



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)

2012
INTERIM REPORT
中期報告

凝聚動力 盡展所長
CONVERGING STRENGTHS
FOR BETTER PERFORMANCE





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公司資料 Corporate Information

董事會

執行董事

劉洪亮先生 (主席)
王子江先生
郭希田先生
郭玉成先生

獨立非執行董事

高寶玉先生
梁錦雲先生
劉晨光先生

董事會委員會

審核委員會

梁錦雲先生 (主席)
高寶玉先生
劉晨光先生

薪酬委員會

劉晨光先生 (主席)
(於二零一二年一月一日調任為主席)
高寶玉先生
梁錦雲先生
劉洪亮先生 (於二零一二年一月一日
辭任主席並調任為成員)

提名委員會

劉洪亮先生 (主席)
梁錦雲先生
劉晨光先生

安全及環保委員會

郭玉成先生 (主席)
傅安旭先生
高寶玉先生

公司秘書

劉偉珍女士

獨立核數師

香港立信德豪會計師事務所有限公司

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-Executive Directors

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

BOARD COMMITTEES

Audit Committee

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

Remuneration Committee

Mr. Liu Chenguang (*Chairman*)
(re-designated as Chairman on 1 January 2012)
Mr. Gao Baoyu
Mr. Leung Kam Wan
Mr. Liu Hongliang (resigned as a Chairman and
re-designated as a member on 1 January 2012)

Nomination Committee

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

Safety and Environmental Protection Committee

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

COMPANY SECRETARY

Ms. Lau Wai Chun

INDEPENDENT AUDITOR

BDO Limited

公司資料

Corporate Information

主要往來銀行

中國銀行(香港)有限公司
中國工商銀行濰坊市分行

香港股份過戶登記處

香港中央證券登記有限公司

香港
灣仔
皇后大道東183號合和中心
17字樓1712-1716室

註冊辦事處

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

香港主要營業地點

香港
中環夏慤道12號
美國銀行中心
22字樓
2204A室

總辦事處及中華人民共和國 (「中國」)主要營業地點

中國
山東省
濰坊市
濰坊高新技術產業開發區

公司網址

<http://tdchem.hi2000.com>

股份代號

聯交所：609

PRINCIPAL BANKERS

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

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

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

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

COMPANY WEBSITE

<http://tdchem.hi2000.com>

STOCK CODE

The Stock Exchange: 609



簡明綜合收益表

Condensed Consolidated Income Statement

天德化工控股有限公司(「本公司」)董事(「董事」)組成之董事會(「董事會」)欣然宣佈,本公司及其附屬公司(「本集團」)截至二零一二年六月三十日止六個月之未經審核簡明綜合業績,連同二零一一年同期之比較數字及附加之註釋如下:

The board (the "Board") of directors (the "Directors") of Tiande Chemical Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2012 together with the comparative figures for the corresponding period in 2011 and appended the notes as follows:

		截至六月三十日止六個月		
		Six months ended 30 June		
		二零一二年	二零一一年	
		2012	2011	
		人民幣千元	人民幣千元	
		RMB'000	RMB'000	
		(未經審核)	(未經審核)	
		(Unaudited)	(Unaudited)	
		附註		
		Notes		
營業額	Turnover	4	509,808	457,861
銷貨成本	Cost of sales		(391,347)	(347,309)
毛利	Gross profit		118,461	110,552
其他收入	Other income	4	2,955	2,186
銷售開支	Selling expenses		(11,433)	(11,010)
行政開支	Administrative expenses		(15,166)	(15,400)
財務成本	Finance costs	5	(5,686)	(3,336)
除所得稅前溢利	Profit before income tax	6	89,131	82,992
所得稅開支	Income tax expense	7	(16,793)	(16,497)
本公司擁有人應佔 本期溢利	Profit for the period attributable to the owners of the Company		72,338	66,495
就計算本公司擁有人 應佔本期溢利而言 之每股盈利	Earnings per share for profit attributable to the owners of the Company for the period	9		
— 基本	— Basic		人民幣 0.085 元 RMB0.085	人民幣0.079元 RMB0.079
— 攤薄	— Diluted		人民幣 0.085 元 RMB0.085	人民幣0.079元 RMB0.079



簡明綜合全面收益表

Condensed Consolidated Statement of Comprehensive Income

		截至六月三十日止六個月 Six months ended 30 June	
		二零一二年 2012 人民幣千元 RMB'000 (未經審核) (unaudited)	二零一一年 2011 人民幣千元 RMB'000 (未經審核) (unaudited)
本期溢利	Profit for the period	72,338	66,495
其他全面收益／(開支)	Other comprehensive income/(expense)		
換算海外業務財務報表 產生之匯兌收益／ (虧損)	Exchange gain/(loss) on translation of financial statements of foreign operations	105	(372)
本期其他全面收益／ (開支)	Other comprehensive income/(expense) for the period	105	(372)
本公司擁有人應佔 本期全面收益總額	Total comprehensive income for the period attributable to the owners of the Company	72,443	66,123



簡明綜合財務狀況表

Condensed Consolidated Statement of Financial Position

			二零一二年 六月三十日 30 June 2012 人民幣千元 RMB'000 (未經審核) (unaudited)	二零一一年 十二月三十一日 31 December 2011 人民幣千元 RMB'000 (經審核) (audited)
	附註 Notes			
資產與負債		ASSETS AND LIABILITIES		
非流動資產		Non-current assets		
物業、廠房及 設備	10	Property, plant and equipment	411,779	399,279
預付土地租賃 款項		Prepaid land lease payments	54,647	55,294
投資物業		Investment properties	12,440	12,440
購買物業、廠房 及設備之 已付訂金	11	Deposits paid for acquisition of property, plant and equipment	17,880	2,432
於一家共同控制 實體之權益		Interests in a jointly controlled entity	28,773	-
遞延稅項資產		Deferred tax assets	31	63
			525,550	469,508
流動資產		Current assets		
存貨		Inventories	63,850	85,529
貿易應收賬及 應收票據	12	Trade and bills receivable	217,647	210,348
預付款項及其他 應收款項		Prepayments and other receivables	15,252	15,577
應收一家共同控制 實體款項		Amount due from a jointly controlled entity	524	-
已抵押銀行存款		Pledged bank deposits	-	13,400
銀行與現金結餘		Bank and cash balances	74,655	63,889
			371,928	388,743
流動負債		Current liabilities		
貿易應付賬	13	Trade payables	20,260	37,851
應付未付賬款及 其他應付款項		Accruals and other payables	46,007	53,654
銀行借貸		Bank borrowings	88,000	70,000
流動稅項負債		Current tax liabilities	11,646	9,681
			165,913	171,186
流動資產淨值		Net current assets	206,015	217,557
總資產減流動負債		Total assets less current liabilities	731,565	687,065



簡明綜合財務狀況表

Condensed Consolidated Statement of Financial Position

		二零一二年 六月三十日 30 June 2012 人民幣千元 RMB'000 (未經審核) (unaudited)	二零一一年 十二月三十一日 31 December 2011 人民幣千元 RMB'000 (經審核) (audited)
	附註 Notes		
非流動負債	Non-current liabilities		
銀行借貸	Bank borrowings	33,000	39,000
遞延收入	Deferred income	14,560	15,931
遞延稅項負債	Deferred tax liabilities	2,489	2,463
		50,049	57,394
資產淨值	Net assets	681,516	629,671
權益	EQUITY		
本公司擁有人 應佔權益	Equity attributable to the Company's owners		
股本	Share capital	7,786	7,786
儲備	Reserves	673,730	621,885
	14		
總權益	Total equity	681,516	629,671

劉洪亮
LIU HONGLIANG
董事
Director

王子江
WANG ZIJIANG
董事
Director



簡明綜合現金流量表

Condensed Consolidated Statement of Cash Flows

截至六月三十日止六個月
Six months ended 30 June

		二零一二年 2012 人民幣千元 RMB'000 (未經審核) (unaudited)	二零一一年 2011 人民幣千元 RMB'000 (未經審核) (unaudited)
經營業務所得之現金淨額	Net cash generated from operating activities	96,315	88,464
投資業務產生之現金流量	Cash flows from investing activities		
購買物業、廠房及設備	Purchases of property, plant and equipment	(40,326)	(39,596)
購買物業、廠房及設備之已付訂金	Deposits paid for acquisition of property, plant and equipment	(15,448)	(293)
於一家共同控制實體之投資金額	Investments in a jointly controlled entity	(28,773)	-
預付一家共同控制實體款項	Advances to a jointly controlled entity	(524)	-
變賣物業、廠房及設備之所得款項	Proceeds on disposals of property plant and equipment	7	69
已抵押銀行存款減少	Decrease in pledged bank deposits	13,400	10,500
已收利息	Interest received	429	165
投資業務所用之現金淨額	Net cash used in investing activities	(71,235)	(29,155)
融資業務產生之現金流量	Cash flows from financing activities		
已付股息	Dividends paid	(20,760)	(32,012)
已付利息	Interest paid	(5,660)	(3,356)
償還銀行借貸	Repayments of bank borrowings	(77,610)	(32,224)
新增銀行借貸	New bank borrowings raised	89,610	66,324
因購股權獲行使而發行新股之所得款項	Proceeds from issue of new shares upon exercise of share options	-	1,183
融資業務所用之現金淨額	Net cash used in financing activities	(14,420)	(85)



