



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)

二零零七年中期報告
Interim Report 2007





目錄 Contents

公司資料	2	Corporate Information
簡明綜合收益表	4	Condensed Consolidated Income Statement
簡明綜合資產負債表	5	Condensed Consolidated Balance Sheet
簡明綜合權益變動表	7	Condensed Consolidated Statement of Changes in Equity
簡明綜合現金流量表	9	Condensed Consolidated Cash Flow Statement
簡明綜合財務報表附註	10	Notes to the Condensed Consolidated Financial Statements
管理層討論及分析	27	Management Discussion and Analysis
其他資料	35	Other Information



董事會

執行董事

劉洪亮先生 (主席)
王子江先生
郭希田先生
郭玉成先生

獨立非執行董事

梁錦雲先生
高寶玉先生
劉晨光先生

董事會委員會

審核委員會

梁錦雲先生 (主席)
高寶玉先生
劉晨光先生

薪酬委員會

劉洪亮先生 (主席)
梁錦雲先生
高寶玉先生
劉晨光先生

安全及環保委員會

郭玉成先生 (主席)
高寶玉先生
傅安旭先生

公司秘書及合資格會計師

劉偉珍小姐 FCCA, HKICPA

香港法律顧問

施文律師行

合規顧問

第一上海融資有限公司

主要往來銀行

恒生銀行有限公司
中國工商銀行濰坊市分行

Board of directors

Executive directors

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

Independent non-executive directors

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

Board committees

Audit committee

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

Remuneration committee

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

Safety and environmental protection committee

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

Company secretary and qualified accountant

Ms. Lau Wai Chun, FCCA, HKICPA

Legal adviser as to Hong Kong Laws

F. Zimmern & Co.

Compliance adviser

First Shanghai Capital Limited

Principal bankers

Hang Seng Bank Limited
Industrial and Commercial Bank of China,
Weifang Branch



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
夏慤道12號
美國銀行中心
22字樓
2204A室

總辦事處及中國主要營業地點

中國
山東省
濰坊市
山東濰坊經濟開發區

網址

tdchem.hi2000.com

股份代號

聯交所: 609

Hong Kong share registrar and transfer office

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

Registered office

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

Principal place of business in Hong Kong

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

Head office and principal place of business in the PRC

Shandong Weifang Economic
Development Zone
Weifang City
Shandong Province
The PRC

Website address

tdchem.hi2000.com

Stock code

The Stock Exchange: 609

簡明綜合收益表 Condensed Consolidated Income Statement

天德化工控股有限公司(「本公司」)董事(「董事」)組成之董事會(「董事會」)欣然宣佈,本公司及其附屬公司(「本集團」)截至二零零七年六月三十日止六個月之未經審核綜合業績,連同二零零六年同期之比較數字及附註如下:

The board (the "Board") of directors (the "Directors") of Tiande Chemical Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2007 together with the comparative figures for the corresponding period in 2006 and the notes as follows:

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	
		二零零七年 2007	二零零六年 2006
		人民幣千元 RMB'000	人民幣千元 RMB'000
		(未經審核) (unaudited)	(經審核) (audited)
	附註 Note		
營業額	Turnover	4	262,710
銷貨成本	Cost of goods sold	(224,604)	233,999
毛利	Gross profit	38,106	(189,265)
其他收入	Other income	5	44,734
銷售開支	Selling expenses	(9,317)	2,072
行政開支	Administrative expenses	(11,100)	(5,675)
財務成本	Finance costs	6	(8,265)
除稅前溢利	Profit before tax	18,721	(2,695)
所得稅開支	Income tax expense	7	30,171
本公司股權 持有人應佔 本期溢利	Profit for the period attributable to equity holders of the Company	8	(3,107)
每股盈利 - 基本	Earnings per share - basic	10	18,024
		人民幣 RMB	人民幣 RMB
		0.045	0.090

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



		二零零七年 六月三十日 30 June 2007 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零六年 十二月三十一日 31 December 2006 人民幣千元 RMB'000 (經審核) (audited) (經重列) (As restated)
	附註 Note		
非流動資產	Non-current assets		
物業、廠房及設備	Property, plant and equipment 11	311,900	267,593
預付租賃款項	Prepaid lease payments	67,140	66,601
投資物業	Investment properties	9,020	5,830
購買物業、廠房及設備之訂金	Deposit for acquisition of property, plant and equipment	11,620	5,194
遞延稅項資產	Deferred tax assets	829	524
		400,509	345,742
流動資產	Current assets		
存貨	Inventories	28,196	28,612
貿易應收賬款及 其他應收款項	Trade and other receivables 12	83,447	92,455
已抵押銀行存款	Pledged bank deposits	170	1,777
銀行及現金結餘	Bank and cash balances	23,825	36,899
		135,638	159,743
流動負債	Current liabilities		
貿易應付賬款及 其他應付款項	Trade and other payables 13	99,882	86,841
流動稅項負債	Current tax liabilities	1,263	1,869
銀行借貸	Bank borrowings 14	37,740	20,140
		138,885	108,850
流動(負債)/ 資產淨值	Net current (liabilities)/ assets	(3,247)	50,893
總資產減流動負債	Total assets less current liabilities	397,262	396,635

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



			二零零七年 六月三十日 30 June 2007 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零六年 十二月三十一日 31 December 2006 人民幣千元 RMB'000 (經審核) (audited) (經重列) (As restated)
		附註 Note		
非流動負債	Non-current liabilities			
銀行借貸	Bank borrowings	14	54,640	62,160
遞延稅項負債	Deferred tax liabilities		842	440
遞延收入	Deferred income		18,658	30,115
			74,140	92,715
資產淨值	NET ASSETS		323,122	303,920
資本及儲備	Capital and reserves			
股本	Share capital	15	4,031	4,031
儲備	Reserves		319,091	299,889
總股權	TOTAL EQUITY		323,122	303,920

簡明綜合權益變動表

Condensed Consolidated Statement of Changes in Equity

截至二零零七年六月三十日止六個月(未經審核)

For the six months ended 30 June 2007 (unaudited)

		股本	股份溢價	特別儲備	盈餘儲備金	公益金	物業重估儲備	累計溢利	匯兌儲備	總股權
		Share capital	Share premium	Special reserve	Surplus reserve fund	Public welfare fund	Property revaluation reserve	Accumulated profits	Translation reserve	Total equity
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
於二零零七年一月一日· 如前所報	At 1 January 2007, as previously reported	4,031	89,544	31,182	7,819	633	-	168,445	(230)	301,424
會計政策變動影響 (附註2)	Effect of changes in accounting policy (note 2)	-	-	-	-	-	-	2,496	-	2,496
於二零零七年一月一日· 經重列	At 1 January 2007, as restated	4,031	89,544	31,182	7,819	633	-	170,941	(230)	303,920
匯兌差額	Translation difference	-	-	-	-	-	-	-	(181)	(181)
重估物業盈餘	Surplus on revaluation of properties	-	-	-	-	-	1,359	-	-	1,359
直接於股權中確認 之收入淨額	Net income recognised directly in equity	-	-	-	-	-	1,359	-	(181)	1,178
本期溢利	Profit for the period	-	-	-	-	-	-	18,024	-	18,024
期內確認之收入 及開支總額	Total recognised income and expense for the period	-	-	-	-	-	1,359	18,024	(181)	19,202
轉讓	Transfer	-	-	-	1	-	-	(1)	-	-
於二零零七年六月三十日	At 30 June 2007	4,031	89,544	31,182	7,820	633	1,359	188,964	(411)	323,122

簡明綜合權益變動表

Condensed Consolidated Statement of Changes in Equity

截至二零零六年六月三十日止六個月(經審核)

For the six months ended 30 June 2006 (audited)

