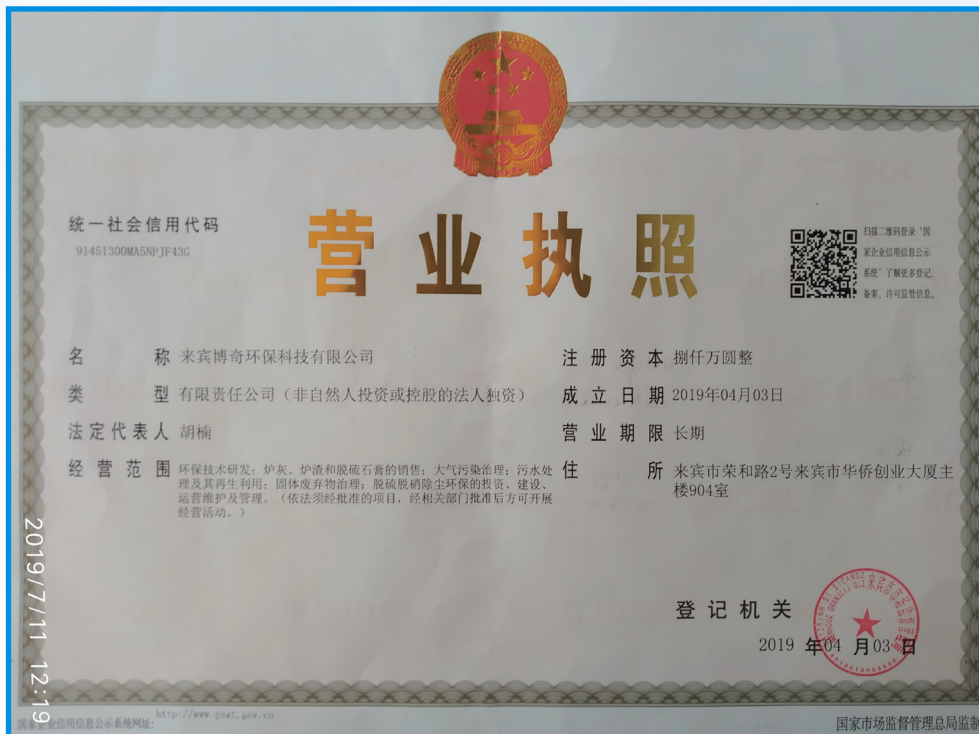
1. In March 2019, the Group signed the first steel operation and maintenance project, the Jinxi Iron and Steel O&M Project. 1、2019年3月，本集團簽訂第一個鋼鐵運維項目－津西鋼鐵運維項目。



2. In April 2019, the Group signed LUCKY 660MW flue gas desulfurization project of coal-fired power station in Pakistan. 2、2019年4月，本集團簽訂巴基斯坦LUCKY 660MW燃煤電站煙氣脫硫項目。



3. On 3 April 2019, to ensure the smooth progress of Guangxi Laibin BOO Project, Laibin Boqi Environmental Protection Technology Co., Ltd. (來賓博奇環保科技有限公司) was established.
- 3、2019年4月3日，為了保證廣西來賓BOO項目的順利進行，來賓博奇環保科技有限公司註冊成立。



4. On 29 May 2019, the Company held an annual general meeting of Shareholders.
- 4、2019年5月29日，本公司召開年度股東大會。



Major Events in the First Half of 2019 (Continued)

2019年上半年大事記（續）

5. On 10 June 2019, the Company entered into the asset acquisition agreement of sewage treatment center of Shanxi Lubao Industrial Park, and successfully explored the new business segment of the Group.
- 5、2019年6月10日，公司簽署山西潞寶工業園區污水處理中心資產收購協議，並成功開拓本集團的新業務板塊。



PROFILE OF HUMAN RESOURCES

As of 30 June 2019, the Group had 1,838 employees in total, most of whom were based in the PRC. The Group has established independent labor union branches. Currently, the Group has entered into employment agreements with all employees, which specify the position, duties, remuneration, employment benefits, training, confidentiality obligations relating to trade secrets, grounds for termination and other aspects pursuant to PRC Labor Law and other relevant regulations.

The table below sets forth the number of employees as of 30 June 2019 categorised by their functions:

Function	職能	Number of employees 僱員人數	Percentage of the total number of employees 人數百分比
Concession operation management personnel	特許經營管理人員	107	5.82%
Engineering and technical personnel	工程技術人員	165	8.98%
Sales personnel	銷售人員	22	1.20%
Research and development personnel	研發人員	70	3.81%
Administrative and management personnel	行政管理人員	32	1.74%
Manufacture personnel	生產人員	1,442	78.45%
Total	總計	1,838	100.00%

EMPLOYEE INCENTIVE

Guided by the business strategies and annual business targets, focused on economic benefits, the Company followed the market trends and developed its technology to comprehensively enhance its overall abilities in plan execution, project management and teamwork. During the Reporting Period, an evaluation system based on “contribution value” as performance measurement standard and “performance result” as guidance was established. This system places an emphasis on evaluating the operational capability by working efficiency to lead employees to excellence.

Further, the Group implemented a responsibility-based system for business management objectives, and all employees participate in performance appraisal. By setting key performance indicators and index evaluation criteria, the Group scientifically and objectively evaluates the performance of tasks of each position, assisting employees to improve their ability and performance so that the Group’s annual business objectives can be achieved. In addition, the Group implemented a reward and penalty system and a promotion system based on the quantitative evaluation results, so as to truly realize employee incentive.

人力資源概況

於2019年6月30日，我們共聘用1,838名僱員，其中絕大多數僱員常駐中國。本集團設有獨立工會分支。目前，本集團已與全部員工訂立了勞動合同，按照中國勞動法和其他相關法規的規定，明確約定了僱員的職位、職責、薪酬、員工福利、培訓、有關商業秘密的保密責任及終止理由等事項。

下表列示於2019年6月30日按職能劃分的員工人數：

Function	職能	Number of employees 僱員人數	Percentage of the total number of employees 人數百分比
Concession operation management personnel	特許經營管理人員	107	5.82%
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Administrative and management personnel	行政管理人員	32	1.74%
Manufacture personnel	生產人員	1,442	78.45%
Total	總計	1,838	100.00%

員工激勵

本公司以經營戰略和年度經營目標為指導，以經濟效益為中心，以市場為龍頭、技術研發為支撐，全面提高公司整體計劃執行能力、項目管理能力、團隊協作能力。於報告期內，集團建立了以「貢獻值」為業績衡量標準，「績效結果」為導向的考核體系，注重以工作效率評判崗位工作能力，引導員工創效創優。

此外，集團實行經營管理目標責任制，全員參與績效評估。通過設定崗位關鍵績效指標及指標評價標準，科學、客觀地評價各崗位任務完成情況，幫助員工提升自身工作水平和工作業績，以保證集團年度經營目標的實現。此外，集團根據量化評估結果匹配相應獎懲制度、晉升制度，真正實現員工激勵。

Human Resources (Continued)

人力資源 (續)

THE EMPLOYEES REMUNERATION POLICY

The remuneration package of the employees includes salaries, bonuses and allowances. Our employees also receive supplementary medical provision, transportation allowances, meal allowances and other benefits. During the Reporting Period, the Company carries out employee performance appraisals and establishes diversified and dynamic appraisal mechanisms, which are result-oriented. By setting performance objectives and quantifying the work load, the Company has improved its appraisal system which integrates rewards and assessments. At the same time, a mechanism for matching job performance with the remunerations of relevant persons in charge was established for management personnel and project managers.

During the Reporting Period, pursuant to applicable PRC laws and regulations, the Group has contributed to social insurance funds for all employees (including pension plans, basic medical insurance, employment injury insurance, unemployment insurance, maternity insurance) and housing provident fund.

TRAINING FOR EMPLOYEES

In order to attract and retain high quality employees and further improve their knowledge, skill levels and professionalism, the Group places a strong emphasis on the training of its employees. During the Reporting Period, the Group provides professional education, training and other opportunities for management personnel and employees to improve their professional skills and knowledge. We have developed and carried out exclusive training programs in design institutes, elite training in sales and marketing centers and the beginner training for fresh graduates.

In the first half of 2019, the Group conducted 43 training programs in areas of operation management, professional techniques and production skills. During the Reporting Period, the training rate of our employees achieved 100%.

員工薪酬政策

我們的員工的薪酬組合包括薪金、獎金、津貼。我們的員工亦享有補充醫療、交通補貼、午餐補貼及其他福利費。於報告期內我們推行員工業績考核，建立了不同形式、靈活的考評機制，以業績結果為導向，建立績效目標，量化工作內容，完善激勵與考核相結合的績效體系；同時在管理層及項目經理崗位建立了崗位績效與相關負責人的工資薪酬相匹配的機制。

於報告期內，我們已按中國法律法規要求為員工繳納社保基金（包括養老保險、基本醫療保險、工傷保險、失業保險及生育保險）及住房公積金。

員工培訓

為吸納及挽留高素質的員工及進一步提高員工的知識、技能水平及職業素養，我們十分注重對員工的培訓。於報告期內，我們向管理人員及員工提供專業性教育、培訓及其他機會，提高員工的專業技能及知識，自主研發並開展了設計院專項培訓、市場營銷中心銷售精英培訓以及應屆畢業生的培養雛鷹計劃。

於2019年上半年，本集團進行43個經營管理類、專業技術類及生產技能類的培訓計劃。於報告期內員工培訓率達到100%。

PROTECTION OF THE EMPLOYEES' RIGHTS

During the Reporting Period, the Group complies with the Labour Law of PRC and the Labour Contract Law of PRC in all material respects, including making contributions to the Social Insurance Fund and Housing Provident Fund for its employees, among which the social insurance includes basic pension insurance, basic medical insurance, employment injury insurance, unemployment insurance and maternity insurance.

員工權利保障

在報告期內，本集團於所有重大方面均遵守中國勞動法和中國勞動合同法，包括為員工繳納了社會保險及住房公積金，其中社會保險包括基本養老保險、基本醫療保險、工傷保險、失業保險及生育保險。

Other Information

其他資料

CHANGES IN DIRECTORS' INFORMATION

Upon specific enquiry by the Company and following confirmations from the Directors, there had been no changes in the information required to be disclosed in relation to any Director pursuant to paragraphs (a) to (e) and (g) of Rule 13.51 (2) of the Listing Rules after the date of the Annual Report 2018 that required to be disclosed pursuant to Rule 13.51B (1) of the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE

As of 30 June 2019, the interests and short positions of the Directors or the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long Positions in the Ordinary Shares of our Company

董事資料變更

經本公司作出具體查詢及董事作出確認後，2018年報日期後並無有關根據上市規則第13.51(2)條(a)至(e)段及(g)段須予披露任何董事之資料變動須根據上市規則第13.51B(1)條予以披露。

董事及最高行政人員於股份、相關股份及債券之權益及淡倉

於2019年6月30日，本公司董事或最高行政人員在本公司或其任何相聯法團（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任何根據證券及期貨條例第XV部第7和第8分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例的該等條文被當作或視為擁有的權益或淡倉），或根據證券及期貨條例第352條須登記於該條所指登記冊的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉如下：

於本公司普通股股份中的好倉

Name of Director 董事姓名	Nature of Interest 權益性質	Number of Shares 股份數目	Approximate percentage of shareholding 概約持股百分比
Mr. Cheng Liqun Richard 程里全先生	Interests held jointly with another person (Note 1); interest of a controlled corporation (Note 2); and beneficial owner (Note 5) 與他人共同持有的權益 (附註1)；受控法團權益 (附註2)；及實益擁有人 (附註5)	408,088,911 (Long Position) 408,088,911 (好倉)	40.47%
Mr. Zeng Zhijun 曾之俊先生	Interests held jointly with another person (Note 1); and interest of a controlled corporation (Note 3) 與他人共同持有的權益 (附註1)；及受控法團權益 (附註3)	408,088,911 (Long Position) 408,088,911 (好倉)	40.47%
Mr. Zhu Weihang 朱偉航先生	Interest of a controlled corporation (Note 4) 受控法團權益 (附註4)	152,573,529 (Long Position) 152,573,529 (好倉)	15.13%

Notes:

- (1) Mr. Cheng Liquan Richard and Mr. Zeng Zhijun have entered into an acting-in-concert arrangement. As such, Mr. Cheng and Mr. Zeng together control 40.47% equity interests in the issued share capital of our Company through World Hero International Limited (“**World Hero**”), Asia Environment Investment Limited (“**Asia Environment**”) and Best Dawn Limited (“**Best Dawn**”).
- (2) Mr. Cheng holds the entire issued share capital of World Hero. Therefore, Mr. Cheng is deemed to be interested in the Shares held by World Hero under the SFO.
- (3) Mr. Zeng holds the entire issued share capital of Best Dawn and 47.2% of interests in Asia Environment. Therefore, Mr. Zeng is deemed to be interested in the Shares held by Best Dawn and Asia Environment under the SFO.
- (4) The entire issued share capital of New Asia Limited (“**New Asia**”) is held by Great Origin Ventures Limited (“**Great Origin**”), whose entire issued share capital is in turn held by Mr. Zhu. Therefore, Mr. Zhu is deemed to be interested in the Shares held by New Asia under the SFO.
- (5) Mr. Cheng directly holds 900,000 shares of the Company.

