



葉氏化工集團有限公司
Yip's Chemical Holdings Limited

於開曼群島註冊成立之有限公司
Incorporated in the Cayman Islands with limited liability
股份代號 Stock Code: 408

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Interim Report 中期業績報告



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概要 Highlights

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| 一、營業額3,084,885,000港元，比去年同期增長31% | 1. Turnover was HK\$3,084,885,000, increased by 31% compared to same period last year |
| 二、股東應佔溢利157,952,000港元，增長2% | 2. Net profit attributable to equity holders was HK\$157,952,000, an increase of 2% |
| 三、每股盈利29.7港仙 | 3. Earnings per share was HK29.7 cents |
| 四、中期股息每股8.0港仙 | 4. Interim dividend was HK8.0 cents per share |
| 五、於二零零八年九月三十日之負債比率由去年10%改善至1% | 5. Gearing ratio as at 30 September 2008 was 1%, improved from 10% of last year |

回顧

由本年度開始，在集團內正式落實推行已準備多時的新管理架構與模式，重新組成後的董事會與管理委員會，分別肩負集團的領導與執行的工作。兩會既分工，又合作，旨在培育一種新的管理文化，為集團長遠、健康的發展奠下良好的基礎。回顧過去的半年運作以來，效果符合預期。經過不斷優化和總結經驗後，必將對提昇集團企業管治水平大有幫助。因此，以後的報告亦將由主席與行政總裁兩部份組成。

一場席捲全球的金融風暴對世界性的經濟活動造成了沉重的打擊。信貸緊縮、需求減弱、原料價格持續大幅波動、人民幣匯率高企、各項營運成本攀升等不利因素，均對本集團期內的業務帶來了不利的影響。儘管期內集團的銷售增長勝於預期，錄得3,084,885,000港元，較去年同期大幅增長高達31%，但股東應佔溢利僅錄得157,952,000港元，較去年同期輕微上升2%。堪告慰的是，集團的現金流依然強勁，在銷售額大幅上升的同時，集團的借貸比率僅錄得1%的低位。隨著因為季節性的因素，以及一系列相關措施的落實，預期年度內集團的現金流將會一直處於正數的狀況。

REVIEW

After much internal discussion and preparation, a new management structure was implemented at the start of the current financial year. Under this new structure, the Board and the newly reconstituted Group Management Committee have clearly defined roles and responsibilities which are distinctly different and yet designed to work seamlessly together. The aim of the restructuring is to herald in a new management culture and philosophy, to lay a firm foundation for the Group's longer term healthy development. After six months of successful operation, it is clear that our initial objectives have been achieved. We are confident that as we gather more experience and move forward with the new structure, the new structure will play a significant role in raising the stand of corporate governance. Accordingly, starting with this report, this part of the report (formerly the Chairman's Statement) will be composed of two separate parts, to be written by the Chairman and the CEO respectively.

The financial turmoil which has taken the world by storm has had a major impact on the global economy. Factors such as the tightening of credit, the weakening of demand, unprecedented volatilities in raw materials prices, the sustained strength of the Renminbi, across-the-board rises in operational costs have all adversely affected the Group's operations. Although turnover growth has exceeded our expectations and reached a level of HK\$3,084,885,000, representing a growth of 31%, profit attributable to shareholders, at HK\$157,952,000, only registered a slight growth of 2%. However, it is pleasing to see that the Group still has a strong cash flow even with such strong turnover growth: the Group's gearing at 30 September 2008 was only 1%. With the usual seasonal factors coming into play with a series of measures taken by the Group, it is expected that the Group's cash flow position to remain positive during the remainder of this financial year.

展望

這場全球性的金融風暴，雖然在多國政府的聯手，共同推出多項的救市措施後，目前金融市場的危機似已有稍告緩和的跡象，然而它對經濟所造成的巨大傷害正逐步地浮現。全球正面對信貸緊縮、消費疲弱，甚至可能演變成一場持久的蕭條。與此同時，中國政府在面對世界性經濟放緩，產品出口受到拖累，而經濟增長率放緩的情況下，已計劃推出更積極的措施，大幅增加國內公共基礎建設和刺激更大的內部需求，以期保持經濟的平穩增長。然而，此等刺激經濟的措施未必可在短期內奏效，同時預期中國的經濟發展仍將受制於較早時實施的適度從緊的宏觀調控政策所影響，集團業務處身這場金融風暴與正開始步入衰退的經濟環境中，自然難以獨善其身，並且預期在下半年將面對一個更困難和充滿挑戰的經營環境。然而在中、遠期而言，本人對集團業務遠景仍是充滿信心。集團的業務扎根中國多年，核心產品與國內經濟發展的關係非常密切，因此在這個中國經濟持續平穩的發展過程中，集團業務的機遇是不言而喻的。另一方面，集團經過近40年的實力累積，無論在信譽、融資能力與成本管理中等綜合實力不斷地提升，加上集團財政狀況穩健，非常專注本業，相信這些優勢在一個極為惡劣的經營環境下，將會更為突顯。

在一個極不明朗的下半年，集團將採取更為審慎的業務拓展策略，對近年高速發展的業務，作整固的同時，積極致力在質素的提昇，落實各項相應措施，保持更強勁的現金流。對規模與品牌效應，這兩項是多年來集團賴以高速增長的重要支柱，將繼續加大、加快投入，儲備更充足的能量，以迎接更多的商機。

概括而言，短期將是充滿挑戰，中、長期則將是充滿希望的。藉此衷心向集團的商業合作伙伴，對我們的信任與支持；對集團全體同事的辛勞與貢獻表示感謝。

PROSPECTS

Following co-ordinated efforts by governments all over the world to restore liquidity and confidence in the financial markets, there now appears to be signs that the financial crisis may have stabilized to some degree. However, the impact of the crisis on the economy seems to be just starting to manifest itself. The world appears to be facing a credit crunch and weakening consumption demand, with a prolonged depression becoming a very real possibility. At the same time, faced with the prospect of a global economic recession leading to a slow-down in exports and a decline in its economic growth, the Chinese Government is planning to unleash even more pro-active measures to greatly increase domestic infrastructure constructions and to further stimulate domestic consumption in order to ensure sustained steady growth in its economy. However, the effect of these measures may not be felt immediately, and it is quite possible that during the immediate future, the Chinese economy will still be shackled by the earlier Macroeconomic Control measures. Given that we are faced with the financial turmoil and the prospect of the beginning of a severe economic recession, it may be inevitable that the Group's business will be affected to some extent in the short term. We anticipate that the operating environment in the second half will be even more difficult and challenging. However, in the mid to long term, we remain confident of the prospects for the Group. We have been well established in the China market over all these years, and our core products have a very close relationship to China's domestic economic development, hence it is self-evident that as China resumes its economic progress, we should have abundant business opportunities. On the other hand, after almost 40 years of sustained efforts in upgrading our corporate image and our capabilities in the areas of financing, cost control, together with our excellent financial position and our commitment to staying close to our chosen field of chemicals manufacturing and marketing, we believe that these factors will become even more important competitive advantages in a difficult operating environment.

Facing an extremely uncertain second half, the Group will adopt a even more prudent business development strategy. At the same time that we seek to consolidate the businesses which have been growing rapidly over the recent years, we will also endeavour to enhance the quality of our business, to implement various measures to maintain a even stronger cash flow. Further resources will be devoted to enhancing our economy of scale and to brand building, the twin pillars of our Group's development, in order that we can be better prepared to take advantage of the many business opportunities in future.

To sum it all up, the short term is likely to be filled with challenges, while the mid to long term is full of hope. I wish to take this opportunity to thank all our business partners for their confidence in us and their support, and to thank all our employees for their dedication and contribution to the success of the Group.

溶劑

該業務上半年的表現較為平穩，集團錄得的營業額為1,902,163,000港元，為歷來半年銷售新高，較去年同期增長近40%。業務的大幅增長主要由於集團產能持續擴展，特別是單體溶劑在華南已達年產能31萬噸，規模效應之優勢突顯。至於經營溢利則錄得143,438,000港元，僅較去年同期增長6%。經營溢利的增幅反較營業額為低的主要原因是：（一）今年二月收購之江蘇“泰興金江化工廠”業務暫遜於預期，由於玉米的價格異常地較木薯價低，令“泰興”以木薯法生產乙醇目前仍缺成本優勢，業務處於輕微虧損；（二）毛利相對較低之單體溶劑出口業務有所增加；（三）期內油價高企，各項營運成本增加，其中生產用煤之成本高企，令單體溶劑生產成本上升。

面對金融風暴引發之信貸危機和市場需求疲弱，短期會給溶劑業務帶來一定衝擊，經營環境轉趨困難。然而中長期而言，在中國政府採取一系列積極和有效之刺激經濟措施下，國內經濟必仍可保持持續的增長動力。集團仍會在審慎的原則下，繼續規劃在江蘇“泰興”擴建12萬噸的醋酸酯項目。規劃中的醋酸酯生產綫，除可與現生產的原料－乙醇產生垂直的成本整合效益外，更可為集團的單體溶劑業務拓展華東市場作好準備，令集團有望成為全球最大的醋酸酯溶劑生產商，進一步增強整體業務的規模效應。

SOLVENTS

The solvents division experienced steady growth in the first half, with a turnover of HK\$1,902,163,000, the highest half year sales performance ever recorded and an increase of 40% over the same period last year. The significant turnover growth can be attributed to the continued increase in production capacity, in particular, the capacity for raw solvents in South China alone reached 310,000 metric tons, further strengthening our competitive advantage through economy of scale. Operating profit, on the other hand, was HK\$143,438,000, only a 6% increase from the same period last year. The reasons contributing to the growth in operating profits failing to match turnover growth are threefold: (1) The operating results of Taixing Jinjiang Chemical Industry Company in Jiangsu, which we acquired in February this year, have not matched our expectations. Due to an unusual reversal in the relative price of tapioca and corn, the cassava technique used by Taixing to produce ethanol became uncompetitive compared to the corn technique, resulting in a slight loss. (2) The export business, which has a lower margin than the domestic sales, has increased significantly in proportion to the overall acetate solvents turnover. (3) During the period under review, the increasing prices of oil and other commodities led to an increase in operating costs. In particular, coal, which is used to generate steam in solvents production, has stayed at a high level, leading to operational cost increases.

Faced with the credit crunch and weakening demand brought about by the financial crisis, the solvents business will be adversely affected in the short term. However, in the mid to longer term, with China taking a series of active and effective measures to stimulate the economy, it is believed that China's domestic economy will be able to maintain continued growth. While continuing to operate under the principle of prudence, the Group will continue its plans to build 120,000 metric tons of acetate solvents capacity at Taixing. The planned acetate solvents production facilities will not only allow the Group to reap the benefits of vertical integration (from ethanol to ethyl acetate), but will also provide a platform for the Group to expand into Eastern China, and enable the Group to become the world's largest acetate solvents producer and further strengthen the Group's overall competitiveness as a result of our unmatched economy of scale.

