



Interim
Report
2013
中期報告

精細緻密
穩步向前
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STEADY GROWTH



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)

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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 (總經理)
郭希田先生
郭玉成先生

獨立非執行董事

高寶玉先生
梁錦雲先生
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

劉晨光先生 (主席)
高寶玉先生
梁錦雲先生
劉洪亮先生

提名委員會

劉洪亮先生 (主席)
梁錦雲先生
劉晨光先生

安全及環保委員會

郭玉成先生 (主席)
傅安旭先生
高寶玉先生

公司秘書

劉偉珍女士

獨立核數師

香港立信德豪會計師事務所有限公司

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Hongliang (Chairman)
Mr. Wang Zijiang (General Manager)
Mr. Guo Xitian
Mr. Guo Yucheng

Independent Non-Executive Directors

Mr. Gao Baoyu
Mr. Leung Kam Wan
Mr. Liu Chenguang

BOARD COMMITTEES

Audit Committee

Mr. Leung Kam Wan (Chairman)
Mr. Gao Baoyu
Mr. Liu Chenguang

Remuneration Committee

Mr. Liu Chenguang (Chairman)
Mr. Gao Baoyu
Mr. Leung Kam Wan
Mr. Liu Hongliang

Nomination Committee

Mr. Liu Hongliang (Chairman)
Mr. Leung Kam Wan
Mr. Liu Chenguang

Safety and Environmental Protection Committee

Mr. Guo Yucheng (Chairman)
Mr. Fu Anxu
Mr. Gao Baoyu

COMPANY SECRETARY

Ms. Lau Wai Chun

INDEPENDENT AUDITOR

BDO Limited

公司資料

Corporate Information

主要往來銀行

中國銀行(香港)有限公司
中國工商銀行濰坊市分行

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字樓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

中環夏慤道12號

美國銀行中心

22字樓

2204A室

總辦事處及

中華人民共和國(「中國」)

主要營業地點

中國

山東省

濰坊市

濰坊高新技術產業開發區

公司網址

www.tdchem.com

股份代號

聯交所：609

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of China,
Weifang Branch

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, Central
Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC")

Weifang High Tech Industry Development Zone
Weifang City
Shandong Province
The PRC

COMPANY WEBSITE

www.tdchem.com

STOCK CODE

The Stock Exchange: 609

簡明綜合收益表

Condensed Consolidated Income Statement

		截至六月三十日止六個月		
		Six months ended 30 June		
		二零一三年	二零一二年	
		2013	2012	
		人民幣千元	人民幣千元	
		RMB'000	RMB'000	
		(未經審核)	(未經審核)	
		(Unaudited)	(Unaudited)	
營業額	Turnover	4	621,474	509,808
銷貨成本	Cost of sales		(445,757)	(391,347)
毛利	Gross profit		175,717	118,461
其他收入	Other income	4	2,149	2,955
銷售開支	Selling expenses		(14,416)	(11,433)
行政開支	Administrative expenses		(20,341)	(15,166)
財務成本	Finance costs	5	(3,107)	(5,686)
應佔一家合營公司 虧損	Share of loss of a joint venture		(1,586)	-
除所得稅前溢利	Profit before income tax	6	138,416	89,131
所得稅開支	Income tax expense	7	(38,624)	(16,793)
本公司擁有人應佔 本期溢利	Profit for the period attributable to the owners of the Company		99,792	72,338
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	9	人民幣0.118元	人民幣0.085元
— 基本及攤薄	— Basic and diluted		RMB0.118	RMB0.085

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	
		二零一三年 2013 人民幣千元 RMB'000 (未經審核) (Unaudited)	二零一二年 2012 人民幣千元 RMB'000 (未經審核) (Unaudited)
本期溢利	Profit for the period	99,792	72,338
其他全面收益 其後可能重新分類至 收益表之項目	Other comprehensive income Items that may be reclassified subsequent to the income statement		
— 換算海外業務財務報表 產生之匯兌收益	– Exchange gains on translation of financial statements of foreign operations	41	105
本期其他全面收益	Other comprehensive income for the period	41	105
本公司擁有人應佔 本期全面收益總額	Total comprehensive income for the period attributable to the owners of the Company	99,833	72,443

簡明綜合財務狀況表

Condensed Consolidated Statement of Financial Position

			二零一三年 六月三十日 30 June 2013 人民幣千元 RMB'000 (未經審核) (Unaudited)	二零一二年 十二月三十一日 31 December 2012 人民幣千元 RMB'000 (經審核) (Audited)
	附註 Notes			
資產與負債		ASSETS AND LIABILITIES		
非流動資產		Non-current assets		
物業、廠房及 設備	10	Property, plant and equipment	531,222	473,262
預付土地租賃 款項		Prepaid land lease payments	53,354	54,001
投資物業		Investment properties	13,030	13,030
購買物業、廠房 及設備之 已付訂金		Deposits paid for acquisition of property, plant and equipment		
	11		7,289	22,008
於一家合營公司之 權益		Interests in a joint venture	46,926	48,511
			651,821	610,812
流動資產		Current assets		
存貨		Inventories	66,966	58,814
貿易應收賬及 應收票據	12	Trade and bills receivable	316,338	210,666
預付款項及其他 應收款項		Prepayments and other receivables	27,984	29,913
應收一家合營 公司款項		Amount due from a joint venture	620	443
已抵押銀行存款		Pledged bank deposits	13,456	-
銀行與現金結餘		Bank and cash balances	46,091	49,962
			471,455	349,798
流動負債		Current liabilities		
貿易應付賬	13	Trade payables	72,458	17,498
應付未付賬款及 其他應付款項		Accruals and other payables	70,197	65,056
銀行借貸		Bank borrowings	96,640	57,000
流動稅項負債		Current tax liabilities	20,608	13,421
			259,903	152,975
流動資產淨值		Net current assets	211,552	196,823
總資產減流動負債		Total assets less current liabilities	863,373	807,635

簡明綜合財務狀況表

Condensed Consolidated Statement of Financial Position

		二零一三年 六月三十日 30 June 2013 人民幣千元 RMB'000 (未經審核) (Unaudited)	二零一二年 十二月三十一日 31 December 2012 人民幣千元 RMB'000 (經審核) (Audited)
	附註 Notes		
非流動負債	Non-current liabilities		
銀行借貸	Bank borrowings	–	17,000
遞延收入	Deferred income	11,820	13,191
遞延稅項負債	Deferred tax liabilities	2,689	2,663
衍生金融工具	Derivative financial instruments	6,990	6,990
		21,499	39,844
資產淨值	Net assets	841,874	767,791
權益	EQUITY		
本公司擁有人 應佔權益	Equity attributable to the Company's owners		
股本	Share capital	7,786	7,786
儲備	Reserves	834,088	760,005
總權益	Total equity	841,874	767,791

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

		二零一三年 2013 人民幣千元 RMB'000 (未經審核) (Unaudited)	二零一二年 2012 人民幣千元 RMB'000 (未經審核) (Unaudited)
經營業務所得之現金淨額	Net cash generated from operating activities	83,212	96,315
投資業務產生之現金流量	Cash flows from investing activities		
購買物業、廠房及設備	Purchases of property, plant and equipment	(67,886)	(55,774)
於一家合營公司之投資金額	Investments in a joint venture	–	(28,773)
預付一家合營公司款項	Advances to a joint venture	–	(524)
變賣物業、廠房及設備之所得款項	Proceeds on disposals of property plant and equipment	400	7
已抵押銀行存款(增加)/減少	(Increase)/Decrease in pledged bank deposits	(13,456)	13,400
已收利息	Interest received	70	429
投資業務所用之現金淨額	Net cash used in investing activities	(80,872)	(71,235)
融資業務產生之現金流量	Cash flows from financing activities		
已付股息	Dividends paid	(25,750)	(20,760)
已付利息	Interest paid	(3,142)	(5,660)
償還銀行借貸	Repayments of bank borrowings	(16,000)	(77,610)
新增銀行借貸	New bank borrowings raised	38,640	89,610
融資業務所用之現金淨額	Net cash used in financing activities	(6,252)	(14,420)

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

		二零一三年 2013 人民幣千元 RMB'000 (未經審核) (Unaudited)	二零一二年 2012 人民幣千元 RMB'000 (未經審核) (Unaudited)
現金及現金等值項目 (減少)/增加淨額	Net (decrease)/increase in cash and cash equivalents	(3,912)	10,660
期初之現金及 現金等值項目	Cash and cash equivalents at the beginning of the period	49,962	63,889
外幣匯率變動之影響	Effect of foreign exchange rate changes	41	106
期終之現金及 現金等值項目	Cash and cash equivalents at the end of the period	46,091	74,655
現金及現金等值項目 結餘分析	Analysis of balances of cash and cash equivalents		
銀行及現金結餘	Bank and cash balances	46,091	74,655

簡明綜合權益變動表

Condensed Consolidated Statement of Changes in Equity

截至二零一三年六月三十日止六個月
For the six months ended 30 June 2013

	未經審核 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	資本出資 儲備	外幣匯兌 儲備	保留溢利	建議股息	總額	
	Share capital 人民幣千元 RMB'000	Share premium 人民幣千元 RMB'000	Special reserve 人民幣千元 RMB'000	Surplus reserve fund 人民幣千元 RMB'000	Property revaluation reserve 人民幣千元 RMB'000	Public welfare fund 人民幣千元 RMB'000	Capital contribution reserve 人民幣千元 RMB'000	Foreign currency translation reserve 人民幣千元 RMB'000	Retained profits 人民幣千元 RMB'000	Proposed dividend 人民幣千元 RMB'000	Total 人民幣千元 RMB'000	
於二零一三年 一月一日結餘	Balance as at 1 January 2013	7,786	106,333	31,182	48,453	1,653	633	-	(2,431)	548,432	25,750	767,791
已付股息 (附註8)	Dividend paid (note 8)	-	-	-	-	-	-	-	-	(25,750)	(25,750)	
與擁有人交易	Transactions with owners	-	-	-	-	-	-	-	-	(25,750)	(25,750)	
本期溢利	Profit for the period	-	-	-	-	-	-	-	99,792	-	99,792	
其他全面收益 —換算海外業務財務報表 產生之匯兌收益	Other comprehensive income - Exchange gain on translation of financial statements of foreign operations	-	-	-	-	-	-	41	-	-	41	
期內全面收益總額	Total comprehensive income for the period	-	-	-	-	-	-	41	99,792	-	99,833	
於二零一三年 六月三十日結餘	Balance as at 30 June 2013	7,786	106,333	31,182	48,453	1,653	633	-	(2,390)	648,224	-	841,874