附註：

- (1) 程里全先生及曾之俊先生已訂立一致行動安排，因此，程先生及曾先生透過World Hero International Limited (「**World Hero**」)、Asia Environment Investment Limited (「**Asia Environment**」) 及Best Dawn Limited (「**Best Dawn**」) 共同控制本公司已發行股本40.47%股權。
- (2) 程先生持有World Hero之全部已發行股本。因此，程先生根據證券及期貨條例被視為於World Hero持有的股份中擁有權益。
- (3) 曾先生持有Best Dawn之全部已發行股本及Asia Environment之47.2%權益。因此，曾先生根據證券及期貨條例被視為於Best Dawn及Asia Environment持有的股份中擁有權益。
- (4) 偉源創投有限公司 (「**偉源**」) 持有New Asia Limited (「**New Asia**」) 的全部已發行股本，而朱先生持有偉源的全部已發行股本。因此，朱先生根據證券及期貨條例被視為於New Asia持有的股份中擁有權益。
- (5) 程先生直接持有本公司股份900,000股。

Other Information (Continued)

其他資料 (續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

主要股東於股份及相關股份中的權益及淡倉

As of 30 June 2019, to the best knowledge of the Directors after making all reasonable enquiries, the interests or short positions of following persons (other than the Directors or the chief executives of the Company) in the Shares or underlying Shares of the Company which fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

於2019年6月30日，據董事作出一切合理查詢後所儘知，下列人士（各董事或本公司最高行政人員除外）於本公司股份或相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部向本公司披露並已記錄於本公司根據證券及期貨條例第336條須存置的登記冊內的權益或淡倉如下：

Long Positions in the Ordinary Shares of our Company

於本公司普通股股份中的好倉

Name of shareholder 股東名稱	Capacity/Nature of interests 身份／權益性質	Number of Shares/ underlying Shares held or deemed to be held 持有或被視為持有的 股份／相關股份數目	Percentage of the total number of Shares of the Company 佔本公司股份 總數的百分比
Mr. Cheng Liquan Richard 程里全先生	Interests held jointly with another person (Note 1); interest of a controlled corporation (Note 2); and beneficial owner (Note 3) 與他人共同持有的權益(附註1)；受控法團權益(附註2)；及實益擁有人(附註3)	408,088,911 (Long Position) 408,088,911 (好倉)	40.47%
World Hero World Hero	Beneficial owner 實益擁有人	168,134,580 (Long Position) 168,134,580 (好倉)	16.67%
Ms. Zhou Xuan 周旋女士	Interest of spouse (Note 4) 配偶權益(附註4)	408,088,911 (Long Position) 408,088,911 (好倉)	40.47%
Mr. Zeng Zhijun 曾之俊先生	Interests held jointly with another person (Note 1); and interest of a controlled corporation (Note 5) 與他人共同持有的權益(附註1)；及受控法團權益(附註5)	408,088,911 (Long Position) 408,088,911 (好倉)	40.47%
Best Dawn Best Dawn	Beneficial owner (Note 5) 實益擁有人(附註5)	212,112,143 (Long Position) 212,112,143 (好倉)	21.03%
Ms. Ge Tong 戈彤女士	Interest of spouse (Note 6) 配偶權益(附註6)	408,088,911 (Long Position) 408,088,911 (好倉)	40.47%
New Asia New Asia	Beneficial owner 實益擁有人	152,573,529 (Long Position) 152,573,529 (好倉)	15.13%

Other Information (Continued)

其他資料(續)

Name of shareholder 股東名稱	Capacity/Nature of interests 身份／權益性質	Number of Shares/ underlying Shares held or deemed to be held 持有或被視為持有的 股份／相關股份數目	Percentage of the total number of Shares of the Company 佔本公司股份 總數的百分比
Great Origin 偉源	Interest of a controlled corporation (Note 7) 受控法團權益 (附註7)	152,573,529 (Long Position) 152,573,529 (好倉)	15.13%
Mr. Zhu Weihang 朱偉航先生	Interest of a controlled corporation (Note 7) 受控法團權益 (附註7)	152,573,529 (Long Position) 152,573,529 (好倉)	15.13%
Sinopec Overseas Investment Holding Limited ("Sinopec") 中國石化海外投資控股有限公司 (「中石化」)	Beneficial owner 實益擁有人	110,294,118 (Long Position) 110,294,118 (好倉)	10.94%
China Petroleum & Chemical Corporation 中國石油化工股份有限公司	Interest of a controlled corporation (Note 8) 受控法團權益 (附註8)	110,294,118 (Long Position) 110,294,118 (好倉)	10.94%
Full Synergy Investment Limited ("Full Synergy") 景滿投資有限公司 (「景滿」)	Beneficial owner 實益擁有人	56,508,715	5.60%
Partners Investment Management Limited Partners Investment Management Limited	Interest of a controlled corporation (Note 9) 受控法團權益 (附註9)	56,508,715	5.60%
Bullion Riches Limited Bullion Riches Limited	Interest of a controlled corporation (Note 9) 受控法團權益 (附註9)	56,508,715	5.60%
Partners Financial Holdings Limited Partners Financial Holdings Limited	Interest of a controlled corporation (Note 9) 受控法團權益 (附註9)	56,508,715	5.60%
Bright Hope Global Investments Limited Bright Hope Global Investments Limited	Interest of a controlled corporation (Notes 9 and 10) 受控法團權益 (附註9及10)	56,508,715	5.60%
Wan Ten Lap 溫天納	Interest of a controlled corporation (Notes 9 and 10) 受控法團權益 (附註9及10)	56,508,715	5.60%
Zhang Yi 張懿	Interest of a controlled corporation (Notes 9 and 10) 受控法團權益 (附註9及10)	56,508,715	5.60%

Other Information (Continued)

其他資料 (續)

Notes:

- (1) Mr. Cheng Liquan Richard and Mr. Zeng Zhijun have entered into an acting-in-concert arrangement. As such, Mr. Cheng and Mr. Zeng together control 40.47% equity interests in the issued share capital of our Company through World Hero, Asia Environment and Best Dawn. Asia Environment is owned as to 47.2% by Mr. Zeng. Asia Environment is interested in 2.67% interest in the issued share capital of our Company, and therefore Mr. Zeng is deemed to be interested in the Shares held by Asia Environment under Part XV of the SFO.
- (2) Mr. Cheng holds the entire issued share capital of World Hero. Therefore, Mr. Cheng is deemed to be interested in the Shares held by World Hero under the SFO.
- (3) Mr. Cheng directly holds 900,000 shares of the Company.
- (4) Ms. Zhou Xuan is the spouse of Mr. Cheng. Under the SFO, Ms. Zhou Xuan is deemed to be interested in the same number of Shares in which Mr. Cheng is interested.
- (5) Mr. Zeng holds the entire issued share capital of Best Dawn. Therefore, Mr. Zeng is deemed to be interested in the Shares held by Best Dawn under the SFO.
- (6) Ms. Ge Tong is the spouse of Mr. Zeng. Under the SFO, Ms. Ge Tong is deemed to be interested in the same number of Shares in which Mr. Zeng is interested.
- (7) The entire issued share capital of New Asia is held by Great Origin, whose entire issued share capital is in turn held by Mr. Zhu. Therefore, Mr. Zhu is deemed to be interested in the Shares held by New Asia under the SFO.
- (8) China Petroleum & Chemical Corporation holds the entire issued share capital of Sinopec. Therefore, China Petroleum & Chemical Corporation is deemed to be interested in the Shares held by Sinopec under the SFO. China Petroleum & Chemical Corporation is a PRC state-owned company, whose H shares are listed on the Main Board (stock code: 386).

附註：

- (1) 程里全先生及曾之俊先生已訂立一致行動安排，因此，程先生及曾先生透過World Hero、Asia Environment及Best Dawn共同控制本公司已發行股本40.47%股本權益。Asia Environment由曾先生擁有47.2%權益。Asia Environment於本公司已發行股本擁有2.67%權益，故根據證券及期貨條例第XV部，曾先生被視為於Asia Environment持有之股份中擁有權益。
- (2) 程先生持有World Hero之全部已發行股本，因此，程先生根據證券及期貨條例被視為於World Hero所持有的股份中擁有權益。
- (3) 程先生直接持有本公司股份900,000股。
- (4) 周旋女士為程先生之配偶。根據證券及期貨條例，周旋女士被視為於程先生所持有權益之相同數目股份中擁有權益。
- (5) 曾先生持有Best Dawn之全部已發行股本，因此，曾先生根據證券及期貨條例被視為於Best Dawn所持有的股份中擁有權益。
- (6) 戈彤女士為曾先生之配偶。根據證券及期貨條例，戈彤女士被視為於曾先生所持有權益之相同數目股份中擁有權益。
- (7) 偉源持有New Asia的全部已發行股本，而朱先生持有偉源的全部已發行股本。因此，朱先生根據證券及期貨條例被視為於New Asia所持有的股份中擁有權益。
- (8) 中國石油化工股份有限公司持有中石化之全部已發行股本。因此，中國石油化工股份有限公司根據證券及期貨條例被視為於中石化所持有的股份中擁有權益。中國石油化工股份有限公司為一家中國國有企業，其H股於主板上市（股份代號：386）。

- (9) *Full Synergy, a company incorporated in the BVI on 2 April 2015, is an investment holding company and a wholly-owned subsidiary of Partners Investment Management Limited. Partners Investment Management Limited is wholly owned by Bullion Riches Limited, which in turn is wholly owned by Partners Financial Holdings Limited. Partners Financial Holdings Limited is a financial holding company, whose subsidiaries are licensed corporations under the SFO holding type 1, type 4, type 6 and type 9 licences in Hong Kong. Full Synergy is the issuer of structured notes, of which one of the subscribers is a fund established in the PRC. Mr. Cheng, through World Hero, subscribed approximately 2.96% of the limited partner interest in such fund. Mr. Cheng does not hold any interest in the general partner of the fund, and is not involved in the decision making process of the fund.*
- (9) 景滿為一間於2015年4月2日於英屬處女群島註冊成立的投資控股公司，並為Partners Investment Management Limited之全資附屬公司。Partners Investment Management Limited由Bullion Riches Limited全資擁有，而Bullion Riches Limited由Partners Financial Holdings Limited全資擁有。Partners Financial Holdings Limited為金融控股公司，其附屬公司為於香港持有根據證券及期貨條例第1類、第4類、第6類及第9類牌照的持牌法團。景滿為結構性票據發行人，其中一名認購方為在中國成立的一項基金。程先生透過World Hero認購該基金有限合夥權益約2.96%。程先生並無持有該基金一般合夥人的任何權益且並不參與該基金的任何決策程序。
- (10) *Bright Hope Global Investments Limited and Wan Ten Lap own 44% and 51%, respectively, of Partners Financial Holdings Limited, the holding company of Full Synergy. Zhang Yi in turn owns 100% of Bright Hope Global Investments Limited. Under the SFO, Bright Hope Global Investments Limited, Wan Ten Lap and Zhang Yi are deemed to be interested in the same number of Shares in which Full Synergy is interested.*
- (10) *Bright Hope Global Investments Limited and Wan Ten Lap respectively own 44% and 51% of Partners Financial Holdings Limited, the holding company of Full Synergy. Zhang Yi in turn owns 100% of Bright Hope Global Investments Limited. Under the SFO, Bright Hope Global Investments Limited, Wan Ten Lap and Zhang Yi are deemed to be interested in the same number of Shares in which Full Synergy is interested.*

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate values and accountability. The Company has adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules. Save as disclosed herein, the Company complied with the code provisions as set out in the CG Code during the Reporting Period. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

企業管治守則

本公司致力於維持高水平的企業管治，以保障股東權益以及提升企業價值及問責性。本公司已採納上市規則附錄十四所載的企業管治守則（「企業管治守則」）。除本文披露者外，本公司於報告期間一直遵守企業管治守則所載的守則條文。本公司將繼續檢討並提升其企業管治常規，以確保遵守企業管治守則。

Other Information (Continued)

其他資料 (續)

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as its code of conduct regarding dealings in the securities of the Company. Having made specific enquiry to all the Directors, all Directors confirmed that they had strictly complied with the required standards set out in the Model Code during the Reporting Period.

The Board has also adopted the Model Code to regulate all dealings by employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision A.6.4 of the CG Code. No incident of non-compliance with the Model Code by the Company’s employees was noted during the Reporting Period after making reasonable enquiry.

DIRECTORS’ RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the first half of 2019 which give a true and fair view of the affairs of the Company and the Group as well as of the Group’s performance results and cash flows.

The management of the Company has provided for the Board the necessary explanation and information to enable the Board to carry out an informed assessment of the Company’s financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on the Company’s performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to any event or circumstances which may cast significant doubt upon the Company’s ability to continue as a going concern.

MOVEMENTS IN SHARE CAPITAL

There was no obvious change to share capital of the Company from the Listing Date to 30 June 2019.

證券交易的標準守則

本公司已採納上市規則附錄10所載的上市發行人董事進行證券交易的標準守則(「**標準守則**」)作為買賣本公司證券的操守守則。經向本公司全體董事作出特定查詢後，全體董事確認彼等於報告期內已嚴格遵守標準守則所載的規定標準。

董事會亦已採納標準守則以規管可能獲知本公司非公開內幕消息之相關僱員進行有關本公司證券交易的所有行為(見企業管治守則守則條文第A.6.4條)。經作出合理查詢後，於報告期間內並未發現本公司之有關僱員未有遵守標準守則之情況。

董事有關財務報表的財務申報責任

董事明白其有責任編製2019年上半年的財務報表，以真實公平地反映本公司及本集團的事務狀況以及本集團的業績及現金流量。

本公司管理層向董事會提供必要的闡釋及資料，致使董事會能對提呈予董事會批准的本公司財務報表進行知情的評估。本公司每月向董事會全體成員提供有關本公司表現、狀況及前景的最新資料。

董事並不知悉，任何有關可能對本公司持續經營能力嚴重存疑的事件或情況的重大不確定因素。

股本變動

自上市日期直至2019年6月30日止期間，本公司股本未發生明顯變動。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**購買、出售或贖回本公司之上市證券**

During the Reporting Period, the Company purchased 1,105,000 Shares, in aggregate, on the Stock Exchange at a total consideration of HK\$1,938,970, which were cancelled thereafter.

於報告期間，本公司於聯交所按總代價1,938,970港元購買合共1,105,000股股份，有關股份於其後註銷。

Details of the repurchases are summarized as follows:

回購詳情概要如下：

Month of repurchase during the Reporting Period 於報告期間回購月份	Number of Shares repurchased 回購股份數目	Highest price paid per share 每股最高價格 HK\$ 港元	Lowest price paid per share 每股最低價格 HK\$ 港元	Aggregate consideration 總代價 HK\$ 港元
January 一月	764,000	1.80	1.72	1,359,720.00
February 二月	341,000	1.75	1.60	579,250.00

Save for the above, neither the Company nor any member of the Group has purchased, sold or redeemed any of the Company's Shares during the Reporting Period.

