

LEE & MAN CHEMICAL COMPANY LIMITED

理文化工有限公司

Stock Code 股份代號 : 746



**Together We Grow**



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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive directors

Ms. Wai Siu Kee (*Chairman*)  
Mr. Lee Man Yan  
Mr. Yang Zuo Ning  
Ms. Wong Yuet Ming

#### Independent non-executive directors

Mr. Wong Kai Tung, Tony  
Mr. Wan Chi Keung, Aaron BBS JP  
Mr. Heng Victor Ja Wei

### COMPANY SECRETARY

Ms. Wong Yuet Ming

### REGISTERED OFFICE

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

### PRINCIPAL OFFICE

8th Floor, Liven House  
61-63 King Yip Street  
Kwun Tong  
Kowloon  
Hong Kong

### PRINCIPAL BANKERS

#### Hong Kong:

Hang Seng Bank Limited  
The Hongkong and Shanghai Banking Corporation  
Australia and New Zealand Banking Group Ltd.  
Citibank, N.A., Hong Kong Branch  
DBS Bank (Hong Kong) Limited  
Mizuho Bank Ltd., Hong Kong Branch  
Chiyu Bank Corporation Ltd.

#### In the PRC:

Bank of China Limited  
China Construction Bank

### 董事會

#### 執行董事

衛少琦女士(*主席*)  
李文恩先生  
楊作寧先生  
王月明女士

#### 獨立非執行董事

王啟東先生  
尹志強先生BBS太平紳士  
邢家維先生

### 公司秘書

王月明女士

### 註冊辦事處

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

### 總辦事處

香港  
九龍  
觀塘  
敬業街61-63號  
利維大廈8樓

### 主要往來銀行

#### 香港：

恒生銀行有限公司  
香港上海滙豐銀行有限公司  
澳新銀行，香港分行  
花旗銀行，香港分行  
星展銀行(香港)有限公司  
瑞穗銀行，香港分行  
集友銀行有限公司

#### 中國：

中國銀行有限公司  
中國建設銀行

**AUDITOR**

Deloitte Touche Tohmatsu  
*Certified Public Accountants*

**PRINCIPAL SHARE REGISTRAR**

Royal Bank of Canada Trust Company (Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

**HONG KONG BRANCH SHARE REGISTRAR**

Tricor Secretaries Limited  
26/F Tesbury Centre  
28 Queen's Road East  
Hong Kong

**WEBSITE**

<http://www.leeman.com.hk>

**核數師**

德勤•關黃陳方會計師行  
執業會計師

**主要股份過戶登記處**

Royal Bank of Canada Trust Company (Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

**香港股份過戶登記分處**

卓佳秘書商務有限公司  
香港  
皇后大道東28號  
金鐘匯中心26樓

**網址**

<http://www.leeman.com.hk>

# Interim Results

## 中期業績

The board of directors (the "Board") of Lee & Man Chemical Company Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2013 together with comparative figures for the last corresponding period as follows:

理文化工有限公司(「本公司」)董事會欣然公布，本公司及其附屬公司(「本集團」)截至2013年6月30日止6個月之未經審核中期業績，連同去年同期比較數字如下：

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2013

### 簡明綜合損益及其他全面收益表

截至2013年6月30日止6個月

		<b>Six months ended 30 June</b>	
		<b>截至6月30日止6個月</b>	
		<b>2013</b>	2012
		<b>(Unaudited)</b>	(Unaudited)
		(未經審核)	(未經審核)
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
		<i>Notes</i>	
		<i>附註</i>	
Revenue	收入	3	890,947
Cost of sales	銷售成本		<u>(418,614)</u>
Gross profit	毛利		170,195
Other income	其他收入	4	117,054
Selling and distribution costs	銷售及分銷成本		<u>(26,798)</u>
General and administrative expenses	行政費用		<u>(61,676)</u>
Finance costs	融資成本	5	<u>(22,749)</u>
Profit before taxation	除稅前溢利		176,026
Income tax expense	所得稅支出	6	<u>(25,871)</u>
<b>Profit for the period</b>	<b>期內溢利</b>	7	<u>150,155</u>
<b>Other comprehensive income (expense):</b>	<b>其他全面收益(支出)：</b>		
<b>Items that may be subsequently reclassified to profit or loss:</b>	<b>其後可重新分類至損益的項目：</b>		
Exchange differences arising from translation	因換算而產生的匯兌差額		28,890
Net adjustment on cash flow hedges	現金流對沖之調整淨額		<u>3,937</u>
Other comprehensive income (expense) for the period	期內其他全面收益(支出)		<u>32,827</u>
<b>Total comprehensive income for the period</b>	<b>期內全面收益總額</b>		<u>182,982</u>
Earnings per share:	每股盈利：	9	
– Basic and diluted (HK cents)	– 基本及攤薄(港仙)		<u>18.2</u>
			<u>24.3</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 30 June 2013

**簡明綜合財務狀況表**

於2013年6月30日

		<b>30.06.2013</b> <b>(Unaudited)</b> <b>(未經審核)</b> <b>HK\$'000</b> <b>千港元</b>	31.12.2012 <b>(Audited)</b> <b>(經審核)</b> <b>HK\$'000</b> <b>千港元</b>
	<i>Notes</i> <i>附註</i>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	<b>1,775,237</b>	1,346,493
Prepaid lease payments		<b>81,835</b>	63,291
Intangible assets		<b>6,859</b>	7,337
Deposits paid for the acquisition of property, plant and equipment		<b>177,163</b>	205,970
Deposit paid for land use right		<b>3,142</b>	9,046
Interests in joint ventures		<b>25,523</b>	25,047
Loan to a joint venture		<b>79,963</b>	64,390
Derivative financial instruments		<b>824</b>	-
Deferred tax asset		<b>12,633</b>	-
		<b>2,163,179</b>	1,721,574
<b>CURRENT ASSETS</b>			
Inventories	11	<b>91,241</b>	76,253
Prepaid lease payments		<b>1,186</b>	941
Trade and other receivables	12	<b>191,202</b>	160,038
Amount due from a joint venture		<b>6,329</b>	6,211
Derivative financial instruments		<b>4,210</b>	6,941
Bank balances and cash		<b>1,513,461</b>	1,520,219
		<b>1,807,629</b>	1,770,603
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	<b>238,854</b>	152,025
Amounts due to related companies		<b>9,072</b>	6,989
Taxation payable		<b>14,585</b>	12,629
Bank borrowings – due within 1 year		<b>373,615</b>	218,826
		<b>636,126</b>	390,469
<b>NET CURRENT ASSETS</b>		<b>1,171,503</b>	1,380,134
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>3,334,682</b>	3,101,708
<b>NON-CURRENT LIABILITIES</b>			
Bank borrowings – due after 1 year		<b>1,315,019</b>	1,198,130
Derivative financial instruments		<b>6,176</b>	9,739
		<b>1,321,195</b>	1,207,869
<b>NET ASSETS</b>		<b>2,013,487</b>	1,893,839
<b>CAPITAL AND RESERVES</b>			
Share capital	14	<b>82,500</b>	82,500
Reserves		<b>1,930,987</b>	1,811,339
		<b>2,013,487</b>	1,893,839

# Interim Results

## 中期業績

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2013

### 簡明綜合權益變動表

截至2013年6月30日止6個月

		Share capital	Share premium	Non-distributable reserve	Safety fund reserve	Translation reserve	Hedging reserve	Share options reserve	Special reserve	Accumulated profits	Total
		股本	股份溢價	不可分派儲備	安全基金儲備	匯兌儲備	對沖儲備	購股權儲備	特別儲備	累計溢利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(note i)					(note ii)		
				(附註i)					(附註ii)		
At 1 January 2012 (audited)	於2012年1月1日(經審核)	82,500	20,307	126,937	-	141,965	(2,963)	129,174	(97,362)	1,258,063	1,658,621
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	200,096	200,096
Other comprehensive expense for the period	期內其他全面支出	-	-	-	-	(21,655)	(4,175)	-	-	-	(25,830)
Total comprehensive (expense) income for the period	期內全面(支出)收益總額	-	-	-	-	(21,655)	(4,175)	-	-	200,096	174,266
Recognition of equity-settled share-based payments	確認以股本結算為基礎之付款	-	-	-	-	-	-	14,128	-	-	14,128
Realised on loss on derivative financial instrument	衍生金融工具損益之變現	-	-	-	-	-	(177)	-	-	177	-
Dividend recognised as distribution	已確認分派之股息	-	-	-	-	-	-	-	-	(99,000)	(99,000)
Transfer to non-distributable reserve	轉入不可分派儲備	-	-	23,044	-	-	-	-	-	(23,044)	-
<b>At 30 June 2012 (unaudited)</b>	<b>於2012年6月30日(未經審核)</b>	<b>82,500</b>	<b>20,307</b>	<b>149,981</b>	<b>-</b>	<b>120,310</b>	<b>(7,315)</b>	<b>143,302</b>	<b>(97,362)</b>	<b>1,336,292</b>	<b>1,748,015</b>
At 1 January 2013 (audited)	於2013年1月1日(經審核)	82,500	20,307	166,640	16,644	139,849	(7,466)	157,430	(97,362)	1,415,297	1,893,839
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	150,155	150,155
Other comprehensive income for the period	期內其他全面收益	-	-	-	-	28,890	3,937	-	-	-	32,827
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	28,890	3,937	-	-	150,155	182,982
Recognition of equity-settled share-based payments	確認以股本結算為基礎之付款	-	-	-	-	-	-	3,000	-	-	3,000
Dividend recognised as distribution	已確認分派之股息	-	-	-	-	-	-	-	-	(66,000)	(66,000)
Transfer to non-distributable reserve	轉入不可分派儲備	-	-	12,063	-	-	-	-	-	(12,063)	-
Utilisation of safety fund reserve	安全基金儲備的使用	-	-	-	(334)	-	-	-	-	-	(334)
<b>At 30 June 2013 (unaudited)</b>	<b>於2013年6月30日(未經審核)</b>	<b>82,500</b>	<b>20,307</b>	<b>178,703</b>	<b>16,310</b>	<b>168,739</b>	<b>(3,529)</b>	<b>160,430</b>	<b>(97,362)</b>	<b>1,487,389</b>	<b>2,013,487</b>

