

LEE & MAN CHEMICAL COMPANY LIMITED

理文化工有限公司

Stock Code 股份代號 : 746



Together We Grow



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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive directors

Ms. Wai Siu Kee (*Chairman*)
Mr. Lee Man Yan (*Chief Executive Officer*)
Professor Chan Albert Sun Chi
Mr. Yang Zuo Ning

Independent non-executive directors

Mr. Wong Kai Tung, Tony
Mr. Wan Chi Keung, Aaron *BBS JP*
Mr. Heng Victor Ja Wei

AUDIT COMMITTEE

Mr. Heng Victor Ja Wei (*Chairman*)
Mr. Wong Kai Tung, Tony
Mr. Wan Chi Keung, Aaron *BBS JP*

REMUNERATION COMMITTEE

Mr. Heng Victor Ja Wei (*Chairman*)
Mr. Wong Kai Tung, Tony
Mr. Wan Chi Keung, Aaron *BBS JP*

NOMINATION COMMITTEE

Ms. Wai Siu Kee (*Chairman*)
Mr. Heng Victor Ja Wei
Mr. Wong Kai Tung, Tony
Mr. Wan Chi Keung, Aaron *BBS JP*

COMPANY SECRETARY

Mr. Cheung Kwok Keung

REGISTERED OFFICE

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

董事會

執行董事

衛少琦女士(*主席*)
李文恩先生(*首席執行官*)
陳新滋教授
楊作寧先生

獨立非執行董事

王啟東先生
尹志強先生*BBS太平紳士*
邢家維先生

審核委員會

邢家維先生(*主席*)
王啟東先生
尹志強先生*BBS太平紳士*

薪酬委員會

邢家維先生(*主席*)
王啟東先生
尹志強先生*BBS太平紳士*

提名委員會

衛少琦女士(*主席*)
邢家維先生
王啟東先生
尹志強先生*BBS太平紳士*

公司秘書

張國強先生

註冊辦事處

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

HONG KONG OFFICE

8th Floor, Liven House
61–63 King Yip Street
Kwun Tong
Kowloon
Hong Kong

PRINCIPAL BANKERS

In Hong Kong:

Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Ltd.
Mizuho Bank Ltd., Hong Kong Branch
Bank of Communications Co., Ltd, Hong Kong Branch
Bank of China (Hong Kong) Limited

In the PRC:

Bank of China Limited
China Construction Bank Corporation

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

SMP Partners (Cayman) Limited
Royal Bank House, 3th Floor
24 Shedden Road, P.O. Box 1586
Grand Cayman, KYI-1110, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

WEBSITE

<http://www.leemanchemical.com>

香港辦事處

香港
九龍
觀塘
敬業街61–63號
利維大廈8樓

主要往來銀行

香港：

恒生銀行有限公司
香港上海滙豐銀行有限公司
瑞穗銀行·香港分行
交通銀行·香港分行
中國銀行(香港)有限公司

中國：

中國銀行股份有限公司
中國建設銀行股份有限公司

核數師

德勤·關黃陳方會計師行
執業會計師

主要股份過戶登記處

SMP Partners (Cayman) Limited
Royal Bank House, 3th Floor
24 Shedden Road, P.O. Box 1586
Grand Cayman, KYI-1110, Cayman Islands

香港股份過戶登記分處

卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心54樓

網址

<http://www.leemanchemical.com>

Interim Results

中期業績

The board of directors (the "Board") of Lee & Man Chemical Company Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2019 together with comparative figures for the last corresponding period as follows:

理文化工有限公司(「本公司」)董事會欣然公布，本公司及其附屬公司(「本集團」)截至2019年6月30日止6個月之未經審核中期業績，連同去年同期比較數字如下：

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2019

簡明綜合損益及其他全面收益表

截至2019年6月30日止6個月

		Six months ended 30 June	
		截至6月30日止6個月	
		2019	2018
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
	<i>Notes</i>		
	<i>附註</i>		
Revenue	3&4	1,718,656	1,953,247
Cost of sales		(1,036,563)	(1,000,828)
Gross profit		682,093	952,419
Other income	5	85,426	44,797
Other gains or losses	6	(3,678)	4,997
Selling and distribution costs		(106,511)	(108,787)
General and administrative expenses		(83,813)	(105,312)
Research and development cost		(71,302)	(77,064)
Finance costs		(41,027)	(45,279)
Net exchange gains		1,591	3,174
Share of gain (loss) of joint ventures		212	(33)
Share of loss of associates		(128)	(16)
Profit before taxation		462,863	668,896
Income tax expense	7	(61,683)	(124,117)
Profit for the period	8	401,180	544,779
Other comprehensive expenses:			
Items that will not be reclassified to profit or loss:			
Exchange differences arising on translation		(9,161)	(10,131)
Share of other comprehensive expenses of joint ventures and an associate		(4)	(425)
Other comprehensive expenses for the period		(9,165)	(10,556)
Total comprehensive income for the period		392,015	534,223


CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2019

簡明綜合損益及其他全面收益表(續)

截至2019年6月30日止6個月

		Six months ended 30 June	
		截至6月30日止6個月	
		2019	2018
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Notes		HK\$'000	HK\$'000
附註		千港元	千港元
Profit (loss) for the period attributable to:			
	期內溢利(虧損)歸屬於：		
	Owners of the Company	401,180	545,354
	本公司擁有人		
	Non-controlling interests	–	(575)
	非控股權益		
		401,180	544,779
Total comprehensive income (expenses) for the period attributable to:			
	期內全面收益(支出)		
	總額歸屬於：		
	Owners of the Company	392,015	534,754
	本公司擁有人		
	Non-controlling interests	–	(531)
	非控股權益		
		392,015	534,223
Earnings per share:			
	每股盈利：		
	– Basic (HK cents)	48.6	66.1
	– 基本(港仙)		
	– Diluted (HK cents)	48.6	63.7
	– 攤薄(港仙)		