截至二零一二年六月三十日止六個月
For the six months ended 30 June 2012

	未經審核 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	資本出資 儲備	外幣匯兌 儲備	保留溢利	建議股息	總額	
	Share capital 人民幣千元 RMB'000	Share premium 人民幣千元 RMB'000	Special reserve 人民幣千元 RMB'000	Surplus reserve fund 人民幣千元 RMB'000	Property revaluation reserve 人民幣千元 RMB'000	Public welfare fund 人民幣千元 RMB'000	Capital contribution reserve 人民幣千元 RMB'000	Foreign currency translation reserve 人民幣千元 RMB'000	Retained profits 人民幣千元 RMB'000	Proposed dividend 人民幣千元 RMB'000	Total 人民幣千元 RMB'000	
於二零一二年 一月一日結餘	Balance as at 1 January 2012	7,786	106,333	31,182	37,944	1,653	633	5,169	(1,967)	420,178	20,760	629,671
已付股息 (附註8) —以股份支付之 款項開支	Dividend paid (note 8) Equity-settled share-based payments expenses	-	-	-	-	-	-	-	-	(20,760)	(20,760)	
與擁有人交易	Transactions with owners	-	-	-	-	-	-	162	-	-	162	
本期溢利	Profit for the period	-	-	-	-	-	-	-	72,338	-	72,338	
其他全面收益 —換算海外業務財務報表 產生之匯兌收益	Other comprehensive income - Exchange gain on translation of financial statements of foreign operations	-	-	-	-	-	-	105	-	-	105	
期內全面收益總額	Total comprehensive income for the period	-	-	-	-	-	-	105	72,338	-	72,443	
於二零一二年 六月三十日結餘	Balance as at 30 June 2012	7,786	106,333	31,182	37,944	1,653	633	5,311	(1,862)	492,516	-	681,516

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

1. 一般資料及編製基準

天德化工控股有限公司（「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。本公司之附屬公司（連同本公司統稱為「本集團」）的主要業務為研發、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。

本集團截至二零一三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（「未經審核簡明財務資料」）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（「上市規則」）附錄十六之適用披露規定而編製。

1. General information and basis of preparation

Tiande Chemical Holdings Limited (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 Company's subsidiaries (together with the Company referred to as 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 2013 (the "Unaudited Condensed Financial Information") 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 (the "Listing Rules").

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

1. 一般資料及編製基準 (續)

未經審核簡明財務資料並未包括年度財務報表所需要的所有資料及披露事項，並應與本集團截至二零一二年十二月三十一日止年度之年度財務報表（「二零一二年年度財務報表」）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」）（包括所有由香港會計師公會頒佈並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資料時所採納之會計政策與編製二零一二年年度財務報表時所依循者一致。

本公司的功能貨幣為港元（「港元」）。由於本集團的主要運作位於中國，未經審核簡明財務資料乃使用人民幣（人民幣）呈列。除另有說明者外，所載之數額已四捨五入至最接近的千位。

未經審核簡明財務資料已於二零一三年八月二十三日獲本公司董事（「董事」）組成之董事會（「董事會」）批准刊發。

1. General information and basis of preparation (Continued)

The Unaudited Condensed Financial Information 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 2012 (the "2012 Annual Financial Statements").

The Unaudited Condensed Financial Information has been prepared in accordance with the same accounting policies adopted in the 2012 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 functional currency of the Company is Hong Kong Dollars ("HK\$"). The Unaudited Condensed Financial Information is presented in Renminbi ("RMB") because the main operations of the Group are located in the PRC. All values are rounded to the nearest thousands except when otherwise stated.

The Unaudited Condensed Financial Information has been approved for issue by the board (the "Board") of directors (the "Directors") of the Company on 23 August 2013.

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

2. 採納新訂或經修訂香港財務報告準則

於本期內，本集團首次應用由香港會計師公會頒佈之以下新準則、經修訂準則、修訂本及詮釋，以上各項均適用於及對二零一三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1號 (修訂本)	財務報表的呈列—其他全面收益項目的呈列
香港財務報告準則第10號	綜合財務報表
香港財務報告準則第11號	合營安排
香港財務報告準則第12號	於其他實體權益之披露
香港財務報告準則第13號	公允價值計量
香港財務報告準則第7號 (修訂本)	披露—金融資產與金融負債抵銷
《香港財務報告準則》之年度改進—二零零九年至二零一一年週期	

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並無改變本集團編製二零一二年財務報表時所依據之會計政策。

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 2013:

Amendments to HKAS 1	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Annual Improvements to HKFRSs 2009-2011 Cycle	

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 2012 Annual Financial Statements.

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

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1號(修訂本)－財務報表的呈列－其他全面收益項目的呈列

香港會計準則第1號之修訂本規定，實體須將可能於日後在符合若干條件之情況下重新分類至損益之其他全面收益項目與永不會重新分類至損益之其他全面收益項目分開呈列。本集團已相應修訂於此等財務報表呈列其他全面收益之方式。

香港財務報告準則第10號－綜合財務報表

香港財務報告準則第10號取代有關編製綜合財務報表之「香港會計準則第27號－綜合及獨立財務報表」以及「香港(常設詮釋委員會)詮釋第12號－合併－特殊目的實體」之規定。香港財務報告準則第10號引入單一控制權模式，以釐定被投資公司應否作綜合處理，主要視乎有關實體是否有權控制被投資公司、能否參與被投資公司業務之浮動回報承擔風險或享有權利，以及能否運用其權力以影響該等回報金額。

由於採納香港財務報告準則第10號，本集團已修訂有關釐定是否有權控制被投資公司之會計政策。採納是項準則不會改變本集團就截至二零一三年一月一日為止參與其他實體業務所達致之任何有關控制權方面之結論。

2. Adoption of new or amended HKFRSs (Continued)

Amendments to HKAS 1, Presentation of financial statements – Presentation of items of other comprehensive income

The amendments to HKAS 1 require entities to present the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met separately from those that would never be reclassified to profit or loss. The Group's presentation of other comprehensive income in these financial statements has been modified accordingly.

HKFRS 10, Consolidated financial statements

HKFRS 10 replaces the requirements in HKAS 27, Consolidated and Separate Financial Statements relating to the preparation of consolidated financial statements and HK SIC Interpretation 12, Consolidation – Special Purpose Entities. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

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11號－合營安排

香港財務報告準則第11號取代「香港會計準則第31號－於合營企業之權益」，將合營安排分為合營業務及合營企業。實體須考慮根據合營安排所定權責之結構、法律形式、合約條款以及其他事實及情況，以釐定安排之種類。合營安排倘被歸類為香港財務報告準則第11號所指之合營業務，則逐項確認，惟以合營經營者於合營業務之權益為限。所有其他合營安排會被歸類為香港財務報告準則第11號所指之合營企業，須按權益法於本集團之綜合財務報表內入賬。會計政策的選項中不再有比例綜合法。

由於採納香港財務報告準則第11號，本集團已就其於合營安排之權益修改其會計政策，並重新評估其於合營安排的參與事宜。本集團已將合資共同控制實體的投資重新分類至合營企業。該投資繼續採用權益法入賬。因此，重新分類不會對本集團的財務狀況和財務業績存在任何重大影響。

2. Adoption of new or amended HKFRSs (Continued)

HKFRS 11, Joint arrangements

HKFRS 11, which replaces HKAS 31, Interests in Joint Ventures, divides joint arrangements into joint operations and joint ventures. Entities are required to determine the type of an arrangement by considering the structure, legal form, contractual terms and other facts and circumstances relevant to their rights and obligations under the arrangement. Joint arrangements which are classified as joint operations under HKFRS 11 are recognised on a line-by-line basis to the extent of the joint operator's interest in the joint operation. All other joint arrangements are classified as joint ventures under HKFRS 11 and are required to be accounted for using the equity method in the Group's consolidated financial statements. Proportionate consolidation is no longer allowed as an accounting policy choice.

As a result of the adoption of HKFRS 11, the Group has changed its accounting policy with respect to its interests in joint arrangements and re-evaluated its involvement in its joint arrangements. The Group has reclassified the investment from jointly controlled entity to joint venture. The investment continues to be accounted for using the equity method and therefore this reclassification does not have any material impact on the financial position and the financial result of the Group.

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

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12號－於其他實體權益之披露

香港財務報告準則第12號將實體於附屬公司、合營安排、聯營公司及非綜合計算結構實體之權益之所有相關披露規定綜合為一項單一準則。香港財務報告準則第12號規定之披露範圍普遍較各項準則過往所規定者更為廣泛。由於該等披露規定僅適用於完整之財務報表，故本集團並無因採納香港財務報告準則第12號而於未經審核簡明財務資料內作出額外披露。

香港財務報告準則第13號－公允價值計量

香港財務報告準則第13號以單一公允價值計量指引來源取代目前個別香港財務報告準則之有關指引。香港財務報告準則第13號亦就金融工具及非金融工具之公允價值計量制訂全面之披露規定。中期財務報告就金融工具特別訂下若干披露規定。採納香港財務報告準則第13號不會對本集團的資產及負債之公允價值計量造成任何重大影響。

2. Adoption of new or amended HKFRSs (Continued)

HKFRS 12, Disclosure of interests in other entities

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards. Since those disclosure requirements only apply to a full set of financial statements, the Group has not made additional disclosures in the Unaudited Condensed Financial Information as a result of adopting HKFRS 12.

