

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 director

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

Independent non-executive director

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:

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

PRC:

Bank of China Limited

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：

香港上海滙豐銀行有限公司
恒生銀行有限公司
集友銀行有限公司
瑞穗實業銀行有限公司
星展銀行(香港)有限公司
花旗銀行
澳盛銀行

中國：

中國銀行有限公司

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

PRINCIPAL SHARE REGISTRAR

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman
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

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman
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 2012 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2012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 COMPREHENSIVE INCOME

For the six months ended 30 June 2012

簡明綜合全面收益表

截至2012年6月30日止6個月

		Six months ended 30 June	
		截至6月30日止6個月	
		2012	2011
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		(Restated)	
		(重列)	
		HK\$'000	HK\$'000
		千港元	千港元
Continuing operation	持續經營業務		
Revenue	收入	3	890,947
Cost of sales	銷售成本		1,000,717
			(463,553)
Gross profit	毛利		309,728
Other income	其他收入	4	64,987
Selling and distribution expenses	銷售及分銷費用		(29,071)
General and administrative expenses	行政費用		(94,704)
Finance costs	融資成本	5	(15,670)
Profit before taxation	除稅前溢利		235,270
Income tax expense	所得稅支出	6	(35,174)
Profit for the period from continuing operation	持續經營業務之期內溢利	7	200,096
			387,912
Discontinued operation	已終止經營業務		
Profit for the period from discontinued operation	已終止經營業務之期內溢利		-
Gain arising from reclassification of translation reserve upon distribution in specie	實物分派時重列匯兌儲備所產生之收益		33,327
			-
			6,090
			-
			39,417
Profit for the period	期內溢利		200,096
			427,329
Other comprehensive income	其他全面收益		
Exchange differences arising from translation	因換算而產生的滙兌差額		(21,655)
Reclassification of translation reserve upon distribution in specie	實物分派時重列匯兌儲備		38,584
Fair value loss on hedging instruments in cash flow hedges	現金流對沖工具之公平值虧損		-
			(6,090)
			(4,175)
Other comprehensive income for the period	期內其他全面收益		(25,830)
			32,494
Total comprehensive income for the period	期內全面收益總額		174,266
			459,823
Earnings per share from continuing and discontinued operations:	持續經營及已終止業務之每股盈利：	9	
- Basic (HK cents)	- 基本(港仙)		24.3
- Diluted (HK cents)	- 攤薄(港仙)		24.3
			51.8
			50.4
Earnings per share from continuing operation:	持續經營業務每股盈利：	9	
- Basic (HK cents)	- 基本(港仙)		24.3
- Diluted (HK cents)	- 攤薄(港仙)		24.3
			47.0
			45.7

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2012

簡明綜合財務狀況表

於2012年6月30日

			30.06.2012 (Unaudited) (未經審核)	31.12.2011 (Audited) (經審核)
		<i>Notes</i> <i>附註</i>	HK\$'000 千港元	HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	1,094,251	1,124,535
Prepaid lease payments	預付租賃款項		65,538	45,454
Intangible assets	無形資產		7,741	8,443
Deposits paid for the acquisition of property, plant and equipment	購置物業、廠房及設備之已付訂金		146,183	14,613
Deposit paid for land use right	土地使用權之已付訂金		-	3,045
Interests in jointly controlled entities	共同控制實體之權益		24,566	4,934
Loan to a jointly controlled entity	共同控制實體之貸款		31,240	9,400
			1,369,519	1,210,424
CURRENT ASSETS	流動資產			
Inventories	存貨	11	85,494	95,620
Prepaid lease payments	預付租賃款項		923	929
Trade and other receivables	應收貿易及其他款項	12	345,039	293,601
Bank balances and cash	銀行結餘及現金		1,537,823	1,233,108
			1,969,279	1,623,258
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付貿易及其他款項	13	173,823	190,234
Derivative financial instruments	衍生金融工具		7,390	-
Amounts due to related companies	應付關連公司款項		-	201
Taxation payable	應付稅項		20,267	14,738
Bank borrowings – due within 1 year	銀行借款 – 1年內到期		298,238	220,148
			499,718	425,321
NET CURRENT ASSETS	流動資產淨值		1,469,561	1,197,937
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		2,839,080	2,408,361
NON-CURRENT LIABILITIES	非流動負債			
Bank borrowings – due after 1 year	銀行借款 – 1年後到期		1,083,750	746,600
Derivative financial instruments	衍生金融工具		7,315	3,140
			1,091,065	749,740
NET ASSETS	資產淨值		1,748,015	1,658,621
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	14	82,500	82,500
Reserves	儲備		1,665,515	1,576,121
TOTAL EQUITY	權益總額		1,748,015	1,658,621