簡明綜合現金流量表

Condensed Consolidated Statement of Cash Flows

截至六月三十日止六個月
Six months ended 30 June

		二零一二年 2012 人民幣千元 RMB'000 (未經審核) (unaudited)	二零一一年 2011 人民幣千元 RMB'000 (未經審核) (unaudited)
現金及現金等值項目 增加淨額	Net increase in cash and cash equivalents	10,660	59,224
期初之現金及 現金等值項目	Cash and cash equivalents at the beginning of the period	63,889	42,382
外幣匯率變動之影響	Effect of foreign exchange rate changes	106	(360)
期終之現金及 現金等值項目	Cash and cash equivalents at the end of the period	74,655	101,246
現金及現金等值項目 結餘分析	Analysis of balances of cash and cash equivalents		
銀行及現金結餘	Bank and cash balances	74,655	101,246



簡明綜合權益變動表 Condensed Consolidated Statement of Changes in Equity

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

	未經審核 Unaudited												
	股本	股份溢價	特別儲備	盈餘公積金	物業重估儲備	公益金	以股份 支付之款項 儲備	資本出資 儲備	外幣匯兌 儲備	保留溢利	建議股息	總權益	
	Share capital 人民幣千元 RMB'000	Share premium 人民幣千元 RMB'000	Special reserve 人民幣千元 RMB'000	Surplus reserve fund 人民幣千元 RMB'000	Property revaluation reserve 人民幣千元 RMB'000	Public welfare fund 人民幣千元 RMB'000	Share- based payment reserve 人民幣千元 RMB'000	Capital contribution reserve 人民幣千元 RMB'000	Foreign currency translation reserve 人民幣千元 RMB'000	Retained profits 人民幣千元 RMB'000	Proposed dividend 人民幣千元 RMB'000	Total 人民幣千元 RMB'000	
於二零一二年一月一日 結餘	Balance as at 1 January 2012	7,786	106,333	31,182	37,944	1,653	633	-	5,169	(1,967)	420,178	20,760	629,671
已付股息(附註8) 及確結算以股份支付 之款項開支	Dividend paid (note 8) Equity-settled share-based payments expenses	-	-	-	-	-	-	-	-	-	-	(20,760)	(20,760)
與擁有人交易	Transactions with owners	-	-	-	-	-	-	162	-	-	-	(20,760)	(20,598)
本期溢利	Profit for the period	-	-	-	-	-	-	-	-	-	72,338	-	72,338
其他全面收益 除海外業務財務報表 產生之匯兌收益	Other comprehensive income Exchange gain on translation of financial statements of foreign operations	-	-	-	-	-	-	-	105	-	-	-	105
期內全面收益總額	Total comprehensive income for the period	-	-	-	-	-	-	-	105	72,338	-	-	72,443
於二零一二年 六月三十日結餘	Balance as at 30 June 2012	7,786	106,333	31,182	37,944	1,653	633	-	5,331	(1,862)	492,516	-	681,516

截至二零一一年六月三十日止六個月
For the six months ended 30 June 2011

	未經審核 Unaudited												
	股本	股份溢價	特別儲備	盈餘公積金	物業重估儲備	公益金	以股份 支付之款項 儲備	資本出資 儲備	外幣匯兌 儲備	保留溢利	建議股息	總權益	
	Share capital 人民幣千元 RMB'000	Share premium 人民幣千元 RMB'000	Special reserve 人民幣千元 RMB'000	Surplus reserve fund 人民幣千元 RMB'000	Property revaluation reserve 人民幣千元 RMB'000	Public welfare fund 人民幣千元 RMB'000	Share- based payment reserve 人民幣千元 RMB'000	Capital contribution reserve 人民幣千元 RMB'000	Foreign currency translation reserve 人民幣千元 RMB'000	Retained profits 人民幣千元 RMB'000	Proposed dividends 人民幣千元 RMB'000	Total 人民幣千元 RMB'000	
於二零一一年 一月一日結餘	Balance as at 1 January 2011	4,216	108,177	31,182	30,144	1,359	633	530	4,162	(1,278)	316,378	32,012	527,515
已付股息(附註8) 因購股權獲行使 而發行新股	Dividends paid (note 8) Issue of new shares upon exercise of share options	-	-	-	-	-	-	-	-	-	-	(32,012)	(32,012)
發行紅股 及確結算以股份支付之 款項開支	Bonus issue of shares Equity-settled share-based payments expenses	3,552	(3,552)	-	-	-	-	(543)	-	-	-	-	1,183
與擁有人交易	Transactions with owners	3,570	(1,844)	-	-	-	-	(530)	506	-	-	(32,012)	(30,310)
本期溢利	Profit for the period	-	-	-	-	-	-	-	-	-	66,495	-	66,495
其他全面開支 除海外業務財務報表 產生之匯兌虧損	Other comprehensive expense Exchange loss on translation of financial statements of foreign operations	-	-	-	-	-	-	-	(372)	-	-	-	(372)
期內全面收益總額	Total comprehensive income for the period	-	-	-	-	-	-	-	(372)	66,495	-	-	66,123
於二零一一年 六月三十日結餘	Balance as at 30 June 2011	7,786	106,333	31,182	30,144	1,359	633	-	4,668	(1,650)	382,873	-	563,328



簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

1. 一般資料及編製基準

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

本公司主要業務為投資控股。本集團主要業務為研發、製造及銷售精細化工產品。

本集團最終控股公司為在英屬處女群島註冊成立之志峰集團有限公司。

本集團截至二零一二年六月三十日止六個月之未經審核簡明綜合中期財務報表(「未經審核簡明財務資料」)乃按香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」及聯交所證券上市規則(「上市規則」)附錄十六之適用披露規定而編製。

1. General information and basis of preparation

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

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

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

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2012 (the "Unaudited Condensed Financial Information") have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").



簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

1. 一般資料及編製基準 (續)

未經審核簡明財務資料並未包括年度財務報表所需要的所有資料及披露事項，並應與本集團截至二零一一年十二月三十一日止年度之年度財務報表（「二零一一年度財務報表」）一併閱讀。

除採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（包括所有由香港會計師公會頒佈並適用之個別香港財務報告準則（「香港財務報告準則」）、香港會計準則及詮釋）外，編製未經審核簡明財務資料時所採納之會計政策與編製二零一一年度財務報表時所依循者一致。

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

未經審核簡明財務資料已於二零一二年八月三十一日獲董事會批准刊發。

1. General information and basis of preparation (Continued)

The Unaudited Condensed Financial Information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2011 (the "2011 Annual Financial Statements").

The Unaudited Condensed Financial Information has been prepared in accordance with the same accounting policies adopted in the 2011 Annual Financial Statements, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards and Interpretations issued by the HKICPA.

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

The Unaudited Condensed Financial Information has been approved for issue by the Board on 31 August 2012.



簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

2. 採納新訂或經修訂香港財務報告準則

期內，本集團首次應用由香港會計師公會頒佈之以下新準則、經修訂準則、修訂本及詮釋，以上各項均適用於及對二零一二年一月一日開始之年度期間之本集團財務報表有效：

香港財務報告準則第7號之修訂本	香港財務報告準則第7號「金融工具：披露—金融資產轉讓」之修訂本
香港會計準則第12號之修訂本	香港會計準則第12號「所得稅—遞延稅項：收回相關資產價值」之修訂本

除以下註明者外，採納該等新訂及經修訂香港財務報告準則不會改變本集團編製二零一一年度財務報表時所依據之會計政策。

2. Adoption of new or amended HKFRSs

In the current period, the Group has applied for the first time the following new and revised standards, amendments and interpretations issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2012:

HKFRS 7 Amendments	Amendments to HKFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets
HKAS 12 Amendments	Amendments to HKAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets

Other than as noted below, the adoption of these new and revised HKFRSs did not change the Group's accounting policies as followed in the preparation of the 2011 Annual Financial Statements.



簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

2. 採納新訂或經修訂香港財務報告準則(續)

香港會計準則第12號之修訂本
自二零一二年一月一日起，本集團採納遞延稅項：收回相關資產價值－香港會計準則第12號之修訂本，並改變其使用香港會計準則第40號「物業投資」內的公允價值模式計量投資物業所產生的遞延稅項之會計政策。由於此項改變，本集團目前計量任何從投資物業產生的遞延稅項時，乃使用可推翻的推定，根據該推定，物業的賬面值將完全通過銷售而收回。假如物業可計算折舊及在業務模式下持有，而該業務模式之目的是隨著時間而消耗物業本身絕大部分的經濟利益，則上述推定可予推翻。採納香港會計準則第12號之修訂本對本集團業績及財務狀況不會有任何影響。

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

2. Adoption of new or amended HKFRSs (Continued)

HKAS 12 Amendments

From 1 January 2012, the Group adopted Deferred Tax: Recovery of Underlying Assets – Amendments to HKAS 12 and changed its accounting policy on measuring deferred tax arising from investment property that is measured using the fair value model in HKAS 40 Investment Property. As a result of the change, the Group now measures any deferred tax arising from investment property using a rebuttable presumption that the carrying amount of the property will be recovered entirely through sale. The presumption is rebutted if the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the properties over time. The adoption of HKAS 12 Amendments does not have any impact on the results and the financial position of the Group.

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



簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

3. 分部資料

執行董事已將本集團以下之五大產品及服務類別定為經營分部。

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

經營分部乃按經調整分部經營業績監察，而策略決定亦是按同一基準作出。各經營分部均分開管理，原因是各個產品及服務類別所需的資源以及市場推廣方式並不相同。所有分部間銷售價格乃參照就同類訂單向外界收取的價格而釐定。

於截至二零一二年六月三十日止六個月內，用來確定經營分部及已呈報分部溢利或虧損之計量方法，與過往期間比較並無改變。

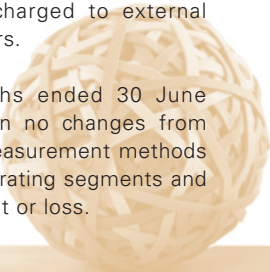
3. Segment information

The executive Directors have identified the Group's five product and service lines as its operating segments.

