



葉氏化工集團有限公司

Yip's Chemical Holdings Limited

於開曼群島註冊成立之有限公司
Incorporated in the Cayman Islands with limited liability

股份代號 Stock Code: 408

Enhancing Business
Quality Relentlessly
持續優化業務質素

Interim Report | **2013**
中期業績報告

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概要 Highlights

營業額
Turnover

↑9%

4,403,352,000 港元 HKD

本公司股東應佔純利
Net profit attributable to
Owners of the Company

↑4%

128,770,000 港元 HKD

每股盈利
Earnings per share

↑3%

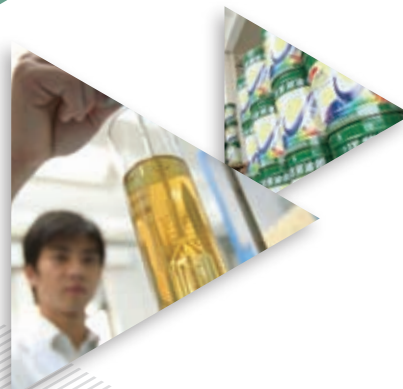
22.9 港仙 HK CENTS

中期股息
Interim Dividend

10

港仙 HK CENTS

截至二零一三年六月三十日止六個月期間變動
Changes over 6-month period
ended 30 June 2013





主席報告－回顧及展望

Chairman's Statement – Review & Prospects

本人欣然向集團全體股東們呈報2013年上半年度集團的業務概況。期內銷售額續創歷史新高，達4,403,352,000港元，比較去年同期增長9%，以產品銷售總量計，增長更高達10%。期內股東應佔溢利方面則錄得128,770,000港元，比較去年同期輕微增長4%，集團的整體業績表現雖稍遜預期，然而各方面的運作均按既定規劃進行，在致力優化業務質素的各項措施上，續見成效。同時近幾年，集團的業務雖然不斷高速增長，資金需求亦隨之增加，但因為集團始終堅守審慎理財、發展穩健、無懈無怠，上半年的借貸比率仍可控制在六成以下，因此按照集團一貫奉行積極回饋股東的派息政策，董事會建議向全體股東們派發中期股息每股10港仙，與去年同期一樣。

回顧

回顧期內的經營大環境實比預期嚴峻和具挑戰。除美國外，其餘的實體經濟大國依然是增長乏力，需求持續不振，經濟非常的疲弱。加上期內人民幣匯率的攀升，導致成本大增，出口競爭力大減，對中國的出口業務構成了重大的負面影響。另一方面，鑑於國內房地產市場持續不景，證券市場低沉，銀根緊絀，經濟結構性轉型過程緩慢等因素，均大大地影響了國民的消費意慾，在內外需求均呈現大幅下滑的情況下，國內的跨行業全面出現產能嚴重過剩的問題更為突顯。其最終導致同業間的競爭因而更為激烈。集團在國內的業務比重達96%，處此風高浪急的經營環境下，業務依然有所少進，殊屬不易。

It is my pleasure to present to all our shareholders with a business overview of the Group in the first half of 2013. During the period, our turnover hit a record high once again by reaching HK\$4,403,352,000, which was a growth of 9% from the same period last year. In terms of sales volume, the growth was even as high as 10%. For the period, profit attributable to shareholders was HK\$128,770,000, representing a modest growth of 4% on the year. Though the Group's overall results fell slightly short of expectations, operations in all areas proceeded in accordance with plans and payoffs of our business quality improving measures were getting noticeable. In the last few years, as the Group's business grew continuously at an accelerated pace, the demand for capital also increased. But under the Group's relentless efforts in adhering to prudent financial management and maintaining robust development, gearing ratio in the first half was still kept at less than 60%. Therefore, in accordance with the Group's established dividend policy of rewarding shareholders actively, the Board of Directors proposed an interim dividend of HK10 cents per share, which remained the same from the same period of 2012.

Review

During the reporting period, the business environment at large was grimmer and more challenging than expected. With the exception of the US, in countries with large real GDP, growth momentum was still lacking, demand remained sluggish and the economy was sickly. Furthermore, the rise in Renminbi exchange rate during the period had led to substantial increases in costs and drastic reduction in export competitiveness, giving a significant negative impact to China's export business. On another front, factors such as the continuous faltering domestic real estate market, the languid securities market, the tightening money supply and the slow progress of structural transformation of the economy had all greatly affected the consumption sentiments. As both internal and external demand fell sharply, the problem of serious overcapacity spanning different industries became all the more pronounced. As a result, competition among industry peers was more brutal. As the share of the Group's business in the mainland has reached as much as 96%, that our business managed to gain a small step forward under such turbulent operating conditions was not at all easy.

展望

環球經濟的疲弱，以至國內需求的不振，消化產能嚴重過剩等問題，絕對不是短期內可克服的挑戰，極有可能需時二至三年才可望逐步得以舒緩。同時從中國政府最新公佈的經濟數據顯示，今年下半年仍有繼續下行的趨勢。因此如要達致全年7.5%的增長目標，相信中國政府必會在適當的時間推出適當的一些行政措施，以刺激經濟的回復增長。然而應對此充滿不明朗和挑戰的經營大環境，集團化挑戰為機遇的決心更堅。集團除按既定業務發展策略完成銷售指標的同時，將繼續不斷地深化業務重整、廠房整合、加強研發、成本控制等優化業務質素措施外，集團並預期鑑於美國經濟有望持續好轉，對全球影響重大的貨幣量寬政策隨之逐步收緊，加息週期可能提前開始，資金情況可能轉差。因應業務發展所需，未來兩年集團的借貸仍會維持較高的水平。集團在這方面保持高度的警戒，將採取更嚴緊和預防性的監控措施，以確保在善用資金和業務的持續穩健發展取得較好平衡。整體而言，本人對集團在2013年提早完成百億銷售、營運效益得以逐步改善，滿懷信心與期待。並藉此向集團董事會的領導、執行團隊的努力、全體員工們的辛勞、各界合作伙伴的信任和 support，致以衷心的感謝。

葉志成

主席

香港，二零一三年八月二十日

Prospects

The listless global economy as well as the problems of slacking demand and serious overcapacity in the mainland are challenges that cannot be overcome in the short-term and will probably take two or three years before there is any hope of abating gradually. Figures recently released by the Chinese government indicate that the economy will continue its downward slide in the second half of this year. Therefore, to make the annual growth target of 7.5%, the government will introduce some appropriate administrative measures at appropriate moments to stimulate the revival of the economy. In spite of all the uncertainties and challenges in the overall business environment, the Group is more determined to turn the challenges into opportunities. In addition to striving to realise sales targets according to the business development strategies it has drawn up, the Group will continue to intensify its business quality improvement measures including business restructuring, plant consolidation, R&D boosting and cost controls. Moreover, in view of the possibility that the US economy may continue to improve, the Group expects that the quantitative easing policy that has a large impact on the whole world may then be tightened gradually, a rate-hike cycle may start in advance and the capital supply situation may turn for the worse. To meet business development needs, the Group's borrowing in the next two years will still be kept at a relatively high level. In this area, the Group will maintain a high degree of vigilance and will implement more stringent and preventive monitoring measures to strike a nice balance between prudent applications of funds and continued steady development of its businesses. Overall, I am fully confident and expectant that the Group will achieve in advance its HK\$10 billion sales target in 2013 and that its operational efficiency will see gradual improvements. I would like to take this opportunity to convey my sincere thanks to the Board of Directors for its leadership, to the executive teams for their endeavours, to all our employees for their hard work and to all our partners for their trust and support.

Ip Chi Shing

Chairman

Hong Kong, 20 August 2013

集團執行委員會主席報告

Report of the Chairman of the Group Executive Committee



2013年上半年整體經營環境較差，對本集團經營狀況有所影響。本集團執行委員會面對時勢，制定並執行了「穩健為先，優化為主」的經營策略，帶領集團業績繼續錄得增長，特別在「善用資金」方面，作出了一系列的推動措施，相信其效果將能日漸體現。

期內較值得關注的三大事項如下：

- 一. 受制於中國經濟增長放緩，化工產品需求下滑，供過於求，但本集團的銷售額仍再創新高，惟比對去年同期只有9%增長；
- 二. 勞工成本及經營費用持續上漲；
- 三. 執行委員會謹慎控制資金投放，密切監察營運資金，使借貸比例不致大幅上揚。

集團的三大業務細分報告如下：

溶劑

主打產品醋酸酯溶劑的銷量再有突破，上半年銷量達30萬噸大關；混合溶劑業務營業額增長5%；加上新產品丙稀酸丁酯於5月份順利投產，期內整體溶劑業務錄得營業額為2,714,291,000港元，比去年同期增長13%。不過由於期內醋酸酯溶劑競爭劇烈，加上新產品丙稀酸丁酯剛進入市場，其銷售情況符合預期，但從原料採購、生產成本至綜合物流等方面，可見改善空間，因此對整體溶劑業務的盈利貢獻尚未體現。期內經營溢利達117,373,000港元，比對去年同期下跌5.9%。

醋酸酯溶劑的整體需求不振，業內競爭劇烈，普遍產能使用率不足。集團管理層將堅守持之有效的經營策略：規模效應、擴大直銷用戶，以及優化綜合競爭力。

In the first half of 2013, the Group's business situation was affected by less than desirable overall business conditions. In view of the prevailing circumstances, the Group Executive Committee formulated and implemented a business strategy of "Soundness First; Optimisation Focused" that led to a continued growth in the Group's results. In particular, in the area of "prudent applications of funds", a series of facilitating measures were taken and results should be increasingly evident.

Three major developments during the reporting period were worth noting:

1. Due to a slowdown in China's economic growth, demand for chemical products slipped and supply was in excess. Nevertheless the turnover of the Group hit historical high once again, albeit growth over the same period last year was a mere 9%;
2. Labour costs and operating expenses kept rising;
3. Through prudent control of capital expenditure and close monitoring of working capital, the Group Executive Committee was able to keep the Company's gearing ratio from soaring.

The Group's three core businesses are reported as follows:

Solvents

Sales of our flagship products, acetate solvents, achieved a breakthrough again as sales volume reached the 300,000 metric ton mark in the first half. With the turnover of the mixed solvents business maintaining a growth of 5% and the new product butyl acrylate going into production successfully in May, the solvents business recorded an overall turnover of HK\$2,714,291,000 or a year-on-year growth of 13% for the reporting period. In this period, competition in the acetate solvents market was intense. In addition, as butyl acrylate just entered the market, and its sales were in line with expectation, there were still rooms for improvement in terms of raw material sourcing, production costs and integrative logistics, so its profit contribution for the solvents business as a whole was yet to be seen. Operating profit for the period was HK\$117,373,000 or a decline of 5.9% from the same period last year.

Because of the weak overall demand for acetate solvents, there was fierce competition and generally under-utilisation of capacity in the industry. The management of the Group will stick to its proven business strategies: maintaining economy of scale, increasing the number of direct-sales customers and improving the Group's overall competitiveness.

塗料

該業務上半年營業額再創新高，達1,552,698,000港元，比對去年同期增長4%。期內受制於中國房地產市場發展減慢，內需增長放緩等因素，導致銷售增長僅有單位數字，經營溢利達50,484,000港元，比對去年同期下跌26.3%。

本主業在期內出現了幾大挑戰，包括：

- 一. 金山新廠投入使用，銷售與產能未能同步增長，導致該廠費用增長大於利潤收入；
- 二. 系內業務重整，短期性雖然產生波動，惟長遠業務質素更趨優化；
- 三. 由於廠房整合，導致一次性額外支出，為塗料業務期內盈利帶來影響。

管理層堅信隨著塗料業務的產能一再加大，激增銷售將是帶動業績向上的關鍵因素。承接了去年的各項優化措施，今年上半年的毛利率穩步微升，其效果將能在下半年的傳統旺季進一步體現。同時，管理層共識經營環境難作改變，惟自我增值，發掘節流空間。即，大力開源的同時，改善自身的經營費用，致力做到外求銷售增長，內見減磅、減壓的雙重效益。

集團研發中心運作順利，並於今年6月宣佈購入位於上海張江的研發大樓，彰顯集團對產品研發的重視和決心。

Coatings

Turnover of our coatings business hit a new high in the first half and reached HK\$1,552,698,000 or a year-on-year growth of 4%. In the reporting period, because of such factors as a slackening in China's real estate market and a slowdown in domestic demand, sales growth was only in the single-digit range while operating profit was down 26.3% from the same period last year to HK\$50,484,000.

In this period, this business met several major challenges including:

1. As the new Jinshan plant came into operation, sales and capacity were not growing in lockstep, making expense growth of this plant greater than its profit;
2. Though business restructuring within this division brought about fluctuations in the short-term, long-term business quality will be improved;
3. In the period, the profitability of the coatings business was affected by the one-off additional expenses from plant consolidation.

The management is convinced that, as the capacity of the coatings business is increased continually, surges in sales will be a critical factor in driving performance upwards. Subsequent to the various optimisation measures implemented last year, gross profit margin edged up steadily in the first half of this year. The effects of such measures should be further apparent in the traditional peak season in the second half. Meanwhile, the management has come to the consensus that it would not be easy to change the business environment, so the alternative is to make self-improvements and explore rooms for cutting expenses. In other words, while endeavouring to boost our incomes, we should cut down our operating expenses so that we can see the double benefits of achieving sales growth externally and becoming lean and nimble internally.

The Group's R&D centre has been running smoothly. In June this year, the purchase of the R&D building in Zhangjiang, Shanghai was announced, underscoring the Group's high priority and determination in product research and development.



潤滑油

本業務原有的兩大品牌、公司合組為一，其整合效應顯現。期內錄得銷售額203,266,000港元，比對去年同期輕微上升；經營溢利則達1,294,000港元，比對去年同期7,373,000港元的虧損，轉虧為盈。

潤滑油業務已渡過最艱難的時刻，在一公司、一大廠、統一指揮中心的今天，必能克服困難，為集團帶來盈利。

踏入下半年的傳統旺季，喜見經營情況有所改善。管理層深信，業務將有進一步增長。

葉子軒

集團執行委員會主席

香港，二零一三年八月二十日

Lubricants

This business was run under two brand names and two companies. Combination of both has resulted in evident consolidation effect. In the reporting period, turnover increased slightly from the same period last year to HK\$203,266,000. Also, the achievement of an operating profit of HK\$1,294,000 marked the turning around of the division from its operating loss of HK\$7,373,000 in the same period last year.

