LESSO 联塑

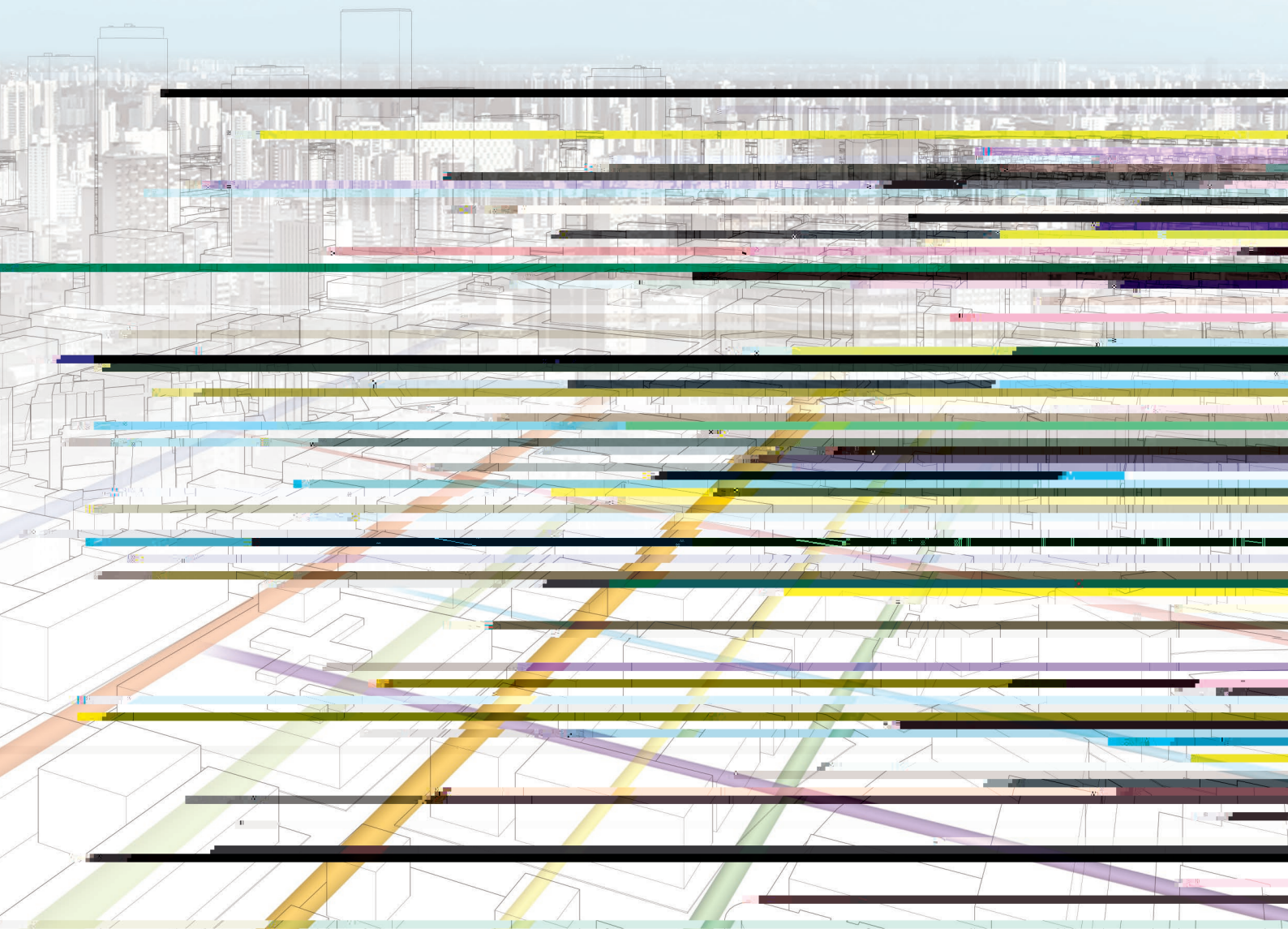
CHINA LESSO GROUP HOLDINGS LIMITED
中國聯塑集團控股有限公司

Incorporated in the Cayman Islands with limited liability
於開曼群島註冊成立的有限公司

Stock Code 股份代號：2128

Improve Urban Quality of Life
為城市提高品質生活

2017 Interim Report 中期報告



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FINANCIAL HIGHLIGHTS
財務摘要

		截至 月 0日止六個月 01	2016	月 0日 01	31 December 12月31日 2016	*Change 變動*
('000)	（人民幣千元）					
Revenue	收入	,0	7,325,116			*22.6%*
Gross profit	毛利	1, 0	2,183,486			*12.7%*
Finance costs	融資成本		41,511			*138.4%*
EBITDA	除息稅 z 葍檇盈					

China Lesso is a leading large-scale industrial group that manufactures building materials and interior decoration products in mainland China. The Group has 22 advanced production bases in 16 provinces which support its nationwide sales network. The Group endeavours to enhance its strategic business presence and distribution and sales network, offering a comprehensive range of diverse, quality products and sales services.

Quality products, strong brand influence, advanced technologies in research and development and a wide sales network have reinforced the Group's market leadership in China, especially southern China. In recent years, the Group has been actively developing business in other local markets and overseas markets. In addition to steadily enhancing the core business of pipe manufacturing, the Group has capitalised on the trends of the market by further expanding its new business of building materials and interior decoration products. Such products include systems of doors and windows, sanitary ware products and integrated kitchens. As a result, the Group is able to provide customers with one-stop services, and building materials and interior decoration products with high performance-price ratios.

The five letters of LESSO represent our corporate philosophy of "Link, Easy, Safe, Share, and Open", symbolising the Gr Grouphas China Lessp has

Market Overview

During the period under review, China's economic growth exceeded expectations. As the country pressed ahead with the supply-side reform, its economic growth has become steadier. The Chinese government continued to commit more support to the country's infrastructure and, as a result, a number of construction projects and major hydraulic engineering projects were started. Specifically, construction of underground pipeline utility tunnel accelerated, and a new type of urbanisation was being pursued, thus boosts the higher demand for plastic pipes and pipe fittings.

To promote the modernisation of agriculture and construction of a new type of rural villages, the plan for "Beautiful Villages" was proposed at the Fifth Plenum of the 16th Central Committee of the Communist Party of China ("CPC") with the aim of constructing sustainable rural villages with scientific planning, advanced production, prosperous life-style, and agreeable living and working environment, and of stepping up its efforts in rural ecological construction, environmental protection, and comprehensive improvement. Included in its efforts was the construction of such infrastructure as water supply, power supply, gas supply, drainage ditch, sewage collection pipe network and sewage treatment so as to advance the integration of urban and rural communities. Strengthening rural infrastructure construction was also prioritized among the tasks of the year in the 2017 Report on the Work of the Government by the State Council, which promised to increase water supply to better ensure access to safe drinking water, intensify efforts to renovate dilapidated houses, improve the rural living environment, and construct beautiful villages. The relevant construction planning has added impetus to the growth in demand for plastic pipes and pipe fittings, thus boding well for the relevant prospect.

市場概況

回顧期內，中國經濟增長較預期良好，隨著供給側結構性改革的深入推進，經濟增長的穩定性明顯增強。中國政府持續提升基礎設施支撐能力，多項建築和重大水利工程陸續開工，地下綜合管廊建設加快，新型城鎮化的深入推進，推動塑料管道及管件的需求增長。

為推進農業現代化和新農村建設，「美麗鄉村」規劃於第十六屆五中全會提出，旨在建設規劃科學、生產發展、生活寬裕、鄉風文明，宜居、宜業的可持續發展鄉村，進一步加強農村生態建設、環境保護和綜合整治工作。其中包括於農村環境基礎設施建設滯後的地區，開展供水、供電、燃氣供應、排水溝、污水收集管網、污水處理等基礎設施的建設，推進城鄉一體化的城鎮化發展和新農村建設。《2017年國務院政府工作報告》亦將加強農村基礎設施建設作為年內重點工作任務，提出將提高農村飲水安全供水保證率，加大農村危房改造力度，推進農村人居環境整治，建設美麗鄉村。相關建設

During the period under review, the Chinese government steadily implemented the construction of "Underground Pipeline Utility Tunnel" and carried out the scheme of "Sponge City", creating favorable conditions for the application of plastic pipes. As of April 2017, under the pilot project of Underground Pipeline Utility Tunnels, construction of 687 kilometers of the tunnels were started, with 260 kilometers of tunnels constructed and more than RMB40 billion invested. Meanwhile, under the pilot project of Sponge City, the 420 square kilometers of such kind of cities were constructed, with approximately RMB54.4 billion invested. In China, 370 cities have put forward special plans for the construction of Sponge City. In May 2017, the Ministry of Housing and Urban-Rural Development and the National Development and Reform Commission jointly published "13th Five-year Plan for Construction of National Urban Municipal Infrastructure", which aimed at having 2% of the total lengths of urban streets and roads built with underground pipeline utility tunnels by the year 2020; and having 20% of the area of the cities constructed to meet the requirements of Sponge City by the same year. In April 2017, the State Council set up Xiongan New Area which features the Underground Pipeline Utility Tunnel as an example. The market estimated that the budget for the project will reach RMB100 billion.

"13th Five-year Plan for Construction of National Urban Municipal

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2017 is a critical year for the implementation of the "Action Plan for Prevention and Control of Water Pollution" and the progress in certain phases of the plan as it is driven by policies and market demands. The recently amended Water Pollution Prevention and Control Law of the People's Republic of China stipulated and urged the fulfillment of the responsibilities of local governments at all levels for ensuring water quality in the environment. Moreover, on 8 June 2017, the Ministry of Environmental Protection issued the List of Pipeline Projects of the Central Government's Water Pollution Prevention and Control Projects for 2017, which listed over 3,300 specific engineering projects which call for a total investment of approximately RMB300 billion. According to the Ministry of Environmental Protection, it will require a total investment of approximately RMB4.6 trillion to complete the "Action Plan for Prevention and Control of Water Pollution", and the increase in investment in sewage treatment is estimated to add approximately RMB1.9 trillion of output value for the environmental protection industry.

市場概況(續)

在政策驅動和市場需求之下，2017年是「水污染防治行動計劃」落地實施及完成階段目標的關鍵一年。新修訂的《中華人民共和國水污染防治法》明確並督促了各級政府的水環境品質責任。此外，2017年6月8日，環保部印發了《2017年度水污染防治中央項目儲備庫項目清單》，涉及3,300多個具體工程項目，總投資約人民幣3,000億元。根據環保部數據，完成「水污染防治行動計劃」全社會投資大概需要人民幣4.6萬億元，通過加大治污投資將帶動環保產業新增產值約人民幣1.9萬億元。

In the 1H 2017, local governments in China continued with the administrative measures to regulate the real estate industry, subjecting more cities to such measures. The governments of the first- and second-tier cities imposed housing price controls, and those in the third- and fourth-tier cities pressed ahead with the policy of inventory clearance. This resulted in deceleration of growth in property investment. The slowdown in real estate investment led to a sluggish market in building materials and interior decoration products in the first half of the year. However, with the deepening of the supply-side reform and the implementation of the new-type of urbanisation, the decoration of new flats and refurbishment of second-hand flats has created new opportunities for the building materials and interior decoration industry.

2017年上半年，中國各地政府對房地產行業繼續進行政策調控，調控城市陸續增加，政府於一二線城市控房價，三四線城市推進房地產去庫存政策，使得房地產投資增速有所回落，受房地產投資放緩的直接影響，上半年建材家居市場表現稍顯低迷。但隨著供給側結構性改革的深入，新型城鎮化的推進，核心城市的次新房和房產再裝修將為建材家居行業帶來新機遇。

During the period under review, China furthered its cooperation with countries covered by its Belt and Road Initiative in infrastructure construction and trade. On top of this, the Chinese government stepped up its efforts to increase investment in various industries so as to facilitate trade. It also strengthened financial cooperation with the relevant countries to facilitate financing. As a result, the overseas businesses have become the growth drivers for Chinese enterprises. Many countries and regions covered by the Belt and Road Initiative are still at the early stage of urbanisation and thus there is still huge potential for infrastructure construction. This will generate substantial demand for plastic pipes and pipe fittings, building materials, hardware, and electrical equipment.