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Interim Results

中期業績

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION 簡明綜合財務狀況表

At 30 June 2019

於2019年6月30日

			30 June 2019 2019年 6月30日 (Unaudited) (未經審核)	31 December 2018 2018年 12月31日 (Audited) (經審核)
	<i>Notes 附註</i>		HK\$'000 千港元	HK'000 千港元
NON-CURRENT ASSETS				
非流動資產				
Property, plant and equipment	11	物業、廠房及設備	3,997,323	3,847,762
Prepaid lease payments		預付租賃款項	–	143,511
Right-of-use assets		使用權資產	150,750	–
Intangible assets		無形資產	99,013	100,618
Deposits paid for the acquisition of property, plant and equipment		購置物業、廠房及設備之已付訂金	106,773	67,958
Interests in joint ventures		合營企業之權益	16,879	16,665
Interests in associates		聯營企業之權益	19,994	18,552
Loan to a joint venture		合營企業之貸款	97,755	97,755
Deferred tax asset		遞延稅項資產	23,107	23,233
Goodwill		商譽	2,682	2,682
			4,514,276	4,318,736
CURRENT ASSETS				
流動資產				
Inventories	12	存貨	414,003	585,919
Properties under development for sale		待出售的發展中物業	197,918	145,842
Prepaid lease payments		預付租賃款項	–	4,259
Trade and other receivables	13	應收貿易及其他款項	363,404	266,143
Bills receivable		應收票據	97,140	113,020
Amount due from a joint venture		應收合營企業款項	14,683	14,946
Amount due from an associate		應收聯營企業款項	348	526
Amounts due from related companies		應收關連公司款項	11,227	12,115
Bank balances and cash		銀行結餘及現金	591,245	593,074
			1,689,968	1,735,844
CURRENT LIABILITIES				
流動負債				
Trade and other payables	14	應付貿易及其他款項	349,328	377,799
Bills payable		應付票據	55,419	84,377
Contract liabilities		合約負債	54,733	50,690
Amounts due to related companies		應付關連公司款項	7,207	757
Taxation payable		應付稅項	36,001	100,845
Lease liabilities – due within 1 year		租賃責任 – 1年內到期	3,284	–
Bank borrowings – due within 1 year		銀行借款 – 1年內到期	1,045,963	926,519
			1,551,935	1,540,987


CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2019

簡明綜合財務狀況表(續)

於2019年6月30日

		30 June	31 December
		2019	2018
		2019年	2018年
		6月30日	12月31日
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
	Notes	HK\$'000	HK'000
	附註	千港元	千港元
NET CURRENT ASSETS	流動資產淨額	138,033	194,857
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	4,652,309	4,513,593
NON-CURRENT LIABILITIES	非流動負債		
Other payables	應付其他款項	14 44,086	47,659
Deferred tax liabilities	遞延稅項負債	30,883	39,576
Lease liabilities – due after 1 year	租賃責任—1年後到期	1,207	–
Bank borrowings – due after 1 year	銀行借款—1年後到期	812,937	947,693
		889,113	1,034,928
NET ASSETS	資產淨值	3,763,196	3,478,665
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	15 82,500	82,500
Reserves	儲備	3,680,696	3,396,165
Equity attributable to owners of the Company	本公司擁有人應佔權益	3,763,196	3,478,665
Non-controlling interests	非控股權益	–	–
TOTAL EQUITY	權益總額	3,763,196	3,478,665

Interim Results

中期業績

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2019

簡明綜合權益變動表

截至2019年6月30日止6個月

		Share capital	Share premium	Non-distributable reserve	Safety fund reserve	Translation reserve	Share option reserve	Special reserve	Other reserve	Accumulated profits	Total	Non-controlling interests	Total equity
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(note i)	(note ii)			(note iii)	(note iv)				
				(附註i)	(附註ii)			(附註iii)	(附註iv)				
At 1 January 2018 (audited)	於2018年1月1日 (經審核)	82,500	20,307	416,140	2,455	32,029	15,313	(97,362)	-	2,610,991	3,082,373	12,061	3,094,434
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	545,354	545,354	(575)	544,779
Other comprehensive expense for the period	期內其他全面支出	-	-	-	-	(10,600)	-	-	-	-	(10,600)	44	(10,556)
Total comprehensive (expense) income for the period	期內全面(支出) 收益總額	-	-	-	-	(10,600)	-	-	-	545,354	534,754	(531)	(534,223)
Dividend recognised as distribution	已確認分派之股息	-	-	-	-	-	-	-	-	(165,000)	(165,000)	-	(165,000)
Recognition of equity settled share based payments	確認以股本結算為基礎之支出	-	-	-	-	-	16,208	-	-	-	16,208	-	16,208
At 30 June 2018 (unaudited)	於2018年6月30日 (未經審核)	82,500	20,307	416,140	2,455	21,429	31,521	(97,362)	-	2,991,345	3,468,335	11,530	3,479,865
At 1 January 2019 (audited)	於2019年1月1日 (經審核)	82,500	20,307	531,614	1,213	(121,568)	47,997	(97,362)	(686)	3,014,650	3,478,665	-	3,478,665
Transitional adjustment on initial adoption of HKFRS 16	首次採用香港財務報告準則第16號之過渡調整	-	-	-	-	-	-	-	-	58	58	-	58
At 1 January 2019 (adjusted)	於2019年1月1日 (經調整)	-	-	-	-	-	-	-	-	3,014,708	3,478,723	-	3,478,723
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	401,180	401,180	-	401,180
Other comprehensive expense for the period	期內其他全面支出	-	-	-	-	(9,165)	-	-	-	-	(9,165)	-	(9,165)
Total comprehensive (expense) income for the period	期內全面(支出) 收益總額	-	-	-	-	(9,165)	-	-	-	401,180	392,015	-	392,015
Dividend recognised as distribution	已確認分派之股息	-	-	-	-	-	-	-	-	(123,750)	(123,750)	-	(123,750)
Transfer to non-distributable reserve	轉入不可分派儲備	-	-	40,436	-	-	-	-	-	(40,436)	-	-	-
Recognition of safety fund reserve	釋出安全基金儲備	-	-	-	(1,213)	-	-	-	-	1,213	-	-	-
Recognition of equity settled share based payments	確認以股本結算為基礎之支出	-	-	-	-	-	16,208	-	-	-	16,208	-	16,208
At 30 June 2019 (unaudited)	於2019年6月30日 (未經審核)	82,500	20,307	572,050	-	(130,733)	64,205	(97,362)	(686)	3,252,915	3,763,196	-	3,763,196