		股本	股份溢價	特別儲備	盈餘儲備金	公益金	物業重估儲備	累計溢利	匯兌儲備	總股權
		Share capital	Share premium	Special reserve	Surplus reserve fund	Public welfare fund	Property revaluation reserve	Accumulated profits	Translation reserve	Total equity
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
於二零零六年一月一日· 如前所報	At 1 January 2006, as previously reported	413	-	31,182	3,669	633	-	114,577	(12)	150,462
會計政策變動影響 (附註2)	Effect of changes in accounting policy (note 2)	-	-	-	-	-	-	2,021	-	2,021
於二零零六年一月一日· 經重列	At 1 January 2006, as restated	413	-	31,182	3,669	633	-	116,598	(12)	152,483
匯兌差額	Translation difference	-	-	-	-	-	-	-	(1)	(1)
直接於股權中確認 之收入淨額	Net income recognised directly in equity	-	-	-	-	-	-	-	(1)	(1)
本期溢利	Profit for the period	-	-	-	-	-	-	27,064	-	27,064
期內確認之收入 及開支總額	Total recognised income and expense for the period	-	-	-	-	-	-	27,064	(1)	27,063
轉讓	Transfer	-	-	-	479	-	-	(479)	-	-
於二零零六年六月三十日	At 30 June 2006	413	-	31,182	4,148	633	-	143,183	(13)	179,546

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

截至六月三十日止六個月
Six months ended 30 June

		二零零七年 2007 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零六年 2006 人民幣千元 RMB'000 (經審核) (audited)
經營業務所得	NET CASH FROM OPERATING		
現金淨額	ACTIVITIES	49,079	10,357
購買物業、廠房及設備	Purchase of property, plant and equipment	(64,477)	(854)
購買物業、廠房及設備和預付租賃款項之已付訂金	Deposit paid for acquisition of property, plant and equipment and prepaid lease payments	(6,426)	(31,370)
支付預付租賃款項	Payments of prepaid lease payments	(1,310)	(1,620)
出售物業、廠房及設備所得款項	Proceeds from disposal of property, plant and equipment	–	12
已抵押銀行存款減少(增加)	Decrease (increase) in pledged bank deposits	1,607	(12,200)
已收利息	Interest received	197	232
投資活動所用	NET CASH USED IN		
現金淨額	INVESTING ACTIVITIES	(70,409)	(45,800)
償付銀行借貸	Repayment of bank borrowings	(10,220)	(69,730)
新增銀行借貸	New bank borrowings	20,300	142,600
已付利息	Interest paid	(1,634)	(2,695)
融資活動所得	NET CASH FROM FINANCING		
現金淨額	ACTIVITIES	8,446	70,175
現金及等同現金項目(減少)/增加淨額	NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(12,884)	34,732
期初之現金及等同現金項目	CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	36,899	13,111
外匯匯率變動影響	EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(190)	(1)
期終以銀行及現金結餘	CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
代表之現金及等同現金項目	Represented by bank and cash balances	23,825	47,842



1. 編製基準

此未經審核之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（「上市規則」）附錄十六之適用披露規定，以及香港會計師公會（「香港會計師公會」）頒布之香港會計準則（「香港會計準則」）第34號「中期財務報告」而編製。

2. 會計政策之變動

香港會計準則第40號「投資物業」規定，投資物業須採用成本模式或公平價值模式列賬。本集團決定，自本中期期間起，由採用成本模式改用公平價值模式，為投資物業列賬，而採用該模式，投資物業公平價值變動產生之收益或虧損須於其出現期間直接於收益表內確認。成本方法則規定，投資物業按成本減其後累計折舊及任何累計減值虧損列賬。會計政策之變動已追溯應用至本集團之財務報表。

1. Basis of preparation

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 (the "Listing Rules") and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. Change in accounting policy

HKAS 40 "Investment Property" requires an investment property to be accounted for using the cost model or the fair value model. The Group decided to change from the cost model to the fair value model to account for its investment properties starting from current interim period, which requires gains or losses arising from changes in the fair value of investment properties to be recognised directly in the income statement for the period in which they arise. In contrast, cost method requires investment properties to be stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. The change in accounting policy has been applied retrospectively to the Group's financial statements.

2. 會計政策之變動 (續)

上述會計政策變動對本集團財務報表影響之概要如下：

增加／(減少)	Increase/(Decrease)	二零零七年 六月三十日 30 June 2007 人民幣千元 RMB'000	二零零六年 十二月三十一日 31 December 2006 人民幣千元 RMB'000
投資物業	Investment properties	3,880	2,936
遞延稅項負債	Deferred tax liabilities	582	440
累計溢利	Accumulated profits	3,298	2,496

截至六月三十日止六個月
Six months ended 30 June

		二零零七年 2007 人民幣千元 RMB'000	二零零六年 2006 人民幣千元 RMB'000
其他收入	Other income	860	—
遞延稅項開支	Deferred tax expenses	142	—
折舊	Depreciation	(84)	—
本期溢利	Profit for the period	802	—
每股盈利	Earnings per share		
— 基本 (人民幣)	— basic (RMB)	0.002	—

3. 主要會計政策

除上述之投資物業外，編製未經審核簡明綜合中期財務報表採用之會計政策及編製基準與截至二零零六年十二月三十一日止年度之年度賬目所採用者一致。

2. Change in accounting policy (Continued)

The following is a summary of the impact to the Group's financial statements in respect of the above-mentioned change in accounting policy:

3. Principal accounting policies

The accounting policies and basis of preparation used in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those used in the annual accounts for the year ended 31 December 2006 except for investment properties as mentioned above.



3. 主要會計政策 (續)

未經審核簡明綜合中期財務報表乃按歷史成本慣例編製，並就重估投資物業作出修訂，按其公平價值列賬。

於本中期期間，本集團已採納香港會計師公會頒佈之所有與其業務有關之新增及經修訂香港財務報告準則（「香港財務報告準則」），有關準則於由二零零七年一月一日或之後開始之會計期間生效。香港財務報告準則包括香港財務報告準則（「香港財務報告準則」）、香港會計準則（「香港會計準則」）及詮釋。採納該等新增及經修訂香港財務報告準則並不會導致本集團期內及過往年度之會計政策及所呈報之數額出現重大變動。

本集團並無提早採納下列已頒佈但尚未生效之新準則、修訂或詮釋。本公司董事預期，採納該等準則、修訂或詮釋將不會對本集團之業績及財務狀況構成重大影響：

- 香港會計準則第23號（經修訂）借貸成本¹
- 香港財務報告準則第8號營運分類¹
- 香港（國際財務報告詮釋委員會）—第11號詮釋
香港財務報告準則第2號
集團及庫存股份之交易²
- 香港（國際財務報告詮釋委員會）—第12號詮釋
服務經營權安排³

- ¹ 於二零零九年一月一日或之後開始之年度期間生效。
- ² 於二零零七年三月一日或之後開始之年度期間生效。
- ³ 於二零零八年一月一日或之後開始之年度期間生效。

3. Principal accounting policies (Continued)

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, which are carried at their fair values.

In the current interim period, the Group has adopted all new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA which are relevant to its operations and effective for accounting periods beginning on or after 1 January 2007. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group’s accounting policies and amounts reported for the current period and prior years.

The Group has not early applied the following 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 the financial position of the Group:

- HKAS 23 (Revised) Borrowing Costs¹
- HKFRS 8 Operating Segments¹
- HK(IFRIC)-Int-11 HKFRS 2 Group and Treasury Share Transactions²
- HK(IFRIC)-Int-12 Service Concession Arrangements³

- ¹ Effective for annual periods beginning on or after 1 January 2009.
- ² Effective for annual periods beginning on or after 1 March 2007.
- ³ Effective for annual periods beginning on or after 1 January 2008.

4. 營業額和分類資料

(a) 營業額

營業額指於期內出售貨品時所收取和應收取之款項金額。

(b) 業務及地區分類

本集團之營業額及本公司股權持有人應佔溢利全部來自製造及買賣精細化學產品。董事認為，由於該等活動為互相關連並涉及共同風險及回報，故該等活動構成一個業務分類。

有關本集團按客戶位置（不論服務之來源地）分析之營業額分類資料（即本集團報告分類資料之主要形式）呈列如下：

4. Turnover and segment information

(a) Turnover

Turnover represents the amount received and receivables for goods sold during the period.

(b) Business and geographical segments

The Group's turnover and profit attributable to equity holders of the Company are entirely derived from the manufacture and trading of fine chemical products. The Directors consider that these activities constitute one business segment since these activities are related and are subject to common risks and returns.