Our lubricants business has already gone through the worst of its time. Now, under one company, one big plant and one unified leadership, it will no doubt be able to overcome any difficulty and bring profits to the Group.

As we enter the traditional peak season in the second half of 2013, we are pleased to see improvements in our business situations. The management is confident that there will be further growth in our businesses.

Yip Tsz Hin

Chairman of the Group Executive Committee

Hong Kong, 20 August 2013



企業社會責任

Corporate Social Responsibility

1. 工作環境質素： 安全至上

為了加強安全生產管理，並且使集團屬下各子公司不同職能單位如生產、技術、運輸等部門都在各自的業務範圍內對安全生產的要求負責，集團安全生產責任制的相關政策及制度已於去年確立，安全生產責任制於回顧期內已全面在所有子公司推行。在集團安全生產責任制下，所有子公司的各類崗位人員從上到下對安全生產各負其責，除了管理生產及業務經營，亦同時負責管理安全工作。

集團於期內展開根本原因分析安全事故處理法的建立工作，用以對安全事故進行深度分析，包括確定和分析安全事故原因，找出解決辦法，並制定預防措施。

集團安全健康環保部透過定期的廠房安全檢查和專項檢查持續改進安全管理工作。二零一三年上半年，該部門對國內各廠房進行共計八次的安全檢查。安全培訓方面，集團安全管理人員參加由國內相關組織提供的培訓總時數為1,212小時。

2. 環境保護

集團的洋紫荊牌油墨在綠色產品開發方面已漸見成效，開發出多種無苯無酮油墨、大豆油墨、醇溶油墨和水性油墨。集團的紫荊花牌民用塗料同時亦致力為消費者提供綠色環保的塗料產品。回顧期內，紫荊花漆推出全新產品—淨味亮顯優質牆面漆，此產品採用紫荊花漆創新淨味技術，不添加苯、汞、鉛等有害物質，環保淨味。紫荊花漆的乳膠漆、木器漆、工程漆經過專家組及有關部門的審核及檢驗，產品各項指標均符合中國相關標準，被中國建築裝飾裝修材料協會認定為「中國綠色、環保、節能建材產品」。

1. Workplace Practice Safety First

The Group's policies and systems related to safety production responsibility was established last year with the objectives of strengthening management in safety production and devolving the responsibility of meeting safety production requirements to different functional units for production, technology, transportation, etc within their respective business scopes. In the reporting period, the safety production responsibility system was in force in all subsidiaries. Under the system, personnel in different posts in every subsidiary will take up responsibility for safety production – each person will be responsible for safety management in addition to regular duties in management, production or business operations.

In the period, the preparation work of root cause analysis of safety incidents was started. This involved carrying out in-depth analysis of safety incidents to determine and analyse their causes, find out solutions and formulate corresponding preventive measures.

Through regular plant safety checks and specific inspections, the Group's Health, Safety and Environment Department has been making continuous improvements in safety management. In the first half of 2013, a total of eight safety inspections were carried out to all mainland plants. The Group's safety management personnel attended 1,212 hours of safety training offered by related mainland bodies.

2. Environmental Protection

The efforts of "Bauhinia Variegata" inks in developing green products have been seeing positive results with the launch of aromatic-free cum ketone-free inks, soy inks, alcohol-based inks and water-based inks. The Group's household paints under the Bauhinia brand are also committed to providing consumers with eco-friendly coating products. In the reporting period, Bauhinia Paints launched an all-new premium odour-absorbing glossy wall paint that employs Bauhinia Paints' innovative technology in odour absorption and is completely free of harmful substances such as benzene, mercury, lead. All emulsion paints, wood paints and engineering paints produced by Bauhinia Paints have been inspected and approved by specialists and relevant regulatory bodies. Since all product indices are in compliance with related Chinese standards, they have been recognised by China Association of Decorative Building Materials as "Green, Eco-friendly and Energy-saving Products".



3. 營運慣例

去年集團制定了「尊德重才」行為標準，為了持續在員工中推廣此文化，期內集團開展以「身邊的尊德重才」為主題的徵文活動，邀請所有員工表達他們對尊德重才行為的認識和感悟。為了鼓勵同事積極投稿，集團在各子公司相繼開展徵文路演活動，參加路演的同事接近900人。

4. 社區參與： 流動眼科手術車捐贈計劃

集團自2008年起積極支持國內的復明扶貧行動，透過捐贈每部價值超過200萬港元的流動眼科手術車，為國內偏遠地區的貧困白內障患者進行復明手術。直到2013年，集團合共捐贈五部手術車分別予寧夏回族自治區、江蘇省、山東省、內蒙古自治區及雲南省，捐贈金額總值逾1,000萬港元。在流動眼科手術車捐贈計劃下，集團將會於二零二零年前再捐贈額外七部流動眼科手術車，幫助更多國內的貧困白內障患者重見光明。

3. Operating Practices

Last year, a set of “Ethics and Capability Emphasising” codes of conducts were drawn up. In the period, to better promote continually such a culture among employees, an essay competition named “Ethics and Capability Emphasising around Us” was run. All employees were invited to express their understanding and insights on ethical and capability emphasising behaviours around them. In order to encourage submission of essays, road shows about the competition were successively carried out in various subsidiaries and the number of employees attending was close to 900.

4. Community Involvement Mobile Eye Surgery Centre Donation Programme

The Group has been actively supporting the eyesight restoration and poverty alleviation programme in the mainland since 2008 through the donation of mobile eye surgery centre amounting to over HK\$2 million each. The programme is to provide surgeries for poor cataract patients in the remote areas of the mainland to restore eyesight. Up to 2013, the Group has donated a total of 5 surgery centres to Ningxia Hui Autonomous Region, Jiangsu, Shandong, Inner Mongolia Autonomous Region and Yunan respectively and the total donation amount exceeded HK\$10 million. The Group will donate an additional of 7 mobile centres before 2020 under the mobile eye surgery centre donation programme to benefit more underprivileged cataract patients in the mainland.



4. 社區參與：(續) 流動眼科手術車捐贈計劃 (續)

截至二零一三年六月三十日止，集團向寧夏回族自治區、江蘇省、山東省及內蒙古自治區捐贈的共四部流動眼科手術車已成功為接近20,000名居住偏遠地區的白內障患者提供白內障移除手術。

企業義工隊

二零一三年葉氏化工義工隊以兒童及青少年為主要服務對象，並參與及舉辦與環境保護有關的社會公益活動。其中義工隊與本地非牟利環保團體綠田園基金共同舉辦了一個結合有機種植和農作物轉贈慈善團體的義工活動；義工隊亦組織了匡智會智障兒童探訪、慈善曲奇送贈特殊學校活動；義工隊亦透過參加「地球一小時」節能活動、「綠野先鋒」植樹比賽、渣打馬拉松，提倡綠色及健康生活。內地義工隊組織的社區活動包括植樹、清潔社區、獨居長者及殘障人士探訪等。

截至二零一三年六月三十日止，香港員工和親友的義工服務時數為114小時，參與義工服務的人數達61人；國內員工和親友的義工服務時數為489小時，義工服務人數則達122人。

4. Community Involvement (Continued) Mobile Eye Surgery Centre Donation Programme (Continued)

Up to 30 June 2013, the four mobile eye surgery centres donated by the Group to Ningxia Hui Autonomous Region, Jiangsu, Shandong and Inner Mongolia Autonomous Region have performed cataract removal surgery to almost 20,000 patients living in remote areas.

Corporate Volunteer Team

In 2013, Yip's Chemical Volunteers, the corporate volunteer team, has set children and teenagers as its main service targets and the team has also participated in social welfare activities concerning environmental protection. For example, in conjunction with Produce Green Foundation, a Hong Kong non-profit environmental organisation, the team has run a programme that combines organic farming with donating the produce to charity bodies. Besides organising visits to children with intellectual disabilities in Hong Chi Association and donating cookies to special schools, the team is promoting green and healthy lifestyle by participating in World Wide Fund for Nature's Earth Hour energy conservation activity, Friends of the Earth Hong Kong's Tree Planting Challenge and the Standard Chartered Marathon. Community services organised by the mainland volunteers include tree planting, community clean-up and visiting solitary elders and people with disabilities.

For the period ended 30 June 2013, Yip's Chemical employees in Hong Kong and their relatives and friends contributed 114 hours of volunteer services involving 61 participants. The contribution of their mainland counterparts is 489 hours involving 122 participants.





4. 社區參與：(續) 捐資助學

葉氏化工自二零零六年起，連續八年向廣東省江門市開展捐資助學活動。今年，集團捐資助學約人民幣60萬元，分別資助江門市考上大學的93名貧困學生，獎勵高考文、理科各前15名成績優秀學生和22名應屆高考畢業班的優秀班主任或老師。

榮譽

亞洲 Asia / 香港 Hong Kong

企業管治 Corporate Governance	
《亞洲企業管治》雜誌 Corporate Governance Asia magazine	集團執行委員會主席葉子軒先生榮獲第四屆「2013年亞洲企業董事獎」 Mr. Yip Tsz Hin, Chairman of the Group Executive Committee, was awarded the 4th Asian Corporate Director Recognition Awards 2013 第九屆「2013年亞洲企業管治大獎－企業管治典範」 Asia's Icon on Corporate Governance in the 9th Corporate Governance Asia Recognition Awards 2013
企業社會責任及其他 Corporate Social Responsibility and others	
《亞洲企業管治》雜誌 Corporate Governance Asia magazine	第三屆「2013年亞洲卓越大獎」之「最佳企業社會責任」、「最佳環境責任」、「最佳投資者關係公司」及「亞洲最佳行政總裁」 Best CSR, Best Environmental Responsibility, Best Investor Relations Company and Asia's Best CEO in the 3rd Asian Excellence Recognition Awards 2013
社會福利署 Social Welfare Department	2012年義務工作嘉許銅狀 Bronze Award for Volunteer Service 2012

內地 Mainland China

企業社會責任 Corporate Social Responsibility	
2013(第二屆)中國財經峰會 2nd China Finance Summit 2013	「2013最佳責任典範」 Best CSR 2013
其他 Others	
2012年度第九屆十佳塗料原料&設備品牌評選 9th Top 10 Awards Ceremony of Coatings Raw Materials & Machinery Equipment 2012	「2012年度十佳溶劑民族品牌」 Top 10 Solvent National Brand 2012

4. Community Involvement (Continued) Student Sponsorship and Scholarship

For eight consecutive years since 2006, Yip's Chemical has been running a student sponsorship programme in Jiangmen, Guangdong. This year, around RMB600,000 was donated to sponsor 93 needy students who are qualified for university studies. In addition, the top 15 students from the arts stream and science stream respectively who have excelled in the college entrance examination as well as 22 teachers who have contributed to the performance of outstanding graduating classes were awarded.

Awards



流動資金及財務資源

Liquidity and Financial Resources

流動資金及財務資源

集團近數年為配合其中及長期計劃而興建新廠房，並積極開拓業務，把握利率偏低的利好環境，增加銀行借貸，借貸比率亦因而持續上升。於二零一三年六月三十日，集團的借貸比率（以淨銀行借貸佔本公司股東應佔權益為計算基準）為58.8%（二零一二年十二月三十一日：51.5%）。借貸比率上升，主要因擴充產能而持續投放資本性開支，而激增銷售時，亦需要更多營運資金，並於新開拓的市場上收取更多的銀行承兌匯票（即應收票據）。集團高度關注持續上升的借貸比率，並實行一系列措施監控現金流，例如設置管理政策及指標以監控應收、應付、存貨週轉期及銀行承兌匯票，以有效運用營運資金。集團更不時檢討所有資本性投資項目，盡量將項目分階段注入或延後非必要投放。集團通過此等措施確保在善用資金和業務發展取得平衡。

於二零一三年六月三十日，集團的銀行總欠款為2,515,025,000港元（二零一二年十二月三十一日：2,374,277,000港元），扣除短期銀行存款、銀行結餘以及現金839,911,000港元（二零一二年十二月三十一日：966,300,000港元）後，淨銀行借貸為1,675,114,000港元（二零一二年十二月三十一日：1,407,977,000港元）。銀行總欠款中，須於一年內清還之短期貸款為1,079,064,000港元（二零一二年十二月三十一日：923,027,000港元），該等貸款以三種貨幣定值，包括965,834,000港元以港幣定值、54,176,000港元以澳元定值和59,054,000港元以美元定值（二零一二年十二月三十一日：694,584,000港元以港幣定值和228,443,000港元以美元定值）。此外，一年後到期的長期貸款為1,435,961,000港元（二零一二年十二月三十一日：1,451,250,000港元），其中1,312,084,000港元以港幣定值和123,877,000港元以澳元定值（二零一二年十二月三十一日：全以港幣定值）。

Liquidity and Financial Resources

In recent years, in order to meet its medium and long term targets, the Group has constructed new plants for fuelling business expansion. Leveraging on the low interest rate environment, the Group obtained additional bank loans and resulted in subsisting increase of gearing ratio. As at 30 June 2013, the Group's gearing ratio (measured by net bank borrowings as a percentage of equity attributable to owners of the Company) was 58.8% (31 December 2012: 51.5%). The increase in gearing ratio was mainly attributable to the continuous investment of capital expenditures on capacity expansion, increase in working capital for substantial growth in sales and the rise in receipts of banker's acceptances (i.e. bills receivables) in new expanded markets. The Group has always been highly concerned about continuous uprising of gearing ratio and applied a series of measures to monitor cash flow and ensure efficient usage of working capital, such as setting up management policies and indicators to monitor account receivables, account payables and inventory turnover days as well as banker's acceptances. The Group also periodically reviewed all capital investment projects, splitting the project investments in phases or delaying non-crucial items whenever possible. The Group through these measures ensures a balance between prudent application of funds and business development.

