



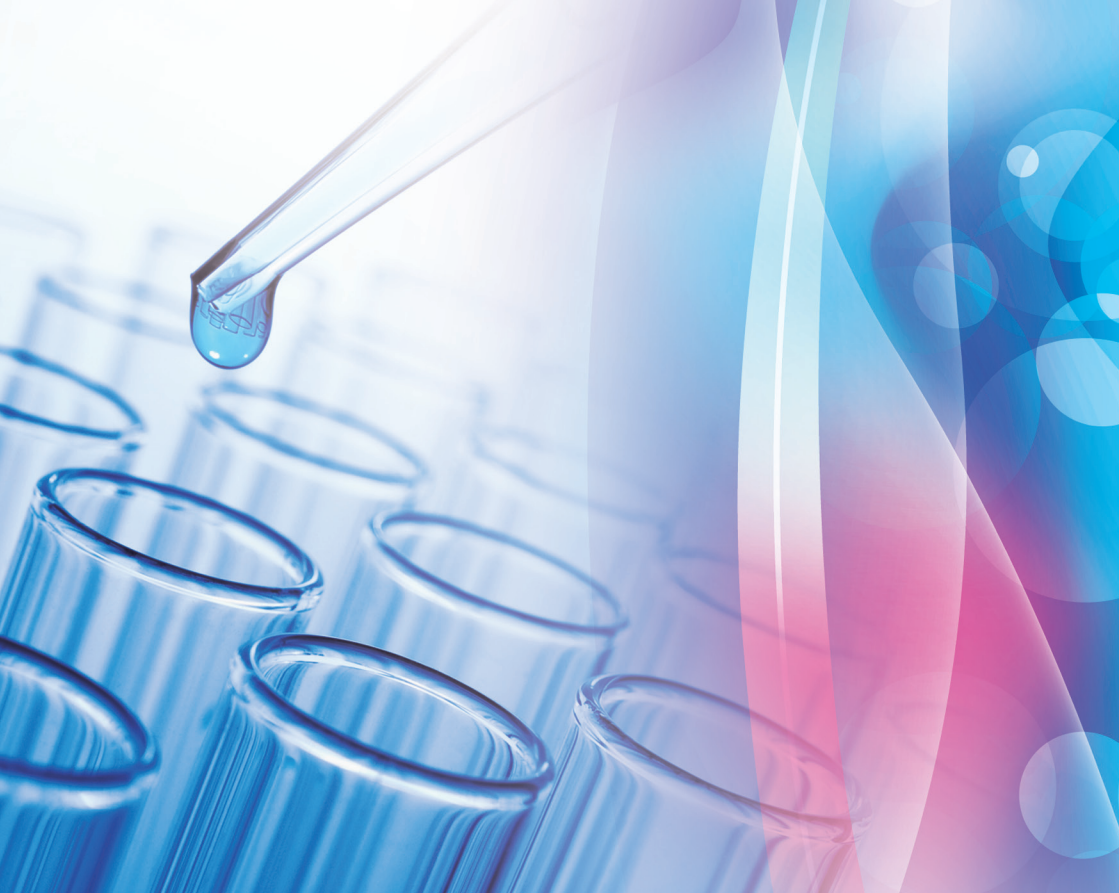
# 天德化工控股有限公司 Tiande Chemical Holdings Limited

(於開曼群島註冊成立之有限公司)(股份代號：609)

(incorporated in the Cayman Islands with limited liability) (Stock Code: 609)

Interim Report  
中期報告

# 2010



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## 公司資料 Corporate Information

### 董事會

#### 執行董事

劉洪亮先生 (主席)

王子江先生

郭希田先生

郭玉成先生

#### 獨立非執行董事

梁錦雲先生

高寶玉先生

劉晨光先生

### 董事會委員會

#### 審核委員會

梁錦雲先生 (主席)

高寶玉先生

劉晨光先生

#### 薪酬委員會

劉洪亮先生 (主席)

梁錦雲先生

高寶玉先生

劉晨光先生

#### 安全及環保委員會

郭玉成先生 (主席)

高寶玉先生

傅安旭先生

### 公司秘書

劉偉珍女士

### 獨立核數師

均富會計師行

### 香港法律顧問

施文律師行

### 主要往來銀行

恒生銀行有限公司

中國工商銀行濰坊市分行

### Board of directors

#### Executive directors

Mr. Liu Hongliang (Chairman)

Mr. Wang Zijiang

Mr. Guo Xitian

Mr. Guo Yucheng

#### Independent non-executive directors

Mr. Leung Kam Wan

Mr. Gao Baoyu

Mr. Liu Chenguang

### Board committees

#### Audit committee

Mr. Leung Kam Wan (Chairman)

Mr. Gao Baoyu

Mr. Liu Chenguang

#### Remuneration committee

Mr. Liu Hongliang (Chairman)

Mr. Leung Kam Wan

Mr. Gao Baoyu

Mr. Liu Chenguang

#### Safety and environmental protection committee

Mr. Guo Yucheng (Chairman)

Mr. Gao Baoyu

Mr. Fu Anxu

### Company secretary

Ms. Lau Wai Chun

### Independent auditor

Grant Thornton

### Legal adviser as to Hong Kong laws

F. Zimmern & Co.

### Principal bankers

Hang Seng Bank Limited

Industrial and Commercial Bank of China,  
Weifang Branch

## 公司資料

### Corporate Information

#### 香港股份過戶登記處

香港中央證券登記有限公司

香港  
灣仔  
皇后大道東183號合和中心  
17樓1712-1716室

#### 註冊辦事處

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

#### 香港主要營業地點

香港  
夏慤道12號  
美國銀行中心  
22字樓  
2204A室

#### 總辦事處及中國 主要營業地點

中國  
山東省  
濰坊市  
山東濰坊經濟開發區

#### 公司網址

<http://tdchem.hi2000.com>

#### 股份代號

聯交所：609

#### Hong Kong share registrar and transfer office

Computershare Hong Kong Investor Services  
Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre, 183 Queen's Road East  
Wan Chai  
Hong Kong

#### Registered office

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

#### Principal place of business in Hong Kong

Room 2204A  
22nd Floor  
Bank of America Tower  
12 Harcourt Road  
Hong Kong

#### Head office and principal place of business in the PRC

Shandong Weifang Economic Development Zone  
Weifang City  
Shandong Province  
The PRC

#### Company's website

<http://tdchem.hi2000.com>

#### Stock code

The Stock Exchange: 609

## 簡明綜合收益表

### Condensed Consolidated Income Statement

天德化工控股有限公司(「本公司」)董事(「董事」)組成之董事會(「董事會」)欣然宣佈,本公司及其附屬公司(「本集團」)截至二零一零年六月三十日止六個月之未經審核簡明綜合業績,連同二零零九年同期之比較數字及附加附註如下:

The board (the "Board") of directors (the "Directors") of Tiande Chemical Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2010 together with the comparative figures for the corresponding period in 2009 and appended the notes as follows:

		截至六月三十日止六個月		
		Six months ended 30 June		
		二零一零年	二零零九年	
		2010	2009	
		人民幣千元	人民幣千元	
		RMB'000	RMB'000	
		(未經審核)	(未經審核)	
		(unaudited)	(unaudited)	
		附註		
		Notes		
營業額	Turnover	4	<b>393,941</b>	282,412
銷貨成本	Cost of sales		<b>(296,464)</b>	(236,476)
毛利	Gross profit		<b>97,477</b>	45,936
其他收入	Other income	4	<b>1,858</b>	2,332
銷售開支	Selling expenses		<b>(10,195)</b>	(10,957)
行政開支	Administrative expenses		<b>(13,035)</b>	(12,563)
其他經營開支	Other operating expenses	5	<b>(26,814)</b>	-
財務成本	Finance costs	6	<b>(4,045)</b>	(6,532)
除所得稅前溢利	Profit before income tax	7	<b>45,246</b>	18,216
所得稅開支	Income tax expense	8	<b>(6,331)</b>	(461)
本公司擁有人應佔 本期溢利	Profit for the period attributable to the owners of the Company		<b>38,915</b>	17,755
就計算本公司擁有人 應佔本期溢利而言 之每股盈利	Earnings per share for profit attributable to the owners of the Company for the period	10	人民幣 <b>0.097</b> 元 <b>RMB0.097</b>	人民幣0.044元 RMB0.044
— 基本	— Basic		人民幣 <b>0.097</b> 元 <b>RMB0.097</b>	不適用 N/A
— 攤薄	— Diluted			

## 簡明綜合全面收益表

### Condensed Consolidated Statement of Comprehensive Income

		截至六月三十日止六個月 Six months ended 30 June	
		二零一零年 2010 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零九年 2009 人民幣千元 RMB'000 (未經審核) (unaudited)
本期溢利	Profit for the period	<b>38,915</b>	17,755
其他全面 (開支)／收益 換算海外業務財務報表 產生之匯兌 (虧損)／收益	Other comprehensive (expense)/income Exchange (loss)/gain on translation of financial statements of foreign operations	<b>(66)</b>	7
本期其他全面 (開支)／收益	Other comprehensive (expense)/income for the period	<b>(66)</b>	7
就計算本公司擁有人應佔 本期溢利而言之 全面收益總額	Total comprehensive income for the period attributable to the owners of the Company	<b>38,849</b>	17,762

## 簡明綜合財務狀況表

### Condensed Consolidated Statement of Financial Position

			二零一零年 六月三十日 30 June 2010 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零九年 十二月三十一日 31 December 2009 人民幣千元 RMB'000 (經審核) (audited)
	附註 Notes			
<b>資產與負債</b>		<b>ASSETS AND LIABILITIES</b>		
<b>非流動資產</b>		<b>Non-current assets</b>		
物業、廠房及 設備	11	Property, plant and equipment	361,805	364,853
預付土地租賃 款項		Prepaid land lease payments	57,233	57,880
投資物業		Investment properties	10,850	10,850
購買物業、 廠房及設備之 已訂訂金		Deposits paid for acquisition of property, plant and equipment	3,524	2,414
遞延稅項資產		Deferred tax assets	1,724	355
			<b>435,136</b>	436,352
<b>流動資產</b>		<b>Current assets</b>		
存貨		Inventories	55,828	43,222
貿易應收賬及 應收票據	12	Trade and bills receivable	95,685	110,947
預付款項及 其他應收款項		Prepayments and other receivables	23,866	23,448
流動稅項資產		Current tax assets	2,144	3,708
銀行及現金結餘		Bank and cash balances	21,364	16,758
			<b>198,887</b>	198,083
已歸類為持作待售 資產之非流動資產		Non-current assets classified as held for sale	3,647	3,647
			<b>202,534</b>	201,730
<b>流動負債</b>		<b>Current liabilities</b>		
貿易應付賬	13	Trade payables	24,612	23,767
應付未付賬款及 其他應付款項		Accruals and other payables	52,579	53,347
銀行借貸		Bank borrowings	82,600	107,169
流動稅項負債		Current tax liabilities	516	451
			<b>160,307</b>	184,734
<b>流動資產淨額</b>		<b>Net current assets</b>	<b>42,227</b>	16,996
<b>總資產減流動負債</b>		<b>Total assets less current liabilities</b>	<b>477,363</b>	453,348

# 簡明綜合財務狀況表

## Condensed Consolidated Statement of Financial Position

		二零一零年 六月三十日 <b>30 June 2010</b> 人民幣千元 <b>RMB'000</b> (未經審核) <b>(unaudited)</b>	二零零九年 十二月三十一日 31 December 2009 人民幣千元 RMB'000 (經審核) (audited)
<b>非流動負債</b>	<b>Non-current liabilities</b>		
銀行借貸	Bank borrowings	<b>36,000</b>	42,000
遞延收入	Deferred income	<b>20,041</b>	21,412
遞延稅項負債	Deferred tax liabilities	<b>2,014</b>	1,988
		<b>58,055</b>	65,400
<b>資產淨值</b>	<b>Net assets</b>	<b>419,308</b>	387,948
<b>權益</b>	<b>EQUITY</b>		
<b>本公司擁有人 應佔權益</b>	<b>Equity attributable to the Company's owners</b>		
股本	Share capital	14 <b>4,042</b>	4,031
儲備	Reserves	<b>415,266</b>	383,917
<b>總權益</b>	<b>Total equity</b>	<b>419,308</b>	387,948