除上述者外，本公司或本集團成員公司於報告期間內並無購買、出售或贖回任何本公司股份。

SUFFICIENCY OF PUBLIC FLOAT**充足的公眾持股量**

Based on the information available to the Company and to the knowledge of the Directors, the Company maintained sufficient public float during the period from the Listing Date to 30 June 2019.

根據本公司可獲得的資料及據董事所知，自上市日期直至2019年6月30日止期間，本公司一直維持充足的公眾持股量。

DIVIDEND POLICY**股息政策**

On 18 May 2018, the Board resolved to approve and announce the Group's dividend policy.

董事會已議決於2018年5月18日批准及公布了本集團股息政策。

INTERIM DIVIDEND**中期股息**

In accordance with the Dividend Policy announced by the Company on 18 May 2018, the Board considers paying out annual dividends within the range of 30% to 50% of the net profit each year. The Board has resolved not to declare any interim dividend for the six months ended 30 June 2019 (2018: Nil).

根據本公司於2018年5月18日所宣佈的《股息政策》，董事會將在各年度淨利潤的30%-50%的幅度內考慮派付年度股息。董事會決議不宣派截至2019年6月30日止六個月的中期股息（2018年：無）。

Other Information (Continued)

其他資料 (續)

FINANCIAL HIGHLIGHTS

A summary of the Group's results, assets and liabilities for the first half of 2019 is set out on page 5 to page 7 of this interim report. This summary does not form part of the unaudited consolidated financial statements.

USE OF NET PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

On the Listing Date, the Shares of the Company were listed on the Main Board of the Stock Exchange by way of global offering, pursuant to which 216,105,000 new shares were issued by the Company to the public at the offer price of HK\$2.40 per share, with net proceeds of approximately RMB391 million, after deduction of underwriting commission and estimated expenses payable in connection with the global offering.

In the first half of 2019, the Company saw an increase in the capital requirement for the new projects and concession investments in the non-electricity industry. However, taking into consideration the Company's position of domestic funds, fluctuations in the exchange rate and the long period of time for handling registration and filing of inbound funds for foreign exchange administration, the Company provisionally used its own domestic funds for carrying out the above projects. Accordingly, since the Listing Date and up to the date of this interim report, the Company has utilized RMB229 million of the proceeds from the global offering for working capital and other general corporate purposes in the ways as disclosed in the prospectus, with a remaining balance of RMB162 million.

財務概要

本集團於2019年上半年的業績、資產、負債之概要載於本中報第5至7頁。此概要並不構成未經審核綜合財務報表的一部分。

本公司首次公開發售所得款項淨額用途

於上市日期，本公司股份以全球發售方式在聯交所主板上市，據此，本公司按發售價每股2.40港元向公眾人士發行216,105,000股新股份，經扣除、全球發售應付的包銷佣金及估計開支後的所得款項淨額約為人民幣391百萬元。

2019年上半年，本公司非電行業新項目及特許經營投資資金需求增長，但是綜合考慮本公司境內資金狀況、匯率波動及辦理資金入境外匯管理登記備案的時間較長，本公司暫時使用境內自有資金用於上述項目開展。因此，自上市日期直至本中報日期，本公司已按照招股章程所披露的方式，動用來自全球發售所得款項人民幣229百萬元以供營運資金及其他一般企業用途，剩餘人民幣162百萬元。

For the amounts not utilized yet, the Company will use the net proceeds in the ways as disclosed in the prospectus in the future. The following table sets out the use of proceeds during the Reporting Period:

就尚未動用款項，未來本公司將按照招股章程所披露的方式使用所得款項淨額。報告期間所得款用途如下表：

Use of proceeds 所得款項用途	Unutilized amount as at 1 January 2019 (in RMB million) 於2019年1月1日 未動用金額 (人民幣百萬元)	Utilized amount for the Reporting Period (in RMB million) 報告期內已動用金額 (人民幣百萬元)	Unutilized amount as at 30 June 2019 (in RMB million) 於2019年6月30日 未動用金額 (人民幣百萬元)	Expected time of use 預計使用時間段	Detailed description 詳細描述
New concession projects or the upgrade of the concession projects 特許經營項目的新建及改造	25	19	6	1 July 2019 to 31 December 2019 2019年7月1日至 2019年12月31日	Guqiao and Shenhua concession projects 顧橋、神火特許經營項目
Research and development expenditures 研發開支	4	0	4	1 July 2019 to 31 December 2019 2019年7月1日至 2019年12月31日	Zero waste water discharge technology seminar 廢水零排放技術研發
	11	3	8	1 July 2019 to 31 December 2019 2019年7月1日至 2019年12月31日	Research and development expense on the fields of flue gas, water and solid waste treatment and other environment protection solutions 煙氣處理、水處理、固廢處理及其他環境保護 解決方案領域的研發支出
Working capital and other general corporate purposes 營運資金及其他一般企業用途	27	20	7	1 July 2019 to 31 December 2019 2019年7月1日至 2019年12月31日	Working capital and other general corporate purposes 營運資金及其他一般企業用途
Strategic mergers and acquisitions 戰略收購	137	0	137	1 July 2019 to 31 December 2019 2019年7月1日至 2019年12月31日	The Company has been identifying and contacting various acquisition targets to seek strategic merger and acquisition opportunities. Generally, it is expected to take approximately 8 to 16 months from the confirmation of an acquisition target to the completion of the acquisition. 本公司一直在物色及接洽多個收購目標， 尋求戰略收購機會，預計由確定收購目標 至完成收購將通常需時約8至16個月。

Other Information (Continued)

其他資料 (續)

COMPLIANCE WITH LAWS AND REGULATIONS

During the Reporting Period, the Company was in compliance with the relevant laws and regulations that have a significant impact on the Company, and was not involved in any material legal proceedings.

ENVIRONMENTAL POLICIES AND PERFORMANCE

As an environmental protection service provider, the Group strictly abides by the laws and regulations relating to its businesses, including provision of services for environment protection and energy conservation, monitoring of the pollutants and flue gas generated by coal-fired power plants. The Group is committed to protecting the environment, giving back to community and achieving sustainable growth. The achievements of the Group are based on mutually beneficial relationships with our customers and employees, and harmonious coexistence with our ecological and social environment. The Group will continue to commit to its social responsibilities and exert its advantages as an environmental protection enterprise and make consistent efforts to build a beautiful environment with blue sky and white clouds.

Details of the environmental, social responsibilities and governance of the Company were set out in the Environmental, Social Responsibilities and Governance Report (the “**ESG Report**”) issued by the Company on 25 July 2019 pursuant to Rule 13.91 and Appendix 27 to the Listing Rules.

遵守法律及法規

於報告期內，本公司遵守對本公司有重大影響的相關法律及法規，及並無涉及任何重大法律訴訟。

環保政策及績效

作為環保服務提供商，本集團嚴格遵守與其業務有關的法律法規，包括有關提供環保及節能服務、監測燃煤發電廠產生的污染物及煙氣的法律法規。本集團致力於保護環境、回饋社會及實現可持續發展。本集團取得的成就離不開與客戶及員工建立互利關係，以及保持生態環境及社會環境的和諧共存。本集團將繼續履行其社會責任，發揮環保企業的優勢，為打造藍天白雲的美好環境不懈努力。

有關本公司的環境、社會責任及管治的詳情將載列於本公司根據上市規則第13.91條及附錄27而環境、社會責任及管治報告（「**環境、社會責任及管治報告**」）已於2019年7月25日刊發。

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The audit committee of the Company (the “**Audit Committee**”) comprises two independent non-executive Directors and one non-executive Director. The Audit Committee has reviewed with the management the accounting standards and practical guidelines adopted by the Group, and has also discussed auditing, internal control, risk management system and financial reporting matters, including the unaudited interim condensed consolidated results of the Group for the six months ended 30 June 2019.

REVIEW OF INTERIM REPORT

The Audit Committee has reviewed the unaudited interim report of the Group for the six months ended 30 June 2019. The Audit Committee has not expressed any dissent concerning this interim report.

PUBLICATION OF INTERIM REPORT

This interim report is published on the website of the Company and the Stock Exchange. This report will be dispatched to the Shareholders of the Company and will be published on the above websites for review in due course.

審核委員會及審閱中期業績

本公司的審核委員會（「**審核委員會**」），包括兩名獨立非執行董事及一名非執行董事。審核委員會已經與管理層審閱本集團所採用的會計準則及實務指引，亦已就審計、內部監控、風險管理系統及財務匯報事宜進行討論，包括本集團截至2019年6月30日止六個月的未經審核中期簡明綜合業績。

審閱中期報告

審核委員會已審閱本集團截至2019年6月30日止六個月的未經審核中期報告，審核委員會對中期報告並無任何不同意見。

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 and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended June 30 2019
截至2019年6月30日止六個月

For the six months
ended 30 June
截至6月30日止六個月

		Notes 附註	2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Revenue	收益	3	752,516	721,722
Cost of sales and services	銷售及服務成本		(630,252)	(526,106)
Gross profit	毛利		122,264	195,616
Other income and other gains and losses	其他收入及其他收益及虧損	4	26,167	27,636
Selling and distribution expenses	銷售及分銷開支		(12,194)	(10,980)
Administrative expenses	行政開支		(45,144)	(50,507)
Reversal of impairment losses on financial assets and contract asset	金融資產及合約資產的減值虧損撥回		4,215	178
Share of profit of associates	分佔聯營公司溢利		16,263	14,941
Finance costs	財務成本	5	(2,438)	(2,941)
Change in fair value of convertible ordinary shares	可轉換普通股之公允價值變動		-	133,541
Listing expenses	上市開支		-	(3,319)
Profit before tax	除稅前溢利		109,133	304,165
Income tax expense	所得稅開支	6	(17,460)	(35,127)
Profit for the periods	期內溢利		91,673	269,038
Other comprehensive income for the periods:	期內其他全面收益：			
<i>Items that will not be reclassified to profit or loss:</i>	<i>不會重新分類至損益的項目：</i>			
Fair value loss on investment in equity instrument at fair value through other comprehensive income	按公允價值計入其他全面收益的權益工具投資公允價值虧損		(2,544)	-
Income tax relating to investment in equity instrument at fair value through other comprehensive income	有關按公允價值計入其他全面收益的權益工具投資的所得稅		382	-
			(2,162)	-
<i>Items that will be reclassified to profit or loss:</i>	<i>將會重新分類至損益的項目：</i>			
Fair value loss on debt instrument at fair value through other comprehensive income	按公允價值計入其他全面收益的債務工具公允價值虧損		(1,772)	
Income tax relating to items that may be reclassified subsequently	有關後續可能會重新分類的項目的所得稅		104	
			(1,668)	

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

簡明綜合損益及其他全面收益表（續）

For the six months ended June 30 2019
截至2019年6月30日止六個月

		For the six months ended 30 June 截至6月30日止六個月	
		2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)
		Notes 附註	
Total comprehensive income for the periods	期內全面收益總額	87,843	269,038
Profit for the periods attributable to:	以下應佔期內溢利：		
Owners of the Company	本公司擁有人	90,767	269,713
Non-controlling interests	非控股權益	906	(675)
		91,673	269,038
Total comprehensive income for the periods attributable to:	以下應佔期內全面收益總額：		
Owners of the Company	本公司擁有人	86,937	269,713
Non-controlling interests	非控股權益	906	(675)
		87,843	269,038
Earnings per share	每股盈利		
– Basic (RMB)	– 基本（人民幣元）	9	0.09
– Diluted (RMB)	– 攤薄（人民幣元）	9	0.15

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 June 2019
於2019年6月30日

		Notes 附註	As at 30 June 2019 於2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備		104,574	88,330
Investment properties	投資物業		12,031	12,348
Intangible assets	無形資產		740,380	543,824
Receivables under service concession arrangement-non-current	服務特許經營安排項下的應收款項 – 非即期	10	358,635	367,029
Investment in associates	於聯營公司的投資		89,785	69,537
Equity instrument at fair value through other comprehensive income	按公允價值計入其他全面收益的權益工具		996	3,540
Amounts due from related parties-non-current	應收關連方款項 – 非即期	15	140,208	143,287
Deferred tax assets	遞延稅項資產		22,069	25,121
Total non-current assets	非流動資產總額		1,468,678	1,253,016
Current assets	流動資產			
Receivables under service concession arrangement-current	服務特許經營安排項下的應收款項 – 即期	10	17,868	12,526
Inventories	存貨		44,325	37,841
Debt instrument at fair value through other comprehensive income (“FVTOCI”)	按公允價值計入其他全面收益（「按公允價值計入其他全面收益」）的債務工具		127,301	70,205
Equity instrument at fair value through profit and loss (“FVTPL”)	按公允價值計入損益（「按公允價值計入損益」）的權益工具		48,147	–
Contract assets	合約資產	11	246,490	204,289
Trade and notes receivables	貿易應收款項及應收票據	12	700,135	779,070
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		174,257	123,190
Amounts due from related parties-current	應收關連方款項 – 即期	15	188,117	181,520
Pledged bank deposits	已抵押銀行存款		156,826	88,113
Bank balances and cash	銀行結餘及現金		448,500	780,480
Total current assets	流動資產總額		2,151,966	2,277,234

Condensed Consolidated Statement of Financial Position (Continued)