HKFRS 13, Fair value measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. Some of the disclosures are specifically required for financial instruments in the interim financial reports. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

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》之年度改進—二零零九年至二零一一年週期

此年度改進週期載有五項準則之修訂及對其他準則及詮釋之連帶修訂。其中，香港會計準則第34號已進行修訂，以釐清特定可報告分部之總資產僅須在定期向主要經營決策者提供有關金額及在該分部之總資產與去年之年度財務報表所披露之金額相比出現重大變動之情況下作出披露。有關修訂並規定，倘分部負債之金額乃定期向主要經營決策者提供，且金額相對於去年之年度財務報表出現重大變動，則分部負債亦須披露。由於該分部負債金額沒有定期向主要經營決策者（即執行董事）提供，該修訂不會對本集團之分部披露構成任何影響。

董事預期，應用尚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)

Annual improvements to HKFRSs 2009-2011 cycle

This cycle of annual improvements contains amendments to five standards with consequential amendments to other standards and interpretations. Among them, HKAS 34 has been amended to clarify that total assets for a particular reportable segment are required to be disclosed only if the amounts are regularly provided to the chief operating decision maker (the "CODM") and only if there has been a material change in the total assets for that segment from the amount disclosed in the last annual financial statements. The amendment also requires the disclosure of segment liabilities if the amounts are regularly provided to the CODM and there has been a material change in the amounts compared with the last annual financial statements. The amendment does not have any impact on the segment disclosure of the Group because the amounts of segment liabilities are not regularly provided to the CODM (i.e. the executive Directors).

The Directors anticipate that the application of 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

3. 分部資料

本集團按產品及服務類別管理其業務。隨著內部架構重組以及基於與提交本集團執行董事作資源調配及業績評估之用的內部報告的方式保持一致，本集團將氰乙酸及其酯類產品及氰化鈉及其下游產品兩項業務合併為「氰基化合物及其下游產品」業務。截至二零一三年六月三十日止六個月，本集團已確定以下五個產品及服務類別為經營分部：

- (i) 氰基化合物及其下游產品：研發、製造及銷售氰基化合物及其下游產品；
- (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) 精細石油化工產品：研發、製造及銷售精細石油化工產品；及
- (v) 其他副產品：銷售其他副產品，例如蒸汽。

3. Segment information

The Group manages its businesses by product and service lines. Following the internal reorganisation and consistent with the way the information is reported internally to the Group's executive Directors for the purposes of resource allocation and performance assessment, the Group has combined the cyanoacetic acid and its ester products and sodium cyanide and its derivative products into cyanide and its derivative products. For the six months ended 30 June 2013, the Group has identified the following five product and service lines as its operating segments:

- (i) Cyanide and its derivative products: Research and development, manufacture and sale of cyanide and its derivative products;
- (ii) Alcohol products: Research and development, manufacture and sale of alcohol products;
- (iii) Chloroacetic acid and its derivative products: Research and development, manufacture and sale of chloroacetic acid and its derivative 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.

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

3. 分部資料 (續)

經營分部乃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，原因是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。所有分部間銷售的價格乃參照就同類訂單向外界收取的價格而釐定。

由於氰化鈉及其下游產品在該期間已包含在氰乙酸及其酯類產品內匯報，故截至二零一二年六月三十日止六個月分部資料內的比較數據並無重新分類。然而，分部名稱「氰乙酸及其酯類產品」已改為「氰基化合物及其下游產品」。截至二零一二年十二月三十一日止年度，氰化鈉及其下游產品作為一個獨立分部匯報，有關詳情已載於二零一二年度財務報表附註5。

3. Segment information (Continued)

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 product 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.

No comparative figures in the segment information for the six months ended 30 June 2012 has been reclassified as sodium cyanide and its derivative products were reported under the segment of cyanoacetic acid and its ester products during that period. However, the segment name of cyanoacetic acid and its ester products has been changed to cyanide and its derivative products. For the year ended 31 December 2012, sodium cyanide and its derivative products were reported as a separate segment, details of which have been set out in note 5 of the 2012 Annual Financial Statements.

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

3. 分部資料 (續)

3. Segment information (Continued)

截至二零一三年六月三十日止六個月

Six months ended 30 June 2013

		氯基化合物及其下游產品	醇類產品	氯乙酸及其下游產品	精細石油化工產品	其他副產品	總額
		Cyanide and its derivative products	Alcohol products	Chloroacetic acid and its derivative products	Fine petrochemical products	Other by-products	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	External customers	538,100	34,633	10,088	26,867	11,786	621,474
分部間之收益	Inter-segment revenue	-	45,351	145,941	-	19,657	210,949
可呈報分部之收益	Reportable segment revenue	538,100	79,984	156,029	26,867	31,443	832,423
可呈報分部之溢利/(虧損)	Reportable segment profit/(loss)	156,825	9,833	72,247	(2,073)	4,431	241,263
可呈報分部之資產	Reportable segment assets	554,704	18,764	107,139	40,063	62,696	783,366

截至二零一二年六月三十日止六個月

Six months ended 30 June 2012

		氯基化合物及其下游產品	醇類產品	氯乙酸及其下游產品	精細石油化工產品	其他副產品	總額
		Cyanide and its derivative products	Alcohol products	Chloroacetic acid and its derivative products	Fine petrochemical products	Other by-products	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	External customers	423,929	27,378	19,804	29,553	9,144	509,808
分部間之收益	Inter-segment revenue	102	69,791	99,298	-	-	169,191
可呈報分部之收益	Reportable segment revenue	424,031	97,169	119,102	29,553	9,144	678,999
可呈報分部之溢利	Reportable segment profit	98,112	6,454	48,508	729	1,809	156,612
可呈報分部之資產	Reportable segment assets	404,686	22,614	90,926	24,367	70,200	612,793

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

3. 分部資料 (續)

就本集團經營分部所呈列之各項總數與本集團財務報表中呈列的主要財務數據之對賬如下：

3. Segment information (Continued)

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	
		二零一三年 2013 人民幣千元 RMB'000 (未經審核) (Unaudited)	二零一二年 2012 人民幣千元 RMB'000 (未經審核) (Unaudited)
可呈報分部之收益	Reportable segment revenue	832,423	678,999
抵銷分部間之收益	Elimination of inter-segment revenue	(210,949)	(169,191)
本集團收益	Group revenue	621,474	509,808

		截至六月三十日止六個月 Six months ended 30 June	
		二零一三年 2013 人民幣千元 RMB'000 (未經審核) (Unaudited)	二零一二年 2012 人民幣千元 RMB'000 (未經審核) (Unaudited)
可呈報分部之溢利	Reportable segment profit	241,263	155,612
租金收入	Rental income	437	289
股權結算以股份 支付之款項開支	Equity-settled share-based payments expenses	-	(162)
財務成本	Finance costs	(3,107)	(5,686)
不能分配之企業收入	Corporate unallocated income	338	588
不能分配之 企業開支	Corporate unallocated expenses	(20,449)	(15,881)
應佔一家合營公司 虧損	Share of loss of a joint venture loss	(1,586)	-
抵銷分部間之溢利	Elimination of inter-segment profit	(78,480)	(45,629)
除所得稅前溢利	Profit before income tax	138,416	89,131

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

4. 營業額及其他收入

本集團營業額為本集團主要業務之收益，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	
		二零一三年 2013 人民幣千元 RMB'000 (未經審核) (Unaudited)	二零一二年 2012 人民幣千元 RMB'000 (未經審核) (Unaudited)
營業額	Turnover		
銷售氰基化合物及其下游產品	Sales of cyanide and its derivative products	538,100	423,929
銷售醇類產品	Sales of alcohol products	34,633	27,378
銷售氯乙酸及其下游產品	Sales of chloroacetic acid and its derivative products	10,088	19,804
銷售精細石油化工產品	Sales of fine petrochemical products	26,867	29,553
銷售其他副產品	Sales of other by-products	11,786	9,144
		621,474	509,808
其他收入	Other income		
政府補貼	Government grants	212	330
利息收入	Interest income	70	429
遞延收入撥回	Release of deferred income	1,370	1,370
租金收入	Rental income	437	289
變賣物業、廠房及設備收益	Gain on disposals of property, plant and equipment	17	4
淨匯兌收益	Exchange gain, net	-	60
雜項收入	Sundry income	43	473
		2,149	2,955

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

5. 財務成本

5. Finance costs

		截至六月三十日止六個月 Six months ended 30 June	
		二零一三年 2013 人民幣千元 RMB'000 (未經審核) (Unaudited)	二零一二年 2012 人民幣千元 RMB'000 (未經審核) (Unaudited)
以下各項之利息	Interest charges on:		
開支：			
– 於五年內全數償還之銀行貸款	– Bank loans wholly repayable within five years	2,239	5,058
– 貼現票據	– Discounted bills	868	628
		3,107	5,686