劉洪亮  
**LIU HONGLIANG**  
董事  
Director

王子江  
**WANG ZIJIANG**  
董事  
Director



## 簡明綜合現金流量表

### Condensed Consolidated Statement of Cash Flows

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

		二零一零年 2010 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零九年 2009 人民幣千元 RMB'000 (未經審核) (unaudited)
經營業務所得現金淨額	<b>Net cash generated from operating activities</b>	<b>78,565</b>	5,685
投資業務產生之現金流量	<b>Cash flows from investing activities</b>		
購買物業、廠房及設備	Purchase of property, plant and equipment	<b>(30,155)</b>	(20,192)
購買物業、廠房及設備之已付訂金	Deposits paid for acquisition of property, plant and equipment	<b>(1,110)</b>	(1,025)
變賣物業、廠房及設備之收入	Proceeds on disposals of property, plant and equipment	–	80
已抵押銀行存款減少	Decrease in pledged bank deposits	–	9,100
已收利息	Interest received	<b>33</b>	248
投資業務所用現金淨額	<b>Net cash used in investing activities</b>	<b>(31,232)</b>	(11,789)
融資業務產生之現金流量	<b>Cash flows from financing activities</b>		
已付股息	Dividends paid	<b>(8,800)</b>	(4,400)
已付利息	Interest paid	<b>(3,994)</b>	(5,988)
償還銀行借貸	Repayments of bank borrowings	<b>(48,469)</b>	(85,372)
新增銀行借貸	New bank borrowings raised	<b>17,900</b>	104,000
發行股份之所得款項淨額	Net proceeds from issue of shares	<b>702</b>	–
融資業務(所用)/產生之現金淨額	<b>Net cash (used in)/generated from financing activities</b>	<b>(42,661)</b>	8,240
現金及現金等值項目增加淨額	<b>Net increase in cash and cash equivalents</b>	<b>4,672</b>	2,136
期初之現金及現金等值項目	<b>Cash and cash equivalents at the beginning of the period</b>	<b>16,758</b>	21,363
外匯匯率變動之影響	<b>Effect of foreign exchange rate changes</b>	<b>(66)</b>	(2)
期終之現金及現金等值項目	<b>Cash and cash equivalents at the end of the period</b>	<b>21,364</b>	23,497
現金及現金等值項目結餘分析	<b>Analysis of balances of cash and cash equivalents</b>		
銀行及現金結餘	Bank and cash balances	<b>21,364</b>	23,497

# 簡明綜合權益變動表

## Condensed Consolidated Statement of Changes in Equity

截至二零一零年六月三十日止六個月 (未經審核)  
For the six months ended 30 June 2010 (unaudited)

	股本	股份溢價	特別儲備	盈餘公積金	物業重估儲備	公益金	股份付款儲備	資本出資儲備	外幣匯兌儲備	保留溢利	建議末期股息	總權益
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
於二零一零年一月一日結餘	4,031	89,544	31,182	18,807	1,359	633	725	3,105	(739)	230,501	8,800	387,948
已付股息 (附註9)	-	-	-	-	-	-	-	-	-	-	(8,800)	(8,800)
因購股權獲行使而發行股份 (附註14)	11	987	-	-	-	-	(296)	-	-	-	-	702
股權結算以股份支付之款項開支	-	-	-	-	-	-	80	529	-	-	-	609
與擁有人交易	11	987	-	-	-	-	(216)	529	-	-	(8,800)	(7,489)
本期溢利	-	-	-	-	-	-	-	-	-	38,915	-	38,915
其他全面開支 除匯海外業務財務報表產生之匯兌虧損	-	-	-	-	-	-	-	-	(66)	-	-	(66)
期內全面收益總額	-	-	-	-	-	-	-	-	(66)	38,915	-	38,849
於二零一零年六月三十日結餘	4,042	90,531	31,182	18,807	1,359	633	509	3,634	(805)	269,416	-	419,308

截至二零零九年六月三十日止六個月 (未經審核)  
For the six months ended 30 June 2009 (unaudited)

	股本	股份溢價	特別儲備	盈餘公積金	物業重估儲備	公益金	股份付款儲備	資本出資儲備	外幣匯兌儲備	保留溢利	建議末期股息	總權益
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
於二零零九年一月一日結餘	4,031	89,544	31,182	13,599	1,359	633	425	2,034	(741)	202,465	4,400	348,931
已付股息	-	-	-	-	-	-	-	-	-	-	(4,400)	(4,400)
股權結算以股份支付之款項開支	-	-	-	-	-	-	157	531	-	-	-	688
與擁有人交易	-	-	-	-	-	-	157	531	-	-	(4,400)	(3,712)
本期溢利	-	-	-	-	-	-	-	-	-	17,755	-	17,755
其他全面收益 除匯海外業務財務報表產生之匯兌收益	-	-	-	-	-	-	-	-	7	-	-	7
期內全面收益總額	-	-	-	-	-	-	-	-	7	17,755	-	17,762
於二零零九年六月三十日結餘	4,031	89,544	31,182	13,599	1,359	633	582	2,565	(734)	220,220	-	362,981

## 簡明綜合財務報表附註

# Notes to the Condensed Consolidated Financial Statements

截至二零一零年六月三十日止六個月

for the six months ended 30 June 2010

### 1. 一般資料及編製基準

本公司為一間在開曼群島根據開曼群島公司法註冊成立之獲豁免有限公司。本公司註冊辦事處之地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司之股份於香港聯合交易所有限公司(「聯交所」)上市。

本公司主要業務為投資控股。本集團主要業務為研發、製造及銷售精細化工產品。

本集團最終控股公司為在英屬處女群島註冊成立之志峰集團有限公司。

本集團截至二零一零年六月三十日止六個月之未經審核簡明綜合中期財務報表(「未經審核簡明財務報告」)乃按香港會計師公會(「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」及聯交所證券上市規則附錄十六之有關適用披露要求編製。

### 1. General information and basis of preparation

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activity of the Company is investment holding. The principal activities of the Group are research and development, manufacture and sales of fine chemical products.

The ultimate holding company of the Group is Cheerhill Group Limited, a company incorporated in the British Virgin Islands.

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2010 (the "Unaudited Condensed Financial Report") have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

## 簡明綜合財務報表附註

# Notes to the Condensed Consolidated Financial Statements

截至二零一零年六月三十日止六個月

for the six months ended 30 June 2010

### 1. 一般資料及編製基準(續)

未經審核簡明財務報告並未包括年度財務報表所需要的所有資料及披露，並應與本集團截至二零零九年十二月三十一日止年度之年度財務報表(「二零零九年度財務報表」)一併閱讀。

除採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(包括香港會計師公會頒佈所有適用之個別香港財務報告準則(「香港財務報告準則」、香港會計準則及詮釋)外，編製未經審核簡明財務報告時所採納之會計政策與編製二零零九年度財務報表時所依循者一致。

未經審核簡明財務報告以人民幣(「人民幣」)呈列，其亦為本公司之呈列貨幣及本集團主要營運子公司之功能性貨幣。除另有說明者外，所載之數額已四捨五入至最接近的千位。

未經審核簡明財務報告已於二零一零年八月二十七日獲本公司董事會批准刊發。

### 1. General information and basis of preparation (Continued)

The Unaudited Condensed Financial Report does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2009 (the "2009 Annual Financial Statements").

The Unaudited Condensed Financial Report has been prepared in accordance with the same accounting policies adopted in the 2009 Annual Financial Statements, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards and Interpretations issued by the HKICPA.

The Unaudited Condensed Financial Report is presented in Renminbi ("RMB") which is the Company's presentation currency and functional currency of the principal operating subsidiaries of the Group and all values are rounded to the nearest thousands except when otherwise stated.

The Unaudited Condensed Financial Report has been approved for issue by the Board of Directors of the Company on 27 August 2010.

## 簡明綜合財務報表附註

# Notes to the Condensed Consolidated Financial Statements

截至二零一零年六月三十日止六個月

for the six months ended 30 June 2010

### 2. 採納新訂或經修訂香港財務報告準則

於本期內，本集團首次採用由香港會計師公會頒佈之以下新準則、經修訂準則、修改及詮釋，以上各項均適用於及對二零一零年一月一日開始之年度期間之本集團財務報表有效：

香港會計準則第27號 (二零零八年經修訂)	綜合及獨立財務報表
香港財務報告準則第2號 (修訂本)	以股份支付之開支－集團以現金結算之股份支付開支交易
香港財務報告準則第3號 (二零零八年經修訂)	業務合併
各項	二零零八年香港財務報告準則之年度改進項目
各項	二零零九年香港財務報告準則之年度改進項目

除以下註明者外，採納該等新訂及經修訂香港財務報告準則不會改變本集團之會計政策，而二零零九年度財務報表乃根據此等政策編製。

### 2. Adoption of new or amended HKFRSs

In the current period, the Group has applied for the first time the following new and revised standards, amendments and interpretations issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2010:

HKAS 27 (Revised 2008)	Consolidated and separate financial statements
HKFRS 2 (Amendments)	Share-based payment – Group cash-settled share-based payment transactions
HKFRS 3 (Revised 2008)	Business combinations
Various	Annual Improvements to HKFRSs 2008
Various	Annual Improvements to HKFRSs 2009

Other than as noted below, the adoption of these new and revised HKFRSs did not change the Group's accounting policies as followed in the preparation of the 2009 Annual Financial Statements.

## 簡明綜合財務報表附註

# Notes to the Condensed Consolidated Financial Statements

截至二零一零年六月三十日止六個月

for the six months ended 30 June 2010

### 2. 採納新訂或經修訂香港財務報告準則(續)

#### 香港財務報告準則第3號業務合併(二零零八年經修訂)

採納香港財務報告準則第3號要求使用購買法(現改稱收購法)，惟對於所轉讓之代價及被收購方的可識別資產及負債之確認及計量以及被收購方的非控股權益(前稱少數股東權益)的計量，引入若干轉變。該經修訂準則提前應用於收購日於二零一零年一月一日當日或之後的業務合併，而收購日在二零一零年一月一日之前的業務合併並未進行重列。由於本集團於本期內沒有進行任何業務合併，採納這經修訂準則對本集團之未經審核簡明財務報告沒有影響。

#### 香港會計準則第27號綜合及獨立財務報表(二零零八年經修訂)

採納香港財務報告準則第3號要求同時採納經修訂之香港會計準則第27號。香港會計準則第27號對有關非控股權益(前稱少數股東權益)及失去附屬公司控制權之交易的會計規定引入變更。與香港財務報告準則第3號相似，採納香港會計準則第27號可提前應用。本集團並無出售任何附屬公司之權益；所以，採納香港會計準則第27號不會對未經審核簡明財務報告構成影響。

### 2. Adoption of new or amended HKFRSs (Continued)

#### HKFRS 3 Business combinations (Revised 2008)

The adoption of HKFRS 3 requires the use of the purchase method (now renamed as the acquisition method) and introduces certain changes to the recognition and measurement of consideration transferred and the acquiree's identifiable assets and liabilities, and the measurement of non-controlling interests (previously known as minority interests) in the acquiree. The revised standard has been applied prospectively to business combination for which the acquisition date is on or after 1 January 2010. Business combinations for which the acquisition date is before 1 January 2010 have not been restated. This standard does not have any impact on the Unaudited Condensed Financial Report as the Group has not entered into any business combination during the period.

#### HKAS 27 Consolidated and separate financial statements (Revised 2008)

The adoption of HKFRS 3 required that the revised HKAS 27 is adopted at the same time. HKAS 27 introduced changes to the accounting requirements for transactions with non-controlling (formerly called "minority") interests and the loss of control of a subsidiary. Similar to HKFRS 3, the adoption of HKAS 27 is applied prospectively. The Group did not dispose of any of its equity interests in its subsidiaries. Therefore, the adoption of HKAS 27 did not have an impact on the Unaudited Condensed Financial Report.