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

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

During the six months ended 30 June 2012, there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit or loss.



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

3. 分部資料 (續)

3. Segment information (Continued)

截至二零一二年六月三十日止六個月

Six months ended 30 June 2012

	氰乙酸及其酯類產品 Cyanoacetic acid and its ester products	醇類產品 Alcohol products	氯乙酸及其下游產品 Chloroacetic acid and its derivative products	精細石油化工類產品 Fine petrochemical products	其他副產品 Other by-products	總額 Total	
	人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (未經審核) (unaudited)	
收益：	Revenue:						
來自外界客戶	External customers	423,929	27,378	19,804	29,553	9,144	509,808
分部間之收益	Inter-segment revenue	102	69,791	99,298	-	-	169,191
可呈報分部之收益	Reportable segment revenue	424,031	97,169	119,102	29,553	9,144	678,999
可呈報分部之溢利	Reportable segment profit	98,112	6,454	48,508	729	1,809	155,612
可呈報分部之資產	Reportable segment assets	404,686	22,614	90,926	24,367	70,200	612,793

截至二零一一年六月三十日止六個月

Six months ended 30 June 2011

	氰乙酸及其酯類產品 Cyanoacetic acid and its ester products	醇類產品 Alcohol products	氯乙酸及其下游產品 Chloroacetic acid and its derivative products	精細石油化工類產品 Fine petrochemical products	其他副產品 Other by-products	總額 Total	
	人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (未經審核) (unaudited)	人民幣千元 RMB'000 (未經審核) (unaudited)	
收益：	Revenue:						
來自外界客戶	External customers	413,630	26,130	4,309	9,396	4,396	457,861
分部間之收益	Inter-segment revenue	-	21,495	101,817	-	826	124,138
可呈報分部之收益	Reportable segment revenue	413,630	47,625	106,126	9,396	5,222	581,999
可呈報分部之溢利	Reportable segment profit	94,953	2,366	37,227	1,615	954	137,115
可呈報分部之資產	Reportable segment assets	338,783	17,101	81,064	20,464	73,156	530,568

簡明綜合財務報表附註**Notes to the Condensed Consolidated Financial Statements****3. 分部資料 (續)**

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

3. Segment information (Continued)

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

		截至六月三十日止六個月 Six months ended 30 June	
		二零一二年 2012 人民幣千元 RMB'000 (未經審核) (unaudited)	二零一一年 2011 人民幣千元 RMB'000 (未經審核) (unaudited)
可呈報分部之收益	Reportable segment revenue	678,999	581,999
抵銷分部間之收益	Elimination of inter-segment revenue	(169,191)	(124,138)
本集團收益	Group revenue	509,808	457,861

		截至六月三十日止六個月 Six months ended 30 June	
		二零一二年 2012 人民幣千元 RMB'000 (未經審核) (unaudited)	二零一一年 2011 人民幣千元 RMB'000 (未經審核) (unaudited)
可呈報分部之溢利	Reportable segment profit	155,612	137,115
投資物業租金收入	Rental income from investment properties	289	274
股權結算以股份支付之款項開支	Equity-settled share-based payments expenses	(162)	(519)
財務成本	Finance costs	(5,686)	(3,336)
不能分配之企業收入	Corporate unallocated income	588	491
不能分配之企業開支	Corporate unallocated expenses	(15,881)	(15,096)
抵銷分部間之溢利	Elimination of inter-segment profit	(45,629)	(35,937)
除所得稅前溢利	Profit before income tax	89,131	82,992

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

4. 營業額及其他收入

本集團營業額為本集團主要業務之收益，而營業額及在期內已確認之其他收入如下：

4. Turnover and other income

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

		截至六月三十日止六個月 Six months ended 30 June	
		二零一二年 2012 人民幣千元 RMB'000 (未經審核) (unaudited)	二零一一年 2011 人民幣千元 RMB'000 (未經審核) (unaudited)
營業額	Turnover		
銷售氰乙酸及其酯類產品	Sales of cyanoacetic acid and its ester products	423,929	413,630
銷售醇類產品	Sales of alcohol products	27,378	26,130
銷售氯乙酸及其下游產品	Sales of chloroacetic acid and its derivative products	19,804	4,309
銷售精細石油化工類產品	Sales of fine petrochemical products	29,553	9,396
銷售其他副產品	Sales of other by-products	9,144	4,396
		509,808	457,861
其他收入	Other income		
政府補貼	Government grants	330	176
利息收入	Interest income	429	165
遞延收入撥回	Release of deferred income	1,370	1,370
租金收入	Rental income	289	274
變賣物業、廠房及設備收益	Gain on disposal of property, plant and equipment	4	-
淨匯兌收益	Exchange gain, net	60	-
雜項收入	Sundry income	473	201
		2,955	2,186

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

5. 財務成本

5. Finance costs

		截至六月三十日止六個月 Six months ended 30 June	
		二零一二年 2012 人民幣千元 RMB'000 (未經審核) (unaudited)	二零一一年 2011 人民幣千元 RMB'000 (未經審核) (unaudited)
以下各項之 利息開支：	Interest charges on:		
－於五年內 全額償還之 銀行貸款	－ Bank loans wholly repayable within five years	5,058	3,336
－貼現票據	－ Discounted bills	628	–
		5,686	3,336

6. 除所得稅前溢利

6. Profit before income tax

		截至六月三十日止六個月 Six months ended 30 June	
		二零一二年 2012 人民幣千元 RMB'000 (未經審核) (unaudited)	二零一一年 2011 人民幣千元 RMB'000 (未經審核) (unaudited)
除所得稅前溢利 已扣除／(計入)：	Profit before income tax is arrived at after charging/ (crediting):		
董事酬金	Directors' remuneration		
－袍金	－ Fees	154	158
－薪金及津貼	－ Salaries and allowances	1,668	1,576
－退休福利計劃 供款	－ Retirement benefit scheme contributions	39	36
		1,861	1,770
其他員工成本	Other staff costs	23,471	19,074
退休福利計劃供款	Retirement benefit scheme contributions	1,453	1,204
股權結算以股份 支付之款項開支	Equity-settled share-based payments expenses	162	519
總員工成本	Total staff costs	26,947	22,567

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

6. 除所得稅前溢利 (續)

6. Profit before income tax (Continued)

		截至六月三十日止六個月 Six months ended 30 June	
		二零一二年 2012 人民幣千元 RMB'000 (未經審核) (unaudited)	二零一一年 2011 人民幣千元 RMB'000 (未經審核) (unaudited)
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments	647	647
確認為開支之存貨成本(附註)，包括	Cost of inventories recognised as an expense (note), including	382,769	339,406
– 存貨價值撇減至可變現淨值	– Write-down of inventories to net realisable value	300	1
– 撇減至可變現淨值之存貨價值之回撥金額	– Reversal of write-down of inventories to net realisable value	(106)	(553)
物業、廠房及設備之折舊	Depreciation on property, plant and equipment	21,625	19,791
淨匯兌(收益)/損失	Exchange (gain)/loss, net	(60)	478
有關租賃物業的經營租賃項下最低租賃款項	Minimum lease payments under operating leases in respect of leasehold properties	399	278
租金收入減支出帶來租金收入之投資物業所產生的直接經營開支	Rental income less outgoings Direct operating expenses arising from investment properties that generated rental income	(283)	(251)
研究成本	Research costs	6	23
		1,195	852

附註：存貨成本中包括約人民幣20,434,000元(截至二零一一年六月三十日止六個月：人民幣18,607,000元)之相關折舊開支及約人民幣19,758,000元(截至二零一一年六月三十日止六個月：人民幣16,052,000元)之相關員工成本。

存貨價值之撇減金額約人民幣106,000元(截至二零一一年六月三十日止六個月：人民幣553,000元)已撥回，原因是有關存貨的市場價格在期內回升。

Note: Cost of inventories includes approximately RMB20,434,000 (six months ended 30 June 2011: RMB18,607,000) relating to depreciation expenses and approximately RMB19,758,000 (six months ended 30 June 2011: RMB16,052,000) relating to staff costs.

The write-down of inventories of approximately RMB106,000 (six months ended 30 June 2011: RMB553,000) was reversed as the market price of these inventories was increased during the period.

簡明綜合財務報表附註**Notes to the Condensed Consolidated Financial Statements****7. 所得稅開支****7. Income tax expense**

		截至六月三十日止六個月 Six months ended 30 June	
		二零一二年 2012 人民幣千元 RMB'000 (未經審核) (unaudited)	二零一一年 2011 人民幣千元 RMB'000 (未經審核) (unaudited)
即期稅項－中國	Current tax – PRC Enterprise		
企業所得稅	Income Tax	16,735	16,440
遞延稅項	Deferred tax	58	57
		16,793	16,497

由於本集團之收入並非在香港產生或來自香港，故並無作出香港利得稅撥備（截至二零一一年六月三十日止六個月：無）。

濰坊同業化學有限公司及濰坊柏立化學有限公司須按期內之中國企業所得稅率25%（截至二零一一年六月三十日止六個月：25%）繳納中國企業所得稅。

上海德弘化工有限公司須按期內之中國企業所得稅率25%（截至二零一一年六月三十日止六個月：按上海浦東新區適用稅率24%）繳納中國企業所得稅。

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in nor derives from Hong Kong (six months ended 30 June 2011: Nil).