6. 除所得稅前溢利

6. Profit before income tax

		截至六月三十日止六個月 Six months ended 30 June	
		二零一三年 2013 人民幣千元 RMB'000 (未經審核) (Unaudited)	二零一二年 2012 人民幣千元 RMB'000 (未經審核) (Unaudited)
除所得稅前溢利	Profit before income tax is		
已扣除／(計入)：	arrived at after charging/ (crediting):		
董事酬金	Directors' remuneration		
– 袍金	– Fees	150	154
– 薪金及津貼	– Salaries and allowances	1,828	1,668
– 退休福利計劃供款	– Retirement benefit scheme contributions	42	39
		2,020	1,861
其他員工成本	Other staff costs	29,859	23,471
退休福利計劃供款	Retirement benefit scheme contributions	1,797	1,453
股權結算以股份支付之款項開支	Equity-settled share-based payments expenses	–	162
總員工成本	Total staff costs	33,676	26,947

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

6. 除所得稅前溢利(續)

6. Profit before income tax (Continued)

		截至六月三十日止六個月 Six months ended 30 June	
		二零一三年 2013 人民幣千元 RMB'000 (未經審核) (Unaudited)	二零一二年 2012 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	647
確認為開支之存貨 金額(附註i), 包括	Amount of inventories recognised as an expense (note i), including	437,209	382,769
– 存貨價值撇減至 可變現淨值	– Write-down of inventories to net realisable value	33	300
– 撇減至可變現 淨值之存貨 價值之回撥 金額	– Reversal of write-down of inventories to net realisable value	(186)	(106)
物業、廠房及設備之 折舊	Depreciation on property, plant and equipment	26,520	21,625
淨匯兌 損失/(收益)	Exchange loss/(gain), net	1,337	(60)
有關租賃物業的 經營租賃項下 最低租賃款項	Minimum lease payments under operating leases in respect of leasehold properties	263	399
租金收入減支出 帶來租金收入之 投資物業所 產生的直接 經營開支	Rental income less outgoings Direct operating expenses arising from investment properties that generated rental income	(434)	(283)
研究成本(附註ii)	Research costs (note ii)	1,065	1,195

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

6. 除所得稅前溢利(續)

附註：

- (i) 存貨金額中包括約人民幣25,251,000元(截至二零一二年六月三十日止六個月：人民幣20,434,000元)之相關折舊開支及約人民幣25,898,000元(截至二零一二年六月三十日止六個月：人民幣19,758,000元)之相關員工成本。該等金額亦包括在上文各自獨立披露的總金額內。

存貨價值之撇減金額約人民幣186,000元(截至二零一二年六月三十日止六個月：人民幣106,000元)已回撥，原因是有關存貨的市場價格在期內回升。

- (ii) 研究費用包括約人民幣84,000元(截至二零一二年六月三十日止六個月：人民幣83,000元)之相關折舊開支及約人民幣374,000元(截至二零一二年六月三十日止六個月：人民幣500,000元)之相關員工成本。該等金額亦包括在上文各自獨立披露的總金額內。

6. Profit before income tax (Continued)

Notes:

- (i) Amount of inventories includes approximately RMB25,251,000 (six months ended 30 June 2012: RMB20,434,000) relating to depreciation expenses and approximately RMB25,898,000 (six months ended 30 June 2012: RMB19,758,000) relating to staff costs. These amounts are also included in the respective total amounts disclosed separately above.

The write-down of inventories of approximately RMB186,000 (six months ended 30 June 2012: RMB106,000) was reversed as the market price of these inventories was increased during the period.

- (ii) Research costs include approximately RMB84,000 (six months ended 30 June 2012: RMB83,000) relating to depreciation expenses and approximately RMB374,000 (six months ended 30 June 2012: RMB500,000) relating to staff costs. These amounts are also included in the respective total amounts disclosed separately above.

7. 所得稅開支

7. Income tax expense

截至六月三十日止六個月
Six months ended 30 June

		二零一三年 2013 人民幣千元 RMB'000 (未經審核) (Unaudited)	二零一二年 2012 人民幣千元 RMB'000 (未經審核) (Unaudited)
即期稅項—中國 企業所得稅	Current tax – PRC Enterprise Income Tax	38,598	16,735
遞延稅項	Deferred tax	26	58
		38,624	16,793

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

7. 所得稅開支(續)

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（截至二零一二年六月三十日止六個月：無）。

濰坊同業化學有限公司、上海德弘化工有限公司及濰坊柏立化學有限公司須按期內之中國企業所得稅率25%（截至二零一二年六月三十日止六個月：25%）繳納中國企業所得稅。

根據相關中國法律法規，濰坊濱海石油化工有限公司（「濰坊濱海」）合資格享有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。截至二零一二年六月三十日止六個月期間乃第五個獲利年度，故濰坊濱海已就該期間按優惠稅率12.5%撥備中國企業所得稅。截至二零一三年六月三十日止六個月，濰坊濱海須按中國企業所得稅率25%繳納中國企業所得稅。

7. Income tax expense (Continued)

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 2012: Nil).

Weifang Common Chem Co., Ltd., Shanghai Dehong Chemical Company Limited and Weifang Parasia Chem Co., Ltd. are subject to PRC Enterprise Income Tax at the rate of 25% for the period (six months ended 30 June 2012: 25%).

Pursuant to the relevant laws and regulations in the PRC, Weifang Binhai Petro-Chem Co., Ltd. ("Weifang Binhai") was eligible for certain tax holidays and concessions in the PRC. The tax holidays and concessions were 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 had been provided for Weifang Binhai at the preferential rate of 12.5% for the six months ended 30 June 2012 as this was the fifth profitable year. Weifang Binhai is subject to PRC Enterprise Income Tax at the rate of 25% for the six months ended 30 June 2013.

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

7. 所得稅開支(續)

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。由於興建工程截至二零零七年十二月三十一日為止已經完成，故開始按照有關資產的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. 股息

期內，截至二零一二年十二月三十一日止年度之末期股息為每股普通股3.8港仙(截至二零一二年六月三十日止六個月：每股普通股3.0港仙)，共約人民幣25,750,000元(截至二零一二年六月三十日止六個月：人民幣20,760,000元)支付給本公司股東。

董事不建議就截至二零一三年六月三十日止六個月派發任何中期股息(截至二零一二年六月三十日止六個月：無)。

7. Income tax expense (Continued)

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 chloroacetic 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.

8. Dividends

During the period, a final dividend for the year ended 31 December 2012 of 3.8 HK cents per ordinary share (six months ended 30 June 2012: 3.0 HK cents per ordinary share), amounting to approximately RMB25,750,000 (six months ended 30 June 2012: RMB20,760,000) was paid to the shareholders of the Company.

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2013 (six months ended 30 June 2012: Nil).

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

9. 每股盈利

本公司擁有人應佔之每股基本盈利乃根據以下數據計算：

9. Earnings per share

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

		截至六月三十日止六個月 Six months ended 30 June	
		二零一三年 2013 人民幣千元 RMB'000 (未經審核) (Unaudited)	二零一二年 2012 人民幣千元 RMB'000 (未經審核) (Unaudited)
就計算每股基本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 purpose of basic earnings per share	99,792	72,338

		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	
		二零一三年 2013 千股 '000 shares (未經審核) (Unaudited)	二零一二年 2012 千股 '000 shares (未經審核) (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 purpose of basic earnings per share	846,878	846,878

截至二零一三年及二零一二年六月三十日止六個月並無潛在攤薄普通股。

There were no dilutive potential ordinary shares for the six months ended 30 June 2013 and 2012.

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

10. 物業、廠房及設備

於截至二零一三年六月三十日止六個月，本集團購入約人民幣84,900,000元（截至二零一二年六月三十日止六個月：人民幣34,100,000元）之物業、廠房及設備，並變賣賬面淨值約人民幣383,000元（截至二零一二年六月三十日止六個月：人民幣3,000元）之若干物業、廠房及設備項目。

11. 購買物業、廠房及設備之已付訂金

於截至二零一二年十二月三十一日止年度，向一名關聯方支付收購建築物的訂金為人民幣18,000,000元，隨後在建設完成後於期內轉移至物業、廠房及設備。

12. 貿易應收賬及應收票據

10. Property, plant and equipment

During the six months ended 30 June 2013, the Group acquired property, plant and equipment of approximately RMB84.9 million (six months ended 30 June 2012: RMB34.1 million) and disposed of certain items of property, plant and equipment with net carrying amount of approximately RMB383,000 (six months ended 30 June 2012: RMB3,000).

11. Deposits paid for acquisition of property, plant and equipment

For the year ended 31 December 2012, a deposit of RMB18.0 million was paid to a related party for the acquisition of the buildings, which was subsequently transferred to the property, plant and equipment after the completion of construction during the period.

12. Trade and bills receivable

		二零一三年 六月三十日 30 June 2013 人民幣千元 RMB'000 (未經審核) (Unaudited)	二零一二年 十二月三十一日 31 December 2012 人民幣千元 RMB'000 (經審核) (Audited)
貿易應收賬	Trade receivables	113,314	103,354
應收票據	Bills receivable	203,024	107,312
		316,338	210,666

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

12. 貿易應收賬及應收票據
(續)

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，並於發行後六個月內期滿。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。管理層會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：

		二零一三年 六月三十日 30 June 2013 人民幣千元 RMB'000 (未經審核) (Unaudited)
0至90日	0 to 90 days	267,233
91至180日	91 to 180 days	47,320
181至365日	181 to 365 days	811
超過365日	Over 365 days	974
		316,338

貿易應收賬及應收票據與多名來自不同層面的客戶有關，而彼等最近並無拖欠紀錄。根據過往的信貸政策，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。

12. Trade and bills receivable (Continued)

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 expired in six months upon the issuance. 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:

	二零一二年 十二月三十一日 31 December 2012 人民幣千元 RMB'000 (經審核) (Audited)
0至90日	177,754
91至180日	31,167
181至365日	1,622
超過365日	123
	210,666

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.