notes:

- According to the relevant laws in the People's Republic of China ("PRC"), wholly foreign-owned enterprises in the PRC are required to transfer at least 10% of their net profits after taxation, as determined under the PRC accounting regulations, to a non-distributable reserve fund until the reserve balance reaches 50% of their registered capital. The transfer to this reserve must be made before the distribution of a dividend to equity owners. The non-distributable reserve fund can be used to offset the previous years' losses, if any. The non-distributable reserve fund is non-distributable other than upon liquidation.
- Pursuant to the relevant regulation in the PRC, certain subsidiaries of the Company are required to provide for safety fund reserve based on sales revenue.
- The special reserve of the Group represents the difference between the nominal value of the share capital issued by the Company and the nominal value of the share capital of the subsidiaries acquired pursuant to a group reorganisation in December 2001.
- In November 2018, the Group acquired the remaining 30% equity interests in a subsidiary from its non-controlling shareholder at a consideration of RMB10,500,000 (equivalent to approximately HK\$12,146,000). The difference between the carrying amount of the net assets acquired and the fair value of the consideration has been recognised directly to equity as "other reserve".

附註:

- 根據中華人民共和國(「中國」)相關法律，在中國的外資企業須結轉最少10%除稅後溢利(根據中國會計規定釐定)至不可分派儲備，直至儲備結餘達到註冊資本50%。結轉該儲備必須在分派股息給股東前。不可分派儲備可用作抵銷過往年度虧損(如有)。除清盤外，不可分派儲備是不得分派。
- 根據中國相關法規，部份本公司之子公司是需根據銷售額計提安全基金儲備。
- 本集團之特別儲備乃本公司透過2001年12月之集團重組所收購之附屬公司之股本面值與本公司已發行股本面值之差額。
- 於2018年11月，本集團向一家附屬公司之非控股股東收購該附屬公司餘下30%股權，總代價為人民幣10,500,000元(約等於12,146,000港元)。所收購資產淨值之賬面金額超出所付代價之公平值之數額已直接於權益中的其他儲備確認。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS 簡明綜合現金流量表

		Six months ended 30 June	
		截至6月30日止6個月	
		2019	2018
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額	538,230	467,306
INVESTING ACTIVITIES	投資活動		
Payments for purchase of property, plant and equipment	購置物業、廠房及設備付款	(198,206)	(152,080)
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備之 已付訂金	(167,519)	(109,915)
Capital injected to associates	對聯營公司增資	(1,569)	(11,014)
Payments for purchase of intangible assets	購置無形資產付款	-	(293)
Increase in construction costs payable	應付建設款項增加	12,688	11,358
Interest received	已收利息	2,455	3,438
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備 所得款項	99	525
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(352,052)	(257,981)
FINANCING ACTIVITIES	融資活動		
Bank borrowings raised	新籌集銀行借款	400,169	29,762
Repayment of bank borrowings	償還銀行借款	(418,014)	(145,695)
Dividends paid	已付股息	(123,750)	(165,000)
Interest paid	已付利息	(39,364)	(45,279)
(Payments for) proceeds from settlement of derivative financial instruments	結算衍生金融工具(所付) 所得款項	(3,381)	8,830
Payments for lease liabilities	租賃負債付款	(1,442)	-
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用現金淨額	(185,782)	(317,382)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加(減少) 淨額	396	(108,057)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	期初之現金及現金等價物	593,074	467,506
EFFECT OF CHANGES IN EXCHANGE RATE	匯率變動之影響	(2,225)	(25,970)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	期末之現金及現金等價物	591,245	333,479

Interim Results

中期業績

Notes:

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 (“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 (the “Listing Rules”).

The functional currency of the Company is Renminbi (“RMB”), while the condensed consolidated financial statements are presented in Hong Kong dollars (“HK dollars”) as the Company is listed in The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2019 are the same as those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2018.

In the current interim period, the Group has applied, for the first time, certain new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and Interpretations issued by the HKICPA that are mandatorily effective for the annual period beginning on or after 1 January 2019 for the preparation of the Group’s condensed consolidated financial statements.