notes:

附註:

- According to the relevant laws in the People's Republic of China ("PRC"), wholly foreign-owned enterprises in the PRC are required to transfer at least 10% of their net profits after taxation, as determined under the PRC accounting regulations, to a non-distributable reserve fund until the reserve balance reaches 50% of their registered capital. The transfer to this reserve must be made before the distribution of a dividend to equity owners. The non-distributable reserve fund can be used to offset the previous years' losses, if any. The non-distributable reserve fund is non-distributable other than upon liquidation.
- The special reserve of the Group represents the difference between the nominal value of the share capital issued by the Company and the nominal value of the share capital of the subsidiaries acquired pursuant to a group reorganisation in December 2001.
- 根據中華人民共和國(「中國」)相關法律，在中國的外資企業須結轉最少10%除稅後溢利(根據中國會計規定釐定)至不可分派儲備，直至儲備結餘達到註冊資本50%。該儲備必須在分派股息給股東前結轉。不可分派儲備可用作抵銷過往年度虧損(如有)。除清盤外，不可分派儲備是不得分派。
- 本集團之特別儲備乃本公司透過2001年12月之集團重組所收購之附屬公司的股本面值與本公司已發行股本面值之差額。

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six months ended 30 June 2013

**簡明綜合現金流量表**

截至2013年6月30日止6個月

		<b>Six months ended 30 June</b>	
		<b>截至6月30日止6個月</b>	
		<b>2013</b>	2012
		<b>(Unaudited)</b>	(Unaudited)
		(未經審核)	(未經審核)
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	經營業務所得現金淨額	<b>239,055</b>	194,002
<b>INVESTING ACTIVITIES</b>	投資活動		
Purchase of property, plant and equipment	購置物業、廠房及設備	<b>(322,655)</b>	(15,333)
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備之已付訂金	<b>(101,604)</b>	(136,468)
Loan to a jointly venture	合營企業貸款	<b>(14,350)</b>	(21,840)
Payment for prepaid lease payments	預付租賃款項支出	<b>(11,942)</b>	(16,660)
Interest received	已收利息	<b>32,707</b>	34,934
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	<b>27</b>	-
Further capital injection in a jointly venture	合營企業的進一步注資	<b>-</b>	(19,512)
<b>Net cash used in investing activities</b>	投資活動所耗現金淨額	<b>(417,817)</b>	(174,879)
<b>FINANCING ACTIVITIES</b>	融資活動		
Bank borrowings raised	籌集銀行借款	<b>408,500</b>	530,067
Repayment of bank borrowings	償還銀行借款	<b>(130,624)</b>	(114,828)
Dividends paid	已付股息	<b>(66,000)</b>	(99,000)
Interest paid	已付利息	<b>(20,311)</b>	(15,670)
Settlement of derivative financial instruments under hedge accounting	衍生金融工具於對沖會計法下結算	<b>(2,438)</b>	(1,843)
<b>Net cash generated from financing activities</b>	融資活動所得現金淨額	<b>189,127</b>	298,726
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	現金及等同現金項目增加淨額	<b>10,365</b>	317,849
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	於期初之現金及等同現金項目	<b>1,520,219</b>	1,233,108
<b>EFFECT OF CHANGES IN EXCHANGE RATES</b>	匯率變動之影響	<b>(17,123)</b>	(13,134)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	於期末之現金及等同現金項目	<b>1,513,461</b>	1,537,823



# Interim Results

## 中期業績

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 1. BASIS OF PRESENTATION

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

The functional currency of the Company is Renminbi (“RMB”). The condensed consolidated financial statements is presented in Hong Kong dollars (“HK\$”) because the Company’s shares are listed on the Stock Exchange and most of its potential investors are located in Hong Kong.

#### 2. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2012.

In the current interim period, the Group has applied, for the first time, certain new or revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are mandatorily effective for the current interim period.

### 簡明綜合財務報表附註

#### 1. 呈列基準

簡明綜合財務報表乃根據香港會計師公會頒布之香港會計準則第34號中期財務報告及香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄16之適用規定所編製而成。

本公司的功能貨幣為人民幣。由於本公司股份在聯交所上市及其大部份潛在投資者位於香港，故簡明綜合財務報表乃以港元呈列。

#### 2. 主要會計政策

本簡明綜合財務報表乃按歷史成本法編製，惟按公平值計量之若干金融工具除外。

除下文所述，應用在截至2013年6月30日止6個月之簡明綜合財務報表的會計政策及計算方法，與編製2012年12月31日止全年的財務報表所用者一致。

於本期間，本集團已首次應用由香港會計師公會頒布且已於本期內強制生效之新訂及經修訂的香港財務報告準則。

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Impact of the application of HKFRS 11

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures*, and the guidance contained in a related interpretation, HK(SIC)-Int 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*, has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 had three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was classified as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations are different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

The application of HKFRS 11 does not result in changes in the accounting of the Group's jointly ventures that are previously accounted for using the equity method under HKAS 31.

## 2. 主要會計政策(續)

### 應用香港財務報告準則第11號的影響

香港財務報告準則第11號取代香港會計準則第31號「於合營企業的權益」，相關詮釋的指引，即香港(常設詮釋委員會)一詮釋第13號「共同控制實體—合營企業的非貨幣性投入」，已經與香港會計準則第28號(於2011年修訂)合併。香港財務報告準則第11號訂明由兩個或以上團體擁有共同控制權的共同安排應如何分類及說明。根據香港財務報告準則第11號，共同安排祇歸類為兩種—合營業務及合營企業。根據香港財務報告準則第11號，共同安排的分類具體視乎各方於該等安排下的權利及責任而釐定，並考慮其結構、該等安排的法律形式、各方於該等安排下同意的合約條款及有關係的其他事實和環境。合營業務是一種合營安排，各方於該等安排下(合營經營者)共同擁有合營安排的資產及其負債責任。合營企業是一種合營安排，各方於該等安排下(合營企業者)共同擁有合營安排下的淨資產。以往根據香港會計準則第31號，共同安排分為三個類別：共同控制實體、共同控制業務及共同控制資產。根據香港會計準則第31號，共同安排的分類主要視乎該等安排的法律形式(例如透過一個獨立實體而形成的合營安排將被分類為共同控制實體)。

合營企業和合營業務各有不同的初始和隨後的會計方法。合營企業之投資採用權益會計法入賬(不再容許比例綜合會計法)。在合營業務之投資下，每一個合營經營者確認其資產(包括共同擁有資產的應佔部份)、負債(包括共同涉及負債的應佔部份)、收入(包括從銷售合營業務的輸出品收入的應佔部份)、及其開支(包括共同涉及開支的應佔部份)。每一個合營經營者應按相關準則為其合營業務有關之資產、負債、收入及開支入賬。

應用香港財務報告準則第11號不會改變以往根據香港會計準則第31號所採用的權益會計法入賬的合營企業。

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### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequentially amendments have been made to HKAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition "fair value" and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements accordingly.

#### Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is allocated on the same basis – the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

### 2. 主要會計政策(續)

#### 香港財務報告準則第13號公平值計量

於本期間，本集團首次應用香港財務報告準則第13號。香港財務報告準則第13號建立有關公平值計量及公平值計量之披露的單一指引，並取代過往刊載於其他香港財務報告準則之規定。香港會計準則第34號作出相對性修改，規定於中期簡明綜合財務報表作出適當的披露。

香港財務報告準則第13號的範圍廣泛，它應用於其他香港財務報告準則規定或允許公平值計量及有關公平值計量披露的金融工具項目及非金融工具項目，惟有少數豁免情況。香港財務報告準則第13號包含「公平值」的新定義，定義公平值為在資本(或在最有利的)市場中，根據計量日的當時市場狀況，釐定出售資產所得到或轉讓負債所付出的作價。在香港財務報告準則第13號下，公平值是一個出售價格，不管該價格是可以直接觀察或利用其他評估方法而預算出來。還有，香港財務報告準則第13號包含廣泛的披露規定。

根據香港財務報告第13號的過渡條文，本集團已採用新公平值計量及披露規定。

#### 香港會計準則第1號呈列其他全面收入項目的修訂本

香港會計準則第1號的修訂本為全面收益表及收益表引入新的術語。根據香港會計準則第1號的修訂本，「全面收益表」更名為「損益及其他全面收益表」。香港會計準則第1號的修訂本保留以單一報表或兩份獨立但連續報表呈列損益及其他全面收入的選擇權。然而，香港會計準則第1號的修訂本規定在其他全面收益部份作額外披露，而使其他全面收入項目劃分為兩類：(a)其後不會重新分類至損益的項目；及(b)於達成特定條件時，其後可重新分類至損益的項目。其他全面收入項目的所得稅須按相同基準予以分配，修訂本並無變動按除稅前或除稅後呈列其他全面收入項目的選擇權。修訂本已追溯採用，因此其他全面收益項目的呈列已按此等修訂作出相應修改。

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Amendments to HKAS 34 Interim Financial Reporting

The Group has applied the amendments to HKAS 34 *Interim Financial Reporting* as part of the Annual Improvements to HKFRSs 2009–2011 Cycle for the first time in the current interim period. The amendments to HKAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the interim financial statements only when the amounts are regularly provided to the chief operating decision makers (the “CODMs”) and there has been a material change from the amounts disclosed in the last annual financial statements for the reportable segment.

Since the CODMs review the Group’s results and financial position as a whole for performance assessment and resources allocation purposes, the Group has not included total asset information as part of segment information.

Except as described above, the application of other new or revised HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

## 3. SEGMENT INFORMATION

### (a) Operating segments

Information reported to the Chairman of the Company, being the CODM, for the purposes of resources allocation and assessment of segment performance focuses on types of goods sold.

The CODM regards the Chemical Business as the Group’s sole operating reportable segment and reviews the Group’s results and financial position as a whole for the purpose of performance measurement and resources allocation. Accordingly, no segment analysis is presented other than entity wide disclosure.

## 2. 主要會計政策(續)

### 香港會計準則第34號中期財務報告的修訂本

於本期間，本集團首次應用香港會計準則第34號的修訂本，作為香港財務報告準則2009年至2011年週年期之年度改進的一部份。香港會計準則第34號的修訂本澄清，只有特定的呈報分類總資產和總負債的金額是定期提供給主要營運決策人及與上一份年終財務報表所披露的金額存市重大轉變的性況下，中期財務報告需要分開披露該呈報分類總資產和總負債金額。

鑑於主要營運決策人檢討其整體財政狀況以作出資源分配及評核分部表現，本集團沒有把總資產資料包含於分類資料裡面。

除上文所述外，於本期間應用其他新訂或經修訂的香港財務報告準則並無對該等簡明綜合財務報表之呈報金額及／或該等簡明財務報表所載披露資料構成任何重大影響。

## 3. 分部資料

### (a) 經營分部

銷售商品種類是作為呈報分部資料的劃分基礎，向本集團主席，作為主要經營決策者呈報資料，以作出資源分配及評核分部表現。

本集團主要營運決策者以化工業務為本集團的唯一可報告分部，並檢討其整體財政狀況以作出資源分配及評核分部表現。因此，本集團並無編製任何分部資料分析。

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### 3. SEGMENT INFORMATION (CONTINUED)

#### (b) Geographical information

The Group's operations are located in the PRC.

The Group's revenue from external customers by geographical location is detailed below:

		Revenue from external customers 來自外部客戶的收入 Six months ended 30 June 截至6月30日止6個月	
		2013 HK\$'000 千港元	2012 HK\$'000 千港元
PRC	中國	588,809	851,179
The United States of America	美國	-	37,537
Korea	韓國	-	2,231
		<b>588,809</b>	<b>890,947</b>

#### (c) Revenue from major products

The following is an analysis of the Group's revenue from its major products:

		Six months ended 30 June 截至6月30日止6個月	
		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Chloromethane products	甲烷氯化物	224,964	334,390
Caustic soda	燒碱	278,817	350,271
Hydrogen peroxide	過氧化氫	62,994	54,939
Others	其他	22,034	151,347
		<b>588,809</b>	<b>890,947</b>

#### (d) Information about major customers

No customer contributed over 10% of the total sales of the group in both periods.

### 3. 分部資料(續)

#### (b) 地區資料

本集團業務位於中國。

本集團來自外部客戶之收入按地區劃分詳情如下：

		Revenue from external customers 來自外部客戶的收入 Six months ended 30 June 截至6月30日止6個月	
		2013 HK\$'000 千港元	2012 HK\$'000 千港元
PRC	中國	588,809	851,179
The United States of America	美國	-	37,537
Korea	韓國	-	2,231
		<b>588,809</b>	<b>890,947</b>

#### (c) 主要產品收入

集團主要產品收入分析如下：

		Six months ended 30 June 截至6月30日止6個月	
		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Chloromethane products	甲烷氯化物	224,964	334,390
Caustic soda	燒碱	278,817	350,271
Hydrogen peroxide	過氧化氫	62,994	54,939
Others	其他	22,034	151,347
		<b>588,809</b>	<b>890,947</b>

#### (d) 關於主要客戶資料

兩個期間均無銷售客戶超過本集團的銷售額10%。



#### 4. OTHER INCOME

#### 4. 其他收入

		<b>Six months ended 30 June</b>	
		截至6月30日止6個月	
		<b>2013</b>	2012
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Bank interest income	銀行利息收入	<b>32,707</b>	34,934
Government grant	政府補貼	<b>25,653</b>	26,464
Exchange gain	匯兌收益	<b>38,778</b>	1,332
Net gain from fair value changes on derivative financial instruments	衍生金融工具於公平值變動之淨收益	<b>8,495</b>	-
Others	其他	<b>11,421</b>	2,257
		<b>117,054</b>	64,987

#### 5. FINANCE COSTS

#### 5. 融資成本

		<b>Six months ended 30 June</b>	
		截至6月30日止6個月	
		<b>2013</b>	2012
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Interest on bank borrowings wholly repayable within five years	須於五年內全部償還之銀行借款的利息支出	<b>20,311</b>	15,670
Net adjustment on interest rate swaps designated as cash flow hedges of floating rate debt	作浮息借款現金流對沖的利息掉期合約之調整淨額	<b>2,438</b>	1,843
		<b>22,749</b>	17,513

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### 6. INCOME TAX EXPENSE

### 6. 所得稅支出

		<b>Six months ended 30 June</b>	
		<b>截至6月30日止6個月</b>	
		<b>2013</b>	2012
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
The charge comprises:	支出包括：		
Current tax:	本期稅項：		
PRC Enterprise Income Tax ("EIT")	中國企業所得稅	<b>38,504</b>	35,174
Deferred tax:	遞延稅項：		
Current period	本期間	<b>(12,633)</b>	—
		<b>25,871</b>	35,174

The Group's major business is in the PRC. Under the Law of the PRC on EIT and its Implementation Regulation, the tax rate of the PRC subsidiaries is 25%.

Pursuant to the relevant laws and regulations in the PRC, Jiangsu Lee & Man Chemical Limited ("Jiangsu Lee & Man") is exempted from PRC EIT for two years starting from 2008, followed by a 50% reduction for the next three years. These tax holidays and concessions expired in 2012. For the calendar year of 2013, Jiangsu Lee & Man was entitled to a reduced EIT rate of 15% as it has been qualified as a High and New-Tech Enterprise.

No provision for Hong Kong Profits Tax is made for both periods since there is no assessable profit for both periods.