回顧期內，中國與「一帶一路」沿線國家在基礎設施建設、貿易等方面合作實現了更深入的探討。另一方面，政府更有力地推進落實擴大產業投資，實現貿易暢通，加強金融合作，促進資金融通，使得海外業務逐漸成為中國企業新的增長點。「一帶一路」沿線國家在內的很多地區仍處於城鎮化建設的起始階段，基礎設施建設空間與潛力巨大，將為塑料管道和管件以及建材、五金及電氣設備帶來大量需求。

Business Review

The plastic pipes and pipe fittings business has always been the principal business of China Lesso. During the period under review, the business maintained its robust growth momentum as the Group proactively secured various infrastructure and livelihood projects from the government which boosted sales of plastic pipes and pipe fittings products. Moreover, the Group proactively participated in real estate projects in China to drive the building materials and interior decoration business. As of 30 June 2017, the Group's revenue increased by 22.6% year-on-year to RMB8,977 million (1H 2016: RMB7,325 million).

The table below sets out the breakdown of revenue by business unit for the six months ended 30 June 2017 and 2016:

業務回顧

塑料管道及管件業務一直是中國聯塑的主營業務。回顧期內，由於本集團積極把握政府各項基建及民生項目，提高塑料管道及管件的產品銷量，令該業務保持穩健增長。此外，本集團積極參與國內房地產項目，推動建材家居的業務。截止2017年6月30日，本集團之收入按年增加22.6%至人民幣89.77億元(2016年上半年：人民幣73.25億元)。

下表載列截至2017年及2016年6月30日止六個月收入按業務劃分的詳情：

		收入			佔總收入%	
		01	2016		01	2016
		人民幣百萬元	RMB million 人民幣百萬元	*Change 變動*		
Plastic Pipes and Pipe Fittings	塑料管道及管件	,0	6,605	*21.7%*	, . %	90.2%
Building Materials and Interior Decoration Products	建材家居產品	0	406	*37.7%*	. %	5.5%
Others#	其他#	,	314	*21.0%*	. %	4.3%
Total	總計	,,	7,325	*22.6%*	**100.0%**	100.0%

"Others" includes businesses of environmental engineering and other related services, financial services and others.

「其他」包括環境工程及其他相關服務、金融服務及其他業務等。

As at 30 June 2017, the number of independent and exclusive first-tier distributors of the Group across China increased to 2,150 (1H 2016: 2,135). While continuing to focus its marketing efforts on southern China, the Group took initiatives to develop other regional markets. In particular, the production base in Hunan which has come close to completion and will commence operation in the 2H 2017, is expected to consolidate the Group's presence in the local market. Furthermore, the Group remained committed to improving the facilities at its production bases, namely by increasing the automation level and upgrading production technology and equipment there. During the period under review, revenue from southern China and those from other regions accounted for 58.1% and 41.9% respectively (1H 2016: 60.2% and 39.8%, respectively) of the Group's total revenue.

截止2017年6月30日，本集團於全國各地的獨立獨家一級經銷商數目增至2,150名(2016年上半年：2,135名)。華南市場繼續為本集團的主要市場，本集團亦積極拓展華南市場以外地區，其中湖南生產基地的建設已接近完成階段，並將於2017年下半年正式投入生產，預期將加強本集團在該地區市場的發展。此外，本集團致力優化現有生產基地的設備，提高自動化水平及升級生產技術設備。回顧期內，本集團來自華南地區及華南以外地區的收入佔本集團總收入分別為58.1%及41.9%(2016年上半年：60.2%及39.8%)。

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業務回顧(續)

The table below sets out the breakdown of revenue by region for the six months ended 30 June 2017 and 2016:

下表載列截至2017年及2016年6月30日止六個月收入按地區劃分的詳情：

Region[#] 地區[#]		收入			佔總收入%	
		01	2016		**01**	2016
		人民幣百萬元	RMB million 人民幣百萬元	***Change*** ***變動***		
Southern China	華南	**, 1**	4,406	*18.4%*	**.1%**	60.2%
Southwestern China	西南	**0**	698	*23.2%*	**. %**	9.5%
Central China	華中	**, 0**	800	*13.3%*	**10.1%**	10.9%
Eastern China	華東		406	*53.7%*	**. %**	5.5%
Northern China	華北		429	*36.1%*	**. %**	5.9%
Northwestern China	西北	**, ,**	235	*27.3%*	**. %**	3.2%
Northeastern China	東北	**1 ,**	112	*59.5%*	**.0%**	1.5%
Outside China	中國境外	**10**	239	*29.8%*	**. %**	3.3%
Total	總計	**,**	7,325	*22.6%*	**100.0%**	100.0%

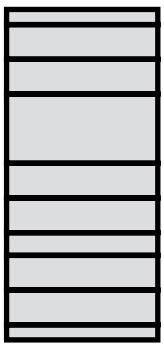
[#] Details of the scope of coverage of each region are set out in note 3 to condensed consolidated financial statements.

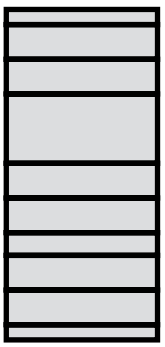
[#] 各地區的覆蓋範圍詳情載於簡明綜合財務報表附註3。

PLASTIC PIPES AND PIPE FITTINGS BUSINESS

The Group offered a comprehensive range of quality plastic pipes and pipe fittings, which can be applied in the fields of water supply, drainage, power supply, communications, gas transmission, agriculture, aquaculture, floor heating and fire services. During the period under review, revenue from the plastic pipes and pipe fittings business increased by 21.7% year on year to RMB8,038 million from RMB6,605 million for the same period last year, accounting for 89.5% of the Group's total revenue (1H 2016: 90.2%).

The table below sets out the breakdown of revenue from plastic pipes and pipe fittings business by product application for the six months ended 30 June 2017 and 2016:





PLASTIC PIPES AND PIPE FITTINGS ( )

The table below sets out the breakdown of average selling price, sales volume, and revenue from plastic pipes and pipe fittings business by product material for the six months ended 30 June 2017 and 2016:

		平均售價			銷量			收入		
		01	2016		01	2016		01	2016	
			RMB			Tonne			RMB million	
		人民幣元	人民幣元	*Change 變動*	噸	噸	*Change 變動*	人民幣百萬元	人民幣百萬元	*Change 變動*
PVC products	PVC產品	, ,	6,991	*9.1%*	0 ,11	626,413	*12.1%*	,	4,379	*22.3%*
Non-PVC products#	非PVC產品#	1 , 0	15,654	*2.1%*	1 ,	142,198	*18.0%*	, 1	2,226	*20.4%*
Total	總計	, , 0	8,593	*7.5%*	, , 1	768,611	*13.2%*	,0	6,605	*21.7%*

BUILDING MATERIALS AND INTERIOR DECORATION PRODUCTS

The Group captured the opportunities in the country's new type of urbanisation by actively developing the business of building materials and interior decoration products. Such business provides various types of integrated building materials and interior decoration products as well as the solutions for a diverse range of residential property projects. The products include sanitary ware products, integrated kitchens, systems of doors and windows and decorative boards, etc. Revenue from this business unit increased by 37.7% year on year to RMB560 million (1H 2016: RMB406 million), accounting for 6.3% of the Group's total revenue.

The Group will take effort to widen the product range of this business unit, which is expected to remain as one of the highlights in the Group's sales in the future and will gradually account for a higher proportion of the Group's total revenue.

ENVIRONMENTAL PROTECTION BUSINESS

To capitalise on the Chinese government's environmental initiatives, the Group diversified into environmental protection business. The Group is operating projects in municipal sewage, river treatment, soil restoration, "Underground Pipeline Utility Tunnel" and "Sponge City" as well as the production and sales of integrated water purification equipment.

As a supplier of plastic pipe and pipe fitting products, the Group can satisfy the demand for plastic pipes and pipe fittings from such projects. Therefore, the environmental protection industry will bring long-term commercial synergy to the Group's plastic pipes and pipe fittings business. The Group is committed to becoming a one-stop environmental service provider so as to contribute to the green life of residents.

業務回顧(續)

建材家居產品

本集團把握新型城鎮化的機遇，積極拓展建材家居產品業務，為不同房地產工程項目提供多種類及一體化的建材家居產品及解決方案，包括水暖衛浴產品、整體廚房、門窗系統及裝飾板材等多元化產品。該業務收益增長37.7%至人民幣5.6億元(2016年上半年：人民幣4.06億元)，佔本集團總收入的6.3%。

本集團將致力拓寬該業務的產品範圍，預期建材家居產品業務將繼續成為本集團未來業務的銷售亮點，並會逐漸擴大該業務佔集團總收益的佔比。

環保產業

為配合中國政府推動的環境保護措施，本集團積極拓展環保業務。目前涉及市政污水、河涌治理、土壤修復、地下綜合管廊、海綿城市、一體化淨水設備等項目。

該等項目存在對塑料管道及管件的產品需求，本集團可作為供應商為其提供管道產品。因此，環保產業將為本集團塑料管道及管件業務帶來長遠商業協同效應。本集團致力成為一站式環保服務供應商，為居者打造綠色生活。



CAPITAL EXPENDITURE

The capital expenditure for the 1H 2017 was approximately RMB1.50 billion, which was partly used for, among others, automation equipment upgrades, expansion of the existing production bases, construction of a production base in Hunan and acquisition of overseas properties.

The Group continued to promote production automation technologies to make its pipe production fully mechanised. This is aimed at improving the capacity and quality of the production. During the period under review, the Group's annual designed capacity for the production of plastic pipes and pipe fittings increased to 2.24 million tonnes from 2.20 million tonnes in 2016, with a capacity utilisation rate of 80.3%. When the production base in Hunan is put into operation in the 2H 2017, the 2017 total annual designed production capacity is estimated to increase by 100,000 tonnes to 2.30 million tonnes.

業務回顧(續)

資本開支

2017年上半年的資本開支為約人民幣15億元，其中部份用於改進自動化設備、現有生產基地的擴建工程及興建湖南生產基地，以及購置海外物業用途。

本集團繼續推廣生產自動化技術的應用，在管道產品生產中全面實現機械化，以提高本集團的產能和質量。回顧期內，本集團塑料管道及管件生產的年度設計產能由2016年的220萬噸擴至224萬噸，期內產能使用率達80.3%。同時，隨著湖南生產基地將於2017年下半年正式投入生產，預計2017年的年度設計產能將增加10萬噸至230萬噸。

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In the 1H 2017, China's economy stabilised and showed signs of improvement and this development is expected by the market to gain momentum in the second half of the year. Nevertheless, structural problems accumulated in the country's economy remain pronounced while foreign economies remain unstable and uncertain. As a result, downward pressure on the economy still cannot be underestimated. The Group remains cautiously optimistic about its business prospect and will adopt the following initiatives in actively developing building materials and interior decoration products and environmental businesses while further consolidating its plastic pipes and pipe fittings business. Such initiatives can fuel its sustainable business growth in the future.

EXPAND PRODUCTION CAPACITY AND IMPROVE PRODUCTIVITY

The Group has been aligning capacity expansion with its development and actual needs to meet market demand. For the existing production bases, the Group will further improve machinery and ancillary equipment, promote automation and accelerate the production process, so as to expand production capacity and improve productivity. Meanwhile, the Group is preparing to put its production base in Hunan into operation which is scheduled for the second half of this year.