Segment information regarding the Group's turnover by location of customers, irrespective of the origin of the services, being the primary format for reporting segment information of the Group, is presented below:

截至六月三十日止六個月
Six months ended 30 June

		二零零七年 2007 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零六年 2006 人民幣千元 RMB'000 (經審核) (audited)
營業額	Turnover		
中華人民共和國 （「中國」）	People's Republic of China ("PRC")	197,525	174,213
台灣	Taiwan	23,465	25,674
英國	United Kingdom	9,084	7,478
日本	Japan	8,488	6,028
印度	India	10,406	6,391
其他	Others	13,742	14,215
		262,710	233,999



4. 營業額和分類資料 (續)

4. Turnover and segment information
(Continued)

(b) 業務及地區分類 (續)

(b) Business and geographical segments
(Continued)

		截至六月三十日止六個月 Six months ended 30 June	
		二零零七年 2007 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零六年 2006 人民幣千元 RMB'000 (經審核) (audited)
分類業績	Segment results		
中國	PRC	25,339	33,727
台灣	Taiwan	2,942	3,760
英國	United Kingdom	1,205	1,114
日本	Japan	1,729	1,067
印度	India	2,362	1,374
其他	Others	2,365	2,838
		35,942	43,880
未分配其他企業收入	Unallocated other corporate revenue	2,666	2,072
未分配企業開支	Unallocated corporate expenses	(18,253)	(13,086)
財務成本	Finance costs	(1,634)	(2,695)
除稅前溢利	Profit before tax	18,721	30,171
所得稅開支	Income tax expense	(697)	(3,107)
本公司股權持有人應佔本期溢利	Profit for the period attributable to equity holders of the Company	18,024	27,064

5. 其他收入

5. Other income

截至六月三十日止六個月
Six months ended 30 June

		二零零七年 2007 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零六年 2006 人民幣千元 RMB'000 (經審核) (audited)
政府補助 (附註)	Government grants (Note)	458	1,103
租金收入	Rental income	270	175
利息收入	Interest income	197	232
變賣收入	Scrap sales	—	61
投資物業公平 價值收益	Fair value gain on investment properties	1,220	—
其他	Other	521	501
		2,666	2,072

附註：有關款項主要為(i)上海市浦東新區財政局為鼓勵於中國上海浦東購置房地產而授予本集團之補助金·(ii)濰坊市經濟技術開發區管委會作為鼓勵於中國山東省濰坊市投資而授予本集團之財務資助·及(iii)濰坊市經濟技術開發區財政局作為鼓勵高新技術發展而授予本集團之資助。

Note: The amounts mainly represent the grants given by (i) the Finance Bureau of Shanghai Pudong New District 上海市浦東新區財政局 to the Group for the encouragement of purchase of real estate in Pudong, Shanghai, the PRC, (ii) the Management Committee of Weifang Economic and Technology Development District 濰坊市經濟技術開發區管委會 to the Group as finance subsidy for the encouragement of investment in Weifang City of Shandong Province, the PRC and (iii) the Finance Bureau of Weifang Economic and Technology Development District 濰坊市經濟技術開發區財政局 to the Group as a subsidy for the high technology development.



6. 財務成本

6. Finance Costs

		截至六月三十日止六個月 Six months ended 30 June	
		二零零七年 2007 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零六年 2006 人民幣千元 RMB'000 (經審核) (audited)
利息開支：	Interest on:		
銀行貸款	Bank loans	1,634	2,388
貼現票據	Discounted bills	-	307
		1,634	2,695

銀行貸款利息約人民幣1,411,000元(二零零六年六月三十日止六個月:人民幣243,000元)已於回顧期內資本化。

Bank loan interest of approximately RMB1,411,000 (six months ended 30 June 2006: RMB243,000) were capitalised during the period under review.

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	
		二零零七年 2007 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零六年 2006 人民幣千元 RMB'000 (經審核) (audited)
即期稅項：	Current tax:		
中國企業所得稅	PRC enterprise income tax	600	3,107
遞延稅項	Deferred tax	97	-
		697	3,107

中國企業所得稅乃根據就中國稅項而言估計應課稅收入按各有關期間之適用稅率計提撥備。

The provision for PRC Enterprise Income Tax is based on the estimated taxable income for PRC taxation purposes at the rate of taxation applicable to each period.

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。

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in nor is derived from Hong Kong.



7. 所得稅開支(續)

稅項費用主要包括就濰坊同業化學有限公司(「濰坊同業」)及上海德弘化工有限公司(「上海德弘」)之應課稅溢利分別按24%及15%稅率收取之中國企業所得稅。稅項費用按中國當時適用稅率計算。

濰坊同業及濰坊柏立化學有限公司(「濰坊柏立」)合資格獲得中國若干免稅期及稅務優惠。免稅期及稅務優惠之形式為自首個獲利年度起獲免稅兩年,其後三年則可享50%之適用稅率減免。濰坊同業於二零零一年及二零零二年獲免稅。於二零零三年至二零零五年之寬免期,濰坊同業獲得之經扣減稅率為12%。濰坊同業作為一家先進技術企業,於二零零六及二零零七年亦獲延長稅務優惠期,經扣減稅率為12%。由於二零零七年為濰坊柏立第二個獲利年度且獲免稅,故並無就濰坊柏立作出中國企業所得稅撥備。上海德弘須按上海浦東新區之優惠企業所得稅稅率15%繳稅。

截至二零零七年六月三十日止六個月,本集團之未動用稅務虧損為人民幣4,235,000元(截至二零零六年六月三十日止六個月:零),可用作抵銷未來溢利。本集團已就有關虧損約人民幣2,541,000元(截至二零零六年六月三十日止六個月:零)確認遞延稅項資產。於二零零七年六月三十日,未確認稅務虧損包括虧損約人民幣1,694,000元(截至二零零六年六月三十日止六個月:零),將於二零一二年到期。

7. Income tax expense (Continued)

Taxation charge mainly consists of enterprise income tax in the PRC attributable to the assessable profits of Weifang Common Chem Co., Limited 濰坊同業化學有限公司(“Weifang Common”) and Shanghai Dehong Chemical Company Limited 上海德弘化工有限公司(“Shanghai Dehong”) charged at the rate of 24% and 15% respectively. The taxation charge is calculated at the applicable rates prevailing in the PRC.

Weifang Common and Weifang Parasia Chem Co., Limited 濰坊柏立化學有限公司(“Weifang Parasia”) are eligible for certain tax holidays and concessions in the PRC. The tax holiday and concession are in the form of two years tax exemption from the first profitable year, followed by a 50% reduction of the applicable tax rate in the following three years. Weifang Common was tax exempted in year 2001 and 2002. From 2003 to 2005, the reduced tax rate for the relief period for Weifang Common is 12%. As an advance technology enterprise, Weifang Common is also granted with an extension of tax holiday for 2006 and 2007, at a reduced tax rate of 12%. No provision for PRC enterprise income tax has been made for Weifang Parasia as it was the second profitable year and tax exempted. Shanghai Dehong is subject to enterprise income tax at the rate of 15%, being the preferential tax rate in Shanghai Pudong New District.

For the six months ended 30 June 2007, the Group has unused tax losses of RMB4,235,000 (six months ended 30 June 2006: Nil) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately RMB2,541,000 (six months ended 30 June 2006: Nil) of such losses. Included in unrecognised tax losses at 30 June 2007 are losses of approximately RMB1,694,000 (six months ended 30 June 2006: Nil) that will expire in 2012.



7. 所得稅開支 (續)

在二零零六年，濰坊濱海石油化工有限公司（「濰坊濱海」）取得政府補貼，以津貼就製造高純度異丁烯、聚異丁烯及氯乙酸而興建之生產線及配套設施。已收補貼於二零零六年十二月三十一日確認為遞延收入，而並無在截至二零零六年十二月三十一日止年度之收益表確認任何收入。依據地方稅務機關出具之文件，該等特定之生產線建成後，有關補貼須確認為物業、廠房及設備成本。截至二零零七年六月三十日止六個月，補貼之部份金額約人民幣10,799,000元就高純度異丁烯建設完成已確認為物業、廠房及設備成本。

第十屆全國人民代表大會於二零零七年三月十六日通過之新中國企業所得稅法引入多項變動，包括將內資及外資企業之企業所得稅稅率統一為25%。該新稅法將於二零零八年一月一日起生效。於批准該等綜合財務報表日期，實施之詳細規則及規例尚未頒佈，而新稅法對本集團綜合財務報表之影響將視乎該等規則及規例。因此，本集團現階段無法合理估計新企業所得稅法對本集團之財務影響。

7. Income tax expense (Continued)

In 2006, Weifang Binhai Petro-Chem Co., Ltd. 濰坊濱海石油化工有限公司 (“Weifang Binhai”) obtained a government grant for subsidising the construction of the production lines and ancillary facilities for the manufacture of high purity isobutylene, polyisobutylene and mono chloro acetic acid. The grant received was recognised as a deferred income as at 31 December 2006 with no income recognised in the income statement for the year ended 31 December 2006. Pursuant to the document issued by the local tax authority, the grant shall be recognised to the cost of property, plant and equipment after the completion of construction in relation to the specific production lines. For the six months ended 30 June 2007, partial amount of the grant of approximately RMB 10,799,000 was recognised to the cost of property, plant and equipment for the completion of construction of high purity isobutylene.