## 簡明綜合財務報表附註

# Notes to the Condensed Consolidated Financial Statements

截至二零一零年六月三十日止六個月

for the six months ended 30 June 2010

### 2. 採納新訂或經修訂香港財務報告準則(續)

#### 香港會計準則第17號(經修訂)租賃

香港會計準則第17號刪去了有關租賃土地分類的具體指引，從而消除了與租賃分類一般指引的不一致性。因此，租賃土地必須根據香港會計準則第17號的一般原則，分類為融資或經營租賃，即決定租賃安排是否將資產所有權的大部份風險和報酬轉移至承租人。本集團對於二零一零年一月一日期限未屆滿的土地租賃及土地使用權的分類已按該等租賃開始時已有的資料作出重新評估，由於根據香港會計準則第17號(經修訂)，所有土地租賃將仍被確認為經營租賃，因此該修訂不會對本集團構成任何影響。

本公司董事預期，應用其他並未生效之新訂及經修訂香港財務報告準則將不會對本集團之業績及財務狀況有重大影響。

### 2. Adoption of new or amended HKFRSs (Continued)

#### HKAS 17 (amendment) Leases

HKAS 17 deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. The Group has reassessed the classification of unexpired leasehold land and land use right as at 1 January 2010 on the basis of information existing at the inception of those leases, and considered this amendment did not have any impact to the Group as all the leases of land should still be classified as operating lease under HKAS 17 (amendment).

The Directors of the Company anticipate that the application of other new and revised HKFRSs but not yet effective will have no material impact on the results and the financial position of the Group.

## 簡明綜合財務報表附註

# Notes to the Condensed Consolidated Financial Statements

截至二零一零年六月三十日止六個月

for the six months ended 30 June 2010

### 3. 分部資料

本公司執行董事已將本集團五大產品及服務類別定為經營分部。

- (i) 氰乙酸及其酯類產品：研發、製造及銷售氰乙酸及其酯類產品；
- (ii) 醇類產品：研發、製造及銷售醇類產品；
- (iii) 氯乙酸及其下游產品：研發、製造及銷售氯乙酸及其下游產品；
- (iv) 精細石油化工類產品：研發、製造及銷售精細石油化工類產品；及
- (v) 其他副產品：銷售其他副產品，例如蒸汽。

此等經營分部是按經調整分部經營業績監察，而策略決定亦是按同一基準作出。各經營分部均分開管理，原因為各個產品及服務類別所需的資源以及市場推廣方式並不相同。所有分部間銷售價格乃按照外界同類訂單的價格收取。

### 3. Segment information

The executive Directors of the Company have identified the Group's five products and services lines as operating segments.

- (i) Cyanoacetic acid and its esters products: Research and development, manufacture and sale of cyanoacetic acid and its esters products;
- (ii) Alcohols products: Research and development, manufacture and sale of alcohols products;
- (iii) Chloroacetic acid and its derivatives products: Research and development, manufacture and sale of chloroacetic acid and its derivatives products;
- (iv) Fine petrochemical products: Research and development, manufacture and sale of fine petrochemical products; and
- (v) Other by-products: Sale of other by-products, e.g. steam.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results. Each of these operating segments is managed separately as each of the products and service lines requires different resources as well as marketing approaches. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.



## 簡明綜合財務報表附註

## Notes to the Condensed Consolidated Financial Statements

截至二零一零年六月三十日止六個月

for the six months ended 30 June 2010

## 3. 分部資料 (續)

於截至二零一零年六月三十日止六個月內，用來確定經營分部及報告分部利潤或虧損之計量方法與期前並無改變。

## 3. Segment information (Continued)

During the six months ended 30 June 2010, there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit or loss.

截至二零一零年六月三十日止六個月  
For the six months ended 30 June 2010

	氰乙酸及其酯類產品 Cyanoacetic acid and its esters products	醇類產品 Alcohols products	氯乙酸及其下游產品 Chloroacetic acid and its derivatives products	精細石油化工類產品 Fine petrochemical products	其他副產品 Other by-products	總額 Total
	人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (未經審核) (unaudited)
收益：	Revenue:					
來自外界客戶	From external customers	360,619	20,132	1,217	8,501	393,941
分部間之收益	Inter-segment revenue	-	11,575	53,849	-	20,716
可呈報之分部收益	Reportable segment revenue	360,619	31,707	55,066	8,501	24,188
可呈報之分部溢利/ (虧損)	Reportable segment profit/(loss)	77,441	1,519	7,807	(16,759)	3,291
可呈報之分部資產	Reportable segment assets	265,914	19,469	56,726	26,339	73,985
						442,433

**簡明綜合財務報表附註****Notes to the Condensed Consolidated Financial Statements**

截至二零一零年六月三十日止六個月

for the six months ended 30 June 2010

## 3. 分部資料 (續)

## 3. Segment information (Continued)

截至二零零九年六月三十日止六個月

For the six months ended 30 June 2009

	氯乙酸及其酯類產品 Cyanoacetic acid and its esters	醇類產品 Alcohols products	氯乙酸及其下游產品 Chloroacetic acid and its products	精細石油化工類產品 Fine petrochemical products	其他副產品 Other by-products	總額 Total	
	人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (未經審核) (unaudited)	
收益:	Revenue:						
來自外界客戶	From external customers	242,474	20,966	134	18,526	312	282,412
分部間之收益	Inter-segment revenue	3	10,736	45,314	-	13,484	69,537
可呈報之分部收益	Reportable segment revenue	242,477	31,702	45,448	18,526	13,796	351,949
可呈報之分部溢利/ (虧損)	Reportable segment profit/loss	27,906	1,073	9,271	(180)	2,246	40,316
可呈報之分部資產	Reportable segment assets	289,234	19,163	38,826	54,377	75,185	476,785

就本集團經營分部所呈列之各項總數與財務報表中呈列之本集團主要財務數據的對賬如下：

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

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

		二零一零年 2010 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零九年 2009 人民幣千元 RMB'000 (未經審核) (unaudited)
可呈報分部之收益	Reportable segment revenues	<b>480,081</b>	351,949
抵銷分部間之收益	Elimination of inter-segment revenues	<b>(86,140)</b>	(69,537)
集團收益	Group revenues	<b>393,941</b>	282,412

## 簡明綜合財務報表附註

## Notes to the Condensed Consolidated Financial Statements

截至二零一零年六月三十日止六個月  
for the six months ended 30 June 2010

## 3. 分部資料 (續)

## 3. Segment information (Continued)

		截至六月三十日止六個月 Six months ended 30 June	
		二零一零年 2010 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零九年 2009 人民幣千元 RMB'000 (未經審核) (unaudited)
可呈報之分部溢利	Reportable segment profit	<b>73,299</b>	40,316
租金收入	Rental income	<b>236</b>	108
以股份支付員工之 款項開支	Employee share-based payment expenses	<b>(609)</b>	(688)
財務成本	Finance costs	<b>(4,045)</b>	(6,532)
其他不能分配之 收入	Other unallocated income	<b>193</b>	436
其他不能分配之 開支	Other unallocated expenses	<b>(12,995)</b>	(12,508)
抵銷分部間之 溢利	Elimination of inter-segment profit	<b>(10,833)</b>	(2,916)
除所得稅前溢利	Profit before income tax	<b>45,246</b>	18,216

## 簡明綜合財務報表附註

## Notes to the Condensed Consolidated Financial Statements

截至二零一零年六月三十日止六個月  
for the six months ended 30 June 2010

## 4. 營業額及其他收入

本集團營業額為本集團主要業務收入，而營業額及在期內已確認之其他收入如下：

## 4. Turnover and other income

Turnover of the Group, which is the revenue from the Group's principal activities, and other income recognised during the period are as follows:

		截至六月三十日止六個月 Six months ended 30 June	
		二零一零年 2010 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零九年 2009 人民幣千元 RMB'000 (未經審核) (unaudited)
<b>營業額</b>	<b>Turnover</b>		
銷售氰乙酸及其酯類產品	Sales of cyanoacetic acid and its esters products	<b>360,619</b>	242,474
銷售醇類產品	Sales of alcohols products	<b>20,132</b>	20,966
銷售氯乙酸及其下游產品	Sales of chloroacetic acid and its derivatives products	<b>1,217</b>	134
銷售精細石油化工類產品	Sales of fine petrochemical products	<b>8,501</b>	18,526
銷售其他副產品	Sales of other by-products	<b>3,472</b>	312
		<b>393,941</b>	282,412
<b>其他收入</b>	<b>Other income</b>		
政府補貼	Government grants	<b>199</b>	164
按攤銷成本列賬之財務資產的利息收入	Interest income on financial assets stated at amortised cost	<b>33</b>	248
遞延收入撥回	Release of deferred income	<b>1,370</b>	1,370
租金收入	Rental income	<b>236</b>	108
匯兌收益	Exchange gain	<b>-</b>	34
雜項收入	Sundry income	<b>20</b>	408
		<b>1,858</b>	2,332

## 簡明綜合財務報表附註

## Notes to the Condensed Consolidated Financial Statements

截至二零一零年六月三十日止六個月

for the six months ended 30 June 2010

## 5. 其他經營開支

## 5. Other operating expenses

		截至六月三十日止六個月 Six months ended 30 June	
		二零一零年 2010 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零九年 2009 人民幣千元 RMB'000 (未經審核) (unaudited)
與搬遷有關之物業、廠房及設備之撇賬 (附註i)	Write-off of property, plant and equipment in relation to the removal (note i)	9,394	–
搬遷費用 (附註i)	Removal expenses (note i)	3,300	–
物業、廠房及設備之減值虧損 (附註ii)	Impairment loss on property, plant and equipment (note ii)	14,120	–
		<b>26,814</b>	–

附註:

Notes:

(i) 於二零零八年六月十二日，山東濰坊經濟開發區規劃建設局向本公司之間接全資附屬公司濰坊同業化學有限公司(「濰坊同業」)發出收地通知，涉及收回三幅土地(統稱「該等土地」，該等土地包括「土地1」、「土地2」及「土地3」)之土地使用權。土地2及土地3之處理事宜已於去年完成。在期內，由於濰坊同業就建於土地1上之生產設施進行搬遷，物業、廠房及設備之賬面淨值約人民幣9,394,000元已作出撇賬。本集團在期內已確認在損益之搬遷費用約人民幣3,300,000元。本公司董事仍積極與當地有關當局商談土地1之賠償金額與其他收地條款及條件，並預期土地1之處理事宜將於二零一零年年底前完成。

(i) On 12 June 2008, Shandong Weifang Economic Development Zone Planning and Construction Bureau issued a resumption notice to Weifang Common Chem Co., Ltd. ("Weifang Common"), an indirectly wholly-owned subsidiary of the Company, in respect of the resumption of land use rights of three pieces of land (collectively referred to as the "Land", which include "Land 1", "Land 2" and "Land 3"). The disposals of Land 2 and Land 3 were completed in last year. During the period, property, plant and equipment with net carrying amount of approximately RMB9,394,000 were written off due to the removal of production facilities of Weifang Common erected on Land 1. The Group recognised the removal expenses of approximately RMB3,300,000 in profit or loss for the period. The Directors of the Company are still in active negotiations with the relevant local authorities for the amount of compensation and other resumption terms and conditions of Land 1 and the completion date for the disposal of Land 1 is expected to be by end of 2010.

(ii) 期內，減低物業、廠房及設備賬面淨值至可收回金額(確定可收回金額乃參照生產精細石油化工類產品之資產未來預期產生現金流之預測)。

(ii) During the period, the net carrying amounts of property, plant and equipment were reduced to their recoverable amounts which were determined by reference to the estimation of future cashflows expected to be generated from the respective assets in relation to the production of fine petrochemical products.