塗料

該業務半年結算，錄得的營業額1,063,686,000港元，較去年同期增長22%，而經營溢利則為64,144,000港元，則較去年同期減少9%。面對同業競爭更加激烈和客戶需求不斷提升下，塗料業務仍然有不錯的增長，主要是受惠於（一）民用建築塗料分銷網絡的優勢浮現，配合更大的品牌宣傳投入，品牌效應帶動的銷售增長；（二）珠三角區內雖受國家加工貿易政策轉變和經營環境困難影響，工業塗料仍受惠於集團之核心競爭力提高而錄得一定增長；而廣東省外的工業塗業務拓展亦合符預期。另今年五月收購的“柏林”電子機殼塗料業務，經整合後，已陸續帶來業務收益，令集團工業塗料業務能保持穩定增長。然而，由於期內原油價格屢創新高，刺激帶動各塗料主要原材料成本全面攀升，令產品毛利率持續受壓下降；八月北京奧運前後，除影響了華東、華北市場之銷售活動外，亦令貨物運送之營運成本增加；另集團亦持續加大了對品牌之市場推廣投入，故此整體塗料業務之經營溢利因原料和營運成本增加而稍遜於預期。

COATINGS

During the first half, turnover stood at HK\$1,063,686,000 representing a growth of 22%, while operating profit was HK\$64,144,000, a decline of 9% from the same period last year. Factors allowing the coatings business to maintain satisfactory growth in face of a competitive market and rising expectations from customers included: (1) Our vast distribution network for domestic architectural coatings, coupled with increased investments in brand marketing, has contributed towards sales growth. (2) Although the business environment in the Pearl River Delta has been adversely affected by the changes in the Government's policies regarding the processing trade, our industrial coatings business can still benefit from increases in the Group's core competitiveness, while our market development outside of Guangdong has been proceeding according to plan. Moreover, the acquisition of the electronic casing coatings business of Pak Lam Chemical in May this year has brought benefits which enabled the industrial coatings business to sustain its steady growth. However, incessant increases in the price of crude during the period under review have caused most major coatings raw materials prices to rise, thus depressing margins. Moreover, the period surrounding the Beijing Olympics Games in August not only affected trade in the East China and North China markets, it also caused increases in transport logistics costs. Additionally, increases in our brand investments also contributed to increases in operating costs, thus resulting in profits being slightly below our expectations.

塗料(續)

展望下半年，經營環境會轉趨困難。金融海嘯引發之歐美市場衰退，會令中國工業出口受到嚴重衝擊，需求勢必下跌，其中珠三角輕工業在現存困難環境上更將百上加斤；而國內房地產市場仍處於調整期，在整體消費市場疲弱下，國家之一系列刺激經濟政策仍需時收效，故短期建築塗料需求仍會放緩；近年眾多國際知名塗料集團在國內之併購活動，令市場競爭更趨激烈。國內近期之“奶粉安全”事故，短期內仍會間接地影響食品包裝用類塗料需求放緩，諸此種種，塗料業務短期內將面對更大考驗。惟中長期而言，集團仍深信，憑藉多年積累的核心競爭優勢，如擁有先進的生產工藝和測檢設備、嚴格的品質管理體系、良好的銷售網絡和品牌影響力，仍有充份信心面對未來挑戰。按既定的發展策略，華東桐鄉廠將於明年初落成啟用，屆時集團塗料業務發展產能將達致每年23萬噸，其落成更為拓展華東數碼電子和傢俱工業塗料，提供更好的發展平台；我們仍繼續進一步加大在品牌宣傳的資源投放，與及鞏固發展二、三綫城市的經銷網絡，配合國家已落實和預期未來更多的刺激經濟措施，集團已儲備更好的能量，迎接挑戰和未來重現的更大商機。

COATINGS (Continued)

The outlook for the second half gives us little room for complacency. The operating environment is expected to become even more difficult. The recession caused by the “Financial Tsunami” is expected to severely impact on China’s exports, leading to a decline in demand. The Pearl River Delta, already under very difficult conditions, is expected to be particularly hard hit. At the same time, the housing market in China is still going through a period of adjustment. In view of generally weak consumer demand, it is expected that the series of economic stimulus measures from the Central Government will take time to take effect. All these factors point to a weakening in the demand for coatings in the short term. With major international brands entering the China market through mergers and acquisitions during recent years leading to stronger competition, and the “melamine incident” with powder milk probably affecting the demand for food packaging ink products, all stand to pose increased challenges to the coatings business. Nevertheless, in the mid to longer term, we are confident that our core competitive advantages cumulated through the years, such as having the most advanced production and testing technologies and equipment, stringent quality management systems, good sales network and brand pull and so on, we should be well prepared for the challenges ahead. Our future plans include the coatings plant in Tongxiang, Zhejiang, being commissioned in early 2009, giving us up to 230,000 metric tons of coatings capacity per annum, and also providing us with an ideal platform to develop the electronic casing coatings and furniture coating business in Eastern China. We will further strengthen our investment in our brands and to consolidate our sales network, especially in secondary cities and towns. We believe the Group will be well positioned to take advantage of the economic stimulus packages, both announced and planned, from the Central Government to meet future challenges and to grasp future opportunities.

潤滑油

回顧期內，潤滑油市場的經營環境依然嚴峻。由於在油價高企推動下，基礎油和添加劑等主要原料價格又再次不斷攀升，且市場供應一度極為緊缺，而市場競爭力又日趨激烈，尤幸近年的業務重整成效，得以進一步體現，該業務仍錄得營業額154,214,000港元，較去年同期升30%，經營溢利則錄得7,502,000港元，較去年大幅增長3.8倍。期內在業務重整下，特種潤滑油、汽車發動機油和OEM加工業務均錄得不錯增長，且更優化之生產物流和採購協同效應下，令邊際利潤在成本和售價調整中得到進一步改善。經更清晰的市場定位分工後，主攻特種潤滑油的“太平洋博高公司”，在面對華南工業市場之調整下，已積極部署進一步拓展華東和華北市場；主攻汽車發動機油的“凌志公司”，則主力重整二、三綫城市銷售網絡，和拓展北方的防凍液市場，並積極研發和推出新產品，適應市場不同的需求。今年七月，“凌志”和“吉利集團”之“上海華普汽車公司”，合作開發之甲醇汽車項目，從六個車廠中脫穎而出，成功地經過嚴格的測檢和論証後，得到國家科技部認可通過。“凌志”開發之甲醇發動機潤滑油的優良品質，在芸芸之國內品牌中，贏得了“華普汽車”之認可，成為該成功開發之甲醇汽車指定用油，隨著日後該甲醇汽車市場普及化，預期可為“凌志”帶來新的業務增長點。

LUBRICANTS

During the period under review, the operating environment for lubricants remained difficult. Driven by the soaring crude oil prices, the prices of major raw materials such as base oils and additives increased to unprecedented heights coupled with supply shortages. At the same time, competition has been extremely keen. Fortunately, the business restructuring efforts in recent years have resulted in a business which is much more robust. The lubricants division recorded a turnover of HK\$154,214,000, an increase of 30% from the same period last year, and operating profits reached HK\$7,502,000, a major increase of 3.8 times from the same period last year. At the same time, as a result of the restructuring efforts, specialty lubricants, automotive lubricants and OEM processing business all recorded significant growth. With improvements in logistics and procurement synergies between the two lubricants subsidiaries, margins saw further improvements. With clearer definition of the roles and the market positions of the two subsidiaries, Pacoil has planned to further develop its specialty lubricants market in Eastern and Northern China, while Best Lubricants has put its efforts into augmenting its sales network for automotive lubricants in the second and third-tier cities and towns. Best Lubricants is also actively developing new products to meet different requirements in the market and in developing the anti-freeze business in the north. In July this year, Best Lubricants became the lubricants partner of “Shanghai Maple Automobile Company”, a subsidiary of “Geely Automobile Holdings”. After passing the most stringent tests, Shanghai Maple was selected out of six competitors to win the approval of The Ministry of Science and Technology to develop a methanol-powered vehicle. The outstanding quality of the lubricant for methanol engines developed by Best Lubricants enabled it to be selected by Maple Automobile as their designated engine oil supplier. With the anticipated growing popularity of methanol-powered cars in future, it is expected that the new product will bring new growth opportunities for Best Lubricants.

潤滑油 (續)

踏入下半年度，受金融海嘯和國內汽車工業調整期之影響，預期市場環境會更為嚴峻，潤滑油業務面對更大挑戰。基礎油原料成本雖因油價急挫而有所回落，但潤滑油市場需求明顯放緩，各競爭品牌又爭相促銷競爭，故中短期內，該業務仍將面對成本和銷售壓力。然而，集團仍會繼續鞏固業務重整的協同效應，按分類業務的既定市場定位，進一步努力拓展業務，迎接市場調整後的商機重現。

企業社會責任

集團視善盡企業社會責任為一項長期的、有意義的工作。作為一家從事化工業務的香港上市公司，集團除一直注重員工的安全工作環境外，更致力回饋在社會，每年積極參與及舉辦不同類型的慈善活動，如綠色環保聖誕、植樹活動、慈善百萬行等，更鼓勵員工踴躍參與，共同建立和諧美好社會。

秉持致力行善及善盡企業社會的宗旨，集團繼續參與更多的中國慈善事業，於二零零八年九月份透過亞洲防盲基金會向中國寧夏回族自治區捐贈一架價值逾二百二十萬港元的流動眼科手術車，該手術車計劃為區內1,500至2,000名為白內障患者提供高質素的白內障摘取及人工晶體植入手術，協助他們重見光明。集團深信流動眼科手術車是一個能夠接觸偏遠地區病人的有效平台，為他們提供良好的眼科手術。

LUBRICANTS (Continued)

Looking forward towards the second half, the financial tsunami coupled with the consolidation in the automotive industry in China, it is expected that the market conditions will be even more daunting, and even greater challenges will lie ahead. Although base oil prices have followed crude oil to decline, the lubricants market has shown clear signals of decline. At the same time, competitors are flooding the market with sales promotions. Accordingly, during the short to medium term, this business will continue to face cost and sales pressures. However, the Group will continue its efforts to consolidate, to extract synergies, and to further expand business development efforts according to the agreed business segmentation and the positioning of its two subsidiaries, in order to grasp new business opportunities as and when the market recovers.

CORPORATE SOCIAL RESPONSIBILITY

The Group regards corporate social responsibility as a long-term, meaningful task. As a company listed on the Hong Kong Stock Exchange and engaged in the business of chemicals manufacturing, the Group not only places great importance on the safe working conditions of its work force, but also endeavours to give back to society through actively participating in and holding a variety of charity functions, such as the Green Christmas campaign, tree planting, Walk-for-a-Million and so on. The Group also encourages the staff to participate, and to build a better, more harmonious society together.

With the principles of charity and the social responsibility in mind, the Group has continued to participate in even more China-related charity projects. In September 2008, the Group donated a mobile eye surgery centre to the Ningxia Huizu Autonomous Region through the Asian Foundation for the Prevention of Blindness. This mobile eye surgery center, at a cost of over HK\$2.2 million, is designed to perform cataract removal and implants of artificial lenses for between 1,500 and 2,000 cataract patients every year, helping them to restore their eye sight. The Group believes that the mobile eye surgery center is an effective vehicle to reach patients in the rural areas and to provide them with high quality eye surgical operations.