The new PRC enterprise income tax law passed by the Tenth National People's Congress on 16 March 2007 introduces various changes which include the unification of the enterprise income tax rate for domestic and foreign enterprises at 25%. The new tax law will be effective from 1 January 2008. The impact of the new tax law on the Group's consolidated financial statements will depend on the detailed implementation rules and regulations which however have not been issued as of the date of the approval of these consolidated financial statements. Therefore, the Group cannot reasonably estimate the financial impact of the new enterprise income tax law to the Group at this stage.



8. 本期溢利

本期溢利已扣除下列各項後計算：

8. Profit for the period

Profit for the period has been arrived at after charging the following:

		截至六月三十日止六個月 Six months ended 30 June	
		二零零七年 2007 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零六年 2006 人民幣千元 RMB'000 (經審核) (audited)
董事酬金	Directors' remuneration		
袍金	Fees	157	-
其他酬金	Others emoluments	1,260	251
退休金成本	Pension costs	12	13
		1,429	264
其他員工成本	Other staff costs	9,881	5,906
退休金成本	Pension costs	466	318
總員工成本	Total staff costs	11,776	6,488
折舊	Depreciation		
— 物業、廠房及設備 (扣除政府補助)	— property, plant and equipment (net of Government grants)	10,197	6,919
— 投資物業	— investment properties	-	84
		10,197	7,003
收益表內扣除之預付租賃款項	Prepaid lease payments charged to income statement	744	210
呆壞賬撥備	Allowance for bad and doubtful debts	1	73
存貨撥備	Allowance for inventories	-	59
存貨成本確認為開支	Cost of inventories recognised as expenses	222,180	186,952
出售物業、廠房及設備虧損	Loss on disposal of property, plant and equipment	-	16



9. 股息

董事不建議派發任何截至二零零七年六月三十日止六個月之中期股息(截至二零零六年六月三十日止六個月:零)。

9. Dividend

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2007 (six months ended 30 June 2006: Nil).

10. 每股盈利

本公司股權持有人應佔每股基本盈利乃按下列數據計算:

10. Earnings per share

The calculation of the basic earnings per share attributable to the equity holders 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	
		二零零七年 2007 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零六年 2006 人民幣千元 RMB'000 (經審核) (audited)
本公司股權 持有人應佔 本期溢利	Profit for the period attributable to equity holders of the Company	18,024	27,064

		普通股數目 Number of ordinary shares as at	
		二零零七年 六月三十日 30 June 2007	二零零六年 六月三十日 30 June 2006
計算每股基本 盈利之普通股 加權平均數	Weighted average number of ordinary share for the purpose of basic earnings per share	400,000,000	300,000,000

10. 每股盈利 (續)

為計算每股基本盈利，已發行300,000,000股股份之加權平均數乃假設集團重組已於二零零六年一月一日進行而作出。

由於截至二零零七年及二零零六年六月三十日止六個月並無潛在攤薄影響之股份，因此並無每股攤薄盈利。

11. 物業、廠房及設備

截至二零零七年六月三十日止六個月，本集團購入物業、廠房及設備約人民幣66,000,000元。

12. 貿易應收賬款及其他應收款項

貿易應收賬款及其他應收款項包括貿易應收賬款及應收票據約人民幣77,152,000元(二零零六年十二月三十一日：人民幣87,175,000元)。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。於兩個結算日，應收票據之賬齡均為六個月以內。本集團之貿易應收賬款及應收票據之賬齡分析如下：

10. Earnings per share (Continued)

For the purpose of the calculation of basic earnings per share, the weighted average number of 300,000,000 shares in issue was assumed as if the Group Reorganisation had taken place on 1 January 2006.

There was no diluted earnings per share for the six months ended 30 June 2007 and 2006 as there were no potential dilutive shares.

11. Property, plant and equipment

During the six months ended 30 June 2007, the Group acquired property, plant and equipment of approximately RMB66 million.

12. Trade and other receivables

Trade and other receivables include trade and bills receivables of approximately RMB77,152,000 (31 December 2006: RMB87,175,000). The Group allows a credit period normally ranging from one month to six months to its trade customers. The bills receivables are of the age within six months at both balance sheet dates. An aged analysis of the Group's trade and bills receivables is as follows:

		二零零七年 六月三十日 30 June 2007 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零六年 十二月三十一日 31 December 2006 人民幣千元 RMB'000 (經審核) (audited)
0至90日	0 – 90 days	68,688	81,651
91至180日	91 – 180 days	3,708	5,191
181至365日	181 – 365 days	4,756	333
		77,152	87,175



13. 貿易應付賬款及其他應付款項

貿易應付賬款及其他應付款項包括貿易應付賬款及應付票據約人民幣53,282,000元(二零零六年十二月三十一日:人民幣40,627,000元)。本集團貿易應付賬款及應付票據之賬齡分析如下:

13. Trade and other payables

Trade and other payables include trade and bills payables of approximately RMB53,282,000 (31 December 2006: RMB40,627,000). An aged analysis of the Group's trade and bills payables is as follows:

		二零零七年 六月三十日 30 June 2007 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零六年 十二月三十一日 31 December 2006 人民幣千元 RMB'000 (經審核) (audited)
0至90日	0 – 90 days	39,649	31,648
91至180日	91 – 180 days	7,591	8,751
181至365日	181 – 365 days	5,829	212
1年以上	Over 1 year	213	16
		53,282	40,627

14. 銀行借貸

14. Bank borrowings

	二零零七年 六月三十日 30 June 2007 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零六年 十二月三十一日 31 December 2006 人民幣千元 RMB'000 (經審核) (audited)
應償還銀行貸款: Bank loans repayable:		
催繳時或一年內 第二年	On demand or within one year In the second year	20,140 24,440
第三至五年 (首尾兩年 包括在內)	In the third to fifth year inclusive	
	24,300	37,720
	92,380	82,300
減: 於一年內到期 列作流動 負債之款項	Less: Amount due within one year shown as current liabilities	
	(37,740)	(20,140)
一年後到期之 款項	Amount due after one year	
	54,640	62,160

所有銀行借貸均以人民幣為單位。短期及長期銀行借貸之固定利率介乎6.33%至7.43% (二零零六年十二月三十一日: 5.58%至7.61%)，致使本集團承受公平價值利率風險。短期及長期銀行借貸以物業、廠房及設備、投資物業及本集團根據預付租賃款項於租賃土地之權益為抵押。

截至二零零五年十二月三十一日止年度後，由董事劉洪亮先生、王子江先生、郭希田先生及郭玉成先生於其擁有實益權益之濰坊天弘企業管理諮詢有限公司（「濰坊天弘」）向本集團之往來銀行提供若干抵押，以取得授予本集團之短期銀行借貸。濰坊天弘向本集團之銀行提供之抵押已於二零零六年九月解除。

All bank borrowings are denominated in Renminbi. Short-term and long-term bank borrowings are arranged at fixed interest rates ranged from 6.33% to 7.43% (31 December 2006: 5.58% to 7.61%) exposing the Group to fair value interest rate risks and are secured by property, plant and machinery, investment properties and the Group's interest in leasehold land under prepaid lease payments.

Subsequent to the year ended 31 December 2005, Weifang Tianhong Corporate Management and Consultancy Company Limited ("Weifang Tianhong") in which the Directors, namely, Mr. Liu Hongliang, Mr. Wang Zijiang, Mr. Guo Xitian and Mr. Guo Yucheng have beneficial interests, provided certain securities to the Group's banker to secure the short-term bank borrowings granted to the Group. The securities provided by Weifang Tianhong to the Group's banker was released in September 2006.