## 簡明綜合財務報表附註

## Notes to the Condensed Consolidated Financial Statements

截至二零一零年六月三十日止六個月  
for the six months ended 30 June 2010

## 6. 財務成本

## 6. Finance costs

		截至六月三十日止六個月 Six months ended 30 June	
		二零一零年 2010 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零九年 2009 人民幣千元 RMB'000 (未經審核) (unaudited)
以下各項之 利息開支：	Interest charges on:		
於五年內全額償還 之銀行貸款	Bank loans wholly repayable within five years	4,024	6,342
貼現票據	Discounted bills	21	190
		<b>4,045</b>	6,532

## 7. 除所得稅前溢利

## 7. Profit before income tax

		截至六月三十日止六個月 Six months ended 30 June	
		二零一零年 2010 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零九年 2009 人民幣千元 RMB'000 (未經審核) (unaudited)
除所得稅前 溢利已扣除／ (計入)：	Profit before income tax is arrived at after charging/ (crediting):		
董事酬金	Directors' remuneration		
－袍金	－ Fees	139	140
－薪金及津貼	－ Salaries and allowances	1,140	1,140
－退休福利計劃 供款	－ Retirement benefit scheme contributions	31	25
		<b>1,310</b>	1,305
其他員工成本	Other staff costs	14,462	11,344
退休福利計劃供款	Retirement benefit scheme contributions	1,023	840
股權結算以股份 支付之款項開支	Equity-settled share-based payments expenses	609	688
總員工成本	Total staff costs	<b>17,404</b>	14,177

## 簡明綜合財務報表附註

## Notes to the Condensed Consolidated Financial Statements

截至二零一零年六月三十日止六個月

for the six months ended 30 June 2010

## 7. 除所得稅前溢利(續)

## 7. Profit before income tax (Continued)

		截至六月三十日止六個月 Six months ended 30 June	
		二零一零年 2010 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零九年 2009 人民幣千元 RMB'000 (未經審核) (unaudited)
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments	647	718
確認為開支之存貨成本(附註i), 包括	Cost of inventories recognised as an expense (note i), including	290,459	234,347
一減低存貨價值至可變現淨值	– Write-down of inventories to net realisable value	1,389	113
一減低存貨價值至可變現淨值之回撥(附註ii)	– Reversal of write-down of inventories to net realisable value (note ii)	(356)	(2,117)
物業、廠房及設備之折舊	Depreciation on property, plant and equipment	18,631	17,422
淨匯兌損失	Exchange losses, net	244	114
有關租賃土地及樓宇的經營租賃下的最低租賃款項	Minimum lease payments under operating leases in respect of leasehold land and building	300	734
投資物業開支	Outgoings in respect of investment properties	39	–
研究費用	Research costs	540	294
貿易應收賬減值虧損	Impairment loss on trade receivables	–	187
出售物業、廠房及設備的虧損	Loss on disposals of property, plant and equipment	–	373
與搬遷相關之物業、廠房及設備的撇賬(附註5)	Write-off of property, plant and equipment in relation to the removal (note 5)	9,394	–
搬遷費(附註5)	Removal expenses (note 5)	3,300	–
物業、廠房及設備減值虧損(附註5)	Impairment loss on property, plant and equipment (note 5)	14,120	–

附註：

Notes:

(i) 存貨成本中包括約人民幣15,988,000元(截至二零零九年六月三十日止六個月:人民幣14,678,000元)為相關折舊開支及約人民幣12,588,000元(截至二零零九年六月三十日止六個月:人民幣9,571,000元)為相關員工成本。

(i) Cost of inventories includes approximately RMB15,988,000 (Six months ended 30 June 2009: RMB14,678,000) relating to depreciation expenses and approximately RMB12,588,000 (Six months ended 30 June 2009: RMB9,571,000) relating to staff costs.

(ii) 減低存貨價值之金額約人民幣356,000元(截至二零零九年六月三十日止六個月:人民幣2,117,000元)已被撥回,原因是有關存貨的市場價格在期內已回升。

(ii) The write-down of inventories of approximately RMB356,000 (Six months ended 30 June 2009: RMB2,117,000) was reversed as the market price of these inventories was increased during the period.

## 簡明綜合財務報表附註

**Notes to the Condensed Consolidated Financial Statements**

截至二零一零年六月三十日止六個月  
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## 8. 所得稅開支

## 8. Income tax expense

		截至六月三十日止六個月 Six months ended 30 June	
		二零一零年 2010	二零零九年 2009
		人民幣千元 RMB'000	人民幣千元 RMB'000
		(未經審核) (unaudited)	(未經審核) (unaudited)
即期稅項－ 中華人民共和國 （「中國」）企業 所得稅	Current tax – People's Republic of China ("PRC") Enterprise Income Tax	7,674	103
遞延稅項	Deferred tax	(1,343)	358
		<b>6,331</b>	461

由於本集團之收入並非在香港產生或來自香港，故並無作出香港利得稅撥備（截至二零零九年六月三十日止六個月：無）。

濰坊同業須按期內之中國企業所得稅率25%（截至二零零九年六月三十日止六個月：25%）繳納中國企業所得稅。

上海德弘化工有限公司須按期內之上海浦東新區優惠稅率22%（截至二零零九年六月三十日止六個月：20%）繳納中國企業所得稅。

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in nor derives from Hong Kong (Six months ended 30 June 2009: Nil).

Weifang Common is subject to PRC Enterprise Income Tax at the rate of 25% for the period (Six months ended 30 June 2009: 25%).

Shanghai Dehong Chemical Company Limited is subject to PRC Enterprise Income Tax at the rate of 22% for the period (Six months ended 30 June 2009: 20%), being the preferential tax rate in Shanghai Pudong New District.



## 簡明綜合財務報表附註

## Notes to the Condensed Consolidated Financial Statements

截至二零一零年六月三十日止六個月

for the six months ended 30 June 2010

## 8. 所得稅開支(續)

根據相關中國法律法規，濰坊柏立化學有限公司(「濰坊柏立」)及濰坊濱海石油化工有限公司(「濰坊濱海」)均合資格獲得中國若干免稅期及稅務優惠。免稅期及稅務優惠之形式為由首個獲利年度起獲完全豁免兩個年度所得稅，其後三年則可享有50%適用稅率減免。由於這是第五個獲利年度，濰坊柏立按期內之優惠稅率12.5% (截至二零零九年六月三十日止六個月：12.5%) 繳納中國企業所得稅。由於這是第三個獲利年度，濰坊濱海按期內之優惠稅率12.5% (截至二零零九年六月三十日止六個月：由於是第二個獲利年度，中國企業所得稅已獲豁免) 繳納中國企業所得稅。

濰坊濱海取得政府補貼，以津貼為製造高純度異丁烯、聚異丁烯及氯乙酸而興建之生產線及配套設施，該補貼已於二零零六年確認為遞延收入。由於興建工程已於二零零七年十二月三十一日完成，故開始按照有關資產可使用年期將遞延收入撥往損益。有關收入於其撥往損益之年度須予課稅。

## 8. Income tax expense (Continued)

Pursuant to the relevant laws and regulations in the PRC, Weifang Parasia Chem Co., Ltd. ("Weifang Parasia") and Weifang Binhai Petro-Chem Co., Ltd. ("Weifang Binhai") are eligible for certain tax holidays and concessions in the PRC. The tax holiday and concessions are in the form of two years tax exemption from the first profitable year, followed by a 50% reduction of the applicable tax rate in the following three years. PRC Enterprise Income Tax has been provided for Weifang Parasia at the preferential rate of 12.5% for the period (Six months ended 30 June 2009: 12.5%) as this is the fifth profitable year. PRC Enterprise Income Tax has been provided for Weifang Binhai at the preferential rate of 12.5% for the period as this is the third profitable year (Six months ended 30 June 2009: Nil as that was the second profitable year and tax was exempted).

A government grant obtained by Weifang Binhai for subsidising the construction of the production lines and ancillary facilities for manufacturing of high purity isobutylene, polyisobutylene and chloro acetic acid which was recognised as a deferred income in 2006. As the construction has been completed as at 31 December 2007, the deferred income commenced to release to profit or loss over the useful lives of the relevant assets. Such income is taxable for the year in which it is released to profit or loss.

**簡明綜合財務報表附註****Notes to the Condensed Consolidated Financial Statements**

截至二零一零年六月三十日止六個月  
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**9. 股息**

期內，截至二零零九年十二月三十一日止年度之末期股息為每股2.50港仙（截至二零零九年六月三十日止六個月：1.25港仙），共約人民幣8,800,000元（截至二零零九年六月三十日止六個月：人民幣4,400,000元），已於期內支付給本公司股東。

本公司董事不建議派發任何截至二零一零年六月三十日止六個月之中期股息（截至二零零九年六月三十日止六個月：無）。

**10. 每股盈利**

每股基本及攤薄盈利乃根據以下數據計算：

**9. Dividends**

During the period, a final dividend for the year ended 31 December 2009 of HK2.50 cents per share (Six months ended 30 June 2009: HK1.25 cents per share), amounting to approximately RMB8,800,000 (Six months ended 30 June 2009: RMB4,400,000), was paid to the shareholders of the Company.

The Directors of the Company do not recommend the payment of any interim dividend for the six months ended 30 June 2010 (Six months ended 30 June 2009: Nil).

**10. Earnings per share**

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

		截至六月三十日止六個月 Six months ended 30 June	
		二零一零年 2010 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零九年 2009 人民幣千元 RMB'000 (未經審核) (unaudited)
就計算每股基本及攤薄盈利而言之本公司擁有人應佔本期溢利	Profit for the period attributable to the owners of the Company for the purposes of basic and diluted earnings per share	<b>38,915</b>	17,755

## 簡明綜合財務報表附註

## Notes to the Condensed Consolidated Financial Statements

截至二零一零年六月三十日止六個月  
for the six months ended 30 June 2010

## 10. 每股盈利 (續)

## 10. Earnings per share (Continued)

		普通股數目	
		Number of ordinary shares	
		截至六月三十日止六個月	
		Six months ended 30 June	
		二零一零年	二零零九年
		2010	2009
		千股	千股
		'000 shares	'000 shares
		(未經審核)	(未經審核)
		(unaudited)	(unaudited)
就計算每股基本 盈利而言之 普通股加權 平均數	Weighted average number of ordinary shares for the purposes of basic earnings per share	<b>400,496</b>	400,000
潛在普通股之 攤薄影響： 購股權	Effect of dilutive potential ordinary shares: Share options	<b>760</b>	—
就計算每股攤薄 盈利而言之 普通股加權 平均數	Weighted average number of ordinary shares for the purposes of diluted earnings per share	<b>401,256</b>	400,000

截至二零一零年六月三十日止六個月之每股基本盈利乃根據本公司擁有人應佔本期溢利人民幣38,915,000元(截至二零零九年六月三十日止六個月:人民幣17,755,000元)及期內已發行普通股加權平均數400,496,000股(截至二零零九年六月三十日止六個月:400,000,000股)計算。

The calculation of basic earnings per share for the six months ended 30 June 2010 was based on the profit attributable to the owners of the Company of RMB38,915,000 (Six months ended 30 June 2009: RMB17,755,000) and on the weighted average of 400,496,000 (Six months ended 30 June 2009: 400,000,000) ordinary shares in issue during the period.

**簡明綜合財務報表附註****Notes to the Condensed Consolidated Financial Statements**

截至二零一零年六月三十日止六個月  
for the six months ended 30 June 2010

**10. 每股盈利 (續)**

截至二零一零年六月三十日止六個月之每股攤薄盈利乃根據本公司擁有人應佔本期溢利人民幣38,915,000元及期內已發行普通股加權平均數401,256,000股(計算每股基本盈利時所用之股數加上假定行使本公司所有購股權時被視為以零代價將予發行之普通股加權平均數760,000股)計算。

截至二零零九年六月三十日止六個月並無潛在攤薄普通股，原因是應用於計算每股攤薄盈利之可行使購股權為價外購股權。

**11. 物業、廠房及設備**

在二零一零年六月三十日止六個月內，本集團購入物業、廠房及設備約人民幣39,100,000元(截至二零零九年六月三十日止六個月：人民幣36,600,000元)；變賣賬面淨值約人民幣9,400,000元(截至二零零九年六月三十日止六個月：人民幣500,000元)之若干物業、廠房及設備項目以及作出減值虧損約人民幣14,100,000元(截至二零零九年六月三十日止六個月：無)。

**10. Earnings per share (Continued)**

The calculation of diluted earnings per share for the six months ended 30 June 2010 was based on the profit attributable to the owners of the Company of RMB38,915,000 and the weighted average of 401,256,000 ordinary shares in issue during the period, as used in the basic earnings per share calculation plus the weighted average of 760,000 ordinary shares deemed to be issued at no consideration as if all the Company's share options have been exercised.

There were no dilutive potential ordinary shares for the six months ended 30 June 2009 as the outstanding share options were out of the money for the purpose of the diluted earnings per share calculation.

**11. Property, plant and equipment**

During the six months ended 30 June 2010, the Group acquired property, plant and equipment of approximately RMB39.1 million (Six months ended 30 June 2009: RMB36.6 million); disposed of certain items of property, plant and equipment with net carrying amount of approximately RMB9.4 million (Six months ended 30 June 2009: RMB0.5 million); and made an impairment loss of RMB14.1 million (Six months ended 30 June 2009: Nil).