簡明綜合財務狀況表（續）

As at 30 June 2019
於2019年6月30日

		Notes 附註	As at 30 June 2019 於2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Current liabilities	流動負債			
Trade and notes payables	貿易應付款項及應付票據	13	887,329	885,535
Other payables, deposits received and accrued expenses	其他應付款項、已收按金 及應計開支		137,388	176,024
Contract liabilities	合約負債	11	116,244	115,651
Income tax payable	應繳所得稅		19,620	24,805
Dividends payable	應付股息		79,838	-
Other tax liabilities	其他稅項負債		33,809	57,659
Bank borrowings	銀行借款		121,312	53,483
Amounts due to related parties	應付關連方款項	15	8,238	23,901
Lease liabilities-current	租賃負債-流動		8,998	-
Total current liabilities	流動負債總額		1,412,776	1,337,058
Net current assets	流動資產淨值		739,190	940,176
Total assets less current liabilities	資產總額減流動負債		2,207,868	2,193,192
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債		8,018	8,018
Bank borrowings	銀行借款		12,000	12,000
Lease liabilities-non-current	租賃負債-非流動		3,965	-
			23,983	20,018
Net assets	資產淨值		2,183,885	2,173,174
Capital and reserves	資本及儲備			
Share capital	股本	14	67	67
Reserves	儲備		2,183,863	2,174,058
Equity attributable to owners of the Company	本公司擁有人應佔權益		2,183,930	2,174,125
Non-controlling interests	非控股權益		(45)	(951)
			2,183,885	2,173,174

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2019
截至2019年6月30日止六個月

		Attributable to owners of the Company										
		本公司擁有人應佔										
		Share capital	Treasury shares	Merger reserve	Other reserve	Share premium reserve	Statutory surplus reserve	Retained profits	Investment revaluation reserve	Sub-total	Non-controlling Interests	Total equity
		股本	庫存股份	合併儲備	其他儲備	股份溢價	法定盈餘	保留溢利	投資重估	小計	非控股權益	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note i) (附註i)										
At 1 January 2019 (Audited)	於2019年1月1日 (經審核)	67	(1,800)	371,500	(128,167)	864,750	205,319	861,492	964	2,174,125	(951)	2,173,174
Profit for the period	期內溢利	-	-	-	-	-	-	90,767	-	90,767	906	91,673
Other comprehensive income for the period, net of tax	期內其他全面收益， 經扣除稅項	-	-	-	-	-	-	-	(3,830)	(3,830)	-	(3,830)
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	-	90,767	(3,830)	86,937	906	87,843
Dividends recognised as distribution	確認為分配的股息	-	-	-	-	-	-	(77,869)	-	(77,869)	-	(77,869)
Repurchase of ordinary shares (note iv)	購回普通股 (附註iv)	-	(1,701)	-	-	-	-	-	-	(1,701)	-	(1,701)
Cancellation of treasury shares (note iv)	註銷庫存股份 (附註iv)	-	3,500	-	-	(3,500)	-	-	-	-	-	-
Share-based payment	以股份為基礎的付款	-	-	-	-	2,438	-	-	-	2,438	-	2,438
		-	1,799	-	-	(1,062)	-	(77,869)	-	(77,132)	-	(77,132)
As at 30 June 2019 (Unaudited)	於2019年6月30日 (未經審核)	67	(1)	371,500	(128,167)	863,688	205,319	874,390	(2,866)	2,183,930	(45)	2,183,885

Condensed Consolidated Statement of Changes in Equity (Continued)

簡明綜合權益變動表（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

		Attributable to owners of the Company										
		本公司擁有人應佔										
		Share	Treasury	Merger	Other	Share	Statutory	Retained	Investment	Non-	Total	
		capital	shares	reserve	reserve	premium	surplus	profits	revaluation	controlling	Total	
						reserve	reserve	profits	reserve	Sub-total	Interests	equity
						股份溢價	法定盈餘	保留溢利	投資重估	小計	非控股權益	權益總額
		股本	庫存股份	合併儲備	其他儲備	儲備	儲備	儲備	儲備	小計	非控股權益	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note i)										
		(附註i)										
At 1 January 2018 (Audited)	於2018年1月1日 (經審核)	32	(2)	371,500	(128,167)	(175,262)	174,593	504,141	5,605	752,440	589	753,029
Profit for the period	期內溢利	-	-	-	-	-	-	269,713	-	269,713	(675)	269,038
Other comprehensive income for the period, net of tax	期內其他全面收益， 經扣除稅項	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	-	269,713	-	269,713	(675)	269,038
Conversion of Class B convertible ordinary shares to ordinary shares	B類可轉換普通股 轉換為普通股	8	-	-	-	243,274	-	-	-	243,282	-	243,282
Conversion of Class C convertible ordinary shares to ordinary shares	C類可轉換普通股 轉換為普通股	13	-	-	-	378,293	-	-	-	378,306	-	378,306
Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs	根據首次公開發售 發行普通股， 經扣除包銷佣金 及其他發行成本	14	-	-	-	390,983	-	-	-	390,997	-	390,997
Exercise of pre-IPO share award scheme	行使首次公開發售前 股份獎勵計劃	-	1	-	-	18,986	-	-	-	18,987	-	18,987
Currency translation differences	貨幣換算差額	-	-	-	18,515	-	-	-	-	18,515	-	18,515
Share-based payment	以股份為基礎的付款	-	-	-	-	4,221	-	-	-	4,221	-	4,221
		35	1	-	18,515	1,035,757	-	-	-	1,054,308	-	1,054,308
As at 30 June 2018 (Unaudited)	於2018年6月30日 (未經審核)	67	(1)	371,500	(109,652)	860,495	174,593	773,854	5,605	2,076,461	(86)	2,076,375

Condensed Consolidated Statement of Changes in Equity (Continued)

簡明綜合權益變動表 (續)

For the six months ended 30 June 2019
截至2019年6月30日止六個月

Notes:

附註：

- (i) *In accordance with the Articles of Association of all subsidiaries established in the People's Republic of China (the "PRC"), the PRC subsidiaries are required to set aside 10% of their profit after tax as per statutory financial statements determined under the PRC laws and regulations for the statutory surplus reserve fund until the reserve reach 50% of their registered capital. Transfer to this reserve must be made before distributing dividends to equity owners of the subsidiaries. The statutory surplus reserve can be used to make up previous years' losses, expand the existing operations or convert into additional capital of the respective subsidiaries.*
- (ii) *On 9 January 2017, the Company redesignated 125,000,000 Class A ordinary shares which were owned by New Asia Limited ("New Asia") to Class B convertible ordinary shares.*
- (iii) *Subsequent to the investment by Sinopec Overseas Investment Holding Limited ("Sinopec") and New Asia, on 11 January 2017, the Company, Mr. Cheng Liquan Richard ("Mr. Cheng"), World Hero, a shareholder of the Company which is wholly owned by Mr. Cheng, and Full Synergy Investment Limited ("Full Synergy"), the Company's financial investor, entered into a share transfer agreement whereby World Hero transferred 24,722,563 Class A ordinary shares in the Company to Full Synergy at the price of approximately RMB1.77 per share for a total consideration of the US dollars equivalent to RMB43,750,000. Immediately after the transfer, the Company agreed to repurchase the 24,722,563 Class A ordinary shares held by Full Synergy in consideration for the allotment and issue of 24,722,563 Class C-3 convertible ordinary shares to Full Synergy.*
- (iv) *During the six months ended 30 June 2019, the Company repurchased 1,105,000 ordinary shares at prices in a range of HK\$1.60 (RMB1.38) to HK\$1.80 (RMB1.55) per share, and then cancelled all treasury shares on hand that were repurchased previously totaling 2,360,000 shares.*
- (i) 根據於中華人民共和國（「中國」）成立的所有附屬公司的組織章程細則，中國附屬公司須將法定財務報表所示根據中國法律及法規釐定的除稅後溢利10%撥往法定盈餘儲備金，直至儲備達到其註冊資本50%。於分派股息予附屬公司權益擁有人前須先向該儲備撥款。法定盈餘儲備可用於抵銷過往年度虧損、擴展現有營運或轉換為相關附屬公司的額外資本。
- (ii) 於2017年1月9日，本公司將New Asia Limited（「New Asia」）擁有的125,000,000股A類普通股重新指定為B類可轉換普通股。
- (iii) 於中國石化海外投資控股有限公司（「中石化」）及New Asia投資後，於2017年1月11日，本公司、程里全先生（「程先生」）、本公司股東World Hero（由程先生全資擁有）及本公司財務投資者景滿投資有限公司（「景滿」）訂立一份股份轉讓協議，據此，World Hero以每股約人民幣1.77元的價格轉讓24,722,563股本公司A類普通股予景滿，總代價為人民幣43,750,000元的等額美元。緊隨轉讓後，本公司同意購回景滿持有之24,722,563股A類普通股，代價為向景滿配發及發行24,722,563股C-3類可轉換普通股。
- (iv) 截至2019年6月30日止六個月，本公司以介乎每股1.60港元（人民幣1.38元）至1.80港元（人民幣1.55元）的價格購回1,105,000股普通股，隨後註銷手頭全部先前回購的庫存股份，共計2,360,000股。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2019
截至2019年6月30日止六個月

		For the six months ended 30 June 截至6月30日止六個月	
		2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用 現金淨額	(35,010)	(103,561)
Cash flows from investing activities	投資活動所得現金流量		
Placement of pledged bank deposits	存入已抵押銀行存款	(152,947)	(32,984)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	84,234	49,904
Interest received	已收利息	4,861	20,494
Purchase of property, plant and equipment	購買物業、廠房及設備	(9,313)	(19,248)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及 設備所得款項	22	33
Purchase of wealth management products	購買理財產品	-	(161,002)
Purchase of intangible assets and costs capitalised under service concession arrangements	購買無形資產及服務 特許經營安排項下的 資本化費用	(232,288)	(229,007)
Investment in an associate	於聯營公司的投資	(3,980)	-
Investment in equity instrument at FVTPL	投資按公允價值計入 損益的權益工具	(47,478)	-
Advance to related parties	向關連方墊款	3,019	(26,207)
Repayment from related parties	關連方還款	-	18,323

Condensed Consolidated Statement of Cash Flows (Continued)

簡明綜合現金流量表（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

		For the six months ended 30 June 截至6月30日止六個月	
		2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用 現金淨額	(353,870)	(379,694)
Cash flows from financing activities	融資活動所得現金流量		
Repayment of lease liabilities	償還租賃負債	(4,821)	-
New bank borrowings raised	新籌得銀行借款	35,000	-
Interest paid	已付利息	(2,438)	(2,941)
Proceeds from discounted notes receivables from banks	銀行已貼現應收票據 所得款項	32,829	-
Proceeds from issue of shares	發行股份所得款項	-	409,983
Repurchase of ordinary shares	購回普通股	(1,701)	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	融資活動所得 現金淨額	58,869	407,042
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物 減少淨額	(330,011)	(76,213)
Effects of exchange rate changes	匯率變動的影響	(1,969)	16,743
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	期初現金及現金等價物	780,480	689,354
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	期末現金及現金等價物	448,500	629,884

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019
截至2019年6月30日止六個月

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (IAS 34) *Interim Financial Reporting* issued by the International Accounting Standards Board (“IASB”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

2. PRINCIPAL ACCOUNTING POLICES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as appropriate.

Other than changes in accounting policies resulting from application of new and amendments to International Financial Reporting Standards (“IFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2019 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2018.

1. 編製基準

簡明綜合財務報表乃根據國際會計準則理事會（「國際會計準則理事會」）頒佈的國際會計準則第34號（國際會計準則第34號）*中期財務報告*以及香港聯合交易所有限公司證券上市規則（「上市規則」）附錄16的適用披露規定編製。

2. 主要會計政策

簡明綜合財務報表乃按歷史成本基準編製，惟按重估金額或公允價值（倘適用）計量之若干物業及金融工具除外。

除因應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）而導致的會計政策變動外，截至2019年6月30日止六個月的簡明綜合財務報表所採用的會計政策及計算方法與本集團截至2018年12月31日止年度的年度財務報表所呈列者一致。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to IFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the IASB which are mandatory effective for the annual period beginning on or after 1 January 2019 for the preparation of the Group's condensed consolidated financial statements.

IFRS 16	Leases
IFRIC-23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRSs	Annual Improvements to IFRSs 2015-2017 Cycle

Except as described below, the application of the new and amendments to IFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

2. 主要會計政策（續）

新訂及經修訂國際財務報告準則的應用

於本中期期間，本集團已首次應用下列由國際會計準則理事會頒佈，與編製本集團簡明財務報表有關的新訂及經修訂國際財務報告準則，其於2019年1月1日或之後開始的年度期間強制生效：

國際財務報告準則第16號	租賃
國際財務報告詮釋委員會—詮釋第23號	所得稅處理之不確定性
國際財務報告準則第9號（修訂本）	負補償的預付款項功能
國際會計準則第19號（修訂本）	計劃修訂、縮減或清償
國際會計準則第28號（修訂本）	於聯營公司及合營企業的長期權益
國際財務報告準則（修訂本）	國際財務報告準則2015年至2017年週期之年度改進

除下文所述者外，本期間應用新訂及經修訂國際財務報告準則對本集團於當期及過往期間之財務表現及狀況及／或該等簡明綜合財務報表所載之披露並無重大影響。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Impacts and changes in accounting policies of application on IFRS 16 Leases

The Group has applied IFRS 16 for the first time in the current interim period. IFRS 16 superseded IAS 17 Leases (“IAS 17”), and the related interpretations.

2.1.1 Key changes in accounting policies resulting from application of IFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of IFRS 16.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

2. 主要會計政策(續)

2.1 應用國際財務報告準則第16號租賃的影響及會計政策變動

本集團於本中期間首次應用國際財務報告準則第16號。國際財務報告準則第16號已取代國際會計準則第17號租賃(「國際會計準則第17號」)及相關詮釋。

2.1.1 應用國際財務報告準則第16號而導致的會計政策之主要變動

本集團根據國際財務報告準則第16號的過渡條款採用下列會計政策。

租賃定義

倘合約給予權利在一段時間內使用已識別資產以換取代價，則合約為或包含租賃。

就首次應用當日或之後訂立或修訂的合約而言，本集團於開始或修訂日期根據國際財務報告準則第16號項下的定義評估合約是否為或包含租賃。該合約將不會被重新評估，除非該合約中的條款及條件隨後被改動。

作為承租人

合約各組成部分的代價分配

就含有租賃組成部分以及一項或多項額外租賃或非租賃組成部分的合約而言，本集團將合約代價分配至各租賃組成部分，基準為租賃組成部分的相對獨立價格及非租賃組成部分的總獨立價格。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of IFRS 16 (Continued)

As a lessee (Continued)

Allocation of consideration to components of a contract (Continued)

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of buildings, warehouse, motor vehicles that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight line basis over the lease term.