本集團的主要業務位於中國。根據中國企業所得稅法及企業所得稅法實施條例，中國附屬公司之稅率為25%。

根據中國相關法律及條例，江蘇理文化工有限公司（「江蘇理文」）自2008年起豁免兩年中國企業所得稅，而隨後三年則享有稅務減半優惠。此稅務優惠待遇已於2012年終止。於2013年度，由於江蘇理文獲得高新技術企業資格，故享有企業所得稅優惠稅率15%。

由於並無應評稅利潤，故兩個期間均無提撥香港利得稅。



## 7. PROFIT FOR THE PERIOD

## 7. 期內溢利

		<b>Six months ended 30 June</b>	
		截至6月30日止6個月	
		<b>2013</b>	2012
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Profit for the period has been arrived at after charging:	期內溢利已扣除：		
Directors' emoluments	董事薪酬	<b>4,509</b>	5,186
Share-based performance related incentive	以股份為基礎之表現獎金	<b>3,000</b>	14,128
Other staff costs	其他職員成本	<b>36,998</b>	24,986
Retirement benefit schemes contributions (excluding directors)	退休福利計劃供款(董事除外)	<b>1,962</b>	1,894
		<hr/>	<hr/>
Total staff costs	員工成本總額	<b>46,469</b>	46,194
		<hr/>	<hr/>
Amortisation of prepaid lease payments	預付租賃款項攤銷	<b>867</b>	465
Amortisation of intangible assets	無形資產攤銷	<b>609</b>	598
Cost of inventories recognised as expenses	已確認為支出的存貨成本	<b>418,614</b>	581,219
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	<b>57,288</b>	55,003
Research and development costs (included in general and administrative expenses)	研發費用(包括在行政費用內)	<b>16,268</b>	34,851
		<hr/>	<hr/>

## 8. DIVIDENDS

## 8. 股息

		<b>Six months ended 30 June</b>	
		截至6月30日止6個月	
		<b>2013</b>	2012
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Final dividend paid during the period:	期內已派付之末期股息：		
2012 final dividend HK8.0 cents per share (2011: HK12.0 cents)	2012年末期股息每股8.0港仙(2011: 12.0港仙)	<b>66,000</b>	99,000
		<hr/>	<hr/>
Interim dividend declared subsequent to period end:	期後已宣派之中期股息：		
2013 interim dividend HK7.0 cents per share (2012: HK8.0 cents)	2013年中期股息每股7.0港仙(2012: 8.0港仙)	<b>57,750</b>	66,000
		<hr/>	<hr/>

The Board has declared that an interim dividend of HK7.0 cents (2012: HK8.0 cents) per share for the six months ended 30 June 2013 to shareholders whose names appear in the Register of Members on 21 August 2013.

董事會議決宣派截至2013年6月30日止6個月之中期股息每股7.0港仙(2012: 8.0港仙)予於2013年8月21日名列股東名冊內之股東。



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### 9. EARNINGS PER SHARE

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

		<b>Six months ended 30 June</b>	
		<b>截至6月30日止6個月</b>	
		<b>2013</b>	2012
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Earnings for the purpose of basic and diluted earnings per share	用以計算每股基本及攤薄盈利之盈利	<b>150,155</b>	200,096
		<b>Number of shares</b>	Number of shares
		股份數量	股份數量
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	用以計算每股基本及攤薄盈利的普通股加權平均數	<b>825,000,000</b>	825,000,000

The presentation of diluted earnings per share for both periods did not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price for shares in both periods.

### 9. 每股盈利

就應佔公司擁有人溢利所計算的每股基本及攤薄盈利乃按下列數據釐定：

由於兩個期間該等購股權之行使價超出股份平均市價，故呈列兩個期間每股攤薄盈利時並無假設本公司購股權獲行使。

### 10. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK\$323 million (2012: HK\$168 million) on property, plant and equipment to expand its operation.

### 10. 添置物業、廠房及設備

期內，本集團就物業、廠房及設備耗資約3.23億港元(2012：1.68億港元)，以擴展集團業務。

### 11. INVENTORIES

		<b>At</b>	At
		<b>於</b>	於
		<b>30.06.2013</b>	31.12.2012
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Raw materials and consumables	原材料及耗用品	<b>57,577</b>	44,811
Work in progress	在製品	<b>6,136</b>	7,048
Finished goods	製成品	<b>27,528</b>	24,394
		<b>91,241</b>	76,253

### 11. 存貨

**12. TRADE AND OTHER RECEIVABLES**

The Group generally allows its trade customers an average credit period ranged from 7 to 60 days.

Included in the balance are trade and bills receivables of approximately HK\$49,763,000 (31.12.2012: HK\$75,769,000). The aged analysis of trade and bills receivables based on the invoice date at the end of the reporting period is as follows:

		At 於 <b>30.06.2013</b> <b>HK\$'000</b> 千港元	At 於 31.12.2012 HK\$'000 千港元
Less than 30 days	少於30天	<b>49,756</b>	72,307
31 to 60 days	31至60天	<b>7</b>	2,665
61 to 90 days	61至90天	<b>-</b>	797
		<b>49,763</b>	75,769
Prepayment, deposits and other receivables	預付款、訂金及其他應收款	<b>83,186</b>	65,141
Value-added tax receivables	應收增值稅項	<b>58,253</b>	19,128
		<b>191,202</b>	160,038

**13. TRADE AND OTHER PAYABLES**

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period obtained for trade purchases is 7 to 45 days.

Included in trade and other payables are trade and bills payables of approximately HK\$65,449,000 (31.12.2012: HK\$43,970,000). The aged analysis of trade and bills payables based on the invoice date at the end of the reporting period is as follows:

		At 於 <b>30.06.2013</b> <b>HK\$'000</b> 千港元	At 於 31.12.2012 HK\$'000 千港元
Less than 30 days	少於30天	<b>46,703</b>	32,286
31 to 60 days	31至60天	<b>6,581</b>	2,374
61 to 90 days	61至90天	<b>4,060</b>	2,534
Over 90 days	90天以上	<b>8,105</b>	6,776
		<b>65,449</b>	43,970
Receipt in advance	預收款	<b>27,073</b>	26,472
Construction payable	應付工程款	<b>89,299</b>	24,926
Other payables and accruals	其他應付款和預提費用	<b>57,033</b>	56,657
		<b>238,854</b>	152,025

**12. 應收貿易及其他款項**

本集團一般給予貿易客戶之除賬期平均為7至60天。

應收貿易及其他款項包括應收賬款及票據約49,763,000港元(31.12.2012: 75,769,000港元)。應收賬款及票據於結算日按發票日期之賬齡分析如下:

**13. 應付貿易及其他款項**

應付貿易及其他款項主要包括貿易購貨及持續開支成本之未付額。貿易購貨之平均除賬期為7至45天。

應付貿易及其他款項包括應付賬款及票據約65,449,000港元(31.12.2012: 43,970,000港元)。應付賬款及票據於結算日按發票日期之賬齡分析如下:

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### 14. SHARE CAPITAL

### 14. 股本

		Number of ordinary shares 普通股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.1 each:	每股面值0.1港元之普通股：		
Authorised:	法定：		
At 1 January 2012, 30 June 2012, 1 January 2013 and 30 June 2013	於2012年1月1日、2012年 6月30日、2013年1月1日 及2013年6月30日	5,000,000,000	500,000
Issued and fully paid:	發行及繳足：		
At 1 January 2012, 30 June 2012, 1 January 2013 and 30 June 2013	於2012年1月1日、2012年 6月30日、2013年1月1日 及2013年6月30日	825,000,000	82,500

### 15. CAPITAL COMMITMENTS

### 15. 資本承擔

		At 於 30.06.2013 HK\$'000 千港元	At 於 31.12.2012 HK\$'000 千港元
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:	已訂約但未於簡明綜合財務報表中 撥備之資本性支出：		
– the acquisition of property, plant and equipment	– 購置物業、廠房及設備	499,000	423,558
– the acquisition of land use right	– 購入土地使用權	15,000	33,400

**16. CONNECTED AND RELATED PARTY TRANSACTIONS**

The Group had significant transactions with related parties, some of which are also deemed to be connected persons pursuant to the Listing Rules, during the period as follows:

Name of party 關連方名稱	Relationship 關係	Nature of transactions 交易性質	Six months ended 30 June 截至6月30日止6個月	
			2013 HK\$'000 千港元	2012 HK\$'000 千港元
<b>Connected parties</b> 關聯人士				
Lee & Man Paper Manufacturing Co. Ltd 理文造紙有限公司	A company beneficially owned and controlled by Mr Lee Wan Keung 由李運強先生實益擁有及控 制之公司	Electricity & steam services fees paid 已付發電及蒸氣服務費	<b>37,911</b>	37,745
		Sales of chemical industrial products 銷售化工工業產品	<b>2,236</b>	2,178
		Rental expense paid 已付租金	<b>989</b>	852
		Electricity & steam services fee received 已收發電及蒸氣服務費	<b>1,424</b>	—

**16. 關連交易**

本集團與相關各方，當中包括根據上市規則同時被界定為關連人士於期內所進行之重大交易如下：

**17. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS****Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis**

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets and liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**17. 金融工具之公平值計量****按經常基準計量其公平值之集團金融資產及金融負債**

於報告期末，部份集團金融資產及金融負債乃按公平值計算。下表提供如何釐定這些金融資產及金融負債之公平值的資料(特別是所使用的估值技術及輸入數據)，以及按輸入數據可被觀察的程度，如何將公平值計量分類至公平值級別的資料(第一級至第三級)。

