



**EcoGreen Fine Chemicals Group Limited**  
**中怡精細化工集團有限公司\***

(incorporated in the Cayman Islands with limited liability)  
(於開曼群島註冊成立之有限公司)  
(Stock code: 2341) (股份代號: 2341)



Interim Report 中期報告 **2006**

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## **Board of Directors**

### **Executive Directors**

Mr. Yang Yirong (*Chairman & President*)  
Mr. Gong Xionghui  
Ms. Lu Jiahua  
Mr. Lin Like  
Mr. Han Huan Guang

### **Non-executive Directors**

Mr. Feng Tao (*Vice Chairman*)

### **Independent non-executive Directors**

Mr. Yau Fook Chuen  
Mr. Wong Yik Chung, John  
Dr. Zheng Lansun

## **Board Committees**

### **Audit Committee**

Mr. Yau Fook Chuen (*Chairman*)  
Mr. Wong Yik Chung, John  
Dr. Zheng Lansun

### **Remuneration Committee**

Mr. Han Huan Guang (*Chairman*)  
Mr. Yau Fook Chuen  
Mr. Wong Yik Chung, John  
Dr. Zheng Lansun

## **Company secretary**

Mr. Lam Kwok Kin *FCCA, CPA*

## **Authorised representatives**

Mr. Yang Yirong  
Mr. Lam Kwok Kin

## **Auditors**

PricewaterhouseCoopers

## **Principal bankers**

Bank of Communications  
The Hong Kong and Shanghai Banking Corporation Limited  
Agricultural Bank of China  
China Merchants Bank

## **Registered office**

Century Yard  
Cricket Square, Hutchins Drive  
P.O. Box 2681 GT, George Town  
Grand Cayman, Cayman Islands  
British West Indies

## **Head office and principal place of business in Hong Kong**

Suite 3706, 37th Floor  
Central Plaza  
18 Harbour Road  
Wanchai, Hong Kong

## **Principal share registrar and transfer office**

Bank of Bermuda (Cayman) Limited  
P.O. Box 513 GT  
2nd Floor, Strathvale House  
North Church Street, George Town  
Grand Cayman, Cayman Islands  
British West Indies

## **Hong Kong branch share registrar and transfer office**

Tengis Limited  
26th Floor  
Tesbury Centre  
28 Queen's Road East  
Wanchai, Hong Kong

## **Website**

<http://www.ecogreen.com>

## **Stock Codes**

Stock Exchange, Hong Kong:	2341
Access to Reuters:	2341.HK
Access to Bloomberg:	2341 HK Equity

## **Financial calendar**

Book closing dates for the proposed interim dividend:  
8 November 2006 to 10 November 2006 (both days inclusive)  
Record date for the proposed interim dividend:  
10 November 2006  
Payment date for the proposed interim dividend:  
24 November 2006



### 董事會

#### 執行董事

楊毅融先生 (主席兼總裁)  
龔雄輝先生  
盧家華女士  
林力克先生  
韓歡光先生

#### 非執行董事

馮濤先生 (副主席)

#### 獨立非執行董事

丘福全先生  
黃翼忠先生  
鄭蘭蓀博士

### 董事委員會

#### 審核委員會

丘福全先生 (主席)  
黃翼忠先生  
鄭蘭蓀博士

#### 薪酬委員會

韓歡光先生 (主席)  
丘福全先生  
黃翼忠先生  
鄭蘭蓀博士

### 公司秘書

林國健先生 *FCCA, CPA*

### 法定代表

楊毅融先生  
林國健先生

### 核數師

羅兵咸永道會計師事務所

### 主要往來銀行

交通銀行  
香港上海滙豐銀行有限公司  
中國農業銀行  
招商銀行

### 註冊辦事處

Century Yard  
Cricket Square, Hutchins Drive  
P.O. Box 2681 GT, George Town  
Grand Cayman, Cayman Islands  
British West Indies

### 總辦事處兼香港主要營業地點

香港灣仔  
港灣道18號  
中環廣場  
37樓  
3706室

### 股份過戶登記總處

Bank of Bermuda (Cayman) Limited  
P.O. Box 513 GT  
2nd Floor, Strathvale House  
North Church Street, George Town  
Grand Cayman, Cayman Islands  
British West Indies

### 香港股份過戶登記分處

登捷時有限公司  
香港灣仔  
皇后大道東28號  
金鐘匯中心  
26樓

### 網址

<http://www.ecogreen.com>

### 股份代號

香港聯交所：2341  
路透社版面：2341.HK  
彭博版面：2341 HK Equity

### 財務日誌

就擬派中期股息暫停辦理股份過戶登記日期：  
二零零六年十一月八日至二零零六年十一月十日  
(包括首尾兩日)  
擬派中期股息記錄日期：  
二零零六年十一月十日  
擬派中期股息派付日期：  
二零零六年十一月二十四日



### Business review

During the period under review, global fine chemical industry witnessed exponential expansion due to favourable economic environment. Downstream industries using the Group's products, such as the flavour and fragrance industry, food and beverage industry, personal care industry, household care industry and pharmaceutical industry, have all maintained their growth momentum. This coupled with other favourable factors such as the migration of the industry to emerging countries and the increase in domestic consumption power has fuelled the rapid development of the fine chemical industry in emerging countries such as the PRC. As such, the Group's three major business segments all recorded actual growth.

Although the macro economic environment during the first six months was satisfactory, uncertainties arising from high raw material prices, renminbi appreciation and interest rate hikes continued to take their toll, placing larger upward pressure on operating cost of the industry. However, leveraging on its solid foundation in the industry, the Group proactively adopted various effective measures in its operating strategy. In addition, the Group has applied its research results in enhancing the annual processing capacity during the phase II expansion project which was completed in October last year. As a result, the annual processing capacity was increased by half. At the same time, the production cost was significantly reduced and the production yield was lifted. All these measures not only slashed the overall operating cost, but also enhanced the Group's competitiveness remarkably and helped minimizing the impacts of the various detrimental and uncertain factors.

During the six months ended 30 June 2006, the Group's turnover amounted to RMB253,500,000, representing a rapid growth of 48%. Excluding the revenue from trading and resource management products, turnover reached RMB194,500,000, still achieving a steady growth of 24% when compared with the corresponding period last year. Turnover for export sales also grew rapidly by 65% to RMB89,200,000. Such turnover accounted for 35% of the Group's total turnover, representing a growth of 3% from the corresponding period last year. As the trading and resource management business have a lower profit margin, it has dragged down the overall gross profit margin of the Group to 31.6% from 38.5% as recorded in the corresponding period last year. Nevertheless, this non-core business has a certain profit contributions to the Group. Excluding the contribution from trading and resource management products, the gross profit of the Group's self-manufactured products during the first six months was 38.3%, representing only a slight decrease of 2.9% from 41.2% as recorded in the corresponding period last year.

### 業務回顧

於回顧期內，在良好的經濟環境下全球的精細化工行業錄得顯著擴張，應用本集團產品的下游行業如香料行業、食品飲料行業、個人護理品行業、家庭護理品行業、製藥行業等仍保持增長勢頭，加上產業轉移至新興國家和其內部消費能力提升等的利好因素下，精細化工行業在以中國為代表的新興國家之中發展尤其迅速，因此本集團內之三大主要業務類別均錄得實質的增長。

縱使宏觀經濟在首六個月表現理想，然而，原材料價格高企、人民幣升值以及息率上揚等不利因素仍然在這期間持續產生影響，這些因素對本行業營運成本帶來了較大的上升壓力。唯本集團憑著在行業內紮實的根基，在經營策略上積極地採取各種有效的措施，加上於去年十月完成的第二期擴建中，將研發的成果適時應用於擴增的產能上，使得生產能力提昇近半的同時，亦較為明顯地降低了總體生產成本和提高了生產得率。以上各項措施不但降低整體營運成本，還大大提昇集團競爭力，從而將各種不利及不明朗因素所帶來的影響減至最低。

截至二零零六年六月三十日止的六個月，本集團營業額錄得48%之快速增長，金額達253,500,000元人民幣，若撇除貿易及資源運營產品的收益部份，營業額仍較去年同期錄得24%之穩定增長，金額達194,500,000元人民幣。而直接銷往海外的營業額也錄得65%之快速增長，金額達89,200,000元人民幣，佔集團總營業額的35%，比去年同期多3個百分點。由於目前貿易及資源運營業務的的毛利較低，這項非核心的業務雖對盈利有一定貢獻但卻拖低了集團的整體毛利率，使到毛利率從去年同期的38.5%下降至31.6%，若撇除貿易及資源運營產品的部份，本集團首六個月自製產品的毛利率達38.3%，僅比去年同期的41.2%略微下降2.9個百分點。



### Business review (continued)

The export and, trading and resource management business continued to expand during the period under review, resulting in the controlled increase in sales and marketing cost such as transportation and insurance cost to RMB11,800,000 from RMB8,800,000 of the corresponding period last year. The proportion of such cost to sales decreased to 4.6% from 5.1% of the corresponding period last year. Administrative expenses during the first half of the year amounted to RMB15,500,000, a level similar to that of the corresponding period last year. The proportion of such expenses to sales decreased to 6.1% from 9.0% of the corresponding period last year, showing that the Group has achieved higher economies of scale.

Due to the above factors, profit attributable to the equity holders of the Group during the period increased 30% to RMB46,500,000 and the net profit margin was 18.3%, down from 20.9% of the corresponding period last year. Earnings per share during the period rose 17% to RMB10.1 cents. The Board of Directors has resolved to declare an interim dividend of 0.8 HK cents for the period ended 30 June 2006.

### Product Review

The analysis of turnover and gross profit of the Group's various products for the six months ended 30 June 2006 and 30 June 2005 are as follows:

### 業務回顧 (續)

出口和貿易及資源運營業務在回顧期內的持續擴充，導致運輸及保險等的銷售及推廣成本錄得受控增幅，從去年同期的8,800,000元人民幣增加至11,800,000元人民幣，其佔銷售之百分比卻由去年同期的5.1%下降至4.6%。行政費用在上半年的金額為15,500,000元人民幣，與去年同期的金額相若，其佔銷售之百分比卻由去年同期的9.0%下降至6.1%，集團的規模效益漸趨明顯。

綜合上述各項因素，期內本集團權益持有人的應佔盈利上升30%至46,500,000元人民幣，純利率為18.3%，而去年同期為20.9%。期內每股盈利上升17%至每股10.1仙人民幣。董事會已議決就截至二零零六年六月三十日止期間宣佈派發中期股息0.8港仙。

### 產品回顧

集團於截至二零零六年六月三十日及二零零五年六月三十日止六個月之各類產品營業額及毛利分析如下：

		Turnover 營業額		Gross profit 毛利	
		For the six months ended 30 June		For the six months ended 30 June	
		截至六月三十日止六個月 2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣	截至六月三十日止六個月 2006 二零零六年 RMB'000 千元人民幣	2005 二零零五年 RMB'000 千元人民幣
Aroma chemicals	芳香化學品	123,498	92,174	40,009	29,885
Natural extracts	天然提取物	42,609	37,996	15,795	13,977
Intermediates	中間體	28,401	26,493	18,657	20,606
Trading and resource management	貿易與資源運營	59,002	14,349	5,589	1,405
Turnover/gross profit of the Group	本集團營業額／毛利	253,510	171,012	80,050	65,873





### Product Review (continued)

#### Aroma Chemicals

Aroma chemicals continued to be the Group's core business during the period under review, and brought a significant and stable operating revenue for the Group. For the six months ended 30 June 2006, sales of aroma chemicals surged 34% to RMB123,500,000, accounting for 49% of the Group's sales. Gross profit margin was 32.4%, which is similar to 32.4% recorded in the corresponding period last year. Dihydromyrcenol was an important contributor which brought a revenue of RMB42,600,000 to the Group. Its sales increased 60% over the corresponding period last year.