Right-of-use assets

Except for short-term leases, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

2. 主要會計政策（續）

2.1 應用國際財務報告準則第16號租賃的影響及會計政策變動（續）

2.1.1 應用國際財務報告準則第16號而導致的會計政策之主要變動（續）

作為承租人（續）

合約各組成部分的代價分配（續）

作為可行權益方法，當本集團合理預期對財務報表的影響與組合中的個別租賃並無重大差異時，具有類似特徵的租賃按組合基準入賬。

短期租賃及低價值資產租賃

本集團將短期租賃確認豁免應用於租賃樓宇、倉庫、汽車，即自生效日期起計之租期為十二個月或以下並且不包括購買選擇權的租賃。短期租賃的租賃付款於租期內按直線法確認為開支。

使用權資產

除短期租賃外，本集團於租賃開始日期（即相關資產可供使用日期）確認使用權資產。使用權資產按成本減任何累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of IFRS 16 (Continued)

As a lessee (Continued)

Right-of-use assets (Continued)

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

2. 主要會計政策(續)

2.1 應用國際財務報告準則第16號租賃的影響及會計政策變動(續)

2.1.1 應用國際財務報告準則第16號而導致的會計政策之主要變動(續)

作為承租人(續)

使用權資產(續)

使用權資產成本包括：

- 租賃負債初始計量金額；
- 於開始日期或之前作出的任何租賃付款，減任何已收租賃優惠；
- 本集團產生的任何初始直接成本；及
- 本集團於拆除及搬遷相關資產、復原相關資產所在場地或復原相關資產至租賃條款及條件所規定的狀況而產生的成本估計。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of IFRS 16 (Continued)

As a lessee (Continued)

Right-of-use assets (Continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets in “property, plant and equipment”, the same line item as that within which the corresponding underlying assets would be presented if they were owned.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 Financial Instruments (“IFRS 9”) and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

2. 主要會計政策（續）

2.1 應用國際財務報告準則第16號租賃的影響及會計政策變動（續）

2.1.1 應用國際財務報告準則第16號而導致的會計政策之主要變動（續）

作為承租人（續）

使用權資產（續）

就本集團於租期結束時合理確定獲取相關租賃資產所有權的使用權資產而言，有關使用權資產自開始日期起至可使用年期結束期間計提折舊。在其他情況下，使用權資產於其估計可使用年期及租期（以較短者為準）內按直線法計提折舊。

本集團將使用權資產於「物業、廠房及設備」（即將呈列相應有關資產（倘擁有）的同一項目內）呈列。

可退回租賃按金

已付可退回租賃按金根據國際財務報告準則第9號金融工具（「國際財務報告準則第9號」）列賬並初步按公允價值計量。初步確認時對公允價值的調整被視為額外租賃付款並計入使用權資產成本。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)**2.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)****2.1.1 Key changes in accounting policies resulting from application of IFRS 16 (Continued)**

As a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

2. 主要會計政策 (續)**2.1 應用國際財務報告準則第16號租賃的影響及會計政策變動 (續)****2.1.1 應用國際財務報告準則第16號而導致的會計政策之主要變動 (續)**

作為承租人 (續)

租賃負債

於租賃開始日期，本集團按該日並未付的租賃付款現值確認並計量租賃負債。於計算租賃付款的現值時，倘租賃隱含的利率難以釐定，則本集團使用租賃開始日期的增量借款利率計算。

租賃付款包括：

- 固定付款(包括實質固定付款)減任何應收租賃優惠；
- 基於指數或利率的可變租賃付款；
- 根據剩餘價值擔保預定期將支付的金額；
- 本集團合理確定將予行使購買選擇權的行使價；及
- 於租期反映本集團會行使選擇權終止租賃時，終止租賃的相關罰款。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of IFRS 16 (Continued)

As a lessee (Continued)

Lease liabilities (Continued)

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

2. 主要會計政策（續）

2.1 應用國際財務報告準則第16號租賃的影響及會計政策變動（續）

2.1.1 應用國際財務報告準則第16號而導致的會計政策之主要變動（續）

作為承租人（續）

租賃負債（續）

於開始日期之後，租賃負債根據利息增長及租賃付款作出調整。

倘出現以下情況，本集團重新計量租賃負債（並就相關使用權資產作出相應調整）：

- 租期有所變動或行使購買選擇權的評估發生變化，在此情況下，相關租賃負債透過使用重新評估日期的經修訂貼現率貼現經修訂租賃付款而重新計量。
- 租賃付款因有擔保剩餘價值下預期付款變動而出現變動，在此情況下，相關租賃負債使用初始貼現率貼現經修訂租賃付款而重新計量。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of IFRS 16 (Continued)

As a lessee (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

2. 主要會計政策(續)

2.1 應用國際財務報告準則第16號租賃的影響及會計政策變動(續)

2.1.1 應用國際財務報告準則第16號而導致的會計政策之主要變動(續)

作為承租人(續)

租賃修改

倘出現以下情況，本集團將租賃的修改作為一項單獨的租賃進行入賬：

- 該項修改通過增加使用一項或多項相關資產的權利擴大了租賃範圍；及
- 增加租賃的代價，增加的金額相當於範圍擴大對應的單獨價格，加上按照特定合約的實際情況對單獨價格進行的任何適當調整。

就未作為一項單獨租賃入賬的租賃修改而言，本集團基於經修訂租賃的租期，透過於修改生效日期使用經修訂貼現率貼現經修訂租賃付款重新計量租賃負債。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of IFRS 16 (Continued)

As a lessee (Continued)

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income Taxes requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

As a lessor

Refundable rental deposits

Refundable rental deposits received are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

2. 主要會計政策（續）

2.1 應用國際財務報告準則第16號租賃的影響及會計政策變動（續）

2.1.1 應用國際財務報告準則第16號而導致的會計政策之主要變動（續）

作為承租人（續）

稅項

就計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延稅項而言，本集團首先釐定稅項扣減是否歸因於使用權資產或租賃負債。

對於稅項扣減歸因於租賃負債的租賃交易而言，本集團將國際會計準則第12號所得稅規定全部應用於租賃交易。與使用權資產及租賃負債有關的暫時差額按淨額基準評估。使用權資產減值超過租賃負債本金部分的租賃付款導致可扣稅暫時性差異淨額。

作為出租人

可退回租賃按金

已收可退回租賃按金根據國際財務報告準則第9號列賬並初步按公允價值計量。初始確認時對公允價值的調整被視為承租人的額外租賃付款。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of IFRS 16 (Continued)

As a lessor (Continued)

Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

2.1.2 Transition and summary of effects arising from initial application of IFRS 16

Definition of a lease

The Group has elected the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease* and not apply this standards to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in IFRS 16 in assessing whether a contract contains a lease.

2. 主要會計政策(續)

2.1 應用國際財務報告準則第16號租賃的影響及會計政策變動(續)

2.1.1 應用國際財務報告準則第16號而導致的會計政策之主要變動(續)

作為出租人(續)

租賃修改

本集團自修改生效日期起將經營租賃的修改作為新租賃入賬，並將與原租賃相關的任何預付或應計租賃付款視為新租賃的部分租賃付款。

2.1.2 首次應用國際財務報告準則第16號產生之過渡及影響概要

租賃定義

本集團已選擇可行權宜方法，就先前應用國際會計準則第17號及國際財務報告詮釋委員會－詮釋第4號釐定安排是否包含租賃識別為租賃的合約應用國際財務報告準則第16號，而並無對先前未識別為包含租賃的合約應用該準則。因此，本集團並無重新評估於首次應用日期前已存在的合約。

就於2019年1月1日或之後訂立或修訂的合約而言，本集團於評估合約是否包含租賃時，根據國際財務報告準則第16號所載的規定應用租賃定義。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

2.1.2 Transition and summary of effects arising from initial application of IFRS 16 (Continued)

As a lessee

The Group has applied IFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under IFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under IAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;

2. 主要會計政策（續）

2.1 應用國際財務報告準則第16號租賃的影響及會計政策變動（續）

2.1.2 首次應用國際財務報告準則第16號產生之過渡及影響概要（續）

作為承租人

本集團已追溯應用國際財務報告準則第16號，並將首次應用該準則的累計影響於初始應用日期（即2019年1月1日）確認。於首次應用日期的任何差額於期初保留溢利中確認及毋須重列比較資料。

於過渡時應用國際財務報告準則第16號項下的經修訂追溯方法時，本集團按逐項租賃基準就先前根據國際會計準則第17號分類為經營租賃且與各租賃合約相關的租賃應用以下可行權宜方法：

- i. 選擇不就租期於首次應用日期起計12個月內結束的租賃確認使用權資產及租賃負債；
- ii. 於首次應用日期計量使用權資產時撇除初始直接成本；

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

2.1.2 Transition and summary of effects arising from initial application of IFRS 16 (Continued)

As a lessee (Continued)

- iii. applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of buildings in the People's Republic of China was determined on a portfolio basis; and
- iv. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

On transition, the Group has made the following adjustments upon application of IFRS 16:

The Group recognised lease liabilities of RMB17,200,000 and right-of-use assets of RMB17,558,000 at 1 January 2019.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied is 7.97%.

2. 主要會計政策(續)

2.1 應用國際財務報告準則第16號租賃的影響及會計政策變動(續)

2.1.2 首次應用國際財務報告準則第16號產生之過渡及影響概要(續)

作為承租人(續)

- iii. 就類似經濟環境內相似類別相關資產的類似剩餘租期的租賃組合應用單一貼現率。尤其是，於中華人民共和國租賃的若干樓宇的貼現率按組合基準釐定；及
- iv. 根據於首次應用日期的事實及情況於事後釐定本集團帶有續租及終止選擇權的租賃的租期。

於過渡時，本集團已於應用國際財務報告準則第16號後作出以下調整：

本集團於2019年1月1日確認租賃負債人民幣17,200,000元及使用權資產人民幣17,558,000元。

於確認先前分類為經營租賃的租賃的租賃負債時，本集團已應用於首次應用日期相關集團實體的增量借款利率。所應用的加權平均承租人增量借款利率為7.97%。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

2.1.2 Transition and summary of effects arising from initial application of IFRS 16 (Continued)

As a lessee (Continued)

2. 主要會計政策（續）

2.1 應用國際財務報告準則第16號租賃的影響及會計政策變動（續）

2.1.2 首次應用國際財務報告準則第16號產生之過渡及影響概要（續）

作為承租人（續）

		At 1 January 2019 於2019年 1月1日 RMB'000 人民幣千元
Operating lease commitments disclosed as at 31 December 2018	於2018年12月31日披露的經營租賃承擔	20,430
Lease liabilities discounted at relevant incremental borrowing rates	以相關增量借款利率貼現的租賃負債	17,380
Less: Recognition exemption – short-term leases	減：確認豁免 – 短期租賃	180
Lease liabilities relating to operating leases recognised upon application of IFRS 16	於應用國際財務報告準則第16號後確認的經營租賃相關的租賃負債	17,200
Lease liabilities as at 1 January 2019	於2019年1月1日的租賃負債	17,200
Analysed as	分析為	
Current	流動	8,647
Non-current	非流動	8,553
		17,200

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2019
截至2019年6月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

2.1.2 Transition and summary of effects arising from initial application of IFRS 16 (Continued)

As a lessee (Continued)

The carrying amount of right-of-use assets as at 1 January 2019 comprises the following:

2. 主要會計政策(續)

2.1 應用國際財務報告準則第16號租賃的影響及會計政策變動(續)

2.1.2 首次應用國際財務報告準則第16號產生之過渡及影響概要(續)

作為承租人(續)

於2019年1月1日的使用權資產的賬面值包括下列各項：

		Right-of-use assets
		使用權資產
	Notes	RMB'000
	附註	人民幣千元
Right-of-use assets relating to operating leases recognised upon application of IFRS 16	於應用國際財務報告準則第16號後確認的經營租賃相關的使用權資產	17,200
Adjustments on rental deposits at 1 January 2019	於2019年1月1日對租賃按金的調整 (a)	358
		17,558
By class:	按類別：	
Land and buildings	土地及樓宇	17,558
		17,558

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

2.1.2 Transition and summary of effects arising from initial application of IFRS 16 (Continued)

As a lessee (Continued)

- (a) Before the application of IFRS 16, the Group considered refundable rental deposits paid as rights and obligations under leases to which IAS 17 applied. Based on the definition of lease payments under IFRS 16, such deposits are not payments relating to the right to use of the underlying assets and were adjusted to reflect the discounting effect at transition. Accordingly, RMB358,000 was adjusted to refundable rental deposits paid and right-of-use assets.

As a lessor

In accordance with the transitional provisions in IFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with IFRS 16 from the date of initial application and comparative information has not been restated.

2. 主要會計政策（續）

2.1 應用國際財務報告準則第16號租賃的影響及會計政策變動（續）

2.1.2 首次應用國際財務報告準則第16號產生之過渡及影響概要（續）

作為承租人（續）

- (a) 於應用國際財務報告準則第16號前，本集團將已付可退回租賃按金視為應用國際會計準則第17號的租賃項下的權利及責任。根據國際財務報告準則第16號下的租賃付款定義，該等按金並非與使用相關資產權利有關的付款，經調整後以反映於過渡時的貼現影響。因此，人民幣358,000元調整至已付可退回租賃按金及使用權資產。

作為出租人

根據國際財務報告準則第16號的過渡條文，本集團毋須就本集團為出租人的租賃過渡作出任何調整，但須自首次應用日期起根據國際財務報告準則第16號對該等租賃入賬，且毋須重列比較資料。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

2.1.2 Transition and summary of effects arising from initial application of IFRS 16 (Continued)

As a lessor (Continued)

- (a) Upon application of IFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 January 2019. The application has had no impact on the Group's condensed consolidated statement of financial position at 1 January 2019. However, effective from 1 January 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.
- (b) Before application of IFRS 16, refundable rental deposits received were considered as rights and obligations under leases to which IAS 17 applied. Based on the definition of lease payments under IFRS 16, such deposits are not payments relating to the right-of-use assets and were adjusted to reflect the discounting effect at transition. The directors of the Company considers the impact on the financial statement is minimal and do not adjust refundable rental deposits received.