As at 30 June 2013, the gross bank borrowings of the Group amounted to HK\$2,515,025,000 (31 December 2012: HK\$2,374,277,000). After deduction of short-term bank deposits, bank balances and cash amounting to HK\$839,911,000 (31 December 2012: HK\$966,300,000), the net bank borrowings amounted to HK\$1,675,114,000 (31 December 2012: HK\$1,407,977,000). Out of the gross bank borrowings, HK\$1,079,064,000 (31 December 2012: HK\$923,027,000) were short-term loans and repayable within one year. Such loans were denominated in three currencies, namely HK\$965,834,000 in Hong Kong Dollar, HK\$54,176,000 in Australian Dollar and HK\$59,054,000 in US Dollar (31 December 2012: HK\$694,584,000 in Hong Kong Dollar and HK\$228,443,000 in US Dollar). Long-term loans repayable after one year amounted to HK\$1,435,961,000 (31 December 2012: HK\$1,451,250,000), of which HK\$1,312,084,000 were denominated in Hong Kong Dollar and HK\$123,877,000 in Australian Dollar (31 December 2012: all were denominated in Hong Kong Dollar).



流動資金及財務資源(續)

為了配合集團預期未來發展對固定資產及流動資金的需求，從2011年至今取得合共1,500,000,000港元之五年長期雙邊貸款、300,000,000港元之三年中期雙邊貸款和24,800,000澳元之三年中期雙邊貸款，並正安排延續部份即將到期的三年中期貸款，以預備為未來發展之資金需要。於二零一三年六月三十日，中長期貸款佔所有貸款的比例為76%。由於部份集團的借貸以浮動利率定息，借貸成本會受利率影響，集團將全額1,500,000,000港元之五年長期雙邊貸款和100,000,000港元之三年中期雙邊貸款，以利率掉期轉為固定利率定息，以對沖貸款利率的風險。另外，集團將全額24,800,000澳元之三年中期雙邊貸款，於提取當日以外匯掉期合同轉換為港幣定值償還貸款，以對沖外幣貸款的兌換風險。

於二零一三年六月三十日，共有15間於香港、澳門及國內的銀行向集團提供合共4,374,086,000港元的銀行額度，足夠應付現時營運及未來發展所需資金。銀行額度中78%以港元定值、14%以人民幣定值、4%以美元定值及4%以澳元定值。而集團主要在香港安排銀行貸款轉作國內營運資金，可利用香港較低的借貸成本，提升效益。隨著歐洲延續一系列措施應對債務危機，美國量化寬鬆政策持續並維持低息，三個月及以下的港幣銀行同業拆息持續偏低，而內地通脹率持續受控，亦有利於集團降低借貸成本。此外，集團的資產和收入主要集中於國內並以人民幣結算，集團須面對人民幣匯率風險，惟預期人民幣對港元暫時仍不會大幅貶值，故此，管理層認為現在無需就人民幣匯率採取對沖措施，但會緊密監察其變化。集團將繼續在降低借貸成本及控制匯兌風險之間取得平衡，以港幣、美元、人民幣或其他外幣構建最優惠的銀行貸款組合。

Liquidity and Financial Resources

(Continued)

Since 2011, the Group has obtained 5-year bilateral long-term loans in total of HK\$1,500,000,000, 3-year bilateral mid-term loans in total of HK\$300,000,000 and 3-year bilateral mid-term loan of AUD\$24,800,000 to support the capital expenditure and working capital requirement for the Group's expected future growth. The Group is arranging refinancing of some of its maturing 3-year mid-term loans for the capital need of future development. As at 30 June 2013, mid to long-term loans accounted for 76% of the total bank loans. Since some of the borrowings of the Group carry interests at floating rate, our funding costs are subject to interest rate fluctuation. The Group used interest rate swaps to convert HK\$1,500,000,000 of its entire 5-year bilateral long-term loans and HK\$100,000,000 of its 3-year bilateral mid-term loans to fixed interest rate loans to hedge against the risk of interest rate fluctuation. Furthermore, the Group used currency swap to convert its entire AUD\$24,800,000 3-year bilateral mid-term loan to Hong Kong Dollar denominated repayment loan at the drawdown date to hedge against the risk of exchange rate fluctuation.

As at 30 June 2013, a total of 15 banks in Hong Kong, Macau and PRC granted banking facilities totaling HK\$4,374,086,000 to the Group and provided sufficient funds to meet its present working capital and expansion requirement. 78%, 14%, 4% and 4% of these banking facilities were denominated in Hong Kong Dollar, Renminbi, US Dollar and Australian Dollar respectively. The Group arranges most of its bank loans in Hong Kong for its China operations to enjoy the relatively low borrowing rate and enhance performance. Following the adoption of continuous series of measures to combat the debt crisis in Europe, and the ongoing quantitative easing measures by the United States, the three months or shorter Hong Kong Dollar inter-bank interest rate is maintained at a low level. Furthermore, the inflation rate in the Mainland is under control, which also benefits the Group to lower its borrowing costs. Besides, the Group is exposed to Renminbi exchange rate risk as the Group's assets are mainly located in the Mainland and most of its income is generated in Renminbi. Since it is expected that there shall not be sharp depreciation of Renminbi against Hong Kong Dollar in near future, the management considers that no hedging measure against Renminbi exchange rate exposure is necessary at this stage but will closely monitor its fluctuations. The Group will strike a balance between lowering borrowing costs and minimizing currency exposure by structuring an optimal combination of Hong Kong Dollar, US Dollar, Renminbi or other foreign currency bank loans.



僱員 Employees

僱員

於二零一三年六月三十日，本集團之僱員人數合共為4,792人，其中113人來自香港及澳門，4,679人來自中國各個省份。

集團對人力資源資本的管理及發展非常重視。除鼓勵所有僱員透過內部、外部培訓課程及上崗演練不斷自我提升外，集團還提供教育資助計劃讓員工自我增值，提高工作技能及績效，於工作上發揮所長。對於有承擔、有能力的員工，不論背景、地區、學歷，集團均提供極佳之發展平臺。集團現時的領導班子，在各領域經過不斷的磨練而晉身管理層，負起領導集團發展的責任。除積極在內部提升優秀的員工外，集團亦會從外間直接聘用一些卓越的管理人才，或從香港、內地、及國際間的高等學府招聘有潛質的應屆畢業生，從剛畢業開始便加以培育。集團推行多年的「管理培訓生計劃」部份表現優越的培訓生已晉身公司的管理層。

集團提供具挑戰性的工作環境，設置多方面的激勵機制，鼓勵員工自強不息，從而不斷提升集團的人才競爭力，推動業務持續發展。集團不時參考市場趨勢檢討薪酬及獎勵政策，提供合理及具競爭力的薪酬與福利，包括底薪及以業績和個人表現為評核目標而發放的花紅，確保有效吸引和挽留人才。

Employees

As of 30 June 2013, the Group has a total number of 4,792 employees. 113 employees are from Hong Kong and Macau while 4,679 of them are from different provinces in China.

The Group places great emphasis on the management and development of human capital. The employees are encouraged to strive for improvement through internal and external training program, on-the-job training and participation in the Group's educational subsidies, allowing for self-development in knowledge and skills and to maximize their potential in their work. We offer excellent platform for development of highly committed and capable employees, regardless of their background, geographical region or educational levels. Through versatile experience in challenging roles, the current leadership of the Group has come through the ranks to advance to positions of management. Besides the focus of developing employees internally, the Group seeks not only to attract talent from outside but also recruit top graduates from the best tertiary institutions in Hong Kong, Mainland China, and abroad as well as provide them with training and development opportunities. The Management Trainee Program has been implementing for a number of years. Some of the management trainees have demonstrated their excellence capabilities and been advanced to positions of leadership within the Group.

The Group offers a challenging work environment, sets up different programs for motivating employees to strive for improvement and to upgrade their skills in order to sustain the development of business. From time to time, the Group will make reference to market trends for the review of remuneration policy so as to ensure reasonable and competitive compensation and benefits. These include basic salary and performance-based bonus to attract and retain talents.



中期股息

本公司董事會欣然宣派截至二零一三年六月三十日止六個月之中期股息每股10港仙(截至二零一二年六月三十日止六個月：每股10港仙)。上述中期股息將於二零一三年十月十六日或前後派付予於二零一三年九月五日名列本公司股東名冊內之股東。

暫停辦理過戶登記手續

本公司將於二零一三年九月四日至二零一三年九月五日(首尾兩天包括在內)暫停辦理過戶登記手續，以釐定本公司股東獲派中期股息之權利，該等日期內將不會進行任何股份過戶登記。為符合資格獲派中期股息，所有過戶表格連同有關之股票，最遲須於二零一三年九月三日下午四時送達香港皇后大道東28號金鐘匯中心26樓本公司之香港股份過戶登記處卓佳秘書商業有限公司以辦理過戶登記手續。

Interim Dividend

The Directors of the Company are pleased to declare an interim dividend of HK10 cents per share for the six months ended 30 June 2013 (six months ended 30 June 2012: HK10 cents per share). The interim dividend will be payable on or about 16 October 2013 to shareholders whose names appear on the register of members (the "Register of Members") of the Company on 5 September 2013.

Closure of Register of Members

The Register of Members will be closed from 4 September 2013 to 5 September 2013 (both dates inclusive) for the purpose of determining the entitlements of the members of the Company to the interim dividend. No transfer of shares may be registered during the said period. In order to qualify for the interim dividend, all transfers, accompanied by the relevant share certificates, should be lodged with the Company's Share Registrars in Hong Kong, Tricor Secretaries Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on 3 September 2013.

董事及最高行政人員於證券之權益及淡倉

Directors' and Chief Executives' Interests and Short Positions In Securities

董事及最高行政人員於證券之權益及淡倉

於二零一三年六月三十日，董事及其各自的聯繫人士於本公司股份中的權益(定義見證券及期貨條例(「證券及期貨條例」)第XV部)須(a)根據證券及期貨條例第XV部第7及第8部知會本公司及香港聯合交易所有限公司(「聯交所」)(包括彼等根據證券及期貨條例之該等條文被假設或視為擁有之權益或淡倉)；或(b)根據證券及期貨條例第352條記載置存之登記冊內的權益；或(c)根據上市發行人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的權益如下：

好倉

Directors' and Chief Executives' Interests and Short Positions In Securities

As at 30 June 2013, the interests of the Directors and their respective associates in the shares of the Company (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which are required (a) to be 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 or short positions which they are taken or deemed to have taken under such provisions of the SFO); or (b) to be recorded in the register to be kept pursuant to Section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Long positions

		普通股份數目			佔股權之概約百分比	
		Number of Ordinary Shares			Approximate % of shareholding	
董事姓名	Name of Directors	個人權益 Personal interests	家族權益 Family interests	公司權益 Corporate interests	總數 Total	
葉志成先生	Mr. Ip Chi Shing	169,342,532	3,764,000 (a)	14,280,000 (b)	187,386,532	33.34%
葉子軒先生	Mr. Yip Tsz Hin	35,240,248	20,000,000 (c)	-	55,240,248	9.83%
黃金滔先生	Mr. Wong Kam Yim	708,000	-	-	708,000	0.13%
李偉民先生	Mr. Li Wai Man, Peter	-	-	-	-	-
何世豪先生	Mr. Ho Sai Hou	-	-	-	-	-
唐滙棟先生	Mr. Tong Wui Tung	-	700,000 (d)	-	700,000	0.12%
吳紹平先生	Mr. Ng Siu Ping	2,532,000	50,000 (e)	-	2,582,000	0.46%
黃廣志先生	Mr. Wong Kong Chi	-	100,000 (f)	-	100,000	0.02%
歐陽贊邦先生	Mr. Au-Yeung Tsan Pong, Davie	-	-	-	-	-
李澤民先生	Mr. Li Chak Man	-	150,000 (g)	-	150,000	0.03%
古遠芬先生	Mr. Ku Yuen Fun	20,680	14,000 (h)	-	34,680	0.01%



董事及最高行政人員於證券之權益及淡倉 (續)

附註：

- (a) 在此等股份當中，1,758,000股由葉志成先生與妻子梁碧瑜女士共同持有，2,006,000股則由其妻子持有。
- (b) 此等股份分別由一間葉志成慈善基金有限公司之慈善組織(10,200,000股)和一間葉氏關愛延續基金有限公司之有限公司(4,080,000股)所持有。葉先生於葉志成慈善基金有限公司和葉氏關愛延續基金有限公司之股東大會分別擁有50% (與其妻子共有100%)及60% (與其弟妹共有100%)之投票權，故被視為擁有在該兩間公司持有此等股份之權益。
- (c) 此等股份由葉子軒先生之妻子葉曹家麗女士持有。
- (d) 此等股份由唐滙棟先生之妻子劉梅心女士持有。
- (e) 此等股份由吳紹平先生之妻子蕭靄莉女士持有。
- (f) 此等股份由黃廣志先生之妻子詹小慧女士持有。
- (g) 此等股份與李澤民先生之妻子鄭綺霞女士共同持有。
- (h) 此等股份由古遠芬先生之妻子蘇艷霞女士持有。

本公司董事在購股權計劃下所持有購股權之詳情可見下一節「購股權」。

葉志成先生、葉子軒先生及葉志成先生妻子梁碧瑜女士各持有本公司之附屬公司葉氏恒昌(集團)有限公司之無投票權遞延股一股。

除上文所披露者及董事以本公司或其附屬公司受託人身份持有附屬公司若干代名人股份外，於二零一三年六月三十日，各董事、最高行政人員或其聯繫人士均沒有於本公司或其任何聯營公司(按證券及期貨條例)之證券中持有任何權益或淡倉。

Directors' and Chief Executives' Interests and Short Positions in Securities (Continued)

Notes:

- (a) Out of these shares, 1,758,000 shares are jointly held with Madam Liang Bih Yu, the wife of Mr. Ip Chi Shing and 2,006,000 shares are held by his wife.
- (b) These shares are held respectively by Ip Chi Shing Charitable Foundation Limited, a charitable organisation (10,200,000 shares) and Yip's Care Extension Foundation Limited, a limited company (4,080,000 shares). Mr. Ip Chi Shing controls 50% (together with his wife control 100%) and 60% (together with his younger sister and brother control 100%) of the voting power at the general meetings of Ip Chi Shing Charitable Foundation Limited and Yip's Care Extension Foundation Limited. He is therefore deemed to be interested in these shares held by these two corporations.
- (c) These shares are held by Madam Yip Tso Ka Lai, Brenda, the wife of Mr. Yip Tsz Hin.
- (d) These shares are held by Madam Lau Mui Sum, the wife of Mr. Tong Wui Tung.
- (e) These shares are held by Madam Siu Oi Li, Maicy, the wife of Mr. Ng Siu Ping.
- (f) These shares are held by Madam Jim Siu Wai, the wife of Mr. Wong Kong Chi.
- (g) These shares are jointly held with Madam Cheng Yee Ha, the wife of Mr. Li Chak Man.
- (h) These shares are held by Madam So Yim Ha, the wife of Mr. Ku Yuen Fun.