15. 股本

15. Share capital

		股份數目 Number of shares	金額 Amount 千港元 HK\$'000	人民幣千元 RMB'000
法定：	Authorised:			
每股面值0.01港元 之普通股	Ordinary shares of HK\$0.01 each			
於二零零六年 十二月三十一日	At 31 December 2006 and			
及二零零七年 六月三十日	30 June 2007	100,000,000,000	1,000,000	
已發行及繳足：	Issued and fully paid:			
每股面值0.01港元 之普通股	Ordinary shares of HK\$0.01 each			
於二零零六年 十二月三十一日	At 31 December 2006 and			
及二零零七年 六月三十日	30 June 2007	400,000,000	4,000	4,031



16. 關連人士交易

期內，本集團與若干董事（劉洪亮先生、王子江先生、郭希田先生和郭玉成先生）擁有實益權益並可行使重大影響力之濰坊天弘進行之交易如下：

16. Related party transactions

During the period, the Group had the following transactions with Weifang Tianhong in which certain Directors, namely, Mr. Liu Hongliang, Mr. Wang Zijiang, Mr. Guo Xitian and Mr. Guo Yucheng have beneficial interests and can exercise significant influence:

	二零零七年 六月三十日 30 June 2007 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零六年 十二月三十一日 31 December 2006 人民幣千元 RMB'000 (經審核) (audited)
租金款項	78	117
Rental payment		

濰坊天弘已質押其土地及樓宇作為本集團獲授一般銀行融資之抵押。濰坊天弘向本集團之銀行提供之質押已於二零零六年九月解除。

Weifang Tianhong had pledged its land and buildings to secure general banking facilities granted to the Group. The pledge provided by Weifang Tianhong to the Group's banker was released in September 2006.



17. 資本承擔

17. Capital commitments

		二零零七年 六月三十日 30 June 2007 人民幣千元 RMB'000 (未經審核) (unaudited)	二零零六年 十二月三十一日 31 December 2006 人民幣千元 RMB'000 (經審核) (audited)
有關興建工廠 之已訂約但未 於財務報表撥備 之資本支出	Capital expenditure in respect of factory construction contracted for but not provided in the financial statements	13,671	16,359
有關興建工廠 之已授權但未 訂約之資本支出	Capital expenditure in respect of factory construction authorised but not contracted for	58,910	88,557



經營業績概要

截至二零零七年六月三十日止六個月，雖然在市場競爭激烈下，本集團產品銷售價格有所下調，但營業額仍錄得顯著增長，營業額達到約人民幣262,700,000元，較去年同期增長12.3%。這增長主要是由於新產品如氰化鈉、氰乙酸及高純度異丁烯之貢獻，以及氰乙酸甲酯及丙二酸二乙酯大幅增長所引致。

儘管營業額穩健增長，以及整體單位成本較去年同期減少3.5%，但在回顧期內部分產品市場銷售價格有所下滑，整體毛利率由去年同期19.1%下降4.6個百分點至14.5%。

本集團於二零零七年首六個月期間，銷售及分銷開支增加64.2%或約人民幣3,600,000元，主要因為貨運成本及銷售佣金增加所引致。一般行政開支亦較去年同期增加34.3%或約人民幣2,800,000元，乃因業務擴展及新廠房啟動營運成本開支所導致。

於回顧期內，本集團投資物業已被分類為按公平價值經損益入賬，其中由公平價值變動所產生淨溢利約人民幣900,000元已計入收益表。

Summary of operating results

For the six months ended 30 June 2007, the Group recorded a remarkable growth of the turnover even though its product price was adjusted downward since the keen market competition. The turnover reached approximately RMB262.7 million, representing an increase of 12.3% compared to the corresponding period last year. The growth was mainly due to the contribution of new products such as sodium cyanide, cyanoacetate and high purity isobutylene, in addition to the substantial growth of methyl cyanoacetate and diethyl malonate.

Despite a health growth of the turnover and the overall unit cost was decreased by 3.5% when compared with the corresponding period last year, the open market price of some of the products was decreased during the period under review. The overall gross profit margin recorded a decrease of 4.6% point to 14.5% when compared with 19.1% in the corresponding period last year.

The Group's selling and distribution expenses increased by 64.2% or approximately RMB3.6 million during the first six months of 2007, mainly due to the increase in freight costs and sales commission. General and administrative expenses also increased by 34.3% or approximately RMB2.8 million over the corresponding period last year as a result of the business expansion and start-up operating costs of new production plant.

During the period under review, the investment properties of the Group were classified as at fair value through profit or loss for which a net profit arising from changes in the fair value of approximately RMB0.9 million was included in the income statement.



經營業績概要 (續)

本公司股權持有人應佔溢利拖低至約人民幣18,000,000元，較去年同期約人民幣27,100,000元下降33.4%。本公司股權持有人應佔淨溢利率為6.9%，較去年同期11.6%下降4.7%。

每股基本盈利為人民幣0.045元（截至二零零六年六月三十日止六個月：每股人民幣0.09元）。

業務回顧

在二零零七年上半年度，本集團調整其業務策略以擴大市場佔有率。結果，與去年同期比較，整體營業額增長12.3%至約人民幣262,700,000元。於回顧期內，儘管主要原材料之一的氯乙酸價格高企，藉著採納縱向整合式生產策略，與去年同期比較，整體銷售成本仍減少3.5%。證明縱向整合式生產策略屬正確業務方向，以減少本集團對公開市場原材料供應之依賴。而然，由於回顧期內部分產品市場銷售價格有所下滑，本集團整體毛利率仍不可避免地向下調整。

Summary of operating results (continued)

The profit attributable to equity holders of the Company was dragged down to approximately RMB18.0 million, representing a decrease of 33.4% when compared with approximately RMB27.1 million in the corresponding period last year. The net profit margin attributable to equity holders of the Company was 6.9%, representing a decrease of 4.7% as compared with 11.6% in the corresponding period last year.

Basic earnings per share amounted to RMB4.5 cents (six months ended 30 June 2006: RMB9.0 cents per share).

Business review

In the first half of 2007, the Group adjusted its business strategy to extend its market shares. In result, the overall turnover was increased by 12.3% to approximately RMB262.7 million as compared with the corresponding period of last year. In spite of the cost of mono chloro acetic acid, one of the core raw materials, stood high during the period under review. Leveraging on the adoption of vertical integration production strategy, the overall cost of sales was still decreased by 3.5% as compared with the corresponding period last year. It is proven that the vertical integration production strategy is a right business direction to reduce the Group's reliance on the raw materials supply from the open market. However, the open market price of some of the products was decreased during the period under review, it was inevitably that the overall gross profit margin of the Group was adjusted downward.



業務回顧(續)

雖然營業額穩健增長以及整體銷售成本下降，本集團整體財務表現仍受到(1)部分產品市場銷售價格有所下滑引致較低之毛利率，(2)大幅增加之分銷成本和完成新產品線建設引致較高行政開支，以及(3)在回顧期內新產品之溢利貢獻尚未完全反映之不利影響。儘管被重估投資物業之溢利而有所緩和，本公司股權持有人應佔溢利約人民幣18,000,000元，與去年同期約人民幣27,100,000元相比減少33.4%。

本集團整體業務仍維持穩定及良好發展。董事相信，於二零零七年下半年度市場短暫性不利影響很可能將會減退。此外，本集團一些新產品即將推出。本集團之整體財務表現預期很快將有所改善。

本集團繼續專注其業務發展策略，包括(i)加強研究及開發能力；(ii)強化銷售渠道及分銷網絡；(iii)提升生產設施達至更佳效益；及(iv)擴大產品種類。

於去年十二月，本集團購入一幅土地連物業用於發展一個極具實力之專業研發中心。董事欣然報告，研發中心已經成立，目前已開始運作。該中心是致力於提高本集團目前產品質素及優化本集團之生產工藝，並開發有潛力之新產品，為本集團帶來新業務商機。

Business review (continued)

Although the turnover was growth healthy and overall cost of sales was decreased, the overall financial performance of the Group was still adversely affected by (1) the open market price of some of the products was decreased leading to a lower gross profit margin, (2) the significant increase in distribution costs and a higher administrative expenses caused by the completion of construction for the new production lines, and (3) the profit contribution from the new products has not been fully reflected during the period under review. While it was alleviated by the profit from revaluation of investment properties, the profit attributable to equity holders of the Company was approximately RMB18.0 million, representing a decline of 33.4% from the corresponding period last year approximately RMB27.1 million.