Weifang Common Chem Co., Ltd. and Weifang Parasia Chem Co., Ltd. are subject to PRC Enterprise Income Tax at the rate of 25% for the period (six months ended 30 June 2011: 25%).

Shanghai Dehong Chemical Company Limited is subject to PRC Enterprise Income Tax at the rate of 25% for the period (six months ended 30 June 2011: 24%, being the applicable tax rate in Shanghai Pudong New District).



簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

7. 所得稅開支(續)

根據相關中國法律法規，濰坊濱海石油化工有限公司（「濰坊濱海」）合資格享有中國若干免稅期及稅務優惠。免稅期及稅務優惠之形式為由首個獲利年度起獲完全豁免兩個年度所得稅，其後三年則可享有50%適用稅率減免。由於此乃第五個獲利年度，已按回顧期間之優惠稅率12.5%（截至二零一一年六月三十日止六個月：12.5%）就濰坊濱海作中國企業所得稅撥備。

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

8. 股息

期內，截至二零一一年十二月三十一日止年度之末期股息為每股普通股3.0港仙（截至二零一一年六月三十日止六個月：每股普通股8.0港仙），共約人民幣20,760,000元（截至二零一一年六月三十日止六個月：人民幣28,455,000元）支付給本公司股東。截至二零一一年十二月三十一日止年度並無特別股息（截至二零一一年六月三十日止六個月：每股普通股1.0港仙，共約人民幣3,557,000元）支付給本公司股東。

董事不建議就截至二零一二年六月三十日止六個月派發任何中期股息（截至二零一一年六月三十日止六個月：無）。

7. Income tax expense (Continued)

Pursuant to the relevant laws and regulations in the PRC, Weifang Binhai Petro-Chem Co., Ltd. ("Weifang Binhai") is eligible for certain tax holidays and concessions in the PRC. The tax holidays and concessions are in the form of two years tax exemption from the first profitable year, followed by a 50% reduction of the applicable tax rate in the following three years. PRC Enterprise Income Tax has been provided for Weifang Binhai at the preferential rate of 12.5% for the period as this is the fifth profitable year (six months ended 30 June 2011: 12.5%).

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

8. Dividends

During the period, a final dividend for the year ended 31 December 2011 of 3.0 HK cents per ordinary share (six months ended 30 June 2011: 8.0 HK cents per ordinary share), amounting to approximately RMB20,760,000 (six months ended 30 June 2011: RMB28,455,000) was paid to the shareholders of the Company. No special dividend for the year ended 31 December 2011 was paid to the shareholders of the Company (six months ended 30 June 2011: 1.0 HK cent per ordinary share amounting to approximately RMB3,557,000).

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2012 (six months ended 30 June 2011: Nil).

簡明綜合財務報表附註**Notes to the Condensed Consolidated Financial Statements****9. 每股盈利**

本公司擁有人應佔之每股基本及攤薄盈利乃根據以下數據計算：

9. Earnings per share

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

		截至六月三十日止六個月 Six months ended 30 June	
		二零一二年 2012 人民幣千元 RMB'000 (未經審核) (unaudited)	二零一一年 2011 人民幣千元 RMB'000 (未經審核) (unaudited)
就計算每股基本及攤薄盈利而言之本公司擁有人應佔本期溢利	Profit for the period attributable to the owners of the Company for the purposes of basic and diluted earnings per share	72,338	66,495
		普通股數目 Number of ordinary shares 截至六月三十日止六個月 Six months ended 30 June	
		二零一二年 2012 千股 '000 shares (未經審核) (unaudited)	二零一一年 2011 千股 '000 shares (未經審核) (unaudited)
就計算每股基本盈利而言之普通股加權平均數	Weighted average number of ordinary shares for the purpose of basic earnings per share	846,878	845,571
潛在普通股之攤薄影響： — 購股權	Effect of dilutive potential ordinary shares: — Share options	—	856
就計算每股攤薄盈利而言之普通股加權平均數	Weighted average number of ordinary shares for the purpose of diluted earnings per share	846,878	846,427

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

9. 每股盈利(續)

截至二零一二年六月三十日止六個月之每股基本盈利，乃根據本公司擁有人應佔期內溢利人民幣72,338,000元(截至二零一一年六月三十日止六個月：人民幣66,495,000元)及期內已發行普通股加權平均數846,878,000股(截至二零一一年六月三十日止六個月：845,571,000股)計算。

截至二零一二年六月三十日止六個月期間並無潛在攤薄普通股(截至二零一一年六月三十日止六個月：每股攤薄盈利乃根據本公司擁有人應佔期內溢利人民幣66,495,000元及期內已發行普通股加權平均數846,427,000股計算。該加權平均股數乃計算每股基本盈利時所用之股數再加上假定行使本公司所有購股權時被視為以零代價將予發行之普通股加權平均數856,000股)。

10. 物業、廠房及設備

於截至二零一二年六月三十日止六個月，本集團購入約人民幣34,100,000元(截至二零一一年六月三十日止六個月：人民幣30,600,000元)之物業、廠房及設備，並變賣賬面淨值約人民幣3,000元(截至二零一一年六月三十日止六個月：人民幣67,000元)之若干物業、廠房及設備項目。

11. 購買物業、廠房及設備之已付訂金

於二零一二年六月三十日，向一名關聯方支付收購建築物的金額為人民幣10,000,000元(二零一一年：無)，有關詳情已載於附註17。

9. Earnings per share (Continued)

The calculation of basic earnings per share for the six months ended 30 June 2012 was based on the profit attributable to the owners of the Company of RMB72,338,000 (six months ended 30 June 2011: RMB66,495,000) and on the weighted average of 846,878,000 (six months ended 30 June 2011: 845,571,000) ordinary shares in issue during the period.

There were no dilutive potential ordinary shares for the six month ended 30 June 2012 (six months ended 30 June 2011: the calculation of diluted earnings per share was based on the profit attributable to the owners of the Company of RMB66,495,000 and the weighted average of 846,427,000 ordinary shares in issue during the period, as used in the basic earnings per share calculation plus the weighted average of 856,000 ordinary shares deemed to be issued at no consideration as if all the Company's share options have been exercised).

10. Property, plant and equipment

During the six months ended 30 June 2012, the Group acquired property, plant and equipment of approximately RMB34.1 million (six months ended 30 June 2011: RMB30.6 million) and disposed of certain items of property, plant and equipment with net carrying amount of approximately RMB3,000 (six months ended 30 June 2011: RMB67,000).

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

As at 30 June 2012, an amount of RMB10 million (2011: Nil) was paid to a related party for the acquisition of the buildings, details of which have been set out in note 17.

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

12. 貿易應收賬及應收票據

12. Trade and bills receivable

		二零一二年 六月三十日 30 June 2012 人民幣千元 RMB'000 (未經審核) (unaudited)	二零一一年 十二月三十一日 31 December 2011 人民幣千元 RMB'000 (經審核) (audited)
貿易應收賬	Trade receivables	102,722	100,304
應收票據	Bills receivable	114,925	110,044
		217,647	210,348

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

於報告日期，貿易應收賬及應收票據按發票日期所作之賬齡分析如下：

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

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

		二零一二年 六月三十日 30 June 2012 人民幣千元 RMB'000 (未經審核) (unaudited)	二零一一年 十二月三十一日 31 December 2011 人民幣千元 RMB'000 (經審核) (audited)
0至90日	0 to 90 days	178,751	179,374
91至180日	91 to 180 days	36,674	28,647
181至365日	181 to 365 days	2,158	2,259
超過365日	Over 365 days	64	68
		217,647	210,348

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

12. 貿易應收賬及應收票據 (續)

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

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

13. 貿易應付賬

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

12. Trade and bills receivable (Continued)

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

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

13. Trade payables

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

		二零一二年 六月三十日 30 June 2012 人民幣千元 RMB'000 (未經審核) (unaudited)	二零一一年 十二月三十一日 31 December 2011 人民幣千元 RMB'000 (經審核) (audited)
0至90日	0 to 90 days	19,001	36,914
91至180日	91 to 180 days	539	310
181至365日	181 to 365 days	432	414
超過365日	Over 365 days	288	213
		20,260	37,851

簡明綜合財務報表附註**Notes to the Condensed Consolidated Financial Statements****13. 貿易應付賬 (續)**

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

13. Trade payables (Continued)

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

14. 股本**14. Share capital**

	普通股數目 Number of ordinary shares	金額 Amount	
		千港元 HK\$'000	人民幣千元 RMB'000
法定： 每股面值0.01港元 普通股 於二零一一年 十二月三十一日及 二零一二年 六月三十日	Authorised: Ordinary shares of HK\$0.01 each As at 31 December 2011 and 30 June 2012	100,000,000,000	1,000,000
已發行及繳足： 每股面值0.01港元 普通股 於二零一一年 十二月三十一日、 二零一二年 一月一日及 二零一二年 六月三十日 (未經審核)	Issued and fully paid: Ordinary shares of HK\$0.01 each As at 31 December 2011, 1 January 2012 and 30 June 2012 (unaudited)	846,878,000	8,468 7,786



簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

15. 資本承擔

於報告日期，本集團之資本承擔如下：

15. Capital commitments

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

		二零一二年 六月三十日 30 June 2012 人民幣千元 RMB'000 (未經審核) (unaudited)	二零一一年 十二月三十一日 31 December 2011 人民幣千元 RMB'000 (經審核) (audited)
已訂約但未撥備	Contracted but not provided for		
— 物業、廠房及設備 (附註i)	— Property, plant and equipment (note i)	46,045	4,885
— 向共同控制實體作出的資本出資及借出的股東貸款(附註ii)	— Capital contribution and shareholder's loan to a jointly controlled entity (note ii)	112,122	145,456
		158,167	150,341
已授權但未訂約	Authorised but not contracted for		
— 物業、廠房及設備	— Property, plant and equipment	154,659	87,901
		312,826	238,242

附註：

- (i) 已計入之人民幣8,000,000元為向一家關聯公司(所有執行董事均擁有實益權益並可以行使重大影響力)購置物業、廠房及設備之相關承擔。
- (ii) 本公司同意，在合營協議所載的多項條件達成後，按本公司所持之合營公司55%股權之比例，向合營公司(「合營公司」)全資擁有的外商獨資企業以註冊資本及股東貸款方式出資，金額分別為5,940,000歐元(「歐元」)(約為人民幣46,754,000元)及11,880,000歐元(約為人民幣93,507,000元)。

於二零一二年六月，本公司已向合營公司注資3,575,000歐元。

Notes:

- (i) Included in the amount was the commitment of RMB8 million for acquisition of property, plant and equipment from a related company in which all the executive Directors have beneficial interests and can exercise significant influence.
- (ii) The Company agrees to make the contributions to a wholly foreign owned enterprise, which is wholly owned by a jointly controlled entity (the "JV Company") in form of registered capital and shareholder's loans amounts of EURO ("EUR") 5,940,000 (approximately to RMB46,754,000) and EUR11,880,000 (approximately to RMB93,507,000) respectively in accordance with 55% shareholdings of the Company in the JV Company, which is subject to satisfaction of a number of conditions set out in a joint venture agreement.

In June 2012, the Company has injected an amount of EUR3,575,000 to the JV Company.

簡明綜合財務報表附註**Notes to the Condensed Consolidated Financial Statements****16. 以股份支付之款項****按股權結算購股權計劃**

本公司於二零零六年十月四日批准及採納購股權計劃（「購股權計劃」），旨在獎勵及酬謝對本集團之成就作出貢獻之各方，包括本集團任何成員公司或聯營公司之董事、合資格僱員、供應商、客戶、股東或彼等各自之聯繫人或本集團之諮詢人或顧問。購股權計劃詳細條款已在二零一一年度財務報表列示。

於期內尚未行使之購股權詳情如下：

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

The Company has approved and adopted a share option scheme (the "Share Option Scheme") on 4 October 2006 for the purpose of providing incentives and rewards to the Directors, eligible employees, suppliers, customers, any shareholder of each member of the Group or associated company or any of their respective associates, and advisers or consultants of the Group who contribute to the success of the Group. Details of the terms of the Share Option Scheme have been set out in the 2011 Annual Financial Statements.

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

截至六月三十日止六個月
Six months ended 30 June

		二零一二年 2012 (未經審核) (unaudited)		二零一一年 2011 (未經審核) (unaudited)	
		購股權 數目	加權平均 行使價 Weighted average exercise price 港元 HK\$	購股權 數目	加權平均 行使價 Weighted average exercise price 港元 HK\$
		Number of share option		Number of share option	
於期初尚未行使	Outstanding at the beginning of the period	-	-	2,291,000	0.64
期內沒收	Forfeited during the period	-	-	(100,000)	0.64
期內行使	Exercised during the period	-	-	(2,191,000)	0.64
於期末尚未行使	Outstanding at the end of the period	-	-	-	0.64
於期末可予行使	Exercisable at the end of the period	-	-	-	0.64

簡明綜合財務報表附註

Notes to the Condensed Consolidated Financial Statements

16. 以股份支付之款項 (續) 按股權結算購股權計劃 (續)

於期末並無尚未行使之購股權
(二零一一年六月三十日：無)。

截至二零一二年六月三十日止
六個月，並無確認與本公司授出
的購股權有關的開支(截至二零
一一年六月三十日止六個月：人
民幣13,000元)。

17. 關聯方交易

截至二零一二年六月三十日止六
個月，本集團與關聯方訂立以下
交易：

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

There was no outstanding share option at
the end of the period (30 June 2011: Nil).

No expense for the six months ended 30
June 2012 (six months ended 30 June
2011: RMB13,000) has been recognised
in relation to share options granted by the
Company.

17. Related party transactions

During the six months ended 30 June
2012, the Group entered into the following
transactions with the related parties:

		截至六月三十日止六個月 Six months ended 30 June	
		二零一二年 2012 人民幣千元 RMB'000 (未經審核) (unaudited)	二零一一年 2011 人民幣千元 RMB'000 (未經審核) (unaudited)
向一家關聯公司 (所有執行董事均 擁有實益權益並 可行使重大影響力) 銷售貨品	Sales of goods to a related company in which all the executive Directors have beneficial interests and can exercise significant influence	252	-
付予一家關聯公司 (所有執行董事均 擁有實益權益並可 行使重大影響力) 之租金開支	Rental expenses to a related company in which all the executive Directors have beneficial interests and can exercise significant influence	90	90
付予一家關聯公司 (所有執行董事均 擁有實益權益並可 行使重大影響力)之 購買物業、廠房及 設備的訂金	Deposits paid for acquisition of property, plant and equipment to a related company in which all the executive Directors have beneficial interests and can exercise significant influence	10,000	-

管理層討論及分析

Management Discussion and Analysis

經營業績概要

業務回顧

在回顧期內，儘管出現艱難的營商環境，本集團仍致力向前邁進，並取得令人滿意的營業額及純利增長。本集團面對中國經濟放緩及國內消費顯著降溫，不利於本集團下游產業的業務（主要涉及消費品）。營業額增長的主要原因在於過去幾年通過不斷擴大產品組合，拓寬更廣闊的下游產業市場，以及有效的營銷策略，從而刺激本集團新產品和現有產品的需求。國內市場將仍是本集團的主要收入來源。與去年同期相比，國內和海外市場的營業額較去年分別增長12.4%及7.6%。由於全球經濟悲觀削弱了消費者信心，加上中國政府實行緊縮的貨幣措施以遏制通脹和過熱的經濟，行業整體產品平均售價持續地下降。儘管這樣，本集團通過其完善有效的深加工產業鏈和規模化生產的經濟效益，進一步加強成本控制以維持毛利率。此外，有效的管理及營運也是促成了本集團業績改善的因素。

Summary of operating results

Business Review

The Group kept striving to move forward and delivered satisfactory growth in turnover and net profit during the period under review in spite of a tough business environment. The Group faced economic slowdown in the PRC and the domestic consumption slowed markedly that adversely affected the business of those downstream industries (mainly engaged in consumable goods). The growth of turnover is mainly contributed by enlarging a wider market of downstream industries through continuous expansion of products portfolio over the past few years and effective marketing strategies stimulated the demands for new and existing products of the Group. Domestic market is still the key revenue contributor of the Group. Turnover of domestic and overseas markets grew by 12.4% and 7.6% respectively when compared with last corresponding period. As the global gloomier economy weakens the consumer sentiment and the PRC government imposed tightening monetary measures to curb inflation and the over-heating economy, the overall average product selling prices of the industry were dipping continuously. Despite this backdrop, the Group has maintained the gross profit margin through its well established effective and intensive processing production chain and the economies of scale production to further strengthen the cost control. Furthermore, the efficient management and operations were also factors contributed to the improved results of the Group.



管理層討論及分析 Management Discussion and Analysis

經營業績概要 (續)

業務回顧 (續)

在回顧期內，本集團繼續投入更多資源，開發和生產具前景的產品，包括進一步提高生產能力和提升生產技術以配合其發展策略。同時，本集團還投放大量資源在產品創新和研發能力，以增強本集團的競爭力和創造新的收入來源，從而維繫本集團成功的營運模式。本集團已計劃在下半年興建一條新產品的生產線及擴大部分現有產品的生產能力。

此外，本公司於二零一一年與漢高香港控股有限公司（「漢高」）訂立有條件合營協議。在回顧期內，合營公司及其外商獨資企業（「合營公司」）已正式成立。與漢高的策略性合作主要集中於發展工業用特種化學品。合營公司的廠房設施正處於施工階段，本公司將密切監察發展進度。

Summary of operating results (Continued)

Business Review (Continued)

In line with the development strategies, the Group continued to invest more resources in the development and production of promising products, including further enhancement of the production capacities and advancement of the production technologies during the period under review. At the same time, the Group also places great effort on the capabilities in products innovation and research and development in order to sharpen the Group's competitive edge and generate new stream of revenue to sustain the success of the Group. The Group has planned to construct a production line for a new product and expand the production capacities of certain existing products in the second half of the year.

In addition, the Company entered into a conditional joint venture agreement with Henkel Hong Kong Holding Limited ("Henkel") in 2011. The joint venture company and its wholly foreign-owned enterprise (the "JV") have been duly established during the period under review. The strategic co-operation with Henkel focuses on the development of a specialty chemical product for industrial use. The construction of the plant facilities of the JV is underway and the Company will closely monitor the development progress.