Phase II expansion of Haicang Plant, completed in October last year has enhanced the Group's annual processing capacity of botanic essential oil from 11,000 metric tonnes to 16,000 metric tonnes, and provided a larger room for growth for the Group. Meanwhile, the long-term partnership established between the Group and its major clients enables the Group to secure adequate orders under the benefit of the strengthening trend of industry migration. Combining self-developed and imported technologies, the Group made great improvement in production facilities and workflow technology in Phase II expansion project, contributing to the improvement of the overall production technology. Therefore, the results of the Group's aroma chemical business in the first half of the year reflected not only the growth of sales driven by the improvement of productivity, but also the further reduction of production cost and the integrated benefit resulted from the increase in production yield under the economies of scale achieved after expansion and technological advancement.

#### Natural Extracts (Formerly known as Natural Pharmaceutical Raw Materials)

The unremitting launch of new product series produced by similar natural extraction and purification technology enabled the Group to expand its natural extract product business to areas beyond pharmaceutical products. Therefore, the use of the term "Natural Extracts" as the collective designation of this business category reflects business development in that category and denotes a broader scope of products. In addition to the original natural pharmaceutical raw materials used for the production of modern Chinese drugs and healthcare products, natural extracts include food ingredients of natural seafood extracts and meat extracts for the production of flavours and seasonings.

### 產品回顧 (續)

#### 芳香化學品

芳香化學品於本回顧期間繼續作為本集團之核心業務，為集團提供龐大及穩定之經營收益。截至二零零六年六月三十日止六個月，芳香化學品的銷售大幅增長34%至123,500,000元人民幣，佔集團銷售額的49%，毛利率為32.4%，與去年同期毛利率32.4%相若。當中以二氫月桂烯醇為當中的佼佼者，其銷售額較去年同期增長60%，並為集團提供了42,600,000元人民幣的收益。

於去年十月海滄工廠完成的第二期擴建使集團植物精油加工能力由每年11,000公噸提升至16,000公噸，為集團提供更大的增長空間。同時，本集團與主要客戶所建立之長期夥伴關係亦使到集團得益於持續加強的國際產業轉移所帶來的充足訂單。集團在第二期擴建中，結合自身開發和引進的技術成果，對生產裝置及工藝流程技術進行重大的改進，使到整體生產技術得以提升至更高層面。因此，本集團上半年在芳香化學品的表現除了充份反映生產能力提升所帶來的銷售增長外，也反映了擴建後規模效益以及工藝技術改進等因素致使生產成本進一步降低和生產得率提高綜合效益。

#### 天然提取物 (前統稱為天然藥物原料)

本集團公司利用同類的天然提取純化技術不斷地推出新的系列產品，使到集團天然產物業務延伸至藥物以外的範疇，故此，改以「天然提取物」為該類別的統稱可反映集團在該類別業務的發展並包涵更廣泛。天然提取物除了原有包括用作生產現代中藥及保健品之天然藥物原料外，還包括了來自天然海鮮提取物、肉類提取物等用作調香調味之食品配料。



### Product Review (continued)

#### Natural Extracts (Formerly known as Natural Pharmaceutical Raw Materials) (continued)

During the period under review, the Group's natural extract business maintained steady growth because demand for downstream products rose on the back of improving living standard and increasing health consciousness while the quality of the Group's products were widely recognized. Turnover of this business category increased 12% to RMB42,600,000, accounting for 17% of the Group's sales. Gross profit margin was 37.1%, slightly up from 36.8% of last year. The performance of Natural Cinnamic Aldehyde was relatively more outstanding under this business category. This product contributed a revenue of RMB13,200,000 to the Group and its sales increased 52% over the corresponding period last year. Other major products within this category include Eugenol and Eucalyptol.

#### Intermediates (Formerly known as Chiral Pharmaceutical Raw Materials and Pharmaceutical Intermediates)

The unremitting launch of new products enabled the Group to expand its business to areas beyond Chiral Pharmaceutical Raw Materials and Pharmaceutical Intermediates. Therefore, using the term "Intermediates" as the collective designation of this business category is more appropriate and denotes a broader scope of products. Products originally classified as Chiral Pharmaceutical Raw Materials and Pharmaceutical Intermediates are now included under intermediates. In addition to chiral pharmaceutical raw materials and pharmaceutical intermediates which are used as the major synthetic raw materials for the production of numerous popular drugs, intermediates include agro-chemical intermediates used for regulating the growth of plants.

During the period under review, products developed by Shanghai Fine Chemical Co., Ltd ("SFC"), a company acquired by the Group, were commercialized and launched into the market. Despite of the quality of existing products widely recognised, new orders only remain steady because the existing products are under the severe market competition. In addition, the profit contribution from new products has not been reflected, the Group's intermediate business has only recorded slight growth of 7% to RMB28,400,000, accounting for 11% of the Group's sales. Gross profit margin dropped to 65.7% from 77.8% of the corresponding period last year. However, the gross profit margin of this product category of the Group is still higher than its peers in the industry. 3-Phenylpropanal Aldehyde is the major product of the intermediate business segment. Its sales accounted for 38% of the overall sales of this business category and contributed a revenue of RMB10,900,000 to the Group. Other major products within this business category include  $\alpha$ -Phenylethyl alcohol, Resveratrol and PTMI (a kind of intermediates used for regulating the growth of plants).

### 產品回顧 (續)

#### 天然提取物 (前統稱為天然藥物原料) (續)

於本回顧期間，隨著生活水準及保健意識提升對下游產品需求增加以及集團產品的品質被廣泛認可，本集團天然提取物的業務錄得平穩的增長，營業額增長12%至42,600,000元人民幣，佔集團銷售額的17%，毛利率為37.1%，較去年毛利率36.8%輕微上升。當中以天然肉桂醛表現較突出，其銷售額較去年同期增長52%並為集團提供13,200,000元人民幣的收益，此類別業務之其他主要產品包括丁香酚及桉葉素等。

#### 中間體 (前統稱為手性藥物原料及醫藥中間體)

由於新產品的持續推出，使到集團業務延伸至手性藥物原料及醫藥中間體以外的範疇，故此，以「中間體」為該類別的統稱更為貼切及包涵更廣泛，原有歸類為手性藥物原料及醫藥中間體的產品組合現也納入中間體類別之內。現在的中間體業務除了用作生產多種普及藥物的主要原料之手性藥物原料及醫藥中間體外，還包括了用作調節植物生長之生態農藥中間體等。

於本回顧期間，集團所收購的上海萬凱化學有限公司（「上海萬凱」）研發的產品陸續產業化並推向市場，但新產品的利潤貢獻在期內尚未反映；另一方面，現有產品的品質已被廣泛認可，但因現有產品的市場日趨激烈而導致新訂單僅可維持平穩，致使本集團的中間體業務較去年同期只錄得7%輕微增幅至28,400,000元人民幣，佔集團銷售額的11%，而毛利率則從去年同期之77.8%有所下降至65.7%。儘管如此，本集團該類產品的毛利率在同業中仍處於較高水平。在該類別中，本集團主要生產以3-苯丙醛為首之中間體，其銷售額佔整類別之38%，為集團提供10,900,000元人民幣的收益，此類別業務之其他主要產品包括 $\alpha$ -苯乙醇及白藜蘆醇及PTMI（為一種植物生長調節劑中間體）等。





### Product Review (continued)

#### Trading and Resource Management (Formerly known as Trading Products)

In the past, the Group's trading product business is only supplemental to its core business and comprises mainly the integrated sales of the raw materials of aroma chemicals. During the period, taken into account the persistent high market prices of upstream raw materials and the increase in the demand for relevant raw materials not produced by the Group, the Group has focused its trading business on the effective management of relevant resources, including mainly gum turpentine and other special botanic essential oils. For the six months ended 30 June 2006, sales of the Group's trading and resource management business amounted to RMB59,000,000, accounting for 23% of the Group's turnover. Gross profit of trading and resource management business reached approximately RMB5,600,000. As a necessary supplement to the Group's core business, the trading and resource management business brought sales and profit contribution to the Group during the period under review.

The major objective of integrated sales is to improve the quality of the Group's sales services so as to consolidate the Group's relationship with its clients and satisfy the robust demand of its existing clients. Since there are numerous types of aroma chemicals, the Group provides its clients with aroma chemicals not produced by the Group, so as to provide a more comprehensive product portfolio and value-added services to its clients and realise product diversification. Meanwhile, since natural resources are in increasing shortage and prices are rising, the Group will lift the strategic value of resource management. In order to ensure a more effective deployment of turpentine resources, the Group will launch into the overseas market turpene-related products which are closely related to turpentine.

### Prospect

Looking towards the second half of the year, the performance of the global economy looks increasingly uncertain, mainly clouded by factors such as high oil price and rising interest rate. Nevertheless, it is expected that the economy of China, Hong Kong and other emerging countries and in particular the fine chemical industry will still maintain their strong growth momentum in the second half of 2006. In the downstream industries of fast-moving-consumer-goods and daily necessities, the Group's products are mainly applied as functional ingredients and key components such as flavour and fragrance products, food and beverage products, personal and household healthcare products and pharmaceutical products. These fast-moving-consumer-goods and daily necessities are less sensitive to cyclical economic fluctuations as compared with products of other industries. Besides, the demand for upstream products from these industries remain strong due to the global trend of industry migration. Therefore, the Group's business still has a global large room for development.