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

12. 貿易應收賬及應收票據 (續)

董事認為，貿易應收賬及應收票據之公允價值與其賬面值之間並無重大差異，原因是該等金額的到期期限較短。

期內，本集團貼現部分具有全面追索權之應收票據予金融機構。倘債務人拖欠款項，本集團須向金融機構償還被拖欠金額。就應向金融機構收取的所得款項而支付之利息（計至實際償還債務當日為止）之年利率從4.69%到7.35%不等。因此，本集團就貼現應收票據承受信貸虧損及延遲還款之風險。

該貼現交易並不符合香港會計準則第39號取消確認財務資產之規定，因為本集團仍然保留貼現應收票據擁有權之絕大部分風險及回報。於二零一三年六月三十日，應收票據約人民幣38,600,000元（二零一二年十二月三十一日：無）繼續在本集團之財務報表內確認，即使該等票據已合法轉讓予金融機構亦然。貼現交易之所得款項已列入銀行借貸內，直至該等應收票據期滿或本集團支付金融機構承受之任何虧損為止。於二零一三年六月三十日，有關貼現未期滿應收票據而從金融機構已收到之預付款已包括在銀行借貸內，金額約人民幣38,600,000元（二零一二年十二月三十一日：無）。

12. Trade and bills receivable (Continued)

The Directors 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.

During the period, the Group discounted part of its bills receivable with full recourse to financial institutions. In the event of default by the debtors, the Group is obliged to pay the financial institutions the amount in default. Interest was charged ranging from 4.69% to 7.35% per annum on the proceeds received from the financial institutions until the date the debtors pay. The Group is therefore exposed to the risks of credit losses and late payment in respect of the discounted bills receivable.

The discounting transactions do not meet the requirements in HKAS 39 for de-recognition of financial assets as the Group retains substantially all of the risks and rewards of ownership of the discounted bills receivable. As at 30 June 2013, bills receivable of approximately RMB38.6 million (31 December 2012: Nil) continued to be recognised in the Group's financial statements even though they have been legally transferred to the financial institutions. The proceeds of the discounting transactions are included in bank borrowings until the bills receivable is expired or the Group settles any losses suffered by the financial institutions. As at 30 June 2013, the advance obtained from the financial institutions in respect of the unexpired discounted bills receivables included in bank borrowings amounted to approximately RMB38.6 million (31 December 2012: Nil).

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

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：

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 stated as follows:

		二零一三年 六月三十日 30 June 2013 人民幣千元 RMB'000 (未經審核) (Unaudited)	二零一二年 十二月三十一日 31 December 2012 人民幣千元 RMB'000 (經審核) (Audited)
0至90日	0 to 90 days	67,784	15,865
91至180日	91 to 180 days	3,105	757
181至365日	181 to 365 days	583	480
超過365日	Over 365 days	986	396
		72,458	17,498

貿易應付賬之賬面值按人民幣及美元計值。所有款額均屬短期，故貿易應付賬之賬面值與公允價值相若，乃視作合理。

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

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

14. 股本

14. Share capital

	普通股數目 Number of ordinary shares	金額 Amount	
		千港元 HK\$'000	人民幣千元 RMB'000
法定： 每股面值0.01港元 普通股 於二零一二年 十二月三十一日、 二零一三年 一月一日及 二零一三年 六月三十日 (未經審核)	Authorised: Ordinary shares of HK\$0.01 each As at 31 December 2012, 1 January 2013 and 30 June 2013 (Unaudited)	100,000,000,000	1,000,000
已發行及繳足： 每股面值0.01港元 普通股 於二零一二年 十二月三十一日、 二零一三年 一月一日及 二零一三年 六月三十日 (未經審核)	Issued and fully paid: Ordinary shares of HK\$0.01 each As at 31 December 2012, 1 January 2013 and 30 June 2013 (Unaudited)	846,878,000	8,468 7,786

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

15. 資本承擔

於報告日期，本集團之資本承擔如下：

15. Capital commitments

The Group's capital commitments at the reporting date are as follows:

		二零一三年 六月三十日 30 June 2013 人民幣千元 RMB'000 (未經審核) (Unaudited)	二零一二年 十二月三十一日 31 December 2012 人民幣千元 (經審核) (Audited)
已訂約 但未撥備 物業、廠房及 設備	Contracted but not provided for Property, plant and equipment	17,172	16,906
向一家合營公司 的股東貸款 (附註)	Shareholder's loan to a joint venture (<i>note</i>)	95,677	98,813
		112,849	115,719
已授權 但未訂約 物業、廠房及 設備	Authorised but not contracted for Property, plant and equipment	41,267	50,185
		154,116	165,904

附註：根據於二零一一年六月三十日簽署之合營協議所載的條款和條件，本公司同意向其合營公司德高投資有限公司（「德高投資」）作出股東貸款11,880,000歐元（約人民幣95,677,000元），款額乃按照本公司於德高投資的55%股權計算。

Note: The Company agrees to make shareholder's loans of EURO11,880,000 (approximately RMB95,677,000) to its joint venture named Dekel Investment Holdings Limited ("Dekel Investment") in accordance with 55% shareholding of the Company in Dekel Investment, which is subject to the terms and conditions set out in the joint venture agreement signed on 30 June 2011.

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

16. 關聯方交易

於截至二零一三年六月三十日止六個月，本集團與關聯方訂立以下交易：

16. Related party transactions

During the six months ended 30 June 2013, the Group entered into the following transactions with the related parties:

		截至六月三十日止六個月 Six months ended 30 June	
		二零一三年 2013 人民幣千元 RMB'000 (未經審核) (Unaudited)	二零一二年 2012 人民幣千元 RMB'000 (未經審核) (Unaudited)
向一家關聯公司 (所有執行董事均 擁有實益權益 並可行使重大 影響力)銷售貨品	Sales of goods to a related company in which all the executive Directors have beneficial interests and can exercise significant influence	301	252
付予一家關聯公司 (所有執行董事均 擁有實益權益 並可行使重大 影響力)之租金 開支	Rental expenses to a related company in which all the executive Directors have beneficial interests and can exercise significant influence	90	90
向合營公司收取的 租金收入	Rental income received from a joint venture	100	—
付予一家關聯公司 (所有執行董事均 擁有實益權益 並可行使重大 影響力)之購買 物業、廠房及 設備的訂金 (附註)	Deposits paid for acquisition of property, plant and equipment to a related company in which all the executive Directors have beneficial interests and can exercise significant influence (note)	—	10,000
向一家關聯公司 (所有執行董事均 擁有實益權益 並可行使重大 影響力)收購物業、 廠房及設備 (附註)	Acquisition of the property, plant and equipment from a related company in which all the executive Directors have beneficial interests and can exercise significant influence (note)	26,900	—

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

16. 關聯方交易 (續)

附註： 於截至二零一二年六月三十日止六個月期間支付的訂金人民幣10,000,000元已列於收購物業、廠房及設備之相關款額人民幣26,900,000元內。

17. 衍生金融工具的公允價值計量

以下列表為按公允價值列賬的金融工具的層級水平分析：

第一級別：相同資產或負債在活躍市場中的報價（未經調整）；

第二級別：除第一級別包括的報價外，該資產或負債的可觀察輸入值，可為直接（即價格）或間接（即來自價格）的輸入值；及

第三級別：並非基於可觀察市場數據的資產或負債的輸入值（不可觀察輸入值）。

16. Related party transactions (Continued)

Note: Included in the acquisition of the property, plant and equipment of RMB26,900,000 was the deposits paid of RMB10,000,000 during the six months ended 30 June 2012.

17. Fair value measurement of financial instruments

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset and liability that are not based on observable market data (unobservable inputs).

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

17. 衍生金融工具的公允價值計量(續)

金融負債的公允價值層級水平乃純粹根據最低水平輸入值作出分類，此舉對公允價值計量構成重大影響。

17. Fair value measurement of financial instruments (Continued)

The level in the fair value hierarchy within the financial liability is categorised in its entirety based on the lowest level of input that is significant to the fair value measurement.

		第一級別 Level 1 人民幣千元 RMB'000	第二級別 Level 2 人民幣千元 RMB'000	第三級別 Level 3 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
二零一三年 六月三十日	30 June 2013				
負債：	Liabilities:				
按公允價值計入 損益的金融負債	Financial liabilities at fair value through profit or loss				
- 衍生金融工具	- Derivative financial instruments	-	-	6,990	6,990
		-	-	6,990	6,990
二零一二年 十二月三十一日	31 December 2012				
負債：	Liabilities:				
按公允價值計入 損益的金融負債	Financial liabilities at fair value through profit or loss				
- 衍生金融工具	- Derivative financial instruments	-	-	6,990	6,990
		-	-	6,990	6,990

金融負債的分類為第三級別，使用的估值技術乃根據非基於可觀察市場數據的主要輸入值。

The financial liabilities classified in Level 3 use valuation techniques based on significant inputs that are not based on observable market data.

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

17. 衍生金融工具的公允價值計量(續)

此級別金融工具的期初與期末結餘的對賬如下：

17. Fair value measurement of financial instruments (Continued)

The financial instruments within this level are reconciled from opening to closing balances as follows:

		二零一三年 六月三十日 30 June 2013 人民幣千元 RMB'000 (未經審核) (Unaudited)	二零一二年 十二月三十一日 31 December 2012 人民幣千元 RMB'000 (經審核) (Audited)
衍生金融負債：	Derivative financial liabilities:		
於一月一日	At 1 January	6,990	-
衍生金融工具的 公允價值虧損	Fair value loss on derivative financial instruments	-	6,990
於六月三十日／ 十二月三十一日	At 30 June/31 December	6,990	6,990

在報告期內並沒有轉移入或轉移出第三級別。

There have been no transfers into or out of Level 3 in the reporting period.