2. 主要會計政策(續)

2.1 應用國際財務報告準則第16號租賃的影響及會計政策變動(續)

2.1.2 首次應用國際財務報告準則第16號產生之過渡及影響概要(續)

作為出租人(續)

- (a) 於應用國際財務報告準則第16號時，已訂立但於首次應用日期後開始之涉及現有租賃合約項下相同相關資產的新租賃合約已列賬，猶如現有租賃於2019年1月1日已修訂。有關應用對本集團於2019年1月1日的簡明綜合財務狀況表並無影響。然而，自2019年1月1日起，有關修改後的經修訂租期的租賃付款於經延長租賃期內按直線法基準確認為收入。
- (b) 於應用國際財務報告準則第16號前，已收可退回租賃按金被視為應用國際會計準則第17號租賃項下的權利及責任。根據國際財務報告準則第16號下的租賃付款定義，該等按金並非與使用權資產有關的付款，經調整後以反映於過渡時的貼現影響。本公司董事認為對財務報表產生的影響甚小且毋須調整已收可退回租賃按金。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

2.1.2 Transition and summary of effects arising from initial application of IFRS 16 (Continued)

As a lessor (Continued)

The transition to IFRS 16 has no impact on retained profits at 1 January 2019.

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

2. 主要會計政策（續）

2.1 應用國際財務報告準則第16號租賃的影響及會計政策變動（續）

2.1.2 首次應用國際財務報告準則第16號產生之過渡及影響概要（續）

作為出租人（續）

國際財務報告準則第16號的過渡對於2019年1月1日的保留溢利並無影響。

以下為對於2019年1月1日的簡明綜合財務狀況表中確認的金額所作出的調整。未受變動影響的項目並不包括在內。

		Carrying amounts previously reported at 31 December 2018	Adjustments	Carrying amounts under IFRS 16 at 1 January 2019
		先前於 2018年 12月31日 報告的賬面值 RMB'000 人民幣千元	調整 RMB'000 人民幣千元	國際財務 報告準則 第16號下於 2019年 1月1日 的賬面值 RMB'000 人民幣千元
Non-current Assets	非流動資產			
Property, plant and equipment	物流、廠房及設備	88,330	17,558	105,888
Current Assets	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	123,190	(358)	122,832
Current Liabilities	流動負債			
Lease liabilities	租賃負債	-	8,647	8,647
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	-	8,553	8,553

3. REVENUE AND SEGMENT INFORMATION

Revenue is mainly generated from the flue gas desulfurisation and denitrification services through three different models, namely environmental protection facility engineering, operation and maintenance and concession operation. In addition, the Group also provides design service and sewage treatment, which are recorded in others. Revenue is recognised net of sales related taxes.

For the purposes of resources allocation and assessment of segment performance, the executive directors of the Company, being the chief operating decision maker (“**CODM**”), regularly review types of goods or services delivered or provided by focusing on different business models. No operating segments have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable segments under IFRS 8 are as follows:

Environmental protection facilities engineering: (“ EPC ”) 環保設施工程：(「 EPC 」)	project design, procurement of equipment and materials, project construction and equipment installment and testing services 項目設計、設備及材料採購、項目建設及設備安裝及測試服務
Operation and maintenance: (“ O&M ”) 運營與維護：(「 運維 」)	operation service and regular maintenance service for desulfurisation and denitrification facilities and dust removal facilities 脫硫及脫硝設施及除塵設施的運營服務及常規維護服務
Concession operation: (“ Build-Operate-Transfer ”, “ BOT ”, and “ Transfer-Operate-Transfer ”, “ TOT ”) 特許經營業務： (「 建設－經營－移交 」、「 BOT 」及 「 移交－經營－移交 」、「 TOT 」)	construction of infrastructure or acquisition of existing infrastructure from grantor, operation and maintenance of flue gas treatment project for a pre-defined period according to the concession contract and transfer the ownership of the infrastructure to the customer at the end of the period 根據特許經營合約進行基礎設施建設或自授予人收購現有基礎設施、於預定期間進行煙氣治理項目運營與維護並於期末轉讓基礎設施所有權予客戶
Others: 其他：	sewage treatment, sales of by-products and others 污水處理、銷售副產品及其他

3. 收益及分部資料

收益主要透過三種不同模式(即環保設施工程、運營與維護及特許經營業務)自煙氣脫硫及脫硝服務產生。此外,本集團亦提供設計服務及污水處理並於其他中列賬。收益於扣除銷售相關稅項後確認。

為進行資源分配及分部業績評估,本公司執行董事(即主要運營決策者(「**主要運營決策者**」))通過專注於不同業務模式定期審查所交付貨物或所提供服務的類別。於達致本集團可呈報分部時概無匯集經營分部。

具體而言,根據國際財務報告準則第8號,本集團的可呈報分部如下:

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

3. REVENUE AND SEGMENT INFORMATION (Continued)

Disaggregation of revenue

3. 收益及分部資料（續）

收益的細分

		For the six months ended 30 June 截至6月30日止六個月	
		2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)
<i>Timing of revenue recognition</i>			
	<i>確認收益的時間</i>		
Over time	隨著時間	741,414	708,422
A point in time	時間點	11,102	13,300
		752,516	721,722
<i>Types of goods and services</i>			
	<i>貨品及服務類品</i>		
Provision of services	提供服務	741,414	708,697
Sales of goods	銷售商品	11,102	13,025
		752,516	721,722
<i>Nature of goods and services</i>			
	<i>貨品及服務性質</i>		
EPC	EPC	268,347	245,778
O&M	運營與維護	150,943	248,620
Concession operation	特許經營	322,124	214,024
Others	其他	11,102	13,300
		752,516	721,722

3. REVENUE AND SEGMENT INFORMATION

(Continued)

Disaggregation of revenue (Continued)

Transaction price allocated to the remaining performance obligations for contracts with customers

The performance obligations for the EPC services and construction services under service concession arrangements have an original expected duration of one year or less. Therefore the transaction price allocated to these unsatisfied contracts is not disclosed as permitted by IFRS 15.

For certain O&M services and the O&M service under service concession arrangements, the Group applies the practical expedient by recognising revenue in the amount to which the Group has right to invoice. The transaction price allocated to these unsatisfied contracts is not disclosed as permitted by IFRS 15.

Geographical information

The Group primarily operates in the PRC. Substantially all non-current assets and revenue of the Group are located in and generated from the PRC.

3. 收益及分部資料 (續)

收益的細分 (續)

客戶合約中分配至剩餘履約責任的交易價格

服務特許經營安排下的EPC服務及建造服務的履約責任的原定預期期限為一年或以內。按國際財務報告準則第15號准許，分配至該等未履行合約的交易價格並未披露。

就若干運營與維護服務及服務特許經營安排下的運營與維護服務而言，本集團透過確認本集團有權開具發票的金額之收益應用可行權宜方法。按國際財務報告準則第15號准許，分配至該等未履行合約的交易價格並未披露。

地區資料

本集團主要於中國經營業務。本集團幾乎所有非流動資產及收益均位於中國及自中國產生。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

3. REVENUE AND SEGMENT INFORMATION (Continued)

Disaggregation of revenue (Continued)

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

3. 收益及分部資料（續）

收益的細分（續）

下文為按營運及可呈報分部劃分的本集團收益及業績分析：

		Segment revenue 分部收益		Segment profit 分部溢利	
		For the six months ended 30 June		For the six months ended 30 June	
		截至6月30日止六個月		截至6月30日止六個月	
		2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)
EPC	EPC	268,347	245,778	12,293	13,576
O&M	運維	150,943	248,620	28,274	118,014
Concession operation	特許經營	322,124	214,024	71,959	53,365
Others	其他	11,102	13,300	9,738	10,661
Total	總計	752,516	721,722	122,264	195,616
Unallocated other income and other gains and losses	未分配其他收入、其他收益及虧損			26,167	27,636
Unallocated selling and distribution expenses	未分配銷售及分銷開支			(12,194)	(10,980)
Unallocated administrative expenses	未分配行政開支			(45,144)	(50,507)
Unallocated reversal of impairment losses on financial assets and contract assets	未分配金融資產及合約資產的減值虧損撥回			4,215	178
Unallocated share of profit of associates	未分配分佔聯營公司溢利			16,263	14,941
Unallocated finance costs	未分配融資成本			(2,438)	(2,941)
Unallocated change in fair value of convertible ordinary shares	未分配可轉換普通股的公允價值變動			-	133,541
Unallocated listing expenses	未分配上市開支			-	(3,319)
Profit before tax	除稅前溢利			109,133	304,165

3. REVENUE AND SEGMENT INFORMATION

(Continued)

Disaggregation of revenue *(Continued)*

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the six months ended 30 June 2019 (2018: Nil).

Segment profit represents the gross profit of each segment. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

No segment assets and liabilities are presented as the CODM does not regularly review segment assets and liabilities.

3. 收益及分部資料 (續)

收益的細分 (續)

上文呈報的分部收益指來自外部客戶的收益。截至2019年6月30日止六個月概無分部間銷售(2018年：無)。

分部溢利指各分部的毛利。此為就資源分配及分部業績評估向主要運營決策者報告的方法。

由於主要運營決策者並未定期審閱分部資產及負債，因此，概無呈列分部資產及負債。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

3. REVENUE AND SEGMENT INFORMATION

(Continued)

Disaggregation of revenue (Continued)

Information about major customers

Revenue from customers during the year contributing over 10% of the total revenue of the Group are as follows:

		For the six months ended 30 June 截至6月30日止六個月	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
	Segment 分部		
Customer A 客戶A	O&M 運維	*	173,295
Customer B 客戶B	Concession operation & O&M 特許經營及運維	*	76,569
Customer C 客戶C	EPC EPC	*	73,566
Customer D 客戶D	EPC EPC	101,595	*

* Revenue from these major customers was less than 10% in the relevant period presented.

3. 收益及分部資料（續）

收益的細分（續）

主要客戶資料

於本年度，來自貢獻本集團總收益10%以上客戶的收益如下：

* 於呈報的相關期間，來自該等主要客戶的收益不足10%。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2019
截至2019年6月30日止六個月

4. OTHER INCOME AND OTHER GAINS AND LOSSES 4. 其他收入及其他收益及虧損

		For the six months ended 30 June 截至6月30日止六個月	
		2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Interest income	利息收入	16,735	21,496
Government grants	政府補助	9,333	6,572
Rental income, net	租金收入淨值	817	475
Fair value gain on equity instrument at FVTPL	按公允價值計入損益的權益工具之公允價值收益	669	-
Foreign exchange losses	外匯虧損	(3,005)	(1,074)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	6	10
Others	其他	1,612	157
		26,167	27,636

5. FINANCE COSTS 5. 財務成本

		For the six months ended 30 June 截至6月30日止六個月	
		2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Interest on bank borrowings	銀行借款利息	2,438	2,941

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

6. INCOME TAX EXPENSE

6. 所得稅開支

		For the six months ended 30 June 截至6月30日止六個月	
		2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)
PRC enterprise income tax ("EIT")	中國企業所得稅（「企業所得稅」）	13,923	30,471
Deferred tax	遞延稅項	3,537	4,656
Total	總計	17,460	35,127

The Company and CBEE Holdings Co., Ltd. ("CBEE"), the Company's subsidiary, were incorporated in the Cayman Islands and the British Virgin Islands ("BVI"), respectively. Both entities did not have tax assessable profit in Cayman Islands, BVI or other jurisdiction during the reporting periods.

Pursuant to the Enterprise Income Tax Law (the "EIT Law") effective on 1 January 2008, Beijing Boqi Electric Power SCI-TECH Co., Ltd. (北京博奇電力科技有限公司) ("Beijing Boqi") obtained a "High and New Technology Enterprise" (the "HNTE") in 2008 which Beijing Boqi was entitled to a preferential tax rate of 15% from 2008 to 2010 and could be re-applied every three years; the current active HNTE certificate has an effective date until December 2020.

In October 2015, Shanxi Hejin Boqi Environmental Technology Co., Ltd. (山西河津博奇環保科技有限公司) ("Hejin Boqi") obtained the approval for being eligible as the HNTE for the year ended 31 December 2015 which Hejin Boqi was entitled to a preferential tax rate of 15% from 2015 to 2017 and could be re-applied every three years; the current active HNTE certificate has an effective date until December 2021.

本公司及本公司附屬公司CBEE Holdings Co., Ltd. (「CBEE」) 分別於開曼群島及英屬處女群島（「英屬處女群島」）註冊成立。於報告期，該等實體於開曼群島、英屬處女群島或其他司法權區並無應課稅溢利。

根據於2008年1月1日生效的企業所得稅法（「企業所得稅法」），北京博奇電力科技有限公司（「北京博奇」）於2008年獲評為「高新技術企業」（「高新技術企業」），北京博奇據此於2008年至2010年間享有15%的優惠稅率且可每隔三年重新申請；目前生效的高新技術企業認證有效期至2020年12月。

於2015年10月，山西河津博奇環保科技有限公司（「河津博奇」）取得批文，於截至2015年12月31日止年度合資格為高新技術企業。河津博奇據此於2015年至2017年間享有15%的優惠稅率且可每隔三年重新申請；目前生效的高新技術企業認證有效期至2021年12月。

6. INCOME TAX EXPENSE (Continued)

In November 2016, Jiangxi Jinggangshan Boqi Environmental Technology Co., Ltd. (江西井岡山博奇環保科技有限公司) (“**Jinggangshan Boqi**”) obtained the approval for being eligible as the HNTE for the year ended 31 December 2016 which entitled Jinggangshan Boqi to a preferential tax rate of 15% from 2016 to 2018 and could be re-applied every three years, and the current active HNTE certificate has an effective date until November 2019.