### 產品回顧 (續)

#### 貿易與資源運營產品 (前統稱貿易產品)

過往本集團的貿易產品業務僅是核心業務的一個補充，主要都是經營天然芳香品原料的集成銷售。期內，集團根據上游原料市場價格的持續高位及客戶對非本集團生產的相關原料的需求增加，已適時地將貿易業務的重點定位在相關資源的有效運營，相關的資源將主要包括脂松節油及其他特有植物精油等。截至二零零六年六月三十日止六個月內，本集團貿易與資源運營產品之銷售為59,000,000元人民幣，佔本集團營業額23%；貿易與資源運營產品之毛利約為5,600,000元人民幣。貿易與資源運營業務作為本集團核心業務的必要輔助，於回顧期間，也為集團的銷售及盈利上帶來了貢獻。

其中，集成銷售主要目的是體現本集團一直致力提升銷售服務質素以鞏固客戶關係的精神，以滿足本集團現有客戶之殷切需求。按芳香化學品種類繁多的特點，藉此向客戶提供非本集團生產之芳香化學品，從而為客戶提供更全面的產品組合和增值服務，實現產品多元化。同時隨著天然資源的日益緊缺以及價格的上升，集團將資源運營提升到戰略高度，為更有效地運營松節油資源，集團亦將與松節油緊密關聯的松香產品推向海外市場。

### 前景

展望下半年，環球經濟在高油價與利率攀升的陰霾籠罩下將會漸趨不明朗，儘管如此，我們預計中國內地、香港、其他新興國家的經濟，特別是精細化工行業在二零零六年下半年仍可保持強勁的增長勢頭。而本集團產品主要應用於下遊的快速消費品和生活必需品行業，作為香精香料、食品飲料、個人護理品、家庭護理品、製藥等產品的功能成分或關鍵組分，這些快速消費品和生活必需品不但對週期性經濟波動的敏感度較其他行業為低，在國際產業持續轉移的趨勢下，對上游產品的需求仍然殷切，故本集團業務仍有較大的發展空間。



### Prospect (continued)

Although the upward pressure of raw material cost is a reality that the entire industry must face, the Group will continue to implement various proactive measures to cope with it. The Group will mainly focus on the implementation of strategies on resource management, which include setting up a dedicated resource operation department and carrying out forward integration in the supply chain management of raw material procurement by commencing resource management instead of keeping a strategic reserve of raw materials and converting raw material procurement from a cost centre to a profit centre, so as to control raw material cost effectively and capture additional profit from resource management. Meanwhile, the Group also adopted a balanced mechanism on resources deployment implying that natural renewable resources be supported by petrochemical resources.

As regard the operating strategies, the global industry has coped with the increase in the prices of raw materials by lifting the prices of their products and major clients from all over the world have gradually accepted the reality of rising product prices this year. On the other hand, the Group innovates and improves its existing techniques and technology on an ongoing basis with the view to controlling cost. Under the premise of ensuring product quality, the Group increases its production yield and improves its production efficiency. The workflow at all levels, including the frontline departments, the research and development department and the supporting departments were redesigned so as to reduce the overall operating cost. The above measures will enable the Group to maintain its leading cost advantage and further enhance its competitiveness in the international markets. In addition, the Group has hedged against the pressure on the appreciation of renminbi by strengthening its international trade management.

Exclusive innovative technology and industry experience remain the key to protecting the Group's core competitiveness and enable the Group to strengthen its partnership with leading international flavour and fragrance companies. The Group will continue to launch new product mix that cater for the market of fast-moving-consumer-goods and the needs of its major customers. New products include important flavors and natural food extracts used in food and beverage. It is expected that the new products will bring new contribution to the Group.

The construction of Phase III project will be commenced in the second half of the year and be completed by stages. The objective of the first phase is to have a brand new and advanced multifunctional production workshop completed and put into operation in the second half of 2007. The new multifunctional workshop will be equipped with multifunctional fine chemical installation skills that are the most advanced in the world and environmental friendly. The workshop will have multi-purpose reactor, precision separation & extraction unit, Special purpose unit and Clean production zone. In line with Phase III project, the Group will continue to step up its efforts in market exploration, international cooperation, research and development of technologies and its integration and development with SFC, so as to expand its new high-value added product series which include aroma chemicals, natural extracts and intermediates.

In view of the above prospects and the operation forecast of the Group in the second half of the year, the Group will remain cautiously optimistic about its operation in the second half of the year, and expect a better performance in the growth rate of its sales revenue in the second half of the year.

### 前景 (續)

雖然原料成本上漲壓力對整個行業而言是個必需面對的現實，而本集團將會計續採取多種積極的措施進一步加以應對。一方面，本集團將會繼續致力於推動資源運營戰略的實施，包括：成立資源運營的專責部門，將原料採購的供應鏈管理有效地前移，轉原料戰略儲備為資源運營，由原來採購的成本中心變為利潤中心，由此希望既能有效地控制原材料成本，又能獲取資源運營的增值利潤。另一方面，本集團也正在實施一套均衡互補二元資源結構，即以天然可再生的資源為主並與部份石化原料並行。

在經營策略方面，全球同業已通過產品價格的提高逐步消化原料的價格因素，並且在本年度開始全球主要大客戶已逐步接受產品提價的事實；另一方面，本集團也針對成本控制，將對現有工藝技術不斷地進行創新和改進，在保證產品品質的前提下，提升產品得率，改善生產效率；而集團各層面工作流程的再造，包括前線部門、研發部門及支援部門，也將有助於運營成本的整體降低。以上各項將可使集團繼續保持成本領先的優勢，進一步提升集團在國際市場的競爭力。此外，集團也會通過加強國際貿易的管理來有效地面對人民幣升值對營收所帶來的壓力。

獨有的創新技術和產業化經驗仍是集團核心競爭力的保障，也使得集團繼續加強和發展與國際主要香精香料公司的夥伴關係，並針對快速消費品市場及主要客戶的需求持續地推出新的產品組合。新產品將包括應用在食品飲料方面的重要香原料系列和天然食品配料。新產品的推出預期將會對集團營收帶來新的貢獻。

第三期工程將在下半年動工並分階段完成。而第一階段的目標將會是在二零零七年下半年完工並投入使用一個全新的先進多功能生產車間。新的多功能車間將會引用當前國際最先進並對環境友好的精細化工多功能裝置技術，將配置多功能反應區、精密分離提取區、專用裝置技術區、潔淨生產區等功能。與第三期工程相配合，集團將會在市場開發、國際產業合作、技術研發、以及與上海萬凱的整合發展方面做出努力，藉此拓展包括芳香化學品、天然提取物、藥用中間體等具較高附加值的新產品系列。

以上展望及下半年本集團運營之預測，本集團對下半年的經營將維持審慎樂觀的態度，並期望下半年的收入能夠有較好的表現。



### Financial review

#### Liquidity and Financial Resources

During the period under review, the Group's primary source of funding was derived from the cash generated from operating activities. The Group's capability in working capital management attributed a net cash inflow from operating activities amounting to approximately RMB65.8 million (six months ended 30 June 2005: approximately RMB14.3 million).

The Group's financial position was solid throughout the period. As at 30 June 2006, the net current assets and the current ratio of the Group were approximately RMB289.8 million (31 December 2005: approximately RMB237.8 million) and 2.4 (31 December 2005: 2.2), respectively. As at 30 June 2006, the Group had cash and cash equivalents of approximately RMB314.3 million (31 December 2005: approximately RMB257.9 million).

The Group will continue to maintain a sound finance position and with the positive cash inflow from operations and its available banking facilities, the Group has sufficient financial resources to meet its commitments, working capital requirements and future investments for expansion.

#### Capital Structure and Gearing Ratio

As at 30 June 2006, the equity attributable to the Company's equity holders amounted to RMB486.9 million, representing RMB1.06 per share (31 December 2005: RMB444.8 million, representing RMB0.96 per share). Increase in shareholders' funds was mainly attributable to the profit generated in the period less payment of dividend during the period.

The Group's debt to equity ratio as at 30 June 2006, was decreased from 28% at 31 December 2005 to 27%. The Group's net cash balance, being cash and cash equivalents plus pledged and unpledged bank deposits less borrowings amounted to RMB194.1 million (31 December 2005: RMB138.2 million).

### 財務回顧

#### 流動資金及財務資源

於回顧期內，本集團之主要資金來源是從經營業務所得現金。經營業務所得現金流入淨額約65,800,000元人民幣（截至二零零五年六月三十日止六個月：約14,300,000元人民幣）乃本集團營運資金管理能力之成果。

期內，本集團之財政狀況穩健。於二零零六年六月三十日，本集團流動資產淨值及流動比率分別約為289,800,000元人民幣（二零零五年十二月三十一日：約237,800,000元人民幣）及2.4（二零零五年十二月三十一日：2.2）。於二零零六年六月三十日，本集團有現金及現金等價物約314,300,000元人民幣（二零零五年十二月三十一日：約257,900,000元人民幣）。

本集團將繼續維持穩健財務狀況。憑藉經營所得之正數現金流入及其可用銀行信貸，本集團具備充裕財務資源以應付其承擔、營運資金需要及日後擴展投資之用。

#### 股本架構及資產負債比率

於二零零六年六月三十日，本公司權益持有人應佔權益為486,900,000元人民幣，即每股1.06元人民幣（於二零零五年十二月三十一日：444,800,000元人民幣，即每股0.96元人民幣）。股東應佔權益增加主要源自期內所產生溢利減於期內派付之股息。

於二零零六年六月三十日，本集團之債務股本比率由二零零五年十二月三十一日之28%減至27%，而本集團之現金結餘淨額（即現金及現金等價物加未抵押和已抵押銀行存款減貸款）則為194,100,000元人民幣（二零零五年十二月三十一日：138,200,000元人民幣）。



### Financial review (continued)

#### Treasury Policies and Exposure to Fluctuations in Exchange Rates

The Group's assets, liabilities, revenues and transactions are mainly denominated in Renminbi, United States dollars and Hong Kong dollars with its operation mainly in the PRC. Bank borrowings were denominated in Renminbi and Hong Kong dollars.

The Group's forecast exposure to the foreign exchange fluctuations was caused by the revaluation of Renminbi during the period under review. Nevertheless, the Group has not experienced any material difficulties or effects on its operation or liquidity as a result of fluctuation in currency exchange rate during the period.

#### Charge on assets

As at 30 June 2006, bank deposit of RMB10.3 million (31 December 2005: RMBnil), certain property, plant and equipment of the Group with an aggregate net book value of about RMB32.2 million (31 December 2005: RMB32.2 million) and land use rights of RMB4 million (31 December 2005: RMB4 million) were pledged to secure the Group's bank borrowings.

#### Capital expenditure

During the period under review, the Group invested approximately RMB3.3 million and RMB1.2 million respectively in the additions of property, plant and equipment and intangible assets compared to approximately RMB28.0 million and RMB0.8 million respectively for the same period last year.

#### Contingent liabilities

As at 30 June 2006, neither the Group nor the Company had any contingent liabilities.

#### Employees and remuneration policy

As at 30 June 2006, the Group has 257 full-time employees of which 250 are based in the PRC and 7 in the Hong Kong office.

Remuneration packages offered to the staff are in line with the prevailing market terms and reviewed on a regular basis. Discretionary bonuses may be rewarded to employees after assessment of the Group's and the individual's performance. Besides salaries and bonus, staff are also entitled to other benefits, including participation in retirement benefits schemes and the share option schemes adopted by the Company pursuant to resolutions in writing of all the shareholders of the Company passed on 16 February 2004. 57,445,000 share options remained outstanding at the period end.