Interim Results

中期業績

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012

簡明綜合權益變動表

截至2012年6月30日止6個月

		Share capital	Share premium	Asset revaluation reserve	Non-distributable reserve	Translation reserve	Hedging reserve	Share options reserve	Special reserve	Retained profits	Total
		股本	股份溢價	資產重估儲備	不可分派儲備	匯兌儲備	對沖儲備	購股權儲備	特別儲備	保留盈餘	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) (附註i)				(Note ii) (附註ii)		
At 1 January 2011 (originally stated)	於2011年1月1日(原列)	82,500	20,307	86,309	59,575	75,877	-	66,804	(67,990)	1,054,020	1,377,402
- Effect of a change in accounting policy	- 會計政策變更之影響	-	-	(79,667)	-	-	-	-	-	1,563	(78,104)
At 1 January 2011 (restated)	於2011年1月1日(重列)	82,500	20,307	6,642	59,575	75,877	-	66,804	(67,990)	1,055,583	1,299,298
Profit for the period (originally stated)	期內溢利(原列)	-	-	-	-	-	-	-	-	417,110	417,110
- Effect of a change in accounting policy	- 會計政策變更之影響	-	-	-	-	-	-	-	-	4,129	4,129
- Gain arising from reclassification of translation reserve upon distribution in specie	- 實物分派時重列匯兌儲備所產生之收益	-	-	-	-	-	-	-	-	6,090	6,090
Profit for the period (restated)	期內溢利(重列)	-	-	-	-	-	-	-	-	427,329	427,329
Other comprehensive income for the period	期內其他全面收益	-	-	-	-	32,494	-	-	-	-	32,494
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	32,494	-	-	-	427,329	459,823
Recognition of equity-settled share-based payments	確認以股本結算以股份為基礎之付款	-	-	-	-	-	-	31,185	-	-	31,185
Derecognition upon distribution in specie	實物分派時取消確認	-	-	(6,642)	-	-	-	-	(29,372)	(159,038)	(195,052)
Dividend paid	已付股息	-	-	-	-	-	-	-	-	(107,250)	(107,250)
At 30 June 2011 (unaudited)	於2011年6月30日 (未經審核)	82,500	20,307	-	59,575	108,371	-	97,989	(97,362)	1,216,624	1,488,004
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 income for the period	期內其他全面收益	-	-	-	-	(21,655)	(4,175)	-	-	-	(25,830)
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	(21,655)	(4,175)	-	-	200,096	174,266
Recognition of equity-settled share-based payments	確認以股本結算以股份為基礎之付款	-	-	-	-	-	-	14,128	-	-	14,128
Realised on loss on derivative financial instrument	衍生工具損益之變現	-	-	-	-	-	(177)	-	-	177	-
Dividend paid	已付股息	-	-	-	-	-	-	-	-	(99,000)	(99,000)
At 30 June 2012 (unaudited)	於2012年6月30日 (未經審核)	82,500	20,307	-	126,937	120,310	(7,315)	143,302	(97,362)	1,359,336	1,748,015

Note:

- 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 reorganization in December 2001.

附註:

- 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%。結轉該儲備必須在分派股息給股東前。不可分派儲備可用作抵消過往年度虧損(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之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 2012

簡明綜合現金流量表

截至2012年6月30日止6個月

		Six months ended 30 June	
		截至6月30日止6個月	
		2012	2011
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
			(Restated)
			(重列)
		HK\$'000	HK\$'000
		千港元	千港元
NET CASH GENERATED FROM OPERATING ACTIVITIES	經營業務所得現金淨額	192,159	287,470
INVESTING ACTIVITIES	投資活動		
Purchase of property, plant and equipment	購置物業、廠房及設備	(15,333)	(5,284)
Increase in prepaid lease payments	預付租賃款增加	(16,660)	-
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備之已付訂金	(136,468)	(23,167)
Derecognition of cash of subsidiaries upon spin-off	分拆時取消確認附屬公司之現金	-	(33,703)
Investment in a jointly controlled entity	共同控制實體投資	(19,512)	-
Loan to a jointly controlled entity	共同控制實體貸款	(21,840)	-
Interest received	已收利息	34,934	5,460
Sales proceeds from disposal of fixed assets	出售固定資產所得款項	-	211
Net cash used in investing activities	投資活動所耗現金淨額	(174,879)	(56,483)
FINANCING ACTIVITIES	融資活動		
New bank borrowings raised	新籌集銀行貸款	530,067	159,202
Repayment of bank borrowings	償還銀行貸款	(114,828)	(44,579)
Interest paid	已付利息	(15,670)	(4,566)
Dividends paid	已付股息	(99,000)	(107,250)
Net cash generated from financing activities	融資活動所得現金淨額	300,569	2,807
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	317,849	233,794
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	期初之現金及現金等價物	1,233,108	393,385
EFFECT OF CHANGES IN EXCHANGE RATES	匯率變動之影響	(13,134)	9,686
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	期末之現金及現金等價物	1,537,823	636,865