期內，並無衍生金融工具公允價值變動(截至二零一二年十二月三十一日止年度：人民幣6,990,000元虧損)在綜合收益表中確認。

During the period, no fair value change on derivative financial instruments (year ended 31 December 2012: loss of RMB6,990,000) was recognised in the consolidated income statement.

本集團的財務團隊為財務報表目的而對金融工具進行估值，包括第三級別的公允價值，而估值時已諮詢獨立第三方估值師的意見。選擇估值方法時乃以每種金融工具的特點為基準，以最大限度地利用基於市場的信息為總體目標。財務團隊直接向董事和審核委員會匯報，審核委員會及估值團隊至少每六個月(與本集團的報告日期一致)討論估值流程和公允價值變動一次。

The Group's finance team performs valuations of financial instruments for financial reporting purposes, including Level 3 fair values, in consultation with independent third party valuer. Valuation techniques are selected based the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports directly to the Directors and to the audit committee. Valuation processes and fair value changes are discussed among the audit committee and the valuation team at least six months, in line with the Group's reporting dates.

管理層討論及分析

Management Discussion and Analysis

經營業績概要

業務回顧

在回顧期內，本集團再次取得了令人滿意的經營業績。營業額及純利較去年同期均錄得穩健增長。營業額的增長主要得益於過去數年本集團不斷擴大產品範圍、提升具發展潛力產品的生產能力以及開發新市場以滿足日益增長的需求。中國仍然是本集團首要市場，本集團總營業額的85.5%以上來自這地區，而本集團來自國內市場的營業額與去年同期相比增長32.6%。在回顧期內，本集團的毛利及毛利率創歷史新高，主要原因是：(i)與去年同期相比，在相對穩定的銷售價格下材料成本持續下降；及(ii)本集團提高生產效率。在回顧期內，本集團繼續成功取得令人鼓舞的成績，乃建基於毛利穩步改善及健全的成本控制措施。

Summary of operating results

Business Review

The Group attained satisfactory operating results again during the period under review. Both turnover and net profit recorded solid growth as compared to the same period of last year. The growth of turnover was mainly fuelled by the expanded products range, enhanced production capacities for promising products of the Group and tapped new markets over the past few years that met the growing demands. PRC remains the prime market to the Group with over 85.5% of total turnover of the Group arising from this region and turnover of the Group derived from domestic market grew by 32.6% when compared with last corresponding period. During the period under review, the gross profit and gross margin of the Group hit historical high mainly contributable to (i) the continuous decrease of materials cost with relatively stable selling price when compared with last corresponding period; and (ii) enhanced production efficiencies of the Group. The Group continued success in achieving encouraging results underpinned by a steady improvement of gross profit and sound costs control measures during the period under review.

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，本集團通過持續投入新產品研發及技術改造活動，繼續朝著進一步收入多元化及配置更高效生產設施的方向發展。由於部分具潛力產品的建設項目將在本財政年度及未來財政年度內完成，這些新產品將在未來數年推出市場。這些新產品將有助提升本集團未來的營業額。管理層預期，從長遠來看，市場需求將保持穩定增長，在回顧期內，本集團增加投資以改善其生產效率，這些努力將帶動長遠產能增長和單位成本進一步降低，從而優化業務運作，為本集團未來更佳的財務表現奠定基礎。

Summary of operating results (Continued)

Business Review (Continued)

The Group continuously focused on further diversifying its revenue sources and establishing highly efficient production facilities by sustaining investment in research and development of new products and technology advancement activities during the period under review. By virtue of some construction projects for certain potential products will be due for completion in the current and following financial years, these new products will be launched to the market in coming years. These new products will help to boost turnover of the Group in future. The management anticipated that the steady growth of market demands will be maintained in the long run, the Group has increased investment in improving its production efficiencies during the period under review. These efforts will help to drive long term productivity growth and further reduction in unit cost so as to optimise business operation to lay a foundation for the better financial performance of the Group in future.

管理層討論及分析 Management Discussion and Analysis

經營業績概要 (續)

業務回顧 (續)

氰基化合物及其下游產品

隨著本集團為達資源調配和績效評估而在回顧期內開始時進行內部架構重組，氰乙酸及其酯類產品類別及氰化鈉及其下游產品類別已合併成氰基化合物及其下游產品類。氰基化合物及其下游產品類別乃本集團核心分部，就推動本集團整體的持續增長發揮著至關重要的作用。該產品類別的營業額增長是由於擴大大具良好潛力產品的生產能力，奪取更多的市場份額所致。此外，在過去幾年針對下游產業不斷推出新產品，有助提高營業額增長。由於原材料成本較去年同期下降及加強垂直整合生產體系引致成本進一步下降，該產品類別的溢利錄得令人鼓舞的增長。鑑於下游產業長遠將持續蓬勃發展，新開發產品之生產線已在上一財政年度開工建設，而有關工程在回顧期內已經取得了實質性進展。該新產品已安排在下一財政年度推出市場，旨在提升營業額和推動下一輪業務增長的勢頭。此外，本集團在回顧期內已開始提升該產品類別的生產力。董事相信，此策略性舉措將讓本集團進一步加強其競爭優勢，並確保該產品類別在未來保持持續增長。憑藉本集團業務優勢及在業內打下的堅實基礎，董事有信心，認為能在可預見的未來捕捉新興業務商機及保持穩定增長。

Summary of operating results (Continued)

Business Review (Continued)

Cyanide and its derivative products

Following an internal reorganisation at the beginning of the period under review for the purpose of resources allocation and performance assessment of the Group, cyanoacetic acid and its ester products category and sodium cyanide and its derivative products category have been combined into cyanide and its derivative products category. Cyanide and its derivative products category is the core segment of the Group and playing a critical role to sustain the continuous growth of the Group as a whole. The growth of turnover of this product category was resulted from the expansion of production capacities for good potential products that seized additional market share. In addition, new products are kept launching over the past few years targeted on the downstream industries that helped to boost the growth of turnover. The profit of this product category recorded encouraging growth attributed to the decreased materials cost as compared with that of last corresponding period and the strengthened vertically integrated production system induced further cost reduction. In view of the downstream industries will continuously flourish in long term, a production line for a newly developed product has been under construction in the prior financial year and such construction achieved substantial progress during the period under review. Such new product was set to launch in next financial year with an aim to boost turnover and drive the momentum for next tranche of business growth. Besides, the Group has embarked on the enhancement of the productivity of this product category during the period under review. The Directors believe that this strategic move will allow the Group to reinforce its competitive advantages further and secure the sustainable growth of this product category in future. Leveraging on the business edge of the Group and its firm foundation laid in the industry, the Directors are confident to capture emerging business opportunities and maintaining steady growth in foreseeable future.

管理層討論及分析 Management Discussion and Analysis

經營業績概要 (續)

業務回顧 (續)

醇類產品

醇類產品的業績表現優於去年同期。然而，有限的市場空間和激烈的競爭，影響到產品的利潤率。本集團已轉移其資源至其他具潛力的產品以求獲得更高利潤。該產品類別將穩步發展，以確保有穩定的內部供應。

氯乙酸及其下游產品

受惠於上一個財政年度擴大的生產規模，在回顧期內，氯乙酸及其下游產品的表現錄得持續改善。在回顧期內，為了滿足已擴大產能的氰基化合物及其下游產品類別的生產，該產品類別的內部消耗顯著增加。該產品類別的規模效益提升，使氰基化合物及其下游產品類別進一步節省成本。很明顯，此產品類別的良好發展有助本集團的整體業務發展。目前，該產品類別的產能使用率已接近高峰水平。董事會將密切監視該產品類別的進一步發展，並在適當的時候，進一步擴大其生產能力。

Summary of operating results (Continued)

Business Review (Continued)

Alcohol products

The results of alcohol products have performed better than last corresponding period. However, the profit margin of these products was impacted by the limited market space and keen competition. The Group has diverted its resources to other promising products to gain better profit. This product category will be developed stably to secure internal supply.

Chloroacetic acid and its derivative products

The performance of chloroacetic acid and its derivative products recorded continuous improvement during the period under review benefited from the expansion of production scale in the last of financial year. The internal consumption of this product category has increased significantly in order to meet the enlarged production capacities of cyanide and its derivative products category during the period under review. The enhanced scale advantage of this product category has offered the cost savings of cyanide and its derivative products category. It is obvious that the well-development of this product category would support the overall business development of the Group. Currently, the production utilisation rate of this product category is near at peak level. The Board will closely monitor the further development of this product category and make further expansion of the production capacity onwards as and when appropriate.

管理層討論及分析

Management Discussion and Analysis

經營業績概要 (續)

業務回顧 (續)

精細石油化工產品

在回顧期內，由於激烈的市場競爭，該產品類別的營業額有所放緩，利潤率也收窄。加上原材料成本上升以及市場價格波動，引致利潤率進一步降低。因此，該產品類別錄得分部虧損。預期市場狀況將在下半年稍為好轉，本集團將會密切關注市況變化，並推行不同措施，以扭轉這產品類別的業務。

合營公司 (「合營公司」)

在回顧期內，本集團錄得應佔合營公司虧損金額約人民幣1,600,000元，這包括初始設置成本和開辦費。在回顧期內，合營公司的銷售團隊已經積極主動地工作，並完成了第一階段的市場調查研究。潛在客戶正面的反應符合預期，這將有助於勾劃針對目標市場的營銷策略。與此同時，為了實現最佳的生產效率和安全生產，合營公司的工程師花了很大的努力建立一個全面及高效的安全生產系統。預期生產廠房建設完成後，很快便啟動商業化生產。根據目前的進度，董事預期合營公司在當前的財政年度將不會為本集團帶來正面貢獻。

Summary of operating results (Continued)

Business Review (Continued)

Fine petrochemical products

During the period under review, the turnover of this product category has slowed down and suffered a squeezed profit margin due to intensive market competition. In addition, a further sinking in profit margin was directly resulted from the increase of material costs and market price fluctuations. Thus, this product category has recorded a segment loss. It is expected that the market conditions will be slightly better in the second half of this year. The Group will closely monitor the changing market conditions and implement various measures to turnaround the business of this production category.