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

附註：

1. 編製基準

本簡明綜合財務報表乃按照香港會計師公會(「香港會計師公會」)頒布之香港會計準則第34號中期財務報告，及香港聯合交易所有限公司證券上市規則(「上市規則」)附錄16所載之適用披露規定而編製。

本公司的功能貨幣為人民幣。由於本公司股份在香港聯合交易所有限公司(「聯交所」)上市，故此簡明綜合財務報表乃以港元呈列。

2. 主要會計政策

本簡明綜合財務報表按歷史成本法編製，惟若干按各報告期末之公平值計算之金融工具則除外。

除下文所述，編製截至2019年6月30日止6個月之簡明綜合財務報表所採用的會計政策及計算方法，與本集團截至2018年12月31日止年度綜合財務報表所採用者一致。

於本中期期間，本集團已首次採納由香港會計師公會頒布且已於2019年1月1日或之後開始之年度期間強制生效的若干新訂及經修訂香港財務報告準則(「香港財務報告準則」)及詮釋，以編製本集團之簡明綜合財務報表。

於本中期期間應用該等新訂及經修訂香港財務報告準則及詮釋對此等簡明綜合財務報表所呈報之金額及／或所載披露資料並無重大影響。

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time from 1 January 2019. HKFRS 16 superseded HKAS 17 Leases (“HKAS 17”), and the related interpretations. HKFRS 16 requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less (“short-term leases”) and leases of low value assets (“low-value leases”). The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of accumulated profits at 1 January 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Before the adoption of HKFRS 16, commitments under operating leases for future periods were not recognized by the Group as liabilities. Operating lease payments, including the cost of acquiring or held under operating leases, were recognized in profit or loss over the lease term on a straight-line basis.

On adoption of HKFRS 16, the Group recognized the full lease liabilities in relation to leases which had previously been classified as operating leases if they meet certain criteria set out in HKFRS 16. These liabilities were subsequently measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, if that rate can be determined, or the incremental borrowing rate of respective entities. The difference between the present value and the total remaining lease payments represents the cost of financing. Such finance cost will be charged to profit or loss in the period in which it is incurred using effective interest method. The Group also applies the short-term lease recognition exemption to leases of properties that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group further applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and low-value leases are recognised in profit or loss on a straight-line basis over the lease term.

2. 主要會計政策(續)

香港財務報告準則第16號「租賃」

本集團已自2019年1月1日起首次應用香港財務報告準則第16號。香港財務報告準則第16號取代了香港會計準則第17號租賃(「香港會計準則第17號」)及相關詮釋。香港財務報告準則第16號要求承租人就所有租賃確認使用權資產及租賃負債，惟租期為十二個月或以下的租賃(「短期租賃」)及低價值資產租賃(「低價租賃」)除外。出租人會計處理規定自香港會計準則第17號轉承而來，基本不變。

本集團選擇使用調整追溯法，故已將初始應用的累積影響確認為對2019年1月1日累計溢利年初結餘的調整。比較資料並無重列，並繼續根據香港會計準則第17號呈報。

於採納香港財務報告準則第16號前，本集團並無將未來期間的經營租賃承擔確認為負債。經營租賃開支(包括根據經營租賃收購及持有的成本)按租期使用直線法於損益內確認。

於採納香港財務報告準則第16號時，倘先前分類為經營租賃的租賃符合香港財務報告準則第16號所載若干條件，本集團會就此等租賃全數確認相關租賃負債。該等負債其後按租賃付款總額的現值計量，並使用該租賃隱含的利率(如可釐定此利率)或按相關實體的遞增借款利率進行貼現。該現值與租賃付款總額之間的差額作為融資成本。有關融資成本將使用實際利息法於其產生期間之損益中扣除。本集團亦對租期自開始日期起計為十二個月或以下且不含購買期權的物業租賃應用短期租賃確認豁免。本集團進一步對低價值資產的租賃應用低價租賃確認豁免。短期租賃及低價租賃的租賃付款按租期使用直線法於損益內確認。

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

HKFRS 16 Leases (Continued)

At the inception of a contract that contains a lease component, as a lessee, the Group should allocate the consideration in the contract to each lease component on the basis of their relative stand-alone price. The Group, as a lessee, assessed its leases for non-lease components and separated non-lease components from lease components for certain classes of assets if the non-lease components were material.

The associated right-of-use assets were measured at cost, being the amount equal to the initial measurement of lease liabilities, adjusted for items such as lease incentives received, initial direct costs paid and expected restoration costs, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. Depreciation was charged on a straight-line basis over the shorter of the asset's useful life and the lease term. The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

In applying HKFRS 16 for the first time, the Group has used the following practical expedients as permitted by HKFRS 16:

- (i) the election of not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 December 2019; and
- (ii) the exclusion of initial direct costs for the measurement of the right-of-use assets at the date of initial application.

The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments was 4.75%.

The following table reconciles the operating lease commitments as previously disclosed in note 35 to the consolidated financial statements for the year ended 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

2. 主要會計政策(續)

香港財務報告準則第16號「租賃」(續)

作為承租人，本集團應於包含租賃部分之合約訂立開始，按相對單獨價格基準向各租賃部分分配合約中的代價。本集團作為承租人，對其非租賃部分的租約進行評估，倘該非租賃部分屬重大，則將若干類別資產的非租賃部分與租賃部分區分。

相關使用權資產按成本計量，其金額相當於租賃負債的初始計量，並根據收取的租賃優惠、已支付的初始直接成本及預計恢復成本等項目進行調整，減去任何累計折舊及減值虧損，並根據任何租賃負債的重新計量進行調整。折舊乃按直線法於資產可使用年期與租期(以較短者為準)內扣除。本集團在綜合財務狀況表中將使用權資產作為單獨項目列示。

於首次應用香港財務報告準則第16號時，本集團使用該準則允許的下列實際可行的權宜處理方法：

- (i) 就確認剩餘租期自首次應用香港財務報告準則第16號日期起12個月內終止(即租期於2019年12月31日或之前終止)的租賃負債及租賃使用權資產而言，選擇不應用香港財務報告準則第16號規定；及
- (ii) 首次應用日期的使用權資產計量中不計入初始直接費用。

用於釐定餘下租賃付款現值的遞增借款利率之加權平均數為4.75%。

下表載列先前於截至2018年12月31日止年度之綜合財務報表附註35所披露之經營租賃承擔與於2019年1月1日確認之租賃負債期初結餘之對賬：



2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2. 主要會計政策(續)