Interim Results

中期業績

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands under the Companies Law (Revised) Chapter 22 of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate holding company is Fortune Star Tradings Limited, a company which is incorporated in the British Virgin Islands and its place of business in Hong Kong is located at 8/F. Liven House, 61-63 King Yip Street, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the manufacture and sale of chemical products.

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. BASIS OF PRESENTATION

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

The unaudited condensed consolidated interim financial statements should be read in conjunction with the 2011 annual report.

The accounting policies used in the preparation of the condensed consolidated interim financial statements are consistent with those used in the financial statements contained in the 2011 annual report except for the adoption of the new standards, amendments or interpretations issued by the HKICPA which are mandatory for the annual periods beginning 1 January 2012. The adoption of these standards, amendments or interpretations has no material effect on the Group's financial position or results of operations.

The Group has not early adopted the new standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and financial position of the Group.

簡明綜合財務報表附註

1. 一般資料

本公司根據開曼群島公司法(經修訂)第22章於開曼群島註冊成立為一家獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。其最終控股公司為 Fortune Star Tradings Ltd.，一間於英屬維爾京群島註冊成立之公司，而其香港營業地點位於香港九龍觀塘敬業街61-63號利維大廈8字樓。

本公司為一間投資控股公司。集團主要從事生產及銷售化工產品。

本公司的功能貨幣為人民幣(「人民幣」)。由於本公司其股份在聯交所上市及其大部份潛在投資者位於香港，故財務資料乃以港元(「港元」)呈列。

2. 呈列基準

本未經審核簡明綜合中期財務報表乃按照香港聯合交易所有限公司證券上市規則附錄16及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」之適用規定所編製而成。

本未經審核簡明綜合中期財務報表應與2011年報一併閱覽。

編製本簡明綜合中期財務報表所採用的會計政策，與2011年報所載財務報表所採用者一致，惟採納香港會計師公會頒布必須於2012年1月1日開始之年度期間生效之新準則、修訂及詮釋則除外。採納此等新準則、修訂及詮釋對本集團之財務狀況或經營業績概無重大影響。

本集團並無提早採納已頒布但尚未生效之新準則、修訂及詮釋。本公司董事預期，採用該等新準則、修訂及詮釋將不會對本集團之業績及財務狀況產生重大影響。

3. SEGMENT INFORMATION

(a) Operating Segments

Information reported to the Chairman of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods sold.

The Group used to have two operating segments, namely, the Handbag Business and the Chemical Business. Following the Spin-off in June 2011, 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.

The Handbag Business was reported as a discontinued operation in 2011 annual report.

(b) Geographical information

The Group's operations is located in the People's Republic of China ("PRC").

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

PRC	中國
USA	美國
Other Asian countries	其他亞洲國家

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。

本集團曾經擁有兩個經營分部，分別為手袋業務及化工業務。緊接2011年6月分拆後，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。

手袋業務於2011年報所示，已被列為已終止經營業務。

(b) 地區資料

本集團業務位於中華人民共和國（「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	
2012	2011
HK\$'000	HK\$'000
千港元	千港元
851,179	1,000,717
37,537	—
2,231	—
890,947	1,000,717

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3. SEGMENT INFORMATION (CONTINUED)

(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	
		2012	2011
		HK\$'000	HK\$'000
		千港元	千港元
Chloromethane products	甲烷氯化物	334,390	649,290
Caustic soda	燒碱	350,271	271,385
Hydrogen peroxide	過氧化氫	54,939	58,658
Others	其他	151,347	21,384
		890,947	1,000,717

(d) Information about major customers

Revenue from customers from chemical products of the corresponding period contributing over 10% of the total sales of the Group are as follow:

		Six months ended 30 June	
		截至6月30日止6個月	
		2012	2011
		HK\$'000	HK\$'000
		千港元	千港元
Customer A	客户A	N/A*	166,960

* The corresponding revenue did not contribute over 10% of the total sales of the Group.