企業社會責任 (續)

獎項殊榮

香港公司管治卓越獎

集團於二零零八年十二月榮獲由香港上市公司商會(CHKLC)頒發的「香港公司管治卓越獎2008 – 其他主板及創業板公司」。獲得該獎項的得獎公司必需符合嚴格的評審標準，包括保護股東權益、內部監控及風險管理、維持財務穩建水平、良好企業管治原則、董事會之獨立性和優秀董事之領導，以及企業社會責任之履行等各方面。

流動資金及財務資源

集團持續執行審慎的理財策略，進一步控制應收帳、庫存及資本性投資。集團持續的盈利所帶來可觀的現金流，以及於二零零八年四月配股之新資金，使集團的借貸比率進一步改善。截至二零零八年九月三十日集團的借貸比率(以淨銀行貸款佔本公司股東應佔權益為計算基準)只有1%，較二零零八年三月三十一日的10%改善了9%。

截至二零零八年九月三十日集團的銀行總欠款為946,523,000港元(二零零八年三月三十一日：875,716,000港元)，其中包括需於一年內清還之貸款為850,745,000港元(二零零八年三月三十一日：738,799,000港元)，當中488,079,000港元以港幣定值、358,767,000港元以美元定值，餘額以人民幣定值(二零零八年三月三十一日：435,236,000港元以港幣定值、291,002,000港元以美元定值，餘額以人民幣定值)，另外一年後到期的銀行貸款則為95,778,000港元(二零零八年三月三十一日：136,917,000港元)。此等貸款全部均按浮動利率計算利息。

CORPORATE SOCIAL RESPONSIBILITY

(Continued)

Award

“Hong Kong Corporate Governance Excellence Awards”

In December 2008, Yip's Chemical was awarded the “Hong Kong Corporate Governance Excellence Awards 2008 – Other Main Board & GEM Board Companies” by The Chamber of Hong Kong Listed Companies (CHKLC). The award honours listed companies which have demonstrated outstanding commitments to shareholder rights, compliance, integrity, fairness, responsibility, accountability, transparency, board independence and leadership, and corporate social responsibility.

LIQUIDITY AND FINANCIAL RESOURCES

The Group continued to implement prudent financial management strategy with particular emphasis on the control of accounts receivable, inventory levels and capital expenditures. With the strong cash inflow generated from the profit of the Group and the net proceeds from the placing and the subscription in April 2008, gearing ratio of the Group continued to improve. As at 30 September 2008, the Group's gearing ratio (measured by net bank borrowings as a percentage of equity attributable to equity holders of the Company) was 1%, a further improvement of 9% over the 10% at 31 March 2008.

As at 30 September 2008, the gross bank borrowings of the Group was HK\$946,523,000 (at 31 March 2008: HK\$875,716,000). Out of this amount, HK\$850,745,000 (at 31 March 2008: HK\$738,799,000) was repayable within one year, of which HK\$488,079,000 was denominated in Hong Kong Dollar, HK\$358,767,000 in US Dollar and the balance in Renminbi (at 31 March 2008: HK\$435,236,000 was denominated in Hong Kong Dollar, HK\$291,002,000 in US Dollar and the balance in Renminbi). Loans repayable after one year at 30 September 2008 was HK\$95,778,000 (at 31 March 2008: HK\$136,917,000). All these loans carried interest at floating rates.

流動資金及財務資源(續)

於二零零八年九月三十日，共12間香港、澳門及國內銀行向集團提供合共1,801,205,000（二零零八年三月三十一日：2,037,988,000港元）港元的銀行額度，其中72%以港元定值，其餘均以人民幣或美元定值。二零零八年四月本公司向獨立投資者以每股5.50港元配售50,000,000股，成功籌集約268,233,000港元。本公司在理想的時間配售股份以壯大本公司之資本基礎，發行的股數相當於本公司配售後已發行股本的9.3%。配售股份所籌集的資金，連同集團可動用之銀行融資額度將能提供充裕的資金予集團應付目前營運及未來數年常規增長，日後如有重大投資或收購合併，集團可以透過向銀行借貸或透過資本市場籌集所需的資金。

集團的借貸全部以浮動利率定息，因此集團的借貸成本會受利率波動影響。金融危機開始時，本港銀行因為失去互信而令資金市場的流動資金短缺及銀行同業拆息高企，而集團的借貸正是以銀行同業拆息為計算基準。隨著銀行界重拾互信，此等情況已逐漸有改善，而銀行同業拆息亦逐漸回復正常。本集團的資產主要集中在於國內，收入也主要來自國內並以人民幣結算，因此集團亦面對人民幣匯率風險。人民幣匯率在過往幾年持續上升，而近月則漸見穩定。預期中國外貿盈餘會持續增長，人民幣匯率因此亦會在短期內維持穩定。因此管理層認為在現階段無需就利率及匯率採取對沖措施，但仍會緊密監察其變化，及在有需要的時候採取適當的措施。在可預見的將來，集團將繼續力求在盡量降低借貸成本及控制匯兌風險之間求取平衡，並以港元、美元或人民幣之銀行貸款選擇最優惠的組合。

LIQUIDITY AND FINANCIAL RESOURCES

(Continued)

As at 30 September 2008, a total of 12 banks in Hong Kong, Macau and PRC granted banking facilities totaling HK\$1,801,205,000 (at 31 March 2008: HK\$2,037,988,000) to the Group, 72% of these facilities were denominated in Hong Kong Dollar and the rest in Renminbi or US Dollar. In April 2008, the Company successfully raised net proceeds of about HK\$268,233,000 by placing 50,000,000 shares to independent investors at a price of HK\$5.50 per share. The placing was a timely boost to the capital base of the Group and the shares issued represent approximately 9.3% enlarged issued share capital of the Company. The proceeds from this placing exercise, together with banking facilities available to the Group, will provide ample funds to the Group to meet its present operational requirements and organic growth in the coming few years. If major investment or mergers and acquisitions opportunities emerge in the future, the Group may obtain bank loans or raise funds from the equity market.

Borrowings of the Group are all at floating rate so the funding cost of the Group is subject to interest rate fluctuation. At the start of the global financial crisis, loss of confidence among the banks in Hong Kong dried up liquidity in the money market and pushed up the inter-bank interest rate, the rate on which the Group's borrowing cost is based. Condition has improved as banks gradually regain confidence and the inter-bank interest rate is gradually returning to normal. Majority of the Group's assets are located in Mainland China, and most of its income is generated in Renminbi, so the Group is also facing Renminbi exchange rate risk. Renminbi exchange rate has been strengthening in the past few years but has stabilised in the recent few months. As China's trade surplus continued to rise, the Renminbi exchange rate is expected to remain stable in the near future. Thus, the management considers that no hedging measures are necessary at this stage. The Group will continue to strike a balance between lowering borrowing cost and minimizing currency exposure by funding its investments through either Hong Kong Dollar, US Dollar or Renminbi bank loans.

僱員

於二零零八年九月三十日，本集團之僱員人數合共為4,337人，其中香港之僱員人數為160人，而中國內地不同省份之僱員人數則為4,177人。

集團提供具競爭力的酬金，包括薪酬、以集團業績及員工表現為導向的花紅及購股權。集團不時檢討薪酬及獎懲制度，確保集團有效吸引人才及挽留人才。

集團致力於培育及發展人才，多年前推行行政管理見習生及技術見習生計劃，於香港、國內、以至國際間的高等學府招聘精英，培育他們擔任管理工作或成為專業的技術人才，以提昇集團在管理及科研上的競爭力。集團還積極建立自強不息的公司文化。透過內部培訓及參與外界訓練課程，員工不斷增強工作技能。另外，集團推行的教育資助政策，鼓勵員工不斷自我增值，讓他們於工作上發揮所長。

中期股息

董事會議決派發截至二零零八年九月三十日止六個月之中期股息每股8.0港仙(截至二零零七年九月三十日止六個月：每股10.0港仙)。上述中期股息將於二零零九年一月五日派發予於二零零八年十二月二十三日登記於股東名冊內之股東。

EMPLOYEES

As at 30 September 2008, the Group employed a total of 4,337 staff of which 160 were based in Hong Kong and 4,177 were based in different provinces of the PRC.

Employees receive competitive remuneration packages including salary, variable bonus that is linked to attainment of the Group and individual performance as well as share options. The remuneration and incentive systems are reviewed from time to time to ensure that the Group is able to attract and retain competent employees.

The Group pledges always to enable our employees to achieve continuous self-improvement. With the Trainee Program already in place for several years, top graduates from tertiary institutes in Hong Kong, China and overseas are recruited and trained to prepare them for management positions or to become technical experts, thereby sharpening the competitive edge of the Group in management and technology. The Group promotes lifelong learning. In-house and external training programs are offered to enrich the competencies of our employees. Moreover, the Group has an educational subsidy scheme to encourage employees to upgrade themselves both in their work and in personal development.

INTERIM DIVIDEND

The directors have declared an interim dividend of HK8.0 cents per share for the six months ended 30 September 2008 (six months ended 30 September 2007: HK10.0 cents per share). The interim dividend is payable on 5 January 2009 to shareholders whose names appear on the Register of Members of the Company on 23 December 2008.

暫停辦理過戶登記手續

本公司將於二零零八年十二月十九日至二零零八年十二月二十三日（首尾兩天包括在內）暫停辦理過戶登記手續。為確保獲派發中期股息，所有過戶表格連同有關之股票，最遲須於二零零八年十二月十八日下午四時送達香港皇后大道東28號金鐘匯中心26樓本公司之香港股份過戶登記處卓佳秘書商業有限公司以辦理過戶登記手續。

董事及最高行政人員於證券之權益及淡倉

自成立以來本公司並無發行任何債券。於二零零八年九月三十日，本公司董事及其各自的聯繫人士於本公司股份中的權益或淡倉（定義見證券及期貨條例（「證券及期貨條例」）第XV部）須(a)根據證券及期貨條例第XV部第7及第8部知會本公司及香港聯合交易所有限公司（「聯交所」）（包括彼等根據證券及期貨條例之該等條文被假設或視為擁有之權益或淡倉）；或(b)根據證券及期貨條例第352條記載置存之登記冊內的權益或淡倉；或(c)根據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的權益或淡倉如下：－

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 19 December 2008 to 23 December 2008 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers, accompanied by the relevant share certificates, should be lodged with the Company's Share Registrars in Hong Kong, Tricor Secretaries Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on 18 December 2008.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES

The Company had not issued any debenture since its incorporation. As at 30 September 2008, the interests of the directors and their respective associates in the shares of the Company (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which are required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have taken under such provisions of the SFO); or (b) to be recorded in the register to be kept pursuant to Section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows: –

董事及最高行政人員於證券之
權益及淡倉 (續)

DIRECTORS' AND CHIEF EXECUTIVES'
INTERESTS AND SHORT POSITIONS IN
SECURITIES (Continued)