管理層討論及分析 Management Discussion and Analysis

經營業績概要 (續)

業務回顧 (續)

氰乙酸及其酯類產品

由於全球市場普遍疲弱，在回顧期內，氰乙酸及其酯類產品的平均售價顯著下降。與去年同期相比，該產品類別的營業額仍增加2.5%，佔本集團總營業額的83.2%，而這是本集團在過去幾年不斷開發產品和有力支持銷量增長的有效營銷策略之直接結果。由於不斷改善的內部供應一體化體系得以充份發揮，達到更佳的生产效益，與去年同期相比，此產品類別的分部盈利亦上升3.3%。鑑於這產品類別具長期良好的發展潛力，本集團將加倍努力開發新產品、提升產能上限及不斷改進此產品類別的生产技術，奪取更多市場份額。在回顧期內，本集團已開始提高現行部分具高增長潛力產品的生產能力。

Summary of operating results (Continued)

Business Review (Continued)

Cyanoacetic acid and its ester products

Due to the general weakness in the global market, the average selling prices of cyanoacetic acid and its ester products were declining remarkably during the period under review. The turnover of such product category still increased by 2.5% as compared with that of last corresponding period, which accounted for 83.2% of the Group's total turnover, was the direct result of the Group's continuous products development over the past few years and its effective marketing strategies supporting the sales volume growth. The segment profit of this product category has also been increased by 3.3% as compared with that of last corresponding period by fully leveraging the continuous improvement of the integrated internal supply that achieved better production efficiency. In light of a good potential development of this product category in long term, the Group will redouble its efforts to develop new products, lift capacity caps and improve the production technologies of this product category continuously so as to seize additional market share. The Group has embarked on the enhancement of the production capacities of some existing products with high growth potential during the period under review.



管理層討論及分析 Management Discussion and Analysis

經營業績概要 (續)

業務回顧 (續)

醇類產品

在回顧期內，醇類產品業務仍然平穩。分部業績改善的主要原因是市場需求帶動下，其中一項醇類產品取得了顯著增長。本集團將維持這產品類別的穩定發展，以配合其業務發展策略。

氯乙酸及其下游產品

過去，氯乙酸及其下游產品主要供內部使用。鑑於在過去幾年進一步增強生產能力，在回顧期內，氯乙酸及其下游產品來自外間的營業額及分部溢利迅速增加。經過產能擴張後，通過經濟規模效益和循環經濟生產模式，已顯著提高該產品類別的生產優勢，因而其下游產品（即氰乙酸及其酯類產品）的生產效益亦顯著提升。鑑於氯乙酸及其酯類產品的生產規模進一步擴大和外部市場需求暢旺，該產品類別的第四階段擴建工程將在今年下半年開始。董事深信，擴大該產品類別的產能不但能夠提高其下游產品的盈利能力，同時能通過對外銷售加強業務增長。由於仍然有發展空間，為了真正及充份地反映這產品類別的內在價值，本集團日後將不遺餘力地加以培育和發展。

Summary of operating results (Continued)

Business Review (Continued)

Alcohol products

The business of alcohol products has still maintained steady during the period under review. The improved segment results are mainly contributed by one of the alcohol products achieved a remarkable growth due to the boosted market demand. The Group will keep a stable development of this product category in line with its business development strategies.

Chloroacetic acid and its derivative products

In the past, chloroacetic acid and its derivative products were used mainly internally. Given the further enhancement of the production capacity in last few years, the turnover and the segment profit of chloroacetic acid and its derivative products from external market rose rapidly during the period under review. The production advantages of such products category has significantly improved through the economies of scale and the recycling economy production model after the expansion of the production capacity. As a result, the production efficiency of its downstream products i.e. cyanoacetic acid and its ester products were also uplifted considerably. In view of the further production scale expansion of cyanoacetic acid and its ester products as well as the buoyant external market demands, the fourth phase expansion of this product category will be commenced in the second half of this year. The Directors firmly believe that the expansion of production capacity of this product category is capable to enhance the profitability of its downstream products as well as bolster the business growth through external sales simultaneously. Since there is still room for development, the Group will spare no efforts to foster and develop this product category in order to truly and fully reflect its intrinsic value in coming future.



管理層討論及分析 Management Discussion and Analysis

經營業績概要 (續)

業務回顧 (續)

精細石油化工類產品

精細石油化工類產品的市場情況仍然不明朗。利潤率萎縮主要是由於市場需求放緩和市場競爭激烈。面對不可預測的未來，降低營運成本勢在必行。本集團將繼續監察和快速回應市況的任何變化以保持正面的回報，並以審慎的態度經營這產品類別。

展望

在回顧期內，雖然本集團表現出色且利潤錄得增長，但依然要面對未來的各種挑戰。由於歐洲債務危機引發全球黯淡的經濟局勢，預期營商環境變得更加嚴峻，再加上在回顧期內國內製造業明顯萎縮以及受到國內消費和出口的持續影響，中國經濟顯然下滑，這些波動性和不確定性將影響本集團的業務。中國政府已經開始放寬貨幣政策，以使國內生產總值回復長期穩定增長。然而，原料價格、勞動力成本和通貨膨脹，預計將在今年下半年逐漸上升，繼而對國內企業的經營構成壓力。

Summary of operating results (Continued)

Business Review (Continued)

Fine petrochemical products

The market conditions of fine petrochemical products remain uncertain. The shrinking margin is mainly due to the slow down market demand and fierce market competition. Facing with unpredictable future, it is essential for reducing operating costs. The Group will continuously monitor and rapidly react on whatever changed market conditions to maintain positive return as well as manage this products category in a prudent manner.

Outlook

While the Group had outperformed the market with a good performance and growth in profit for the period under review, it is also facing a number of challenges ahead. The business environment is foreseen to become harsher as the global gloomier economic situation triggered by the debt crisis in Europe. Coupled with the domestic manufacturing shrinkage broadly and the downturn economic in the PRC became apparent as a result of persistent impacts to domestic consumption and exports during the period under review. Such volatility and uncertainties will affect the business of the Group. The PRC government has already begun to relax certain monetary policies in order to rejuvenate a stable Gross Domestic Product growth in the long term. However, the raw materials prices, labour costs and inflation are anticipated to rise gradually in the second half of this year which will exert operating pressure on enterprises in the PRC.



管理層討論及分析 Management Discussion and Analysis

經營業績概要 (續)

業務回顧 (續)

展望 (續)

儘管處於不利的市場狀況和困難的經濟形勢，為了實現業務增長、不斷鞏固其穩固基礎和建立良好的平台以維持未來的業務發展，本集團仍將努力通過有效的成本控制、有效的一體化生產體系及不斷開發新產品以保持其競爭力。二零一二年和二零一三年財政年度是本集團的播種期，部分新發展項目已在今年上半年展開，其中包括擴大具良好潛力產品的生產規模、開發新產品和為提高生產效率而改進生產技術等。結合上述努力，將確保本集團日後的業務增長。即使這些投資在短期內會對本集團的業績帶來影響，但董事深信，這些業務策略舉措可使本集團進一步鞏固其業務優勢、擴大未來的收入來源及保持長遠的業務增長。

本集團持續增長的營業額及盈利能力已：(i) 引證其潛在實力和韌性，克服了無數的挑戰和嚴峻的經營環境；及(ii) 顯示出本集團仍有充裕的發展空間，足以進一步擴大其業務，積極向前發展。本集團將繼續通過開拓新業務致力維持業務增長，並以積極的態度面對未來的挑戰。

Summary of operating results (Continued)

Business Review (Continued)

Outlook (Continued)

Despite in the midst of unfavourable market conditions and difficult economic situation, the Group will still strive to maintain its competitiveness through effective cost control, efficient integrated production system and continuous development of new products in order to achieve business growth and continuously improved its foothold and built on excellent platform to sustain future business development. The fiscal years of 2012 and 2013 are the seeding period of the Group where several new development projects have been launched in the first half of this year including expansion of the production scale of good potential products, development of new products and improvement of production technologies to enhance production efficiency etc. A combination of these efforts would secure the future business growth of the Group. Notwithstanding such investments would certainly had a short term impact on the results of the Group, the Directors strongly believe that these business strategic moves will allow the Group to reinforce its business edge further, broaden the source of revenue in future and sustain business growth in the long run.

The persistent track records of turnover growth and profitability of the Group has (i) proved its underlying strengths and resilience to overcome the myriad challenges and harsh business environment; and (ii) demonstrated that there are plentiful development opportunities for the Group to further expand its business going forward. The Group remains committed to sustain business growth through exploration of new business and faces upcoming challenges with a positive attitude.

管理層討論及分析

Management Discussion and Analysis

經營業績概要 (續)

財務回顧

在回顧期內，本集團持續改善其財務業績。截至二零一二年六月三十日止六個月，本集團之營業額及毛利分別約為人民幣509,800,000元及人民幣118,500,000元，較去年同期約人民幣457,900,000元及人民幣110,600,000元，分別增長約人民幣51,900,000元及人民幣7,900,000元，或11.3%及7.1%。在回顧期內，達至理想業績的主要原因是已擴大的產品組合可以廣泛應用於相關的下游產業，以及實施有效的促銷和積極的營銷策略，從而推動銷量增長。儘管在回顧期內因經濟放緩而導致平均銷售價格不斷下降，但通過利用本集團已建立的良好經濟規模生產優勢、精深垂直整合的生產體系和進一步完善的循環經濟生產方式，本集團仍可維持毛利率水平。

銷售開支由去年同期約人民幣11,000,000元輕微增加了約人民幣400,000元至約人民幣11,400,000元，主要是由於回顧期內的運輸成本增加。銷售開支佔本集團營業額的百分比為2.2%（截至二零一一年六月三十日止六個月：2.4%）。

Summary of operating results (Continued)

Financial Review

The Group continued to improve its financial results during the period under review. Turnover and gross profit of the Group for the six months ended 30 June 2012 which amounted to approximately RMB509.8 million and RMB118.5 million respectively, representing an increase of approximately RMB51.9 million and RMB7.9 million or 11.3% and 7.1% as compared with approximately RMB457.9 million and RMB110.6 million recorded in the corresponding period of last year. The satisfactory results were primarily attributable to the expanded products portfolio which could be widely applied by the relevant downstream industries and the implementation of effective sales promotion and aggressive marketing strategies that pushing the growth in sales volume during the period under review. By capitalising the advantages of economies of scale production, intensive vertically integrated production system and further improved recycling economy production model which have been well established by the Group, the Group can still maintain the gross profit margins level continuously albeit the average selling prices were declining due to the economic slow down during the period under review.