- 第一級公平值計量為該等根據同類資產或負債於活躍市場之報價(未經調整)得出結果。
- 第二級公平值計量為該等根據第一級內所報價格以外，就資產或負債可觀察得出之輸入數據而得出之結果，不論為直接觀察得出(即價格)或間接觀察得出(即自價格衍生)。

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## 17. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## 17. 金融工具之公平值計量(續)

- 第三級公平值計量為該等使用估值技術得出之結果，估值技術包括並非根據可觀察市場數據得出之資產及負債輸入數據(不可觀察之輸入數據)。

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
	30.06.2013 HK\$'000 千港元	31.12.2012 HK\$'000 千港元				
金融資產/金融負債	公平值於	公平值級別		估值技術及重要輸入數據	不可觀察之重大輸入數據	不可觀察之輸入數據與公平值的關係
1) Interest rate swap contracts classified as non-current assets and non-current liabilities in the condensed consolidated statement of financial position.	<b>Assets – 824</b> <b>Liabilities – 4,353</b>	Liabilities – 7,466	Level 2	Discounted cash flow Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contracted interest rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A
在簡明綜合財務狀況表中被分類為非流動資產及非流動負債的利率掉期合約。	<b>資產 – 824</b> <b>負債 – 4,353</b>	負債 – 7,466	第二級	貼現現金流 根據遠期利率(於報告期末可觀察的收益率曲線)及已訂約的利率來估計未來現金流，並採用一個能夠反映各對手信貸風險的比率將之貼現。	不適用	不適用
2) Foreign currency forward contracts classified as current assets and non-current liabilities in the condensed consolidated statement of financial position.	<b>Assets – 4,210</b> <b>Liabilities – 1,823</b>	Assets – 6,941 Liabilities – 2,273	Level 2	Discounted cash flow Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A
在簡明綜合財務狀況表中被分類為流動資產及非流動負債的外匯遠期合約。	<b>資產 – 4,210</b> <b>負債 – 1,823</b>	資產 – 6,941 負債 – 2,273	第二級	貼現現金流 根據遠期外幣兌換率(於報告期末可觀察的遠期外幣兌換率)及已訂約的遠期外幣兌換率來估計未來現金流，並採用一個能夠反映各對手信貸風險的比率將之貼現。	不適用	不適用



## 17. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

There were no transfers between 3 levels in both periods.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

## 18. REVIEW OF INTERIM ACCOUNTS

The condensed consolidated interim financial statements are unaudited, but have been reviewed by the Audit Committee.

## INTERIM DIVIDEND

The Board has declared an interim dividend of HK7.0 cents per share for the six months ended 30 June 2013 to shareholders whose names appear on the Register of Members on 21 August 2013. It is expected that the interim dividend will be paid around 29 August 2013.

## CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 19 August 2013 to 21 August 2013, both days inclusive, during which period no transfer of shares in the Company can be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars, Tricor Secretaries Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration no later than 4:00 p.m. on 16 August 2013.

## 17. 金融工具之公平值計量(續)

於兩個期間內，三個級別間並無轉讓。

本集團董事認為，按攤銷成本列入簡明綜合財務報表之金融資產及金融負債的賬面值與其公平值相若。

## 18. 審閱中期賬目

本簡明綜合中期財務報表乃未經審核，但已由審核委員會審閱。

## 中期股息

董事會議決宣派截至2013年6月30日止6個月之中期股息每股7.0港仙予於2013年8月21日名列股東名冊內之股東。預期中期股息將於2013年8月29日派發。

## 暫停辦理股份過戶登記

本公司將於2013年8月19日至2013年8月21日(首尾兩天包括在內)暫停辦理股份過戶登記手續。為符合獲派中期股息之資格，所有過戶文件連同有關股票最遲須於2013年8月16日下午4時前送達本公司位於香港皇后大道東28號金鐘匯中心26樓之股份過戶登記分處卓佳秘書商務有限公司，以辦理登記手續。

# Business Review and Outlook

## 業務回顧及展望

### BUSINESS REVIEW

For the six months ended 30 June 2013, the Group recorded a revenue of approximately HK\$589 million, decreased by 33.9% below the last corresponding period; and a net profit for the period of approximately HK\$150 million, representing a drop of 25.0% below the same period last year.

The significant decrease in net profit for the period was mainly attributable to the slowdown of economic growth in the PRC. The Group's main products demand fell amid the market oversupply. Product prices dropped sharply, resulting in a decrease in profit for the period.

The products prices remained low in the first half of the year. As compared to the last corresponding period, the average selling price per ton of our main chemical products, namely methylene chloride and chloroform, dropped sharply by approximately 31.3% and 43.6% respectively during the first half of the year while the by-product of caustic soda price per ton dropped by approximately 22.2%. In addition, the average purchase costs of raw materials, mainly including industrial crude salt and methanol, dropped by approximately 9.5%. The management believed that selling prices has reached the bottom and are expected to rise gradually in the fourth quarter of 2013, upon the introduction of government policies in stabilising the economy in the PRC.

As affected by the above factors, gross profit margin of the Group for the six month ended 30 June 2013 dropped from 34.8% of the last corresponding period to 28.9%; while the net profit margin increased from 22.5% of the last corresponding period to 25.5%, due to the exchange gain arising from the appreciation of RMB.

### OUTLOOK

For the coming two years, the key business focus of the Group will remain on the construction of a new plant in Ruichang City, Jiangxi Province. The Group will spend about RMB1.9 billion for development of the fluorochemical downstream products in two phases. The first production line will commence operation in the fourth quarter of 2013, and is expected to generate profit to the Group in the first quarter of 2014.

The project will be financed by internal funds and bank borrowings. As at 30 June 2013, the Group maintained bank balances and cash of approximately HK\$1.51 billion. The Group has sufficient cash and available banking facilities to meet its capital expenditure and working capital requirements.

As always, our management team will leverage on our internal technical innovation and scientific research and development in a pragmatic and aggressive approach and continue its persistent efforts to make great strides in the business development of the Group and deliver fruitful rewards to the shareholders.

### 業務回顧

截至2013年6月30日止6個月，本集團錄得總營業額約5.89億港元，較去年同期下跌33.9%，而期內溢利約1.50億港元，較去年同期下跌25.0%。

期內溢利顯著減少，主要受國內經濟增長放緩影響下，集團主產品需求回落，市場出現供過於求，以致產品售價較去年同期大幅下降，而利潤亦隨之減少。

集團產品價格於上半年處於低位，與去年同期比較，集團主產品二氯甲烷及三氯甲烷於上半年的平均每噸售價分別下跌約31.3%及43.6%；而副產品燒鹼的平均每噸售價同時下跌約22.2%；此外，原材料(主要包括工業原鹽及甲醇)之平均採購成本則下跌約9.5%。管理層認為產品價格現時已處於谷底，隨著國內穩定經濟政策陸續出台，預期產品價格將於本年第四季逐步回升。

受上述因素影響，截至2013年6月30日止6個月，集團毛利率由去年同期的34.8%下降至28.9%；但由於期內人民幣升值所產生之匯兌收益，使期內純利率由去年同期的22.5%上升至25.5%。

### 展望

今明兩年集團業務重點仍是在江西省瑞昌市籌建新廠房，集團斥資約19億人民幣，分兩期全力發展氟化工下游產品。第一期生產線將於2013年第四季投產。預期於2014年首季對集團利潤作出貢獻。

該項目資金將由內部資金及銀行借款組成。於2013年6月30日本集團銀行結餘及現金約15.1億港元。本集團已具備充裕的現金及可供動用的銀行備用額，以應付集團的資本性開支及營運資金的需要。

一如既往，管理層努力不懈，以務實進取的方向，並結合內部技術創新及科研開發，加速本集團實現跨越式發展，為股東帶來可觀的回報。

# Management Discussion and Analysis

## 管理層討論及分析

### RESULTS OF OPERATION

Revenue and net profit attributable to owners of the Group for the six months ended 30 June 2013 was HK\$589 million and HK\$150 million respectively, representing a decrease of 33.9% and 25.0%, as compared to HK\$891 million and HK\$200 million respectively for the last corresponding period. The basic earnings per share was HK18.2 cents for the period ended 30 June 2013 and HK24.3 cents for the last corresponding period.

#### Revenue and cost of sales

For the six months ended 30 June 2013, the Group recorded a revenue of approximately HK\$589 million, decreased by 33.9% below the last corresponding period. Due to the slowdown of economic growth in the PRC, the Group's main products demand fell amid the market oversupply and the product prices dropped sharply, resulting in a decrease in revenue for the period. As compared to the last corresponding period, the average selling price per ton of our main chemical products, namely methylene chloride and chloroform, dropped sharply by approximately 31.3% and 43.6% respectively during the first half of the year while the by-product of caustic soda price per ton dropped by approximately 22.2%. In addition, the average purchase costs of raw materials, mainly including industrial crude salt and methanol, dropped by approximately 9.5%.