## 簡明綜合財務報表附註

## Notes to the Condensed Consolidated Financial Statements

截至二零一零年六月三十日止六個月

for the six months ended 30 June 2010

## 12. 貿易應收賬及應收票據

## 12. Trade and bills receivable

		二零一零年 六月三十日 <b>30 June 2010</b> 人民幣千元 <b>RMB'000</b> (未經審核) <b>(unaudited)</b>	二零零九年 十二月三十一日 31 December 2009 人民幣千元 RMB'000 (經審核) (audited)
貿易應收賬	Trade receivables	<b>73,202</b>	59,402
應收票據	Bills receivable	<b>22,483</b>	51,545
		<b>95,685</b>	110,947

本集團給予貿易客戶之信貸期一般介乎一個月至六個月不等。應收票據為不計息之銀行承兌票據，於兩個報告日期，應收票據之賬齡均為六個月以內。每位客戶均有最高信貸限額。本集團致力維持對應收賬款結欠作出嚴謹之控制。管理層對過期欠款進行定期檢討。

於報告日期，貿易應收賬及應收票據按發票日期所作之賬齡分析如下：

The Group allows a credit period normally ranging from one month to six months to its trade customers. The bills receivable are non-interest bearing bank acceptance bills and aged within six months at both reporting dates. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management.

The ageing analysis of trade and bills receivable at the reporting date, based on the invoice date, is stated as follows:

		二零一零年 六月三十日 <b>30 June 2010</b> 人民幣千元 <b>RMB'000</b> (未經審核) <b>(unaudited)</b>	二零零九年 十二月三十一日 31 December 2009 人民幣千元 RMB'000 (經審核) (audited)
0至90日	0 to 90 days	<b>89,424</b>	94,608
91至180日	91 to 180 days	<b>6,249</b>	15,722
181至365日	181 to 365 days	<b>12</b>	617
		<b>95,685</b>	110,947

**簡明綜合財務報表附註****Notes to the Condensed Consolidated Financial Statements**

截至二零一零年六月三十日止六個月

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**12. 貿易應收賬及應收票據  
(續)**

貿易應收賬及應收票據與多名來自不同層面的客戶有關，而彼等最近並無違約紀錄。根據過往信貸記錄，管理層相信，由於信貸質素並無重大變動而結欠仍視作可全數收回，因此毋須為該等結欠作減值撥備。本集團並無就已逾期未付惟並無減值之貿易應收賬持有任何抵押品。

本公司董事認為，貿易應收賬及應收票據之公允值與其賬面值並不存在重大差異，原因是該等金額的到期期限較短。

**13. 貿易應付賬**

本集團獲其供應商給予的信貸期介乎30至365日不等。於報告日期，貿易應付賬按發票日期所作之賬齡分析如下：

**12. Trade and bills receivable (Continued)**

Trade and bills receivable related to a large number of diversified customers for whom there was no recent history of default. Based on past credit policy, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral in respect of trade receivables past due but not impaired.

The Directors of the Company considered that the fair values of trade and bills receivable are not materially different from their carrying amounts because these amounts have short maturity periods.

**13. Trade payables**

The Group was granted by its suppliers credit periods ranging from 30 to 365 days. The ageing analysis of trade payables at the reporting date, based on the invoice date, is as follows:

		二零一零年 六月三十日 <b>30 June 2010</b> 人民幣千元 <b>RMB'000</b> (未經審核) <b>(unaudited)</b>	二零零九年 十二月三十一日 31 December 2009 人民幣千元 RMB'000 (經審核) (audited)
0至90日	0 to 90 days	<b>22,778</b>	22,114
91至180日	91 to 180 days	<b>507</b>	268
181至365日	181 to 365 days	<b>192</b>	524
超過365日	Over 365 days	<b>1,135</b>	861
		<b>24,612</b>	23,767

## 簡明綜合財務報表附註

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截至二零一零年六月三十日止六個月  
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## 13. 貿易應付賬 (續)

貿易應付賬之賬面值按人民幣值計值。所有款額均屬短期，故貿易應付賬之賬面值與公允值相若，乃視作合理。

## 13. Trade payables (Continued)

The carrying amounts of trade payables are denominated in RMB. All amounts are short term and hence the carrying amounts of trade payables are considered to be a reasonable approximation of fair values.

## 14. 股本

## 14. Share capital

	股份數目 Number of shares	金額 Amount	
		港幣千元 HK\$'000	人民幣千元 RMB'000
法定： 每股面值0.01港元 普通股 於二零零九年 十二月三十一日及 二零一零年 六月三十日	Authorised: Ordinary shares of HK\$0.01 each As at 31 December 2009 and 30 June 2010	1,000,000	
已發行及繳足： 每股面值0.01港元 普通股 於二零零九年 十二月三十一日及 二零一零年一月一日	Issued and fully paid: Ordinary shares of HK\$0.01 each As at 31 December 2009 and 1 January 2010	4,000	4,031
行使購股權 (附註16)	Exercise of share options (note 16)	12	11
於二零一零年 六月三十日 (未經審核)	As at 30 June 2010 (Unaudited)	4,012	4,042

在期內，本公司已發行普通股數目已增加至401,248,000股，原因是按每股認購價0.64港元行使購股權。有關期內行使購股權之詳情已在附註16概述。

During the period, the number of the issued ordinary shares of the Company was increased to 401,248,000 shares as a result of the exercise of the share options at the subscription price of HK\$0.64 per share. Details of the share options exercised during the period are summarised in note 16.

**簡明綜合財務報表附註****Notes to the Condensed Consolidated Financial Statements**

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**15. 資本承擔**

於報告日，有關本集團生產設施之資本承擔如下：

		二零一零年 六月三十日 <b>30 June 2010</b> 人民幣千元 <b>RMB'000</b> (未經審核) <b>(unaudited)</b>	二零零九年 十二月三十一日 31 December 2009 人民幣千元 RMB'000 (經審核) (audited)
物業、廠房及設備	Property, plant and equipment		
已訂約但未撥備	Contracted but not provided for	<b>6,623</b>	2,742
已授權但未訂約	Authorised but not contracted for	<b>2,564</b>	25,739
		<b>9,187</b>	28,481

**16. 以股份支付之款項****按股權結算購股權計劃**

本公司於二零零六年十月四日批准及採納一項購股權計劃（「購股權計劃」），旨在獎勵及酬謝對本集團之成功作出貢獻之各方，包括本集團任何成員公司或聯營公司之董事、合資格僱員、供應商、客戶、股東或彼等各自之聯繫人或本集團之諮詢人或顧問。購股權計劃詳細條款已在二零零九年度財務報表列示。

**15. Capital commitments**

The Group's capital commitments in respect of production facilities at the reporting date are as follows:

**16. Share-based payments****Equity-settled share option scheme**

The Company has approved and adopted a share option scheme (the "Share Option Scheme") on 4 October 2006 for the purpose of providing incentives and rewards to the directors, eligible employees, suppliers, customers, any shareholder of each member of the Group or associated company or any of their respective associates, and advisers or consultants of the Group who contribute to the success of the Group. Details of the terms of the Share Option Scheme have been set out in the 2009 Annual Financial Statements.



## 簡明綜合財務報表附註

## Notes to the Condensed Consolidated Financial Statements

截至二零一零年六月三十日止六個月

for the six months ended 30 June 2010

16. 以股份支付之款項 (續)  
按股權結算購股權計劃  
(續)

於期內尚未行使之購股權詳情如下：

16. Share-based payments (Continued)  
Equity-settled share option scheme  
(Continued)

Details of the share options outstanding during the period are as follows:

		截至六月三十日止六個月 Six months ended 30 June			
		二零一零年 2010		二零零九年 2009	
		購股權 數目	加權平均 行使價 Weighted Average Exercise price HK\$ 港元	購股權 數目	加權平均 行使價 Weighted Average Exercise price HK\$ 港元
		Number of Share option		Number of share option	
於期初尚未行使	Outstanding at the beginning of the period	3,790,000	0.64	3,790,000	0.64
於期內已行使	Exercised during the period	(1,248,000)	0.64	-	-
於期末尚未行使	Outstanding at the end of the period	2,542,000	0.64	3,790,000	0.64
於期末可行使	Exercisable at the end of the period	647,000	0.64	758,000	0.64

於期末尚未行使購股權之加權平均尚餘合約期為3.5年(二零零九年六月三十日: 4.5年)。

The options outstanding at the end of the period have a weighted average remaining contractual life of 3.5 years (30 June 2009: 4.5 years).

截至二零一零年六月三十日止六個月，本集團已就本公司授出之購股權確認開支總額約人民幣80,000元(截至二零零九年六月三十日止六個月: 人民幣157,000元)。

The Group recognised a total expense of approximately RMB80,000 for the six months ended 30 June 2010 (Six months ended 30 June 2009: RMB157,000) in relation to share options granted by the Company.

## 簡明綜合財務報表附註

# Notes to the Condensed Consolidated Financial Statements

截至二零一零年六月三十日止六個月

for the six months ended 30 June 2010

### 17. 關聯方交易

於截至二零一零年六月三十日止六個月內，本集團向濰坊天弘企業管理及顧問有限公司支付租金約人民幣84,000元（截至二零零九年六月三十日止六個月：人民幣78,000元），而本公司所有執行董事在濰坊天弘企業管理及顧問有限公司擁有實益權益及可行使重大影響力。

### 18. 於報告日後之事項

於二零一零年七月十二日，本公司與滙富金融服務有限公司訂立配售協議，配售最多20,000,000股之本公司普通股股份，每股配售股份的價格為1.05港元，有關的款項作為本集團額外的營運資金。於二零一零年七月二十二日完成配售，並通過配售收取所得款項淨額約20,400,000港元。有關配售詳情已分別刊載在本公司於二零一零年七月十二日及二零一零年七月二十二日刊發之公告內。

### 17. Related party transactions

During the six months ended 30 June 2010, the Group had rental payments of approximately RMB84,000 (Six months ended 30 June 2009: RMB78,000) to Weifang Tianhong Corporate Management and Consultancy Company Limited in which all the executive Directors of the Company have beneficial interests and can exercise significant influence.

### 18. Event after the reporting date

On 12 July 2010, the Company entered into a placing agreement with Kingsway Financial Services Group Limited for the placing of up to 20,000,000 ordinary shares of the Company at a price of HK\$1.05 per share, for cash to provide for additional working capital of the Group. On 22 July 2010, the placing was completed and the net proceed from the placing was approximately HK\$20.4 million. Details of the placing are set out in the Company's announcements dated 12 July 2010 and 22 July 2010.

## 管理層討論及分析

# Management Discussion and Analysis

### 經營業績概要

#### 業務回顧

目前全球經濟復甦，經濟狀況不斷改善，本集團的下游產業迅速復甦，並且維持著強勁的增長勢頭，中國政府已推出多項刺激經濟措施，促進國內需求。所有這些均為本集團提供了快速增長的機會。由於本集團在過去幾年已在市場成功開拓多個具潛力的產品以及採取了有效的定價策略，這些正面因素已反映在回顧期內的財務業績，而本集團營業額已符合並已超過年初定下的預期目標。

為了有效地提高核心競爭力，本集團乃通過精簡的供應鏈及最佳的生產規模，奉行其生產策略。憑藉其向上垂直整合的生產體系，實現了原材料成本優勢，且不斷擴大具潛力產品的生產能力以增加規模化生產帶來的效益，在回顧期內，本集團有效地控制其成本及大幅度地提高其生產效率。

由於本集團已採取適當的業務策略，在回顧期內，本集團營業額、溢利以及流動現金均取得了令人滿意的成果。本集團今後將根據市場需求，不斷改善及豐富其產品組合，以增加收入及增強其盈利前景。此外，為了提高其生產效率，本集團在需要時將繼續投資於生產設施上的改進。

### Summary of operating results

#### Business review

Economic conditions continuously improved during the current global economy recovery. The downstream industries of the Group have rapidly recovered and maintained a strong growth momentum. The Chinese government has launched various economic stimulus measures promoting domestic demands. All these offered the Group fast growing opportunities. Since the Group has succeeded in deploying several high potential products to the market in past years and adopted effective pricing strategy, these positive factors reflected in the financial results of the period under review which, the turnover of the Group has met and exceeded the target set at the beginning of the year.

The Group has pursued its production strategies by streamlining its supply chain and optimising its production scale in order to effectively increase the core competencies. By virtue of its upward vertically-integrated production system which results in the advantages of raw material costs and the continuous expansion of the production capacities of its potential products which increases the benefits of scale production, the Group has controlled effectively its costs and enhanced greatly its production efficiency during the period under review.

Since the Group has adopted appropriate business strategies, the Group achieved satisfactory results in turnover, profit and liquidity during the period under review. The Group will continuously improve and enrich its products portfolio according to the market demands in order to increase its revenue and enhance its profitability in the coming future. Furthermore, the Group will continue to invest in production facilities refinement whenever it is necessary in order to improve its productivity.