PRESS AHEAD WITH R&D TO IMPROVE PRODUCT QUALITY

Profound changes have been happening in China's building materials and interior decoration products industry, and the upgrading of the industry is the direction of the development. To adapt itself to this trend, the Group will strive to enhance its competitiveness in the research and development of products and technologies, accelerate the transformation and the upgrading of its businesses, and proactively expand its distribution network and market coverage. With a leading R&D team in place, the Group will step up investment in innovations and R&D, focusing on cutting-edge technologies in the building materials and interior decoration products industry to secure its technological leadership among peers with an aim of offering a diverse range of quality products to the customers.

未來策略

2017年上半年中國國民經濟穩中向好態勢更

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DEVELOP ENVIRONMENTAL PROTECTION BUSINESS TO ACHIEVE SYNERGIES

Environmental policies adopted by the Chinese government under the 13th Five-year Plan have presented immense opportunities for the environmental protection industry to tap a vast market with huge potential for growth. The Group will aggressively develop environmental business while continuously improving its operation, technology, qualification and project management practices. The Group will exert itself to foster new growth drivers to pursue cross-segment synergies and income diversification.

DEVELOP "LESSO HOME" BUSINESS

The Group has purchased or leased properties in major cities in the US, Canada, and Australia for developing "Lesso Home" business in future.

未來策略(續)

發展環保業務　實現協同效應

中國政府為「十三・五」計劃推出一系列環保政策，在國家政策的推動下，環保產業預計將迎來市場機遇與潛力。本集團將積極發展環保業務，同時不斷加強其運營、技術、資質及項目管理的標準。努力培育新的業務增長點，以實現本集團業務協同效應及收入多元化。

發展「領尚環球之家」業務

本集團已於美國、加拿大、澳洲等國家之主要城市購買或租賃物業作為未來發展「領尚環球之

Performance

For the six months ended 30 June 2017, benefited from the strong demand for the plastic pipes and pipe fittings, the Group's revenue increased by 22.6% year-on-year to RMB8,977 million (1H 2016: RMB7,325 million). The gross profit rose by 12.7% to RMB2,461 million (1H 2016: RMB2,183 million), with gross profit margin dropped by 2.4 percentage points to 27.4% (1H 2016: 29.8%).

The Group recruited more staff for business expansion and tapping into new markets. This resulted in a corresponding increase in expenditure, including staff costs, marketing and promotion expenses. Nevertheless, the Group effectively managed its overall cost and enhanced operation efficiency through economies of scale and improvement in the utilisation rate of production facilities, so as to respond and reduce the pressure which stemmed from rising costs. These measures have contributed to the sustainable development and healthy profitability of the Group. EBITDA was RMB1,638 million (1H 2016: RMB1,511 million), representing an increase of 8.4% year-on-year and the EBITDA ratio was 18.2% (1H 2016: 20.6%; full year of 2016: 18.1%) in the 1H 2017.

The Group's effective tax rate decreased to 22.4% during the period under review (1H 2016: 23.2%). Profit before tax increased by 3.5% year-on-year to RMB1,225 million (1H 2016: RMB1,184 million) while profit attributable to the owners of the Company increased by 6.4% to RMB971 million (1H 2016: RMB912 million). Basic earnings per share increased by 6.9% year-on-year to RMB0.31 (1H 2016: RMB0.29).

業績表現

於截至2017年6月30日止六個月，由於塑料管道及管件需求旺盛，本集團的收入按年增加22.6%至人民幣89.77億元(2016年上半年：人民幣73.25億元)。毛利增加12.7%至人民幣24.61億元(2016年上半年：人民幣21.83億元)，而毛利率下降2.4個百分點至27.4%(2016年上半年：29.8%)。

本集團增聘人手以應付業務擴充和開拓新市場，令員工成本、營銷和推廣開支等支出相應增加。然而，本集團仍能通過規模經濟效益及改善生產設施使用率等措施，有效管理整體成本和提升營運效益，回應和抵銷成本上漲所帶來的壓力，從而有助本集團持續發展和維持健康的盈利水平。除息稅折攤前盈利為人民幣16.38億元(2016年上半年：人民幣15.11億元)，按年增加8.4%，而於2017年上半年的除息稅折攤前盈利率為18.2%(2016年上半年：20.6%；2016年全年：18.1%)。

回顧期內，本集團的實際稅率下降至22.4%(2016年上半年：23.2%)。除稅前溢利按年增加3.5%至人民幣12.25億元(2016年上半年：人民幣11.84億元)，而本公司擁有人應佔溢利增加6.4%至人民幣9.71億元(2016年上半年：人民幣9.12億元)。每股基本盈利按年增加6.9%至人民幣0.31元(2016年上半年：人民幣0.29元)。

財務狀況

As at 30 June 2017, certain of the Group's available-for-sale investments with an aggregate net carrying amount of approximately RMB36 million were pledged to a bank to secure the banking facility granted and this banking facility has not been utilised.

The secured bank loans are secured by: i) the concession rights of a subsidiary and personal guarantee provided by a shareholder of that subsidiary; ii) certain commercial bills received by the Group during its provision of factoring services; and iii) certain receivables from supply-chain financing services.

LONG-TERM FINANCIAL INVESTMENTS

As at 30 June 2017, the Group held long-term financial investments of approximately RMB1,457 million (31 December 2016: RMB823 million). The investment portfolio comprised of 82.2% listed equity securities (issued by PRC-based home improvement and furnishings shopping malls operating company and PRC-based environmental companies), 2.5% listed debt securities, 2.4% listed non-cumulative redeemable preference shares, 0.6% listed perpetual capital securities and 12.3% private equity and unlisted securities. Each of these investments has a carrying amount accounting for less than 5% of the Group's unaudited total assets as at 30 June 2017.

The portfolio movement in current period is mainly attributable to the purchase of approximately RMB800 million listed equity securities of Red Star Macalline Group Corporation Ltd. (Stock code: 1528.hk)(the "Acquisition"). Details of the Acquisition can be found in the C as at 30 J421TD[carry(of)13oc5e4411.20.5(a)0.6(nTc 0.077 Tw T*[f)0.5(c)0.5(o)0.6(m)0.5(v)0.5(a)0.6(r)5e4411d11

[illegible] ( )

LONG-TERM FINANCIAL INVESTMENTS ( )

The Group will study the market and information of the prospective investees cautiously before it makes its investment decisions. The Group will also monitor the performance of its investee closely and regularly after purchases and will adjust the investment strategy in a cautious manner to minimise the impact of market volatility on the Group as and when necessary.

INVESTMENT PROPERIES

As at 30 June 2017, the Group's investment properties were approximately RMB3,517 million, which are under the planning stage of development.

Save as disclosed above, the Group did not have any significant investments as at 30 June 2017.

[illegible]

As at 30 June 2017, the Group did not have any significant contingent liabilities.

[illegible]

As at 30 June 2017, the Group employed a total of approximately 10,000 employees including directors. Total staff costs were RMB391 million during the period. The Group ensures that the remuneration packages for employees are determined based on their work performance, professional experience and the prevailing industry practice. Discretionary year-end bonus may be paid to employees based on individual performance. Other benefits to employees include medical insurance, retirement scheme and training programmes.

重大投資(續)

長期金融投資(續)

於作出投資決策前，本集團會審慎研究市場及潛在被投資方的資料。本集團會於購入後密切及定期監管被投資方的表現，並會審慎地調整投資策略，以期在必要時盡量減低市場波動對本集團的影響。

投資物業

於2017年6月30日，本集團的投資物業約為人民幣35.17億元，該等物業尚處於規劃發展階段。

除上文所披露者外，於2017年6月30日，本集團並無任何重大投資。

或然負債

於2017年6月30日，本集團概無任何重大或然負債。

人力資源

於2017年6月30日，本集團共聘用約10,000名僱員，包括董事在內。期內的員工成本總額為人民幣3.91億元。本集團確保僱員薪酬乃根據其工作表現、專業經驗及現行行業慣例釐定，並可按照個人表現年底酌情向僱員發放花紅。

審核委員會

The audit committee of the Company has reviewed the accounting policies adopted by the Group and the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2017. Such condensed consolidated financial statements have not been audited but have been reviewed by the independent auditor of the Company, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

China Lesso is always committed to maintaining high standards of corporate governance practices and business ethics of the Group. The Board believes in good corporate governance practices and business ethics which are essential for achieving sustainable development, establishing investors' confidence in the Company and safeguarding and enhancing the interests of the Shareholders.

In pursuit of good and high standards of corporate governance practices, the Board reviews the corporate governance practices of the Company from time to time so as to meet the expectations of the Shareholders for continual improvement, comply with increasingly stringent regulatory requirements and fulfill its commitment of pursuing excellent corporate governance. In the opinion of the directors, the Company complied with all the applicable code provisions of the Code during the period.

The Company has adopted the Model Code as the code governing securities transactions by directors of the Company. Having made specific enquiry to the directors, all of them confirmed that they have complied with the required standards as set out in the Model Code throughout the period. The Model Code is also applicable to other specific senior management of the Company.

董事及行政總裁於股份、相關股份及債權證的權益及淡倉

As at 30 June 2017, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) as recorded in the register to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

於2017年6月30日，本公司董事及行政總裁於本公司或其任何相聯法團(證券及期貨條例第XV部內的定義)的股份、相關股份及債權證中擁有根據證券及期貨條例第352條須於本公司存置的登記冊中記錄，或根據標準守則須通知本公司及聯交所的權益及淡倉如下：

	本公司權益股份數目及性質				
姓名	實益擁有人	配偶權益	其他權益	總數	佔本公司已發行股本的百分比

根據證券及期貨條例其他股東的權益及淡倉

As at 30 June 2017, the following persons (other than a director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

於2017年6月30日，於本公司股份或相關股份中擁有根據證券及期貨條例第336條須予存置的登記冊中記錄的權益或淡倉的人士(本公司董事及行政總裁除外)如下：

股東名稱	身份	持有的已發行普通股數目(a)	佔本公司已發行股本的百分比
UBS Trustees (B.V.I.) Limited	Trustee(b)	2,118,485,000 (L)	68.28%
UBS Trustees (B.V.I.) Limited	信託人(b)		
Xi Xi Development	Interests of controlled corporation(b)	2,118,485,000 (L)	68.28%
西溪發展	受控法團權益(b)		
New Fortune	Beneficial owner(b)	2,118,485,000 (L)	68.28%
新富星	實益擁有人(b)		

Note:

(a) The letter "L" denotes the person's long position in such securities.

(b) These shares relate to the same block of shares in the Company as those set out in note (b) in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above.

The above shares were the same shares as set out under the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above. Save as disclosed above, as at 30 June 2017, the directors of the Company were not aware of any person or corporation (other than the directors and chief executive of the Company) who had any interests or short positions in any shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

附註：

(a) 字母「L」指該人士於該等證券的好倉。

(b) 該等股份實指上文「董事及行政總裁於股份、相關股份及債權證的權益及淡倉」一節附註(b)所述的同一本公司股份權益。

上述股份與上文「董事及行政總裁於股份、相關股份及債權證的權益及淡倉」一節所述的股份相同。除上文所披露者外，於2017年6月30日，本公司董事概不知悉任何人士或法團(本公司董事及行政總裁除外)於本公司任何股份或相關股份中擁有根據證券及期貨條例第336條須予存置的登記冊記錄的任何權益或淡倉。

A share option scheme (the "Share Option Scheme") was conditionally approved by resolutions of the Shareholders on 14 May 2010 (the "Adoption Date") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations and the summary of terms of such Share Option Scheme are disclosed in the Company's prospectus dated 9 June 2010. No share options have been granted, under the Share Option Scheme since its adoption.

Eligible participants of the Share Option Scheme ("Eligible Persons") include (a) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group; (b) a director or proposed director (including an independent non-executive director) of any member of the Group; (c) a direct or indirect shareholder of any member of the Group; (d) a supplier of goods or services to any member of the Group; (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group; (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group; and (g) an associate of any of the persons referred to in paragraphs (a) to (c) above.