As affected by the above factors, gross profit margin of the Group for the six month ended 30 June 2013 dropped from 34.8% of the last corresponding period to 28.9%.

#### Selling and distribution expenses

Selling and distribution expenses incurred for the six months ended 30 June 2013 was HK\$26.8 million, representing a decrease by 7.8% as compared to HK\$29.1 million for the last corresponding period. Such decrease was attributable to the cost control which resulted in the decrease of the product packaging cost by HK\$2.7 million.

#### General and administrative expenses

General and administrative expenses incurred for the six months ended 30 June 2013 was HK\$61.7 million, which decreased by HK\$31.2 million as compared to HK\$92.9 million for the last corresponding period. The expenses for current period included research and development costs of HK\$16.3 million (2012: HK\$34.9 million) and share-based performance related incentive of HK\$3.0 million (2012: HK\$14.1 million).

### 經營業績

截至2013年6月30日止6個月，本集團收入及期內本公司擁有人應佔溢利分別為5.89億港元及1.50億港元，較去年同期的8.91億港元及2.00億港元，分別下跌33.9%及25.0%。截至2013年6月30日止6個月，每股基本盈利為18.2港仙而去年同期為24.3港仙。

#### 收入及銷售成本

截至2013年6月30日止6個月，本集團錄得總營業額約5.89億港元，較去年同期下跌33.9%。由於國內經濟增長放緩，集團主產品需求回落，市場出現供過於求，令產品售價較去年同期大幅下降，以致本期收入亦隨之減少。與去年同期比較，集團主產品二氯甲烷及三氯甲烷於上半年的平均每噸售價分別下跌約31.3%及43.6%；而副產品燒鹼的平均每噸售價同時下跌約22.2%。此外，原材料(主要包括工業原鹽及甲醇)之平均採購成本則下跌約9.5%。

受上述因素影響，截至2013年6月30日止6個月，集團毛利率由去年同期的34.8%下降至28.9%。

#### 銷售及分銷費用

銷售及分銷費用截至2013年6月30日止6個月為2,680萬港元，較去年同期的2,910萬港元，下跌7.8%。該減少是由於透過成本控制，以致期內產品包裝費用減少270萬港元。

#### 行政費用

行政費用截至2013年6月30日止6個月為6,170萬港元，與去年同期9,290萬港元比較，減少3,120萬港元。期內費用包括研發費用1,630萬港元(2012: 3,490萬港元)及以股份為基礎之表現獎金300萬港元(2012: 1,410萬港元)。



# Management Discussion and Analysis

## 管理層討論及分析

### Finance costs

The interest expenses incurred for the six months ended 30 June 2013 was HK\$22.7 million, which increased by HK\$5.2 million as compared to HK\$17.5 million for the last corresponding period. Interest expenses rose during the period was mainly due to the increase in bank financing for the construction of a new production plant in Jiangxi. As at 30 June 2013, the total bank borrowings was HK\$1.69 billion (31.12.2012: HK\$1.42 billion). The Group has sufficient cash, as at 30 June 2013, the Group maintained bank balances and cash of approximately HK\$1.51 billion (31.12.2012: HK\$1.52 billion) which enables the Group to meet its future capital expenditure and working capital requirements.

### LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The total shareholders' equity of the Group as at 30 June 2013 was approximately HK\$2,013 million (31.12.2012: HK\$1,894 million). As at 30 June 2013, the Group had current assets of approximately HK\$1,808 million (31.12.2012: HK\$1,771 million) and current liabilities of approximately HK\$636 million (31.12.2012: HK\$390 million). The current ratio decreased from 4.54 as at 31 December 2012 to 2.84 as at 30 June 2013.

The Group generally finances its operations with internally generated cash flow and credit facilities provided by its principal bankers in Hong Kong and the PRC. As at 30 June 2013, the Group had outstanding bank borrowings of approximately HK\$1,689 million (31.12.2012: HK\$1,417 million). These bank loans were secured by corporate guarantees provided by the Company and its subsidiaries. As at 30 June 2013, the Group maintained bank balances and cash of approximately HK\$1,513 million (31.12.2012: HK\$1,520 million). The Group's net debt-to-equity ratio (total bank borrowings net of cash and cash equivalents over shareholders' equity) was 0.09 as at 30 June 2013 and compared to the net cash-to-equity ratio (cash and cash equivalents net of total bank borrowings over shareholders' equity) was 0.05 as at 31 December 2012.

The Group's liquidity position remains strong and the Group has sufficient cash and available banking facilities to meet its commitments, working capital requirements and future investments for expansion.

### EMPLOYEES

As at 30 June 2013, the Group had a workforce of around 1,100 people. Salaries of employees are maintained at competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. The Group also provides internal training to staff and provides bonuses based upon staff performance and profits of the Group. The Group has not experienced any significant problems with its employees or disruption to its operations due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff. The Group maintains a good relationship with its employees.

### 融資成本

利息支出截至2013年6月30日止6個月為2,270萬港元，與去年同期1,750萬港元比較，增加520萬港元。期內利息支出上升，主要由於集團為籌建江西新廠房而增加銀行融資。於2013年6月30日銀行借款總額為16.9億港元(31.12.2012：14.2億港元)。本集團有充裕資金，於2013年6月30日本集團銀行現金結餘為15.1億港元(31.12.2012：15.2億港元)，足以應付集團未來資本性開支及營運資金需要。

### 流動資金、財務資源及資本結構

於2013年6月30日，本集團的股東資金總額約20.13億港元(31.12.2012：18.94億港元)、流動資產約18.08億港元(31.12.2012：17.71億港元)及流動負債約6.36億港元(31.12.2012：3.90億港元)。流動比率由2012年12月31日的4.54下降至2013年6月30日的2.84。

本集團一般以內部產生的現金流量，以及中港兩地主要往來銀行提供的信貸備用額作為業務的營運資金。於2013年6月30日，本集團的未償還銀行借款約16.89億港元(31.12.2012：14.17億港元)。該等銀行借款由本公司及其若干附屬公司提供的公司擔保作為抵押。於2013年6月30日本集團銀行結餘及現金約15.13億港元(31.12.2012：15.20億港元)。本集團的淨資本負債比率(銀行借款總額減現金及等同現金項目除以股東權益)於2013年6月30日為0.09，而於2012年12月31日淨現金對權益比率(現金及等同現金項目減銀行借款總額除以股東權益)為0.05。

本集團保持著強勁的流動資金並具備充裕的現金及可供動用的銀行備用額，以應付集團的資本承擔、營運資金需要及未來的投資發展。

### 僱員

於2013年6月30日，本集團有約1,100名員工。僱員薪酬維持於具競爭力水平，並會每年評估，且密切留意有關勞工市場及經濟市場趨勢。本集團亦為僱員提供內部培訓，並按員工表現及本集團盈利發放花紅。本集團並無遭遇任何重大僱員問題，亦未曾因勞資糾紛令營運中斷，在招聘及挽留經驗豐富的員工方面亦不曾出現困難。本集團與僱員的關係良好。

## Other Information

### 其他資料

#### SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 14 December 2001 for the purpose of providing incentives to directors and eligible persons. The Scheme remained in force for a period of 10 years from adoption of such scheme and expired on 13 December 2010.

Under the Scheme, the Company's board of directors could at their discretion grant options to (i) any director, employee or consultant of the Company or a company in which the Company holds an equity interest or a subsidiary of such company ("Affiliate"); or (ii) any discretionary trust whose discretionary objects include any director, employee or consultant of the Company or an Affiliate; or (iii) a company beneficially owned by any director, employee or consultant of the Company or an Affiliate; or (iv) any customer, supplier or adviser as may be determined by the directors of the Company from time to time to subscribe for the shares of the Company.

Options granted must be taken up within 21 days of the date of grant. The maximum number of shares of the Company in respect of which options might be granted under the Scheme were not to exceed 10% of the issued share capital of the Company any point in time. The maximum number of the shares of the Company in respect of which options might be granted to any individual in any 12-month period were not to exceed 1% of the shares of the Company in issue on the last date of such 12-month period unless approval of the shareholders of the Company was obtained in accordance with the Listing Rules.

Options may be exercised during such period (including the minimum period, if any, for which an option must be held before it could be exercised) as may be determined by the directors of the Company (which shall be less than ten years from the date of issue of the relevant option). Options could be granted without initial payment. The exercise price was to equal to the highest of (i) nominal value of the shares of the Company; (ii) the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options; and (iii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options.