3. 分部資料(續)

(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	
		2012	2011
		HK\$'000	HK\$'000
		千港元	千港元
Chloromethane products	甲烷氯化物	334,390	649,290
Caustic soda	燒碱	350,271	271,385
Hydrogen peroxide	過氧化氫	54,939	58,658
Others	其他	151,347	21,384
		890,947	1,000,717

(d) 關於主要客戶資料

超過本集團總銷售額10%的化工產品銷售客戶，相應期間的銷售收入如下：

		Six months ended 30 June	
		截至6月30日止6個月	
		2012	2011
		HK\$'000	HK\$'000
		千港元	千港元
Customer A	客户A	N/A*	166,960

* 相應收入不超過集團總銷售額的10%。



4. OTHER INCOME

4. 其他收入

		Six months ended 30 June	
		截至6月30日止6個月	
		2012	2011
		HK\$'000	HK\$'000
		千港元	千港元
Bank interest income	銀行利息收入	34,934	5,429
Government grant	政府補助	26,464	869
Exchange gain	匯兌收益	1,332	1,014
Others	其他	2,257	3,607
		64,987	10,919

5. FINANCE COSTS

5. 融資成本

		Six months ended 30 June	
		截至6月30日止6個月	
		2012	2011
		HK\$'000	HK\$'000
		千港元	千港元
Interest on:	利息支出：		
Bank borrowings wholly repayable within five years	須於五年內全部償還之銀行借款	15,670	3,834

6. INCOME TAX EXPENSE

6. 所得稅支出

		Six months ended 30 June	
		截至6月30日止6個月	
		2012	2011
		HK\$'000	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	35,174	60,247

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 L&M is exempted from PRC income tax for two years starting from 2008, followed by a 50% reduction for the next three years. These tax holidays and concessions expire in 2012.

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

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，江蘇理文自2008年起豁免兩年中國企業所得稅，而隨後三年則享有減半稅優惠。此稅務優惠待遇將有效至2012年止。

由於該兩個年度並無應評稅利潤，故無提撥香港利得稅。

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7. PROFIT FOR THE PERIOD

7. 期內溢利

		Six months ended 30 June	
		截至6月30日止6個月	
		2012	2011
			(Restated)
			(重列)
		HK\$'000	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	5,186	1,709
Share based performance related incentive	以股份為基礎之表現獎金	14,128	31,185
Other staff costs	其他職員成本	26,874	22,975
Retirement benefit schemes contributions (excluding directors)	退休福利計劃供款(董事除外)	6	20
Total staff costs	員工成本總額	46,194	55,889
Amortisation of prepaid lease payments	預付租賃款項攤銷	465	377
Amortisation of intangible assets	無形資產攤銷	107	536
Cost of inventories recognised as expenses	已確認為支出的存貨成本	581,219	463,553
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	55,003	46,038
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	11	-
Research and development costs	研發費用		
– included in general and administrative expenses	– 包括在行政費用內	34,851	-
– included in cost of sales	– 包括在銷售成本內	-	13,566
and after crediting:	並已計入：		
Interest income	利息收入	34,934	5,429
Exchange gain	匯兌收益	1,332	1,014



8. DIVIDENDS

8. 股息

		Six months ended 30 June	
		截至6月30日止6個月	
		2012	2011
		HK\$'000	HK\$'000
		千港元	千港元
Final dividend paid during the period: 2011 final dividend HK 12.0 cents per share (2010: HK 13.0 cents)	期內已派付之末期股息： 2011年末期股息每股12.0港仙 (2010：13.0港仙)	99,000	107,250
Interim dividend declared subsequent to period end 2012 interim dividend HK 8.0 cents per share (2011: HK 17.0 cents)	期後已宣派之中期股息 2012年中期股息每股8.0港仙 (2011：17.0港仙)	66,000	140,250
The Board has declared that an interim dividend of HK8.0 cents (2011: HK17.0 cents) per share for the six months ended 30 June 2012 to shareholders whose names appear in the Register of Members on 7 September 2012.	董事會議決宣派截至2012年6月30日止6個月之中期股息每股8.0港仙(2011：17.0港仙)予於2012年9月7日名列股東名冊內之股東。		