### 財務回顧 (續)

#### 庫務政策及外匯波動風險

本集團之資產、負債、收入及交易主要以人民幣、美元及港元結算，而其主要於中國進行業務。銀行借貸均分別以人民幣及港元結算。

於回顧期內，本集團主要的外匯波動風險乃因重估人民幣所致。儘管如此，本集團於期內並無因匯率波動而於營運或流動資金方面遇上任何重大困難或影響。

#### 資產抵押

於二零零六年六月三十日，銀行存款10,300,000元人民幣（二零零五年十二月三十一日：零元人民幣）以及本集團帳面淨值總額約32,200,000元人民幣（二零零五年十二月三十一日：32,200,000元人民幣）之若干物業、廠房及設備以及4,000,000元人民幣（二零零五年十二月三十一日：4,000,000元人民幣）之土地使用權已抵押，作為本集團銀行借貸之抵押品。

#### 資本開支

於回顧期內，本集團就添置物業、廠房及設備與無形資產分別投資約3,300,000元人民幣及1,200,000元人民幣，而去年同期則分別約為28,000,000元人民幣及800,000元人民幣。

#### 或然負債

於二零零六年六月三十日，本集團或本公司並無任何或然負債。

#### 僱員及酬金政策

於二零零六年六月三十日，本集團有257名全職僱員，其中250名駐中國，其餘7名則駐於香港。

向員工提供之薪酬與現行市場條款一致，並定期檢討。酌情花紅可於評估本集團及個別員工表現後向僱員發放。除薪金及花紅外，員工亦有權獲取其他福利，包括參與退休福利計劃及本公司根據本公司全體股東於二零零四年二月十六日通過之書面決議案採納之購股權計劃。於期間結束時，仍有57,445,000份購股權尚未行使。

# Condensed Consolidated Interim Balance Sheet

## 簡明綜合中期資產負債表



(As at 30 June 2006)

(二零零六年六月三十日)

		30 June 六月三十日 2006 二零零六年 (Unaudited) (未經審核) RMB'000 千元人民幣	31 December 十二月三十一日 2005 二零零五年 (Audited) (經審核) RMB'000 千元人民幣
	Notes 附註		
<b>ASSETS</b>	<b>資產</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	5 <b>181,862</b>	184,144
Land use rights	土地使用權	5 <b>4,900</b>	4,955
Intangible assets	無形資產	5 <b>22,789</b>	22,705
Available-for-sale financial assets	可供出售財務資產	<b>400</b>	400
<b>Total non-current assets</b>	<b>總非流動資產</b>	<b>209,951</b>	212,204
<b>Current assets</b>	<b>流動資產</b>		
Inventories	存貨	<b>40,482</b>	33,306
Trade receivables	貿易應收款	6 <b>98,008</b>	101,771
Prepayments and other receivables	預付款及其他應收款	<b>24,717</b>	40,558
Available-for-sale financial assets	可供出售財務資產	–	300
Pledged bank deposits	已抵押銀行存款	<b>10,293</b>	–
Bank deposits with original maturity over three months	原有到期日超過三個月之銀行存款	–	3,122
Cash and cash equivalents	現金及現金等價物	<b>314,322</b>	257,908
<b>Total current assets</b>	<b>總流動資產</b>	<b>487,822</b>	436,965
<b>Total assets</b>	<b>總資產</b>	<b>697,773</b>	649,169
<b>EQUITY</b>	<b>權益</b>		
<b>Capital and reserves attributable to the Company's equity holders</b>	<b>本公司權益持有人應佔資本及儲備</b>		
Share capital	股本	<b>48,778</b>	48,778
Other reserves	其他儲備	<b>211,113</b>	209,747
Retained earnings	保留盈利		
– Proposed dividend	– 擬派股息	<b>3,676</b>	5,758
– Others	– 其他	<b>223,334</b>	180,502
<b>Minority interest</b>	<b>少數股東權益</b>	<b>486,901</b> <b>237</b>	444,785 229
<b>Total equity</b>	<b>總權益</b>	<b>487,138</b>	445,014

The notes on pages 18 to 28 form an integral part of this condensed interim financial information.  
第18至28頁的附註為簡明中期財務資料的整體部份。



# Condensed Consolidated Interim Balance Sheet

## 簡明綜合中期資產負債表



(As at 30 June 2006)

(二零零六年六月三十日)

		30 June 六月三十日 2006 二零零六年 (Unaudited) (未經審核) RMB'000 千元人民幣	31 December 十二月三十一日 2005 二零零五年 (Audited) (經審核) RMB'000 千元人民幣
	Notes 附註		
<b>LIABILITIES</b>	<b>負債</b>		
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Borrowings	貸款	7	5,000
Deferred income on government grants	政府津貼遞延收入	-	20
<b>Total non-current liabilities</b>	<b>總非流動負債</b>	<b>11,891</b>	5,020
<b>Current liabilities</b>	<b>流動負債</b>		
Borrowings	貸款	7	117,824
Trade and bills payables	貿易及票據應付款	<b>42,068</b>	48,061
Accruals and other payables	應計費用及其他應付款	<b>34,638</b>	30,568
Deferred income on government grants	政府津貼遞延收入	<b>76</b>	114
Amounts due to directors	應付董事款	14	159
Current income tax liabilities	當期所得稅負債	<b>3,178</b>	2,409
<b>Total current liabilities</b>	<b>總流動負債</b>	<b>198,744</b>	199,135
<b>Total liabilities</b>	<b>總負債</b>	<b>210,635</b>	204,155
<b>Total equity and liabilities</b>	<b>總權益及負債</b>	<b>697,773</b>	649,169
<b>Net current assets</b>	<b>流動資產淨值</b>	<b>289,078</b>	237,830
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>	<b>499,029</b>	450,034

The notes on pages 18 to 28 form an integral part of this condensed interim financial information.

第18至28頁的附註為簡明中期財務資料的整體部份。



# Condensed Consolidated Interim Income Statement



## 簡明綜合中期損益表

(For the six months ended 30 June 2006)  
(截至二零零六年六月三十日止六個月)

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年 (Unaudited) (未經審核)	2005 二零零五年 (Unaudited and restated) (未經審核 及重列)
		RMB'000 千元人民幣	RMB'000 千元人民幣
		Notes 附註	
Turnover	銷售	4	171,012
Cost of good sold	售出貨品成本		(105,139)
Gross profit	毛利		65,873
Other gains (net)	其他收益(淨額)		838
Selling and marketing costs	銷售及推廣成本		(8,752)
Administrative expenses	行政費用		(15,466)
Operating profit	經營盈利	9	42,493
Finance costs	融資成本		(3,357)
Profit before income tax	除所得稅前盈利		39,136
Income tax expense	所得稅	10	(3,408)
Profit for the period	期內盈利		35,728
Attributable to:	應佔:		
Equity holders of the Company	本公司權益持有人		35,730
Minority interest	少數股東權益		(2)
			35,728
Dividends	股息	11	3,885
Earnings per share for profit attributable to the equity holders of the Company during the period	期內本公司權益持有人應佔盈利之每股盈利		
– Basic	– 基本	12	RMB8.6 cents 人民幣8.6仙
– Diluted	– 攤薄		N/A 不適用

The notes on pages 18 to 28 form an integral part of this condensed interim financial information.  
第18至28頁的附註為簡明中期財務資料的整體部份。

# Condensed Consolidated Interim Cash Flow Statement

## 簡明綜合中期現金流量表



(For the six months ended 30 June 2006)  
(截至二零零六年六月三十日止六個月)

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年 (Unaudited) (未經審核) RMB'000 千元人民幣	2005 二零零五年 (Unaudited) (未經審核) RMB'000 千元人民幣
Net cash generated from operating activities	經營活動所得淨現金	65,833	14,323
Net cash used in investing activities	投資活動所用淨現金	(1,111)	(34,292)
Net cash from financing activities	融資活動所得淨現金	(8,330)	6,195
Net increase (decrease) in cash and cash equivalents	現金及現金等價物增加(減少)	56,392	(13,774)
Cash and cash equivalents at beginning of the period	期初之現金及現金等價物	257,908	205,543
Exchange gain on cash and cash equivalents	現金及現金等價物之匯兌收益	22	-
Cash and cash equivalents at end of the period	期終之現金及現金等價物	<b>314,322</b>	191,769

The notes on pages 18 to 28 form an integral part of this condensed interim financial information.  
第18至28頁的附註為簡明中期財務資料的整體部份。

# Condensed Consolidated Interim Statement of Changes in Equity



(For the six months ended 30 June 2006)  
(截至二零零六年六月三十日止六個月)

Six months ended 30 June 2006 (Unaudited)  
截至二零零六年六月三十日止六個月 (未經審核)

		Attributable to equity holders of the Company							Minority interest	Total	
		本公司權益持有人應佔							少數股東權益	總計	
		Share capital	Share premium	Capital reserve	Contributed surplus	Statutory reserves	Share options equity reserve	Currency translation reserve	Retained earnings		
		股本	股份溢價	股本儲備	繳入盈餘	法定儲備	購股權	匯兌儲備	保留盈利		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		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
Balance at 1 January 2006	二零零六年一月一日結餘，如前呈報為權益	48,778	177,698	685	9,500	16,168	5,732	(36)	186,260	229	445,014
Currency translation differences	貨幣匯兌差額	-	-	-	-	-	-	18	-	-	18
Net income recognised directly in equity	在權益直接確認的淨收入	-	-	-	-	-	-	18	-	-	18
Profit for the period	期內盈利	-	-	-	-	-	-	-	46,468	8	46,476
Total recognised income for the period	期內確認的總收入	-	-	-	-	-	-	18	46,468	8	46,494
Employees share option scheme – value of employees services	僱員認股權計劃： — 僱員服務的價值	-	-	-	-	-	1,348	-	-	-	1,348
Dividend relating to 2005 paid in June 2006	已於二零零六年六月派付之二零零五年股息	-	-	-	-	-	-	-	(5,718)	-	(5,718)
		-	-	-	-	-	1,348	-	(5,718)	-	(4,370)
Balance at 30 June 2006	二零零六年六月三十日結餘	48,778	177,698	685	9,500	16,168	7,080	(18)	227,010	237	487,138

The notes on pages 18 to 28 form an integral part of this condensed interim financial information.  
第18至28頁的附註為簡明中期財務資料的整體部份。

# Condensed Consolidated Interim Statement of Changes in Equity



## 簡明綜合中期權益變動表

(For the six months ended 30 June 2006)  
(截至二零零六年六月三十日止六個月)

Six months ended 30 June 2005 (Unaudited and restated)

截至二零零五年六月三十日止六個月(未經審核及重列)

		Attributable to equity holders of the Company							Minority interest	Total	
		本公司權益持有人應佔							少數股東權益	總計	
		Share capital	Share premium	Capital reserve	Contributed surplus	Statutory reserves	Share options equity reserve	Convertible bonds equity reserve	Retained earnings		
		股本	股份溢價	股本儲備	繳入盈餘	法定儲備	購股權	可換股債券	保留盈利		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		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
Balance at 1 January 2005	於二零零五年一月一日結餘	43,990	121,200	685	9,500	11,525	3,467	1,723	129,184	299	321,573
Profit for the period	期內盈利	-	-	-	-	-	-	-	35,730	(2)	35,728
Total recognised income for the period	期內確認的總收入	-	-	-	-	-	-	-	35,730	(2)	35,728
Employees share option scheme - value of employees services	僱員認股權計劃： — 僱員服務的價值	-	-	-	-	-	2,676	-	-	-	2,676
Transfer	轉讓	-	-	-	-	1,387	-	-	(1,387)	-	-
Dividend relating to 2004 paid in June 2005	已於二零零五年六月派付之二零零四年股息	-	-	-	-	-	-	-	(7,650)	-	(7,650)
		-	-	-	-	1,387	2,676	-	(9,037)	-	(4,974)
Balance at 30 June 2005	二零零五年六月三十日結餘	43,990	121,200	685	9,500	12,912	6,143	1,723	155,877	297	352,327

The notes on pages 18 to 28 form an integral part of this condensed interim financial information.  
第18至28頁的附註為簡明中期財務資料的整體部份。



### 1. General Information

EcoGreen Fine Chemicals Group Limited (“the Company”) and its subsidiaries (collectively “the Group”) are principally engaged in the trading and production of fine chemicals from natural resources for use in aroma chemicals and pharmaceutical products.