Joint venture company (the "JV Company")

During the period under review, the Group recorded a share of loss of the JV Company amount of approximately RMB1.6 million which included the initial set up costs and pre-operating expenses. During the period under review, the sales team of the JV Company has been worked proactively and completed the first phase market research study. Responses from potential customers were positive and in line with the expectation which would help to outline the strategy aligning the targeted market. Meanwhile, the engineers from the JV Company spent much effort to build a comprehensive and highly effective safety production system in order to optimize the production efficiencies and safety. It is expected that the commercial production will commence shortly after the completion of production plant construction. Based on the current progress, the Directors expected the JV Company could not bring a positive contribution to the Group during the current financial year.

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

全球經濟持續不明朗和中國產能利用率處於較低水平，標誌著市場需求放緩，這將對本集團產品利潤率構成壓力。儘管本集團在回顧期內錄得理想業績，經營環境在餘下的財政年度可能對本集團不太理想。然而，本集團對中國的長期經濟前景充滿信心。本集團將利用其競爭優勢，探索新的潛在產品和提升生產技術，以增強其持續的競爭力，捕捉新的商業機會，從而擴大收入來源，以及優化本集團的增長模式。

董事會對本集團的基本因素和長遠發展前景仍具信心，並確信本集團的持續努力已經奠定了強大的業務基礎，使本集團能在實現成功的路上快速成長。本集團現正積極尋求其他業務發展機會，以提升本公司為股東帶來的回報。儘管市場環境欠佳，董事會將力爭在今年下半年繼續保持增長勢頭，旨在使整個財政年度的業務均有穩定增長。

Summary of operating results (Continued)

Business Review (Continued)

Outlook

The ongoing uncertainty in global economy and the lower level of capacity utilisation rate in the PRC signifying a slowdown of market demands, which in turn impose profit margin pressures to the Group's products. Despite the Group delivered strong results during the period under review, the business environment for the remaining financial year may not be so favourable to the Group. Nevertheless, the Group is confident about the China's economic long term outlook. The Group will capitalise its competitive advantages to explore new potential products and upgrade production technology so as to strengthen its on-going competitiveness and capture new business opportunities and thereby expand the sources of revenue as well as optimise the growth pattern of the Group.

The Board remains confident in the underlying fundamentals and the long-term prospects of the Group and believes the Group's continuous efforts have laid a strong business foundation allows the Group to achieve a successful growth path at a quick pace. The Group is now actively seeking other business development opportunities in order to enhance the return to the shareholders of the Company. Albeit the unfavorable market environment, the Board will strive to maintain the growth momentum continuously in the second half of the year and target to achieve stable business growth for the whole financial year.

管理層討論及分析

Management Discussion and Analysis

經營業績概要 (續)

財務回顧

本集團截至二零一三年六月三十日止六個月的營業額及毛利分別約為人民幣621,500,000元及人民幣175,700,000元，較去年同期約人民幣509,800,000元及人民幣118,500,000元分別增長約人民幣111,700,000元及人民幣57,200,000元，或21.9%及48.3%。毛利率亦上升5.1%至28.3%（截至二零一二年六月三十日止六個月：23.2%）。在回顧期內，達至理想業績的主要原因是：(i)本集團不斷擴大產品組合及提升產能，推動本集團的營業額增長；(ii)與去年同期相比，原材料成本下降；及(iii)生產效率進一步提高。

銷售開支由去年同期約人民幣11,400,000元增加了約人民幣3,000,000元至約人民幣14,400,000元，主要是由於在回顧期內：(i)運輸成本隨著營業額增長而增加；及(ii)員工成本因內部重組和擴大銷售及市場推廣隊伍而上升。銷售開支佔本集團營業額的百分比為2.3%（截至二零一二年六月三十日止六個月：2.2%）。

Summary of operating results (Continued)

Financial Review

Turnover and gross profit of the Group for the six months ended 30 June 2013 amounted to approximately RMB621.5 million and RMB175.7 million respectively, representing an increase of approximately RMB111.7 million and RMB57.2 million or 21.9% and 48.3% as compared with approximately RMB509.8 million and RMB118.5 million recorded in the corresponding period last year. The gross profit margin was also increased by 5.1% to 28.3% (six months ended 30 June 2012: 23.2%). Such satisfactory results were primarily attributable to (i) the Group's continuous effort in expanding products portfolio and the enhanced production capacity boosting the turnover growth of the Group; (ii) the decrease of raw material costs as compared with corresponding period last year; and (iii) further enhanced production efficiencies during the period under review.

The selling expenses increased by approximately RMB3.0 million from approximately RMB11.4 million in the corresponding period last year to approximately RMB14.4 million. It was mainly attributable to (i) the increase in transportation costs which in line with the growth of turnover; and (ii) the increase in staff costs due to internal reorganisation and expansion of sales and marketing team during the period under review. The selling expenses as a percentage of the Group's turnover was 2.3% (six months ended 30 June 2012: 2.2%).

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20,300,000元，與去年同期約人民幣15,200,000元相比，上升約人民幣5,100,000元。行政開支上升主要由於回顧期內其他地方稅項及匯兌損失上升所致。行政開支佔本集團營業額的3.3%，較去年同期的3.0%為高。

財務成本為銀行借貸及貼現銀行承兌票據的利息，減少約人民幣2,600,000元至約人民幣3,100,000元（截至二零一二年六月三十日止六個月：人民幣5,700,000元）。財務成本降低的主要原因是回顧期內銀行借貸額減少所致。

鑑於營業額及毛利的顯著改善以及健全的經營成本監控，純利達至約人民幣99,800,000元，與去年同期約人民幣72,300,000元比較，增長約人民幣27,500,000元或38.0%。

Summary of operating results (Continued) Financial Review (Continued)

The administrative expenses amounted to approximately RMB20.3 million, which was increased by approximately RMB5.1 million from approximately RMB15.2 million in the corresponding period last year. Such increase was principally due to the increase in other local tax and exchange loss during the period under review. The administrative expenses accounted for 3.3% of the Group's turnover, which was higher than 3.0% from the corresponding period last year.

The finance costs represented interest on bank borrowings and discounted bank acceptance bills which were decreased by approximately RMB2.6 million to approximately RMB3.1 million (six months ended 30 June 2012: RMB5.7 million). The decrease was mainly due to decrease in bank borrowing amounts during the period under review.

In light of the marked improvement of turnover and gross profit as well as sound control of operating costs, the net profit amounted to approximately RMB99.8 million, representing an increase of approximately RMB27.5 million or 38.0% as compared with approximately RMB72.3 million recorded in the corresponding period last year.

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

截至二零一三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83,200,000元(截至二零一二年六月三十日止六個月：人民幣96,300,000元)、新增銀行借貸約人民幣38,600,000元(截至二零一二年六月三十日止六個月：人民幣89,600,000元)、出售物業、廠房及設備約人民幣400,000元(截至二零一二年六月三十日止六個月：人民幣7,000元)及已收利息約人民幣100,000元(截至二零一二年六月三十日止六個月：人民幣400,000元)。憑藉本集團營運所得的財務資源，本集團斥資約人民幣67,900,000元(截至二零一二年六月三十日止六個月：人民幣40,300,000元)購入物業、廠房及設備、償還銀行借貸約人民幣16,000,000元(截至二零一二年六月三十日止六個月：人民幣77,600,000元)、並無向一家合營公司作出投資(截至二零一二年六月三十日止六個月：人民幣28,800,000元)、並無向一家合營公司預付款項(截至二零一二年六月三十日止六個月：人民幣500,000元)、支付利息約人民幣3,100,000元(截至二零一二年六月三十日止六個月：人民幣5,700,000元)以及派付股息約人民幣25,800,000元(截至二零一二年六月三十日止六個月：人民幣20,800,000元)。

Summary of operating results (Continued)

Financial Review (Continued)

Liquidity and financial resources

For the six months ended 30 June 2013, the Group's primary source of funding included the net cash inflow generated from operating activities of approximately RMB83.2 million (six months ended 30 June 2012: RMB96.3 million); newly raised bank borrowings of approximately RMB38.6 million (six months ended 30 June 2012: RMB89.6 million); proceeds on disposal of property, plant and equipment of approximately RMB0.4 million (six months ended 30 June 2012: RMB7,000) and interest received of approximately RMB0.1 million (six months ended 30 June 2012: RMB0.4 million). With the financial resources obtained from the Group's operations, the Group had spent approximately RMB67.9 million (six months ended 30 June 2012: RMB40.3 million) in the acquisition of the property, plant and equipment, bank borrowing repayments of approximately RMB16.0 million (six months ended 30 June 2012: RMB77.6 million); no investment made to a joint venture (six months ended 30 June 2012: RMB28.8 million); no advance payment made to a joint venture (six months ended 30 June 2012: RMB0.5 million); interest paid of approximately RMB3.1 million (six months ended 30 June 2012: RMB5.7 million) and dividend paid of approximately RMB25.8 million (six months ended 30 June 2012: RMB20.8 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)