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 300,000,000 Shares, representing 9.67% of the issued Shares as at 30 June 2017. The maximum number of Shares issued and to be issued upon the exercise of the options granted to any on Eligible Persons (including exercised and outstanding options) in any 12-month period share not exceed 1% of the issued share capital of the Company from time to time. There is no minimum period for which an option must be

( )

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date. An offer of the grant of a share option shall remain open for acceptance by the Eligible Person concerned for a period of 28 days from the date of the Board approving the grant of the share options (the "Offer Date") provided that no such grant of an option may be accepted after the expiry of the effective period of the Share Option Scheme. An option shall be deemed to have been granted and accepted by the Eligible Person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the Option duly signed by the grantee together with a remittance in favour of the Company of HK$1 by way of consideration for the grant thereof is received by the Company on or before the date upon which an offer of an option must be accepted by the relevant Eligible Person, being a date not later than 28 days after the Offer Date. Such remittance shall in no circumstances be refundable.

購股權計劃(續)

購股權計劃的有效期自採納日期起計為期10年。提呈授出的購股權可由董事會批准授出購股權之日(「提呈日期」)起計28日期間內供有關合資格人士接納，但在購股權計劃的有效期屆滿後，則不可接納授出的購股權。當本公司於相關合資格人士必須接納提呈購股權當日(即提呈日期後不多於28日)或之前收到由承授人正式簽署構成接納提呈購股權的提呈函件複本連同支付本公司的價款1港元作為授出代價後，則購股權將被視為已授出及獲合資格人士接納及已生效。上述價款在任何情況下均不獲退還。

None of the directors or substantial shareholder of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group. New Fortune (the "Controlling Shareholder", being a company holding approximately 68.28% of the issued share capital of the Company, and is ultimately held by the trust the founder of which is Mr. Wong Luen Hei, and the beneficiaries of which include Mr. Wong Luen Hei and his family) has entered into a deed of non-competition in favour of the Group with Mr. Wong Luen Hei dated 14 May 2010 (the "Deed of Non-Competition").

The directors are of the view that the Group's measures adopted by the Company in respect of the enforceability of the Deed of Non-Competition are adequate to safeguard the effectiveness of the non-competition undertakings. The independent non-executive directors have reviewed the compliance of the Deed of Non-Competition. Based on the confirmation from the Controlling Shareholder, the independent non-executive directors are of the view that the Deed of Non-Competition has been complied with and has been effectively enforced.

遵守及執行控股股東的不競爭承諾

概無本公司董事或主要股東或任何彼等各自的聯繫人從事任何與本集團業務競爭或可能競爭的業務。新富星(「控股股東」，為持有本公司已發行股本約68.28%的公司，其由信託最終持有，而該信託的創辦人為黃聯禧先生，受益人包括黃聯禧先生及其家族)及黃聯禧先生已於2010年5月14日訂立以本集團為受益人的不競爭契據(「不競爭契據」)。

董事認為本公司所採納本集團有關執行不競爭契據的措施已足夠保障不競爭承諾的效力。獨立非執行董事已審閱不競爭契據的遵守情況。根據控股股東的確認函，獨立非執行董事認為不競爭契據已獲遵守及有效執行。

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(A) On 3 March 2014, the Company as borrower entered into a facility agreement (the "Facility Agreement I") in relation to a syndicated term loan facility in the amount of US$135 million at an interest rate of LIBOR plus 2.00% per annum with, among others, Taipei Fubon Commercial Bank Co., Ltd. and CTBC Bank Co., Ltd. as mandated lead arrangers, and a syndicate of nine lenders, for the purpose of refinancing the Group's existing financial indebtedness. The loan made thereunder is repayable 36 months after the same has been made.

On 26 June 2014, the Company as borrower entered into a facility agreement (the "Facility Agreement II") in relation to a syndicated term loan facility in the amount of US$155 million at an interest rate of LIBOR plus 2.20% per annum with a syndicate of three lenders, independent licensed banks in Hong Kong, for general corporate requirements (including the refinancing of the Group's existing financial indebtedness). The loan made thereunder is repayable 42 months after the same has been made.

Pursuant to the Facility Agreement I and Facility Agreement II (collectively the "Facility Agreements"), save for additional requirement that Mr. Wong Luen Hei and his family (collectively, the "Wong Family") shall remain to have effective management control over the Company set out in the Facility Agreement I, the Facility Agreements require that the Wong Family shall collectively maintain, directly or indirectly, at least 55% of beneficial shareholding interest in the issued share capital of the Company, carrying at least 55% of the voting rights, free from any security. Otherwise, a lender shall not be obliged to fund the loans made under the Facility Agreements, and the total commitments under the Facility Agreements may be liable to be cancelled and the outstanding loans with interest and all other amounts accrued under the Facility Agreements or other related financial documents may be due and payable to the lenders



Scope of Review

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

審閱範圍

我們已根據香港會計師公會所頒布的香港審閱委聘準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。審閱中期財務資料包括主要向負責財務及會計事務的人員作出查詢，並應用分析和其他審閱程序。審閱的範圍遠較根據香港審核準則進行審核的範圍為小，故不能令我們可保證我們將知悉在審核中可能被發現的所有重大事項。因此，我們不會發表審核意見。

Conclusion

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

結論

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

Ernst & Young
Certified Public Accountants
22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong
21 August 2017

安永會計師事務所
執業會計師
香港中環
添美道1號
中信大廈22樓
2017年8月21日

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

Six months ended 30 June 2017 | 截至 2017 年 6 月 30 日止六個月

		Note 附註	截至 月 0日止六個月 01 '000 人民幣千元 ( ) (未經審核)	2016 RMB'000 人民幣千元 (Unaudited) (未經審核)
	收入	4	, ,0	7,325,116
Cost of sales	銷售成本		(, 1 ,)	(5,141,630)
Gross profit	毛利		, 1, 0	2,183,486
Other revenue, income and gains	其他收入、收益及利益	4	, 0	42,838
Selling and distribution expenses	銷售及分銷開支		(, ,)	(376,971)
Administrative expenses	行政開支		(,)	(355,760)
Other expenses	其他開支		(1 ,)	(268,847)
Finance costs	融資成本	5	(,,)	(41,511)
Share of profit of a joint venture	分佔一間合營企業溢利			385
	除稅前溢利	6	1, ,	1,183,620
Income tax expense	所得稅開支	7	(,001)	(275,185)
	期內溢利		, 0,	908,435
	其他全面收益／(開支)			
Items that may be reclassified subsequently to profit or loss:	其後可能重新歸類至損益的項目：			
Available-for-sale investments:	可供出售投資：			
Changes in fair value	公允價值變動		(1 ,10)	442
Reclassification adjustment for gains on disposal	出售所得利益重新歸類調整		(1,1)	–
			(1 , , 0)	442
Exchange differences on translation of foreign operations	折算外幣報表產生的匯兌差額		1 1,	(6,956)
	期內其他全面開支		(1 ,, 1)	(6,514)
	期內全面收益總額		, ,	901,921

		截至 月 0日止六個月	
		01	2016
	Note	'000	RMB'000
	附註	人民幣千元	人民幣千元
		( )	(Unaudited)
		（未經審核）	（未經審核）

		Note 附註	0 .. . 月 0日 01 '000 人民幣千元 (, ..)	31 December 12月31日 2016 RMB'000 人民幣千元 (Audited) (經審核)
..	**非流動資產**			
Property, plant and equipment	物業、廠房及設備	10	, , 00	6,621,953
Prepaid land lease payments	預付土地租賃款	10	1, 0,	1,249,367
Investment properties	投資物業	11	, 1 , 1	2,469,488
Deposits paid for the purchase of land, property, plant and equipment	購買土地、物業、廠房及設備所支付的按金		0 ,	549,919
Goodwill	商譽		,	76,554
Other intangible assets	其他無形資產		1 , ,	183,615
Interest in a joint venture	於一間合營企業的權益		, 1	7,988
Available-for-sale investments	可供出售投資	12	1, 0, ,	730,814
Held-to-maturity investments	持有至到期投資	13	'	59,655
Loan receivables	應收借款	14	, , ,	63,191
Other long-term receivables	其他長期應收款項		,	37,623
Derivative financial instruments	衍生金融工具	15	, , ,	32,566
Deferred tax assets	遞延稅項資產		, 1	53,869
Total non-current assets	非流動資產總額		1 , 0 , 1	12,136,602
..	**流動資產**			
Inventories	存貨	16	,0 ,	2,747,065
Amounts due from customers for contract work	應收客戶的合約工程款項	17	,10	163,279
Loan receivables	應收借款	14	, ,	325,764
Trade and bills receivables	貿易應收款項及票據	18	1, ,	1,517,248
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	19	1, 0 ,	1,419,645
Cash and bank deposits	現金及銀行存款	20	, , 0	3,885,683
Total current assets	流動資產總額		10, , 1	10,058,684
..	**流動負債**			
Amounts due to customers for contract work	應付客戶的合約工程款項	17	1 1, 0,	40,049
Trade and bills payables	貿易應付款項及票據	21	, ,0	3,603,162
Other payables and accruals	其他應付款項及應計費用	22	1, ,	1,731,570
Tax payable	應付稅項		1 ,11	94,957
Borrowings	借款	23	, 0,	4,252,154
Total current liabilities	流動負債總額		,0 ,	9,721,892
..	**流動資產淨額**		, , ,	336,792
..	**資產總額減流動負債**		1 ,0 ,0 1	12,473,394
..	**非流動負債**			
Borrowings	借款	23	, , , 0	442,407
Other long-term payables	其他長期應付款項		0,	106,439
Deferred tax liabilities	遞延稅項負債		,0	272,568
Deferred income	遞延收益		1 , ,	114,308
Total non-current liabilities	非流動負債總額		,00 ,	935,722
..	**資產淨額**		1 ,0 ,	11,537,672

As at 30 June 2017 | 於 2017 年 6 月 30 日

		Note 附註	0 月 0日 01 '000 人民幣千元 ( ) (未經審核)	31 December 12月31日 2016 RMB'000 人民幣千元 (Audited) (經審核)
	權益			
Share capital	股本	24	1 ,	135,344
Reserves	儲備		11, ,	11,096,165
Equity attributable to owners of the Company	本公司擁有人應佔權益		11, ,	11,231,509
Non-controlling interests	非控制權益		11, , 1	306,163
Total equity	權益總額		1 ,0 ,	11,537,672

黃聯禧
Director
董事

羅建峰
Director
董事

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

Six months ended 30 June 2017 | 截至 2017 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 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Statutory reserve[a] 法定儲備[a] RMB'000 人民幣千元	Capital reserve[b] 資本儲備[b] RMB'000 人民幣千元	Merger reserve 合併儲備 RMB'000 人民幣千元	Avaliable-for-sale investment revaluation reserve 可供出售投資重估儲備 RMB'000 人民幣千元	Exchange fluctuation reserve 匯兌波動儲備 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Non-controlling interests 非控制權益 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元
At 1 January 2016	於2016年1月1日	135,686	1,922,887	1,156,712	5,250	5,515	1,999	(30,726)	6,573,562	9,770,885	94,567	9,865,452
Profit for the period	期內溢利	–	–	–	–	–	–	–	912,380	912,380	(3,945)	908,435
Other comprehensive expense for the period	期內其他全面開支	–	–	–	–	–	442	(9,509)	–	(9,067)	2,553	(6,514)
Total comprehensive income for the period	期內全面收益總額	–	–	–	–	–	442	(9,509)	912,380	903,313	(1,392)	901,921
Capital contributions from non-controlling interests	非控制權益出資	–	–	–	–	–	–	–	–	–	91,920	91,920
Non-controlling interests arising from business combinations	業務合併產生的非控制權益	–	–	–	–	–	–	–	–	–	7,202	7,202
Shares repurchased	回購股份	(342)	(17,269)	–	–	–	–	–	(10,441)	(28,052)	–	(28,052)
Dividends recognised as distributions to owners (note 8)	確認為向擁有人分派的股息(附註8)	–	–	–	–	–	–	–	(339,228)	(339,228)	–	(339,228)
Appropriation to statutory reserve	轉撥至法定儲備	–	–	2,397	–	–	–	–	(2,397)	–	–	–
At 30 June 2016 (Unaudited)	於2016年6月30日(未經審核)	135,344	1,905,618	1,159,109	5,250	5,515	2,441	(40,235)	7,133,876	10,306,918	192,297	10,499,215

Note:

(a) In accordance with the Company Law of PRC, each of the Company's subsidiaries registered in PRC is required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses) determined in accordance with generally accepted accounting principles in PRC to the statutory reserve until the balance of the reserve fund reaches 50% of its registered capital. The statutory reserve can be utilised to offset prior years' losses or to increase capital, provided that the remaining balance of the statutory reserve is not less than 25% of the registered capital.