The Group's overall business remains sound and well developed. The Directors believe that the temporary market adverse impact probably will be diminished in the second half of 2007. Besides, a number of new products of the Group will be launched very soon. The Group's overall financial performance is expected to be improved shortly.

The Group continued to focus on its business development strategies including (i) strengthening research and development capabilities; (ii) reinforcing sales channels and distribution network; (iii) advancement of production facilities for better efficiency; and (iv) expansion of product range.

The Group has acquired a piece of land and properties for the development of a highly competent research and development professional centre in December last year. The Directors are pleased to report that the centre has been established and is now in operation. The aim of the centre is to enhance the quality of the existing products of the Group and improve the Group's production procedures as well as develop new potential products to bring new business opportunities to the Group.



業務回顧(續)

為了提升本集團產品在市場上熟識性以及進一步提高本集團在市場上之地位及其企業形象，本集團在回顧期內已參與兩個於中國南京及上海舉行之精細化工展銷會。本集團亦已計劃在本年第四季度參加於歐洲舉行一個具影響力之精細化工展銷會。本集團相信參與該展銷會將提升集團在國際市場地位，亦是為直接打開及擴大海外市場之始步。同時亦有助本集團於本年下半年度推出之新產品之市場推廣。

本集團一直致力加快提升生產技術，維持優良產品質素，改善產品功能，依循上游縱向整合式生產策略，及維持大量生產策略從而達到經濟效益利益。在回顧期內，為應付日益增長市場需求，本集團已擴大丙二酸二乙酯之生產能力至每年3,000噸。除此之外，甲醇及高純度異丁烯已於本年上半年度開始試產，另一新產品氰乙酸亦已於二零零七年五月開始投產，該產品是生產咖啡因之主要原材料，及廣泛用於多種醫藥產品。本集團深信，以上具潛力之新產品將為本集團本年下半年度及不久將來帶來一定溢利貢獻。

除此之外，為了實現最低生產及內在營運風險，本集團亦特定委派一個專責委員會去應付及監控安全及環保問題。本集團相信有足夠及有效之安全及環保監控，將為本集團建立穩固根基支持將來發展。

Business review (continued)

With a view to increasing the Group's products acquaintance in the market and further enhance the market position of the Group and its corporate image, the Group has participated in the two fine chemical fairs held in Nanjing and Shanghai of the PRC during the period under review. The Group has also planned to take part in an influential fine chemical fair to be held in Europe in the fourth quarter of this year. The Group believes that the participation will uplift its international market status and it is also an initial step to directly open and expand the overseas market of the Group. It is also facilitate the marketing of the new products of the Group that will be launched in the second half of this year.

The Group has been continuously devoting more efforts in accelerating production technology advancement, maintaining premium products quality, improving products features, following its upward vertically integration production strategy and also maintaining its mass production strategy to achieve the advantage of economic of sales. During the period under review, the Group has expanded the production capacity of di-ethyl malonate to a capacity of 3,000 tons per annum to cope with the growing market demand. In addition, the trial production of methanol and high purity isobutylene was commenced in the first half of this year. The production of another new product, namely cyano acetic acid which is a core raw material for production of caffeine and used in wide range of varies pharmaceutical products, was also started in May 2007. The Group is convinced that the above new potential products will bring certain profit contribution to the Group in the second half of this year and coming future.

On top of that, the Group was also designated a committee to address and control the safety and environmental protection issue in order to achieving the lowest production and inherent risk operation. The Group believes that has a sufficient and efficient safety and environmental protection control will build a solid foundation for sustaining future development of the Group.



展望

自二零零五年開始，為支持預計之業務增長，本集團已大量投資於生產基礎建設上。在二零零七年八月份，本集團主要原材料氯乙酸及鹽酸等上游產品之生產線之建設已完成，本集團並已馬上著手生產。通過自行供應這些主要原材料能夠進一步減低依賴公開市場原材料之供應。董事對整體單位成本得到有效控制並持續下降有充滿信心。預期本集團產品競爭力將不斷加強，本集團將取得更佳業績。

隨著高純度異丁烯在二零零七年上半年度已開始試產，聚異丁烯將計劃於二零零七年十一月開始生產。該新生產線將有助本集團產品更趨多元化外，同時亦為本集團帶來更佳回報以抵消新廠房經營開支影響。

儘管市場競爭日漸激烈，本集團將採取各種有效措施改善邊際利潤，控制銷售及營銷開支，以及開發有潛力新產品，以增加股東整體回報。

展望未來，本集團將採取最佳之生產策略，努力引入及開發更多有潛力之新產品及展開上游縱向整合式生產，以提升其競爭力及支持進一步盈利增長。除此之外，本集團將繼續精簡生產程序，提升各生產工序之產能及優化生產工藝。憑藉這正確之業務方向、在業內之穩固地位及廣泛經驗，以及中國本地市場強勁，董事對本集團不久將來之增長樂觀。

Prospects

The Group has invested heavily in production infrastructure since 2005 to support the anticipated business growth. In August 2007, the construction of production lines for upstream products like, mono chloro acetic acid and hydrochloric acid which are the core raw materials of the Group were completed and the production by the Group was commended immediately. Through the self-supply of such core raw materials, it can further reduce the reliance on the raw materials supplied from the open market. The Directors have strong confident that the overall unit cost will be under well control and dropped continuously. It is expected that the competitiveness of the Group's products will be strengthened continuously and the Group's results will be getting better.

With the trial production of high purity isobutylene in the first half of 2007, the production of polyisobutylene will be scheduled in November 2007. The new product line will facilitate the diversification of the Group's products and bring a better return to the Group to counteract the effect of the operating expenses for the new production plant.

Despite the intensifying market competition, the Group will take various effective measures to improve profit margin, control sales and marketing spend, and develop new potential products to enhance the overall return to the shareholders.

Looking forward, the Group will adopt an optimization of production strategy, striving to introduce and develop more new potential products and deploy upward vertical integration of production to strengthen its competitive and in supporting further growth of the profitability. Besides, the Group will continue to streamline the production procedures, strengthen the capacity of each production process and improve its production techniques. Riding on such right business direction, with the strong foothold and extensive experience in the industry and also given the strengthen of the Chinese domestic market, the Directors are optimistic on the coming future growth of the Group.



財務回顧

流動資金及財務資源

截至二零零七年六月三十日止六個月，本集團主要資金來源是來自經營活動產生之現金及新借銀行貸款。本集團之現金資源主要用作支付收購物業、廠房及設備、預付租賃款項及償還銀行借貸。

經營活動產生之現金淨流入由去年同期約為人民幣10,400,000元上升至約為人民幣49,100,000元，主要原因是貿易應收賬款及其他應收賬款項減少及貿易應付賬款及其他應付款項增加所致。此外，新借貸款約人民幣20,300,000元（截至二零零六年六月三十日止六個月：人民幣142,600,000元）產生來自融資活動之現金流入。

憑藉本集團營運所得財務資源，本集團斥資約人民幣72,200,000元（截至二零零六年六月三十日止六個月：人民幣33,800,000元）購入預付租賃款項、物業、廠房及設備，並已償還約人民幣10,200,000元（截至二零零六年六月三十日止六個月：約人民幣69,700,000元）銀行借貸。

於二零零七年六月三十日，本集團之現金及銀行存款約為人民幣24,000,000元（二零零六年十二月三十一日：人民幣38,700,000元）。未償還借貸總額約為人民幣92,400,000元（二零零六年十二月三十一日：人民幣82,300,000元），其中短期借貸約為人民幣37,700,000元，長期借貸約為人民幣54,700,000元。本集團之資產負債比率（即借貸總額對股東資金總額之比率）約為28.6%（二零零六年十二月三十一日：27.1%）。

Financial review

Liquidity and financial resources

For the six months ended 30 June 2007, the Group's primary source of funding was derived from the cash generated from operating activities and newly raised bank borrowings. The Group's cash resources have principally been used to pay for the acquisition of property, plant and equipment, prepaid lease payments and repayment of bank borrowings.