9. EARNINGS PER SHARE

9. 每股盈利

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

期內公司權益持有人的每股基本及攤薄盈利乃以下列數據為基準計算：

From continuing and discontinued operations

按持續經營及已終止經營業務

		Six months ended 30 June	
		截至6月30日止6個月	
		2012	2011
		HK\$'000	HK\$'000
		千港元	千港元
Earnings from continuing and discontinued operations for the purpose of basic and diluted earnings per share	用以計算每股基本盈利的持續經營及已終止經營業務之盈利	200,096	427,329
Weighted average number of ordinary shares for the purpose of basic earnings per share	用以計算每股基本盈利的普通股加權平均數	825,000,000	825,000,000
Effect of dilutive potential ordinary shares: Share options	普通股潛在攤薄影響：購股權	-	22,943,643
Weighted average number of ordinary shares for the purpose of diluted earnings per share	用以計算每股攤薄盈利的普通股加權平均數	825,000,000	847,943,643

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9. EARNINGS PER SHARE (CONTINUED)

From continuing operation

		Six months ended 30 June	
		截至6月30日止6個月	
		2012	2011
			(Restated)
			(重列)
		HK\$'000	HK\$'000
		千港元	千港元
Earnings from continuing operation for the purpose of basic and diluted earnings per share	用以計算每股基本盈利的持續經營業務之盈利	<u>200,096</u>	<u>387,912</u>
Weighted average number of ordinary shares for the purpose of basic earnings per share	用以計算每股基本盈利的普通股加權平均數	<u>825,000,000</u>	825,000,000
Effect of dilutive potential ordinary shares: Share options	普通股潛在攤薄影響：購股權	<u>-</u>	<u>22,943,643</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	用以計算每股攤薄盈利的普通股加權平均數	<u>825,000,000</u>	<u>847,943,643</u>

Diluted earnings per share for 2012 is not presented because the exercise price of those options was higher than its average market price for 2012 and there was no dilutive effect on earnings per share.

由於2012年內購股權之行使價高於普通股平均市價，對每股盈利未有攤薄影響，故於2012年內無呈列每股攤薄盈利。

10. ADDITIONS TO PROPERTY, PLANT & EQUIPMENT

During the period, the Group spent HK\$168 million (2011: HK\$28 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1.68億港元(2011：2,800萬港元)，以擴展集團業務。

11. INVENTORIES

		At	At
		於	於
		30.06.2012	31.12.2011
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials and consumables	原材料及耗用品	<u>46,524</u>	56,784
Work in progress	在制品	<u>7,582</u>	8,809
Finished goods	制成品	<u>31,388</u>	<u>30,027</u>
		<u>85,494</u>	<u>95,620</u>

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 HK\$259,944,000 (31.12.2011: HK\$243,790,000). 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 30.06.2012 HK\$'000 千港元	At 於 31.12.2011 HK\$'000 千港元
Less than 30 days	少於30天	195,693	236,398
31 to 60 days	31至60天	2,678	7,392
61 to 90 days	61至90天	61,573	-
Over 90 days	90天以上	-	-
		259,944	243,790
Prepayment and deposits	預付款及訂金	82,262	37,154
Other receivables	其他應收款	2,833	12,657
		345,039	293,601

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 HK\$62,952,000 (31.12.2011: HK\$56,306,000). The aged analysis of trade and bills payables at the end of the reporting period is as follows:

		At 於 30.06.2012 HK\$'000 千港元	At 於 31.12.2011 HK\$'000 千港元
Less than 30 days	少於30天	44,948	44,243
31 to 60 days	31至60天	10,984	3,473
61 to 90 days	61至90天	654	1,120
Over 90 days	90天以上	6,366	7,470
		62,952	56,306
Receipt in advance	預收款	30,092	59,167
Construction payable	應付工程款	9,349	23,819
Other payables and accruals	其他應付款	71,430	50,942
		173,823	190,234

12. 應收貿易及其他款項

本集團一般給予貿易客戶之賒賬期平均為7至60天。

應收貿易及其他款項包括應收賬款及票據約259,944,000港元(31.12.2011: 243,790,000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。貿易購貨之平均賒賬期為7至45天。

應付貿易及其他款項包括應付賬款及票據約62,952,000港元(31.12.2011: 56,306,000港元)。應付賬款及票據於結算日之賬齡分析如下:

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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0.10港元之普通股：		
Authorised:	法定：		
At 30 June 2012 and 31 December 2011	於2012年6月30日及 2011年12月31日	5,000,000,000	500,000
Issued and fully paid:	發行及繳足：		
At 30 June 2012 and 31 December 2011	於2012年6月30日及 2011年12月31日	825,000,000	82,500

15. CAPITAL COMMITMENTS

15. 資本承擔

		At 於 30.06.2012 HK\$'000 千港元	At 於 31.12.2011 HK\$'000 千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:	已訂約但未於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	417,000	150,663
– the acquisition of land use right	– 購入土地使用權	26,000	–



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	
			2012 HK\$'000 千港元	2011 HK\$'000 千港元
Connected parties 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	37,745	34,984
		Sales of chemical industrial products 銷售化工工業產品	2,178	3,239

17. 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 HK8.0 cents per share for the six months ended 30 June 2012 to shareholders whose names appear on the Register of Members on 7 September 2012. It is expected that the interim dividend will be paid around 17 September 2012.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 5 September 2012 to 7 September 2012, 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 4 September 2012.