(b) Capital reserve mainly represented the difference between the consideration and the book value of the share of the net assets acquired in respect of the acquisition of non-controlling interests.

附註：

(a) 根據中國公司法，本公司於中國註冊的各間附屬公司須劃撥根據中國公認會計原則釐定的年度法定除稅後溢利(經扣除任何過往年度虧損後)的10%至法定儲備，直至儲備金結餘達到其註冊資本的50%為止。法定儲備可用於抵銷過往年度虧損或增資，惟法定儲備的餘下結餘不得少於註冊資本的25%。

(b) 資本儲備主要指有關收購非控制權益的代價與應佔所收購淨資產賬面值之間的差額。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

Six months ended 30 June 2017 | 截至 2017 年 6 月 30 日止六個月

		Note 附註	截至 月 0日止六個月 01 '000 人民幣千元 (未經審核)	2016 RMB'000 人民幣千元 (Unaudited) (未經審核)
	經營活動			
Profit before tax:	除稅前溢利：		1, ,	1,183,620
Adjustments for:	就以下各項作出調整：			
Interest income	利息收益	4	(,)	(28,060)
Government grants released	已撥入的政府補助		(, 0,)	(992)
Gain on disposal of available-for-sale investments	出售可供出售投資所得利益	4	(1,0 0)	–
Gain on disposal of held-to-maturity investments	出售持有至到期投資所得利益	4	(,)	–
Gain on early redemption of held-to-maturity investments	提早贖回持有至到期投資所得利益	4		(79)
Interest expenses	利息開支	5	, ,	41,511
(Write-back)/write-down of inventories to net realisable value, net	(撥回)／撇減存貨至可變現淨值淨額	6	(1, ,)	56,394
Depreciation and amortisation	折舊及攤銷	6	1 ,	286,258
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的虧損	6	,	4,070
Impairment of property, plant and equipment	物業、廠房及設備減值	6	,	–
Loss on fair value changes of derivative financial instruments	衍生金融工具公允價值變動虧損	6	,	–
Impairment of trade receivables, net	貿易應收款項減值淨額	6		25,529
Share of profit of a joint venture	分佔一間合營企業溢利		( )	(385)
			1, , , ,	1,567,866
Increase in other long-term receivables	其他長期應收款項增加		(1, ,)	–
Increase in inventories	存貨增加		(10,0)	(453,136)
Increase in amounts due from customers for contract work	應收客戶的合約工程款項增加		(1 1,)	–
Increase in loan receivables	應收借款增加		(,1)	(94,506)
Decrease in trade and bills receivables	貿易應收款項及票據減少		, 1	25,887
Decrease/(increase) in prepayments, deposits and other receivables	預付款、按金及其他應收款項減少／(增加)		1 ,00,	(157,580)
Increase in amounts due to customers for contract work	應付客戶的合約工程款項增加		1 1, 0	–
(Decrease)/increase in trade and bills payables	貿易應付款項及票據(減少)／增加		(,0, 1)	1,014,692
(Decrease)/increase in other payables and accruals	其他應付款項及應計費用(減少)／增加		(, , 0)	18,541
Increase in other long-term payables	其他長期應付款項增加		1, 00	–
Increase in deferred income	遞延收益增加		,0	14,600
Cash generated from operations	經營產生的現金		, ,01,	1,936,364
Bank interest received	已收銀行利息		, 0	24,897
Corporate income tax paid	已付企業所得稅		(1 , 1)	(201,255)
Net cash flows from operating activities	經營活動所得現金流量淨額		,	1,760,006

		Note 附註	截至 月 0日止六個月 01 '000 人民幣千元 ( ) (未經審核)	2016 RMB'000 人民幣千元 (Unaudited) (未經審核)
	投資活動			
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目		(1,)	(717,102)
Proceeds from disposal of items of property, plant and equipment	來自出售物業、廠房及設備項目的所得款項		1,	13,411
Additions to prepaid land lease payments	預付土地租賃款增加		(,)	(22,588)
Additions to investment properties	投資物業增加		(1,10 ,)	(893,459)
Additions to other intangible assets	其他無形資產增加		(, 1)	(1,225)
Acquisition of subsidiaries	收購附屬公司		,	(56,667)
Purchases of available-for-sale investments	購買可供出售投資		(,)	(27,612)
Proceeds from disposal of available-for-sale investments	出售可供出售投資所得款項		0, 00	–
Purchases of held-to-maturity investments	購買持有至到期投資		(, 1)	–
Proceeds from disposal of held-to-maturity investments	出售持有至到期投資所得款項		, 0	–
Proceeds from early redemption of held-to-maturity investments	提早贖回持有至到期投資所得款項		,	2,740
Interest received from available-for-sale investments	已收可供出售投資的利息		,	–
Interest received from held-to-maturity investments	已收持有至到期投資的利息		,	3,203
Contingent consideration paid for the acquisition of a subsidiary	已付收購附屬公司的或然代價		(,000)	–

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
簡明綜合財務報表附註

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The addresses of its registered office and principal place of business are disclosed in the section headed "Corporate Information" of this interim report.

The Group is principally engaged in the manufacture and sale of building materials and interior decoration products; the provision of renovation and installation works, environmental engineering and other related services and financial services.

These condensed consolidated financial statements were approved and authorised for issue by the Board on 21 August 2017.

1. 公司及集團資料

本公司為一間於開曼群島註冊成立的有限公司。其註冊辦事處及主要營業地點載於本中期報告「公司資料」部分。

本集團主要從事製造及銷售建材家居產品、提供裝修及安裝工程、環境工程及其他相關服務和金融服務。

此等簡明綜合財務報表於2017年8月21日獲董事會批准及授權刊發。

2.1 BASIS OF PREPARATION

These condensed consolidated financial statements of the Group for the six months ended 30 June 2017 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. They have been prepared under the historical cost convention, except for investment properties, certain available-for-sale investments and derivative financial instruments which have been measured at fair value. These condensed consolidated financial statements are presented in Renminbi and all values are rounded to the nearest thousand except when otherwise indicated.

.1 編製基準

本集團截至2017年6月30日止六個月的簡明綜合財務報表乃根據上市規則附錄16的適用披露規定及香港會計師公會所頒佈的香港會計準則第34號「中期財務報告」編製。本財務報表按歷史成本法編製，惟按公允價值計量的投資物業、若干可供出售投資及衍生金融工具除外。本簡明綜合財務報表乃以人民幣呈列，除另有指明外，所有價值均調整至最接近的千元數。

2.1 BASIS OF PREPARATION (Continued)

The accounting policies and basis of preparation used in the preparation of these condensed consolidated financial statements are the same as those used in the Group's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of the revised Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) as disclosed in note 2.2 below.

These condensed consolidated financial statements do not include all information and disclosures required in the Group's annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2016.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards for the first time for the current period's condensed consolidated financial statements.

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Annual improvements 2014 – 2016 Cycle	Amendments to a number of HKFRSs

The application of these revised standards 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.

.1 編製基準(續)

本簡明綜合財務報表乃按與本集團截至2016年12月31日止年度的年度綜合財務報表所採用相同的會計政策及編製基準編製，惟如下文附註2.2所披露，已採用經修訂香港財務報告準則(「香港財務報告準則」，亦包括香港會計準則(「香港會計準則」)及詮釋)除外。

本簡明綜合財務報表並不包括規定於本集團年度綜合財務報表載列的一切資料及披露事項，應與本集團截至2016年12月31日止年度的年度綜合財務報表一併閱讀。

. 會計政策及披露事項變動

本集團於本期間的簡明綜合財務報表內首次應用下列經修訂準則：

香港會計準則第7號修訂本	披露主動性
香港會計準則第12號修訂本	就未實現虧損確認遞延稅項資產
年度改善2014至2016年週期	香港財務報告準則的多項修訂

於本期間應用該等經修訂準則對本集團即期及過往期間的財務表現及狀況及/或載列於本簡明綜合財務報表之披露並無任何重大影響。

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of building materials and interior decoration products; the provision of renovation and installation works, environmental engineering and other related services and financial services. For management purposes, the Group's businesses are organised by geographical areas based on the location of the customers and assets are attributable to the geographical units based on the location of the assets. The Group has eight reportable operating segments as follows:

(i) Southern China, including Guangdong Province, Guangxi Zhuang Autonomous Region, Hunan Province, Fujian Province and Hainan Province;

(ii) Southwestern China, including Chongqing Municipality, Sichuan Province, Guizhou Province, Yunnan Province and Xizang (Tibet) Autonomous Region;

(iii) Central China, including Hubei Province, Jiangxi Province and Henan Province;

(iv) Eastern China, including Shanghai Municipality, Jiangsu Province, Zhejiang Province and Anhui Province;

(v) Northern China, including Beijing Municipality, Tianjin Municipality, Hebei Province, Shandong Province, Inner Mongolia Autonomous Region and Shanxi Province;

(vi) Northwestern China, including Shaanxi Province, Ningxia Hui Autonomous Region, Qinghai Province, Gansu Province and Xinjiang Uygur Autonomous Region;

(vii) Northeastern China, including Liaoning Province, Jilin Province and Heilongjiang Province; and

(viii) Outside China.

. 經營分部資料

本集團主要從事製造及銷售建材家居產品、提供裝修及安裝工程、環境工程及其他相關服務和金融服務。就管理目的而言，本集團的業務根據客戶的所在地組成地理分區，且資產按其所在地分配予地域單位。本集團擁有以下八個需匯報經營分部：

(i) 華南，包括廣東省、廣西壯族自治區、湖南省、福建省及海南省；

(ii) 西南地區，包括重慶市、四川省、貴州省、雲南省及西藏自治區;