The Company was incorporated in the Cayman Islands on 3 March 2003 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, Cayman Islands, British West Indies.

The Company has its primary listing on the Main Board of the Stock Exchange of Hong Kong Limited (“the Stock Exchange”).

These condensed consolidated interim financial information were approved for issue on 13 September 2006.

### 2. Basis of preparation

This unaudited condensed consolidated interim financial information of the Company has been prepared in accordance with the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). These condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2005.

Certain comparative figures have been restated to conform to the current period presentation. The change relates to a more meaningful restatement in share-based payment and impairment of goodwill, as follows:

### 1. 一般資料

中怡精細化工集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事利用天然資源買賣及生產精細化學品,以用於芳香化學品及醫藥產品。

本公司於二零零三年三月三日根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司。其註冊辦事處地址為Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, Cayman Islands, British West Indies。

本公司以香港聯合交易所有限公司(「聯交所」)主板為其主要上市地點。

該等簡明綜合中期財務資料於二零零六年九月十三日經批准發行。

### 2. 編製基準

本公司未經審核之簡明綜合中期財務資料乃根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄16之披露規定及香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」編製。該等簡明綜合中期財務報表應與截至二零零五年十二月三十一日止年度財務報表一併閱讀。

若干比較數字已重列,以符合本期之呈列規定,就確認以股份形式付款之支出以及商譽減值作出更具意義的重列變動,如下:

		Six months ended 30 June 2005 截至二零零五年六月 三十日止六個月 (Unaudited) (未經審核) RMB'000 千元人民幣
		2,676
Recognition of share-based payments as expenses in relation to share options granted on 8 June 2004	確認於二零零四年六月八日 授予購股權為股份形式 付款之支出	379
Increase in impairment of goodwill	商譽減值增加	3,055
Decrease in profit	盈利減少	3,055



### 3. Accounting policies

The accounting policies adopted are consistent with those as described in the annual financial statements for the year ended 31 December 2005.

The following new standards, amendments to standards and interpretations are mandatory for financial year ending 31 December 2006.

- Amendment to HKAS 19 “Actuarial gains and losses, group plans and disclosures”, effective for annual periods beginning on or after 1 January 2006. The Group decided to retain its former accounting policy regarding the recognition of actuarial gains and losses;
- Amendment to HKAS 39, Amendment to “The fair value option”, effective for annual periods beginning on or after 1 January 2006. This amendment is not relevant for the Group as the Group did not have financial instruments prior to 1 January 2006;
- Amendment to HKAS 21, Amendment “Net investment in a foreign operation”, effective for annual periods beginning on or after 1 January 2006. This amendment is not relevant for the Group;
- Amendment to HKAS 39, Amendment “Cash flow hedge accounting of forecast intragroup transactions”, effective for annual periods beginning on or after 1 January 2006. This amendment is not relevant for the Group;
- Amendment to HKAS 39 and HKFRS 4, Amendment “Financial guarantee contracts”, effective for annual periods beginning on or after 1 January 2006. This amendment is not relevant for the Group;
- HKFRS 6 “Exploration for and evaluation of mineral resources”, effective for annual periods beginning on or after 1 January 2006. This standard is not relevant for the Group;
- HK(IFRIC) – Int 4 “Determining whether an arrangement contains a lease”, effective for annual periods beginning on or after 1 January 2006. The Group has reviewed its contracts. Some of them are required to be accounted for as leases in accordance with HKAS 17 “Leases”. However, these leases are operating leases, and their reclassification has had no impact on the expense recognised in respect of them;

### 3. 會計政策

本報告所採納會計政策與截至二零零五年十二月三十一日止年度之年度財務報表所述者一致。

下列新準則、對準則及詮釋之修訂將於截至二零零六年十二月三十一日止財政年度強制生效。

- 香港會計準則第19號(修訂本) – 「精算損益、集團計劃及披露」，於二零零六年一月一日或之後開始之年度期間生效。本集團決定保留其過往有關確認精算損益之會計政策；
- 香港會計準則第39號(修訂本) – 「選擇以公平值入帳」之修訂，於二零零六年一月一日或之後開始之年度期間生效。由於本集團於二零零六年一月一日前並無金融工具，故此項修訂不適用於本集團；
- 香港會計準則第21號(修訂本) – 「於海外業務之投資淨額」之修訂，於二零零六年一月一日或之後開始之年度期間生效。此項修訂不適用於本集團；
- 香港會計準則第39號(修訂本) – 「預測集團內公司間交易之現金流量對沖會計處理方法」，於二零零六年一月一日或之後開始之年度期間生效。此項修訂不適用於本集團；
- 香港會計準則第39號及香港財務報告準則第4號(修訂本) – 「財務擔保合約」，於二零零六年一月一日或之後開始之年度期間生效。此項修訂不適用於本集團；
- 香港財務報告準則第6號 – 「礦產資源勘探及評估」，於二零零六年一月一日或之後開始之年度期間生效。此項準則不適用於本集團；
- 香港(國際財務報告詮釋委員會) – 詮釋第4號 – 「釐定安排是否包括租賃」，於二零零六年一月一日或之後開始之年度期間生效。本集團已審閱其合約，當中若干合約須根據香港會計準則第17號「租賃」入賬列作租賃。然而，該等租賃為經營租賃，重新分類該等租賃對就此確認之開支並無影響；





### 3. Accounting policies (continued)

- HK(IFRIC) – Int 5 “Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds”, effective for annual periods beginning on or after 1 January 2006. This interpretation is not relevant for the Group; and
- HK(IFRIC) – Int 6 “Liabilities arising from participating in a specific market – waste electrical and electronic equipment”, effective for annual periods beginning on or after 1 December 2005. This interpretation is not relevant for the Group.

The following new standards, amendments to standards and interpretations have been issued but are not effective for 2006 and have not been early adopted:

- HK(IFRIC) – Int 7 “Applying the Restatement Approach under HKFRS 29”, effective for annual periods beginning on or after 1 March 2006. Management do not expect the interpretation to be relevant for the Group;
- HK(IFRIC) – Int 8 “Scope of HKFRS 2”, effective for annual periods beginning on or after 1 May 2006. Management is currently assessing the impact of HK(IFRIC) – Int 8 on the Group’s operations;
- HK(IFRIC) – Int 9 “Reassessment of Embedded Derivatives”, effective for annual periods beginning on or after 1 June 2006. Management believes that this interpretation should not have a significant impact on the reassessment of embedded derivatives as the Group already assess if embedded derivative should be separated using principles consistent with HK(IFRIC) – Int 9; and
- HKFRS 7, “Financial instruments: Disclosures”, effective for annual periods beginning on or after 1 January 2007. HKAS 1 “Amendments to capital disclosures”, effective for annual periods beginning on or after 1 January 2007. The Group assessed the impact of HKFRS 7 and the amendment to HKAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and capital disclosures required by the amendment of HKAS 1. The Group will apply HKFRS 7 and the amendment to HKAS 1 from annual periods beginning 1 January 2007.

### 3. 會計政策 (續)

- 香港（國際財務報告詮釋委員會）— 詮釋第5號—「終止運作、復原及環境修復基金產生權益之權利」，於二零零六年一月一日或之後開始之年度期間生效。此項詮釋不適用於本集團；及
- 香港（國際財務報告詮釋委員會）— 詮釋第6號—「參與特定市場產生之負債—廢料電力及電子設備」，於二零零五年十二月一日或之後開始之年度期間生效。此項詮釋不適用於本集團。

本集團並無提早採納下列已頒佈但於二零零六年尚未生效之新準則以及準則及詮釋修訂：

- 香港（國際財務報告詮釋委員會）— 詮釋第7號—「應用香港財務報告準則第29號之重列法」，於二零零六年三月一日或之後開始之年度期間生效。管理層預期此項詮釋不適用於本集團；
- 香港（國際財務報告詮釋委員會）— 詮釋第8號—「香港財務報告準則第2號之範圍」，於二零零六年五月一日或之後開始之年度期間生效。管理層現正評估香港（國際財務報告詮釋委員會）— 詮釋第8號對本集團業務之影響；
- 香港（國際財務報告詮釋委員會）— 詮釋第9號—「重估內含衍生工具」，於二零零六年六月一日或之後開始之年度期間生效。管理層相信，由於本集團已評估內含衍生工具是否需要應用與香港（國際財務報告詮釋委員會）— 詮釋第9號一致之原則獨立計算，故此項詮釋應不會對內含衍生工具之評估構成重大影響；及
- 香港財務報告準則第7號—「金融工具：披露」，於二零零七年一月一日或之後開始之年度期間生效。香港會計準則第1號—「資本披露之修訂」，於二零零七年一月一日或之後開始之年度期間生效。本集團已評估香港財務報告準則第7號及香港會計準則第1號之修訂，認為主要額外披露將為市場風險敏感度分析以及香港會計準則第1號之修訂所規定資本披露。本集團將於二零零七年一月一日開始之年度期間採納香港財務報告準則第7號及香港會計準則第1號之修訂。



4. Sales and segment information

(a) Sales

The Group is principally engaged in the production of fine chemicals from natural resources for use in aroma chemicals and pharmaceutical products and supply of natural materials and fine chemicals.

(b) Segment information

Primary reporting format – business segment

As at 30 June 2006, the Group is organised into two main business segments:

- (1) manufacturing and selling of fine chemicals; and
- (2) trading of natural materials and fine chemicals.