In December 2017, Shanxi Puzhou Boqi Environmental Technology Co., Ltd. (山西蒲洲博奇環保科技有限公司) (“**Puzhou Boqi**”) obtained the approval, by which the desulfurisation program in Puzhou Boqi was entitled to a preferential income tax of three-years free from 2017, followed by a three-year preferential rate of 12.5%.

The applicable tax rate of other PRC subsidiaries of the Company was 25% for the six months ended 30 June 2019 (2018: 25%).

According to the relevant tax law in the PRC, dividend distributed to foreign investors out of the profit generated from 1 January 2008 onwards shall be subject to withholding tax at 10% and withheld by the PRC entities, pursuant to Articles 3 and 37 of the EIT Law and Article 91 of its Detailed Rules for the Implementation of the Regulation.

6. 所得稅開支(續)

於2016年11月，江西井岡山博奇環保科技有限公司(「**井岡山博奇**」)取得批文，於截至2016年12月31日止年度合資格為高新技術企業，井岡山博奇據此於2016年至2018年享有15%的優惠稅率且可每隔三年重新申請；目前生效的高新技術企業認證有效期至2019年11月。

於2017年12月，山西蒲洲博奇環保科技有限公司(「**蒲洲博奇**」)取得批文，蒲洲博奇的脫硫計劃自2017年享有免繳三年所得稅的優惠，其後三年可享有12.5%的優惠稅率。

截至2019年6月30日止六個月，本公司其他中國附屬公司的適用稅率為25% (2018年：25%)。

根據中國相關稅法，按企業所得稅法第3及37條以及其實施條例細則第91條，中國實體須就自2008年1月1日以來產生的溢利向海外投資者分派的股息繳納10%的預扣稅。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

7. PROFIT FOR THE PERIODS

7. 期內溢利

		For the six months ended 30 June 截至6月30日止六個月	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Profit for the periods has been arrived at after charging (crediting):	期內溢利乃經扣除 (計入)以下各項後得出:		
Staff costs, including directors' remuneration	員工成本(包括董事薪酬)		
Salaries and other benefits	薪資及其他福利	87,850	67,754
Contributions to retirement benefits scheme	退休福利計劃供款	10,329	5,807
Share-based payment expenses	以股份為基礎的付款開支	2,438	4,221
Total staff costs	員工成本總額	100,617	77,782
Gross rental income from investment properties	投資物業租金收入總額	(1,134)	(1,063)
Less: Direct operating expense (including depreciation) incurred for investment properties that generated rental income during the periods (included in other income and other gains and losses)	減: 期內產生租金收入的 投資物業產生的直接營運 開支(包括折舊)(計入其他 收入及其他收益及虧損)	317	588
		(817)	(475)
Cost of inventories recognised as expenses (included in cost of sales and services)	確認為開支的存貨成本 (計入銷售及服務成本)	185,075	232,087
Depreciation of property, plant and equipment	物業、廠房及設備折舊	10,611	5,345
Depreciation of investment properties	投資物業折舊	317	317
Amortisation of intangible assets	無形資產攤銷	24,531	19,145
Research and development expenses	研發開支	6,796	4,913
Auditor's remuneration	核數師薪酬	681	1,687

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

8. DIVIDENDS

During the current interim period, a final dividend of HK\$0.09 cents per share in respect of the year ended 31 December 2018 (2018: nil in respect of the year ended 31 December 2017) was declared and unpaid by the end of the current interim period. The directors of the Company have determined no dividend will be paid in respect of the interim period.

9. EARNINGS PER SHARE

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

Earnings figures are calculated as follows:

8. 股息

於本中期期間，本公司宣派截至2018年12月31日止年度的末期股息每股0.09港仙（2018年：截至2017年12月31日止年度無），於本中期末前仍未支付。本公司董事確定將不會支付中期股息。

9. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃基於以下數據計算：

盈利數字計算如下：

		For the six months ended 30 June 截至6月30日止六個月	
		2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Earnings:	盈利：		
Earnings for the purpose of calculating earnings per share (profit for the periods attributable to owners of the Company)- basic and diluted	計算每股盈利的盈利（本公司擁有人應佔期內溢利） — 基本及攤薄	90,767	269,713
Number of shares:	股份數目：		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	計算每股基本盈利的普通股加權平均數	1,008,532,145	803,757,748
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	計算每股攤薄盈利的普通股加權平均數	1,011,996,105	936,451,392

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

10. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENT 10. 服務特許經營安排項下的應收款項

		As at 30 June 2019 於2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Current portion	即期部分	17,868	12,526
Non-current portion	非即期部分	358,635	367,029
		376,503	379,555
Expected collection schedule is analysed as follows:	預計收款時間分析如下：		
Within one year	一年內	17,868	12,526
More than one year, but not more than two years	一年以上但不超過兩年	20,208	18,981
More than two years but not more than five years	兩年以上但不超過五年	119,634	88,811
More than five years	五年以上	218,793	259,237
		376,503	379,555

11. CONTRACT ASSETS AND CONTRACT LIABILITIES

The Group has rights to considerations from customers for the provision of construction, operation and maintenance services. Contract assets arise when the Group has rights to considerations for completion of such services and not yet billed under the relevant contracts, and their rights are conditioned on factors other than passage of time. Any amount previously recognised as a contract assets are transferred to trade receivables when the rights become unconditional. Remaining rights and performance obligations in a particular contract are accounted for and presented on a net basis, as either a contract asset or a contract liability.

11. 合約資產及合約負債

本集團有權就提供工程、營運及維護服務向客戶收取代價。合約資產於本集團有權就完成有關服務收取代價且尚未根據相關合約收費時產生，而其權利以隨著時間流逝以外的因素為條件。先前確認為合約資產的任何款項於有關權利成為無條件時轉移為貿易應收款項。個別合約內的餘下權利及履約責任按淨額基準入賬並呈列為合約資產或合約負債。

		As at 30 June 2019 於2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Construction contracts analysed for reporting purposes as follows:	供呈報用途作分析的 建造合約如下：		
Contract assets	合約資產	246,490	204,289
Contract liabilities	合約負債	(116,244)	(115,651)
<hr/>			
Contract assets are analysed for reporting purposes as follows:	供呈報用途作分析的 合約資產如下：		
Current	即期	246,490	204,289
<hr/>			
		246,490	204,289
<hr/>			
Contract liabilities are analysed for reporting purposes as follows:	供呈報用途作分析的 合約負債如下：		
Current	即期	116,244	115,651
<hr/>			
		116,244	115,651

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

12. TRADE AND NOTES RECEIVABLES

12. 貿易應收款項及應收票據

		As at 30 June 2019 於2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Trade receivables	貿易應收款項	721,178	802,046
Less: Allowance for doubtful debts	減：呆賬撥備	(21,043)	(22,976)
		700,135	779,070

The Group generally grants credit period between 30 to 90 days which are agreed with each of its trade customers. The extension of credit period to the customers may be granted on a discretionary basis by considering customer type, the current creditworthiness and the customer's financial condition and payment history with the Group.

Trade receivables relate to a number of independent customers that have a good track record with the Group. The allowance for doubtful debts of the Group is based on the evaluation of collectability and aging analysis of individual trade debts performed by the Directors. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer.

Notes receivables are bank acceptance notes and the aging is generally within 90 days to 180 days, which the Directors believe that no impairment allowance is necessary as there is no significant change in credit quality and the balances are considered fully recoverable.

本集團一般授出的客戶信貸期介乎30至90日，此乃與其各貿易客戶協定。本集團考慮客戶之類別、其目前信譽及財政狀況，以及其與本集團之過往付款紀錄而酌情向客戶授予延長信貸期。

貿易應收款項與若干與本集團之間保持良好往績記錄之獨立客戶有關。本集團的呆賬撥備乃基於董事對個別貿易應收款項進行的可回收性評估及賬齡分析。評估該等應收款項之最終變現能力採用若干的判斷，包括每名客戶的現有信譽及過往還款記錄。

應收票據為銀行承兌票據，且賬齡一般介乎90至180日，董事認為毋須就其計提減值撥備，因為信貸質素並無重大變動且該等結餘仍被視為可悉數收回。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2019
截至2019年6月30日止六個月

12. TRADE AND NOTES RECEIVABLES (Continued)

Aging analysis of trade receivables net of allowance for credit losses based on invoice date or notes receiving dates is as follows:

12. 貿易應收款項及應收票據(續)

按發票日期或應收票據日期呈列之貿易應收款項(扣除信貸虧損撥備)之賬齡分析如下:

		As at 30 June 2019 於2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
1 – 90 days	1日至90日	275,669	448,239
91 – 180 days	91至180日	95,110	75,851
181 – 365 days	181至365日	202,668	121,812
1 – 2 years	1至2年	81,779	81,775
2 – 3 years	2至3年	14,027	18,454
Over 3 years	超過3年	30,882	32,939
		700,135	779,070

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

13. TRADE AND NOTES PAYABLES

13. 貿易應付款項及應付票據

		As at 30 June 2019 於2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Trade payables	貿易應付款項	609,664	695,360
Notes payables	應付票據	277,665	190,175
Total	總計	887,329	885,535

The credit period on purchases of goods and services is generally 30 to 90 days. The table below sets forth, as at the end of reporting period indicated, the aging analysis of the trade and notes payables:

採購貨品及服務之信貸期一般為30至90日。下表載列於所示報告期末貿易應付款項及應付票據的賬齡分析：

		As at 30 June 2019 於2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Less than 90 days	少於90日	364,588	349,822
90 – 180 days	90至180日	162,365	194,485
180 days – 1 year	180至1年	119,758	92,898
1 – 2 years	1至2年	107,641	87,244
2 – 3 years	2至3年	43,499	58,310
Over 3 years	超過3年	89,478	102,776
Total	總計	887,329	885,535

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2019
截至2019年6月30日止六個月

14. SHARE CAPITAL

Details of the movement of share capital are as follows:

14. 股本

股本的變動詳情如下：

		Number of of shares	Nominal value per share	Share capital
		股份數目	每股面值	股本
			US\$	US\$
			美元	美元
Authorised	法定			
At 31 December 2018 and	於2018年12月31日及			
30 June 2019 (Unaudited)	2019年6月30日			
	(未經審核)	5,000,000,000	0.00001	50,000

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

14. SHARE CAPITAL (Continued)

14. 股本（續）

Issued 已發行		Ordinary shares 普通股	Class A ordinary shares A類 普通股	Class B convertible ordinary shares B類 可轉換普通股	Class C convertible ordinary shares C類 可轉換普通股	Total 總計	Nominal value per shares 每股面值 US\$ 美元	Share capital of ordinary shares and Class A ordinary shares 普通股及A類 普通股的股本 US\$ 美元
At 1 January 2018(Audited) (經審核)	於2018年1月1日 (經審核)	-	475,277,437	125,000,000	194,376,362	794,653,799	0.00001	4,753
Conversion of Class A ordinary shares to ordinary shares	A類普通股轉換 至普通股	475,277,437	(475,277,437)	-	-	-	0.00001	-
Conversion of Class B convertible ordinary Shares to ordinary shares	B類可轉換普通股 轉換至普通股	125,000,000	-	(125,000,000)	-	-	0.00001	1,250
Conversion of Class C-1 convertible ordinary Shares to ordinary shares	C-1類可轉換普通股 轉換至普通股	27,573,529	-	-	(27,573,529)	-	0.00001	276
Conversion of Class C-2 convertible ordinary Shares to ordinary shares	C-2類可轉換普通股 轉換至普通股	110,294,118	-	-	(110,294,118)	-	0.00001	1,103
Conversion of Class C-3 convertible ordinary Shares to ordinary shares	C-3類可轉換普通股 轉換至普通股	56,508,715	-	-	(56,508,715)	-	0.00001	565
Issue of new shares upon listing	於上市後發行的新股	216,105,000	-	-	-	216,105,000	0.00001	2,161
At 31 December 2018(Audited) (經審核)	於2018年12月31日 (經審核)	1,010,758,799	-	-	-	1,010,758,799	0.00001	10,108
Cancellation of treasury shares	註銷庫存股份	(2,360,000)	-	-	-	(2,360,000)	0.00001	(24)
At 30 June 2019 (Unaudited)	於2019年6月30日 (未經審核)	1,008,398,799	-	-	-	1,008,398,799	0.00001	10,084

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2019
截至2019年6月30日止六個月

14. SHARE CAPITAL (Continued)

14. 股本(續)

		As at 30 June 2019 於2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Presented as	呈列為	67	67

15. RELATED PARTY TRANSACTIONS AND BALANCES

15. 關連方交易及結餘

(a) Amounts due from related parties

(a) 應收關連方款項

Amounts due from related parties – trade nature

應收關連方款項 – 貿易性質

		As at 30 June 2019 於2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Yangxi Haibin Electric Power Development Co., Ltd. (“ Yangxi Electric ”)	陽西海濱電力發展有限公司 (「陽西電力」)	140,064	100,868
Yangmei Group Shouyang Boqi Electricity Co., Ltd. (“ Shouyang Power ”)	陽煤集團壽陽博奇發電有限責任公司 (「壽陽發電」)	27,057	26,735
Sinopec Shanghai Petrochemical Company Limited (“ Sinopec Shanghai ”)	中國石化上海石油化工股份有限公司 (「中國石化上海」)	13,374	47,007
Sinopec Shanghai Gaoqiao Petrochemical Co., Ltd. (“ Sinopec Shanghai Gaoqiao ”)	中國石化上海高橋石油化工有限公司 (「中國石化上海高橋」)	3,868	6,590
Chongqing Chuanwei Petrochemical Engineering Company Limited of the Sinopec Group (“ Chongqing Chuanwei ”)	中國石化集團重慶川維化工有限公司 (「重慶川維」)	2,880	–
Sinopec Fifth Construction	中石化五建	482	–
Richinfo Technology Co., Ltd. (“ Richinfo ”)	彩訊科技股份有限公司 (「彩訊」)	12	–
		187,737	181,200

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

15. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(a) Amounts due from related parties (Continued)

Amounts due from related parties – trade nature (Continued)

		As at 30 June 2019 於2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Analysed for reporting purpose as:	供呈報用途作以下分析：		
Current assets	流動資產	187,737	181,200
		187,737	181,200

The Group generally grants a credit period of 90 days to its related parties. Aging analysis of amounts due from related parties – trade nature, based on invoice date, is as follows:

(a) 應收關連方款項（續）

應收關連方款項 – 貿易性質（續）

		As at 30 June 2019 於2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
1 – 90 days	1至90日	44,227	72,896
91 – 180 days	91至180日	82,800	66,412
181 – 365 days	181至365日	30,645	8,290
1 – 2 years	1至2年	30,065	33,602
Over 3 years	超過3年	–	–
		187,737	181,200

本集團一般向其關連方授予90日的信貸期。應收關連方款項（貿易性質）按發票日期的賬齡分析如下：

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2019
截至2019年6月30日止六個月

15. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(a) Amounts due from related parties (Continued)

Amounts due from related parties – non-trade nature

		As at 30 June 2019 於2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Yangxi Electric (note (i))	陽西電力(附註(i))	140,208	143,287
Han Chuan Long Yuan (note (ii))	漢川龍源(附註(ii))	380	320
		140,588	143,607

Notes:

- (i) On 28 August 2017, the Group entered into a revised management service agreement with Guangdong Huaxia Electric and Yangxi Electric to extend the O&M service term from 1 January 2017 to 31 December 2017 to a term from 1 January 2017 to 31 December 2025 and require a deposit of RMB139,690,000, which was paid by the Group on 31 December 2017. The deposit is unsecured, and repayable at the end of the O&M service term.
- (ii) The balances are all unsecured, interest-free and repayable on demand.