HKFRS 16 Leases (Continued)

香港財務報告準則第16號「租賃」(續)

		1 January 2019 2019年 1月1日 HK\$'000 千港元
Operating lease commitments at 31 December 2018	於2018年12月31日之經營租賃承擔	7,757
Less: short-term leases and other leases with remaining lease term ending on or before 31 December 2019 exempted from capitalisation	減：豁免資本化處理之短期租賃及其他租賃(餘下租期於2019年12月31日或之前結束)	1,151
Less: total future finance costs	減：未來融資成本總額	289
		<u>6,317</u>
Present value of remaining lease payments, discounted using the incremental borrowing rate and the total liabilities recognised at 1 January 2019	餘下租賃款項現值(以遞增借款利率及於2019年1月1日確認的負債總額貼現)	6,317
Analysed as:	分析為：	
Current	流動	3,438
Non-current	非流動	2,879
		<u>6,317</u>

The carrying amount of right-of-use assets as at 1 January 2019 comprises the following:

於2019年1月1日的使用權資產賬面值包括以下：

		1 January 2019 2019年 1月1日 HK\$'000 千港元
Right-of-use assets relating to operating leases recognized upon application of HKFRS 16	與應用香港財務報告準則第16號確認之經營租賃有關之使用權資產	6,376
Reclassified from prepaid lease payments (note)	從預付租賃款項中重新分類(附註)	147,770
		<u>154,146</u>

Note: Upfront payments for leasehold lands in the PRC were classified as prepaid lease payments as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to HK\$4,259,000 and HK\$143,511,000 respectively were reclassified to right-of-use assets.

附註：於2018年12月31日，中國租賃土地之預付款分類為預付租賃款項。於應用香港財務報告準則第16號後，預付租賃款項之流動及非流動部分分別為4,259,000港元及143,511,000港元已重新分類為使用權資產。

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3. REVENUE

(i) Disaggregation of revenue

Types of goods or services

Manufacture and sale of chemical products	Caustic soda	Chloromethane products	Polymers	Hydrogen peroxide	Fluorochemical products	Styrene acrylic latex surface sizing agent	Others
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產品與服務種類

製造和銷售化工產品	燒鹼	甲烷氯化物	高分子材料	過氧化氫	氟化工產品	苯丙施膠劑	其他
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Six months ended 30 June

截至6月30日止6個月

2019 2018**HK\$'000** HK\$'000

千港元 千港元

691,484	894,041
498,129	419,446
212,538	235,222
105,861	198,453
85,581	93,262
25,581	35,136
99,482	77,687
1,718,656	1,953,247

(ii) Performance obligations for contracts with customers

Manufacture and sale of chemical products with product delivery services

The Group manufactures and sells chemical products directly to customers. Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specified location (delivery). The normal credit term is 7 to 60 days upon delivery.

3. 收入

(i) 收入分類

(ii) 與客戶合約之履約義務

製造和銷售化工產品附帶產品交付服務

本集團製造及直接銷售化工產品予客戶。當產品運抵客戶指定地點(交付)，產品的控制權即獲轉移而收入即被確認。正常除賬期為自交付後7至60天。

4. SEGMENT INFORMATION

(a) Operating segments

HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (“CODM”), being the Chairman of the Company, in order to allocate resources to segments and to assess their performance. The CODM reviews the Group’s profit as a whole, which is generated solely from the manufacture and sale of chemical products and determined in accordance with the Group’s accounting policies, for performance assessment. Therefore no separate segment information is prepared by the Group.

(b) Geographical information

The Group’s operations are located in the PRC. Most of the Group’s revenue from external customers is derived from the PRC and most of the Group’s non-current assets are located in the PRC for both periods.

(c) Revenue from major customers

Revenue from customers individually contributing over 10% of the Group’s revenue is as follows:

Customer A

客戶A

* The corresponding revenue from the customer did not contribute over 10% of the total revenue of the Group for the six months ended 30 June 2018.

4. 分部資料

(a) 經營分部

香港財務報告準則第8號規定經營分部應以內部報告有關本集團的構成要素作分類，而本集團主要營運決策人（「主要營運決策人」），即本公司主席定期檢閱內部報告，以作出資源分配及評核分部表現。主要營運決策人檢討本集團的整體溢利，而本集團溢利僅來自生產及銷售化工產品，並按照本集團的會計政策評估表現。因此，本集團並無編製任何單獨的分部資料。

(b) 地區資料

本集團的業務位於中國。在這兩個期間，絕大部份來自外部客戶之收入均源自中國及絕大部份之非流動資產均位於中國。

(c) 來自主要客戶的收益

來自個別為本集團收益貢獻超過10%的客戶的收益如下：

Six months ended 30 June

截至6月30日止6個月

2019	2018
HK\$'000	HK\$'000
千港元	千港元

172,021

N/A*

不適用*

* 截至2018年6月30日止6個月，來自該客戶的相應收益並無為本集團總收益貢獻超過10%。

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5. OTHER INCOME

5. 其他收入

		Six months ended 30 June	
		截至6月30日止6個月	
		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
Government grants	政府補貼	64,452	21,895
Electricity and steam income	提供電力及蒸氣收入	13,295	12,380
Scrap sales	廢品收入	3,453	3,727
Bank interest income	銀行利息收入	2,455	3,438
Rental income	租金收入	1,168	1,317
Interest income from a joint venture	合營公司之利息收入	236	250
Others	其他	367	1,790
		85,426	44,797

6. OTHER GAINS OR LOSSES

6. 其他收益或虧損

		Six months ended 30 June	
		截至6月30日止6個月	
		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
Net (loss) gain on settlement of derivative financial instruments	衍生金融工具結算之淨(損失)收益	(3,380)	8,830
Loss on disposal of property, plant and equipment	處置物業、廠房及設備損失	(298)	(3,833)
		(3,678)	4,997



7. INCOME TAX EXPENSE

7. 所得稅支出

Six months ended 30 June

截至6月30日止6個月

2019	2018
HK\$'000	HK\$'000
千港元	千港元

The charge comprises:	支出包括：		
Current tax:	本期稅項：		
PRC Enterprise Income Tax ("EIT")	中國企業所得稅	61,554	99,093
Withholding tax on dividend income	股息收入預扣稅	8,947	10,540
Deferred tax	遞延稅項	(8,818)	14,484
		61,683	124,117

The Group's major business is in the PRC. Under the Law of the PRC on EIT and its Implementation Regulation, the tax rate of the subsidiaries in the PRC is 25%.