The segment results for the six months ended 30 June 2006 are as follows:

Sales	銷售
Operating profit	經營盈利
Unallocated corporate expenses	未分配公司開支
Finance costs	融資成本
Profit before income tax	除所得稅前盈利
Income tax expense	所得稅
Profit for the period	期內盈利

4. 銷售及分部資料

(a) 銷售

本集團主要從事利用天然資源生產精細化學品，以用於芳香化學品及醫藥產品以及提供天然原料及精細化學品。

(b) 分部資料

主要呈報方式 – 業務分部

於二零零六年六月三十日，本集團分為兩大主要業務分部：

- (1) 生產及銷售精細化學品；及
- (2) 買賣天然原料及精細化學品。

截至二零零六年六月三十日止六個月之分部業績如下：

Manufacturing 生產 (Unaudited) (未經審核) RMB'000 千元人民幣	Trading 買賣 (Unaudited) (未經審核) RMB'000 千元人民幣	Total 總計 (Unaudited) (未經審核) RMB'000 千元人民幣
<b>194,507</b>	<b>59,003</b>	<b>253,510</b>
<b>56,338</b>	<b>1,545</b>	<b>57,883</b>
		<b>(3,772)</b>
		<b>(3,334)</b>
		<b>50,777</b>
		<b>(4,301)</b>
		<b>46,476</b>



4. Sales and segment information (continued)

(b) Segment information (continued)

Primary reporting format – business segment (continued)

The segment results for the six months ended 30 June 2005 are as follows:

		生產 (Unaudited and restated) (未經審核 及重列) RMB'000 千元人民幣	買賣 (Unaudited and restated) (未經審核 及重列) RMB'000 千元人民幣	總計 (Unaudited and restated) (未經審核 及重列) RMB'000 千元人民幣
Sales	銷售	156,663	14,349	171,012
Operating profit	經營盈利	48,088	227	48,315
Unallocated corporate expenses	未分配公司開支			(5,822)
Finance costs	融資成本			(3,357)
Profit before income tax	除所得稅前盈利			39,136
Income tax expense	所得稅			(3,408)
Profit for the period	期內盈利			35,728

Other segment items included in the income statements are as follows:

4. 銷售及分部資料 (續)

(b) 分部資料 (續)

主要呈報方式 – 業務分部 (續)

截至二零零五年六月三十日止六個月之分部業績如下:

		生產 (Unaudited and restated) (未經審核 及重列) RMB'000 千元人民幣	買賣 (Unaudited and restated) (未經審核 及重列) RMB'000 千元人民幣	總計 (Unaudited and restated) (未經審核 及重列) RMB'000 千元人民幣
Sales	銷售	156,663	14,349	171,012
Operating profit	經營盈利	48,088	227	48,315
Unallocated corporate expenses	未分配公司開支			(5,822)
Finance costs	融資成本			(3,357)
Profit before income tax	除所得稅前盈利			39,136
Income tax expense	所得稅			(3,408)
Profit for the period	期內盈利			35,728

計入損益表之其他分部項目如下:

		Manufacturing 生產		Trading 買賣	
		Six months ended 30 June 截至六月三十日止六個月 2006 二零零六年 (Unaudited) (未經審核) RMB'000 千元人民幣	2005 二零零五年 (Unaudited and restated) (未經審核 及重列) RMB'000 千元人民幣	Six months ended 30 June 截至六月三十日止六個月 2006 二零零六年 (Unaudited) (未經審核) RMB'000 千元人民幣	2005 二零零五年 (Unaudited and restated) (未經審核 及重列) RMB'000 千元人民幣
Depreciation	折舊	5,040	2,796	23	17
Amortisation	攤銷	1,220	1,070	-	-
Impairment of goodwill	商譽減值	-	379	-	-
Provision for/(reversal of) impairment of inventories	存貨減值撥備/ (撥回)	192	170	(8)	14
Provision for impairment of trade receivables	應收交易帳款減值 撥備	57	758	27	340

# Notes to the Condensed Consolidated Interim Financial Information

## 簡明綜合中期財務資料附註



### 4. Sales and segment information (continued)

#### (b) Segment information (continued)

#### Secondary reporting format – geographical segment

The Group's two business segments operate in three main geographical areas.

### 4. 銷售及分部資料 (續)

#### (b) 分部資料 (續)

#### 次要呈報方式 – 地區分部

本集團兩大業務分部於三個主要地區經營。

		<b>Six months ended 30 June</b>	
		截至六月三十日止六個月	
		<b>2006</b>	2005
		<b>二零零六年</b>	二零零五年
		<b>(Unaudited)</b>	(Unaudited)
		(未經審核)	(未經審核)
		<b>RMB'000</b>	RMB'000
		千元人民幣	千元人民幣
Sales	銷售額		
– Mainland China	– 中國內地	<b>164,276</b>	117,062
– Europe	– 歐洲	<b>18,571</b>	26,805
– Asia (excluding Mainland China)	– 亞洲 (中國內地除外)	<b>43,070</b>	20,872
– Others	– 其他	<b>27,593</b>	6,273
		<b>253,510</b>	171,012

### 5. Capital expenditure

### 5. 資本開支

		<b>Property, plant and equipment</b>	<b>Land use right</b>	<b>Intangible assets</b>
		物業、	土地使用權	無形資產
		廠房及設備	土地	無形
		(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)
		RMB'000	RMB'000	RMB'000
		千元人民幣	千元人民幣	千元人民幣
Opening net book amount as at 1 January 2005	於二零零五年一月一日之期初帳面淨額	119,411	5,065	17,680
Additions	添置	27,966	–	738
Acquisition of a subsidiary	收購一家附屬公司	313	–	4,000
Depreciation and amortisation charge	折舊及攤銷	(2,926)	(55)	(1,015)
<b>Closing net book amount as at 30 June 2005</b>	<b>於二零零五年六月三十日之期終帳面淨額</b>	<b>144,764</b>	<b>5,010</b>	<b>21,403</b>
Opening net book amount as at 1 January 2006	於二零零六年一月一日之期初帳面淨額	184,144	4,955	22,705
Additions	添置	3,284	–	1,249
Depreciation and amortisation charge	折舊及攤銷	(5,568)	(55)	(1,165)
<b>Closing net book amount as at 30 June 2006</b>	<b>於二零零六年六月三十日之期終帳面淨額</b>	<b>181,860</b>	<b>4,900</b>	<b>22,789</b>



## 6. Trade receivables

The credit period granted by the Group to its customers is generally around 60 to 90 days. The aging analysis of trade receivables is as follows:

## 6. 貿易應收款

本集團給予客戶之信貸期一般約60至90天。貿易應收款之帳齡分析如下：

		<b>30 June</b> 六月三十日 <b>2006</b> 二零零六年 <b>(Unaudited)</b> (未經審核) <b>RMB'000</b> 千元人民幣	31 December 十二月三十一日 2005 二零零五年 (Audited) (經審核) RMB'000 千元人民幣
0 to 30 days	0至30天	<b>47,024</b>	43,382
31 to 60 days	31至60天	<b>33,685</b>	32,086
61 to 90 days	61至90天	<b>14,970</b>	19,742
91 to 180 days	91至180天	<b>2,652</b>	3,180
181 to 365 days	181至365天	<b>1,061</b>	4,409
Over 365 days	超過365天	<b>298</b>	570
		<b>99,690</b>	103,369
Less: Provision for impairment of trade receivables	減：貿易應收款減值撥備	<b>(1,682)</b>	(1,598)
		<b>98,008</b>	101,771



## 7. Borrowings

## 7. 貸款

		30 June 六月三十日 2006 二零零六年 (Unaudited) (未經審核) RMB'000 千元人民幣	31 December 十二月三十一日 2005 二零零五年 (Audited) (經審核) RMB'000 千元人民幣
<b>Non-current</b>	<b>非即期</b>		
Government loans, unsecured	無抵押政府貸款	5,000	5,000
<b>Current</b>	<b>即期</b>		
Government loans, unsecured	無抵押政府貸款	29,170	29,170
Other borrowings, unsecured	無抵押其他借貸	2,000	2,000
Bank borrowings, secured	有抵押銀行借貸	94,337	86,654
		<b>125,507</b>	<b>117,824</b>
<b>Total borrowings</b>	<b>借貸總額</b>	<b>130,507</b>	<b>122,824</b>
The maturity of borrowings is as follows:	借貸之還款期如下:		
Amounts repayable within a period:	須於以下期間償還之款項:		
– not exceeding one year	– 不超過一年	118,616	117,824
– more than one year but not exceeding two years	– 一年至兩年	3,446	–
– more than two years but not exceeding five years	– 兩年至五年	3,445	–
– more than five years	– 五年以上	5,000	5,000
		<b>130,507</b>	<b>122,824</b>

## 8. Trade and bills payable

The aging analysis of trade and bills payable is as follows:

## 8. 應付交易帳款及票據

應付交易帳款及票據之帳齡分析如下:

		30 June 六月三十日 2006 二零零六年 (Unaudited) (未經審核) RMB'000 千元人民幣	31 December 十二月三十一日 2005 二零零五年 (Audited) (經審核) RMB'000 千元人民幣
0 to 30 days	0至30天	22,302	10,310
31 to 60 days	31至60天	4,664	19,126
61 to 90 days	61至90天	8,014	7,996
91 to 180 days	91至180天	6,408	9,480
181 to 365 days	181天至365天	102	483
Over 365 days	超過365天	578	666
		<b>42,068</b>	<b>48,061</b>





## 9. Operating profit

Operating profit is stated after charging and crediting the following:

## 9. 經營盈利

經營溢利已扣除及計入以下各項：

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年 (Unaudited) (未經審核) RMB'000 千元人民幣	2005 二零零五年 (Unaudited) (未經審核) RMB'000 千元人民幣
<b>Charging</b>	<b>扣除</b>		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	5,568	2,926
Less: Amount included in product development cost	減：計入產品開發成本之款項	(505)	(130)
		<b>5,063</b>	<b>2,796</b>
Amortisation of:	攤銷：		
– intangible assets	– 無形資產	1,165	1,015
– prepaid operating lease payments	– 預付經營租約租金	55	55
<b>Crediting</b>	<b>計入</b>		
Interest income from bank deposits	銀行存款之利息收入	1,283	781
Amortisation of deferred income on government grants	攤銷政府津貼遞延收入	57	57



### 10. Income tax expense

Current income tax	即期所得稅
– Mainland China enterprise income tax	– 中國內地企業所得稅

Notes:

No Hong Kong profits tax was provided as the Group had no assessable profit arising in or derived from Hong Kong.

The subsidiaries established in Xiamen, Fujian Province, Mainland China are subject to Mainland China enterprise income tax at a rate of 15% (2005: 15%), except:

- (i) In February 2002, Xiamen Sinotek Enterprise Development Co., Ltd. transformed from a domestic enterprise to a wholly foreign owned enterprise and is exempted from Mainland China Tax Bureau for payment of enterprise income tax for two years starting from the first year of profitable operations after offsetting prior years' tax losses, followed by a 50% reduction in enterprise income tax for the following three years; and
- (ii) In August 2003, Xiamen Doingcom Chemical Co., Ltd. was accredited as a New High Technology Enterprise and accordingly is exempted from payment of enterprise income tax for two years starting from the first year of production.

### 11. Dividends

Interim dividend proposed of HK0.8 cents (2005: HK0.8 cents) per ordinary share	擬派中期股息 每股普通股0.8港仙 (二零零五年: 0.8港仙)
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During the six months ended 30 June 2006, a 2005 final dividend of HK1.2 cents, shown as RMB1.24 cents, (2004 final: HK1.75 cents, shown as RMB1.84 cents) per ordinary share, totalling HK\$5,532,000, shown as RMB5,718,000 was paid in June 2006 (six months ended 30 June 2005: HK\$7,263,000, shown as RMB7,650,000).