## 管理層討論及分析

# Management Discussion and Analysis

### 經營業績概要 (續)

#### 業務回顧 (續)

氰乙酸及其酯類產品的產品類別仍然是本集團之主要產品類別，佔本集團總營業額的91.5%。有賴於其向上垂直整合的生產體系和規模化生產，該產品類別的競爭力得以大幅提高。本集團將持續地提供足夠資源，以提升生產設備、擴大生產能力及開拓該產品類別的優勢，以滿足未來不斷增長的市場需求。由於該產品類別的市場已日趨成熟，本集團具有穩固的立足點及市場優勢，將有利於本集團在目前快速增長的市場中抓住機遇，確保其未來的盈利潛力。

雖然醇類產品的業務非常成熟和穩定，但其增長和發展受制於激烈的市場競爭。本集團將維持該產品類別未來穩定的發展。

氯乙酸及其下游產品類別主要用於內部需耗，由於內部對該產品類別的需求已超過其現有生產能力，在回顧期內，本集團已執行擴大該產品類別生產能力的計劃，並預期將在本年度下半年完成。由於該產品類別對氰乙酸及其酯類產品發揮輔助和協同作用，擴充產能將促進規模生產的優勢，進一步降低整體成本。本集團預期，該效益將逐漸體現，並展望該產品類別將有非常樂觀的發展前景。

### Summary of operating results (Continued)

#### Business review (Continued)

The product category of cyanoacetic acid and its esters products is still the core product category of the Group, accounted for 91.5% of the Group's total turnover. Leverage on its upward vertically-integrated production system and the economy of scale production, the competitiveness of such product category was greatly enhanced. The Group will continuously provide sufficient resources to advance the production facilities, enlarge the production capacities and exploit the strengths of this product category to meet the continuous growth of the market demands in future. As the market of such product category is becoming mature, the Group has strong foothold and market edges that is advantage to the Group to capture opportunities arising in currently fast growing market and reap its future profit potential.

The business of alcohols products is very mature and stable but its growth and development are narrowed due to keen market competition. The Group will keep a steady development of this product category in future.

The product category of chloroacetic acid and its derivatives products is mainly used for the Group's internal consumption. Since the internal demands of such products exceed its existing production capacities, the Group implemented a program to expand the production capacities in respect of such product category during the period under review and expected it to be completed in the second half of this year. As such product category plays supplementary and synergistic role to the cyanoacetic acid and its esters products, the expansion will promote the advantages of scale production that will further reduce the overall costs. The Group expected that the benefits of which will emerge gradually and envisaged a very positive prospect for the development of such product category.

## 管理層討論及分析

# Management Discussion and Analysis

### 經營業績概要 (續)

#### 業務回顧 (續)

在回顧期內，日益上漲的原材料價格和採購渠道不暢，對精細石油化工類產品的業績造成不利影響。在過去幾年，本集團已經擴大該產品類別的產品範圍及配備了先進的生產設備和技術，並且在回顧期內進一步致力於擴大客戶群，本集團將努力加強採購能力、擴大供應渠道以及優化生產過程，以進一步加強該類產品未來的競爭力。

本集團已領先其同行，早已符合有關地方當局推行之環保要求。除了已建立良好的廢水、廢氣和廢料處理系統外，在回顧期內本集團亦已開始改進生產工藝及最大限度地利用資源，以減少其廢氣排放。本集團視環保為保持其競爭優勢及長遠發展的關鍵因素。本集團將堅持不斷發展和加強其安全及環境保護政策，與其長遠業務發展達成一致。

本集團目前已展開了一些工程項目來提升及改善現有生產設施及產能，從而加強生產效益。該等工程項目將於本年度下半年完成。本集團將評估每個投資項目的回報率和增長潛力，並確保其回報能夠支持其業務持續增長，同時加強其營運資金管理。

### Summary of operating results (Continued)

#### Business review (Continued)

The increase of raw materials costs and the difficulties in the sourcing adversely affected the results of fine petrochemical products during the period under review. The Group has expanded the products range and installed the advanced production facilities and technologies for such product category in the past years, and has further devoted to widen the customer base during the period under review. The Group will strive to enhance the procurement competence, enlarge supply channels and optimise the production process to further strengthen the products' competitiveness in future.

The Group has been well ahead of its peers in accomplishing the environmental protection requirements imposed by the relevant local authorities. Apart from the establishment of waste water, waste air and scrap treatment system, the Group has also been improving its production process and maximising the utilisation of the resources in order to reduce its emission during the period under review. The Group regards the environmental protection as a crucial factor in maintaining its competitive edges and long-term development. The Group will stick to continuous development and enhancement of its safety and environmental protection policy in line with its long term business development.

Currently, the Group has undertaken several construction projects in order to upgrade and advance its existing production facilities and capacities and thus to reinforce its production effectiveness. Those construction projects will be completed in the second half of this year. The Group will assess the rate of return and potential growth of each investment project and ensure that the return is able to uphold its business continuous growth as well as reinforcing its working capital management.

## 管理層討論及分析

# Management Discussion and Analysis

### 經營業績概要 (續)

#### 業務回顧 (續)

#### 收地及重置

根據收回土地使用權通知(有關詳細情況，請參考本公司於二零零八年十一月十八日刊發之公告)，按照當地政府制定的工作指引，濰坊同業所擁有之三幅土地之土地用途已由工業用途改變為非工業用途。由於濰坊同業之生產廠房設立於該等土地上，該用途不符合該工作指引，故被要求收回土地。兩幅土地的收回協議(「收回協議」)已分別在二零零八年十一月及二零零九年十二月正式簽署。本集團仍就餘下一塊土地與有關地方當局議定相關賠償金額及收地條款。截至本報告刊發之日為止，並未達成最終的條款。

在回顧期內，濰坊同業完成了其生產廠房的搬遷和重置，並已根據收回協議移交兩幅土地予當地政府。本集團預期，餘下一塊土地將於今年下半年被當地政府正式收回。目前，濰坊同業之生產及經營已在其他屬於本集團之就近廠房正常營運。由於生產過程已集中，整體的生產變得更加有效。董事認為，收地及重置有利於本集團整體之長遠發展。

### Summary of operating results (Continued)

#### Business review (Continued)

#### Resumption and relocation

According to the notice of the resumption of land (please refer to the Company's announcement dated 18 November 2008 for details), the usage of the three plots of land owned by Weifang Common is changed from industrial use to non-industrial use in accordance with the working direction laid down by the local government. As the production plant of Weifang Common is erected on those plots of land which are not consistent with such working direction and are subject to resumption. The resumption agreements of the two plots of land (the "Resumption Agreements") were formally signed in November 2008 and December 2009 respectively. The Group is still negotiating with the relevant local authorities for the amount of compensation and the terms of resumption for the remaining piece of land. As at the date of this report, no final terms have been concluded.

Weifang Common has completed the removal and relocation of its production plant during the period under review, and the two plots of land have already surrendered to the local government according to the Resumption Agreements. The Group expected that the remaining piece of land will formally be resumed by the local government in the second half of the year. Currently, the production and operation of Weifang Common is operated in the other nearby production plants of the Group. As the production process has been centralised, the overall production is become more effective. The Directors believe that the resumption and relocation will be benefit to the Group's long term development as a whole.

## 管理層討論及分析

# Management Discussion and Analysis

### 經營業績概要 (續)

#### 業務回顧 (續)

##### 展望

由於本集團大多數營業額仍然來自國內市場，佔本集團回顧期內總營業額約80.4%，在可見將來，本集團仍把重點投放於國內市場，集中資源以提高其整體市場份額，致力成為業內最強的競爭者。由於本集團已經建立一個堅實穩固的基礎，董事有信心，本集團能夠及時捕捉可能隨時出現之機遇，及帶動其業務擴張，以增加其未來溢利。

本集團在過去數年已投放足夠資源於提升其向上垂直整合生產體系及完善其生產設施，從而建立核心優勢及加快業務發展。本集團將繼續貫徹其長遠戰略業務計劃，以進一步擴大市場份額及加強其競爭力，以達到持續而穩定的增長。同時，本集團將進一步改善其經營效率，並努力開拓新的業務，實現長期可持續的發展戰略。

### Summary of operating results (Continued)

#### Business review (Continued)

##### Outlook

As the majority of the Group's turnover is still derived from the PRC, which represented 80.4% of the Group's total turnover during the period under review, the Group will remain its focus on the PRC market in foreseeable future and concentrate its resources to increase its overall market share aiming to be the strongest industry player. Since the Group has established a strong and solid foundation, the Directors are confident that the Group is capable of capturing the opportunities whenever they arise and putting forward its business expansion to increase its future profit.

The Group has put sufficient resources in the enhancement of its upward vertically-integrated production system as well as refinement its production facilities over the last few years so as to build up its core strengths and accelerate its business development. The Group will continuously adhere to its long-term strategic business plan to further extend its market shares and enhance its competitiveness to achieve a consistent and steady growth. Meanwhile, the Group will further improve its operating efficiency and strive to nurture new businesses to achieve long-term sustainable development strategy.



## 管理層討論及分析

# Management Discussion and Analysis

### 經營業績概要 (續)

#### 業務回顧 (續)

#### 展望 (續)

展望未來，本集團將不斷追求進步、追求跨越、追求持續增長。在一個快速發展和變化的經營環境中，本集團已確定了其發展方向，並將充份利用其現有資源優勢和市場優勢，迅速和及時地推出具市場潛力和競爭力的新產品。本集團亦將會不時積極尋求其他投資機會，如與戰略合作夥伴合組企業或在相近業務領域內收購具潛力的業務等等，為未來創造更多業務商機。本集團已做好準備，迎接即將來臨之挑戰。

鑑於國內經濟持續增長，在可見未來的市場需求仍是可觀的，董事相信，本集團業務將進一步增長及變得更為穩固，從而提高本公司的股東回報。

### Summary of operating results (Continued)

#### Business review (Continued)

#### Outlook (Continued)

Looking forward, the Group will continuously pursue improvements, breakthroughs and sustainable growth. In a fast developing and a changing operating environment, the Group has well defined its development direction and will fully utilise its prevailing resources advantages and market edges, quickly and timely launch new products with market potential and competitiveness. The Group will also, from time to time, actively look for other investment opportunities such as forming joint ventures with strategic partners or acquisition of potential business in similar field and so on so as to generate more business opportunities in future. The Group is ready to meet the challenges ahead.

Given the continued economic growth in the PRC, the foreseeable market demands are still promising. The Directors are confident that the business of the Group will has further growth and become more solid so that the return to shareholders of the Company will be improved.



## 管理層討論及分析

# Management Discussion and Analysis

### 經營業績概要 (續)

#### 財務回顧

截至二零一零年六月三十日止六個月，本集團之營業額及毛利錄得滿意增長，分別約為人民幣393,900,000元及人民幣97,500,000元，較去年同期紀錄約人民幣282,400,000元及人民幣45,900,000元，分別增長約人民幣111,500,000元及人民幣51,600,000元或39.5%及112.2%。該令人鼓舞的業績主要是由於經濟復甦以及經營環境改善，因此，本集團的產品價格和銷售數量同時上升。與此同時，由於本集團通過其規模化生產及向上垂直整合生產策略，有效地控制成本，本集團的毛利率亦取得良好改善。

銷售開支從去年同期約人民幣11,000,000元減少了約人民幣800,000元至約人民幣10,200,000元，主要原因是有效的開支管理降低了銷售佣金和運輸成本。於回顧期內，銷售開支佔本集團營業額的百分比為2.6%（截至二零零九年六月三十日止六個月：3.9%）。

### Summary of operating results (Continued)

#### Financial review

The Group recorded satisfactory growth in its turnover and gross profit for the six months ended 30 June 2010 which amounted to approximately RMB393.9 million and RMB97.5 million respectively, representing an increase of approximately RMB111.5 million and RMB51.6 million or 39.5% and 112.2% as compared with RMB282.4 million and RMB45.9 million recorded in the corresponding period of last year. Such encouraging results were primarily attributable to the recovery of economies and the improvement in the operating environment as a result of which both the products price and sales quantity of the Group were increased. Meanwhile, as the Group has controlled its costs effectively through its scale production and upward vertically-integrated production strategies, the gross profit margin of the Group was also well improved.