(iii) 華中，包括湖北省、江西省及河南省；

(iv) 華東，包括上海市、江蘇省、浙江省及安徽省；

(v) 華北，包括北京市、天津市、河北省、山東省、內蒙古自治區及山西省；

(vi) 西北地區，包括陝西省、寧夏回族自治區、青海省、甘肅省及新疆維吾爾族自治區；

(vii) 東北地區，包括遼寧省、吉林省及黑龍江省；及

(viii) 中國境外。

3. OPERATING SEGMENT INFORMATION
(Continued)

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a

3. OPERATING SEGMENT INFORMATION
(Continued)



3. OPERATING SEGMENT INFORMATION (Continued) . 經營分部資料(續)

		Southern China 華南 RMB'000 人民幣千元	Southwestern China 西南地區 RMB'000 人民幣千元	Central China 華中 RMB'000 人民幣千元	Eastern China 華東 RMB'000 人民幣千元	Northern China 華北 RMB'000 人民幣千元	Northwestern China 西北地區 RMB'000 人民幣千元	Northeastern China 東北地區 RMB'000 人民幣千元	Outside China 中國境外 RMB'000 人民幣千元	Eliminations 抵銷 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
Six months ended 30 June 2016	**截至 01 年 月 0日止六個月**										
Segment revenue:	**分部收入：**										
Sale of goods	銷售貨品	4,339,065	698,108	799,646	405,820	428,658	235,101	112,039	239,399	–	7,257,836
Contract revenue from renovation and installation works	裝修及安裝工程合約收入	34,552	–	–	–	–	–	–	–	–	34,552
Income from environmental engineering and other related services	環境工程及其他相關服務收益	21,945	–	–	–	–	–	–	–	–	21,945
Financial service income	金融服務收益	10,783	–	–	–	–	–	–	–	–	10,783
Revenue from external customers	外部客戶收入	4,406,345	698,108	799,646	405,820	428,658	235,101	112,039	239,399	–	7,325,116
Intersegment revenue	分部間收入	1,047,810	166,538	230,538	48,456	71,063	51,683	39,632	286,413	(1,942,133)	–
Total	合計	5,454,155	864,646	1,030,184	454,276	499,721	286,784	151,671	525,812	(1,942,133)	7,325,116
Segment results	**分部業績**	1,693,300	230,846	307,027	100,863	128,128	61,842	22,722	53,871	(415,113)	2,183,486
Reconciliations:	對賬：										
Interest income	利息收益										28,060
Gain on early redemption of held-to-maturity investments	提早贖回持有至到期投資所得利益										79
Exchange loss	匯兌虧損										(17,044)
Finance costs	融資成本										(41,511)
Share of profit of a joint venture	分佔一間合營企業溢利										385
Unallocated income and expenses	未分配收益及開支										(969,835)
Profit before tax	除稅前溢利										1,183,620
Other segment information:	**其他分部資料：**										
Write-down of inventories to net realisable value, net	撇減存貨至可變現淨值淨額	27,088	336	648	4,845	87	(92)	24,357	(875)	–	56,394
Depreciation and amortisation	折舊及攤銷	153,612	27,723	31,956	19,796	17,636	18,885	11,438	5,212	–	286,258
Impairment of trade receivables, net	貿易應收款項減值淨額	12,648	–	10,702	54	(201)	–	2,889	(563)	–	25,529
Capital expenditure#	資本開支#	544,271	53,201	35,162	27,512	24,768	7,348	4,626	669,980	(20,900)	1,345,968
As at 31 December 2016	**於 01 年1 月 1日**										
Segment assets	**分部資產**	9,850,734	1,140,737	1,048,774	867,512	726,365	581,190	420,668	2,788,731	–	17,424,711

Capital expenditure consists of additions to property, plant and equipment, prepaid land lease payments, investment properties and other intangible assets.

資本開支包括添置物業、廠房及設備、預付土地租賃款、投資物業及其他無形資產。

4. REVENUE, OTHER REVENUE, INCOME AND GAINS

Six months ended 30

5. FINANCE COSTS

		Six months ended 30 June 截至 月 0日止六個月	
		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest expenses on bank and other loans	銀行及其他貸款的利息開支	100,241	42,233
Less: Interest capitalised	減：資本化利息	(1,284)	(722)
		98,957	41,511

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

		Six months ended 30 June 截至 月 0日止六個月	
		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cost of inventories sold	丸蟹盈蘇尖噱祫乓榣		

7. INCOME TAX EXPENSE

		Six months ended 30 June 截至 月 0日止六個月	
		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current tax	即期稅項		
PRC	中國	**239,233**	255,821
Overprovision in prior years	過往年度過度撥備		
PRC	中國	**(24,852)**	(22,581)
Other jurisdictions	其他司法權區	**–**	(565)
		(24,852)	(23,146)
Deferred tax	遞延稅項	**59,620**	42,510
Total tax charge for the period	期內稅項總額	**274,001**	275,185

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

7. INCOME TAX EXPENSE (Continued)

. 所得稅開支(續)

PRC CORPORATE INCOME TAX

中國企業所得稅

The Group's income tax provision in respect of its operations in mainland China has been calculated at the applicable tax rates on the taxable profits for both periods, based on the existing legislation, interpretations and practices in respect thereof.

本集團已根據兩個期間的應課稅溢利，以相關的現有法律、詮釋及慣例為基準，按適用稅率計算中國內地業務的所得稅撥備。

Certain of the Group's PRC subsidiaries are qualified as High and New Technology Enterprises and are entitled to a preferential corporate income tax rate of 15% during both periods.

本集團若干中國附屬公司於兩個期間合乎高新技術企業資格，並享受15%的優惠企業所得稅率。

INCOME TAX FOR OTHER JURISDICTIONS

其他司法權區之所得稅項

The Group's tax provision in respect of other jurisdictions has been calculated at the applicable tax rates in accordance with the prevailing practices of the jurisdictions in which the Group operates.

本集團就其筆蓯弓稜挺楑湛柂酧集肚薂，以

8. DIVIDENDS

		Six months ended 30 June 截至 月 0日止六個月			
		2017		2016	
		HK$ 港元 per share 每股	HK$'000 千港元	HK$ 港元 per share 每股	HK$'000 千港元
2016 final dividend paid (2016: 2015 final dividend paid)	已付2016年末期股息 (2016年：已付2015年末期股息)	0.15	465,363	0.13	403,314
Equivalent to	等值於		RMB411,288,000 人民幣 11, ,000元		RMB339,228,000 人民幣339,228,000元

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

用以計算截至2017年6月30日止六個月的每股基本盈利的股份加權平均數，包括於2016年12月31日已發行的3,102,418,400股普通股（截至2016年6月30日止六個月：　　數，包括於

10. PROPERTY, PLANT AND EQUIPMENT AND PREPAID LAND LEASE PAYMENTS

During the period, the Group purchased property, plant and equipment with an aggregate cost of RMB422,187,000 (six months ended 30 June 2016: RMB682,269,000). During the period, property, plant and equipment with an aggregate net carrying amount of RMB22,135,000 (six months ended 30 June 2016: RMB17,481,000) was disposed of by the Group.

During the period, the additions of prepaid land lease payments of the Group amounted to RMB36,585,000 (six months ended 30 June 2016: RMB17,185,000).

11. INVESTMENT PROPERTIES

During the period, the additions of investment properties of the Group amounted to RMB1,039,152,000 (six months ended 30 June 2016: RMB43,466,000).

12. AVAILABLE-FOR-SALE INVESTMENTS

30 June

1 . [illegible]

Note:

(i) The debt securities carry fixed interest at rates ranging from 6.35% to 8.00% per annum, payable semi-annually in arrears and will mature from March 2019 to March 2020.

(ii) The unlisted equity securities are issued by private entities established in PRC and in US. They are measured at cost less any impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair values cannot be measured reliably.

(iii) The convertible notes are issued by a private company incorporated in US with an interest rate of not less than 5.00% per annum and will mature in three years from the date of issuance.

The convertible notes are separated into two components: the debt element and the conversion option element. The Group has classified the debt element and the conversion option element as available-for-sale investments and derivative financial instruments, respectively. Details of the conversion option element were included in note 15 to the condensed consolidated financial statements.

The fair value of the debt element of the convertible notes is determined based on a valuation performed by an independent professionally qualified valuer.

(iv) At the end of the reporting period, certain of the Group's available-for-sale investments with an aggregate net carrying amount of RMB35,632,000 (31 December 2016: RMB36,489,000) were pledged to a bank to secure the banking facility granted. The Group has not utilised this banking facility as at 30 June 2017 (31 December 2016: Nil).

1 . 可供出售投資(續)

附註：

(i) 債務證券的利息按固定年利率6.35%至8.00%計算，每半年支付及將於2019年3月至2020年3月到期。

(ii) 非上市股本證券是由於中國及美國成立的私營實體所發行。由於合理的公允價值估計範圍太大，董事認為其公允價值無法可靠計量，該等投資乃於報告期末按成本減任何減值計量。

(iii) 可換股票據是由一間於美國成立的私營公司所發行。其年利率不低於5.00%，並將於發行日期起計三年到期。

可換股票據分為兩個組成部分：債務部分及可轉換權部分。本集團分別將債務部分及可轉換權部分歸類為可供出售投資及衍生金融工具。可轉換權部分之詳情已包含於簡明綜合財務報表附註15。

可換股票據債務部分之公允價值乃按獨立、專業及合資格的估值師進行的估值為基準釐定。

(iv) 於報告期末，本集團總賬面淨值為人民幣35,632,000元(2016年12月31日：人民幣36,489,000元)的若干可供出售投資已向銀行抵押作為獲授銀行融資的擔保。於2017年6月30日，本集團概無動用該銀行融資(2016年12月31日：無)。

1 . [illegible]

1 . 持有至到期投資

		0 [illegible] 月 0日 01 '000 人民幣千元	31 December 12月31日 2016 RMB'000 人民幣千元
Debt securities, at amortised cost:	按攤銷成本列賬的債務證券：		
Listed in Hong Kong	香港上市	[illegible]	59,655

The Group reclassified debt securities with amortised cost of RMB34,290,000 from held-to-maturity investments to available-for-sale investments during the period as certain debt securities were disposed by the Group before their maturity dates.

由於本集團把若干債務證券於其到期日前出售，本集團於期內將人民幣34,290,000元按攤銷成本列賬的債務證券從持有至到期投資重新歸類至可供出售投資。

1 . [illegible]

1 . 應收借款

		0 [illegible] 月 0日 01 '000 人民幣千元	31 December 12月31日 2016 RMB'000 人民幣千元
[illegible]	非流動		
Finance lease receivables	融資租賃服務應收款項	[illegible]	63,191
[illegible]	流動		
Finance lease receivables	融資租賃服務應收款項	[illegible] 0	31,886
Factoring receivables	保理服務應收款項	1 [illegible]	173,640
Receivables from supply-chain financing services	供應鏈融資服務應收款項	1 [illegible] 100	120,238
		[illegible]	325,764
		[illegible] 1	388,955

1 . 、 . 、 . ( )

1 . 應收借款(續)

(A) FINANCE LEASE RECEIVABLES

(A) 融資租賃服務應收款項

		最低租賃服務應收款項		最低租賃服務應收款項現值	
		0 31 December		0 31 December	
		月 0日	12月31日	月 0日	12月31日
		01	2016	01	2016
		'000	RMB'000	'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Not more than 1 year	不多於1年	, ,	36,457	, 0	31,886
Over 1 year but within 5 years	1年以上5年以內	0,01	66,819	, , ,	63,191
		10 ,	103,276	10 , 0	95,077
Less: Unearned finance income	減：未實現融資收益	(,1)	(8,199)		
Present value of minimum lease receivables	最低租賃服務應收款項現值	10 , 0	95,077		

The Group's finance lease receivables are denominated in Renminbi. The effective interest rates of the receivables range from 5.80% to 10.69% (31 December 2016: 5.89%) per annum. There was no unguaranteed residual value of assets leased under finance leases and no contingent rent arrangement that needed to be recognised (31 December 2016: Nil).

本集團的融資租賃服務應收款項以人民幣計值。該應收款項的實際年利率為5.80%至10.69%(2016年12月31日：5.89%)。概無任何融資租賃資產的未擔保剩餘價值，亦無任何須予確認或然租賃安排(2016年12月31日：無)。

1. [illegible] (continued)

1. 應收借款(續)

(A) FINANCE LEASE RECEIVABLES ([illegible])

(A) 融資租賃服務應收款項(續)

The following is a credit quality analysis of these finance lease receivables:

以下為融資租賃服務應收款項的信貸質素分析：

		0 [illegible] 月 0日 01 '000 人民幣千元	31 December 12月31日 2016 RMB'000 人民幣千元
Neither past due nor impaired	未逾期亦未減值	10,0	95,077

The receivables are secured by assets leased under finance leases and cash deposits (where applicable).

該應收款項以融資租賃資產及現金按金(如適用)作為抵押。

Cash deposits from certain finance lease customers are collected upfront based on a certain percentage of the entire value of the lease contracts. When those lease contracts expire and all related liabilities and obligations are fulfilled by the customers, the cash deposits will be returned in full. The balance of the cash deposits can also be used to settle any outstanding lease receivables for the corresponding lease contracts. The collected cash deposits of RMB11,800,000 are included in "other long-term payables" in the condensed consolidated statement of financial position (31 December 2016: RMB10,000,000).