好倉

Long positions

董事姓名		股份數目			佔股權之概約 百分比 Approximately % of Shareholding
		個人權益	家族權益	總數	
Name of Director		Personal Interests	Family Interests	Total	
葉志成先生	Mr. Ip Chi Shing, Tony	185,223,932	2,000,000	187,223,932	34.75%
葉鳳娟小姐	Ms. Ip Fung Kuen	58,000,000	–	58,000,000	10.76%
葉子軒先生	Mr. Yip Tsz Hin, Stephen	36,340,000	20,000,000 (a)	56,340,000	10.46%
丁漢欽先生	Mr. Ting Hon Yam	200,000	–	200,000	0.04%
楊民儉先生	Mr. Young Man Kim, Robert	2,102,000	–	2,102,000	0.39%
黃金滔先生	Mr. Wong Kam Yim, Kenny	208,000	–	208,000	0.04%
吳紹平先生	Mr. Ng Siu Ping, George	1,632,000	50,000 (b)	1,682,000	0.31%
李偉民先生	Mr. Li Wai Man, Peter	–	–	–	–
唐滙棟先生	Mr. Tong Wui Tung, Ronald	–	500,000 (c)	500,000	0.09%
黃廣志先生	Mr. Wong Kong Chi	–	100,000 (d)	100,000	0.02%
歐陽贊邦先生	Mr. Au-Yeung Tsan Pong, Davie	–	–	–	–
李澤民先生	Mr. Li Chak Man, Chuck	150,000 (e)	– (e)	150,000	0.03%
古遠芬先生	Mr. Ku Yuen Fun, Andy	20,680	764,000 (f)	784,680	0.15%

附註：

Notes:

- | | |
|----------------------------|--|
| (a) 此等股份由葉子軒先生之妻子葉曹家麗女士持有。 | (a) These shares are held by Madam Yip Tso Ka Lai, Brenda, the wife of Mr. Yip Tsz Hin, Stephen. |
| (b) 此等股份由吳紹平先生之妻子蕭靄莉女士持有。 | (b) These shares are held by Madam Siu Oi Li, Maicy, the wife of Mr. Ng Siu Ping, George. |
| (c) 此等股份由唐滙棟先生之妻子劉梅心女士持有。 | (c) These shares are held by Madam Lau Mui Sum, the wife of Mr. Tong Wui Tung, Ronald. |

董事及最高行政人員於證券之 權益及淡倉 (續)

好倉 (續)

附註：(續)

- (d) 此等股份由黃廣志先生之妻子詹小慧女士持有。
- (e) 此等股份與李澤民先生之妻子鄭綺霞女士共同持有。
- (f) 此等股份由古遠芬先生之妻子蘇艷霞女士持有。

有關本公司現有購股權計劃董事持有購股權之詳情載於下一節「購股權」。

葉志成先生、葉鳳娟小姐、葉子軒先生及葉志成先生妻子梁碧瑜女士各持有本公司之附屬公司葉氏恒昌(集團)有限公司之無投票權遞延股一股。

除上文所披露者及董事以本公司或其附屬公司受託人身份持有附屬公司若干代名人股份外，於二零零八年九月三十日，各董事、最高行政人員或其聯繫人士均沒有於本公司或其任何聯營公司(按證券或期貨條例)之證券中持有任何權益或淡倉。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

Long position (Continued)

Notes: (Continued)

- (d) These shares are held by Madam Jim Siu Wai, the wife of Mr. Wong Kong Chi.
- (e) These shares are jointly held with Madam Cheng Yee Ha, the wife of Mr. Li Chak Man, Chuck.
- (f) These shares are held by Madam So Yim Ha, the wife of Mr. Ku Yuen Fun, Andy.

Details of the share options held by the directors under the Company's existing share option scheme are shown in the next section "Share options".

Mr. Ip Chi Shing, Tony, Ms. Ip Fung Kuen, Mr. Yip Tsz Hin, Stephen and Madam Liang Bih Yu, the wife of Mr. Ip Chi Shing, Tony, each holds one non-voting deferred share of Yip's H.C. (Holding) Limited, a subsidiary of the Company.

Other than as disclosed above and certain nominee shares in subsidiaries held by directors in trust for the Company or its subsidiaries, at 30 September 2008, none of the directors, chief executives nor their associates held any interests or short positions in the securities of the Company or any of its associated corporations as defined in the SFO.

購股權

於截至二零零八年九月三十日止六個月期間，根據本公司於二零零二年九月三日所採納購股權計劃(「現有計劃」)已授予若干董事或其他僱員購股權之變動詳情如下：－

SHARE OPTIONS

During the six months ended 30 September 2008, movements in the number of options which had been granted to certain directors and employees under the Company's share option scheme adopted on 3 September 2002 (the "Existing Scheme") were as follows: –

	授出日期 Date of Grant	購股權數目 Number of share options				
		行使價 Exercise Price 港元 HK\$	於二零零八年 四月一日 尚未行使 Outstanding at 1.4.2008	本期內 行使 Exercised during the period	本期內 失效/註銷 Lapsed/ Cancelled during the period	於二零零八年 九月三十日 尚未行使 Outstanding at 30.9.2008
董事 Directors						
Ms. Ip Fung Kuen 葉鳳娟小姐	3 April 2007 二零零七年四月三日	4.050	200,000	–	–	200,000
Mr. Wong Kam Yim, Kenny 黃金滔先生	14 November 2002 二零零二年十一月十四日	1.190	500,000	–	–	500,000
	17 May 2004 二零零四年五月十七日	1.590	300,000	–	–	300,000
	24 October 2005 二零零五年十月二十四日	2.004	200,000	–	–	200,000
	3 April 2007 二零零七年四月三日	4.050	200,000	–	–	200,000
Mr. Ng Siu Ping, George 吳紹平先生	14 November 2002 二零零二年十一月十四日	1.190	500,000	–	–	500,000
	17 May 2004 二零零四年五月十七日	1.590	300,000	–	–	300,000
	24 October 2005 二零零五年十月二十四日	2.004	200,000	–	–	200,000
	3 April 2007 二零零七年四月三日	4.050	200,000	–	–	200,000
Mr. Li Wai Man, Peter 李偉民先生	17 May 2004 二零零四年五月十七日	1.590	100,000	–	–	100,000
	24 October 2005 二零零五年十月二十四日	2.004	200,000	–	–	200,000
	3 April 2007 二零零七年四月三日	4.050	200,000	–	–	200,000
			<u>3,100,000</u>	<u>–</u>	<u>–</u>	<u>3,100,000</u>
員工 Employees						
	14 November 2002 二零零二年十一月十四日	1.190	100,000	–	–	100,000
	17 May 2004 二零零四年五月十七日	1.590	625,000	200,000	–	425,000
	8 October 2004 二零零四年十月八日	1.690	2,000,000	–	–	2,000,000
	24 October 2005 二零零五年十月二十四日	2.004	1,886,000	692,000	–	1,194,000
	3 April 2007 二零零七年四月三日	4.050	5,208,000	540,000	36,000	4,632,000
			<u>9,819,000</u>	<u>1,432,000</u>	<u>36,000</u>	<u>8,351,000</u>
			<u>12,919,000</u>	<u>1,432,000</u>	<u>36,000</u>	<u>11,451,000</u>

購股權 (續)

期內並無購股權授予董事或其他僱員。至於期內已行使之購股權，其緊接購股權行使日期之前的加權平均收市價為5.287港元。

除上文所披露者外，於期內任何時間，本公司或其任何附屬公司概無參與任何安排，以使本公司董事藉收購本公司或任何其他法人團體之股份或債券而獲益。

除上文所披露者外，期內各董事或其配偶或十八歲以下之子女均無任何權利以認購本公司之證券，或曾行使任何該等權利。

主要股東

於二零零八年九月三十日，除上文所披露有關若干董事之權益外，根據證券及期貨條例第336條保存之主要股東(除上文所披露的本公司董事或最高行政人員外)登記名冊所示，下列股東已知會本公司彼等在本公司已發行股本中擁有之相關權益：－

好倉

SHARE OPTIONS (Continued)

No options were granted to directors or employees during the period. In respect of the options exercised during the period, weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised was HK\$5.287.

Other than as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other than as disclosed above, none of the directors, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the period.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2008, the register of substantial shareholders (other than the directors or chief executives of the Company disclosed above) maintained under Section 336 of the SFO shows that, other than the interests disclosed above in respect of certain directors, the following shareholder had notified the Company of relevant interests in the issued share capital of the Company under Section 336 of the SFO: –

Long positions

股東名稱	身份	所持股份數目	於30.9.2008 佔已發行股本 之大約百分比 Approximate percentage of the issued share capital of the Company as at 30.9.2008
Name of Substantial Shareholder	Capacity	Number of shares held	
FMR LLC	Interest of Controlled Corporation (Note) 受控制公司之權益(附註)	27,212,000	5.05%

附註：根據證券及期貨條例，FMC LLC被視為擁有27,212,000股本公司的股份之權益，而其中Fidelity Management & Research Company 擁有26,000,000股，Fidelity Management Trust Company 與 Pyramis Global Advisors LLC 則擁有1,212,000股。

Note: Under SFO, FMR LLC was deemed to be interested in 27,212,000 shares of the Company, of which 26,000,000 shares were held by Fidelity Management & Research Company and 1,212,000 shares were held by Fidelity Management Trust Company and Pyramis Global Advisors LLC.

主要股東 (續)

好倉 (續)

除上文所披露外，於二零零八年九月三十日，除了以上一節「董事及最高行政人員於證券之權益及淡倉」已披露之權益外，概無人士通知本公司指彼等在本公司股份中的權益或淡倉需要根據證券及期貨條例第336條登記。

購買、出售或贖回本公司之上市證券

截至二零零八年九月三十日止六個月期間，本公司或其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

企業管治

截至二零零八年九月三十日止六個月期間，本公司均遵守香港聯合交易所有限公司證券上市規則附錄十四之企業管治常規守則之所有守則條文。

審核委員會

審核委員會於一九九八年十一月成立，其成員包括一位非執行董事及四位獨立非執行董事組成，其主席為黃廣志先生。審核委員會主要角色及功能包括檢討本集團財務資料、監控本集團財務報告系統與內部控制程序及監察本集團與外聘核數師的關係。

審核委員會已於二零零八年十二月一日之審核委員會會議上審閱本集團截至二零零八年九月三十日止六個月的未經審核中期財務報告。本公司核數師德勤•關黃陳方會計師行已按照香港會計師公會頒佈之香港會計準則第34條「中期財務報告」審閱本集團截至二零零八年九月三十日止六個月的中期財報資料。

董事進行證券交易的標準守則

本公司截至二零零八年九月三十日止六個月期內已採納載於香港聯合交易所有限公司證券上市規則附錄十之有關上市公司董事進行證券交易的標準守則（「標準守則」）。本公司已特別就期內董事是否有任何未遵守標準守則作出查詢，全體董事確認他們已完全遵從標準守則所規定的準則。

SUBSTANTIAL SHAREHOLDERS (Continued)

Long positions (Continued)

Save as disclosed above, as at 30 September 2008, no person, other than the interests disclosed above in the section "Directors' and Chief Executives' Interests and Short Positions in Securities", had notified the Company of an interest or short position in the shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

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

During the six months ended 30 September 2008, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

During the six months period ended 30 September 2008, the Company has complied with the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

AUDIT COMMITTEE

The Audit Committee was formed in November 1998 and currently consists of a Non-Executive Director and four Independent Non-executive Directors, and is chaired by Mr. Wong Kong Chi. Major roles and functions of the Audit Committee include reviewing financial information of the Group, overseeing the Group's financial reporting system and internal control procedures and monitoring of the relationship between the Group and its external auditors.