Selling expenses decreased by approximately RMB0.8 million from approximately RMB11.0 million in the corresponding period of last year to approximately RMB10.2 million, which was mainly due to the effective management of expenses that reduced the sales commission and the transportation costs. The selling expenses as a percentage of the Group's turnover was 2.6% (Six months ended 30 June 2009: 3.9%) during the period under review.

## 管理層討論及分析

# Management Discussion and Analysis

### 經營業績概要 (續)

#### 財務回顧 (續)

行政開支約達人民幣13,000,000元，與去年同期約人民幣12,600,000元輕微上升約人民幣400,000元。該增長主要由於在回顧期內交通費、研發費、員工成本及其他地方稅項上升。行政開支佔本集團營業額的3.3%，較去年同期的4.5%為低。

在回顧期內，其他經營開支為：(i)精細石油化工類產品之生產設備的減值虧損；(ii)由於生產廠房搬遷，濰坊同業的生產機械作出撇賬；及(iii)所產生之相關搬遷費用。

財務成本包括銀行借貸利息及貼現銀行承兌匯票利息，從去年同期約人民幣6,500,000元減少約人民幣2,500,000元至約人民幣4,000,000元。財務成本減少主要由於回顧期內銀行借貸及貼現銀行承兌匯票減少所致。

### Summary of operating results (Continued)

#### Financial review (Continued)

The administrative expenses amounted to approximately RMB13.0 million, which was slightly increased by approximately RMB0.4 million from approximately RMB12.6 million in the corresponding period of last year. Such an increase was principally as a result of the increase in travelling, research and development costs, staff costs and other local tax expenses during the period under review. The administrative expenses accounted for 3.3% of the Group's turnover, which was lower than 4.5% in the corresponding period of last year.

The other operating expenses represented (i) the impairment loss on the production facilities of fine petrochemical products; (ii) the written-off on production machinery of Weifang Common due to the removal of production plant; and (iii) the related removal expenses incurred during the period under review.

The finance costs comprised interest on bank borrowings and discounted bank acceptance bills, which were decreased by approximately RMB2.5 million from approximately RMB6.5 million in the corresponding period of last year to approximately RMB4.0 million. The decrease was mainly due to the decrease in bank borrowings and discounted bank acceptance bills during the period under review.

## 管理層討論及分析

### Management Discussion and Analysis

#### 經營業績概要 (續)

##### 財務回顧 (續)

由於有效控制經營成本，本公司權益持有人應佔溢利錄得可觀增長，約為人民幣38,900,000元，與去年同期約人民幣17,800,000元比較，增長約人民幣21,100,000元或119.2%。

每股基本盈利由去年同期約人民幣0.044元增加至約人民幣0.097元。

##### 流動資金及財務資源

截至二零一零年六月三十日止六個月，本集團之主要資金來源包括經營活動產生之淨現金流入約人民幣78,600,000元（截至二零零九年六月三十日止六個月：人民幣5,700,000元），新增銀行借貸約人民幣17,900,000元（截至二零零九年六月三十日止六個月：人民幣104,000,000元），根據購股權計劃發行股份而新增的資金約人民幣700,000元（截至二零零九年六月三十日止六個月：無），以及已收利息約人民幣30,000元（截至二零零九年六月三十日止六個月：人民幣300,000元）。於回顧期內，憑藉本集團營運所得財務資源，本集團斥資約人民幣31,300,000元（截至二零零九年六月三十日止六個月：人民幣21,200,000元）購入物業、廠房及設備；償還銀行借貸款項約人民幣48,500,000元（截至二零零九年六月三十日止六個月：人民幣85,400,000元），支付利息約人民幣4,000,000元（截至二零零九年六月三十日止六個月：人民幣6,000,000元）以及支付股息約人民幣8,800,000元（截至二零零九年六月三十日止六個月：人民幣4,400,000元）。

#### Summary of operating results (Continued)

##### Financial review (Continued)

As a result of the effective control in the operating costs, the profit attributable to equity holders of the Company recorded considerable growth, amounted to approximately RMB38.9 million, representing an increase of approximately RMB21.1 million or 119.2% as compared with RMB17.8 million recorded in the corresponding period of last year.

Basic earnings per share increased to approximately RMB9.7 cents from approximately RMB4.4 cents in the corresponding period last year.

##### Liquidity and financial resources

For the six months ended 30 June 2010, the Group's primary source of funding included the net cash inflow generated from operating activities of approximately RMB78.6 million (Six months ended 30 June 2009: RMB5.7 million); newly raised bank borrowings of approximately RMB17.9 million (Six months ended 30 June 2009: RMB104.0 million); newly raised fund from issue of shares under share option scheme of approximately RMB0.7 million (Six months ended 30 June 2009: Nil) and interest received of approximately RMB0.03 million (Six months ended 30 June 2009: RMB0.3 million). With the financial resources obtained from the Group's operations, the Group had paid approximately RMB31.3 million (Six months ended 30 June 2009: RMB21.2 million) in the acquisition of the property, plant and equipment, bank borrowing repayments of approximately RMB48.5 million (Six months ended 30 June 2009: RMB85.4 million); interest paid of approximately RMB4.0 million (Six months ended 30 June 2009: RMB6.0 million) and dividends paid of approximately RMB8.8 million (Six months ended 30 June 2009: RMB4.4 million).

## 管理層討論及分析

### Management Discussion and Analysis

#### 經營業績概要 (續)

##### 財務回顧 (續)

##### 流動資金及財務資源 (續)

於二零一零年六月三十日，本集團銀行存款及現金結餘約為人民幣21,400,000元（二零零九年十二月三十一日：人民幣16,800,000元）。未償還借貸總額約人民幣118,600,000元（二零零九年十二月三十一日：人民幣149,200,000元）。由於本集團於回顧期內實施了有效的資本開支及生產和營運成本控制，本集團流動資金狀況持續改善，資產負債比率（即淨借貸（借貸總額減去現金及現金等值）與股東資金總額之比率）降低至23.2%（二零零九年十二月三十一日：34.1%），同時，淨流動資產上升至約人民幣42,200,000元（二零零九年十二月三十一日：人民幣17,000,000元）。基於本集團之經營業務錄得現金流入、現有現金資源及往來銀行提供之備用銀行信貸額度，本集團具有充裕的財務資源，足以應付可見將來的應付承擔及營運資金需求。本集團將持續密切及謹慎地管理其營運資金，並盡力維持穩健之流動資金狀況，為股東帶來最佳回報。

本集團於回顧期內並無運用任何金融工具作任何對沖用途。

##### 資產抵押

於二零一零年六月三十日，本集團經已預付土地租賃款項約人民幣43,700,000元（二零零九年十二月三十一日：人民幣57,700,000元）；於同日，並無物業、廠房及設備（二零零九年十二月三十一日：賬面淨值總額人民幣19,600,000元）已予抵押作為本集團銀行借貸之抵押品。

#### Summary of operating results (Continued)

##### Financial review (Continued)

##### Liquidity and financial resources (Continued)

As at 30 June 2010, the Group had bank and cash balances of approximately RMB21.4 million (31 December 2009: RMB16.8 million). The total amount of outstanding borrowings was approximately RMB118.6 million (31 December 2009: RMB149.2 million). The liquidity position of the Group was continuously improved, the gearing ratio (which is represented by the ratio of net debts (total borrowings net of cash and cash equivalents) to total shareholders' equity) decreased to 23.2% (31 December 2009: 34.1%) and the net current assets increased to approximately RMB42.2 million (31 December 2009: RMB17.0 million) as a result of the effective control on capital expenditure and production and operating costs implemented by the Group during the period under review. With the positive cash inflow from the Group's operations, existing cash resources and its available banking facilities obtained from its bankers, the Group has sufficient financial resources to meet its commitments and working capital requirements in foreseeable future. The Group will continuously manage its working capital closely and cautiously and dedicate to keep a sound liquidity position to optimise the equity return to its shareholders.

During the period under review, the Group did not use any financial instruments for any hedging purposes.

##### Pledge of assets

As at 30 June 2010, the Group has prepaid land lease payments of approximately RMB43.7 million (31 December 2009: RMB57.7 million) and no properties, plant and equipment (31 December 2009: an aggregate net book value of RMB19.6 million) were pledged to secure the Group's bank borrowings.

## 管理層討論及分析

# Management Discussion and Analysis

### 經營業績概要 (續)

#### 財務回顧 (續)

#### 或然負債

於二零一零年六月三十日，本集團並無任何重大或然負債。

#### 匯率波動風險

本集團之營運主要位於中國，而且其資產、負債、收入及交易主要以人民幣、港元及美元結算。

本集團所承擔之最主要外匯風險乃因回顧期內人民幣匯率波動所致。除本集團之出口銷售主要以美元結算外，本集團大部分之收入及開支乃以人民幣結算。本集團於回顧期內並無因外幣匯率波動而於其營運或資金流動狀況方面遇上任何重大困難或對其造成任何影響。而且，於適當之時，本集團將考慮利用具成本效益之對沖方法應付日後之外幣交易。

#### 人力資源

於二零一零年六月三十日，本集團共有683名全職僱員（二零零九年十二月三十一日：721名全職僱員），其中605名屬生產及倉庫員工，19名為銷售及市場推廣員工，7名為研發中心員工，而52名則為辦公室後勤員工。員工數目減少是由於提高了營運效益所致。

### Summary of operating results (Continued)

#### Financial review (Continued)

#### Contingent liabilities

As at 30 June 2010, the Group had no material contingent liabilities.

#### Exposure to fluctuations in exchange rates

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

The Group's foremost exposure to the foreign exchange risk was caused by the fluctuation of Renminbi during the period under review. Most of the Group's income and expenses were denominated in Renminbi except those for the Group's export sales which were, in majority, denominated in United States dollars. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of the fluctuations in currency exchange rates during the period under review. Besides, the Group will consider cost-efficient hedging methods to cope with future foreign currency transactions when appropriate.

#### Human resources

As at 30 June 2010, the Group has 683 fulltime employees (31 December 2009: 721 fulltime employees) of which 605 were production and warehouse, 19 were sales and marketing, 7 were research and development centre, and 52 were back-office supportive employees. The number of employees was reduced due to the enhancement in operation efficiency.

## 管理層討論及分析

# Management Discussion and Analysis

### 人力資源 (續)

本集團已制定其人力資源政策及程序，務求於薪酬制度中加入更多激勵性的獎勵及獎金，以及為員工提供多元化之員工培訓及個人發展計劃。向員工發放之酬金待遇乃按其職務及當時市場標準釐訂，本集團亦同時向員工提供員工福利，包括醫療保險及公積金。

本集團員工將根據年度工作表現評核的評分，獲酌情發放花紅及獎金。本集團亦會給予僱員其他獎勵或幫助，以推動僱員個人成長及事業發展，例如持續向員工提供培訓，以提升彼等之技術、產品知識以及對行業品質標準之認識。本集團所有新員工均須參加入門課程以及各類可供本集團所有員工選擇參加之培訓課程。

本集團亦已採納購股權計劃，以獎勵及獎賞曾對本集團成功經營作出貢獻之合資格參與人士。迄今為止，本公司已授予4,000,000份購股權給合資格員工及一名供應商，以表揚他們對本集團作出之貢獻。於回顧期內，並無授出本公司之購股權。

### Human resources (Continued)

The Group has established its human resources policies and procedures with a view to deploying more motivated incentives and rewards of the remuneration system which include a wide range of training and personal development programs to the employees. The remuneration package offered to the staff was in line with the duties and the prevailing market terms. Staff benefits, including medical insurance and provident funds, have also been provided to the employees of the Group.

Employees of the Group would receive discretionary bonuses and monetary rewards based on their ratings in annual performance appraisals. The Group also offered other incentives or supports to the employees in order to motivate their personal growth and career development, such as ongoing training to enhance their technical and product knowledge as well as their knowledge of industry quality standards. All new staff of the Group are required to attend an introductory course and there are also various types of training courses available to all the Group's employees.

The Group has also adopted a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Company has granted 4,000,000 share options to eligible employees and a supplier to recognise their contribution to the Group so far. No share option of the Company was granted during the period under review.