#### 購股權計劃

本公司根據一項於2001年12月14日通過之決議案，已採納購股權計劃（「計劃」），以獎勵董事及合適人士。計劃從採納後10年內有效，並於2010年12月13日屆滿。

根據計劃，本公司董事會可酌情向(i)本集團、本集團擁有股本權益之公司或該公司之附屬公司（「聯屬公司」）之任何董事、僱員或顧問；或(ii)受益人包括本集團或其聯屬公司之任何董事、僱員或顧問之任何全權信託；或(iii)由本集團或其聯屬公司之任何董事、僱員或顧問實益擁有之公司；或(iv)由董事會於不時決定之任何客戶、供應商或顧問授予購股權以認購本公司股份。

獲授予之購股權必須於獲授日起計21天內接納。有關根據計劃所授出之購股權所涉及之股份數目，在任何時候最高不得超過本公司已發行股本之10%。除非根據上市規則獲得本公司股東批准，否則於任何12個月期間授予任何個別人士之購股權之最高股份數目，不得超過於該12個月期間之最後一日已發行股份之1%。

購股權可於董事會釐定之有關期間（該期間將由發行有關購股權起計10年內，並包括購股權可予行使前必須持有之最短期限（如有））內行使。購股權可在毋須作出初期付款之情況下授出，並可按下述三項中之最高者作為行使價格(i)股份之面值；(ii)股份於授出購股權當日聯交所每日報價表所列之每股收市價；及(iii)股份於緊貼授出日期前5個交易日在聯交所之每日報價表所列之平均每股收市價。

## Other Information

### 其他資料

#### SHARE OPTION SCHEME (CONTINUED)

No options were granted by the Company under the Scheme before 23 April 2010.

The following table discloses movements of the Company's share options during the period ended 30 June 2013:

Director	Date of grant	Exercise price HK\$	Exercisable period	Number of share options 購股權數目				
				Outstanding at 01.01.2013 於2013年 1月1日 尚未行使	Granted during the period	Exercised during the period	Lapsed/ cancelled during the period	Outstanding at 30.06.2013 於2013年 6月30日 尚未行使
董事	授出日期	行使價 港元	行使期		期內授出	期內行使	期內到期 ／取消	
Lee Man Yan	23.04.2010	6.69	23.04.2011–22.04.2015	27,500,000	–	–	–	27,500,000
李文恩	23.04.2010	6.69	23.04.2012–22.04.2015	27,500,000	–	–	–	27,500,000
	23.04.2010	6.69	23.04.2013–22.04.2015	27,500,000	–	–	–	27,500,000
Total	總數			82,500,000	–	–	–	82,500,000
Exercisable at 30 June 2013				於2013年6月30日可行使				82,500,000

The options granted on 23 April 2010 may be exercised in accordance with the following terms of the share option scheme as to:

- (i) up to one-third of the options (i.e. options for an aggregate of 27,500,000 shares) will be exercisable from 23 April 2011 to 22 April 2015 (both dates inclusive) if the net Profit after taxation ("Net Profit") for the financial year ended 31 December 2010 equals or exceeds 115% of the Net Profit for the financial year ended 31 December 2009;

#### 購股權計劃(續)

於2010年4月23日以前，本公司並無根據計劃授出購股權。

於2013年6月30日期內本公司購股權變動如下呈列：

於2010年4月23日授出股權可根據以下購股權計劃之條款行使：

- (i) 如截至2010年12月31日止財政年度之淨利潤相等於或超過截至2009年12月31日止財政年度之淨利潤115%，則最多三分之一的購股權(即累計共27,500,000股購股權)將可於2011年4月23日至2015年4月22日(包括首尾兩天)內行使：

**SHARE OPTION SCHEME (CONTINUED)**

- (ii) up to two-thirds of the options (i.e. options for an aggregate of 55,000,000 shares) will be exercisable from 23 April 2012 to 22 April 2015 (both dates inclusive) if the Net Profit for the financial year ending 31 December 2011 equals or exceeds 130% of the Net Profit for the financial year ended 31 December 2009;
- (iii) all of the options (i.e. options for an aggregate of 82,500,000 shares) will be exercisable from 23 April 2013 to 22 April 2015 (both dates inclusive) if the Net Profit for the financial year ending 31 December 2012 equals or exceeds 145% of the Net Profit for the financial year ended 31 December 2009;
- (iv) to the extent any options have not become exercisable by 23 April 2014 (i.e. options for an aggregate of 82,500,000 shares), they will be exercisable from 23 April 2014 to 22 April 2015 (both dates inclusive) if the Net Profit for the financial year ending 31 December 2013 equals or exceeds 160% of the Net Profit for the financial year ended 31 December 2009.

The option shall lapse if the options holder by reason of voluntary resignation or by termination of his employment in accordance with the termination provisions of his contract of employment.

At 30 June 2013, the number of shares in respect of which options had been granted and remained outstanding under the Scheme represented 10% (31.12.2012: 10%) of the issued share capital at that date.

**購股權計劃(續)**

- (ii) 如截至2011年12月31日止財政年度之淨利潤相等於或超過截至2009年12月31日止財政年度之淨利潤130%，則最多三分之二的購股權(即累計55,000,000股購股權)將可於2012年4月23日至2015年4月22日(包括首尾兩天)內行使；
- (iii) 如截至2012年12月31日止財政年度之淨利潤相等於或超過截至2009年12月31日止財政年度之淨利潤145%，則全部購股權(即累計共82,500,000股購股權)將可於2013年4月23日至2015年4月22日(包括首尾兩天)內行使；
- (iv) 倘若任何購股權(即累計共82,500,000股購股權)直至2014年4月23日並未能獲得行使權，如截至2013年12月31日止財政年度之淨利潤相等於或超過截至2009年12月31日止財政年度之淨利潤160%，則全部購股權將可於2014年4月23日至2015年4月22日(包括首尾兩天)內行使。

倘購股權持有人因自願離職或根據其僱傭合約之終止條文被終止聘用，購股權將失效。

於2013年6月30日，有關已授出購股權的股份數目及在計劃下尚未行使代表10% (31.12.2012：10%)在此日期已發行股本。

## Other Information

### 其他資料

#### SHARE OPTION SCHEME (CONTINUED)

#### 購股權計劃(續)

The total fair value of the share options granted under the Scheme as at 23 April 2010 is approximately HK\$163,430,000, calculated using the Binomial Model (the "Model"). The inputs into the Model and the estimated fair value of the share options are as follows:

於2010年4月23日所授出購股權之公平值為約163,430,000港元，採用二項式模型釐定（「模型」）。模型的輸入數據及購股權之估計公平值呈列如下：

		<b>Share options with an exercisable period from 購股權之 行使期由 23.04.2011 to 22.04.2015</b>	<b>Share options with an exercisable period from 購股權之 行使期由 23.04.2012 to 22.04.2015</b>	<b>Share options with an exercisable period from 購股權之 行使期由 23.04.2013 to 22.04.2015</b>
Share price at date of grant	於授出日期之股價	HK\$6.69	HK\$6.69	HK\$6.69
Exercise price	行使價	HK\$6.69	HK\$6.69	HK\$6.69
Expected volatility	預期波幅	53.62%	53.62%	53.62%
		per annum 每年	per annum 每年	per annum 每年
Expected life of share options	購股權預期年期	5 years 年	5 years 年	5 years 年
Expected dividend yield	預期股息率	4.75%	4.75%	4.75%
Risk-free rate	無風險年利率	2.03%	2.03%	2.03%
Fair value of share option	購股權之公平值	HK\$1.78	HK\$2.02	HK\$2.15

Fair values of ordinary share were estimated by the directors with reference to the valuation carried out by an independent firm of professional valuers.

普通股之公平值按董事估計並以獨立第三方估值師的估價作參考。

Expected volatility was determined by using the historical volatility of the Company's share price over the previous five years. The expected life used in the Model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

預期波幅按本公司過去五年公司股價之歷史波幅釐定。模型所採用預期年期已就不可轉讓、行使限制及行為考慮之影響按管理層最佳估計調整。

The risk free interest rate was estimated based on the yield of 5-year exchange fund note issued by the Hong Kong Monetary Authority as of the grant date.

無風險利率乃按香港金融管理局之五年期外匯基金債券率於授出日期估計。

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

用作計算購股權之公平值的變數及假設乃董事的最佳估計。購股權價值由主觀假設之不同變數而變更。

Share option expense of approximately HK\$3.00 million was recognised in the general and administrative expenses of the consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2013, calculated with reference to the vesting period.

購股權支出約300萬港元已於截至2013年6月30日止六個月之綜合損益及其他全面收益表中的行政費用確認，並以歸屬期間參考計算。

**ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES**

Other than disclosed in the "Share Option Scheme" above, at no time during the period was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries, a party to any arrangements 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.

**DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 30 June 2013, the interests and short positions of the directors and chief executives of the Company and their associates in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") of the Listing Rules, were as follows:

**(a) Long positions in shares of the Company**

Ordinary shares of HK\$0.1 each of the Company

<b>Name of director</b>	<b>Capacity</b>	<b>Number of issued ordinary shares held</b>	<b>Percentage of the issued share capital of the Company</b>
<b>董事姓名</b>	<b>身份</b>	<b>所持已發行普通股份數目</b>	<b>佔本公司已發行股本百分比</b>
Mr. Lee Man Yan 李文恩先生	Held by controlled corporation 由受控法團持有	618,750,000 (Note) (附註)	75%

Note: These shares are held by Fortune Star Tradings Ltd. ("Fortune Star").

**購買股份或債券之安排**

除上文「購股權計劃」所披露，本公司、其控股公司、或其任何附屬公司於本期間任何時間內，概無參與任何安排，使本公司董事籍購入本公司或任何其他法人團體之股份或債券而獲得利益。

**董事於股份、相關股份及債權證中之權益**

於2013年6月30日，本公司董事及最高行政人員及彼等之聯繫人於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中，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聯交所、或已記錄於根據證券及期貨條例第352條須存置之登記冊、或已根據上市規則之上市公司董事進行證券交易之標準守則（「標準守則」）知會本公司及聯交所之權益及淡倉如下：

**(a) 於本公司股份之好倉**

本公司每股0.1港元之普通股

附註：上述股份乃由 Fortune Star Tradings Ltd. (「Fortune Star」) 持有。

## Other Information

### 其他資料

#### DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

董事於股份、相關股份及債權證中之權益 (續)

#### (b) Directors' interests in the share options

#### (b) 董事於購股權之權益

Name of director	Capacity	Number of ordinary shares subject to options granted	Percentage of the issued share capital of the Company
董事姓名	身份	授出的購股權所涉及的普通股數目	佔本公司已發行股本百分比
Mr. Lee Man Yan 李文恩先生	Beneficial owner 實益擁有人	82,500,000	10%

#### (c) Long positions in shares of the associated corporations of the Company

#### (c) 於本公司相聯法團之股份好倉

Name of director	Capacity	Name of associated company	Number of issued ordinary shares held	Percentage of the Issued shares of the associated company
董事姓名	身份	相聯法團名稱	所持已發行普通股數目	佔相聯法團已發行股份之百分比
Mr. Lee Man Yan 李文恩先生	Beneficial owner 實益擁有人	Fortune Star	45 (Note) (附註)	45%

Note: As Fortune Star owns more than 50% of the Company, Fortune Star is an associated corporation of the Company under the SFO. The entire issued share capital of Fortune Star is owned by Mr. Lee Man Yan, a Director, as to 45% and Mr. Lee Wan Keung as to the remaining 55%. Ms. Wai Siu Kee is a director of Fortune Star.

附註：由於Fortune Star 擁有本公司50%以上權益，根據證券及期貨條例，Fortune Star 為本公司之相聯法團。Fortune Star 之全部已發行股本由董事李文恩先生持有45%及李運強先生持有餘下之55%，衛少琦女士為Fortune Star之董事。

Other than disclosed above, as at 30 June 2013, none of the directors or the chief executives, or any of their associates, had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

除上文所披露，於2013年6月30日，本公司董事或最高行政人員於本公司或其任何相聯法團之股份、相關股份及債權證中，概無擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所、或根據證券及期貨條例第352條須記錄於該條例所指之登記冊、或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

## SUBSTANTIAL SHAREHOLDERS

As at 30 June 2013, shareholders (other than directors and chief executives of the Company) who had interests and short positions in the shares and underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

### Long positions

Ordinary shares of HK\$0.1 each of the Company

Name of director 董事姓名	Capacity 身份	Number of issued ordinary shares held 所持已發行 普通股份數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Fortune Star	Beneficial owner 實益擁有人	618,750,000	75.00%

Other than disclosed above, as at 30 June 2013, the Company has not been notified by any person (other than directors or chief executives of the Company) who had an interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2013.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as a code of conduct regarding directors' securities transactions. All the members of the Board have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2013.

## CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance Code and Corporate Governance Report (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2013 except where stated and explained below.

## 主要股東

於2013年6月30日，股東（本公司董事或最高行政人員除外）於本公司之股份及相關股份中，擁有已根據證券及期貨條例第XV部第2及3分部向本公司披露、或已記錄於根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉如下：

### 好倉

本公司每股0.1港元之普通股

Number of issued ordinary shares held 所持已發行 普通股份數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
618,750,000	75.00%

除上文所披露，於2013年6月30日，概無任何人士（本公司董事或最高行政人員除外）通知本公司，指其在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第XV部第2及3分部須向本公司披露、或已記錄於根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉。

## 購買、出售或贖回本公司之上市證券

截至2013年6月30日止6個月內，本公司或其任何附屬公司概無購買、出售或贖回本公司之上市證券。

## 證券交易之標準守則

本公司已採納標準守則作為董事進行證券交易之行為守則。本公司經向所有董事作出具體查詢後，全體董事皆確認截至2013年6月30日止6個月內均遵守標準守則所載之規定標準。

## 企業管治

除下文所述者外，本公司於截至2013年6月30日止6個月內一直遵守上市規則附錄14所列表載之企業管治常規守則（「守則」）。



## Other Information

### 其他資料

#### COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Group has an Executive Chairman. No individual has been appointed as a chief executive officer. The Executive Chairman with the assistance of the Group's senior management team oversees and manages the Group's business. Other functions normally undertaken by a chief executive officer of a company are delegated to members of the Group's senior management team. This structure deviates from the code provision of Code that requires the roles of the chairman and the chief executive officer to be separate and not performed by the same individual. The Directors has considered this matter carefully and decided not to adopt the provision. The Directors believe that the current management structure has been effective in facilitating the operation and development of the Group and its business for a considerable period of time and that the necessary checks and balances consistent with sound corporate governance practices are in place. Accordingly, the Directors do not envisage the Group should change its current management structure. However, the Directors will review the management structure from time to time to ensure it continues to meet these objectives.

#### AUDIT COMMITTEE

The Audit Committee of the Company comprised of three independent non-executive directors namely, Mr. Wong Kai Tung, Tony, Mr Wan Chi Keung, Aaron BBS JP and Mr. Heng Victor Ja Wei.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the Group's unaudited interim results for the six months ended 30 June 2013.

#### REMUNERATION COMMITTEE

To comply with the Code, a remuneration committee had been established with specific written terms of reference which deal clearly with its authority and duties. The members of the remuneration committee comprises Mr. Wong Kai Tung, Tony, Mr. Wan Chi Keung, Aaron BBS JP and Mr Heng Victor Ja Wei. All members of the remuneration committee are independent non-executive directors.

#### NOMINATION COMMITTEE

To comply with the Code, a nomination committee had been established with specific written terms of reference which deal clearly with its authority and duties. The members of nomination committee comprises Ms. Wai Siu Kee (chairman), Mr. Wong Kai Tung, Tony, Mr. Wan Chi Keung, Aaron BBS JP, and Mr Heng Victor Ja Wei, of which three members are independent non-executive directors.

On behalf of the Board  
**Wai Siu Kee**  
 Chairman

Hong Kong, 5 August 2013

#### 遵守企業管治常規守則

本集團設有一位執行主席。並無任何人士獲委任為行政總裁。執行主席在本集團高級管理層協助下監督管理本集團之業務。其他一般由行政總裁處理之職務則由本集團高級管理層負責。守則之條文規定主席及行政總裁之職務需要清楚劃分，且不可由同一人擔任，而本集團之管理架構與此有所偏離。董事會已仔細考慮有關事宜，並決定不採納有關條文。董事會相信現行管理架構在過往一直有效地推動本集團及其業務之營運及發展，並已建立符合完善企業管治常規所需之審查及制衡機制。因此，董事會並不認為本集團應改變現有管理架構。然而，董事會將不時檢討管理架構，以確保其持續達致有關目標。

#### 審核委員會

本公司之審核委員會由3位獨立非執行董事王啟東先生、尹志強先生BBS太平紳士及邢家維先生組成。

審核委員會已與本集團之管理層檢討本集團所採納之會計原則及慣例，並已就內部監控及財務申報等事宜進行討論，其中包括審閱本集團截至2013年6月30日止6個月的未經審核中期業績。

#### 薪酬委員會

為符合守則，本公司已成立薪酬委員會，清楚說明委員會的權限及職責。薪酬委員會成員包括王啟東先生、尹志強先生BBS太平紳士、邢家維先生。全部均為獨立非執行董事。

#### 提名委員會

為符合守則，本公司已成立提名委員會，清楚說明委員會的權限及職責。提名委員會成員包括衛少琦女士(主席)、王啟東先生、尹志強先生BBS太平紳士、邢家維先生。其中三位成員為獨立非執行董事。

代表董事會  
 主席  
 衛少琦

香港，2013年8月5日

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