### 10. 所得稅

Six months ended 30 June  
截至六月三十日止六個月

2006 二零零六年 (Unaudited) (未經審核) RMB'000 千元人民幣	2005 二零零五年 (Unaudited) (未經審核) RMB'000 千元人民幣
<b>4,301</b>	3,408

附註:

由於本集團並無在香港獲得或賺取應課稅溢利，因此並無就香港利得稅作出撥備。

於中國內地福建省廈門成立之附屬公司須按15% (二零零五年: 15%) 之稅率繳納中國內地企業所得稅，除了:

- (i) 二零零二年二月，廈門中技實業發展有限公司由內資企業轉為全外資企業，並且獲得中國內地稅務局豁免自抵銷上一年稅項虧損後首個獲利年度起繳納企業所得稅兩年，其後三年之企業所得稅則減半；及
- (ii) 二零零三年八月，廈門中坤化學限公司獲認可為高新技術企業，因此獲豁免由生產首個獲利年度起繳納企業所得稅兩年。

### 11. 股息

Six months ended 30 June  
截至六月三十日止六個月

2006 二零零六年 (Unaudited) (未經審核) RMB'000 千元人民幣	2005 二零零五年 (Unaudited) (未經審核) RMB'000 千元人民幣
<b>3,676</b>	3,885

截至二零零六年六月三十日止六個月，二零零五年的末期股息每股1.2港仙，列作1.24仙人民幣 (二零零四年末期股息: 1.75港仙，列作1.84仙人民幣) 已於二零零六年六月份內支付，合計為港幣5,532,000，列作5,718,000元人民幣 (截至二零零五年六月三十日止六個月: 港幣7,263,000，列作7,650,000元人民幣)。



### 12. Earnings per share

The calculation of basic earnings per share for profit attributable to equity holders of the Company is based on the Group's profit for the period attributable to equity holders of the Company of approximately RMB46,468,000 (six months ended 30 June 2005: RMB35,730,000 (restated)) and on the number of 461,000,000 (2005: 415,000,000) ordinary shares in issue during the period.

No diluted earnings per share has been presented because the exercise price of the Company's share options was higher than the average market price of the Company's shares during the period.

### 13. Related party transactions

The following transactions were carried out with related parties:

(a) Key management compensation:

Salaries and other short-term employee benefits	薪金及其他短期僱員福利
Share-based payments	股份付款

(b) Details of the amount due to a director were:

Mr. Yang Yirong 楊毅融先生

Balance with a director was unsecured and non-interest bearing, and is repayable within one year.

(c) Ms. Lu Jiahua, a director of the Company, is a minority shareholder of Xiamen Doingcom Enterprise Limited.

### 12. 每股盈利

本公司權益持有人應佔每股基本盈利乃根據本集團權益持有人應佔期內溢利約46,468,000元人民幣(截至二零零五年六月三十日止六個月: 35,730,000元人民幣(重列))及期內已發行股份461,000,000股(二零零五年: 415,000,000股)計算。

由於本公司購股權之行使價較期內本公司股份平均市價為高,故並無呈列每股攤薄盈利。

### 13. 有關連人士交易

下列為與有關連人士進行之交易:

(a) 主要管理人員賠償:

Six months ended 30 June  
截至六月三十日止六個月

2006 二零零六年 (Unaudited) (未經審核) RMB'000 千元人民幣	2005 二零零五年 (Unaudited and restated) (未經審核 及重列) RMB'000 千元人民幣
2,038	2,028
710	1,153
<b>2,748</b>	<b>3,181</b>

(b) 應付董事款項詳情如下:

30 June 六月三十日 2006 二零零六年 (Unaudited) (未經審核) RMB'000 千元人民幣	31 December 十二月三十一日 2005 二零零五年 (Audited) (經審核) RMB'000 千元人民幣
168	159

董事之結餘為無抵押、免息及須於一年內償還。

(c) 本公司董事盧家華女士為廈門中坤貿易有限公司少數股東。



The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2006, with deviations from code provisions A.2.1 of the Code in respect of the separate role of chairman and chief executive officer ("CEO"). Under the code provisions A.2.1 of the Code, the roles of chairman and CEO should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO should be clearly established and set out in writing.

The Company does not presently have any officer with the title CEO. At present, Mr. Yang Yirong, being the Chairman and the President of the Company, is responsible for the strategic planning, formulation of overall corporate development policy and running the business of the Group as well as the duties of Chairman. The Board considered that, due to the nature and extent of the Group's operations, Mr. Yang is the most appropriate chief executive because he possesses in-depth knowledge and experience in fine chemicals business and is able to ensure the sustainable development of the Group. Besides, he is the founder, the chairman and the controlling shareholder of the Group since its establishment and till now. Notwithstanding the above, the Board will review the current structure from time to time. When at the appropriate time and if candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group, the Company may make the necessary amendments.

於截至二零零六年六月三十日止六個月，本公司一直遵守上市規則附錄14所載企業管治常規守則（「守則」），惟偏離守則之守則條文A.2.1有關主席與行政總裁（「行政總裁」）職責之區分。根據守則之守則條文A.2.1，應區分主席及行政總裁之角色，不應由同一人擔任，主席與行政總裁間之職責分工應清楚界定及以書面說明。

本公司並無高級職員獲授行政總裁職銜。本公司主席兼總裁楊毅融先生現負責規劃策略、制定整體企業發展政策及本集團業務營運以及主席職責。董事會認為，基於本集團之業務性質及範疇，楊先生不但具備精細化工業務之深入知識及經驗，並有能力確保本集團得以持續發展，故為最合適的行政總裁人選。此外，彼亦為本集團自成立至今之創辦人、主席兼控股股東。儘管上文另有所述，董事會將不時檢討現行架構，並於合適時候倘本集團自內部或外界物色到具備適當領導才能、知識、技能及經驗之人選，本公司或會作出所需修訂。



**Directors' and chief executives' interests and short positions**

At 30 June 2006, the interests and short positions of the Directors, chief executives and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO, or as notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) and the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Listing Rules, were as follows:

**董事及行政總裁之權益及淡倉**

於二零零六年六月三十日，董事、行政總裁及彼等之聯繫人士於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債券中擁有並登記於本公司根據證券及期貨條例第352條存置之登記冊，或根據證券及期貨條例第XV部第7及8分部（包括根據證券及期貨條例有關條文，彼等被當作或視作擁有之權益或淡倉）以及上市規則所載上市公司董事進行證券交易的標準守則已知會本公司及聯交所之權益及淡倉如下：

**(a) Long positions in ordinary shares of HK\$0.10 each of the Company**

**(a) 於本公司每股面值0.10港元普通股之好倉**

Name of Director 董事姓名	Number of shares held 所持股數				Total 總計	% of the issued share capital of the Company 佔本公司已發行股本百分比
	Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益		
Mr. Yang Yirong 楊毅融先生	–	–	193,263,158 (Note a) (附註a)	–	193,263,158	41.92%
Mr. Gong Xionghui 龔雄輝先生	–	–	11,368,421 (Note b) (附註b)	–	11,368,421	2.47%
Ms. Lu Jiahua 盧家華女士	–	–	8,526,316 (Note c) (附註c)	–	8,526,316	1.85%

Notes:

附註:

- (a) These shares were beneficially owned by Marietta Limited, a private company beneficially wholly-owned by Mr. Yang Yirong.
- (b) These shares were beneficially owned by Dragon Kingdom Investment Limited, a private company beneficially wholly-owned by Mr. Gong Xionghui.
- (c) These shares were beneficially owned by Sunwill Investments Limited, a private company beneficially wholly-owned by Ms. Lu Jiahua.

- (a) 該等股份由楊毅融先生全資實益擁有之私人公司Marietta Limited實益擁有。
- (b) 該等股份由龔雄輝先生全資實益擁有之私人公司Dragon Kingdom Investment Limited實益擁有。
- (c) 該等股份由盧家華女士全資實益擁有之私人公司Sunwill Investments Limited實益擁有。



### Directors' and chief executives' interests and short positions *(continued)*

#### (b) Interest in share options of the Company

Share options, being unlisted physically settled equity derivatives, to subscribe for the Company's ordinary shares were granted to Directors, chief executives, employees and consultants of the Company pursuant to the approved Company's share option scheme. Information in relation to these share options during the period ended 30 June 2006 are set out in the following section under the heading "Share options".

#### (c) Interest in registered share capital of a Company's subsidiary

At 30 June 2006, Ms. Lu Jiahua held 5% equity interests in the registered share capital of Xiamen Doingcom Enterprise Limited, the Group's subsidiary of which 95% of its registered share capital are held by the Company indirectly.

Other than the interest disclosed above, a Director also hold nominee shares in certain subsidiaries held in trust for the Group solely for the purpose of ensuring that the relevant subsidiaries has more than one member.

Other than as disclosed above, no interests and short positions were held or deemed or taken to be held under Part XV of the SFO by any Directors or any chief executives, or any of their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers or which are required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company.

### 董事及行政總裁之權益及淡倉 (續)

#### (b) 於本公司購股權之權益

根據已獲批准之本公司購股權計劃，董事、本公司行政總裁、僱員及顧問獲授屬於非上市實物交收股本衍生工具之購股權，以認購本公司普通股。有關該等購股權於截至二零零六年六月三十日止期間之詳情，載於下文「購股權」一節。

#### (c) 於本公司一家附屬公司註冊股本之權益

於二零零六年六月三十日，盧家華女士持有本公司間接擁有其註冊股本95%之本集團附屬公司廈門中坤貿易有限公司註冊股本中5%股權。

除上文披露之權益外，一名董事亦以信託方式為本集團持有若干附屬公司之代名人股份，僅為確保有關附屬公司擁有超過一名股東。

除上文披露者外，概無董事或任何行政總裁或彼等任何聯繫人士於本公司或其任何相聯法團（定義見證券及期貨條例）之股份、相關股份或債券中，擁有根據證券及期貨條例第XV部持有或被視作或當作持有之任何權益或淡倉，而須根據證券及期貨條例第XV部或上市發行人董事進行證券交易的標準守則知會本公司及聯交所，或須根據證券及期貨條例第352條記入本公司存置之登記冊內。

### Share options

Pursuant to a written resolution of the shareholders of the Company passed on 16 February 2004, a share option scheme (the "Scheme") was approved and adopted. The purpose of the Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contributions to the Group. All Directors, employees, suppliers of goods or services, customers, persons or entities that provide research, development or other technological support to the Group, shareholders and advisers or consultants of the Group are eligible to participate in the Scheme.

There are no changes in any terms of the scheme during the six months ended 30 June 2006. The detailed terms of the scheme were disclosed in the 2005 annual report.

The following table discloses details of share options outstanding as at 30 June 2006 under the Scheme and the movements during the six months ended 30 June 2006.