Details of the share options held by the Directors under the Company's share option schemes are shown in the next section headed "Share Options".

Each of Mr. Ip Chi Shing, Mr. Yip Tsz Hin and Madam Liang Bih Yu, the wife of Mr. Ip Chi Shing, holds one non-voting deferred share of Yip's H.C. (Holding) Limited, a subsidiary of the Company.

Other than as disclosed above and certain nominee shares in subsidiaries held by Directors in trust for the Company or its subsidiaries, as at 30 June 2013, none of the Directors, chief executive nor their associates held any interests or short positions in the securities of the Company or any of its associated corporations as defined in the SFO.



購股權 Share Options

購股權

於二零一二年五月二十五日，本公司股東在股東週年大會上已批准採納新購股權計劃（「新計劃」）及終止本公司於二零零二年九月三日已採納的舊有購股權計劃（「舊計劃」），新計劃將於二零二二年五月二十四日到期屆滿。而在舊計劃終止前授出之購股權將繼續生效並可根據舊計劃之規則下行使。

截至二零一三年六月三十日止六個月期間，根據本公司購股權計劃已授予若干董事及僱員購股權之變動如下：

Share Options

On 25 May 2012, the shareholders of the Company at the annual general meeting approved the adoption of a new share option scheme (the “New Scheme”) and the termination of the old share option scheme (the “Old Scheme”) which was adopted by the Company on 3 September 2002. The New Scheme will expire on 24 May 2022. Options granted under the Old Scheme prior to such termination will continue to be valid and exercisable in accordance with the rules of the Old Scheme.

During the six months ended 30 June 2013, movements in the number of options which had been granted to certain Directors and employees under the Company's share option schemes are as follows:



購股權 (續)

Share Options (Continued)

	授出日期 Date of Grant	行使價 Exercise Price 港元 HK\$	購股權數目 Number of Share Options			
			於二零一三年 一月一日 尚未行使 Outstanding at 1.1.2013	本期內 已授出 Granted during the period	本期內 已行使 Exercised during the period	本期內 已失效/註銷 Lapsed/ Cancelled during the period
董事						
Directors						
黃金焯先生 Mr. Wong Kam Yim	二零零四年五月十七日 17 May 2004	1.590	300,000	-	-	300,000
	二零零五年十月二十四日 24 October 2005	2.004	200,000	-	-	200,000
	二零零七年四月三日 3 April 2007	4.050	200,000	-	-	200,000
	二零零八年十月三十一日 31 October 2008	1.950	100,000	-	-	100,000
	二零零九年十月五日 5 October 2009	4.536	200,000	-	-	200,000
	二零一三年一月十一日 11 January 2013	5.942	-	200,000	-	200,000
李偉民先生 Mr. Li Wai Man, Peter	二零零四年五月十七日 17 May 2004	1.590	100,000	-	-	100,000
	二零零五年十月二十四日 24 October 2005	2.004	200,000	-	-	200,000
	二零零七年四月三日 3 April 2007	4.050	200,000	-	-	200,000
	二零零八年十月三十一日 31 October 2008	1.950	100,000	-	-	100,000
	二零零九年十月五日 5 October 2009	4.536	200,000	-	-	200,000
	二零一三年一月十一日 11 January 2013	5.942	-	200,000	-	200,000
何世豪先生 Mr. Ho Sai Hou	二零一三年一月十一日 11 January 2013	5.942	-	200,000	-	200,000
			1,800,000	600,000	-	2,400,000
員工						
Employees						
	二零零五年十月二十四日 24 October 2005	2.004	176,000	-	-	176,000
	二零零七年四月三日 3 April 2007	4.050	428,000	(100,000)	-	328,000
	二零零八年十月三十一日 31 October 2008	1.950	380,000	(40,000)	-	340,000
	二零零九年十月五日 5 October 2009	4.536	1,190,000	(110,000)	-	1,080,000
	二零一三年一月十一日 11 January 2013	5.942	-	6,920,000	(50,000)	6,870,000
			2,174,000	6,920,000	(250,000)	8,794,000
			3,974,000	7,520,000	(250,000)	11,194,000

購股權 (續)

於二零一三年一月十一日，本公司根據新計劃以每股行使價為5.942港元授出總數為7,520,000股購股權予97位合資格之本集團僱員包括本公司及其附屬公司之董事，而該等購股權將於授出日期起兩年後歸屬。本公司股份在緊接購股權授出日期（即於二零一三年一月十一日）前的收市價為5.970港元。其緊接購股權行使日期之前的本公司股份加權平均收市價為8.226港元。

除上文所披露者外，於期內任何時間，本公司或其任何附屬公司概無參與任何安排，以使董事藉收購本公司或任何其他法人團體之股份或債券而獲益。

除上文所披露者外，於期內各董事或其配偶或十八歲以下之子女均無任何權利以認購本公司之證券，或曾行使任何該等權利。

Share Options (Continued)

On 11 January 2013, a total of 7,520,000 options were granted to 97 eligible employees of the Group including Directors of the Company and its subsidiaries at an exercise price of HK\$5.942 and will be vested over a period of two years from the grant date under the Company's New Scheme. The closing price of the shares of the Company immediately before the grant of options on 11 January 2013 was HK\$5.970. Weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised was HK\$8.226.

Other than as disclosed above, at no time during the period was the Company or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other than as disclosed above, none of the Directors, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the period.



主要股東 Substantial Shareholders

主要股東

於二零一三年六月三十日，除上文所披露有關若干董事之權益外，根據證券及期貨條例第336條而存置之主要股東登記名冊所示，下列股東(除上文所披露的本公司董事或最高行政人員外)根據證券及期貨條例第336條已知會本公司彼等在本公司已發行股本中擁有之相關權益：

好倉

主要股東名稱

Name of

substantial shareholders

身份

Capacity

所持股份數目

Number of

shares held

於二零一三年
六月三十日
佔本公司
已發行股本
之百分比

Percentage

of the issued

share capital

of the Company

as at 30.6.2013

葉鳳娟女士

Ms. Ip Fung Kuen

實益擁有人

Beneficial Owner

47,592,000

8.47%

FMR LLC

投資經理(附註)

Investment Manager (Note)

33,714,105

6.00%

Capital Research and
Management Company

投資經理

Investment Manager

29,410,000

5.23%

附註：

Note:

根據證券及期貨條例，於二零一三年六月三十日，FMR LLC被視為擁有33,714,105股本公司股份之權益，而其中32,314,105股乃由Fidelity Management & Research Company持有，以及1,400,000股由Fidelity Management Trust Company與Pyramis Global Advisors LLC持有。

Under SFO, as at 30 June 2013, FMR LLC was deemed to be interested in 33,714,105 shares of the Company, of which 32,314,105 shares were held by Fidelity Management & Research Company and 1,400,000 shares were held by Fidelity Management Trust Company and Pyramis Global Advisors LLC.

除上文所披露外，於二零一三年六月三十日，除了以上一節「董事及最高行政人員於證券之權益及淡倉」已披露之權益外，概無人士通知本公司指彼等在本公司股份中的權益或淡倉需根據證券及期貨條例第336條登記。

Save as disclosed above, as at 30 June 2013, no person, other than the interests disclosed above in the section “Directors’ and Chief Executives’ Interests and Short Positions in Securities”, had notified the Company of an interest or short position in the shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.



葉氏化工集團有限公司 Yip's Chemical Holdings Limited

購買、出售或贖回本公司之上市證券

在截至二零一三年六月三十日止六個月期間，本公司或其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

企業管治

在截至二零一三年六月三十日止六個月期間，除下文所披露者外，除並無設立提名委員會(守則條文第A.5.1至A.5.4項)外，本公司均遵守聯交所證券上市規則(「上市規則」)附錄十四之「企業管治守則及企業管治報告」(「守則」)。本公司認為由整個董事會履行提名委員會的職能會更為有利及有效。

審核委員會

審核委員會於一九九八年十一月成立，由三位非執行董事及四位獨立非執行董事組成，主席為黃廣志先生。審核委員會主要職責包括審閱本集團財務資料、監控本集團財務申報制度及內部控制程序和監察本集團與外聘核數師的關係。

審核委員會已於二零一三年八月十五日之審核委員會會議上審閱本集團截至二零一三年六月三十日止六個月的未經審核中期財務報告。本公司核數師德勤•關黃陳方會計師行已按照香港會計師公會頒佈之香港會計準則第34條「中期財務報告」審閱本集團截至二零一三年六月三十日止六個月的中期財務報告。

上市公司董事進行證券交易的標準守則

本公司已採納上市規則附錄十的標準守則作為董事進行證券交易行為的標準。在作出特定查詢後，本公司所有董事確認在截至二零一三年六月三十日止六個月內已遵從標準守則所載之規定準則。

Purchase, Sale or Redemption of the Company's Listed Securities

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

Corporate Governance

During the six months ended 30 June 2013, subject to as disclosed below, the Company has complied with "Corporate Governance Code and Corporate Governance Report" (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") except that the Company does not have a nomination committee (CG Code provisions A.5.1 to A.5.4). The Company considers it is more beneficial and efficient for the full board of Directors to perform the functions of the nomination committee.

Audit Committee

The Audit Committee was formed in November 1998 and comprises three non-executive Directors and four independent non-executive Directors and is chaired by Mr. Wong Kong Chi. Major duties of the Audit Committee include reviewing financial information of the Group, overseeing the Group's financial reporting system and internal control procedures, and monitoring of the relationship between the Group and its external auditors.

An Audit Committee meeting was held on 15 August 2013 to review the Group's unaudited interim financial statements for the six months ended 30 June 2013. Deloitte Touche Tohmatsu, the Group's external auditors, have carried out a review of the Group's unaudited interim financial statements for the six months ended 30 June 2013, which is prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. After making specific enquiry, all Directors have confirmed that they have fully complied with the required standard as set out in the Model Code during the six months ended 30 June 2013.



簡明綜合財務報告之審閱報告

Report on Review of Condensed Consolidated Financial Statements

Deloitte.

德勤

致葉氏化工集團有限公司
董事會

TO THE BOARD OF DIRECTORS OF YIP'S
CHEMICAL HOLDINGS LIMITED

引言

本核數師行已審閱載於第25至52頁有關葉氏化工集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之簡明綜合財務報告，包括於二零一三年六月三十日之簡明綜合財務狀況表與截至該日止六個月之相關簡明綜合損益及其他全面收益表、權益變動表及現金流量表以及若干說明附註。香港聯合交易所有限公司主板證券上市規則規定，就中期財務資料編製之報告必須符合當中有關條文以及香港會計師公會頒佈之香港會計準則第34號「中期財務報告」(「香港會計準則第34號」)。貴公司董事須負責根據香港會計準則第34號編製及呈列該等簡明綜合財務報告。本行之責任為根據本行之審閱對該等簡明綜合財務報告作出結論，並按照委聘之協定條款僅向作為實體之貴公司報告結論，且並無其他目的。本行不會就本報告之內容對任何其他人士承擔或接受任何責任。

審閱範圍

本行已根據香港會計師公會頒佈之香港審閱委聘準則第2410號「公司獨立核數師對中期財務資料之審閱」進行審閱。審閱該等簡明綜合財務報告包括主要向負責財務和會計事務之人員作出查詢，並應用分析性和其他審閱程序。審閱範圍遠少於根據香港核數準則進行審核之範圍，故不能讓本行保證本行將知悉在審核中可能發現之所有重大事項。因此，本行不會發表審核意見。

Introduction

We have reviewed the condensed consolidated financial statements of Yip's Chemical Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 25 to 52, which comprise the condensed consolidated statement of financial position as of 30 June 2013 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

結論

按照本行之審閱，本行並無發現任何事項，令本行相信簡明綜合財務報告在各重大方面並未根據香港會計準則第34號編製。

德勤•關黃陳方會計師行
執業會計師
香港
二零一三年八月二十日

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
20 August 2013

簡明綜合損益及其他全面收益表

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

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



		截至六月三十日止六個月		
		Six months ended		
		二零一三年	二零一二年	
		30.6.2013	30.6.2012	
		千港元	千港元	
		HK\$'000	HK\$'000	
		(未經審核)	(未經審核)	
		(Unaudited)	(Unaudited)	
營業額	Turnover	3	4,403,352	4,045,144
銷售成本	Cost of sales		(3,713,724)	(3,387,431)
毛利	Gross profit		689,628	657,713
其他收入	Other income	4a	84,131	30,815
其他收益及虧損	Other gains and losses	4b	(13,328)	(3,328)
銷售及經銷費用	Selling and distribution expenses		(171,579)	(163,427)
一般及行政費用	General and administrative expenses		(385,834)	(328,138)
利息費用	Interest expense		(24,084)	(18,406)
除稅前溢利	Profit before taxation	5	178,934	175,229
稅項	Taxation	6	(17,998)	(24,513)
本期純利	Profit for the period		160,936	150,716
其他全面收益(支出)：	Other comprehensive income (expense)：			
將不會重新分類到損益的項目：	Items that will not be reclassified subsequently to profit or loss：			
因折算至呈報貨幣而產生之匯兌差額	Exchange differences arising on translation to presentation currency		63,559	(25,758)
對自用之租賃物業於轉撥至投資物業時重估	Revaluation of leasehold properties for own use upon transfer to investment properties		-	38,321
			63,559	12,563
將可能會重新分類到損益的項目：	Item that may be reclassified subsequently to profit or loss：			
現金流對沖調整淨額	Net adjustment on cash flow hedges		11,233	(5,075)
本期其他全面收益	Other comprehensive income for the period		74,792	7,488
本期全面收益總額	Total comprehensive income for the period		235,728	158,204
本期純利應佔份額：	Profit for the period attributable to：			
本公司股東	Owners of the Company		128,770	123,875
非控股權益	Non-controlling interests		32,166	26,841
			160,936	150,716
本期全面收益應佔份額：	Total comprehensive income attributable to：			
本公司股東	Owners of the Company		196,836	134,097
非控股權益	Non-controlling interests		38,892	24,107
			235,728	158,204
每股盈利	Earnings per share	8		
- 基本	- Basic		HK22.9 cents 港仙	HK22.3 cents 港仙
- 攤薄	- Diluted		HK22.8 cents 港仙	HK22.2 cents 港仙