An audit committee meeting was held on 1 December 2008 to review the Group's unaudited interim financial statements for the six months ended 30 September 2008. Deloitte Touche Tohmatsu, the Group's external auditors, have carried out a review of the Group's unaudited interim financial statements for the six months ended 30 September 2008, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as its own code of conduct regarding Directors' securities transactions. After making specific enquiry, all Directors have confirmed that they have fully complied with the required standard as set out in the Model Code during the six months ended 30 September 2008.

Deloitte.

德勤

致葉氏化工集團有限公司董事會

TO THE BOARD OF DIRECTORS OF YIP'S
CHEMICAL HOLDINGS LIMITED

引言

本核數師(以下簡稱「我們」)已審閱載於第二十至四十頁葉氏化工集團有限公司之中期財務資料。此中期財務資料包括於二零零八年九月三十日之簡明綜合資產負債表與截至該日止六個月期間之相關簡明綜合收益賬、權益變動表和現金流量表及若干說明附註。香港聯合交易所有限公司主板證券上市規則規定，就中期財務資料編製之報告必須符合當中有關條文以及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」。董事須對根據香港會計準則第34號編製及呈列該中期財務資料負責。我們的責任為根據審閱對該中期財務資料作出結論，並按照委聘之協定條款僅向作為實體之閣下報告結論，且並無其他目的。我們不會就本報告之內容向任何其他人士負上或承擔任何責任。

INTRODUCTION

We have reviewed the interim financial information set out on pages 20 to 40, which comprises the condensed consolidated balance sheet of Yip's Chemical Holdings Limited as of 30 September 2008 and the related condensed consolidated income statement, statement of changes in equity and cash flow statement for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

審閱範圍

我們已根據香港會計師公會頒佈之香港審閱委聘準則第2410號「公司獨立核數師對中期財務資料之審閱」進行審閱。審閱中期財務資料包括主要向負責財務和會計事務之人員作出查詢，並應用分析性和其他審閱程序。審閱範圍遠少於根據香港核數準則進行審核之範圍，故不能讓我們保證我們將知悉在審核中可能發現之所有重大事項。因此，我們不會發表審核意見。

SCOPE OF REVIEW

We conducted our review in accordance with the 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. A review of interim financial information consists of making enquiries, 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.

結論

按照我們之審閱，我們並無發現任何事項，令我們相信中期財務資料在各重大方面未有根據香港會計準則第34號編製。

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

德勤•關黃陳方會計師行

執業會計師

香港

二零零八年十二月三日

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

3 December 2008

簡明綜合收益表 Condensed Consolidated Income Statement

		截至九月三十日止六個月 Six months ended 30 September		
		二零零八年 2008 (未經審核) (Unaudited)	二零零七年 2007 (未經審核) (Unaudited)	
		千港元 HK\$'000	千港元 HK\$'000	
	附註 Notes			
營業額	Turnover	3	3,084,885	2,350,385
銷售成本	Cost of sales		(2,575,947)	(1,903,467)
毛利	Gross profit		508,938	446,918
其他收入	Other income		75,411	43,107
銷售及經銷費用	Selling and distribution expenses		(83,923)	(65,070)
行政費用	Administrative expenses		(240,500)	(201,613)
經營溢利	Profit from operations	3 & 4	259,926	223,342
利息費用	Interest expense		(16,005)	(12,271)
除稅前溢利	Profit before taxation		243,921	211,071
稅項	Taxation	5	(51,669)	(30,830)
本期純利	Profit for the period		192,252	180,241
應佔溢利：	Attributable to:			
本公司股東	Equity holders of the Company		157,952	155,383
少數股東權益	Minority interests		34,300	24,858
			192,252	180,241
每股盈利	Earnings per share	7		
— 基本	— Basic		HK29.7港仙cents	HK32.1港仙cents
— 攤薄	— Diluted		HK29.4港仙cents	HK31.6港仙cents

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

			於二零零八年 九月三十日 At 30 September 2008 (未經審核) (Unaudited) 千港元 HK\$'000	於二零零八年 三月三十一日 At 31 March 2008 (已審核) (Audited) 千港元 HK\$'000
		附註 Notes		
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	8	768,671	674,165
預付土地租金	Prepaid lease payments		112,351	108,611
商譽	Goodwill		71,462	71,462
無形資產	Intangible assets		31,614	14,419
可供出售投資	Available-for-sale investment		12,500	12,209
收購附屬公司訂金	Deposit paid for acquisition of a subsidiary		–	9,989
購買物業訂金	Deposits paid for acquisition of property, plant and equipment		12,116	6,696
其他非流動資產	Other non-current assets		4,600	4,600
			1,013,314	902,151
流動資產	Current assets			
存貨	Inventories		571,856	486,995
應收賬款	Trade debtors	9	1,224,624	961,554
其他應收賬款及預付款項	Other debtors and prepayments		146,859	117,405
預付土地租金	Prepaid lease payments		2,684	2,950
衍生金融工具	Derivative financial instruments		13,133	–
抵押銀行存款	Pledged bank deposits		4,887	12,764
短期銀行存款	Short-term bank deposits			
– 於三個月內到期	– with original maturity within three months		55,844	95,819
– 多於三個月後到期	– with original maturity more than three months		440,605	263,483
銀行結餘及現金	Bank balances and cash		422,973	359,956
			2,883,465	2,300,926

			於二零零八年 九月三十日 At 30 September 2008 (未經審核) (Unaudited) 千港元 HK\$'000	於二零零八年 三月三十一日 At 31 March 2008 (已審核) (Audited) 千港元 HK\$'000
	附註 Notes			
流動負債		Current liabilities		
應付賬款及應計費用	10	Creditors and accrued charges	795,106	614,757
應付稅款		Taxation payable	80,606	56,958
衍生金融工具		Derivative financial instruments	-	13,940
收購附屬公司及資產 應付之代價－ 一年內到期		Consideration payable for acquisition of subsidiaries and assets – amount due within one year	11,811	-
銀行借貸－ 一年內到期	11	Bank borrowings – amount due within one year	847,817	738,282
銀行透支		Bank overdrafts	2,928	517
			<u>1,738,268</u>	<u>1,424,454</u>
流動資產淨值		Net current assets	<u>1,145,197</u>	<u>876,472</u>
總資產減流動負債		Total assets less current liabilities	<u>2,158,511</u>	<u>1,778,623</u>
非流動負債		Non-current liabilities		
銀行借貸－ 一年後到期	11	Bank borrowings – amount due after one year	95,778	136,917
遞延稅項負債		Deferred taxation liabilities	7,497	7,337
收購附屬公司 應付之代價－ 一年後到期		Consideration payable for acquisition of subsidiaries – amount due after one year	2,172	5,404
			<u>105,447</u>	<u>149,658</u>
			<u>2,053,064</u>	<u>1,628,965</u>
股本及儲備		Capital and reserves		
股本	12	Share capital	53,884	48,741
儲備		Reserves	1,786,941	1,400,036
本公司股東應佔權益		Equity attributable to equity holders of the Company	<u>1,840,825</u>	<u>1,448,777</u>
少數股東權益		Minority interests	<u>212,239</u>	<u>180,188</u>
			<u>2,053,064</u>	<u>1,628,965</u>

簡明綜合權益變動表 Condensed Consolidated Statement Of Changes In Equity

截至二零零八年九月三十日止六個月 For the six months ended 30 September 2008

		Attributable to equity holders of the Company 歸屬於本公司股東之權益										
		股本	股份溢價	購股權儲備	不可分派儲備	匯兌儲備	法定儲備	資本回購儲備	累計溢利	合計	少數股東權益	合計
		Share Capital	Share premium	Share option reserve	Non-distributable reserve	Translation reserve	Legal redemption reserve	Capital reserve	Retained profits	Total	Minority interests	Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零零七年四月一日	At 1 April 2007	48,164	243,661	607	3,915	89,319	1,121	5,038	711,983	1,103,808	129,879	1,233,687
折算香港以外附屬公司之財務報告時產生之匯兌差額	Exchange differences arising on translation	-	-	-	-	35,675	-	-	-	35,675	3,594	39,269
期內溢利	Profit for the period	-	-	-	-	-	-	-	155,383	155,383	24,858	180,241
期內確認收入總額	Total recognised income for the period	-	-	-	-	35,675	-	-	155,383	191,058	28,452	219,510
小計	Subtotal	48,164	243,661	607	3,915	124,994	1,121	5,038	867,366	1,294,866	158,331	1,453,197
因購股權獲行使而發行股份之溢價	Shares issued at premium upon exercise of share options	468	12,358	(954)	-	-	-	-	-	11,872	-	11,872
確認以股份為基準之付款支出	Recognition of equity-settled share-based payment	-	-	3,881	-	-	-	-	-	3,881	-	3,881
購股權失效及轉帳至累計溢利	Share options cancelled and transfer to retained profits	-	-	(15)	-	-	-	-	15	-	-	-
轉帳	Transfer	-	-	-	63,800	-	4,805	-	(68,605)	-	-	-
已付股息	Dividends paid	-	-	-	-	-	-	-	(58,343)	(58,343)	-	(58,343)
已付附屬公司少數股東股息	Dividends paid to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	(7,854)	(7,854)
二零零七年九月三十日	At 30 September 2007	48,632	256,019	3,519	67,715	124,994	5,926	5,038	740,433	1,252,276	150,477	1,402,753
二零零八年四月一日	At 1 April 2008	48,741	259,723	3,163	67,715	246,889	6,865	5,038	810,643	1,448,777	180,188	1,628,965
折算香港以外附屬公司之財務報告時產生之匯兌差額	Exchange differences arising on translation	-	-	-	-	42,845	-	-	-	42,845	4,845	47,690
期內溢利	Profit for the period	-	-	-	-	-	-	-	157,952	157,952	34,300	192,252
期內確認收入總額	Total recognised income for the period	-	-	-	-	42,845	-	-	157,952	200,797	39,145	239,942
小計	Subtotal	48,741	259,723	3,163	67,715	289,734	6,865	5,038	968,595	1,649,574	219,333	1,868,907
因發行配售股份產生之溢價	Shares issued at premium by placement	5,000	270,000	-	-	-	-	-	-	275,000	-	275,000
因發行股票而產生之費用	Expenses incurred in connection with issue of shares	-	(6,813)	-	-	-	-	-	-	(6,813)	-	(6,813)
因購股權獲行使而發行股份之溢價	Shares issued at premium upon exercise of share options	143	4,101	(353)	-	-	-	-	-	3,891	-	3,891
購股權失效及轉帳至累計溢利	Share option lapsed and transfer to retained profits	-	-	(17)	-	-	-	-	17	-	-	-
轉帳	Transfer	-	-	-	-	-	1,973	-	(1,973)	-	-	-
已付股息	Dividends paid	-	-	-	-	-	-	-	(80,827)	(80,827)	-	(80,827)
已付附屬公司少數股東股息	Dividends paid to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	(7,094)	(7,094)
二零零八年九月三十日	At 30 September 2008	53,884	527,011	2,793	67,715	289,734	8,838	5,038	885,812	1,840,825	212,239	2,053,064

不可分派儲備指部份於中國大陸的附屬公司將累計溢利用於資本再投資及以下各項之資金：(i) 彌補以往年度虧損或(ii)擴大生產運作。

The non-distributable reserve represents capitalisation of retained profits of certain subsidiaries in Mainland China for capital re-investment in these subsidiaries and funds used to (i) make up prior year losses or (ii) expand production operations.