於二零一三年六月三十日，本集團已抵押之銀行存款及銀行與現金結餘約為人民幣59,500,000元（二零一二年十二月三十一日：人民幣50,000,000元）。未償還借貸總額約人民幣96,600,000元（二零一二年十二月三十一日：人民幣74,000,000元）。本集團仍保持穩健的財務狀況；在回顧期內，由於增加銀行借貸以支付資本性開支，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）上升至4.4%（二零一二年十二月三十一日：3.1%）。在回顧期內，由於經營業績持續增長，淨流動資產輕微上升至約人民幣211,600,000元（二零一二年十二月三十一日：人民幣196,800,000元）。本集團計劃通過投資於若干現行及短期內進行的資本項目，繼續擴大經營規模，但預期的資本開支將不會對本集團的整體流動資金帶來重大影響。此外，基於本集團自經營活動中產生良好的現金流入以及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，為股東帶來最佳股本回報。

本集團在回顧期內並無運用任何金融工具作任何對沖用途。

Summary of operating results (Continued)

Financial Review (Continued)

Liquidity and financial resources (Continued)

As at 30 June 2013, the Group had pledged bank deposits and bank and cash balances of approximately RMB59.5 million (31 December 2012: RMB50.0 million). The total amount of outstanding borrowings was approximately RMB96.6 million (31 December 2012: RMB74.0 million). The Group still kept a healthy financial position, the gearing ratio (which is represented by the ratio of net debts (total borrowings net of cash and cash equivalents) to total shareholders' equity) of the Group increased to 4.4% (31 December 2012: 3.1%) is mainly due to increase bank borrowings to finance capital expenditure during the period under review. The net current assets slightly increased to approximately RMB211.6 million (31 December 2012: RMB196.8 million) as a result of the continuous growth operating results during the period under review. The Group plans to continuously expand business scale by investing several capital projects currently and in near future but the planned capital expenditure would not impose significant impact to the overall liquidity of the Group. Besides, given the promising cash inflow generated from the Group's operating activities, existing cash resources and available banking facilities obtained from its banks, 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.

管理層討論及分析

Management Discussion and Analysis

經營業績概要 (續)

財務回顧 (續)

資產抵押

於二零一三年六月三十日，本集團就信用證額度而將銀行存款約人民幣13,500,000元（二零一二年十二月三十一日：無）抵押。本集團已抵押預付土地租賃款項約人民幣29,900,000元（二零一二年十二月三十一日：人民幣30,300,000元）作為本集團銀行借貸之抵押品。

或然負債

於二零一三年六月三十日，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。

本集團所承擔之最大外匯風險乃源自回顧期內之人民幣匯率波動。除本集團之出口銷售及海外採購主要以美元結算外，本集團大部分之收入及開支均以人民幣結算。本集團於回顧期內並無因外幣匯率波動而在其營運或資金流動狀況方面遇上任何重大困難，亦未因此而受任何影響。另外，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。

Summary of operating results (Continued)

Financial Review (Continued)

Pledge of assets

As at 30 June 2013, bank deposits of approximately RMB13.5 million (31 December 2012: Nil) were pledged for letter of credit facilities. Prepaid land lease payments of the Group of approximately RMB29.9 million (31 December 2012: RMB30.3 million) were pledged to secure the Group's bank borrowings.

Contingent liabilities

As at 30 June 2013, 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 RMB, Hong Kong dollars and United States dollars.

The Group's foremost exposure to the foreign exchange risk was caused by the fluctuation of RMB during the period under review. Most of the Group's income and expenses were denominated in RMB except for the Group's export sales and overseas procurement 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.

管理層討論及分析

Management Discussion and Analysis

人力資源

於二零一三年六月三十日，本集團共有969名全職僱員（二零一二年十二月三十一日：903名全職僱員）。

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。向員工提供之酬金待遇乃按其職務及當時市場趨勢釐訂，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。本集團亦會向僱員提供其他獎勵或幫助，以推動僱員個人成長及事業發展，例如向員工提供持續培訓，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職課程以及各類可供本集團所有員工參加之培訓課程。

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。於回顧期內，並無授出本公司之購股權。

Human resources

As at 30 June 2013, the Group has 969 full time employees (31 December 2012: 903 fulltime employees).

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 trends. 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 is 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. 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

於二零一三年六月三十日，本公司董事、主要行政人員及彼等之聯繫人於本公司股份（「股份」）及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：

於股份之好倉

董事姓名	公司／相聯 法團名稱 Name of company/ associated corporation	所持股份數目／ 股份權益 Number of Shares held/ interest in the Shares	身份 Capacity	佔已發行股本總數 概約百分比(%) 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)	584,000,000 (附註2) (Note 2)	受控法團之權益 Interest of controlled corporation	69.00%

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

As at 30 June 2013, the interests and short positions of the Directors, chief executive of the Company and their associates in the shares of the Company (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 (the "SFO")) which were notified to the Company and 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

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. 584,000,000股股份乃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%。除鄭虹女士和傅安旭先生外，其他人士均為執行董事。
2. 由於劉先生於志峰擁有38%權益，故被視為於上文附註1所述之584,000,000股股份擁有權益。

除上文披露之權益外，於二零一三年六月三十日，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回顧期內概無訂立任何可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購入本公司或其相聯法團任何股份、相關股份或債券的安排。

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

Notes:

1. The 584,000,000 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. Except Ms. Zheng Hong and Mr. Fu Anxu, all others are the executive Directors.
2. Mr. Liu is deemed to be interested in 584,000,000 Shares referred to in Note 1 above by virtue of his 38% interests in Cheerhill.

Save as disclosed above, as at 30 June 2013, 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 under review, was the Company or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement that enables 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

主要股東於股份之權益及淡倉

於二零一三年六月三十日，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條存置之股東名冊內：

於股份之好倉

股東名稱	所持股份數目／ 股份權益及 權益總額 Number of Shares held/ interest in the Shares and aggregated interest	身份	佔已發行股本總數 概約百分比(%) Approximate % in the total issued share capital
Name of shareholder		Capacity	
志峰 (附註) Cheerhill (Note)	584,000,000	實益擁有人 Beneficiary owner	69.00%

附註：

584,000,000股股份乃由志峰持有，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%。除鄭虹女士和傅安旭先生外，其他人士均為執行董事。

除上文所披露者外，於二零一三年六月三十日，據本公司所知，概無任何人士於股份或相關股份中擁有根據證券及期貨條例第336條須向本公司披露之權益或淡倉。

Substantial shareholder's interests and short positions in the Shares

As at 30 June 2013, 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

Note:

The 584,000,000 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. Except Ms. Zheng Hong and Mr. Fu Anxu, all others are the executive Directors.

Save as disclosed above, as at 30 June 2013, the Company is not aware of any persons who have interest or short positions in the Shares or underlying Shares which would require to be disclosed to the Company pursuant to 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就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，根據購股權計劃最多可授出40,000,000份購股權，購股權賦予其持有人權利，可認購最多40,000,000股股份。

在回顧期內，本公司並無根據購股權計劃授出、行使或註銷購股權。於二零一三年一月一日及二零一三年六月三十日，並無購股權計劃項下之未行使購股權。

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的規定。經本公司作出查詢後，全體董事已確認，彼等於截至二零一三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之規定標準。

高級管理層因其在本公司所擔任之職務而可能擁有未公佈之股價敏感資料，故已應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。

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.

During the period under review, no share options were granted, exercised or cancelled by the Company under the Share Option Scheme. There were no outstanding share options under the Share Option Scheme as at 1 January 2013 and 30 June 2013.

Model code 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 2013.

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.

其他資料 Other Information

購買、出售或贖回本公司之上市股份

於截至二零一三年六月三十日止六個月，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

董事並無獲悉任何資料可合理顯示，於截至二零一三年六月三十日止六個月內，本公司未有遵守或曾經不遵守載於上市規則附錄十四之企業管治守則（「企業管治守則」）。

提名委員會

提名委員會目前由執行董事劉洪亮先生（提名委員會主席）及兩名獨立非執行董事梁錦雲先生及劉晨光先生組成。於回顧期內，提名委員會已檢討董事會的架構、人數及組成（包括技能、知識及經驗方面）；評核獨立非執行董事的獨立性；批准採納董事繼任計劃；以及就重新委任董事向董事會提出建議。

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

During the six months ended 30 June 2013, neither the Company nor any of its subsidiaries had redeemed, purchased or sold any of the Company's listed shares.

Corporate governance practices

None of the Directors is aware of information that would reasonably indicate that the Company is not, or was not during the six months ended 30 June 2013, in compliance with the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules.

Nomination committee

The Nomination Committee currently comprises an executive Director, namely Mr. Liu Hongliang (Chairman of the Nomination Committee) and the two independent non-executive Directors, namely Mr. Leung Kam Wan and Mr. Liu Chenguang. During the period under review, the Nomination Committee has reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board; assessed the independence of independent non-executive Directors; approved and adopted Director succession plan; and made recommendations to the Board on the re-appointment of Directors.

其他資料 Other Information

薪酬委員會

薪酬委員會目前由三名獨立非執行董事劉晨光先生（薪酬委員會主席）、高寶玉先生、梁錦雲先生及一名執行董事劉洪亮先生組成。於回顧期內，薪酬委員會在參考董事職責範疇及本集團之企業目的與目標，並計及可資比較的市場狀況後，審閱及批准截至二零一三年十二月三十一日止年度所有董事及本公司高級管理層之薪酬福利。董事一概不得參與討論及決定本身之薪酬。

審核委員會

本公司審核委員會由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，並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二零一三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。審核委員會概無就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，二零一三年八月二十三日

Remuneration committee

The Remuneration Committee currently comprises three independent non-executive Directors, namely Mr. Liu Chenguang (Chairman of the Remuneration Committee), Mr. Guo Baoyu, Mr. Leung Kam Wan and an executive Director Mr. Liu Hongliang. 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 ended 31 December 2013 by reference to the scope duties and responsibilities of the Directors, 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, 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 2013. 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, 23 August 2013



天德化工控股有限公司
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