簡明綜合財務狀況表

Condensed Consolidated Statement of Financial Position

於二零一三年六月三十日 As at 30 June 2013

			於二零一三年 六月三十日 30.6.2013 千港元 HK\$'000 (未經審核) (Unaudited)	於二零一二年 十二月三十一日 31.12.2012 千港元 HK\$'000 (經審核) (Audited)
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	9	1,572,930	1,453,531
預付土地租金	Prepaid lease payments		219,896	212,809
投資物業	Investment properties	9	66,300	66,300
商譽	Goodwill		69,574	69,574
無形資產	Intangible assets		10,813	13,215
可供出售投資	Available-for-sale investment		23,777	23,421
購買物業、廠房及設備 及土地使用權訂金	Deposits paid for acquisition of property, plant and equipment and land use rights		82,067	73,723
其他非流動資產	Other non-current asset		4,600	4,600
			2,049,957	1,917,173
流動資產	Current assets			
存貨	Inventories		1,136,038	870,332
應收賬款及應收票據	Trade and bills receivables	10	3,131,057	3,073,440
其他應收賬款及預付款項	Other debtors and prepayments	10	333,581	310,819
預付土地租金	Prepaid lease payments		5,029	4,990
短期銀行存款	Short-term bank deposits			
– 於三個月內到期	– with original maturity within three months		251,633	218,540
– 多於三個月後到期	– with original maturity more than three months		42,324	19,128
銀行結餘及現金	Bank balances and cash		545,954	728,632
			5,445,616	5,225,881
流動負債	Current liabilities			
應付賬款及應計費用	Creditors and accrued charges	11	1,569,384	1,566,672
應付本公司股東之股息	Dividend payables to owners of the Company		84,317	–
應付稅款	Taxation payable		37,029	71,990
衍生金融工具	Derivative financial instruments		3,159	7,451
銀行借貸 – 一年內到期	Bank borrowings – amount due within one year	12	1,079,064	923,027
			2,772,953	2,569,140
流動資產淨值	Net current assets		2,672,663	2,656,741
總資產減流動負債	Total assets less current liabilities		4,722,620	4,573,914

簡明綜合財務狀況表
Condensed Consolidated Statement of Financial Position



		附註 Notes	於二零一三年 六月三十日 30.6.2013 千港元 HK\$'000 (未經審核) (Unaudited)	於二零一二年 十二月三十一日 31.12.2012 千港元 HK\$'000 (經審核) (Audited)
非流動負債	Non-current liabilities			
衍生金融工具	Derivative financial instruments		24,530	8,120
銀行借貸—一年後到期	Bank borrowings – amount due after one year	12	1,435,961	1,451,250
遞延稅項負債	Deferred tax liabilities		12,079	11,273
			<u>1,472,570</u>	<u>1,470,643</u>
			<u>3,250,050</u>	<u>3,103,271</u>
股本及儲備	Capital and reserves			
股本	Share capital	13	56,211	56,186
儲備	Reserves		2,792,425	2,677,010
本公司股東應佔權益	Equity attributable to owners of the Company		2,848,636	2,733,196
非控股權益	Non-controlling interests		401,414	370,075
			<u>3,250,050</u>	<u>3,103,271</u>

簡明綜合權益變動表

Condensed Consolidated Statement of Changes in Equity

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

		歸屬於本公司股東之權益 Attributable to owners of the Company											非控股 權益	
		股本	股份溢價	購股權 儲備	不可分派 儲備	對沖儲備	匯兌儲備	法定儲備	資本回購 儲備	物業重估 儲備	保留溢利	合計	Non- controlling interests	合計
		Share capital	Share premium	Share option reserve	Non- distributable reserve	Hedging reserve	Translation reserve	Legal reserve	Capital redemption reserve	Property revaluation reserve	Retained profits	Total	Non- controlling interests	Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零一二年一月一日(經審核)	At 1 January 2012 (Audited)	55,515	595,690	2,154	67,715	(11,103)	431,443	34,547	5,416	-	1,290,904	2,472,281	319,780	2,792,061
本期溢利	Profit for the period	-	-	-	-	-	-	-	-	-	123,875	123,875	26,841	150,716
因折算而產生之匯兌差額	Exchange differences arising on translation	-	-	-	-	-	(23,005)	-	-	-	-	(23,005)	(2,753)	(25,758)
現金流對沖調整淨額	Net adjustments on cash flow hedges	-	-	-	-	(5,094)	-	-	-	-	-	(5,094)	19	(5,075)
對自用之租賃物業於轉撥至投資物業時重估	Revaluation of leasehold properties for own use upon transfer to investment properties	-	-	-	-	-	-	-	-	38,321	-	38,321	-	38,321
本期全面(支出)收益總額	Total comprehensive (expense) income for the period	-	-	-	-	(5,094)	(23,005)	-	-	38,321	123,875	134,097	24,107	158,204
小計	Subtotal	55,515	595,690	2,154	67,715	(16,197)	408,438	34,547	5,416	38,321	1,414,779	2,606,378	343,887	2,950,265
因購股權獲行使而發行股份之溢價	Shares issued at premium upon exercise of share options	68	2,547	(312)	-	-	-	-	-	-	-	2,303	-	2,303
註銷附屬公司之匯兌差額	Exchange differences released upon deregistration of a subsidiary	-	-	-	-	-	5,356	-	-	-	(5,356)	-	-	-
轉賬	Transfer	-	-	-	-	-	-	1,353	-	-	(1,353)	-	-	-
本公司股東股息	Dividends to owners of the Company	594	34,826	-	-	-	-	-	-	-	(66,699)	(31,279)	-	(31,279)
附屬公司非控股股東股息	Dividend to a non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(3,044)	(3,044)
於二零一二年六月三十日(未經審核)	At 30 June 2012 (Unaudited)	56,177	633,063	1,842	67,715	(16,197)	413,794	35,900	5,416	38,321	1,341,371	2,577,402	340,843	2,918,245



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

		歸屬於本公司股東之權益 Attributable to owners of the Company											非控股 權益	
		股本	股份溢價	購股權 儲備	不可分派 儲備	對沖儲備 reserve	匯兌儲備 reserve	法定儲備 reserve	資本回購 儲備	物業重估 儲備	保留溢利 profits	合計	Non- controlling interests	合計
		Share capital	Share premium	Share option reserve	Non- distributable reserve	Hedging reserve	Translation reserve	Legal reserve	Capital redemption reserve	Property revaluation reserve	Retained profits	Total	Non- controlling interests	Total
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
於二零一三年一月一日(經審核)	At 1 January 2013 (Audited)	56,186	633,578	1,754	67,715	(15,571)	469,930	39,973	5,416	38,321	1,435,894	2,733,196	370,075	3,103,271
本期純利	Profit for the period	-	-	-	-	-	-	-	-	-	128,770	128,770	32,166	160,936
因折算而產生之匯兌差額	Exchange differences arising on translation	-	-	-	-	-	56,833	-	-	-	-	56,833	6,726	63,559
現金流對沖調整淨額	Net adjustments on cash flow hedges	-	-	-	-	11,233	-	-	-	-	-	11,233	-	11,233
本期全面收益總額	Total comprehensive income for the period	-	-	-	-	11,233	56,833	-	-	-	128,770	196,836	38,892	235,728
小計	Subtotal	56,186	633,578	1,754	67,715	(4,338)	526,763	39,973	5,416	38,321	1,564,664	2,930,032	408,967	3,338,999
因購股權行使而發行 股份之溢價	Shares issued at premium upon exercise of share options	25	1,092	(135)	-	-	-	-	-	-	-	982	-	982
確認股本結算股份付款	Recognition of equity-settled share-based payments	-	-	1,939	-	-	-	-	-	-	-	1,939	-	1,939
取消購股權及轉賬至保留溢利	Share options cancelled and transferred to retained profits	-	-	(51)	-	-	-	-	-	-	51	-	-	-
註銷附屬公司之匯兌差額	Exchange differences released upon deregistration of subsidiaries	-	-	-	-	-	(3,072)	-	-	-	3,072	-	-	-
轉賬	Transfer	-	-	-	-	-	-	3,358	-	-	(3,358)	-	-	-
本公司股東股息	Dividends to owners of the Company	-	-	-	-	-	-	-	-	-	(84,317)	(84,317)	-	(84,317)
附屬公司非控股股東股息	Dividend to a non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(7,553)	(7,553)
於二零一三年六月三十日 (未經審核)	At 30 June 2013 (Unaudited)	56,211	634,670	3,507	67,715	(4,338)	523,691	43,331	5,416	38,321	1,480,112	2,848,636	401,414	3,250,050

不可分派儲備指部份於中國大陸成立之附屬公司將保留溢利用於資本再投資及以下各項之資金：(i)彌補以往年度虧損或(ii)擴大生產運作。

The non-distributable reserve represents capitalisation of retained profits of certain subsidiaries established in Mainland China for capital re-investment in these subsidiaries and funds shall be used to (i) make up prior year losses or (ii) expand production operations.

不可分派之法定儲備為香港以外附屬公司根據有關註冊地點之法定要求撥入之溢利。

The legal reserve is non-distributable and represents the transfer of profits of a subsidiary outside Hong Kong pursuant to the legal requirements in the relevant place of registration.

簡明綜合現金流量表

Condensed Consolidated Statement of Cash Flows

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

		截至六月三十日止六個月	
		Six months ended	
		二零一三年	二零一二年
		30.6.2013	30.6.2012
		千港元	千港元
		HK\$'000	HK\$'000
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
經營業務所產生之淨現金支出	Net cash used in operating activities	(119,398)	(59,063)
投資業務所產生之淨現金	Net cash (used in) from investing activities		
(支出)收入			
提取多於三個月後到期之短期銀行存款	Withdrawal of short-term bank deposits with original maturity more than three months	460	336,497
新增多於三個月後到期之短期銀行存款	Placement of short-term bank deposits with original maturity more than three months	(23,656)	(87,264)
購買物業、廠房及設備	Purchases of property, plant and equipment	(89,289)	(100,561)
購買物業、廠房及設備訂金	Deposits paid for acquisition of property, plant and equipment	(82,067)	(54,422)
預付土地租金增加	Addition to prepaid lease payments	(7,819)	-
出售物業、廠房及設備以及土地使用權所收之款項	Proceeds from disposal of property, plant and equipment and land use right	7,791	11,344
出售列為持作出售的資產所收之款項	Proceeds from disposal of asset classified as held for sale	-	4,623
可供出售投資的已收股息	Dividend received from available-for-sale investment	31,539	-
其他投資現金流量	Other investing cash flows	6,762	5,346
		(156,279)	115,563
融資業務所產生之淨現金	Net cash from (used in) financing activities		
收入(支出)			
新增銀行貸款	New borrowings raised	1,270,708	1,154,521
發行股份所得款項	Proceeds from issue of shares	982	2,303
償還銀行貸款	Repayment of borrowings	(1,129,960)	(1,236,462)
支付股息	Dividends paid	-	(31,279)
支付利息	Interest paid	(24,084)	(18,406)
其他融資現金流量	Other financing cash flows	-	(3,065)
		117,646	(132,388)
現金及現金等額淨減少	Net decrease in cash and cash equivalents	(158,031)	(75,888)
期初時之現金及現金等額	Cash and cash equivalents at beginning of the period	947,172	716,152
匯率變動所產生之影響	Effect of foreign exchange rate changes	8,446	(4,204)
期末時之現金及現金等額	Cash and cash equivalents at end of the period	797,587	636,060
現金及現金等額結餘分析	Analysis of balances of cash and cash equivalents		
銀行結餘及現金	Bank balances and cash	545,954	531,096
於三個月內到期之短期銀行存款	Short-term bank deposits with original maturity within three months	251,633	104,964
		797,587	636,060

簡明綜合財務報告附註

Notes to the Condensed Consolidated Financial Statements

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



1. 編製基準

簡明綜合財務報告乃按照香港會計師公會(「香港會計師公會」)所頒佈之香港會計準則第34號「中期財務報告」及香港聯合交易所有限公司證券上市規則附錄十六之適用披露規定編製。

2. 主要會計政策

除若干金融工具及投資物業以公允值計算外，本簡明綜合財務報告是按歷史成本為基礎編製。

於本中期期間，本公司及其附屬公司(統稱「本集團」)已首次應用香港會計師公會頒佈並於本中期期間強制生效之若干新訂或經修訂香港財務報告準則(「香港財務報告準則」)。

除下文所述外，截至二零一三年六月三十日止六個月之簡明綜合財務報告所使用之會計政策及計算方法乃與編製本集團截至二零一二年十二月三十一日止年度之年度綜合財務報告所依循者相符一致。

有關綜合賬目、合營安排、聯營公司及披露之新訂及經修訂準則

於本中期期間，本集團已首次應用香港財務報告準則第10號、香港財務報告準則第11號、香港財務報告準則第12號及香港會計準則第28號(於二零一一年修訂)連同香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號之修訂本(關於過渡指引)。香港會計準則第27號(於二零一一年修訂)不適用於該等簡明綜合財務報告，因為其僅涉及獨立財務報告。

1. Basis of Preparation

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

2. Principal Accounting Policies

The condensed consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments and investment properties, which are measured at fair values.