本集團不可予分派之法定儲備為香港以外附屬公司根據有關註冊地點之法定要求撥入之溢利。

The legal reserve is non-distributable and represents the transfer of profits of a subsidiary outside Hong Kong pursuant to the legal requirements in the relevant place of registration.

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

截至二零零八年九月三十日止六個月 For the six months ended 30 September 2008

		截至九月三十日止六個月 Six months ended 30 September	
		二零零八年 2008 (未經審核) (Unaudited) 千港元 HK\$'000	二零零七年 2007 (未經審核) (Unaudited) 千港元 HK\$'000
	附註 Notes		
經營業務所產生之淨現金	Net cash from operating activities	44,867	135,476
投資業務所產生之淨現金支出	Net cash used in investing activities		
多於三個月後到期之 短期銀行存款增加	Increase in short-term deposits with original maturity more than 3 months	(170,332)	-
購買物業、廠房及設備	Purchases of property, plant and equipment	(86,725)	(31,511)
收購資產	Acquisition of assets	(18,686)	-
收購附屬公司	Acquisition of a subsidiary	(5,845)	(53,766)
出售物業、廠房及設備所收 之款項	Proceeds from disposal of property, plant and equipment	17,114	-
出售預付土地租金所收之款項	Proceeds from disposal of prepaid lease payments	1,349	(480)
出售可供出售投資收益	Proceeds from disposal of available-for-sale investment	-	18,409
其他投資現金流量	Other investing cash flows	9,337	5,831
		(253,788)	(61,517)
融資業務所產生之淨現金	Net cash from financing activities		
新銀行貸款	New borrowings raised	531,972	385,885
發行股份所收之款項	Proceeds from issue of shares	278,891	-
償還銀行貸款	Repayment of borrowings	(480,113)	(240,825)
支付股東股息	Dividends paid to shareholders	(80,827)	(58,343)
支付利息	Interest paid	(16,005)	(12,271)
發行股份費用	Share issue expenses	(6,813)	-
其他融資現金流量	Other financing cash flows	(7,094)	16,288
		220,011	90,734
淨現金及現金等額增加	Net increase in cash and cash equivalents	11,090	164,693
期初時之現金及現金等額	Cash and cash equivalents at beginning of the period	455,258	328,465
匯率變動所產生之影響	Effect of foreign exchange rate changes	9,541	7,340
期末時之現金及現金等額	Cash and cash equivalents at end of the period	475,889	500,498
現金及現金等額分析	Analysis of balances of cash and cash equivalents		
銀行結餘及現金	Bank balances and cash	422,973	298,179
短期銀行存款－於三個月內到期	Short-term bank deposits with original maturity within three months	55,844	202,777
銀行透支	Bank overdrafts	(2,928)	(458)
		475,889	500,498

一. 編制基準

簡明綜合財務報表乃按照香港聯合交易所有限公司證券上市規則附錄十六之適用披露規定，及香港會計師公會所頒佈之香港會計準則第34條「中期財務報告」編製。

二. 主要會計政策

除若干金融工具以公允價值計算外，本簡明綜合財務報表是按歷史成本為基礎編製。

本簡明綜合財務報表使用之會計政策乃與編製本公司及其附屬公司（「本集團」）二零零八年三月三十一日止年度之年度財務報表所依循者相符一致。

於本中期期間，本集團首次採用多項由香港會計師公會頒佈之修訂及新詮釋，該等修訂及新詮釋於二零零八年四月一日開始之本集團財政年度生效。採用該等修訂及詮釋對本會計期間或過往會計期間之本集團業績或財務狀況並無重大影響。因此，毋須作出前期調整。

本集團並無提早採用下列已頒佈但尚未生效之新訂及經修訂準則，香港財務報告準則（「香港財務報告準則」）、經修訂之香港會計準則（「香港會計準則」）及詮釋（「詮釋」）。

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 March 2008.

In the current interim period, the Group has applied, for the first time, amendments and new Interpretations issued by the HKICPA, which are effective for the Group's financial year beginning 1 April 2008. The adoption of these amendments and interpretations has had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), amendments of Hong Kong Accounting Standards ("HKASs") or interpretations ("INTs") that have been issued but are not yet effective.

二. 主要會計政策 (續)

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

香港財務報告準則 (經修訂)	香港財務報告準則 之修訂 ¹	HKFRSs (Amendments)	Improvements to HKFRSs ¹
香港會計準則 第1號(經修訂)	財務報告之呈列 ²	HKAS 1 (Revised)	Presentation of financial statements ²
香港會計準則 第23號(經修訂)	借貸費用 ²	HKAS 23 (Revised)	Borrowing costs ²
香港會計準則 第27號(經修訂)	綜合及分列 財務報告 ³	HKAS 27 (Revised)	Consolidated and separate financial statements ³
香港會計準則 第32號及 第1號(經修訂)	可沽金融工具及 清盤時之責任 ²	HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation ²
香港財務報告 準則第1號 及香港會計準則 第27號(經修訂)	附屬公司、共同 控制實體 或聯營公司的 投資成本 ²	HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate ²
香港財務報告 準則第2號 (經修訂)	歸屬條件及取消 ²	HKFRS 2 (Amendment)	Vesting conditions and cancellations ²
香港財務報告準則 第3號(經修訂)	業務合併 ³	HKFRS 3 (Revised)	Business combinations ³
香港財務報告準則 第8號	經營分類 ²	HKFRS 8	Operating segments ²
香港(國際財務 報告詮釋委員會)* — 詮釋第13號	客戶忠誠計劃 ⁴	HK(IFRIC)* – INT 13	Customer loyalty programmes ⁴
香港(國際財務 報告詮釋委員會) — 詮釋第15號	房地產建築協議 ²	HK(IFRIC) – INT 15	Agreements for the construction of real estate ²
香港(國際財務 報告詮釋委員會) — 詮釋第16號	海外業務 投資淨額對沖 ⁵	HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation ⁵

二. 主要會計政策(續)

- 1 於二零零九年一月一日或其後開始之年度期間生效，除香港財務報告準則第5號(於二零零九年七月一日或其後開始之年度期間生效)外
- 2 於二零零九年一月一日或其後開始之年度期間生效
- 3 於二零零九年七月一日或其後開始之年度期間生效
- 4 於二零零八年七月一日或其後開始之年度期間生效
- 5 於二零零八年十月一日或其後開始之年度期間生效

採納香港財務報告準則第3號(經修訂)可影響業務合併(指收購日期為二零零九年七月一日或之後開始的首個全年呈報期間開始之時或其後的日子)的會計方法。香港會計準則第27號(經修訂)將影響母公司於一間附屬公司的擁有權改變而不會導致失去控制權時的會計處理，有關情況將按股權交易處理。本公司董事預期採用該等準則、修訂本或詮釋不會對本集團之業績及財務狀況造成重大影響。

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

- 1 Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009.
- 2 Effective for annual periods beginning on or after 1 January 2009.
- 3 Effective for annual periods beginning on or after 1 July 2009.
- 4 Effective for annual periods beginning on or after 1 July 2008.
- 5 Effective for annual periods beginning on or after 1 October 2008.

* IFRIC represents the International Financial Reporting Interpretations Committee.

The adoption of HKFRS 3 (Revised) may affect the accounting for the business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27(Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new or revised standards, amendments and interpretations will have no material impact on the results and the financial position of the Group.

三. 分類資料

(a) 業務分類

從管理角度，本集團目前將業務分為三個業務類別，即溶劑、塗料及潤滑油。本集團乃按該等業務呈報其主要分類資料。

主要業務如下：

溶劑 — 製造及買賣溶劑及相關產品
 塗料 — 製造及買賣塗料及相關產品
 潤滑油 — 製造及買賣潤滑油產品

(i) 本集團之營業額及業績按業務分類如下：

3. SEGMENT INFORMATION

(a) Business segments

For management purposes, the Group's operations are currently classified under three business divisions, namely solvents, coatings and lubricants. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Solvents – manufacture of and trading in solvents and related products
 Coatings – manufacture of and trading in coatings and related products
 Lubricants – manufacture of and trading in lubricants products

(i) An analysis of the Group's turnover and results by business segments is as follows:

		溶劑 Solvents 千港元 HK\$'000	塗料 Coatings 千港元 HK\$'000	潤滑油 Lubricants 千港元 HK\$'000	其他 Others 千港元 HK\$'000	交易抵銷 Elimination 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
截至二零零八年 九月三十日止六個月	Six months ended 30 September 2008						
分類營業額	Segment revenue						
對外銷售	External sales	1,855,725	1,039,520	154,214	35,426	-	3,084,885
分類間銷售	Inter-segment sales	46,438	24,166	-	-	(70,604)	-
總額	Total	1,902,163	1,063,686	154,214	35,426	(70,604)	3,084,885
業績	Results						
分類業績	Segment result	143,438	64,144	7,502	2,752	338	218,174
利息收入	Interest income						11,612
未分配集團收入	Unallocated corporate income						40,771
未分配集團費用	Unallocated corporate expenses						(10,631)
經營溢利	Profit from operations						259,926
利息費用	Interest expense						(16,005)
除稅前溢利	Profit before taxation						243,921
稅項	Taxation						(51,669)
本期純利	Profit for the period						192,252

三. 分類資料(續)

3. SEGMENT INFORMATION (Continued)

(a) 業務分類(續)

(a) Business segments (Continued)

		溶劑 Solvents 千港元 HK\$'000	塗料 Coatings 千港元 HK\$'000	潤滑油 Lubricants 千港元 HK\$'000	其他 Others 千港元 HK\$'000	交易抵銷 Elimination 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
截至二零零七年 九月三十日止六個月	Six months ended 30 September 2007						
分類營業額	Segment revenue						
對外銷售	External sales	1,327,298	844,204	118,826	60,057	-	2,350,385
分類間銷售	Inter-segment sales	33,830	25,469	239	66	(59,604)	-
總額	Total	<u>1,361,128</u>	<u>869,673</u>	<u>119,065</u>	<u>60,123</u>	<u>(59,604)</u>	<u>2,350,385</u>
業績	Results						
分類業績	Segment result	<u>135,479</u>	<u>70,298</u>	<u>1,560</u>	<u>6,053</u>	<u>(380)</u>	213,010
利息收入	Interest income						3,668
未分配集團收入	Unallocated corporate income						11,591
未分配集團費用	Unallocated corporate expenses						<u>(4,927)</u>
經營溢利	Profit from operations						223,342
利息費用	Interest expense						<u>(12,271)</u>
除稅前溢利	Profit before taxation						211,071
稅項	Taxation						<u>(30,830)</u>
本期純利	Profit for the period						<u>180,241</u>

業務間之銷售與給予外界人士的條款相近。

Inter-segment sales are charged at the similar terms as outsiders.