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. 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2012年6月30日止6個月之中期股息每股8.0港仙予於2012年9月7日名列股東名冊內之股東。預期中期股息將於2012年9月17日派發。

暫停辦理股份過戶登記

本公司將於2012年9月5日至2012年9月7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2012年9月4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

The spin-off of the Group's handbag business was completed in June last year. Immediately following the spin-off, the chemical business has become the Group's single operation.

For the six months ended 30 June 2012, the Group recorded revenue of HK\$891 million, decreased by 11.0% below the last corresponding period; and a net profit for the period of HK\$200 million, representing a drop of 48.4% below the same period last year (excluding the profit from discontinued handbag business).

The significant decrease in net profit for the period was mainly attributable to the uncertainty of global economy and the slowdown of economic growth in China, the demand for the Group's main products has declined and its selling prices have dropped significantly as compared to the last corresponding period, which resulted in a decrease in profit margin.

During the first half of the year, there was significant fluctuation in products prices. 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 49% during the first half of the year whereas the by-product average selling price per ton rose by approximately 18%. In addition, the average purchase costs of raw materials, mainly including industrial crude salt and methanol, was broadly stable.

As affected by the above factors, gross profit margin of the Group for the period ended 30 June 2012 dropped from 53.7% of the last corresponding period to 34.8% and the net profit margin decreased from 38.8% of the last corresponding period to 22.5%.

OUTLOOK

In 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 intends to spend about RMB1.9 billion for development of the fluorochemical downstream products in two phases and the first production line is expected to commence operation in the first half of 2013.

The project will be financed by internal funds and bank borrowings. As at 30 June 2012, the Group maintained bank balances and cash of approximately HK\$1.54 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

本集團之手袋業務於去年六月完成分拆上市，緊隨分拆後，化工業務已成為本集團的單一業務。

截至2012年6月30日止6個月，本集團錄得總營業額8.91億港元，較去年同期下跌11.0%，而期內溢利為2億，較去年同期（不包括已終止手袋業務之利潤）下跌48.4%。

期內溢利顯著減少，主要受環球經濟不明朗及國內經濟增長放緩影響下，集團主產品需求回落，其售價較去年同期大幅下降，以致邊際利潤減少。

集團產品價格於上半年亦大幅波動。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下跌約49%；而副產品燒鹼的平均每噸售價則上升約18%；此外，原材料（主要包括工業原鹽及甲醇）之平均採購成本亦大致平穩。

受上述因素影響，截至2012年6月30日止，集團毛利率由去年同期的53.7%下降至34.8%及純利率則由去年同期的38.8%下降至22.5%。

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，集團擬斥資約19億人民幣，分兩期全力發展氟化工下游產品，預期第一期生產線將於2013年上半年投產。

該項目資金將由內部資金及銀行借款組成。於2012年6月30日本集團銀行結餘及現金約15.4億港元。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 equity holders of the Group for the period ended 30 June 2012 was HK\$891 million and HK\$200 million respectively, representing a significant decrease of 11.0% and 48.4%, as compared to HK\$1,001 million and HK\$388 million respectively for the last corresponding period. The basic earnings per share was HK24.3 cents for the period ended 30 June 2012 and HK47.0 cents for the last corresponding period.

Revenue

The significant decrease in revenue for the period was mainly attributable to the uncertainty of global economy and the slowdown of economic growth in China, the demand for the Group's main products declined and its selling prices dropped substantially as compared to the last corresponding period, which resulted in the decrease in profit margin.

During the first half of the year, there was significant fluctuation in products prices. 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 49% during the first half of the year whereas the by-product average selling price per ton rose by approximately 18%. In addition, the average purchase costs of raw materials, mainly including industrial crude salt and methanol, was broadly stable.

As affected by the above factors, gross profit margin of the Group for the period ended 30 June 2012 dropped from 53.7% of the last corresponding period to 34.8% and the net profit margin decreased from 38.8% of the last corresponding period to 22.5%.