### 購股權

本公司股東於二零零四年二月十六日通過書面決議案，批准及採納購股權計劃（「該計劃」）。該計劃之目的為致使本集團可向指定參與者授出購股權，作為彼等對本集團所作貢獻之獎勵或回報。所有董事、僱員、貨品或服務供應商、客戶、向本集團提供研發或其他技術支援之人士或實體、本集團股東及諮詢人或顧問均合資格參與該計劃。

截至二零零六年六月三十日止六個月，該計劃之任何條款並無任何變動。有關該計劃條款詳情於二零零五年年報中披露。

下表披露於二零零六年六月三十日根據該計劃尚未行使之購股權詳情及其於截至二零零六年六月三十日止六個月之變動。

#### Number of shares issuable under the options granted 根據獲授購股權可發行股數

Type of Grantee	Date of Grant	Exercise price	Balance	Granted during the period	Balance	Exercisable period
			as at 1 January 2006		as at 30 June 2006	
			於 二零零六年 一月一日 結餘	期內授出	於 二零零六年 六月三十日 結餘	行使期
承授人類別	授出日期 (DD/MM/YY) (日/月/年)	行使價 (HK\$) (港元)	('000) (千份)	('000) (千份)	('000) (千份)	(DD/MM/YY) (日/月/年)

#### Category 1 – Directors

##### 類別1 – 董事

Mr. Yang Yirong 楊毅融先生	25.05.06	1.39	–	400	400	25.05.06 – 24.05.11
Mr. Gong Xionghui 龔雄輝先生	08.06.04	1.37	4,000	–	4,000	08.06.04 – 07.06.14
Ms. Lu Jiahua 盧家華女士	08.06.04	1.37	3,500	–	3,500	08.06.04 – 07.06.14
Mr. Lin Like 林力克先生	25.05.06	1.39	–	3,000	3,000	25.05.06 – 24.05.11
Mr. Han Huan Guang 韓歡光先生	25.05.06	1.39	–	3,000	3,000	25.05.06 – 24.05.11



# Disclosure of Interests

## 權益披露



### Share options (continued)

### 購股權 (續)

Type of Grantee	Date of Grant	Exercise price	Number of shares issuable under the options granted 根據獲授購股權可發行股數			Exercisable period
			Balance as at 1 January 2006 於 二零零六年 一月一日 結餘 (‘000) (千份)	Granted during the period 期內授出 (‘000) (千份)	Balance as at 30 June 2006 於 二零零六年 六月三十日 結餘 (‘000) (千份)	
<b>Category 1 – Directors (continued)</b>						
<b>類別1 – 董事 (續)</b>						
Mr. Feng Tao 馮濤先生	25.05.06	1.39	–	3,000	3,000	25.05.06 – 24.05.11
Mr. Yau Fook Chuen 丘福全先生	08.06.04	1.37	400	–	400	08.06.04 – 07.06.14
Mr. Wong Yik Chung, John 黃翼忠先生	25.05.06	1.39	–	400	400	25.05.06 – 24.05.11
Mr. Wong Yik Chung, John 黃翼忠先生	08.06.04	1.37	400	–	400	08.06.04 – 07.06.14
Dr. Zheng Lansun 鄭蘭蓀博士	25.05.06	1.39	–	400	400	25.05.06 – 24.05.11
			8,700	10,600	19,300	
<b>Category 2 – Employees under continuous employment contract</b>						
<b>類別2 – 持續僱傭合約僱員</b>						
	08.06.04	1.37	13,000	–	13,000	08.06.04 – 07.06.14
	25.05.06	1.39	–	6,800	6,800	25.05.06 – 24.05.11
			13,000	6,800	19,800	
<b>Category 3 – Other participants</b>						
<b>第3類 – 其他參與人士</b>						
	08.06.04	1.37	14,375	–	14,375	08.06.04 – 07.06.14
	25.05.06	1.39	–	4,000	4,000	25.05.06 – 24.05.11
			14,375	4,000	18,375	
<b>Total</b> 總計			36,075	21,400	57,475	



**Share options (continued)**

Notes:

- (a) In accordance with the terms of the offer letters given by the Company to the grantees, the share options are vested in tranches starting from 9 June 2004 to 7 June 2005 for the options granted on 8 June 2004 and starting from 26 May 2006 to 24 May 2009 for the options granted on 25 May 2006.
- (b) The value of the options granted during the period ended 30 June 2006 was approximately RMB5,600,000, based on the Black-Scholes valuation model. The significant inputs into the model were share price of HK\$1.26 at the grant date, exercise price of HK\$1.39, standard deviation of expected share price returns of 36.5%, expected life of options of 1 to 4 years, expected dividend paid out rate of 1.59% and annual risk-free interest rate of 4.24% to 4.52%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over the year before the date of grant. The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the model used. The value of an option varies with different variables of certain subjective assumptions. Any change in variables so adopted may materially affect the estimation of the fair value of an option.

**Interest and short positions of shareholders discloseable under the SFO**

As at 30 June 2006, the interests and short positions of the persons, other than the Directors and chief executives of the Company, in the shares and underlying shares of the Company, as notified to the Company pursuant to Division 2 and 3 of Part XV of the SFO; or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

**Long positions in ordinary shares of HK\$0.10 each of the Company**

Name	Type of interest held	Number of shares held	% of the issued share capital
名稱	所持權益類別	所持股數	佔已發行股本百分比
Marietta Limited	Beneficial owner (Note a) 實益擁有人 (附註a)	193,263,158	41.92%
Neon Liberty Capital Management, LLC	Investment manager 投資經理	51,316,000	11.13%
UBS AG	Person having a security interest in shares 持有股份抵押權益之人士	46,258,000	10.03%
Cheah Cheng Hye 謝清海	Interest of a controlled corporation (Note b) 受控法團權益 (附註b)	39,600,000	8.59%
Value Partners Limited	Investment manager 投資經理	39,600,000	8.59%
Neon Liberty Emerging Markets Fund, Ltd.	Beneficial owner 實益擁有人	27,510,000	5.97%

**購股權 (續)**

附註:

- (a) 根據本公司向承授人發出之建議函件條款，購股權的權益分批授予。於二零零四年六月八日授出的購股權，其權益於二零零四年六月八日至二零零五年六月七日止分批授予；於二零零六年五月二十五日授出的購股權，其權益於二零零六年五月二十六日至二零零九年五月二十四日止分批授予。
- (b) 根據柏力克-舒爾斯估值模式計算，截至二零零六年六月三十日止六個月授出之購股權價值約為5,600,000元人民幣。此模式之主要輸入項目為授出日期之股價1.26港元、行使價1.39港元、預計股價回報之標準偏差36.5%、預計購股權年期1至4年、預計股息派付率1.59%及無風險年息4.24至4.52厘。按預計股價回報之標準偏差計算之波幅以授出購股權前一年度每日股價之數據分析為基礎，基於所作假設及所用模式之限制，計算所得公平值帶有主觀及不確定因素。購股權價值因應若干主觀假設之不同變數有變，所採納變數之任何變動或會對購股權公平值估數造成重大影響。

**根據證券及期貨條例須予披露之股東權益及淡倉**

於二零零六年六月三十日，除董事及本公司行政總裁以外，以下人士於本公司股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部已知會本公司；或本公司根據證券及期貨條例第336條規定存置之登記冊所記錄之權益及淡倉：

於本公司每股面值0.10港元普通股之好倉



### Interest and short positions of shareholders discloseable under the SFO (continued)

#### Long positions in ordinary shares of HK\$0.10 each of the Company (continued)

Notes:

- (a) These shares are registered in the name of and beneficially owned by Marietta Limited, the entire issued share capital of which is registered in the name of and beneficially owned by Mr. Yang Yirong.
- (b) These shares are registered in the name of and beneficially owned by Value Partners Limited, approximately 32.77% of the issued share capital of which is registered in the name of and beneficially owned by Mr. Cheah Cheng Hye.

Other than as disclosed above, the Company has not been notified by any persons, other than the Directors and chief executives of the Company, who had interest or short positions in the shares or underlying shares of the Company as at 30 June 2006.

#### Arrangements to purchase shares or debentures

At no time during the year was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors or chief executives of the Company or their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate with the exception of the Company's share option scheme, details of which are set out in the above section under the heading "Share options".

### 根據證券及期貨條例須予披露之股東權益及淡倉 (續)

#### 於本公司每股面值0.10港元普通股之好倉 (續)

附註:

- (a) 該等股份以Marietta Limited之名義登記，並由該公司實益擁有，而Marietta Limited全部已發行股本則以楊毅融先生之名義登記，並由彼實益擁有。
- (b) 該等股份以Value Partners Limited之名義登記，並由該公司實益擁有，Value Partners Limited約32.77%已發行股本以謝清海先生之名義登記，並由彼實益擁有。

除上文披露者外，本公司並無獲知會，於二零零六年十二月三十一日，除董事及本公司行政總裁以外，有任何人士於本公司之股份或相關股份中擁有權益或淡倉。

#### 購買股份或債券之安排

於年內任何時間，本公司或其任何附屬公司概無訂立任何安排，致使董事或本公司行政總裁或彼等之配偶或未滿十八歲子女可藉收購本公司或任何其他法人團體之股份或債券而獲利，惟透過本公司購股權計劃所購買者則除外，有關詳情載於上文「購股權」一節。

### Interim dividend

The Directors have resolved to pay an interim dividend of HK0.8 cents, equivalent to approximately RMB0.82 cents, per share for the six months ended 30 June 2006 (six months ended 30 June 2005: HK0.8 cents, equivalent to approximately RMB0.83 cents, per share) to the shareholders whose names appear on the register of members of the Company on 10 November 2006.

### Closure of register of members

The register of members of the Company will be closed from 8 November 2006 to 10 November 2006, both days inclusive, during which period no transfer of shares shall be effected. In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on 7 November 2006.

### Model codes for securities transactions by directors of listed companies

The Company has adopted a code of conduct with standards not lower than those prescribed under the Model Code as set out in Appendix 10 to the Listing Rules for securities transactions by Directors. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required standards as set out in the Model Code and the Company's code of conduct regarding securities transactions by Directors throughout the six months ended 30 June 2006.

### Purchase, sale or redemption of the company's listed shares

During the six months ended 30 June 2006, the Company had not redeemed, and neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed shares.

### Audit committee

The audit committee of the Company has reviewed with the management in relation to the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited condensed consolidated interim financial information for the six months ended 30 June 2006.

### Acknowledgement

On behalf of the board, I would like to express my sincere gratitude to all our staff for their dedication, hard work and contribution during the period. In addition, we would like to thank all our shareholders for their support of the Group and our customers for their business.

By order of the Board  
**YANG YIRONG**  
Chairman & President

Hong Kong, 13 September 2006

### 中期股息

董事議決就截至二零零六年六月三十日止六個月，向於二零零六年十一月十日名列本公司股東名冊之股東，派付中期股息每股0.8港仙，約相當於0.82仙人民幣（截至二零零五年六月三十日止六個月：每股0.8港仙，約相當於0.83港仙）。

### 暫停辦理股份過戶手續

本公司將於二零零六年十一月八日至二零零六年十一月十日（包括首尾兩日）期間暫停辦理股東登記手續，期內將不會辦理股份過戶登記手續。為符合領取中期股息之資格，所有正式填妥之過戶表格連同有關股票，須於二零零六年十一月七日下午四時正前送交本公司股份過戶登記分處登捷時有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

### 上市公司董事進行證券交易的標準守則

本公司已採納標準不寬鬆於上市規則附錄10所載標準守則有關董事進行證券交易規定之操守準則。本公司經作出查詢後，全體董事已確認，彼等於截至二零零六年六月三十日止六個月一直遵守標準守則及本公司有關董事進行證券交易之操守準則所載規定標準。

### 購買、出售或贖回本公司之上市股份

截至二零零六年六月三十日止六個月，本公司並無贖回，而本公司或其任何附屬公司亦無購買或出售本公司任何上市股份。

### 審核委員會

本公司審核委員會已與管理層審閱本集團所採納之會計原則及準則，並討論內部監控及財務申報等事宜，包括審閱截至二零零六年六月三十日止六個月之未經審核簡明綜合中期財務資料。

### 致謝

本人謹代表董事會向全體員工於期內之竭誠、努力及貢獻致以衷心謝意。此外，我們謹此向全體股東對本集團之鼎力支持及客戶給予業務機會致以感謝。

承董事會命  
主席兼總裁  
楊毅融

香港，二零零六年九月十三日



**EcoGreen Fine Chemicals Group Limited**  
中怡精細化工集團有限公司\*

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