The increase in net cash inflow from operating activities from approximately RMB10.4 million of corresponding period last year to approximately RMB49.1 million was primarily attributable to the decrease in trade and other receivables and the increase in trade and other payables. Besides, the new raised borrowings amounted to RMB20.3 million (six months ended 30 June 2006: RMB142.6 million) generated cash inflow from financing activities.

With the financial resources obtained from the Group's operations, the Group had invested approximately RMB72.2 million (six months ended 30 June 2006: RMB33.8 million) in the acquisition of the prepaid lease payments, property, plant and equipment, and repaid approximately RMB10.2 million (six months ended 30 June 2006: approximately RMB69.7 million) bank borrowings.

As at 30 June 2007, the Group had cash and bank deposits of approximately RMB24.0 million (31 December 2006: RMB38.7 million). The total amount of outstanding borrowings was approximately RMB92.4 million (31 December 2006: RMB82.3 million), in which short-term loans amounted to approximately RMB37.7 million and long-term loans amounted to approximately RMB54.7 million. The Group's gearing ratio which is represented by the ratio of total borrowings to total shareholders' equity, was approximately 28.6% (31 December 2006: 27.1%).



財務回顧(續)

流動資金及財務資源(續)

憑藉本集團之經營業務所得正數現金流入、備用銀行融資及現有現金資源，本集團將繼續維持健康財務狀況去應付其營運資金需求、資本承擔及日後擴展之投資。

資產抵押

於二零零七年六月三十日，本集團將銀行存款約人民幣200,000元(二零零六年十二月三十一日：約人民幣1,800,000元)抵押以獲得票據額度。本集團賬面淨值總額約人民幣64,000,000元(二零零六年十二月三十一日：約人民幣63,600,000元)之若干物業、廠房及設備以及約人民幣59,000,000元(二零零六年十二月三十一日：約人民幣59,000,000元)之預付租賃款項抵押，作為本集團銀行借貸之抵押品。

或然負債

於二零零七年六月三十日，本集團並無任何重大或然負債。

匯率波動風險

本集團之資產、負債、收入及交易主要以人民幣、港元及美元為單位，而其業務主要於中國進行。銀行借貸乃以人民幣為單位。

本集團所承擔之最主要外匯波動風險乃因回顧期內人民幣升值所致。本集團之出口銷售主要以美元為單位。儘管如此，本集團於回顧期內並無因外幣匯率波動而於營運或資金流動狀況方面遇上任何重大困難或對其造成任何重大影響。

Financial review (continued)

Liquidity and financial resources (continued)

With the positive cash inflow from the Group's operations, its available banking facilities and existing cash resources, the Group will continue to maintain a health finance position to meet its working capital requirements, capital commitments and future investments for expansion.

Pledge of assets

As at 30 June 2007, the Group had approximately RMB0.2 million bank deposit (31 December 2006: approximately RMB1.8 million), which was pledged for bills facilities. Certain property, plant and equipment of the Group with an aggregate net book value of about RMB64.0 million (31 December 2006: approximately RMB63.6 million) and prepaid lease payments of approximately RMB59.0 million (31 December 2006: approximately RMB59.0 million) were pledged to secure the Group's bank borrowings.

Contingent liabilities

As at 30 June 2007, the Group had no material contingent liabilities.

Exposure to fluctuations in exchange rates

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

The Group's foremost exposure to the foreign exchange fluctuations was caused by the revaluation of Renminbi during the period under review. The Group's export sales were, in majority, denominated in United States dollars. Nevertheless, 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.



人力資源

於二零零七年六月三十日，本集團共有824名全職僱員（二零零六年十二月三十一日：686名全職僱員），其中739名屬生產及倉庫員工，17名為銷售及市場推廣員工，8名為研發中心員工，而60名則為辦公室後勤員工。員工數目增加主要是由於本集團擴充業務及運作所致。

本集團深信人才乃企業無價資產，因此，本集團為員工提供多元化之員工培訓及個人發展計劃，以及具吸引力之薪酬待遇。本集團亦制定其人力資源政策及程序，於其薪酬制度中加入花紅及獎勵。向員工發放之酬金待遇乃根據其職責、表現、資歷而釐訂，且切合當時市場水平。同時亦提供員工福利包括醫療保險及公積金。根據年度工作表現評核，僱員或會獲發酌情花紅及獎金。本集團亦會給予僱員獎勵或其他形式之鼓勵，以推動僱員個人成長及事業發展。例如本集團持續向員工提供培訓，以提升彼等之技術、產品知識以及對行業品質標準之認識。本集團所有新員工均須參加入門課程，而全體員工亦可參加各類培訓課程。

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，本集團並無向僱員授出任何購股權。

Human resources

As at 30 June 2007, the Group has 824 full-time employees (31 December 2006: 686 full-time employees) of which 739 were production and warehouse, 17 were sales and marketing, 8 were research and development centre, and 60 were back-office supportive employees. The increase in the number of employees was mainly due to the expansion of the Group's businesses and operations.

The Group strongly believes that talent is an invaluable asset to the corporation and, according, provides a wide range of training and personal development programs, as well as an attractive remuneration package to the employees. The Group also has established its human resources policies and procedures with a view to deploying the incentives and rewards of the remuneration system. The remuneration package offered to employee was appropriate for the duties, performances, qualifications, and in line with the prevailing market terms. Staff benefits including medical coverage and provident funds were also provided to employees. Employee would receive discretionary bonuses and monetary rewards based on their ratings in annual performance appraisals. The Group also offered rewards or other incentives to motivate personal growth and career development of the employees, such as ongoing opportunities for training to enhance their technical and product knowledge as well as their knowledge of industry quality standards. All new staff of the Group are required to attend an introductory course, while 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. During the period under review, no share option was granted to employees.



股息政策

本公司擬宣派及派付年度股息。董事根據相關之規則及規例建議派付股息及股息款額，並會視乎（其中包括）本集團之經營業績、現金需求及可動用性、財務狀況、收購機會及相關法律條文等因素而定。在上述因素之前提下，董事會日後擬於股東週年大會上建議，派付約20%可分派予股東之年度淨溢利作為股息。

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

於二零零七年六月三十日，根據證券及期貨條例（「證券及期貨條例」）第XV部第7及8分部已知會本公司和香港聯合交易所有限公司（「聯交所」），並記錄於本公司根據證券及期貨條例第352條而存置之登記冊；或根據上市規則內上市公司董事進行證券交易的標準守則（「標準守則」）已知會本公司和聯交所，本公司董事及最高行政人員擁有本公司或其相關法團（按證券及期貨條例第XV部之涵義）之股份、相關股份及債券之權益或淡倉（包括根據證券及期貨條例之有關係文任何該等董事或最高行政人員擁有或被視作擁有之權益或淡倉）如下：

Dividend policy

The Company intends to declare and pay annual dividends. The payment and the amount of any dividends will be recommended by the Directors in accordance with the relevant rules and regulations and dependent on the Group's results of operations, cash requirements and availability, financial condition, acquisition opportunities, the provisions of relevant laws, among others. Subject to the factors described above, the Board intends to recommend at the annual shareholders' meetings a dividend amount about 20% of the net profit for the year available for distribution to the shareholders in the future.

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

At 30 June 2007, the interests and short positions of the Directors, chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such director or chief executive was taken or deemed to have under such provisions of the SFO) and were recorded in the register maintained by the Company pursuant to section 352 of the SFO, or which were notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Listing Rules, were as follows:



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)

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

於本公司股份之好倉

Long position in the shares of the Company

董事姓名 Name of Directors	公司/相聯法團名稱 Company/name of associated corporation (附註1) (Note 1)	所持股份數目/ 於股份之權益 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	300,000,000 (附註2) (Note 2)	受控法團之權益 Interest of controlled corporation	75.00%

附註:

Notes:

- 該等300,000,000股股份將由志峰集團有限公司(「志峰」)持有,其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分別最終實益擁有38%、26%、11.5%、11.5%、6.5%及6.5%。
- 由於劉先生於志峰擁有38%權益,其被視為於上文附註1所述之300,000,000股股份擁有權益。

- The 300,000,000 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.
- Mr. Liu is deemed to be interested in the 300,000,000 Shares referred to in Note 1 above by virtue of his 38% interest in Cheerhill.