若干融資租賃服務客戶現金按金乃基於租賃合約全部價值的若干百分比預先收取。於該等租賃合約屆滿以及客戶履行所有相關責任及義務後，該現金按金將會全部退還。現金按金結餘亦可用於結算相應租賃合約的任何尚未收取的租賃服務應收款項。於簡明綜合財務狀況表內的「其他長期應付款項」有人民幣11,800,000元(2016年12月31日：人民幣10,000,000元)的已收取現金按金。

1 . 、 . . 、 . . (. . . . .)

(B) FACTORING RECEIVABLES

The Group's factoring receivables arise from the provision of factoring services to companies located in PRC. The credit period granted to each customer is generally within 365 days.

Factoring receivables are secured by receivables and/or commercial bills originally owned by the customers. These receivables carry interest at rates ranging from 4.50% to 6.00% (31 December 2016: 4.50% to 6.00%) per annum.

The maturity profile of the factoring receivables at the end of the reporting period is as follows:

		0 . . 月 0日 01 '000 人民幣千元	31 December 12月31日 2016 RMB'000 人民幣千元
With a residual maturity of:	尚餘期限：		
Not more than 3 months	不多於3個月	0,,	37,640
Over 3 months to 6 months	3個月以上至6個月	1 0,000	36,000
Over 6 months to 12 months	6個月以上至12個月	, 00	100,000
		1 ,	173,640

At the end of the reporting period, none of the Group's factoring receivables was either past due or impaired (31 December 2016: Nil).

1 . 應收借款(續)

(B) 保理服務應收款項

本集團的保理服務應收款項來自向中國公司提供保理服務。授予各客戶的信用期限一般為365天內。

保理服務應收款項以原來由客戶擁有的應收款項及／或商業匯票抵押。該等應收款項按介乎4.50%至6.00%的年利率(2016年12月31日：4.50%至6.00%)計息。

於報告期末，保理服務應收款項之到期情況如下：

於報告期末，本集團的保理服務應收款項概無逾期或減值(2016年12月31日：無)。

1 . 、 . . 、 . . (. . . . .)

(C) RECEIVABLES FROM SUPPLY-CHAIN FINANCING SERVICES

The Group's receivables from supply-chain financing services arise from the provision of supply-chain financing services to companies located in PRC. The credit period granted to each customer is generally ranging from 30 to 180 days.

These receivables carry interest at rates ranging from 5.40% to 9.90% (31 December 2016: 5.40% to 7.20%) per annum.

Certain receivables from supply-chain financing services amounting to RMB50,000,000 (31 December 2016: RMB49,938,000) are secured by certain equity interests and personal guarantees.

The maturity profile of the receivables from supply-chain financing services at the end of the reporting period is as follows:

1 . 應收借款(續)

(C) 供應鏈融資服務應收款項

本集團的供應鏈融資服務應收款項來自向中國公司提供供應鏈融資服務。該等應收款項的信貸期一般介乎30天至180天。

該等應收款項按介乎5.40%至9.90%的年利率(2016年12月31日:5.40%至7.20%)計息。

若干供應鏈融資服務應收款項合共人民幣50,000,000元(2016年12月31日:人民幣49,938,000元),以若干股本權益及個人擔保作抵押。

於報告期末,供應鏈融資服務應收款項之到期情況如下:

		0 . . 月 0日 01 '000 人民幣千元	31 December 12月31日 2016 RMB'000 人民幣千元
With a residual maturity of:	尚餘期限:		
Not more than 3 months	不多於3個月	100, 00	83,238
Over 3 months to 6 months	3個月以上至6個月	, 00	37,000
		1 ,100	120,238

At the end of the reporting period, none of the Group's receivables from supply-chain financing services was either past due or impaired (31 December 2016: Nil).

於報告期末,本集團的供應鏈融資服務應收款項概無逾期或減值(2016年12月31日:無)。

The directors believed that no provision for impairment was necessary for loan receivables (31 December 2016: Nil) as there had not been any significant changes in the credit quality of these customers and these balances were still considered fully recoverable.

本集團之衍生金融工具及其表現乃按公允

1 .

1 . 存貨

0	31 December
月 0日	12月

1 . . . . . 1 . 貿易應收款項及票據

		0 . . 月 0日 01 ’000 人民幣千元	31 December 12月31日 2016 RMB’000 人民幣千元
Trade receivables	貿易應收款項	1, 1,0	1,254,357
Bills receivable	應收票據	, 1	383,921
Less: Provision for impairment	減：減值撥備	(1 1,0 0)	(121,030)
		1, ,	1,517,248

The Group’s major customers are independent distributors, civil contractors, property developers, utility companies and municipalities in mainland China. Depending on the market condition, marketing tactics and relationships with the customers, the Group’s trading terms with its independent distributors may change from settlement on an advance receipt basis to giving a credit period of generally one month or more, if appropriate. The Group does not have a standardised and universal credit period granted to the non-distributor customers. The credit period of an individual non-distributor customer is considered on a case-by-case basis and is set out in the sales contracts, as appropriate. Sales to small, new, or short-term customers are normally expected to be settled on an advance receipt basis or shortly after the goods delivery. No credit term period is set by the Group for small, new and short-term customers.

本集團的主要客戶為中國內地的獨立分銷商、土木工程承建商、房地產開發商、公用事業公司及市政部門。本集團視乎市況、市場策略及與客戶的關係，可將其與獨立分銷商的貿易條款由按預付方式結算更改為授予一般一個月或多個月的信用期限(如適當)。本集團並無統一向非分銷商客戶授予標準的信用期限。個別非分銷商客戶的信用期限視乎個別情況而定，並在銷售合約中列明(如適當)。對小規模、新或短期客戶的銷售一般預期以預付方式或於交貨後短期內結算。本集團並無為小規模、新或短期客戶設立信用期限。

Trade and bills receivables are unsecured and interest-free.

貿易應收款項及票據均為無抵押及免息。

1 . . . . . (. . . .) 1 . 貿易應收款項及票據(續)

An aged analysis of the Group's trade and bills receivables at the end of the reporting period, based on the invoice date and net of provision, is as follows:

於報告期末，本集團的貿易應收款項及票據按發票日期並扣除撥備後的賬齡分析如下：

		0 . . 月 0日 01 '000 人民幣千元	31 December 12月31日 2016 RMB'000 人民幣千元
Not more than 3 months	不多於3個月	, , 0	786,926
Over 3 months to 6 months	3個月以上至6個月	1, , 0	309,326
Over 6 months to 12 months	6個月以上至12個月	1, ,	153,734
Over 1 year to 2 years	1年以上至2年	00,	218,297
Over 2 years to 3 years	2年以上至3年	,	42,585
Over 3 years	3年以上	0, ,	6,380
		1, ,	1,517,248

1, ... / . . . . 1, . 預付款、按金及其他應收款項

		0 . . 月 0日 01 '000 人民幣千元	31 December 12月31日 2016 RMB'000 人民幣千元
Prepayments	預付款	1,0 ,10	1,023,150
Current-portion of prepaid land lease payments	預付土地租賃款的流動部份	,	26,092
Value-added tax recoverable	待抵扣增值稅	1 ,	186,063
Corporate income tax recoverable	待抵扣企業所得稅	,	2,026
Deposits	按金	, 0	96,718
Other receivables	其他應收款項	, 0,	85,596
		1, 0 ,	1,419,645

The financial assets included in the above balances are unsecured, interest-free and receivable on demand.

上述結餘包括的金融資產乃無抵押、免息及按要求收款。

0.

0. 現金及銀行存款

0	31 December
月 0日	12月31日
01	2016
'000	RMB'000
人民幣千元	人民幣千元

存放於銀行的現金按每日銀行存款利率的浮動利率賺取利息。短期定期存款的期限介乎1天至12個月不等並按各短期定期存款利率賺取利息。銀行結餘及受限制現金存放於近期無違約記錄且信譽良好的銀行。

1. 貿易應付款項及票據

1.

1. 貿易應付款項及票據(續)

於報告期末，本集團的貿易應付款項及票據按發票日期的賬齡分析如下：

. 借款

		0 . . 月 0日 01 '000 人民幣千元	31 December 12月31日 2016 RMB'000 人民幣千元
	流動		
Unsecured bank loans	無抵押銀行貸款	, 0 ,	2,109,925
Current portion of long term unsecured bank loans	長期無抵押銀行貸款的流動部分	10, ,	131,479
Current portion of long term unsecured syndicated loans	長期無抵押銀團貸款的流動部分	,	2,010,750
Secured bank loans	有抵押銀行貸款	,	–
		, 0,	4,252,154
	非流動		
Unsecured bank loans	無抵押銀行貸款	0, , ,	422,907
Unsecured syndicated loans	無抵押銀團貸款	,01 , 1	–
Secured bank loans	有抵押銀行貸款	1, , 00	7,500
Loans from non-controlling interests	非控制權益貸款	1 ,000	12,000
		, , , 0	442,407
		, 0 ,	4,694,561

Note:

(a) The effective interest rates of the Group's borrowings range from 1.85% to 4.99% (31 December 2016: 1.06% to 4.90%) per annum.

(b) The secured bank loans are secured by: i) the concession rights of a subsidiary and personal guarantee provided by a shareholder of that subsidiary; ii) certain commercial bills received by the Group during its provision of factoring services; and iii) certain receivables from supply-chain financing services.

(c) The loans from non-controlling interests are unsecured, interest-free and will mature in September 2019 (31 December 2016: unsecured, interest-free and will mature in September 2019).

(d) At the end of the reporting period, the Group's borrowings denominated in US dollar, HK dollar, Canadian dollar, Australian dollar and Renminbi are equivalent to RMB5,081,960,000 (31 December 2016: RMB3,478,442,000), RMB1,282,951,000 (31 December 2016: RMB876,620,000), RMB10,426,000 (31 December 2016: Nil), RMB338,644,000 (31 December 2016: Nil) and RMB591,355,000 (31 December 2016: RMB339,499,000), respectively.

附註：

(a) 本集團借款之實際年利率介乎1.85%至4.99%不等(2016年12月31日：1.06%至4.90%)。

(b) 有抵押銀行貸款乃以: i)附屬公司的特許經營權及其一名股東的個人擔保；ii)本集團於提供保理服務時收到的若干商業票據；及iii)若干供應鏈融資服務應收款項作抵押。

(c) 非控制權益之貸款為無抵押、免息及將於2019年9月到期(2016年12月31日：無抵押、免息及將於2019年9月到期)。

(d) 於報告期末，本集團以美元、港元、加元、澳元及人民幣計值的借款分別等值於人民幣5,081,960,000元(2016年12月31日：人民幣3,478,442,000元)、人民幣1,282,951,000元(2016年12月31日：人民幣876,620,000元)、人民幣10,426,000元(2016年12月31日：無)、人民幣338,644,000元(2016年12月31日：無)及人民幣591,355,000元(2016年12月31日：人民幣339,499,000元)。

. 股本

		0 . . 月 0日 01	31 December 12月31日 2016
. . . 20,000,000,000 (31 December 2016: 20,000,000,000) ordinary shares of HK$0.05 each	**法定：** 20,000,000,000（2016年12月31日：20,000,000,000		

. 承擔

The Group had the following capital commitments at the end of the reporting period:

於報告期末，本集團擁有以下資本承擔：

0	31 December
月 0日	12

. 關聯人士交易及結餘

(A) 期內本集團與關聯人士之重大交易

(A) THE GROUP'S MATERIAL TRANSACTIONS WITH RELATED PARTIES DURING THE PERIOD ( )

Note:

(i) Sale [illegible]

(A) 期內本集團與關聯人士之重大交易(續)