The selling expenses slightly increased by approximately RMB0.4 million from approximately RMB11.0 million in the corresponding period of last year to approximately RMB11.4 million. It was mainly attributable to the increase in transportation costs during the period under review. The selling expenses as a percentage of the Group's turnover was 2.2% (six months ended 30 June 2011: 2.4%).



管理層討論及分析 Management Discussion and Analysis

經營業績概要 (續)

財務回顧 (續)

行政開支約達人民幣15,200,000元，與去年同期約人民幣15,400,000元相比，下跌約人民幣200,000元。行政開支下跌主要由於回顧期內維修保養費下降及並無匯兌損失所致。行政開支佔本集團營業額的3.0%，較去年同期的3.4%為低。

財務成本為銀行借貸及貼現銀行承兌票據的利息，增加約人民幣2,400,000元至約人民幣5,700,000元（截至二零一一年六月三十日止六個月：人民幣3,300,000元）。財務成本增加的主要原因是回顧期內銀行借貸額增加及銀行借貸利率上升。

儘管市況疲弱，但本集團的營業額表現突出，毛利得以改善和控制經營成本的成效理想，純利因而達約人民幣72,300,000元，與去年同期約人民幣66,500,000元比較，增長約人民幣5,800,000元或8.8%。

Summary of operating results (Continued)

Financial Review (Continued)

The administrative expenses amounted to approximately RMB15.2 million, which was slightly decreased by approximately RMB0.2 million from approximately RMB15.4 million in the corresponding period of last year. Such a decrease was principally due to the decrease in repairs and maintenance and absence of exchange loss during the period under review. The administrative expenses accounted for 3.0% of the Group's turnover, which was lower than 3.4% in the corresponding period of last year.

The finance costs represented interest on bank borrowings and discounted bank acceptance bills which were increased by approximately RMB2.4 million to approximately RMB5.7 million (six months ended 30 June 2011: RMB3.3 million). The increase was mainly due to increase of bank borrowing amounts and increase in bank borrowing interest rates during the period under review.

Despite the weakness market conditions, the Group achieved an outperformed turnover, improved gross profit and well controlled operating costs, the net profit amounted to approximately RMB72.3 million, representing an increase of approximately RMB5.8 million or 8.8% as compared with approximately RMB66.5 million recorded in the corresponding period of last year.

管理層討論及分析 Management Discussion and Analysis

經營業績概要 (續)

財務回顧 (續)

流動資金及財務資源

截至二零一二年六月三十日止六個月，本集團之主要資金來源包括經營活動產生之淨現金流入約人民幣96,300,000元(截至二零一一年六月三十日止六個月：人民幣88,500,000元)、新增銀行借貸約人民幣89,600,000元(截至二零一一年六月三十日止六個月：人民幣66,300,000元)及已收利息約人民幣400,000元(截至二零一一年六月三十日止六個月：人民幣200,000元)，但並無因根據購股權計劃發行股份而籌得之新資金(截至二零一一年六月三十日止六個月：人民幣1,200,000元)。憑藉本集團營運所得財務資源，本集團斥資約人民幣55,800,000元(截至二零一一年六月三十日止六個月：人民幣39,900,000元)購入物業、廠房及設備、償還銀行借貸約人民幣77,600,000元(截至二零一一年六月三十日止六個月：人民幣32,200,000元)、向一家共同控制實體投資約人民幣28,800,000元(截至二零一一年六月三十日止六個月：無)、預付一家共同控制實體款項約人民幣500,000元(截至二零一一年六月三十日止六個月：無)、支付利息約人民幣5,700,000元(截至二零一一年六月三十日止六個月：人民幣3,400,000元)以及派付股息約人民幣20,800,000元(截至二零一一年六月三十日止六個月：人民幣32,000,000元)。

Summary of operating results (Continued)

Financial Review (Continued)

Liquidity and financial resources

For the six months ended 30 June 2012, the Group's primary source of funding included the net cash inflow generated from operating activities of approximately RMB96.3 million (six months ended 30 June 2011: RMB88.5 million); newly raised bank borrowings of approximately RMB89.6 million (six months ended 30 June 2011: RMB66.3 million) and interest received of approximately RMB0.4 million (six months ended 30 June 2011: RMB0.2 million); but no newly raised fund from issue of shares under share option scheme (six months ended 30 June 2011: RMB1.2 million). With the financial resources obtained from the Group's operations, the Group had spent approximately RMB55.8 million (six months ended 30 June 2011: RMB39.9 million) in the acquisition of the property, plant and equipment, bank borrowing repayments of approximately RMB77.6 million (six months ended 30 June 2011: RMB32.2 million); investment in a jointly controlled entity of approximately RMB28.8 million (six months ended 30 June 2011: Nil); advanced to a jointly controlled entity of approximately RMB0.5 million (six months ended 30 June 2011: Nil); interest paid of approximately RMB5.7 million (six months ended 30 June 2011: RMB3.4 million) and dividend paid of approximately RMB20.8 million (six months ended 30 June 2011: RMB32.0 million).



管理層討論及分析 Management Discussion and Analysis

經營業績概要 (續)

財務回顧 (續)

流動資金及財務資源 (續)

於二零一二年六月三十日，本集團已抵押之銀行存款及銀行與現金結餘約為人民幣74,700,000元（二零一一年十二月三十一日：人民幣77,300,000元）。未償還借貸總額約人民幣121,000,000元（二零一一年十二月三十一日：人民幣109,000,000元）。本集團仍保持良好的流動資金水平；由於在回顧期內各項發展項目產生了一定金額的資本開支，資產負債比率（即淨借貸（借貸總額減去現金及現金等值）與股東資金總額之比率）上升至6.8%（二零一一年十二月三十一日：5.0%），同時，淨流動資產輕微下降至約人民幣206,000,000元（二零一一年十二月三十一日：人民幣217,600,000元）。儘管本集團將於短期內投資於若干資本項目，但預期的資本開支將不會對本集團的整體流動資金帶來重大影響。此外，基於本集團之經營業務錄得現金流入以及現有現金資源及往來銀行提供之備用銀行信貸額度，本集團具有充裕的財務資源，足以應付可見將來的承擔及營運資金需求。本集團將持續密切及謹慎地管理其營運資金，並盡力維持穩健之流動資金狀況，為股東帶來最佳股本回報。

本集團在回顧期內並無運用任何金融工具作任何對沖用途。

Summary of operating results (Continued)

Financial Review (Continued)

Liquidity and financial resources (Continued)

As at 30 June 2012, the Group had pledged bank deposits and bank and cash balances of approximately RMB74.7 million (31 December 2011: RMB77.3 million). The total amount of outstanding borrowings was approximately RMB121.0 million (31 December 2011: RMB109.0 million). The Group still kept a well liquidity level, the gearing ratio (which is represented by the ratio of net debts (total borrowings net of cash and cash equivalents) to total shareholders' equity) of the Group increased to 6.8% (31 December 2011: 5.0%) and the net current assets slightly decreased to approximately RMB206.0 million (31 December 2011: RMB217.6 million) as a result of the certain amounts of capital expenditure had been raised for various development projects during the period under review. The Group will invest several capital projects in near future but the planned capital expenditure would not have significant impact to the overall liquidity of the Group. Besides, given the positive cash inflow from the Group's operations, existing cash resources and its available banking facilities obtained from its banks, the Group has sufficient financial resources to meet its commitments and working capital requirements in foreseeable future. The Group will continuously manage its working capital closely and cautiously and dedicate to keep a sound liquidity position to optimise the equity return to its shareholders.

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

管理層討論及分析

Management Discussion and Analysis

經營業績概要 (續)

財務回顧 (續)

資產抵押

於二零一二年六月三十日，本集團並無就銀行融資抵押銀行存款（二零一一年十二月三十一日：人民幣13,400,000元）。本集團已抵押預付土地租賃款項約人民幣30,600,000元（二零一一年十二月三十一日：人民幣23,500,000元）作為本集團銀行借貸之抵押品。

或然負債

於二零一二年六月三十日，本集團並無任何重大或然負債。

匯率波動風險

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

本集團所承擔之最大外匯風險乃源自回顧期內之人民幣匯率波動。除本集團之出口銷售主要以美元結算外，本集團大部分之收入及開支均以人民幣結算。本集團於回顧期內並無因外幣匯率波動而在其營運或資金流動狀況方面遇上任何重大困難，亦未因此而受任何影響。另外，於適當之時，本集團將考慮利用具成本效益之對沖方法應付日後之外幣交易。

Summary of operating results (Continued)

Financial Review (Continued)

Pledge of assets

As at 30 June 2012, no bank deposit was pledged by the Group for banking facilities (31 December 2011: RMB13.4 million). The Group has pledged prepaid land lease payments of approximately RMB30.6 million (31 December 2011: RMB23.5 million) to secure the Group's bank borrowings.

Contingent liabilities

As at 30 June 2012, the Group had no material contingent liabilities.