In the current interim period, the Company and its subsidiaries (collectively referred as the “Group”) have applied, for the first time, certain new or revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by HKICPA that are mandatorily effective for the current interim period.

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

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current interim period, the Group has applied for the first time HKFRS 10, HKFRS 11, HKFRS 12 and HKAS 28 (as revised in 2011) together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance. HKAS 27 (as revised in 2011) is not applicable to these condensed consolidated financial statements as it deals only with separate financial statements.

2. 主要會計政策 (續)

有關綜合賬目、合營安排、聯營公司及披露之新訂及經修訂準則 (續)

香港財務報告準則第10號取代香港會計準則第27號「綜合及獨立財務報告」有關處理綜合財務報告及香港(常務詮釋委員會)－詮釋第12號「合併－特殊目的實體」有關之部分。香港財務報告準則第10號更改控制權之定義，規定倘投資者a)有權控制投資對象，b)自參與投資對象營運所得浮動回報之風險或權利，及c)能夠運用其權力以影響其回報時，則投資者控制該投資對象。投資者須符合所有該三個標準以控制投資對象。控制於早前定義為有權規管實體之財務及經營政策以從其業務中獲益。香港財務報告準則第10號已納入更多指引，以解釋投資者在何種情況下視為控制投資對象。

香港財務報告準則第12號為一項新的披露準則，適用於在附屬公司、合營安排、聯營公司及／或未綜合結構實體擁有權益之實體。一般而言，香港財務報告準則第12號之披露規定將使本集團截至二零一三年十二月三十一日止年度之年度綜合財務報告較現行準則之規定更為全面。

本公司董事審閱及評估於本中期期間應用該五項準則，認為彼等對該等簡明綜合財務報告所呈報之金額及／或該等簡明綜合財務報告所載之披露並無重大影響。尤其是，本公司董事已評估香港財務報告準則第10號(該準則更改對投資對象之控制權之定義)之影響，並認為對簡明綜合財務報告並無重大影響。

2. Principal Accounting Policies (Continued)

New and revised standards on consolidation, joint arrangements, associates and disclosures (Continued)

HKFRS 10 replaces the parts of HKAS 27 “Consolidated and separate financial statements” that deal with consolidated financial statements and HK(SIC) – INT 12 “Consolidation – Special purpose entities”. HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangement, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 will result in more extensive disclosures in the Group’s annual consolidated financial statement for the year ending 31 December 2013.

The directors of the Company reviewed and assessed the application of these five standards in the current interim period and concluded that they have had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements. In particular, the directors of the Company have assessed the impact on HKFRS 10 which changes the definition of control over an investee, and concluded that no material effect on the condensed consolidated financial statements.



2. 主要會計政策 (續)

香港財務報告準則第13號公允價值之計量

於本中期期間，本集團已首次應用香港財務報告準則第13號。香港財務報告準則第13號確立有關公允價值計量及公允價值計量之披露之單一指引，並取代該等過往包含於各項香港財務報告準則之規定。香港會計準則第34號作出之相應修訂規定於中期簡明綜合財務報告作出若干披露。

香港財務報告準則第13號之範圍廣泛，並適用於其他香港財務報告準則規定或允許公允價值計量及有關公允價值計量披露之金融工具項目及非金融工具項目，惟多項特殊情况除外。香港財務報告準則第13號載列「公允價值」之新定義，將公允價值界定為在現時市況下於計量日期在主要（或最有利之）市場按有秩序交易出售一項資產將收取之價格或轉讓負債時將支付之價格。根據香港財務報告準則第13號，不論該價格是否直接可觀察或使用另一項估值方法作出估計，公允價值為平倉價格。此外，香港財務報告準則第13號載有廣泛之披露規定。

根據香港財務報告準則第13號之過渡條文，本集團已提前應用新公允價值計量及披露規定。於本中期期間應用該香港財務報告準則對該等簡明綜合財務報告所呈報之金額並無重大影響。根據香港會計準則第34號之相應修訂之公允價值披露資料載於附註16。

2. Principal Accounting Policies (Continued)

HKFRS 13 Fair value measurement

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

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

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. The application of this HKFRS in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements. Disclosures of fair value information in accordance with the consequential amendments to HKAS 34 are set out in note 16.

2. 主要會計政策 (續)

香港會計準則第1號之修訂其他全面收益項目之呈列

香港會計準則第1號之修訂引入全面收益表及收益表之新術語。根據香港會計準則第1號之修訂，全面收益表乃改名為損益及其他全面收益表。

香港會計準則第1號之修訂規定須於其他全面部份作出額外披露，而使其他全面收益項目分為兩類：(a)其後將不會重新分類至損益之項目；及(b)日後在符合特定條件時可重新分類至損益之項目。其他全面收益項目之所得稅須按相同基準分配—該等修訂並無更改呈列除稅前或扣除稅項後其他全面收益項目之現有選擇。該等修訂已追溯應用，因此其他全面收益項目之呈列已予修改以反映變動。

香港財務報告準則第7號之修訂披露—抵銷金融資產及金融負債

香港財務報告準則第7號之修訂規定實體就具有可強制性執行之主體淨額結算協議或類似安排項下之金融工具而披露與抵銷權及相關安排有關之資料。在主體淨額結算協議下，本集團之尚未償還衍生金融工具於簡明綜合財務狀況表內呈列為金融負債。

該等修訂須追溯應用。就編製簡明綜合財務報告而言，不會呈列的額外披露資料將包括在本集團截至二零一三年十二月三十一日止年度之全年綜合財務報告內。

2. Principal Accounting Policies (Continued)

Amendments to HKAS 1 Presentation of items of other comprehensive income

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income.

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

Amendments to HKFRS 7 Disclosures – Offsetting financial assets and financial liabilities

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements for financial instruments under an enforceable master netting agreement or similar arrangement. The Group has outstanding derivative financial instruments presented as financial liabilities in the condensed consolidated statement of financial position which are under master netting agreements.

The amendments require retrospective application. For the purpose of preparing the condensed consolidated financial statements, the additional disclosures are not presented but will be included in the Group's annual consolidated financial statements for the year ending 31 December 2013.



2. 主要會計政策 (續)

香港會計準則第34號中期財務報告之修訂(作為香港財務報告準則二零零九年至二零一一年週期之年度改進之部份)

本集團於本中期期間首次應用香港會計準則第34號「中期財務報告」之修訂，作為香港財務報告準則二零零九年至二零一一年週期之年度改進之部份。香港會計準則第34號之修訂闡明，特定呈列分類之總資產及總負債僅於該金額須定期向主要營運決策者(「主要營運決策者」)呈報及該呈列分類與上一次年度財務報告所披露之款項有重大變動時，方會於中期財務報告獨立披露。

由於本集團可報告分類之資產及負債與載於上一年度年報之金額沒有重大改變，本集團並無載入總資產及負債資料作為附註3所披露之分類資料之組成部份。

於本中期期間應用其他新訂或經修訂香港財務報告準則對該等簡明綜合財務報告所呈報之金額及／或該等簡明綜合財務報告所載之披露並無重大影響。

2. Principal Accounting Policies (Continued)

Amendments to HKAS 34 Interim financial reporting (as part of the annual improvements to HKFRSs 2009-2011 Cycle)

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

Since there has been no material change from the amounts disclosed in the last annual financial statements for the Group's reportable segments, the Group has not included total assets and liabilities information as part of segment information as disclosed in note 3.

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

3. 業務分類

從管理角度，本集團目前將業務分為以下業務類別，即溶劑、塗料、潤滑油及其他。本集團乃按該等業務呈報其經營分類資料。

本集團呈列之分類主要業務如下：

- 溶劑 — 製造及買賣溶劑及相關產品
- 塗料 — 製造及買賣塗料及相關產品
- 潤滑油 — 製造及買賣潤滑油產品

分類業績指各分類在未有分配利息收入、股息收入、於企業層面之淨匯兌收益或虧損、衍生金融工具公允值之變化、投資物業公允值之變化、出售集團資產之盈虧、中央行政費用及利息費用前賺取的溢利或產生的虧損。此為向本公司集團執行委員會主席(本集團之主要營運決策者)報告之資料，旨在作出資源分配及表現評估。

3. Segment Information

For management purposes, the Group's operations are currently classified under following business divisions, namely solvents, coatings, lubricants and others. These divisions are the basis on which the Group reports its operating segment information.

Principal activities of the Group's reportable segments are as follows:

- Solvents — manufacture of and trading in solvents and related products
- Coatings — manufacture of and trading in coatings and related products
- Lubricants — manufacture of and trading in lubricants products

Segment result represents the profit earned or loss incurred by each segment without allocation of interest income, dividend income, net exchange gain or loss at corporate level, fair value change on derivative financial instruments, fair value change of investment properties, gain or loss on disposal of corporate assets, central administration costs and interest expense. This is the information reported to the Chairman of Group Executive Committee of the Company, the Group's CODM, for the purposes of resource allocation and performance assessment.



3. 業務分類 (續)

3. Segment Information (Continued)

分類營業額及業績

本集團於回顧期內按經營分類之營業額及業績分析如下：

Segment revenue and results

An analysis of the Group's turnover and results by operating segments for the period under review is as follows:

		溶劑 Solvents 千港元 HK\$'000	塗料 Coatings 千港元 HK\$'000	潤滑油 Lubricants 千港元 HK\$'000	呈列 分類總計 Reportable segment total 千港元 HK\$'000	其他 Others 千港元 HK\$'000	交易抵銷 Elimination 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
截至二零一三年 六月三十日止六個月	Six months ended 30 June 2013							
分類營業額	Segment revenue							
對外銷售	External sales	2,605,920	1,552,698	202,371	4,360,989	42,363	-	4,403,352
分類間銷售	Inter-segment sales	108,371	-	895	109,266	-	(109,266)	-
分類總營業額	Total segment revenue	<u>2,714,291</u>	<u>1,552,698</u>	<u>203,266</u>	<u>4,470,255</u>	<u>42,363</u>	<u>(109,266)</u>	<u>4,403,352</u>
業績	Results							
分類業績	Segment results	<u>117,373</u>	<u>50,484</u>	<u>1,294</u>	<u>169,151</u>	<u>8,067</u>	<u>4,503</u>	<u>181,721</u>
衍生金融工具 公允值之變化	Fair value change on derivative financial instruments							(23,351)
未分配收入	Unallocated income							66,958
未分配費用	Unallocated expenses							(22,310)
利息費用	Interest expense							(24,084)
除稅前溢利	Profit before taxation							<u>178,934</u>

3. 業務分類 (續)

3. Segment Information (Continued)

分類營業額及業績 (續)

Segment revenue and results (Continued)

		溶劑 Solvents 千港元 HK\$'000	塗料 Coatings 千港元 HK\$'000	潤滑油 Lubricants 千港元 HK\$'000	呈列 分類總計 Reportable segment total 千港元 HK\$'000	其他 Others 千港元 HK\$'000	交易抵銷 Elimination 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
截至二零一二年 六月三十日止六個月	Six months ended 30 June 2012							
分類營業額	Segment revenue							
對外銷售	External sales	2,329,488	1,486,247	202,890	4,018,625	26,519	-	4,045,144
分類間銷售	Inter-segment sales	65,000	-	-	65,000	-	(65,000)	-
分類總營業額	Total segment revenue	<u>2,394,488</u>	<u>1,486,247</u>	<u>202,890</u>	<u>4,083,625</u>	<u>26,519</u>	<u>(65,000)</u>	<u>4,045,144</u>
業績	Results							
分類業績	Segment results	<u>124,714</u>	<u>68,490</u>	<u>(7,373)</u>	<u>185,831</u>	<u>1,102</u>	<u>(1,757)</u>	<u>185,176</u>
衍生金融工具 公允值之變化	Fair value change on derivative financial instruments							(1,610)
投資物業 公允值增加	Increase in fair value of investment properties							15,600
未分配收入	Unallocated income							9,250
未分配費用	Unallocated expenses							(14,781)
利息費用	Interest expense							(18,406)
除稅前溢利	Profit before taxation							<u>175,229</u>

分類間銷售與對外銷售的條款相近。

Inter-segment sales are charged at the similar terms as external sales.



4. 其他收入和其他收益及虧損

4. Other Income and Other Gains and Losses

		截至六月三十日止六個月	
		Six months ended	
		二零一三年	二零一二年
		30.6.2013	30.6.2012
		千港元	千港元
		HK\$'000	HK\$'000
a) 本集團其他收入主要包括：	a) The Group's other income mainly comprises:		
利息收入	Interest income	6,762	8,537
可供出售投資的股息收入	Dividend income from available-for-sale investment	31,539	–
已確認工廠搬遷之政府補償金(附註(i))	Government compensation for a factory relocation (Note (i))	18,288	–
已確認之政府補助金	Government grants recognised	6,664	2,016

附註：

Note:

(i) 該金額指因於二零一二年完成位於中國之工廠搬遷而向相關中國政府機關收取之補償金。

(i) The amount represents compensation received from the relevant PRC government authority as a result of a factory relocation in PRC which was completed in 2012.