## 其他資料

### Other Information

#### 董事及主要行政人員於股份、相關股份及債券之權益及淡倉

於二零一零年六月三十日，本公司董事及主要行政人員及彼等之聯繫人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、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉（包括根據證券及期貨條例之有關條文任何該等董事或主要行政人員擁有或被視作擁有之權益及淡倉），以及本公司根據證券及期貨條例第352條規定存置之登記冊所記錄，或已根據上市規則所載上市公司董事進行證券交易的標準守則（「標準守則」）知會本公司及聯交所之權益及淡倉如下：

#### 於本公司股份之好倉

董事姓名	公司／相聯 法團名稱	所持股份數目／ 股份權益	身份	佔已發行股本 總數概約百分比(%)
Name of Director	Company/name of associated corporation	Number of shares held/ interest in the Shares	Capacity	Approximate % in the total issued share capital
劉洪亮先生 Mr. Liu Hongliang	志峰集團有限公司 Cheerhill Group Limited (附註1) (Note 1)	292,000,000 (附註2) (Note 2)	受控法團之權益 Interest of controlled corporation	72.77%

#### Directors' and chief executive's interests and short positions in shares, underlying shares and debentures

At 30 June 2010, the interests and short positions of the Directors, chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were 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 and short positions which any such director or chief executive was taken or deemed to have under such provisions of the SFO) and were recorded in the register maintained by the Company pursuant to section 352 of the SFO, or which were notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Listing Rules, were as follows:

#### Long position in the shares of the Company



## 其他資料

### Other Information

#### 董事及主要行政人員於股份、 相關股份及債券之權益及淡倉 (續)

附註:

1. 該等292,000,000股股份由志峰集團有限公司(「志峰」)持有，而志峰之全部已發行股本分別由劉洪亮先生、王子江先生、郭希田先生、鄭虹女士、郭玉成先生及傅安旭先生最終實益擁有38%、26%、11.5%、11.5%、6.5%及6.5%。
2. 由於劉先生於志峰擁有38%權益，其被視為於上文附註1所述之292,000,000股股份擁有權益。

除上文披露之權益外，於二零一零年六月三十日，按本公司根據證券及期貨條例第352條存置之登記冊所記錄，或根據上市規則所載之標準守則已知會本公司和聯交所之資料，本公司各董事及主要行政人員及彼等之聯繫人概無擁有或被視作擁有本公司及其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券之權益或淡倉。

本公司或其任何控股公司、附屬公司或同系附屬公司於期內概無訂立任何安排，令本公司董事及主要行政人員或彼等之配偶及未滿十八歲之子女可購入本公司或其相聯法團任何股份或相關股份或債券。

#### Directors' and chief executive's interests and short positions in shares, underlying shares and debentures (Continued)

Notes:

1. The 292,000,000 Shares were held by Cheerhill Group Limited ("Cheerhill"), the entire issued share capital of which is ultimately beneficially owned as to 38% by Mr. Liu Hongliang, 26% by Mr. Wang Zijiang, 11.5% by Mr. Guo Xitian, 11.5% by Ms. Zheng Hong, 6.5% by Mr. Guo Yucheng and 6.5% by Mr. Fu Anxu.
2. Mr. Liu is deemed to be interested in 292,000,000 Shares referred to in Note 1 above by virtue of his 38% interests in Cheerhill.

Save as disclosed above, as at 30 June 2010, none of the Directors and chief executive of the Company, nor their associates had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which had been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code as set out in the Listing Rules.

At no time during the period was the Company or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement that enable the Directors and chief executive of the Company or their spouse and children under 18 years of age to purchase any shares or underlying shares in, or debentures of, the Company or its associated corporation.



## 其他資料 Other Information

### 主要股東於本公司股份之權益及淡倉

於二零一零年六月三十日，除董事外，持有本公司已發行股本5%或以上權益之下列人士，已記錄於本公司根據證券及期貨條例第336條所存置之股東名冊內：

#### 於本公司股份之好倉

股東名稱	所持股份數目／ 於股份之權益及 權益總額	身份	佔已發行股本總數 概約百分比(%)
Name of shareholder	Number of shares held/ interest in the Shares and aggregated interest	Capacity	Approximate % in the total issued share capital
志峰 (附註) Cheerhill (Note)	292,000,000	實益擁有人 Beneficiary owner	72.77%

附註:

該等292,000,000股股份由志峰持有，而志峰之全部已發行股本分別由劉洪亮先生、王子江先生、郭希田先生、鄭虹女士、郭玉成先生及傅安旭先生最終實益擁有38%、26%、11.5%、11.5%、6.5%及6.5%。

除上文所披露者外，於二零一零年六月三十日，本公司並無獲任何人士知會於本公司之股份或相關股份中，擁有任何根據證券及期貨條例須知會本公司之權益或淡倉，或擁有本公司根據證券及期貨條例第336條存置之登記冊中記錄之權益或淡倉。

### Substantial shareholder's interests and short positions in the shares of the company

At 30 June 2010, the following person who held interests of 5% or more of the issued share capital of the Company, other than the Directors, was recorded in the register of members required to be kept by the Company pursuant to Section 336 of the SFO:

#### Long position in the shares of the Company

Note:

The 292,000,000 Shares were held by Cheerhill, the entire issued share capital of which is ultimately beneficially owned as to 38% by Mr. Liu Hongliang, 26% by Mr. Wang Zijiang, 11.5% by Mr. Guo Xitian, 11.5% by Ms. Zheng Hong, 6.5% by Mr. Guo Yucheng and 6.5% by Mr. Fu Anxu.

Save as disclosed above, the Company has not been notified by any person who had any interest or short position in the shares or underlying shares of the Company as at 30 June 2010, which are required to be notified to the Company under the SFO or which are recorded in the register required to be kept by the Company under section 336 of the SFO.

## 其他資料

### Other Information

#### 購股權

本公司已於二零零六年十月四日批准及採納購股權計劃（「購股權計劃」），旨在獎勵及酬謝對本集團之成功作出貢獻之本集團任何成員公司或聯營公司之董事、合資格僱員、供應商、客戶、任何股東或彼等各自之聯繫人或本集團之顧問或諮詢人。購股權計劃由二零零六年十月四日起生效，有效期為十年，根據購股權計劃可授出最多40,000,000份購股權，購股權賦予其持有人權利認購最多40,000,000股股份。

於二零零八年二月一日，本公司根據購股權計劃向合資格僱員及其供應商授出4,000,000份購股權。於二零一零年六月三十日，購股權計劃項下已授出及尚未行使之購股權所涉及股份數目為2,542,000股，相當於該日期本公司已發行股份之0.64%。截至二零一零年六月三十日止六個月本公司的購股權變動詳情如下：

#### Share options

The Company has approved and adopted a share option scheme (the "Share Option Scheme") on 4 October 2006 for the purpose of providing incentives and rewards to directors, eligible employees, suppliers, customers, any shareholder of each member of the Group or associated company or any of their respective associates, and advisers or consultants of the Group who contribute to the success of the Group. The Share Option Scheme has become effective for a period of 10 years commencing on 4 October 2006 and up to 40,000,000 options entitling the holders thereof to subscribe for up to 40,000,000 shares may be granted under the Share Option Scheme.

As at 1 February 2008, the Company granted 4,000,000 share options to the eligible employees and its supplier under the Share Option Scheme of the Company. As at 30 June 2010, the number of shares in respect of which options had been granted and remained outstanding under the share option scheme was 2,542,000, representing 0.64% of the shares of the Company in issue at the date. Details movement for the share option of the Company for the six months ended 30 June 2010 are as follows:

## 其他資料 Other Information

### 購股權 (續)

### Share options (Continued)

承授人 Grantee	授出日期 Date of grant	每股行使價 Exercise price per share (港元) (HKD)	於	於	於
			二零一零年 一月一日 尚未行使 Outstanding as at 1/1/2010	於期內 已行使 Exercised during the period (附註) (Note)	二零一零年 六月三十日 尚未行使 Outstanding as at 30/6/2010
員工 Employees	01.02.2008	0.64	3,590,000	(1,208,000)	2,382,000
供應商 Supplier	01.02.2008	0.64	200,000	(40,000)	160,000
總計 Total			3,790,000	(1,248,000)	2,542,000

附註：

緊接購股權行使日期前之加權平均收市價為每股0.98港元。

Note:

The weighted average closing price per Share immediately before the date of exercise of the options is HK\$0.98.

所有授出購股權的歸屬期及行使期如下：

All options granted are subject to vesting schedules and exercise periods as follows:

佔所授出購股權百分比(%) % of the options granted	歸屬期 Vesting period	行使期 Exercise period
20%	01.02.2008 – 31.01.2009	01.02.2009 – 31.01.2014
30%	01.02.2008 – 31.01.2010	01.02.2010 – 31.01.2014
50%	01.02.2008 – 31.01.2011	01.02.2011 – 31.01.2014

緊接授出購股權日期前當日香港聯交所每日報價表所列之每股收市價為0.61港元。

The closing market price per Share immediately before the date on which the options were granted as quoted in the Hong Kong Stock Exchange's daily quotation sheets was HK\$0.61.

於回顧期內，並無購股權獲授出、遭註銷或失效。

No options were granted, cancelled or lapsed under the Share Option Scheme during the period under review.

## 其他資料

### Other Information

#### 上市公司董事進行證券交易的標準守則

本公司已採納一套操守準則，其標準不寬鬆於上市規則附錄十所載有關董事進行證券交易之標準守則。本公司經作出查詢後，全體董事已確認，彼等於截至二零一零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。

高級管理層因其在本公司所擔任之職務可能擁有未公佈股價敏感資料，故已被要求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之規定。

#### 購買、出售或贖回本公司之上市證券

於截至二零一零年六月三十日止六個月內，本公司或其任何附屬公司概無贖回、購買或出售本公司任何上市股份。

#### 企業管治常規

本公司於截至二零一零年六月三十日止六個月內一直遵守上市規則所載企業管治常規之所有守則條文。

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

The Company has adopted a code of conduct with standards no less 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 2010.

The senior management, who, because of their office in the Company, are likely to be in possession of unpublished price sensitive information, have been requested to comply with the provisions of the Model Code and the Company's code of conduct regarding securities transactions by Directors.

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

During the six months ended 30 June 2010, neither the Company nor any of its subsidiaries had redeemed, purchased or sold any of the Company's listed shares.

#### Corporate governance practices

The Company has complied with all the code provision of the Corporate Governance Practices as set out in the Listing Rules during the six months ended 30 June 2010.

## 其他資料

### Other Information

#### 薪酬委員會

薪酬委員會目前由本公司執行董事劉洪亮先生(薪酬委員會主席)及本公司三名獨立非執行董事梁錦雲先生、高寶玉先生及劉晨光先生組成。於回顧期內,薪酬委員會在參考本公司董事職責範疇、本集團之企業目的及目標,並已計及可資比較的市場狀況後,已審閱及批准截至二零一零年十二月三十一日止年度本公司所有董事及高級管理層之薪酬福利。董事一概不得參與有關其本身薪酬之討論及決定。

#### 審核委員會

本公司審核委員會由本公司三名獨立非執行董事組成,包括梁錦雲先生(審核委員會主席)、高寶玉先生及劉晨光先生。審核委員會已審閱本公司採納之會計準則及實務,以及已與本公司管理層及獨立核數師討論有關編製本集團截至二零一零年六月三十日止六個月未經審核簡明綜合財務報表之內部控制及財務報告事項。審核委員會概無對本公司於回顧期內採納之會計處理方式提出任何異議。

承董事會命  
主席  
劉洪亮

香港,二零一零年八月二十七日

#### Remuneration committee

The Remuneration Committee currently comprises an executive Director of the Company, Mr. Liu Hongliang (Chairman of the Remuneration Committee) and three independent non-executive Directors of the Company, Mr. Leung Kam Wan, Mr. Guo Baoyu and Mr. Liu Chenguang. During the period under review, the Remuneration Committee has reviewed and approved the remuneration package of all Directors and senior management of the Company for the year ending 31 December 2010 by reference to the scope duties and responsibilities of the Directors of the Company, corporate goals and objectives of the Group, after taking into account also the comparable market conditions. No Director shall participate in any discussion and decision about his own remuneration.

#### Audit Committee

The Audit Committee of the Company comprises the three independent non-executive Directors of the Company, namely Mr. Leung Kam Wan (Chairman of the Audit Committee), Mr. Guo Baoyu and Mr. Liu Chenguang. The Audit Committee has reviewed the accounting principles and practices adopted by the Company and discussed internal control and financial reporting matters with our management and independent auditor relating to the preparation of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2010. There is no disagreement raised by the Audit Committee on the accounting treatment adopted by the Company during the period under review.

By order of the Board  
**Liu Hongliang**  
Chairman

Hong Kong, 27 August 2010



天德化工控股有限公司  
**Tiande Chemical Holdings Limited**

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