三. 分類資料 (續)

3. SEGMENT INFORMATION (Continued)

(a) 業務分類 (續)

(a) Business segments (Continued)

(ii) 其他資料

(ii) Other information

		溶劑	塗料	潤滑油	其他	集團	綜合
		Solvents	Coatings	Lubricants	Others	level Corporate	Consolidated
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
截至二零零八年	Six months ended						
九月三十日止六個月	30 September 2008						
資本性添置	Capital additions	35,686	93,242	2,031	-	5,896	136,855
物業、廠房及設備之折舊及攤銷	Depreciation and amortisation of property, plant and equipment	11,026	14,997	2,305	-	891	29,219
預付租賃攤銷	Release of prepaid lease payments	560	805	-	-	167	1,532
無形資產攤銷	Amortisation of intangible assets	1,052	911	-	-	-	1,963
		溶劑	塗料	潤滑油	其他	集團	綜合
		Solvents	Coatings	Lubricants	Others	level Corporate	Consolidated
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
截至二零零七年	Six months ended						
九月三十日止六個月	30 September 2007						
資本性添置	Capital additions	19,030	20,323	1,397	-	303	41,053
物業、廠房及設備之折舊及攤銷	Depreciation and amortisation of property, plant and equipment	7,269	13,485	2,123	-	780	23,657
預付租賃攤銷	Release of prepaid lease payments	216	754	-	-	166	1,136
無形資產攤銷	Amortisation of intangible assets	197	534	-	-	-	731

(b) 地區分類

(b) Geographical segments

由於本集團之營業額及經營溢利大部份均來自中國大陸，故省略綜合營業額和經營溢利的地區分析。

As the Group's turnover and trading results are principally derived from the Mainland China, an analysis of the consolidated turnover and trading results by geographical location is not presented.

四. 經營溢利

4. PROFIT FROM OPERATIONS

		截至九月三十日止六個月	
		Six months ended	
		30 September	
		二零零八年	二零零七年
		2008	2007
		千港元	千港元
		HK\$'000	HK\$'000
經營溢利已扣除下列各項：	Profit from operations has been arrived at after charging:		
無形資產攤銷	Amortisation of intangible assets	1,963	731
物業、廠房及設備之折舊及攤銷	Depreciation and amortisation of property, plant and equipment	29,219	23,657
預付租賃攤銷	Release of prepaid lease payments	1,532	1,136
並經已計入：	and after crediting:		
衍生金融工具之公允價值變動	Change in fair value of derivative financial instruments	22,517	-
出售可供出售投資之收益	Gain on disposal of available-for-sale investment	-	11,591
出售物業、廠房及設備之淨收益	Net gain on disposal of property, plant and equipment	6,208	-
利息收入	Interest income	11,612	3,668
淨匯兌收益	Net exchange gain	9,756	2,466
委託加工收入	Processing fee income	7,205	4,204

五. 稅項

5. TAXATION

		截至九月三十日止六個月	
		Six months ended	
		30 September	
		二零零八年	二零零七年
		2008	2007
		千港元	千港元
		HK\$'000	HK\$'000
此費用包括：	The charge comprises:		
現行稅項	Current tax		
香港	Hong Kong	1,370	2,342
中國大陸	Mainland China	50,345	28,780
		51,715	31,122
遞延稅項	Deferred taxation		
香港	Hong Kong		
- 本期間	- current period	64	(292)
- 因稅率變動而產生	- attributable to change in tax rate	(110)	-
		(46)	(292)
		51,669	30,830

五. 稅項(續)

香港利得稅乃按照本期估計應課稅溢利按稅率16.5% (截至二零零七年九月三十日止六個月: 17.5%) 提撥準備。中國大陸企業所得稅則按有關司法地區之稅率計算。

於二零零七年三月十六日, 中國大陸頒佈中華人民共和國主席令第63號《中華人民共和國企業所得稅法》(「新稅法」)。於二零零七年十二月六日, 中國國務院頒佈新稅法實施條例。按照新稅法及實施條例, 自二零零八年一月一日起, 適用於集團若干附屬公司之稅率將於五年由現時15%逐步劃一為25%及若干附屬公司之稅率將由現時介乎27%至33%逐步劃一為25%。

現時本集團若干附屬公司享有稅務豁免及中國大陸法定所得稅率寬減之待遇將繼續享有, 直至豁免及寬減期屆滿為止, 惟不得超過二零一二年。

於財務報告內, 並無就中國大陸附屬公司自二零零八年一月一日起根據中國大陸新稅法已賺取之未經分派保留溢利284,485,000港元(二零零八年三月三十一日: 69,283,000港元)應佔之暫時差異作出遞延稅項撥備。新稅法規定有關股東溢利分派之預扣稅, 藉此本集團可控制撥回暫時差異之時間, 而暫時差異於可預見將來可能不會撥回。

5. TAXATION (Continued)

Hong Kong Profits Tax has been provided at the rate of 16.5% (17.5% for the six months ended 30 September 2007) on the estimated assessable profit for the period. Enterprise income tax in Mainland China has been provided at the rates prevailing in the respective jurisdictions.

On 16 March 2007, Mainland China promulgated the Law of Mainland China on Enterprise Income Tax (the "New Law") by Order No. 63 of Mainland China. On 6 December 2007, the State Council of Mainland China issued Implementation Regulations of the New Law. The New Law and Implementation Regulations have changed the existing tax rates from 15% to 25% progressively over 5 years for certain subsidiaries from 1 January 2008 and 27% and 33% to 25% for certain subsidiaries from 1 January 2008 respectively.

Certain of the Group's subsidiaries that are currently entitled to exemption and reduction from enterprise income tax rate of Mainland China would continue to enjoy such tax benefits until the exemption and reduction period expire, but not beyond 2012.

Deferred taxation has not been recognised in respect of the temporary differences attributable to the undistributable retained profits earned by the subsidiaries in Mainland China amounting to HK\$284,485,000 (31 March 2008: HK\$69,283,000) starting from 1 January 2008 under the New Law of Mainland China that requires withholding tax upon the distribution of such profits to the shareholders as the directors are of the opinion that the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

六. 股息

期內支付截至二零零八年三月三十一日止年度之期末股息每股15.0港仙合共80,827,000港元(截至二零零七年九月三十日止六個月:支付截至二零零七年三月三十一日止年度每股12.0港仙,合共58,343,000港元)。

於二零零八年九月三十日後,董事會議決派發截至二零零八年九月三十日止六個月之中期股息每股8.0港仙(截至二零零七年九月三十日止六個月:每股10.0港仙)。上述中期股息將於二零零九年一月五日派發予於二零零八年十二月二十三日名列於公司股東登記冊上之股東。

七. 每股盈利

公司股權持有人每股基本及攤薄後盈利乃根據下列資料計算:

6. DIVIDENDS

During the period, a final dividend of HK 15.0 cents per share in respect of the year ended 31 March 2008 amounting to HK\$80,827,000 was paid (six months ended 30 September 2007: HK12.0 cents per share was paid for the year ended 31 March 2007 amounting to HK\$58,343,000).

Subsequent to 30 September 2008, the directors resolved to declare an interim dividend of HK8.0 cents per share for the six months ended 30 September 2008 (six months ended 30 September 2007: HK10.0 cents per share). The interim dividend is payable on 5 January 2009 to the shareholders of the Company whose names appear on the Company's register of members on 23 December 2008.

7. EARNINGS PER SHARE

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

	截至九月三十日止六個月	
	Six months ended	
	30 September	
	二零零八年	二零零七年
	2008	2007
	千港元	千港元
	HK\$'000	HK\$'000
計算每股基本及攤薄後盈利之盈利	Earnings for the purposes of calculating	
	basic and diluted earnings per share	
	157,952	155,383

七. 每股盈利(續)

7. EARNINGS PER SHARE (Continued)

		股份數目	
		Number of Shares	
		千股	千股
		'000	'000
計算每股基本盈利之加權平均股數	Weighted average number of shares for the purpose of calculating basic earnings per share	532,606	484,256
可能對股份產生之攤薄影響：	Effect of dilutive potential ordinary shares:		
購股權	Share options	<u>5,271</u>	<u>7,122</u>
計算每股攤薄後盈利之加權平均股數	Weighted average number of shares for the purpose of calculating diluted earnings per share	<u>537,877</u>	<u>491,378</u>

八. 物業、廠房及設備添置

8. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

於本期內，本集團耗資約96,356,000港元(截至二零零七年九月三十日止六個月：31,511,000港元)添置生產廠房及設備，以提升中國大陸廠房之生產能力。

During the period, the Group incurred approximately HK\$96,356,000 (six months ended 30 September 2007: HK\$31,511,000) for additions to manufacturing plant in Mainland China to upgrade its manufacturing capacity.

九. 應收賬款

於結算日應收賬款之賬齡分析如下：

		於二零零八年 九月三十日 At 30 September 2008 千港元 HK\$'000	於二零零八年 三月三十一日 At 31 March 2008 千港元 HK\$'000
零至三個月	0 – 3 months	1,034,184	783,227
四至六個月	4 – 6 months	180,686	164,338
六個月以上	Over 6 months	9,754	13,989
		1,224,624	961,554

本集團向其除銷客戶提供由30天至90天之信貸期。較長的信貸期或授予付款記錄良好之長期或規模大之客戶。

An aged analysis of trade debtors at the balance sheet date is as follows:

The Group generally allows a credit period ranging from 30 to 90 days to its trade customers. A longer credit period may be granted to large or long established customers with good payment history.

十. 應付賬款及應計費用

於結算日，應付賬款及應計費用結餘包括應付貨款548,717,000港元（於二零零八年三月三十一日：388,490,000港元），於結算日應付貨款之賬齡分析如下：

		於二零零八年 九月三十日 At 30 September 2008 千港元 HK\$'000	於二零零八年 三月三十一日 At 31 March 2008 千港元 HK\$'000
零至三個月	0 – 3 months	544,264	385,882
四至六個月	4 – 6 months	4,036	1,512
六個月以上	Over 6 months	417	1,096
		548,717	388,490

10. CREDITORS AND ACCRUED CHARGES

At the balance sheet date, the balance of creditors and accrued charges included trade creditors of HK\$548,717,000 (31 March 2008: HK\$388,490,000). The aged analysis of trade creditors at the balance sheet date is as follows:

十一. 銀行借貸

期內，本集團取得531,972,000港元(於二零零七年九月三十日：385,885,000港元)新銀行借貸，並償還480,113,000港元(於二零零七年九月三十日：240,825,000港元)銀行借貸。上述取得新銀行借貸按市場息率計息及須在一個月至一年內償還。

11. BANK BORROWINGS

During the period, the Group obtained new bank borrowings in the amount of HK\$531,972,000 (six months ended 30 September 2007: HK\$385,885,000) and repaid bank borrowings of HK\$480,113,000 (six months ended 30 September 2007: HK\$240,825,000). The new bank borrowings bear interest at market rates and are repayable ranging from 1 month to 1 year.