Exposure to fluctuations in exchange rates

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

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



管理層討論及分析 Management Discussion and Analysis

人力資源

於二零一二年六月三十日，本集團共有894名全職僱員（二零一一年十二月三十一日：896名全職僱員）。

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

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

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

Human resources

As at 30 June 2012, the Group has 894 full time employees (31 December 2011: 896 full time employees).

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

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

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

其他資料 Other Information

董事及主要行政人員於股份、 相關股份及債券之權益及淡倉

於二零一二年六月三十日，本公司董事、主要行政人員及彼等之聯繫人於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之本公司股份（「股份」）、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及聯交所之權益及淡倉（包括根據證券及期貨條例之有關條文任何該等董事或主要行政人員擁有或被視作擁有之權益及淡倉），以及本公司根據證券及期貨條例第352條規定存置之登記冊所記錄，或已根據上市規則所載上市公司董事進行證券交易的標準守則（「標準守則」）知會本公司及聯交所之權益及淡倉如下：

於股份之好倉

董事姓名	公司／相聯 法團名稱 Name of company/ associated corporation	所持股份數目／ 股份權益 Number of Shares held/ interest in the Shares	身份 Capacity	佔已發行股本總數 概約百分比(%) Approximate % in the total issued share capital
劉洪亮先生 Mr. Liu Hongliang	志峰集團有限公司 Cheerhill Group Limited (附註1) (Note 1)	584,000,000 (附註2) (Note 2)	受控法團之權益 Interest of controlled corporation	69.00%

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

As at 30 June 2012, the interests and short positions of the Directors, chief executive of the Company and their associates in the shares of the Company (the "Shares"), underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such director or chief executive was taken or deemed to have under such provisions of the SFO) and were recorded in the register maintained by the Company pursuant to section 352 of the SFO, or which were notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Listing Rules, were as follows:

Long position in the Shares



其他資料 Other Information

董事及主要行政人員於股份、 相關股份及債券之權益及淡倉 (續)

附註:

- 584,000,000股股份乃由志峰集團有限公司(「志峰」)持有,而志峰之全部已發行股本分別由劉洪亮先生、王子江先生、郭希田先生、鄭虹女士、郭玉成先生及傅安旭先生最終實益擁有38%、26%、11.5%、11.5%、6.5%及6.5%。除鄭虹女士和傅安旭先生外,其他人士均為執行董事。
- 由於劉先生於志峰擁有38%權益,故被視為於上文附註1所述之584,000,000股股份擁有權益。

除上文披露之權益外,於二零一二年六月三十日,按本公司根據證券及期貨條例第352條存置之登記冊所記錄,或根據上市規則所載之標準守則已知會本公司和聯交所之資料,本公司各董事及主要行政人員及彼等之聯繫人概無擁有或被視作擁有本公司及其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券之權益或淡倉。

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

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

Notes:

- The 584,000,000 Shares were held by Cheerhill Group Limited ("Cheerhill"), the entire issued share capital of which is ultimately beneficially owned as to 38% by Mr. Liu Hongliang, 26% by Mr. Wang Zijiang, 11.5% by Mr. Guo Xitian, 11.5% by Ms. Zheng Hong, 6.5% by Mr. Guo Yucheng and 6.5% by Mr. Fu Anxu. Except Ms. Zheng Hong and Mr. Fu Anxu, all others are the executive Directors.
- Mr. Liu is deemed to be interested in 584,000,000 Shares referred to in Note 1 above by virtue of his 38% interests in Cheerhill.

Save as disclosed above, as at 30 June 2012, none of the Directors and chief executive of the Company, nor their associates had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which had been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code as set out in the Listing Rules.

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

其他資料 Other Information

主要股東於股份之權益及淡倉

於二零一二年六月三十日，除董事外，持有本公司已發行股本5%或以上權益之下列人士，已記錄於本公司根據證券及期貨條例第336條存置之股東名冊內：

於股份之好倉

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

附註:

584,000,000股股份乃由志峰持有，而志峰之全部已發行股本分別由劉洪亮先生、王子江先生、郭希田先生、鄭虹女士、郭玉成先生及傅安旭先生最終實益擁有38%、26%、11.5%、11.5%、6.5%及6.5%。除鄭虹女士和傅安旭先生外，其他人士均為執行董事。

除上文所披露者外，於二零一二年六月三十日，據本公司所知，概無任何人士於股份或相關股份中擁有根據證券及期貨條例第336條須向本公司披露之權益或淡倉。

Substantial shareholder's interests and short positions in the Shares

As at 30 June 2012, the following person who held interests of 5% or more of the issued share capital of the Company, other than the Directors, was recorded in the register of members required to be kept by the Company pursuant to Section 336 of the SFO:

Long position in the Shares

Note:

The 584,000,000 Shares were held by Cheerhill, the entire issued share capital of which is ultimately beneficially owned as to 38% by Mr. Liu Hongliang, 26% by Mr. Wang Zijiang, 11.5% by Mr. Guo Xitian, 11.5% by Ms. Zheng Hong, 6.5% by Mr. Guo Yucheng and 6.5% by Mr. Fu Anxu. Except Ms. Zheng Hong and Mr. Fu Anxu, all others are the executive Directors.

Save as disclosed above, as at 30 June 2012, the Company is not aware of any persons who have interest or short positions in the Shares or underlying Shares which would require to be disclosed to the Company pursuant to section 336 of the SFO.



其他資料 Other Information

購股權

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

在回顧期內，本公司並無根據購股權計劃授出、行使或註銷購股權。於二零一二年一月一日及二零一二年六月三十日，並無購股權計劃項下之未行使購股權。

上市公司董事進行證券交易的標準守則

本公司已採納一套操守準則，其標準不寬鬆於上市規則附錄十所載有關董事進行證券交易之標準守則的規定。經本公司作出查詢後，全體董事已確認，彼等於截至二零一二年六月三十日止六個月一直遵守標準守則及本公司有關董事進行證券交易之操守準則所載之規定標準。

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

Share options

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

During the period under review, no share options were granted, exercised or cancelled by the Company under the Share Option Scheme. There were no outstanding share options under the Share Option Scheme as at 1 January 2012 and 30 June 2012.

Model code for securities transactions by directors of listed companies

The Company has adopted a code of conduct with standards no less than those prescribed under the Model Code as set out in Appendix 10 to the Listing Rules for securities transactions by Directors. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required standards as set out in the Model Code and the Company's code of conduct regarding securities transactions by Directors throughout the six months ended 30 June 2012.

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



其他資料 Other Information

購買、出售或贖回本公司之上市股份

於截至二零一二年六月三十日止六個月，本公司或其任何附屬公司概無贖回、購買或出售本公司任何上市股份。

企業管治常規

董事並無獲悉任何資料可合理顯示，於截至二零一二年六月三十日止六個月內，本公司未有不遵守或曾經不遵守載於上市規則附錄十四之「企業管治常規守則」（二零一二年三月三十一日之前有效）及企業管治守則（「企業管治守則」）（二零一二年四月一日起生效）。

提名委員會

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

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

During the six months ended 30 June 2012, neither the Company nor any of its subsidiaries had redeemed, purchased or sold any of the Company's listed shares.

Corporate governance practices

None of the Directors is aware of information that would reasonably indicate that the Company is not, or was not during the six months ended 30 June 2012, in compliance with the Code on Corporate Governance Practices (effective until 31 March 2012) and the Corporate Governance Code (the "CG Code") (effective from 1 April 2012) as set out in Appendix 14 of the Listing Rules.

Nomination committee

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



其他資料 Other Information

薪酬委員會

薪酬委員會目前由三名獨立非執行董事劉晨光先生（薪酬委員會主席）、高寶玉先生、梁錦雲先生及一名執行董事劉洪亮先生組成。於回顧期內，薪酬委員會在參考董事職責範疇及本集團之企業目的與目標，並計及可資比較的市場狀況後，審閱及批准截至二零一二年十二月三十一日止年度所有董事及本公司高級管理層之薪酬福利。董事一概不得參與討論及決定本身之薪酬。

審核委員會

本公司審核委員會由三名獨立非執行董事組成，包括梁錦雲先生（審核委員會主席）、高寶玉先生及劉晨光先生。審核委員會已審閱本公司採納之會計準則及實務，以及已與本公司管理層及獨立核數師討論有關編製本集團截至二零一二年六月三十日止六個月未經審核簡明綜合財務報表之內部控制及財務報告事項。審核委員會概無就本公司於回顧期內採納之會計處理方式提出任何異議。

承董事會命
主席
劉洪亮

香港，二零一二年八月三十一日

Remuneration committee

The Remuneration Committee currently comprises the three independent non-executive Directors, namely Mr. Liu Chenguang (Chairman of the Remuneration Committee), Mr. Guo Baoyu, Mr. Leung Kam Wan and an executive Director Mr. Liu Hongliang. During the period under review, the Remuneration Committee has reviewed and approved the remuneration package of all Directors and senior management of the Company for the year ended 31 December 2012 by reference to the scope duties and responsibilities of the Directors, corporate goals and objectives of the Group, after taking into account also the comparable market conditions. No Director shall participate in any discussion and decision about his own remuneration.

Audit committee

The Audit Committee of the Company comprises the three independent non-executive Directors, namely Mr. Leung Kam Wan (Chairman of the Audit Committee), Mr. Guo Baoyu and Mr. Liu Chenguang. The Audit Committee has reviewed the accounting principles and practices adopted by the Company and discussed internal control and financial reporting matters with our management and independent auditor relating to the preparation of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2012. There is no disagreement raised by the Audit Committee on the accounting treatment adopted by the Company during the period under review.

By order of the Board
Liu Hongliang
Chairman

Hong Kong, 31 August 2012



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

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