本集團的主要業務位於中國。根據中國企業所得稅法及企業所得稅法實施條例，於中國之附屬公司之稅率為25%。

For the periods ended 30 June 2018 and 30 June 2019, Jiangsu Lee & Man Chemical Limited ("Jiangsu L&M") and Jiangxi Lee & Man Chemical Limited ("Jiangxi L&M") were entitled to reduced EIT rate of 15% as they have been qualified as a High and New Technology Enterprise.

於2018年6月30日及2019年6月30日止期內，因江蘇理文化工有限公司（「江蘇理文」）及江西理文化工有限公司（「江西理文」）取得高新科技企業資格，所以享有較低之15%企業所得稅率。

Taxation arising in other jurisdiction is calculated at the rate prevailing in the relevant jurisdiction.

其他司法權區之稅項乃按有關司法權區之課稅率而計算。

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

由於該兩個期間並無應評稅利潤，故無提撥香港利得稅。

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8. PROFIT FOR THE PERIOD

8. 期內溢利

		Six months ended 30 June	
		截至6月30日止6個月	
		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
Profit for the period has been arrived at after charging:	期內溢利已扣除：		
Directors' emoluments	董事薪酬	26,027	27,378
Other staff costs:	其他職員成本：		
Salaries and other benefits (excluding directors)	薪金及其他福利(董事除外)	119,812	110,769
Retirement benefit schemes contributions (excluding directors)	退休福利計劃供款(董事除外)	7,667	7,333
Total staff costs	員工成本總額	153,506	145,480
Finance costs:	融資成本：		
Interest on bank borrowings wholly repayable within five years	利息支出—須於五年內全部償還之銀行借款	38,823	45,488
Interest on lease liabilities	利息支出—租賃責任	131	—
Less: amounts capitalised to property, plant and equipment (note)	減：於物業、廠房及設備資本化之金額(附註)	(99)	(209)
		38,855	45,279
Cost of inventories recognised as expenses	已確認為支出的存貨成本	1,036,563	1,000,828
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	173,748	182,805
Depreciation of right-of-use assets	使用權資產攤銷	1,732	—
Amortisation of prepaid lease payments	預付租賃款項折舊	1,698	1,801
Amortisation of intangible assets	無形資產攤銷	1,621	1,986
Total depreciation and amortisation	折舊及攤銷合計	178,799	186,592
Capitalised in inventories	已計入存貨之金額	(159,007)	(162,564)
		19,792	24,028

Note: During the period ended 30 June 2019, certain borrowing costs capitalised arose from the specific borrowings and were calculated by applying a capitalisation rate of 4.75% (2018: 4.75%) per annum to expenditures on qualifying assets.

附註：截至2019年6月30日，部分資本化的借貸成本由指定借款產生及採用符合資本化條件的資產支出按每年資本化率4.75%（2018：4.75%）計算。



9. DIVIDENDS

9. 股息

		Six months ended 30 June	
		截至6月30日止6個月	
		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
Final dividend paid during the period: 2018 final dividend HK15 cents per share (2018: 2017 final dividend of HK20 cents per share)	期內已派付之末期股息： 2018年末期股息每股15港仙 (2018：2017年末期股息 每股20港仙)	123,750	165,000
Interim dividend declared subsequent to period end: 2019 interim dividend HK18 cents per share (2018: 2018 interim dividend of HK23 cents per share)	期後已宣派之中期股息： 2019年中期股息每股18港仙 (2018：2018年中期股息 每股23港仙)	148,500	189,750

The Board has declared that an interim dividend of HK18 cents (2018: HK23 cents) per share for the six months ended 30 June 2019 to shareholders whose names appear in the Register of Members on 2 September 2019.

董事會議決宣派2019年6月30日止6個月之中期股息每股18港仙(2018：23港仙)予於2019年9月2日名列於股東名冊內之股東。

10. EARNINGS PER SHARE

10. 每股盈利

The calculation of the basic and diluted earnings per share is based on the profit for the year attributable to owners of the Company of HK\$401,180,000 (2018: HK\$545,354,000) and 825,000,000 (2018: 825,000,000) shares in issue during the period.

每股基本及攤薄盈利乃按本公司擁有人之期內溢利401,180,000港元(2018：545,354,000港元)及825,000,000股(2018：825,000,000股)作計算。

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company and the weighted average number of ordinary shares in issue after adjusting for the potential dilutive effect caused by the share options granted under the share option scheme.

每股攤薄盈利計算乃根據本公司股東應佔溢利及已發行加權平均普通股股數，再就根據購股權計劃授出的購股權所造成的潛在攤薄影響作出調整。

		Six months ended 30 June	
		截至6月30日止6個月	
		2019	2018
		'000 Shares	'000 Shares
		千股	千股
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利之普通股加權平均數	825,000	825,000
Effect of deemed issue of shares under the Company's share option scheme	根據本公司的購股權計劃被視作為已發行股份之影響	1,402	31,832
Weighted average number of ordinary shares for the purpose of diluted earnings per share	計算每股攤薄盈利之普通股加權平均數	826,402	856,832

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11. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK\$348 million (2018: HK\$287 million) on property, plant and equipment to expand its operation.