附註：

- (i) 於2017年8月28日，本集團與廣東華廈電力及陽西電力訂立經修訂管理服務協議，將運維服務期限由2017年1月1日至2017年12月31日延長至2017年1月1日至2025年12月31日及需支付按金人民幣139,690,000元，有關按金已由本集團於2017年12月31日支付。該按金無抵押，須於運維服務期末償還。
- (ii) 該等結餘為無抵押、免息及須於要求時償還。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

15. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(a) Amounts due from related parties (Continued)

Amounts due from related parties – non-trade nature (Continued)

		As at 30 June 2019 於2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Analysed for reporting purpose as:	供呈報用途作以下分析：		
Current assets	流動資產	380	320
Non-current assets	非流動資產	140,208	143,287
		140,588	143,607

15. 關連方交易及結餘（續）

(a) 應收關連方款項（續）

應收關連方款項－非貿易性質（續）

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2019
截至2019年6月30日止六個月

15. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(b) Amounts due to related parties

Amounts due to related parties – trade nature

		As at 30 June 2019 於2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Boqi Environmental Engineering	博奇環保工程	176	176
Chongqing Chuanwei Petrochemical Engineering Company Limited (“Chongqing Chuanwei”)	重慶川維化工有限公司 (「重慶川維」)	-	10,546
Sinopec Ningbo Engineering Co., Ltd (“Sinopec Ningbo”)	中石化寧波工程有限 公司(「中石化寧波」)	8,062	9,718
Sinopec Fifth Construction Co., Ltd.	中石化第五建設有限公司	-	2,765
Richinfo Technology Co., Ltd (note)	彩訊科技股份有限公司(附註)	-	696
		8,238	23,901

Note: Richinfo is owned as to 49.5% by Mr. Zeng and an independent third party in aggregate acting-in-correct with each other.

(b) 應付關連方款項

應付關連方款項 – 貿易性質

附註：彩訊由曾先生及與其一致行動的獨立第三方擁有合共49.5%的股權。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

15. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(b) Amounts due to related parties (Continued)

Amounts due to related parties – trade nature (Continued)

The credit period granted by the related parties is ranging from 30 to 90 days. Aging analysis of amounts due to related parties – trade nature is as follows:

		As at 30 June 2019 於2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
1 – 90 days	1至90日	–	23,525
181 – 365 days	181至365日	8,062	–
Over 3 years	超過3年	176	376
		8,238	23,901

15. 關連方交易及結餘（續）

(b) 應付關連方款項（續）

應付關連方款項 – 貿易性質（續）

關連方授予的信貸期介乎30至90日。應付關連方款項（貿易性質）的賬齡分析如下：

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2019
截至2019年6月30日止六個月

15. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(c) The transactions with related parties during the periods reported are listed out below:

(c) 於報告期間，關連方交易載列如下：

		As at 30 June 2019 於2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 30 June 2018 於2018年 12月31日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Yangxi (note (i))	陽西 (附註(i))		
– O&M service	– 運維服務	63,824	173,295
– Interest income	– 利息收入	3,080	3,080
– Water and electricity, labor, spare parts and miscellaneous items charged by Yangxi	– 陽西收取的水電、勞工、備件及雜項費用		
		26,896	42,627
Shouyang Power (note (ii))	壽陽發電 (附註(ii))		
– EPC service	– EPC服務	–	(32)
Sinopec Shanghai (note (iii))	中國石化上海 (附註(iii))		
– EPC service	– EPC服務	–	43,419
Sinopec Shanghai Gaoqiao (note (iv))	中國石化上海高橋 (附註(iv))		
– EPC service	– EPC服務	–	5,017
Richinfo	彩訊		
– Purchase of intangible assets	– 購買無形資產	9	11
Sinopec Fifth Construction Co., Ltd. (note (v))	中石化第五建設有限公司 (附註(v))		
– Purchase of equipments	– 購買設備	4,956	–
– Purchase of construction service	– 購買建造服務	8,576	–
Chongqing Chuanwei	重慶川維		
– EPC service (note (vi))	– EPC服務 (附註(vi))	44,085	–
Sinopec Ningbo	中石化寧波		
– EPC service (note (vii))	– EPC服務 (附註(vii))	11,610	–

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 June 2019
截至2019年6月30日止六個月

15. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(c) The transactions with related parties during the periods reported are listed out below:
(Continued)

Notes:

- (i) In December 2016, the Group entered into a management service agreement, pursuant to which the Group provided O&M service to Yangxi Electric, and RMB63,824,000 was recognised as revenue during the six months ended 30 June 2019 (2018: RMB173,295,000). The Group also purchases water and electricity, labor, space parts and miscellaneous items from Yangxi Electric to support the O&M service. During the six months ended 30 June 2019, the Group purchased RMB26,896,000 (2018: RMB42,627,000) water and electricity, labor, space parts and miscellaneous items from Yangxi Electric;
- (ii) In December 2015, the Group entered into an EPC service contract with Shouyang Boqi for a total contract amount of RMB287,560,000, of which nil was recognised as loss during the period ended June 30, 2019 (2018: RMB32,000);
- (iii) In March 2017, the Group entered into an EPC service contract with Sinopec Shanghai for a total contract of RMB224,626,000, of which nil was recognised as revenue during the period ended 30 June 2019 (2018: revenue RMB43,419,000);

15. 關連方交易及結餘 (續)

(c) 於報告期間，關連方交易載列如下：(續)

附註：

- (i) 於2016年12月，本集團訂立管理服務協議，據此，本集團將提供運維服務予陽西電力，其中截至2019年6月30日止六個月確認收入為人民幣63,824,000元(2018年：人民幣173,295,000元)。本集團亦自陽西電力購買水電、勞工、備件及雜項項目，以支持運維服務。截至2019年6月30日止六個月，本集團自陽西電力購買水電、勞工、備件及雜項項目人民幣26,896,000元(2018年：人民幣42,627,000元)；
- (ii) 於2015年12月，本集團與壽陽博奇訂立EPC服務合約，總合約金額為人民幣287,560,000元，其中截至2019年6月30日止期間確認虧損零(2018年：人民幣32,000元)；
- (iii) 於2017年3月，本集團與中國石化上海訂立EPC服務合約，總合約金額為人民幣224,626,000元，其中截至2019年6月30日止期間確認收入零(2018年：收入人民幣43,419,000元)；

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2019
截至2019年6月30日止六個月

15. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(c) The transactions with related parties during the periods reported are listed out below:
(Continued)

- (iv) In April 2017, the Group entered into EPC service contract with Sinopec Shanghai Gaoqiao for a total contract amount of RMB16,990,000, of which nil was recognised as revenue during the period ended 30 June 2019 (2018: RMB5,017,000);
- (v) During the period ended 30 June 2019, the Group purchases equipments and construction service from Sinopec Fifth Construction for certain EPC contract for an amount of RMB4,956,000 and RMB8,576,000, respectively;
- (vi) In September 2018, the Group entered into an EPC service contract with Chongqing Chuanwei for a total contract amount of RMB194,870,000, of which RMB44,085,000 were recognised as revenue during the period ended 30 June 2019;
- (vii) In August 2018, the Group entered into an EPC service contract with Sinopec NingBo Engineering for a total contract amount of RMB24,800,000, of which RMB11,610,000 were recognised as revenue during the period ended 30 June 2019.

15. 關連方交易及結餘(續)

(c) 於報告期間，關連方交易載列如下：(續)

- (iv) 於2017年4月，本集團與中國石化上海高橋訂立EPC服務合約，總合約金額為人民幣16,990,000元，其中截至2019年6月30日止期間確認收入零(2018年：人民幣5,017,000元)；
- (v) 截至2019年6月30日止期間，本集團因若干EPC合約自中石化五建購買設備及建造服務的金額分別為人民幣4,956,000元及人民幣8,576,000元；
- (vi) 於2018年9月，本集團與重慶川維訂立EPC服務合約，總合約金額為人民幣194,870,000元，其中截至2019年6月30日止期間確認收入人民幣44,085,000元；
- (vii) 於2018年8月，本集團與中石化寧波工程訂立EPC服務合約，總合約金額為人民幣24,800,000元，其中截至2019年6月30日止期間確認收入人民幣11,610,000元。

Notes to the Condensed Consolidated Financial Statements (Continued)

簡明綜合財務報表附註（續）

For the six months ended 30 June 2019
截至2019年6月30日止六個月

15. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(d) Guarantees provided to Han Chuan Long Yuan

On 18 July 2014 and 15 January 2015, the Company and the Wuhan branch of China Everbright Bank entered into two separate financial guarantee contracts, pursuant to which Beijing Boqi will provide guarantees for the liabilities under the maximum credit limit amounting to RMB45,000,000 and RMB21,000,000, respectively, arising from securing two bank term loans to Han Chuan Long Yuan, for the loan period from 18 July 2014 to 17 July 2021 and from 15 January 2015 to 14 January 2022, respectively. The Company has considered the initial fair value of such guarantee was immaterial and that Han Chuan Long Yuan has made repayments to China Everbright for their bank loans in accordance with the scheduled repayment dates set out in the bank borrowing agreements, it is not probable that the Group will result in payment under such financial guarantee.

15. 關連方交易及結餘（續）

(d) 向漢川龍源提供的擔保

於2014年7月18日及2015年1月15日，本公司與中國光大銀行武漢分行訂立兩項獨立財務擔保合約，據此，北京博奇將按最高信貸額分別為人民幣45,000,000元及人民幣21,000,000元的負債提供擔保，負債乃由於獲取兩項銀行定期貸款予漢川龍源所致，貸款期限分別為2014年7月18日至2021年7月17日期間及2015年1月15日至2022年1月14日期間。本公司表示，彼等認為相關擔保的初始公允價值並不重大，且漢川龍源已根據銀行借款協議所載的計劃償還日期向中國光大償還銀行貸款，本集團不大可能就該財務擔保支付任何款項。

16. COMMITMENT FOR CAPITAL EXPENDITURE

16. 資本開支承擔

	As at 30 June 2019 於2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Commitments for construction of infrastructure under concession operation (contracted but not provided for)	112,011	84,538
特許經營項下建造基礎設施的承擔（已訂約但未撥備）		

17. SUBSEQUENT EVENTS

There has been no material events subsequent to the period, which require adjustment or disclosure in accordance with IFRSs.

17. 期後事項

期後並無重大事件須根據國際財務報告準則作出調整或披露。

“Board”	the board of directors of the Company
“Company”, “our Company” or “China Boqi”	China Boqi Environmental (Holding) Co., Ltd., previously known as China Boqi Engineering Co., Ltd., a company incorporated in the Cayman Islands on 30 January 2015 as an exempted limited liability company
“Director(s)”	the director(s) of the Company
“EPC”	environmental protection facility engineering
“Group”, “our Group”, “we” or “us”	the Company and its subsidiaries
“Listing Date”	16 March 2018, on which the Shares were Listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“M&A”	merger and acquisition
“O&M”	operation and maintenance
“PRC” or “China”	the People’s Republic of China which, unless otherwise specified, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan in this interim report
“Reporting Period”	the six months ended 30 June 2019
“RMB”	Renminbi, the lawful currency of China
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of nominal value of US\$0.00001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

Definitions

釋義 (續)

「董事會」	指	本公司董事會
「公司」、「本公司」 或「中國博奇」	指	中國博奇環保(控股)有限公司，前稱為中國博奇工程有限公司，一間於2015年1月30日在開曼群島註冊成立的獲豁免有限公司
「董事」	指	本公司董事
「EPC」	指	環保設施工程
「集團」、「本集團」 或「我們」	指	本公司及本公司的附屬公司
「上市日期」	指	2018年3月16日，股份於聯交所上市日期
「上市規則」	指	聯交所證券上市規則
「併購」	指	合併與收購
「運維」	指	運營與維護
「中國」	指	中華人民共和國，除非特別說明，本文中不包括香港特別行政區、澳門特別行政區及台灣
「報告期」	指	截至2019年6月30日止六個月
「人民幣」	指	人民幣，中國法定貨幣
「證監會」	指	證券及期貨事務監察委員會
「證券及期貨條例」	指	香港法例第571章證券及期貨條例，經不時修訂、補充或以其他方式修改
「股份」	指	本公司股本中每股面值0.00001美元的普通股
「股東」	指	股份持有人
「聯交所」	指	香港聯合交易所有限公司
「%」	指	百分比

中国博奇环保(控股)有限公司

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