十二. 股本

12. SHARE CAPITAL

		法定 Authorised	已發行及繳足 Issued and fully paid	
		於二零零八年 九月三十日及 三月三十一日 At 30 September 2008 & 31 March 2008	於二零零八年 九月三十日 At 30 September 2008	於二零零八年 三月三十一日 At 31 March 2008
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
每股面值0.10港元之股份	Shares of HK\$0.10 each	80,000	53,884	48,741

期內，本公司之已發行股本有以下變動：

Movements in the issued share capital of the Company during the period are as follows:

		股份數目 Number of shares	金額 Amount
		千股 '000	千港元 HK\$'000
於二零零八年四月一日	At 1 April 2008	487,412	48,741
發行配售股份(附註a)	Placement of shares (Note a)	50,000	5,000
行使購股權(附註a)	Exercise of share options (Note b)	1,432	143
於二零零八年九月三十日	At 30 September 2008	538,844	53,884

十二.股本(續)

附註：

- (a) 於二零零八年四月十八日，本公司(i)與葉志成先生(「葉先生」)彼為本公司執行董事及董事局主席，簽訂認購協議，按每股5.50港元之價格認購50,000,000股新股份(「認購」)，及(ii)與葉先生及麥格理資本證券股份有限公司(「配售代理」)簽訂有關葉先生及配售代理以每股5.50港元之價格配售(「配售」)50,000,000股(「配售股份」)本公司現有之股份的配售協議。該配售於二零零八年四月二十二日完成。認購之所得款項淨額約為268,000,000港元。本公司擬將認購之所得款項淨額主要作一般營運資金及資本開支及業務擴充之用。
- (b) 於截至二零零八年九月三十日止六個月內，共有1,432,000股之購股權股份獲行使，本公司因此而分別發行200,000股、692,000股及540,000股每股面值0.10港元之股份，每股作價分別為1.590港元、2.004港元及4.050港元。

所有已發行股份均在所有方面與當時之現有股份享有同等權益。

12. SHARE CAPITAL (Continued)

Notes:

- (a) On 18 April 2008, the Company entered into (i) a subscription agreement with Mr. Ip Chi Shing, Tony ("Mr. Ip"), an executive director and the chairman of the board of directors of the Company, for the subscription of 50,000,000 new shares of the Company at the price of HK\$5.50 per share (the "Subscription"), and (ii) a placing agreement with Mr. Ip and Macquarie Capital Securities Limited (the "Placing Agent") pursuant to which Mr. Ip agreed to sell and the Placing Agent agreed to procure the sale of 50,000,000 existing shares of the Company (the "Placing Shares") at a price of HK\$5.50 per share (the "Placing"). Completion of the Subscription took place on 30 April 2008. The net proceeds of the Subscription amounted to approximately HK\$268 million. The Company intended to use the net proceeds from the Subscription principally as general working capital, and for capital expenditure and business expansion.
- (b) During the six months ended 30 September 2008, 1,432,000 shares options were exercised, resulting in the issue of 200,000 shares, 692,000 shares, and 540,000 shares of HK\$0.10 each in the Company at a price of HK\$1.590, HK\$2.004 and HK\$4.050 per share respectively.

All shares issued rank pari passu with the then existing shares in issue in all respects.

十三. 收購附屬公司

於二零零八年六月十七日，本公司擁有100%權益之間接全資附屬公司葉氏油墨集團有限公司收購福森油墨化工有限公司（「福森」）之全部股權。福森為於中國內地成立之私人有限公司，主要於中國內地從事製造及買賣塗料。福森全部股權之購買代價為17,804,000人民幣（相當於約19,936,000港元）。該項收購採用購買會計法處理入賬。

13. ACQUISITION OF A SUBSIDIARY

On 17 June 2008, Yip's Ink & Chemicals (Group) Limited, which is an indirect 100% interest owned subsidiary of the Company, acquired the entire equity interest of Fusen Ink Chemical Co., Ltd. ("Fusen"), a private limited company established in Mainland China. Fusen is primarily engaged in the manufacture of and trading in coatings in Mainland China. The purchase consideration for the entire equity interest in Fusen was RMB17,804,000 (equivalent to approximately HK\$19,936,000). This acquisition has been accounted for using the purchase method.

		千港元 HK\$'000
收購之淨資產：	Net assets acquired:	
物業、廠房及設備	Property, plant and equipment	21,688
預付土地租金	Prepaid lease payments	4,350
存貨	Inventories	851
應收賬款	Trade debtors	1,303
其他應收賬款及預付款項	Other debtors and prepayments	1,844
無形資產	Intangible asset	811
銀行結餘及現金	Bank balances and cash	68
應付賬款	Trade creditors	(990)
其他應付賬款及應計費用	Other creditors and accrued charges	(1,947)
銀行借貸	Bank borrowings	(7,839)
遞延稅項負債	Deferred tax liabilities	(203)
合計	Total	<u>19,936</u>
支付方式：	Satisfied by:	
現金	Cash	5,913
應付代價	Consideration payable	4,034
收購附屬公司訂金	Deposit paid for acquisition of a subsidiary	9,989
		<u>19,936</u>
收購附屬公司之現金流出淨額：	Net cash outflow arising on acquisition:	
現金代價	Cash consideration	5,913
收購之銀行結存及現金	Cash and cash equivalents acquired	(68)
		<u>5,845</u>

除無形資產及對遞延稅項負債之相應影響外，被收購方之淨資產已於收購前按公允值進行重估，故毋須對公允值作出調整。

Other than the intangible assets and the corresponding effect on deferred taxation liabilities, the acquiree's net assets were revalued to fair value before the acquisition. Accordingly, no fair value adjustments are required.

已收購無形資產之公允值乃按專業估價釐定。已收購無形資產與福森之賣方承諾不得於收購後三年期間在中國內地境內直接或間接成立任何企業製造或買賣塗料產品而作出之不競爭契諾有關。

The fair value of the intangible assets acquired, which relates to the non-competition covenant given by the vendors of Fusen for not establishing, directly or indirectly, within Mainland China any enterprise to produce or trade coating products for a period of three years after the acquisition, has been determined by reference to professional valuations.

於收購日期起至結算日止期間福森錄得2,968,000港元虧損。

Fusen contributed a loss of HK\$2,968,000 for the period from the date of acquisition to the balance sheet date.

十三. 收購附屬公司 (續)

倘上述收購已於二零零八年四月一日完成，截至二零零八年九月三十日止期間本集團之總營業額應為3,103,214,000港元，而截至二零零八年九月三十日止期間之溢利應為190,132,000港元。備考資料僅供說明之用，並不一定顯示倘於二零零八年四月一日完成收購本集團實際應獲得之營業額及經營業績，亦無計劃用作未來業績之預測。

十四. 收購資產

於二零零八年五月三十日，本公司之間接全資附屬公司恒昌石油化工有限公司(「恒昌石化」)與柏林化工有限公司及美林化工有限公司(「賣方」)，兩者均為於香港註冊成立且與本集團概無關連之公司)訂立協議，向賣方購買生產、銷售、推廣、買賣及檢測用於「柏林集團」、「柏林」及「美林」品牌的電器塗料、機殼、玩具及相關溶劑產品方面的若干資產，包括相關技術及知識產權。資產之購買代價為23,170,000港元。

13. ACQUISITION OF A SUBSIDIARY

(Continued)

If the above acquisition had been completed on 1 April 2008, total group turnover for the period ended 30 September 2008 would have been HK\$3,103,214,000 and profit for the period ended 30 September 2008 would have been HK\$190,132,000. The proforma information is for illustrative purpose only and is not necessarily an indication of turnover and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2008, nor is it intended to be a projection of future results.

14. ACQUISITION OF ASSETS

On 30 May 2008, Hang Cheung Petrochemical Limited ("HCP"), an indirect wholly-owned subsidiary of the Company, entered into an agreement with Pak Lam Chemical Company Limited and Mayland Chemical Company limited (the "Sellers"), both Hong Kong incorporated companies not connected to the Group, to purchase certain assets relating to the manufacturing, selling, promoting, trading and testing of coatings for electronic appliances, machine cases, toys and corresponding solvent products which are under the name and style of "Pak Lam Group", "Pak Lam" and "Mayland", including technology and intellectual property rights from the Sellers. The purchase consideration for the assets was HK\$23,170,000.

		千港元 HK\$'000
收購之淨資產：	Net assets acquired:	
無形資產	Intangible assets	18,000
存貨	Inventories	5,170
代價合計	Total consideration	<u>23,170</u>
支付方式：	Satisfied by:	
現金	Cash	18,686
應付代價	Consideration payable	4,484
		<u>23,170</u>

應付代價包括收購無形資產(例如，客戶關係、商標及專利品牌及專利技術)之有關遞延代價款項3,600,000港元，可就該等無形資產於收購日期後一年內錄得之收益作出收益保證調整。

無形資產之價值乃根據已達成收益保證之假設釐定。

The consideration payable included an amount of HK\$3,600,000 in relation to the deferred consideration for the acquisition of intangible assets (i.e. customer relationship, trademarks and patent brands, and proprietary knowhow) subject to the revenue warranty adjustment in respect of the revenue generated from these intangible assets for one year after the date of acquisition.

The value of intangible assets is based on the assumption that the revenue warranty is achieved.

十五. 承擔

15. COMMITMENTS

	於二零零八年 九月三十日 At 30 September 2008 千港元 HK\$'000	於二零零八年 三月三十一日 At 31 March 2008 千港元 HK\$'000
已訂約但財務報告中未予撥備		
Contracted for but not provided in the condensed consolidated financial statements in respect of		
– 添置物業、廠房及設備	30,853	24,553
– acquisition of property, plant and equipment		
– 收購一間附屬公司	–	16,511
– acquisition of a subsidiary		
	30,853	41,064

十六. 關聯人士交易

16. RELATED PARTY TRANSACTIONS

- (a) 期內，本集團分別支付480,000港元(截至二零零七年九月三十日止六個月：480,000港元)及300,000港元(截至二零零七年九月三十日止六個月：300,000港元)之租金予港德投資有限公司及嘉捷投資有限公司，本公司之董事葉志成先生及葉子軒先生分別於該兩間公司持有受益權。租金乃按照有關租約支付。
- (a) During the period, the Group paid rent of HK\$480,000 (six months ended 30 September 2007: HK\$480,000) and HK\$300,000 (six months ended 30 September 2007: HK\$300,000) to Goldex Investments Limited and Galsheer Investments Limited respectively in which Mr. Ip Chi Shing, Tony and Mr. Yip Tsz Hin, Stephen, directors of the Company, have beneficial interests respectively. The rents were paid in accordance with the relevant rental agreements.
- (b) 主要管理層薪酬
- (b) Compensation of key management personnel
- 主要管理層指本公司董事。期內，主要管理層酬金為10,878,000港元(截至二零零七年九月三十日止六個月：10,582,000港元)。
- The key management personnel are the directors of the Company. During the period, the remuneration of the key management personnel was HK\$10,878,000 (six months ended 30 September 2007: HK\$10,582,000).

承董事會命
主席
葉志成

By Order of the Board
Ip Chi Shing, Tony
Chairman

香港，二零零八年十二月三日

Hong Kong, 3 December 2008



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