4. 其他收入和其他收益及虧損 (續)

4. Other Income and Other Gains and Losses (Continued)

		截至六月三十日止六個月	
		Six months ended	
		二零一三年	二零一二年
		30.6.2013	30.6.2012
		千港元	千港元
		HK\$'000	HK\$'000
b) 本集團其他收益及虧損包括：	b) The Group's other gains and losses comprise:		
外幣貸款產生之	Exchange gain arising from a		
匯兌收益(附註(i))	foreign currency bank loan (Note (i))	22,481	-
跨幣掉期合約之衍生金融	Fair value loss on derivative financial		
工具之公允價值虧損(附註(i))	instruments of a cross currency swap contract (Note (i))	(23,351)	-
小計	Sub-total	(870)	-
其他外幣結餘及交易產生之	Net exchange gain (loss) arising		
淨匯兌收益(虧損)	from other foreign currency balances and transactions	17,373	(14,843)
外匯遠期合約之衍生金融	Fair value loss on derivative financial		
工具之公允價值虧損	instruments of foreign exchange forward contracts	-	(1,610)
投資物業之公允價值增加	Increase in fair value of investment properties	-	15,600
呆壞賬準備(附註(ii))	Allowance for bad and doubtful debts (Note (ii))	(28,241)	(6,012)
出售物業、廠房及設備及	Net (loss) gain on disposal of property,		
土地使用權之淨(虧損)收益	plant and equipment and land use rights	(1,590)	3,537
		(13,328)	(3,328)

附註：

- (i) 於二零一三年四月，本集團籌集新澳元(「澳元」)銀行貸款24,800,000澳元(相等於198,648,000港元)。為將外幣風險降至最低，本集團訂立跨幣掉期合約以實益上對沖該外幣銀行貸款。外幣銀行貸款及跨幣掉期合約公允價值之詳情分別載於附註12及16。
- (ii) 期內，董事不時評估應收賬之回收比率，並參照過往還款經驗及回款情況而計提壞賬準備。

Notes:

- (i) In April 2013, the Group raised a new bank loan in Australian dollar ("AUD") of AUD24,800,000 (equivalent to HK\$198,648,000). In order to minimise the exposure to foreign currency risk, the Group entered into a cross currency swap contract to hedge economically against the foreign currency bank loan. Details of foreign currency bank loan and the fair value of the cross currency swap contract are set out in notes 12 and 16 respectively.
- (ii) During the period, the directors assess the recoverability of the trade receivables on a regular basis and determine the allowance for bad and doubtful debts after taking into accounts of the repayment history and settlement situation of the relevant debts.



5. 除稅前溢利

5. Profit before Taxation

		截至六月三十日止六個月	
		Six months ended	
		二零一三年	二零一二年
		30.6.2013	30.6.2012
		千港元	千港元
		HK\$'000	HK\$'000
除稅前溢利已扣除 下列各項：	Profit before taxation has been arrived at after charging:		
無形資產攤銷	Amortisation of intangible assets	2,471	3,114
物業、廠房及設備 之折舊	Depreciation of property, plant and equipment	52,679	41,844
預付土地租金攤銷	Release of prepaid lease payments	2,229	1,653

6. 稅項

6. Taxation

		截至六月三十日止六個月	
		Six months ended	
		二零一三年	二零一二年
		30.6.2013	30.6.2012
		千港元	千港元
		HK\$'000	HK\$'000
此費用包括：	The charge comprises:		
利得稅－香港	Current tax – Hong Kong		
本期間	Current period	–	74
過往期間少提撥備	Underprovision in prior periods	595	556
		595	630
所得稅－中國大陸	Current tax – Mainland China		
本期間	Current period	41,077	35,249
過往期間多提撥備	Overprovision in prior periods	(24,480)	(13,680)
		16,597	21,569
		17,192	22,199
遞延稅項	Deferred taxation		
本期間	Current period	806	2,314
		17,998	24,513

6. 稅項 (續)

香港利得稅按回顧期間應課稅溢利之16.5%計提。

根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國大陸附屬公司之稅率自二零零八年一月一日起為25%。

於中國大陸經營之本公司附屬公司享有若干免稅期及稅務寬減。根據中國大陸有關法律及規例，本公司若干中國大陸附屬公司有權於業務錄得溢利之年度起首兩年獲豁免中國大陸企業所得稅，而後該等中國大陸附屬公司有權於隨後截至二零一二年十二月三十一日止年度之三年內就中國大陸企業所得稅獲50%寬減。於中國大陸經營之本公司若干附屬公司合資格作為高新技術企業，且該等附屬公司於截至二零一五年止三年內之所得稅率為15%。中國大陸企業所得稅已於計入該等稅務優惠後作出撥備。

本集團已根據中國大陸企業所得稅法實施條例經計及將從中國大陸若干附屬公司自二零零八年一月一日起已賺取的溢利中分派的股息後就附屬公司未分配溢利確認遞延稅項。中國大陸企業所得稅法實施條例規定有關非中國內地居民股東溢利分派時須按5%至10%的稅率繳納預提稅。由於本公司董事認為本集團可控制撥回暫時差異的時間，而暫時差異於可預見將來可能不會撥回，故本集團並無就中國大陸附屬公司自二零零八年一月一日起已賺取的若干未經分派保留溢利1,751,028,000港元(二零一二年十二月三十一日：1,592,280,000港元)確認遞延稅項。

6. Taxation (Continued)

Hong Kong Profits Tax has been provided at the rate of 16.5% of the assessable profit for the period under review.

Under the law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and the Implementation Regulation of EIT Law, the tax rate of the subsidiaries in Mainland China is 25% from 1 January 2008 onwards.

The Company's subsidiaries operating in Mainland China are eligible for certain tax holidays and concessions. Pursuant to the relevant laws and regulations in Mainland China, certain subsidiaries of the Company in Mainland China were entitled to exemption from EIT of Mainland China for the first two years commencing from their first profit-making year of operation and thereafter, these subsidiaries in Mainland China were entitled to a 50% relief from EIT of Mainland China for the following three years up to the year ended 31 December 2012. Certain subsidiaries of the Company operating in Mainland China are eligible as High and New Technology Enterprise and the income tax rate of these subsidiaries is 15% for three years up to 2015. EIT of Mainland China has been provided for after taking these tax incentives into account.

Deferred taxation on undistributed profits of subsidiaries has been recognised taking into accounts the dividends to be distributed from profits earned by certain subsidiaries in Mainland China starting from 1 January 2008 under the Implementation Regulation of the EIT Law of Mainland China that requires withholding tax with tax rate ranging from 5% to 10% upon the distribution of such profits to the shareholders which are not residents in Mainland China. Deferred taxation has not been recognised in respect of certain undistributed retained profits earned by the subsidiaries in the Mainland China starting from 1 January 2008 amounting to HK\$1,751,028,000 (31 December 2012: HK\$1,592,280,000) as the directors of the Company are of the opinion that the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.



7. 股息

期內，有關截至二零一二年十二月三十一日止年度之每股15.0港仙合共84,317,000港元(附帶股份選擇權886,000港元)之期末股息分派及於二零一三年七月支付。

截至二零一二年六月三十日止六個月，已就截至二零一一年十二月三十一日止年度支付每股12.0港仙合共66,699,000港元(附帶股份選擇權35,420,000港元)之期末股息。

二零一三年六月三十日後，本公司董事議決宣派截至二零一三年六月三十日止六個月之中期股息每股10.0港仙，合共不少於56,000,000港元(截至二零一二年六月三十日止六個月：每股10.0港仙合共56,187,000港元)。中期股息於二零一三年十月十六日應付予於二零一三年九月五日名列本公司股東名冊之本公司股東。

7. Dividends

During the period, a final dividend of HK15.0 cents per share totalling HK\$84,317,000 (with share alternative of HK\$886,000) in respect of the year ended 31 December 2012 were declared and paid in July 2013.

For the six months ended 30 June 2012, a final dividend of HK12.0 cents per share totalling HK\$66,699,000 (with share alternative of HK\$35,420,000) was paid for the year ended 31 December 2011.

Subsequent to 30 June 2013, the directors of the Company resolved to declare an interim dividend of HK10.0 cents per share totalling not less than HK\$56,000,000 for the six months ended 30 June 2013 (six months ended 30 June 2012: HK10.0 cents per share totalling HK\$56,187,000). The interim dividend is payable on 16 October 2013 to the shareholders of the Company whose names appear on the Company's register of members on 5 September 2013.

8. 每股盈利

本公司股東應佔每股基本及攤薄後盈利乃根據下列資料計算：

		截至六月三十日止六個月	
		Six months ended	
		二零一三年	二零一二年
		30.6.2013	30.6.2012
		千港元	千港元
		HK\$'000	HK\$'000
計算每股基本及攤薄後盈利之盈利	Earnings for the purposes of calculating basic and diluted earnings per share	<u>128,770</u>	<u>123,875</u>
		股份數目	
		Number of shares	
		千股	千股
		'000	'000
計算每股基本盈利之加權平均股數	Weighted average number of shares for the purpose of calculating basic earnings per share	<u>561,933</u>	555,833
可能對普通股份產生之攤薄影響： 購股權	Effect of dilutive potential ordinary shares: Share options	<u>2,894</u>	1,731
計算每股攤薄後盈利之加權平均股數	Weighted average number of shares for the purpose of calculating diluted earnings per share	<u>564,827</u>	<u>557,564</u>

9. 物業、廠房及設備以及投資物業之變動

期內，本集團動用約163,012,000港元(截至二零一二年六月三十日止六個月：147,578,000港元)主要用於添置中國大陸的廠房以擴大產能。

於報告期末，本集團的投資物業公允值與於二零一二年十二月三十一日之公允值並沒有差異及兩期均經獨立合資格專業估值師羅馬國際評估有限公司(與本集團並無關連)公平估值。該等估值乃經參考香港類似地點及狀況的類似物業近期市價後作出。

截至二零一二年六月三十日止六個月，投資物業公允值的增加15,600,000港元已直接於損益內確認。

8. 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	
		二零一三年	二零一二年
		30.6.2013	30.6.2012
		千港元	千港元
		HK\$'000	HK\$'000
計算每股基本及攤薄後盈利之盈利	Earnings for the purposes of calculating basic and diluted earnings per share	<u>128,770</u>	<u>123,875</u>
		股份數目	
		Number of shares	
		千股	千股
		'000	'000
計算每股基本盈利之加權平均股數	Weighted average number of shares for the purpose of calculating basic earnings per share	<u>561,933</u>	555,833
可能對普通股份產生之攤薄影響： 購股權	Effect of dilutive potential ordinary shares: Share options	<u>2,894</u>	1,731
計算每股攤薄後盈利之加權平均股數	Weighted average number of shares for the purpose of calculating diluted earnings per share	<u>564,827</u>	<u>557,564</u>

9. Movements in Property, Plant and Equipment and Investment Properties

During the period, the Group incurred approximately HK\$163,012,000 (six months ended 30 June 2012: HK\$147,578,000) mainly for additions to manufacturing plant in Mainland China to expand its manufacturing capacity.

The fair value of the Group's investment properties as at the end of the current interim period does not differ from their fair value as at 31 December 2012 and were both fair valued by an independent qualified professional valuer, Roma Appraisal Limited, which is not connected with the Group. The valuations by the independent qualified professional valuer were arrived at by reference to recent market prices for similar properties in similar locations and conditions in Hong Kong.

During the period ended 30 June 2012, the resulting increases in fair value of investment properties of HK\$15,600,000 had been recognised directly in profit or loss.



10. 應收賬款及應收票據， 其他應收賬款及預付款項

10. Trade and Bills Receivables, Other Debtors and Prepayments

		於二零一三年 六月三十日 30.6.2013 千港元 HK\$'000	於二零一二年 十二月三十一日 31.12.2012 千港元 HK\$'000
應收賬款	Trade receivables	2,059,393	1,912,901
應收票據	Bills receivables	1,071,664	1,160,539
		3,131,057	3,073,440

其他應收賬款及預付款項主要包括預付供應商款項、應收供應商佣金及應收進項增值稅。

Other debtors and prepayments mainly consist of payments in advance to suppliers, commission receivable from suppliers and value-added tax receivable.

於報告期末應收賬款按發票日期之賬齡分析，經扣除呆壞賬準備63,339,000港元(二零一二年十二月三十一日：36,949,000港元)如下：

An aged analysis of trade receivables presented based on the invoice date, net of allowance for bad and doubtful debts of HK\$63,339,000 (31 December 2012: HK\$36,949,000) at the end of the reporting period is as follows:

		於二零一三年 六月三十日 30.6.2013 千港元 HK\$'000	於二零一二年 十二月三十一日 31.12.2012 千港元 HK\$'000
零至三個月	0-3 months	1,715,252	1,525,139
四至六個月	4-6 months	268,409	340,158
六個月以上	Over 6 months	75,732	47,604
		2,059,393	1,912,901

本集團通常容許向其除銷客戶提供由30天至90天之信貸期。較長的信貸期或授予付款記錄良好之規模大或長期客戶。

The Group allows a credit period ranging from 30 to 90 days to its trade customers generally. A longer credit period may be granted to large or long established customers with good payment history.

應收票據為國內銀行承兌及擔保付款之銀行承兌匯票，本集團按個別情況接受客戶以國內銀行承兌之銀行承兌匯票償還應收賬款。

Bills receivables represent 銀行承兌匯票("banker's acceptances"), i.e. time drafts accepted and guaranteed for payment by PRC banks. The Group accepts the settlement of trade receivables by customers using banker's acceptances accepted by PRC banks on a case by case basis.

此類出具或背書給本集團之銀行承兌匯票於出具日後不超過六個月內到期。銀行承兌匯票將主要由中國國有銀行或商業銀行於該等銀行承兌匯票到期日支付。

These banker's acceptances are issued to or endorsed to the Group and with due date not longer than six months from the date of issuance. The banker's acceptances will be settled by the banks, which are mainly state-owned banks or commercial banks in the PRC, on the due date of such banker's acceptances.

11. 應付賬款及應計費用

應付賬款及應計費用包括應付貨款1,204,542,000港元(二零一二年十二月三十一日:1,142,535,000港元)。餘下結餘主要包括客戶預收款、應付員工薪金及福利、應付銷售佣金、應付倉儲、應付附屬公司非控股股東之股息及運費等。

於報告期末應付貨款按發票日期之賬齡分析如下:

零至三個月	0-3 months
四至六個月	4-6 months
六個月以上	Over 6 months

11. Creditors and Accrued Charges

Included in creditors and accrued charges are trade creditors of HK\$1,204,542,000 (31 December 2012: HK\$1,142,535,000). Remaining balances mainly consist of receipts in advance from customers, payable of staff salaries and benefits, sales commission, storage, dividend payable to a non-controlling shareholder of a subsidiary and transportation, etc.