除上文披露者外,截至二零零七年六月三十日止,根據證券及期貨條例第352條記錄於本公司存置之登記冊;或根據上述上市規則所載之標準守則已知會本公司和聯交所,本公司各董事及高級行政人員概無擁有或被視作擁有本公司或其任何相聯法團(按證券及期貨條例第XV部之涵義)之股份、相關股份或債券之權益或淡倉。

Save as disclosed above, as at 30 June 2007 none of the directors and chief executive of the Company 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.



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)

於本公司股份之好倉 (續)

本公司或其任何控股公司、附屬公司或同系附屬公司於期內概無訂立任何安排，令本公司董事及高級行政人員或彼等之配偶或未滿十八歲之子女可購入本公司或其他相關法團任何股份或相關股份或債券。

主要股東於本公司股份之權益及淡倉

於二零零七年六月三十日，除本公司董事外，持有本公司已發行股本5%或以上權益之下列人士，已記錄於本公司根據證券及期貨條例第336條所存置之股東名冊內：

於本公司股份之好倉

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

Long position in the shares of the Company (continued)

At no time during the period was the Company or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement that enable the directors and chief executives 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.

Substantial shareholders' interests and short positions in the shares of the Company

At 30 June 2007, the following persons who held interests of 5% or more of the issued share capital of the Company, other than directors of the Company, were recorded in the register of members required to be kept by the Company pursuant to Section 336 of the SFO:

Long position in the shares of the Company

股東姓名／名稱 Name of shareholders	所持股份數目／於股份之權益及權益總額 Number of shares held/interest in the Shares and aggregated interest	身份 Capacity	佔已發行股本總數概約百分比(%)* Approximate % in the total issued share capital
志峰集團有限公司 Cheerhill Group Limited	300,000,000	實益擁有人 Beneficiary owned	75.00%

除上文所披露者外，截至二零零七年六月三十日，本公司並無獲任何人士知會於本公司之股份或相關股份中，擁有任何根據證券及期貨條例須知會本公司之權益或淡倉，或擁有本公司根據證券及期貨條例第336條存置之登記冊中記錄之權益或淡倉。

Save as disclosed above, the Company has not been notified by any person who had any interest or short position in the shares or underlying shares of the Company as at 30 June 2007, which are required to be notified to the Company under the SFO or which are recorded in the register required to be kept by the Company under section 336 of the SFO.



購股權

本公司設有購股權計劃（「購股權計劃」），旨在獎勵及酬謝對本集團之成功作出貢獻之本集團任何成員公司或聯營公司之董事、合資格僱員及股東或彼等各自之聯繫人。購股權計劃由二零零六年十月四日起生效，有效期為十年，根據購股權計劃可授出最多40,000,000份購股權，購股權賦予其持有人權利認購最多40,000,000股股份。

截至二零零七年六月三十日，本公司並無根據購股權計劃授出或同意授出購股權予任何人士。

上市公司董事進行證券交易的標準守則

本公司已採納標準不寬鬆於上市規則附錄十所載標準守則有關董事進行證券交易規定之操守準則。本公司經作出查詢後，全體董事已確認，彼等於截至二零零七年六月三十日止六個月一直遵守標準守則及本公司有關董事進行證券交易之操守準則所載規定標準。

高級管理層因其在本公司所擔任之職務可能擁有未公佈股價敏感資料，已被要求遵守標準守則及本公司有關董事進行證券交易之操守準則之規定。

Share options

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

As at 30 June 2007, no option has been granted or agreed to be granted to any person under the Share Option Scheme.

Model codes for securities transactions by directors of listed companies

The Company has adopted a code of conduct with standards not lower 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 2007.

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.



購買、出售或贖回本公司之上市股份

截至二零零七年六月三十日止六個月，本公司或其任何附屬公司並無贖回、購買或出售本公司任何上市股份。

企業管治常規

本公司截至二零零七年六月三十日止六個月期間均已遵從上市規則所載企業管治常規之所有守則條文（「企業管治守則」），惟主席及行政總裁之角色並非分開。劉洪亮先生目前兼任本公司主席及總經理之角色。由於劉先生在業界具有豐富經驗及對本集團業務有深厚認識，董事會相信此一結構為本集團提供強大和貫徹之領導，使業務計劃和決策以至於執行長遠業務策略上更有效和高效率。因此，此舉對本公司之業務前景有利。

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，以及已與高級管理層討論有關編製截至二零零七年六月三十日止六個月本集團未經審核簡明綜合財務報表內之內部控制及財務報告事項。審核委員會概無對本公司於回顧期內採納之會計處理方式提出任何異議。

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

During the six months ended 30 June 2007, neither the Company nor any of its subsidiaries had redeemed, purchased or sold any of the Company's listed shares.

Corporate governance practices

The Company has complied with all the code provision of the Corporate Governance Practices (the "CG Code") as set out in the Listing Rules during the six months ended 30 June 2007, except that there is no separation of the role of Chairman and chief executive officer ("CEO"), Mr. Liu Hongliang currently assumes the role of both the Chairman and general manager of the Company. In view of Mr. Liu's extensive experience in the industry and deep understanding of the Group's businesses, the Board believes that this structure provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long term business strategies. As such, it is beneficial to the business prospects of the Company.

Audit committee

The Audit Committee of the Company comprises the three independent non-executive directors of the Company, namely Mr. Leung Kam Wan (Chairman of the Audit Committee), Mr. Guo Baoyu and Mr. Liu Chenguang. The Audit Committee has reviewed the accounting principles and practices adopted by the Company and discussed internal control and financial reporting matters with senior management relating to the preparation of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2007. There is no disagreement raised by the Audit Committee on the accounting treatment adopted by the Company during the period under review.



薪酬委員會

根據企業管治守則，本公司於二零零六年十月四日成立薪酬委員會（「薪酬委員會」），其特定書面職權範圍乃按照企業管治守則訂立。薪酬委員會目前由本公司執行董事劉洪亮先生（薪酬委員會主席）及本公司三名獨立非執行董事梁錦雲先生、高寶玉先生及劉晨光先生組成。

於回顧期內，薪酬委員會在參考本集團之企業目的及目標後，已審閱及批准本公司執行董事及高級管理層之薪酬。

合規顧問權益

根據本公司與第一上海融資有限公司（「第一上海」）訂立日期為二零零七年十月十六日之合規顧問協議，第一上海已根據上市規則規定獲委任為合規顧問，任期由二零零七年十月二十七日至本公司截至二零零七年十二月三十一日止年度之財務業績符合上市規則第13.46條之日。第一上海受薪出任本公司合規顧問。

誠如第一上海知會，除上文所披露者外，第一上海或其相關董事、僱員或聯繫人（定義見上市規則）於二零零七年六月三十日概無擁有本公司股份任何權益，或擁有任何購股權或任何可認購或提名他人認購本公司股份之權利。

承董事會命
主席
劉洪亮

香港，二零零七年九月十四日

Remuneration committee

According to the CG Code, the Company established a remuneration committee (the "Remuneration Committee") on 4 October 2006 with specific written terms of reference in accordance with the CG Code. The Remuneration Committee currently comprises an executive director of the Company, Mr. Liu Hongliang (Chairman of the Remuneration Committee) and three independent non-executive directors of the Company, Mr. Leung Kam Wan, Mr. Guo Baoyu and Mr. Liu Chenguang.

During the period under review, the remuneration committee has reviewed and approved the remuneration packages of executive directors and senior management of the Company by reference to corporate goals and objectives of the Group.

Compliance adviser's interest

Pursuant to the compliance adviser agreement dated 16 October 2007 entered into between the Company and First Shanghai Capital Limited ("First Shanghai"), First Shanghai has been appointed as the compliance adviser as required under the Listing Rules for the period from 27 October 2007 to the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of the Company's financial results for the year ending 31 December 2007. First Shanghai is paid for acting as the Company's compliance adviser.

As notified by First Shanghai, save as disclosed above, neither First Shanghai nor its respective directors, employees or associates (as defined in the Listing Rules) had any interest in the shares of the Company, or had any options or rights to subscribe for or to nominate persons to subscribe for the shares of the Company as at 30 June 2007.

By order of the Board
Liu Hongliang
Chairman

Hong Kong, 14 September 2007



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

香港中環夏慤道12號
美國銀行中心22樓2204A室
Room 2204A, 22nd Floor, Bank of America Tower,
12 Harcourt Road, Central, Hong Kong