附註：

(i) [illegible] 第三方客戶開出的價格及條件為參照進行。

(ii) 提供保理服務乃根據本集團向第三方客戶提供之相關合約條款釐定。

(iii) 公用事業乃按成本由關聯公司提供。

(iv) 租金開支乃按雙方協定的條款計算。

(v) 材料乃按雙方協定的條款向關聯公司購買。

(vi) 設備及電子配件乃經參考關聯公司向第三方客戶開出的價格及條件後向關聯公司購買。

(vii) 授予關聯公司的商標乃按雙方協定的條款進行。

(viii) 關聯公司乃按雙方協定的條款提供代理服務。

(ix) 物業包括辦公室、食堂、車間、倉庫及遊艇，乃按雙方協定的條款租予本集團。

(x) 合營企業乃按雙方協定的條款提供服務。

[illegible]

(B) BALANCES WITH RELATED PARTIES

[illegible]關聯人士交易及結餘(續)

(B) 與關聯人士之結餘

0 [illegible]	31 December
月 0日	12月31月 钰月

[illegible]

附註：

(i) 結餘計入本集團購買土地、物業、廠房及設備所支付的按金。

(ii) 結餘計入本集團的其他應付款項及應計費用。

(C) 本集團主要管理人員薪酬

金融工具的公允價值計量

(A) FAIR VALUE OF THE FINANCIAL INSTRUMENTS THAT ARE MEASURED AT FAIR VALUE

(A) 按公允價值計量的金融工具的公允價值

		0 月 0日 01 公允價值架構			
		第一級	第二級	第三級	總計
		'000	'000	'000	'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Available-for-sale investments	可供出售投資				
Listed investments	上市投資	1,1 ,	0, ,	,	1, , 1
Unlisted investments	非上市投資	,	,	1 , 1	1 , 1
Derivative financial instruments	衍生金融工具	,	,	, , ,	, , ,
		1,1 ,	0, ,	1 1, 0	1, 0, 1

		31 December 12月31日 2016 Fair value hierarchy 公允價值架構			
		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
		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
Available-for-sale investments	可供出售投資				
Listed investments	上市投資	515,777	75,588	–	591,365
Unlisted investments	非上市投資	–	–	123,824	123,824
Derivative financial instruments	衍生金融工具	–	–	32,566	32,566
		515,777	75,588	156,390	747,755

During the period, there were no transfers between level 1 and level 2 (six months ended 30 June 2016: RMB43,238,000) and no transfers into or out of level 3 for the fair value measurements of the financial instruments (six months ended 30 June 2016: Nil).

期內，就金融工具公允價值計量而言，第一級與第二級之間並無任何轉撥(截至2016年6月30日止六個月：人民幣43,238,000元)，且並無轉入或轉出第三級(截至2016年6月30日止六個月：無)。

(A) FAIR VALUE OF THE FINANCIAL INSTRUMENTS THAT ARE MEASURED AT FAIR VALUE ( )

The movements in fair value measurements within level 3 during the period are as follows:

		0 月 0日 01 ’000 人民幣千元	31 December 12月31日 2016 RMB’000 人民幣千元
At 1 January	於1月1日	1 , , 0	–
Additions	添置	,	146,158
Total (losses)/gains recognised in profit or loss	於損益內確認的總(虧損)／利益	(,)	1,942
Total gains recognised in other comprehensive income	於其他全面收益內確認的總利益	,	7,846
Exchange realignment	匯兌調整	(,)	444
Fair value at the end of period/year	期／年末公允價值	1 1, 0	156,390

(B) FAIR VALUE OF THE FINANCIAL INSTRUMENTS THAT ARE NOT MEASURED AT FAIR VALUE

Except as disclosed in the following table, the carrying amounts of the financial instruments recognised in these condensed consolidated financial statements approximate their fair values:

(B) 並非按公允價值計量之金融工具之公允價值

除下表所披露者外，本集團在簡明綜合財務報表確認之金融工具之賬面值與其公允價值相若：

	0 月 0日 01		31 December 12月31日 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
	賬面值	公允價值	賬面值	公允價值
	’000 人民幣千元	’000 人民幣千元	RMB’000 人民幣千元	RMB’000 人民幣千元

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0. [illegible]

(A) Pursuant to the Company's announcement dated 7 July 2017, Guangdong Lesso Mall Co., Ltd.* ("Lesso Co"), an indirectly wholly-owned subsidiary of the Company, entered into an agreement with a company under the common control of a director for the disposal of all its equity interest in Guangdong Lesso Hardware & Building Materials Co., Ltd.*, a 75%-owned subsidiary of Lesso Co, at a cash consideration of RMB56,338,000, which is subject to adjustment as detailed in the announcement. It is estimated that the Group will record a gain of approximately RMB2,141,000 from the disposal.

(B) On 15 August 2017, the Company, as guarantor, and its wholly-owned subsidiary, as a borrower, entered into a facility agreement in relation to syndicated term loan facilities in the amount of HK$800,000,000, of which are set out in the Company's announcement dated 15 August 2017.

0. 報告期後事項

(A) 根據本公司於2017年7月7日刊發之公告，本公司一間間接全資擁有的附屬公司－廣東聯塑五金電氣建材商城有限公司(「商城公司」)與一間共同受一位董事控制的公司訂立一份協議，以人民幣56,338,000元的現金代價(可予調整，有關詳情載於上述公告)出售一間商城公司擁有75%控制權的附屬公司－廣東領尚五金建材有限公司的全部股權。估計該次出售令本集團將有利益約人民幣2,141,000元入賬。

(B) 根據本公司於2017年8月15日刊發之公告，於2017年8月15日，本公司(作為擔保人)與其全資附屬公司(作為借款人)訂立一份有關800,000,000港元的銀團定期貸款融資之融資協議。

"Board"		the board of directors of the Company
「董事會」	指	本公司董事會
"BVI"		the British Virgin Islands
「英屬維爾京群島」	指	英屬維爾京群島
"China" or "PRC"		the People's Republic of China, for the purpose of this report, excluding Hong Kong, Macau and Taiwan
「中國」	指	中華人民共和國，就本報告而言，並不包括香港、澳門及臺灣
"Code"		the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
「守則」	指	上市規則附錄14所載的企業管治守則
"Company" or "China Lesso"		China Lesso Group Holdings Limited
「本公司」或「中國聯塑」	指	中國聯塑集團控股有限公司
"Current Ratio"		the ratio of current assets to current liabilities
「流動比率」	指	流動資產除以流動負債的比率
"EBITDA"		earnings before interest, taxes, depreciation and amortisation
「除息稅折攤前盈利」	指	扣除利息、稅項、折舊及攤銷前盈利
"Gearing Ratio"		the total debts divided by the sum of total debts and total equity
「資產負債率」	指	按債務總額除以債務總額加上權益總額的總和
"Group"		the Company and its subsidiaries
「本集團」	指	本公司及其附屬公司
"HK$"		Hong Kong dollar, the lawful currency of Hong Kong
「港元」	指	香港之法定貨幣－港元
"Hong Kong" or "HK"		Hong Kong Special Administrative Region of the PRC
「香港」	指	中國香港特別行政區
"Listing Rules"		the Rules Governing the Listing of Securities on the Stock Exchange
「上市規則」	指	聯交所證券上市規則
"Macau"		Macau Special Administrative Region of the PRC
「澳門」	指	中國澳門特別行政區
"Model Code"		the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
「標準守則」	指	上市規則附錄10所載的上市公司董事進行證券交易的標準守則
"New Fortune"		New Fortune Star Limited, a company incorporated in the BVI
「新富星」	指	New Fortune Star Limited，一間於英屬維爾京群島註冊成立之公司

"PE"		polyethylene
「PE」	指	聚乙烯
"PP-R"		polypropylene random
「PP-R」	指	無規共聚聚丙烯
"PVC"		polyvinyl chloride
「PVC」	指	聚氯乙烯
"Quick Ratio"		the ratio of current assets less inventories to current liabilities
「速動比率」	指	流動資產減存貨再除以流動負債的比率
"RMB"		Renminbi, the lawful currency of the PRC
「人民幣」	指	中國之法定貨幣－人民幣
"SFO"		Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
「證券及期貨條例」	指	香港法例第571章證券及期貨條例
"Share(s)"		share(s) of a nominal value of HK$0.05 each in the capital of the Company
「股份」	指	本公司股本中每股面值0.05港元的股份
"Shareholder(s)"		holder(s) of the Share(s) of the Company
「股東」	指	本公司股份持有人
"Stock Exchange"		The Stock Exchange of Hong Kong Limited
「聯交所」	指	香港聯合交易所有限公司
"Taiwan"		the Republic of China
「臺灣」	指	中華民國
"tonne(s)"		a unit measuring weight, equal to 1,000 kilograms
「噸」	指	量度重量的單位，相等於1,000公斤
"US"		the United States of America
「美國」	指	美利堅合眾國
"US$"		US dollar, the lawful currency of US
「美元」	指	美國之法定貨幣－美元
"Xi Xi Development"		Xi Xi Development Limited, a company incorporated in the BVI
「西溪發展」	指	西溪發展有限公司，一間於英屬維爾京群島註冊成立之公司
"%"		per cent.
「%」	指	百分比

* The English or Chinese translations in this report, where indicated, denote for identification purposes only.

* 本報告的英文或中文翻譯(如註明)僅供識別。

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Listing:
The Stock Exchange of Hong Kong Limited

Stock code:
2128

Board lot size:
1,000 shares

Share issued as at 30 June 2017:
3,102,418,400 shares

Market capitalisation as at 30 June 2017:
HK$18,615 million

Interim results announcement:
21 August 2017

法定代表

左滿倫先生
關志偉先生

註冊辦事處

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上市資料

上市地點：
香港聯合交易所有限公司

股份代號：
2128

股份資料

每手買賣單位：
1,000股

於2017年6月30日已發行股份數目：
3,102,418,400股

於2017年6月30日市值：
186.15億港元

財務日誌

中期業績公告：
2017年8月21日

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Tel: (852)aipei Fubon re mi/ing Bank re., Ltd.

Fax: (852TjTj0 k.52 KY1Sonng.52 Banki52 Corporation0 -1.529 TD1 -4.996 -59.004 sc/GS0 gs/T1_1 1 Tf-0.028 Tw 12 0 0 12 56.6929 37

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This report contains forward-looking statements. These forward-looking statements include, without limitation, statements related to revenue and earnings. The words "believe", "intend", "expect", "anticipate", "forecast", "estimate", "predict", "is confident", "has confidence" and similar expressions are also intended to represent forward-looking statements. These forward-looking statements are not historical facts. Rather, the forward-looking statements are based on the current beliefs, assumptions, expectations, estimates and projections of the directors and management of China Lesso about the businesses, industries and markets in which China Lesso operates.

These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the Company's control and are difficult to predict. Consequently, actual results could differ materially from those expressed, implied or forecasted in the forward-looking statements.

Reliance should not be placed on these forward-looking statements, which reflect only the views of the directors and management of China Lesso as at the date of this report only. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after publication of this report.

前瞻聲明

本報告載有前瞻聲明。此等前瞻聲明包括但不限於有關收入及盈利的聲明，而「相信」、「計劃」、「預計」、「預期」、「預測」、「估計」、「推測」、「深信」、「抱有信心」及類似詞彙亦擬表示前瞻聲明。前瞻聲明是以中國聯塑董事及管理層根據業務、行業及中國聯塑所經營的市場而具備或作出的目前信念、假設、期望、估計及預測為基準，而並非歷史事實。

此等前瞻聲明並非就未來的業務表現作出保證，而是會因為風險、不明朗因素及其他因素而受影響，其中有些因素更非本公司所能控制，且難以預料。故此，實際結果可能與前瞻聲明所明示、暗示或預測的情況有重大差別。

上述前瞻聲明僅反映中國聯塑董事及管理層於本報告發表當日所持的觀點，任何人士一概不應依賴此等前瞻聲明。本公司並無責任公開修訂上述前瞻聲明，以反映本報告編印後所發生的事件或情況。

本報告的中英文如有任何歧義，概以英文本為準。