Selling and distribution expenses

Selling and distribution expenses incurred for the six months ended 30 June 2012 was HK\$29.1 million, representing an increase by 8.7% as compared to HK\$26.8 million for the last corresponding period. The selling and distribution expense represented about 3.3% of total revenue for the period, slightly increased by 0.6 percentage point as compared to 2.7% for the last corresponding period. Such increase was attributable to the "port construction fee" newly imposed in China from 2012 which resulted in rise of the logistic costs.

Administrative expenses

Administrative expenses incurred for the six months ended 30 June 2012 was HK\$94.7 million, which increased by HK\$25.4 million as compared to HK\$69.3 million for the last corresponding period. The administrative expenses accounted for about 10.6% of total revenue for the period. There was a considerable increase as compared to 6.9% for last corresponding period. The increase was mainly due to the substantial rise in research and development up to the total expenditure of HK\$34 million incurred for the period.

經營業績

截至2012年6月30日止6個月，本集團收入及期內股東應佔溢利分別為8.91億港元及2.00億港元，較去年同期的10.01億港元及3.88億港元，分別顯著減少11.0%及48.4%。截至2012年6月30日止6個月每股基本盈利為24.3港仙而去年同期為47.0港仙。

收入

期內收入顯著減少，主要受環球經濟不明朗及國內經濟增長放緩影響下，集團主產品需求回落，其售價較去年同期大幅下降，以致邊際利潤減少。

集團產品價格於上半年亦大幅波動。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下跌約49%；而副產品燒碱的平均每噸售價則上升約18%。此外，原材料(主要包括工業原鹽及甲醇)之平均採購成本亦大致平穩。

受上述因素影響，截至2012年6月30日止，集團毛利率由去年同期的53.7%下降至34.8%及純利率則由去年同期的38.8%下降至22.5%。

銷售及分銷費用

銷售及分銷費用截至2012年06月30日止6個月為2,910萬港元，較去年同期的2,680萬港元，增加8.7%。銷售及分銷費用佔期內總收入約3.3%，與去年同期2.7%比較稍微上升0.6個百分點。該上升是由於2012年國內新增「港口建設費」，而增加了物流支出。

行政費用

行政費用截至2012年06月30日止6個月為9,470萬港元，與去年同期6,930萬港元比較，增加2,540萬港元。行政費用佔期內總收入約10.6%，與去年同期6.9%有較大增幅。主要由於期內加大研發經費的投入達3,400萬港元。

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 2012 was HK\$15.7 million, which increased by HK\$11.9 million as compared to HK\$3.8 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 2012, the total bank borrowings was HK\$1.38 billion (30.06.2011: HK\$0.53 billion). The Group has sufficient cash, as at 30 June 2012, the Group maintained bank balances and cash of approximately HK\$1.54 billion (30.06.2011: HK\$0.64 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 2012 was HK\$1,748 million (31.12.2011: HK\$1,659 million). As at 30 June 2012, the Group had current assets of HK\$1,969 million (31.12.2011: HK\$1,623 million) and current liabilities of HK\$500 million (31.12.2011: HK\$425 million). The current ratio increased from 3.82 as at 31 December 2011 to 3.94 as at 30 June 2012.

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 2012, the Group had outstanding bank borrowings of HK\$1,382 million (31.12.2011: HK\$967 million). These bank loans were secured by corporate guarantees provided by certain subsidiaries of the Company. As at 30 June 2012, the Group maintained bank balances and cash of HK\$1,538 million (31.12.2011: HK\$1,233 million). The Group's net cash-to-equity ratio (cash and cash equivalents net of total borrowings over shareholders' equity) was 0.09 (31.12.2011: 0.16).

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.

PLEDGE OF ASSETS

As at 30 June 2012, the Group did not have any assets pledged for general facilities.

EMPLOYEES

As at 30 June 2012, the Group had a workforce of about 800 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2012年6月30日止6個月為1,570萬港元，與去年同期380萬港元比較，增加1,190萬港元。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2012年6月30日銀行借款總額為13.8億港元(30.06.2011: 5.3億港元)。本集團有充裕現金，於2012年6月30日本集團銀行現金結餘為15.4億港元(30.06.2011: 6.4億港元)，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2012年6月30日，本集團的股東資金總額為17.48億港元(31.12.2011: 16.59億港元)。於2012年6月30日，本集團的流動資產達19.69億港元(31.12.2011: 16.23億港元)，而流動負債則為5.00億港元(31.12.2011: 4.25億港元)。流動比率由2011年12月31日的3.82上升至2012年6月30日的3.94。