An aged analysis of trade creditors at the end of the reporting period based on the invoice date is as follows:

	於二零一三年 六月三十日 30.6.2013 千港元 HK\$'000	於二零一二年 十二月三十一日 31.12.2012 千港元 HK\$'000
	1,100,846	1,002,226
	90,986	128,929
	12,710	11,380
	<u>1,204,542</u>	<u>1,142,535</u>

12. 銀行借貸

期內,本集團取得1,270,708,000港元(截至二零一二年六月三十日止六個月:1,154,521,000港元)新銀行借貸,並償還1,129,960,000港元(截至二零一二年六月三十日止六個月:1,236,462,000港元)銀行借貸。新銀行借貸按市場息率計息及須在一個月至三年內償還。

期內籌集的新銀行借貸包括銀行貸款24,800,000澳元(相等於198,648,000港元)與三個月AUD-BBR-BBSW另加1.25厘的利息。為將外幣風險降至最低,本集團訂立跨幣掉期合約以實益上對沖該外幣銀行貸款。跨幣掉期合約之公允值詳情載於附註16。

12. Bank Borrowings

During the period, the Group obtained new bank borrowings in the amount of HK\$1,270,708,000 (six months ended 30 June 2012: HK\$1,154,521,000) and repaid bank borrowings of HK\$1,129,960,000 (six months ended 30 June 2012: HK\$1,236,462,000). The new bank borrowings bear interest at market rates and are repayable ranging from 1 month to 3 years.

New bank borrowings raised during the period included a bank loan of AUD 24,800,000 (equivalent to HK\$198,648,000) with an interest at 3-month AUD-BBR-BBSW plus 1.25%. In order to minimise the exposure to foreign currency risk, the Group entered into a cross currency swap contract to hedge economically against such foreign currency bank loan. Details of the fair value of the cross currency swap contract are set out in note 16.



13. 股本

13. Share Capital

	法定	已發行及繳足	
	Authorised	Issued and fully paid	
	二零一三年 六月三十日及 二零一二年 十二月三十一日	二零一三年 六月三十日	二零一二年 十二月三十一日
	30.6.2013 & 31.12.2012	30.6.2013	31.12.2012
	千港元	千港元	千港元
	HK\$'000	HK\$'000	HK\$'000
每股面值0.10港元之股份 Shares of HK\$0.10 each	80,000	56,211	56,186

期內，本公司已發行股本之變動如下：

Movements in the issued share capital of the Company during the period are as follows:

		股份數目	金額
		Number of shares 千股 '000	Amount 千港元 HK\$'000
於二零一三年一月一日	At 1 January 2013	561,865	56,186
行使購股權(附註)	Exercise of share options (Note)	250	25
於二零一三年六月三十日	At 30 June 2013	562,115	56,211

附註：於截至二零一三年六月三十日止六個月內，有250,000份購股權獲行使，本公司因此而分別發行100,000股、40,000股及110,000股每股面值0.10港元之股份，每股作價分別為4.050港元、1.950港元及4.536港元。

Note: During the six months ended 30 June 2013, 250,000 share options were exercised, resulting in the issue of 100,000 shares, 40,000 shares and 110,000 shares of HK\$0.10 each in the Company at a price of HK\$4.050, HK\$1.950 and HK\$4.536 per share respectively.

所有已發行股份均在所有方面與當時之現有已發行股份享有同等權益。

All shares issued rank pari passu with the then existing shares in issue in all respects.

14. 以股份為基礎之付款

根據於二零一二年五月二十五日舉行的股東週年大會上批准本公司採納的現有購股權計劃，主要旨在鼓勵參與者及提供獎勵及直接利益，以達致本公司的長期業務目標。根據舊購股權計劃（「舊計劃」）（於終止有關計劃前於二零一二年九月三日獲本公司採納）授出的購股權將根據舊計劃的條文持續有效及可予行使。

下表披露本公司參與者持有的本公司購股權的變動情況：

		購股權數目		
		Number of share options		
		董事	僱員	總計
		Directors	Employees	Total
於二零一三年	Outstanding as at 1 January 2013			
一月一日尚未行使		1,800,000	2,174,000	3,974,000
於期內授出	Granted during the period	600,000	6,920,000	7,520,000
於期內行使	Exercised during the period	–	(250,000)	(250,000)
於期內失效	Lapsed during the period	–	(50,000)	(50,000)
於二零一三年	Outstanding as at 30 June 2013			
六月三十日尚未行使		2,400,000	8,794,000	11,194,000

本公司股份於緊接二零一三年一月十一日（授出日期）前的收市價為5.97港元。

期內於行使購股權日期，本公司股份的加權平均收市價為7.42港元。

截至二零一三年六月三十日止期間，根據新計劃的條款，本公司按行使價每份購股權5.942港元向合資格參與者（包括本公司董事及僱員）授出合共7,520,000份購股權。於授出日期採用柏力克－舒爾斯購股權定價模式釐定的購股權公允值為7,755,000港元。

根據舊計劃授出的所有購股權於授出日期立即歸屬，行使期自授出日期起計十年。期內根據新計劃授出的購股權自二零一五年一月十一日起至二零二三年一月十日止可予行使。

14. Share-based Payments

The Company's existing share option scheme was adopted pursuant to the annual general meeting approved on 25 May 2012 (the "New Scheme") for the primary purpose of motivating the participants and providing incentives and a direct interest in attaining the long term business objective with the Company. Options granted under the old share option scheme (the "Old Scheme"), which was adopted by the Company on 3 September 2002 prior to the termination of such scheme, will continue to be valid and exercisable in accordance with the rules of the Old Scheme.

The table below discloses movement of the Company's share options held by the Company's participants:

The closing price of the Company's shares immediately before 11 January 2013, the date of grant, was HK\$5.97.

The weighted average closing share price of the Company at the dates of exercise of share options during the period was HK\$7.42.

During the period ended 30 June 2013, a total of 7,520,000 share options were granted to qualified participants, including the directors and employees of the Company, at an exercise price of HK\$5.942 per share option under the terms of the New Scheme. The fair values of the options determined at the date of grant using the Black-Scholes option pricing model were HK\$7,755,000.

All share options granted under the Old Scheme vested immediately at the dates of grant with the exercisable period of ten years from the dates of grant. The share options granted under the New Scheme during the period are exercisable commencing from 11 January 2015 to 10 January 2023.



14. 以股份為基礎之付款 (續)

14. Share-based Payments (Continued)

用於計算購股權公允值的模式的輸入數據如下：

The following inputs into the model were used to calculate the fair values of share options:

		於授出日期	
		At the date of grant	
		董事 Directors	僱員 Employees
授出日期股價	Grant date share price	5.860港元 HK\$5.860	5.860港元 HK\$5.860
行使價	Exercise price	5.942港元 HK\$5.942	5.942港元 HK\$5.942
預期年期	Expected life	5.683年 5.683 years	3.860年 3.860 years
預期波幅	Expected volatility	34.426%	32.475%
股息收益率	Dividend yield	3.751%	3.751%
無風險利率	Risk-free interest rate	0.477%	0.284%
購股權類型	Option type	認購 Call	認購 Call

估計購股權的公允值時乃採用柏力克－舒爾斯購股權定價模式。計算購股權公允值時所使用的變數及假設乃以董事的最佳估計為基準。變數及假設如有變動，可能導致購股權公允值改變。

The Black-Scholes option pricing model has been used to estimate the fair values of the options. The variables and assumptions used in computing the fair values of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair values of the options.

15. 承擔

15. Commitments

		二零一三年 六月三十日 30.6.2013	二零一二年 十二月三十一日 31.12.2012
		千港元 HK\$'000	千港元 HK\$'000
有關收購物業、廠房及 設備之資本開支	Capital expenditure in respect of acquisition of property, plant and equipment		
– 已訂約但簡明綜合 財務報告中未予撥備	– contracted for but not provided in the condensed consolidated financial statements	16,255	45,781
– 已授權但未訂約	– authorised but not contracted for	383,113	517,683
有關添置土地使用權 之開支	Expenditure in respect of the additions of land use rights		
– 已訂約但簡明綜合 財務報告中未予撥備	– contracted for but not provided in the condensed consolidated financial statements	84,805	5,125

16. 金融工具的公允值計量

本集團的衍生金融工具於各報告期末按公允值計量。下表載列有關如何釐定該等金融負債的公允值(尤其是所使用的估值技術及輸入數據), 以及公允值計量按照公允值計量的輸入數據的可觀察程度進行分類的公允值層級(一至三級)的資料。

- 第一級公允值計量指以在活躍市場就相同資產或負債取得之報價(未經調整)進行之計量;
- 第二級公允值計量指以第一級報價以外之資產或負債之可觀察輸入數據(無論是直接(即價格)或間接(即按價格推算))進行之計量; 及
- 第三級公允值計量指透過運用並非基於可觀察市場數據之資產或負債輸入數據(不可觀察輸入數據)之估值技術進行之計量。

16. Fair Value Measurements of Financial Instruments

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).



16. 金融工具的公允值計量

(續)

16. Fair Value Measurements of Financial Instruments (Continued)

金融負債 Financial liabilities	公允值 Fair value as at		公允值層級 Fair value hierarchy	估值技術及主要輸入數據 Valuation techniques and key input(s)
	於二零一三年 六月三十日 30.6.2013	於二零一二年 十二月三十一日 31.12.2012		
於財務狀況表分類為 衍生金融工具的 利率掉期	負債(根據對沖 會計法) – 4,338,000港元	負債(根據對 沖會計法) – 15,571,000港元	第二級	貼現現金流量。未來現金流量乃計及 交易方及本集團之信貸風險(倘適用) 後基於遠期利率(從報告期末的 可觀察收益率曲線得出)及合約利率 (按適用貼現率貼現)而估計。
Interest rate swaps classified as derivative financial instruments in the statement of financial position	Liabilities (under hedge accounting) – HK\$4,338,000	Liabilities (under hedge accounting) – HK\$15,571,000	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contracted interest rates, discounted at an applicable discount rate taking into account the credit risk of the counterparties and of the Group as appropriate.
於財務狀況表分類為 衍生金融工具的 跨幣掉期 [#]	負債 – 23,351,000港元	無	第二級	貼現現金流量。未來現金流量乃計及 交易方及本集團之信貸風險(倘適用) 後基於遠期匯率及市場利率(從報告期末的 可觀察收益率曲線得出)及合約外幣匯率及 市場利率(按適用貼現率貼現)而估計。
Cross currency swap classified as derivative financial instruments in the statement of financial position [#]	Liabilities – HK\$23,351,000	Nil	Level 2	Discounted cash flow. Future cash flows are estimated based on forward currency exchange rate and market interest rate (from observable yield curves at the end of the reporting period) and contracted foreign currency exchange rate and market interest rate, discounted at an applicable discount rate taking into account the credit risk of the counterparties and of the Group as appropriate.

按本金名義金額之固定匯率將按三個月AUD-BBR-BBSW另加1.25厘計息的澳元名義金額交換成三個月港元香港銀行同業拆息另加1.80厘計息的港元名義金額。

本公司董事認為，於簡明綜合財務報告內按攤銷成本列賬的其他金融資產及金融負債的賬面值與其公允值相若。

此外，由於合理公允值估計的範圍頗大，以致本公司董事認為其公允值不能可靠計量，故分類為可供出售投資之本集團非上市股權投資於報告期末按成本減值計量。

Swapping AUD notional amount with an interest at 3-month AUD-BBR-BBSW plus 1.25% to HK\$ notional amount with an interest at 3-month HK\$-HIBOR plus 1.80% at a fixed foreign exchange rate for the principal notional amount.

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

In addition, the Group's investment in unlisted equity interest classified as available-for-sale investment is measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that the fair value cannot be measured reliably.

17. 關連人士交易

(a) 期內，本集團分別支付480,000港元(截至二零一二年六月三十日止六個月：480,000港元)及300,000港元(截至二零一二年六月三十日止六個月：300,000港元)之租金予港德投資有限公司(「港德」)及嘉捷投資有限公司(「嘉捷」)，本公司之董事葉志成先生及葉子軒先生分別於港德及嘉捷持有控股權。

(b) 主要管理層報酬

主要管理層指本公司董事。期內，主要管理層酬金為8,227,000港元(截至二零一二年六月三十日止六個月：6,368,000港元)。

18. 報告期間結算日後事項

於二零一三年七月，凌志潤滑油有限公司及Primer Limited(均為本公司之附屬公司)與獨立第三方訂立有條件協議，以總現金代價人民幣26,500,000元(約33,480,000港元)出售湛江凌志潤滑油有限公司之80%股權。該公司從事製造及買賣潤滑油業務。於本報告日期，交易尚未成為無條件。本公司董事認為本集團出售事項之財務影響將甚微。

17. Related Party Transactions

(a) During the period, the Group paid rent of HK\$480,000 (six months ended 30 June 2012: HK\$480,000) and HK\$300,000 (six months ended 30 June 2012: HK\$300,000) to Goldex Investments Limited (“Goldex”) and Galsheer Investments Limited (“Galsheer”) respectively in which Mr. Ip Chi Shing and Mr. Yip Tsz Hin, directors of the Company, have controlling interests over Goldex and Galsheer respectively.

(b) Compensation of key management personnel

The key management personnel are the directors of the Company. During the period, the remuneration of the key management personnel was HK\$8,227,000 (six months ended 30 June 2012: HK\$6,368,000).

18. Event after the end of the Reporting Period

In July 2013, Best Lubricant Blending Limited and Primer Limited, subsidiaries of the Company, entered into a conditional agreement with an independent third party to dispose 80% equity interests in Zhanjiang Best Lubricant Blending Limited, which is engaged in manufacturing and trading in lubricants, at a total cash consideration of RMB26,500,000 (approximately HK\$33,480,000). At the date of this report, the transaction has not yet become unconditional. The directors of the Company considered the financial impact of the disposal to the Group will not be significant.