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2012年6月30日，本集團的未償還銀行借貸為13.82億港元(31.12.2011: 9.67億港元)。該等銀行貸款由本公司若干附屬公司提供的公司擔保作為抵押。於2012年6月30日本集團銀行結餘及現金15.38億港元(31.12.2011: 12.33億港元)。本集團的淨資本現金比率(現金及現金等價物減借貸總額除以股東權益)為0.09(31.12.2011: 0.16)。

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。

資產抵押

於2012年6月30日，本集團並無抵押任何資產以作一般信貸。

僱員

於2012年6月30日，本集團有約800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況趨勢。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（「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（「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 2012:

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2012年6月30日期內本公司購股權變動如下呈列：

Director	Date of grant	Exercise price HK\$	Exercisable period	Number of share options 購股權數目				Outstanding at 30.6.2012 於2012年 6月30日 尚未行使
				Outstanding at 1.1.2012 於2012年 1月1日 尚未行使	Granted during the period	Exercised during the period	Lapsed/ cancelled during the period	
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	23.4.2010	6.69	23.4.2011–22.4.2015	27,500,000	–	–	–	27,500,000
李文恩	23.4.2010	6.69	23.4.2012–22.4.2015	27,500,000	–	–	–	27,500,000
	23.4.2010	6.69	23.4.2013–22.4.2015	27,500,000	–	–	–	27,500,000
Total	總數			82,500,000	–	–	–	82,500,000
Exercisable at 30 June 2012				於2012年6月30日可行使				55,000,000

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

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) 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;
- (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 2012, the number of shares in respect of which options had been granted and remained outstanding under the Scheme represented 10% (2011: 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2012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%(2011: 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允價值為約163,430,000港元，採用二項式模型釐定（「模型」）。模型內容及購股權之估計公允價值呈列如下：

		Share options with an exercisable period from 購股權之 行使期由 23.4.2011 to 22.4.2015	Share options with an exercisable period from 購股權之 行使期由 23.4.2012 to 22.4.2015	Share options with an exercisable period from 購股權之 行使期由 23.4.2013 to 22.4.2015
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% per annum	53.62% per annum	53.62% per annum
Expected life of share options	購股權預期年期	5 years	5 years	5 years
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	購股權之公允價值	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.

普通股之公允價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。模式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.

變數及假設用作計算購股權之公允價值乃按董事最佳估計。購股權價值由主觀假設之不同變數而變更。

Share option expense of approximately HK\$14.13 million was recognised in the general and administrative expenses of the consolidated statement of comprehensive income for the six months ended 30 June 2012, calculated with reference to the vesting period.

購股權支出約1,413萬港元已於截至2012年6月30日止六個月之綜合全面收益表中的行政費用確認，並以歸屬期間參考計算。

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2012, 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 of Hong Kong Limited (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 Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange, were as follows:

(a) Long positions in shares of the Company

Ordinary shares of HK\$0.10 each of the Company.

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
董事姓名	身份	所持已發行普通股份數目	佔本公司已發行股本百分比
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 Limited ("Fortune Star").

董事於股份、相關股份及債權證中之權益

於2012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香港聯合交易所有限公司（「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、或已根據聯交所證券上市規則（「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0.10 港元之普通股

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

(b) Directors' interests in the share options

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%

(b) 董事於購股權之權益

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)

(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 2012, 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2012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 2012, 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\$0.10 each of the Company

Name of director	Capacity	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
董事姓名	身份		
Fortune Star	Beneficial owner 實益擁有人	618,750,000	75.00%

Other than disclosed above, as at 30 June 2012, 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 2012.

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 2012.

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2012 except where stated and explained below.

主要股東

於2012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0.10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2012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2012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2012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，本公司截至2012年6月30日止6個月內一直遵守上市規則附錄14所載之企業管治常規守則(「守則」)。

Other Information

其他資料

CORPORATE GOVERNANCE (CONTINUED)

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 A2.1 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 Board has considered this matter carefully and decided not to adopt the code provision. The Board believes 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 Board does not consider it necessary to change the current management structure. However, the Board 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 Wan Chi Keung, Aaron BBS JP, Mr. Wong Kai Tung, Tony 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 2012.

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. Wan Chi Keung, Aaron BBS JP, Mr. Wong Kai Tung, Tony 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. Wan Chi Keung, Aaron BBS JP, Mr. Wong Kai Tung, Tony 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, 13 August 2012

企業管治(續)

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。守則條文A2.1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，並決定不採納有關守則條文。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位獨立非執行董事尹志強先生BBS太平紳士、王啟東先生及邢家維先生組成。

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2012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尹志強先生BBS太平紳士、王啟東先生、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)、尹志強先生BBS太平紳士、王啟東先生、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，2012年8月13日

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