12. INVENTORIES

Raw materials and consumables
Work in progress
Finished goods

原材料及耗用品
在製品
製成品

30 June 2019 2019年 6月30日 HK\$'000 千港元	31 December 2018 2018年 12月31日 HK\$'000 千港元
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226,300	388,544
44,021	40,938
143,682	156,437
414,003	585,919

13. TRADE AND OTHER RECEIVABLES

The Group generally allows its trade customers an average credit period ranged from 7 to 60 days.

Included in the balance are trade receivables of approximately HK\$119,401,000 (31 December 2018: HK\$103,288,000). The aged analysis of trade receivables based on invoice date at the end of the reporting period is as follows:

Not exceeding 30 days
31 to 60 days
61 to 90 days
91 to 120 days
Over 120 days

不超過30天
31至60天
61至90天
91至120天
超過120天

30 June 2019 2019年 6月30日 HK\$'000 千港元	31 December 2018 2018年 12月31日 HK\$'000 千港元
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112,288	94,910
5,124	7,107
663	477
917	184
409	610

Prepayments
Deposits to suppliers
Value-added tax receivable
Other receivables

預付款
付供應商訂金
應收增值稅項
其他應收款

119,401	103,288
127,661	101,798
61,952	23,401
26,148	20,885
28,242	16,771

Total trade and other receivables

應收貿易及其他款項合計

363,404	266,143
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11. 添置物業、廠房及設備

期內，本集團就物業、廠房及設備添置約3.48億港元(2018：2.87億港元)，以擴展集團業務。

12. 存貨

13. 應收貿易及其他款項

本集團一般給予貿易客戶之賒賬期平均為7至60天。

應收貿易及其他款項包括應收賬款約119,401,000港元(2018年12月31日：103,288,000港元)，應收賬款於結算日按發票日期之賬齡分析如下：



14. TRADE AND OTHER PAYABLES

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period obtained for trade purchases is 7 to 45 days.

Included in trade and other payables are trade payables of approximately HK\$130,653,000 (31 December 2018: HK\$121,102,000). The aged analysis of trade payables based on invoice date at the end of the reporting period is as follows:

14. 應付貿易及其他款項

應付貿易及其他款項主要包括貿易購貨及持續開支成本之未付額。貿易購貨之平均除賬期為7至45天。

應付貿易及其他款項包括應付賬款約130,653,000港元(2018年12月31日: 121,102,000港元)，應付賬款於結算日按發票日期之賬齡分析如下：

		30 June 2019 2019年 6月30日 HK\$'000 千港元	31 December 2018 2018年 12月31日 HK\$'000 千港元
Not exceeding 30 days	不超過30天	86,648	69,264
31 to 60 days	31至60天	15,904	26,261
61 to 90 days	61至90天	7,940	6,977
Over 90 days	90天以上	20,161	18,600
		130,653	121,102
Construction costs payables and accruals	應付工程款及預提費用	126,461	109,268
Value-added tax accruals	預提增值稅項	-	40,741
Other payables	其他應付款	94,322	108,265
Other accruals	其他預提費用	41,978	46,082
		393,414	425,458
Total trade and other payables	應付貿易及其他款項合計	393,414	425,458
Analysed for reporting purposes as:	作報告分析用途：		
Current liabilities	流動負債	349,328	377,799
Non-current liabilities	非流動負債	44,086	47,659
		393,414	425,458

As at 30 June 2019, other payables included a non-current deferred income, amounting to HK\$32,153,000 (31 December 2018: HK\$35,728,000) received from the PRC government for an innovative technology project. The amounts will be utilised to the relevant research and development expenses.

截至2019年6月30日，收取了中國政府給予之創新科技項目金額為32,153,000港元(2018年12月31日: 35,728,000港元)之非流動遞延收入已包含在其他應付款中。

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15. SHARE CAPITAL

15. 股本

		Number of ordinary shares 普通股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.10 each:	每股面值0.10港元之普通股：		
Authorised:	法定：		
At 1 January 2018, 30 June 2018, 1 January 2019 and 30 June 2019	於2018年1月1日、2018年 6月30日、2019年1月1日及 2019年6月30日	5,000,000,000	500,000
Issued and fully paid:	發行及繳足：		
At 1 January 2018, 30 June 2018, 1 January 2019 and 30 June 2019	於2018年1月1日、2018年 6月30日、2019年1月1日及 2019年6月30日	825,000,000	82,500

16. CAPITAL COMMITMENTS

16. 資本承擔

		30 June 2019 2019年 6月30日 HK\$'000 千港元	31 December 2018 2018年 12月31日 HK\$'000 千港元
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of the acquisition of property, plant and equipment	已訂約但未於簡明綜合財務報表中 撥備之資本性支出用作購置 物業、廠房及設備	294,330	337,526

17. CONNECTED AND RELATED PARTY TRANSACTIONS

During the interim period, the Group had significant transactions with related parties, certain of which are also deemed to be connected parties pursuant to the Listing Rules. Significant transactions with these parties during the interim period are as follows:

Name of related party 關連方名稱	Relationship 關係	Nature of transactions 交易性質	Six months ended 30 June 截至6月30日止6個月	
			2019 HK\$'000 千港元	2018 HK\$'000 千港元
LMP Group 理文造紙	A Group beneficially owned and controlled by family members of Mr. Lee Man Yan 由李文恩先生家族成員實益擁有及控制之公司	Electricity & steam fee paid 已付發電及蒸氣費	33,133	34,039
		Rental expense paid 已付租金費用	947	998
		Sales of chemical products 銷售化工產品	45,695	54,700
		Electricity & steam fee received 已收發電及蒸氣費	35,146	34,536
		Rental income received 已收租金收入	1,121	1,319
常熟東港置業有限公司	A joint venture 合營企業	Management fee paid 已收管理費	2,254	2,102
		Interest received 已收利息	236	250
瑞昌市碼頭熱力有限公司	An associate 聯營企業	Steam fee received 已收蒸氣費	1,981	—

18. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 14 July 2017 for the purpose of providing incentives to directors and eligible persons (the "Participants"). The Scheme had a term of 10 years from the date which the Board of Directors resolved to offer the options to the Participants, i.e. 13 June 2017, and therefore it expired on 12 June 2026. On 14 July 2017, share options with a fair value of HK\$154,200,000 were granted and the provision of the Scheme shall remain in full force and the holder of all options granted under the Scheme prior to such termination shall be entitled to exercise the outstanding options pursuant to the terms of the Scheme until expiry of the said options.

17. 關連交易

於本中期期間，本集團與相關人士(若干人士亦同時根據上市規則被視作為關連人士)進行重大交易。本中期期間與該等人士進行的重大交易如下：

18. 購股權計劃

本公司之購股權計劃(「計劃」)乃根據於2017年7月14日通過之決議案採納，旨在為董事及合資格人士(「參與者」)提供獎勵。該計劃自董事會決議向參與者提供期權(即2017年6月13日)起計10年，因此於2026年6月12日屆滿。於2017年7月14日，購股權以公平值154,200,000港元已獲授出，而該計劃的條款將繼續全面生效，而於終止前根據該計劃授出的所有購股權持有人有權根據計劃條款行使尚未行使購股權，直至該等計劃屆滿為止選項。

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18. SHARE OPTION SCHEME (CONTINUED)

The purpose of the Scheme is to reward the Participants who has contributed or will contribute to the Group and to encourage the Participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. The Scheme expressly provides that the Board of Directors may, with respect to each grant of options, determine the subscription price, the minimum period (if any) for which an option must be held before it can be exercised, performance targets (if any) and other conditions that apply to the options.

The options granted on 14 July 2017 will vest on 1 April 2022. They will be exercisable by Mr. Lee Man Yan ("Mr. Lee") during the period from 1 April 2022 to 31 March 2027 if the Group achieves the following performance targets:

- (i) all the 82,500,000 options will be exercisable from 1 April 2022 to 31 March 2027 (both dates inclusive) if the net profit for the Group's financial year ending 31 December 2021 equals or exceeds 150% of the net profit for the Group's financial year ended 31 December 2016 of HK\$216,195,000; or
- (ii) if the net profit for the Group's financial year ending 31 December 2021 cannot be achieved as per (i) above, the 82,500,000 options will be exercisable from 1 April 2023 to 31 March 2027 (both dates inclusive) if the net profit for the Group's financial year ending 31 December 2022 equals or exceeds 160% of the net profit for the Group's financial year ended 31 December 2016 of HK\$216,195,000.

The exercise price of the options conditionally granted to Mr. Lee is HK\$3.72, which was determined at the Board meeting on 13 June 2017 by reference to the highest of (i) HK\$0.1, being the par value of a share in the Company, (ii) HK\$3.72, being the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of the above Board meeting approving the exercise price and the grant, and (iii) the average closing price of the shares in the Company as stated in the daily quotations sheets issued by the Stock Exchange for the five trading days immediately preceding the date of the above Board meeting approving the exercise price and the grant.

18. 購股權計劃(續)

該計劃旨在獎勵曾經或將為本集團作出貢獻之參與者，並鼓勵參與者為本公司及其股東之整體利益，致力於提升本公司及其股份之價值。該計劃明確訂明，就每次授出購股權而言，董事會可釐定認購價(遵照上市規則第17.03(9)條)，於購股權可予行使前必須持有購股權之最短期限(如有)，表現目標(如有)及適用於購股權之其他條件。

於2017年7月14日授出的購股權將於2022年4月1日歸屬。倘本集團達致以下表現目標，該等購股權將可由李文恩先生(「李先生」)於2022年4月1日至2027年3月31日期間內予以行使：

- (i) 倘本集團截至2021年12月31日止財政年度之淨利潤等於或超過本集團截至2016年12月31日止財政年度淨利潤216,195,000港元之150%，則82,500,000份購股權將可由2022年4月1日至2027年3月31日(首尾兩天包括在內)獲悉數行使；或
- (ii) 倘本集團截至2021年12月31日止財政年度之淨利潤無法按上文(i)所述達致，則若本集團截至2022年12月31日止財政年度之淨利潤等於或超過本集團截至2016年12月31日止財政年度淨利潤216,195,000港元之160%，則82,500,000份購股權將可由2023年4月1日至2027年3月31日(首尾兩天包括在內)獲行使。

有條件授予李先生之購股權之行使價為3.72港元，已於2017年6月13日的董事會會議上參考下列三者之價格(以最高者為準)釐定：(i) 0.1港元，即股份面值，(ii) 於批准行使價及有關授出之上述董事會會議當日在聯交所發出之每日報價表所列之股份收市價3.72港元，及(iii) 於緊接就批准行使價及有關授出而召開上述董事會會議當日前五個交易日在聯交所發出之每日報價表所列之股份平均收市價。

18. SHARE OPTION SCHEME (CONTINUED)

The following table discloses movements of the Company's share options during the periods ended 30 June 2019 and 30 June 2018:

Director 董事	Date of grant 授出日期	Exercise price 行使價 HK\$ 港元	Exercisable period 行使期
Mr. Lee 李先生	14 July 2017 2017年7月14日	3.72	1 April 2022 – 31 March 2027 2022年4月1日 – 2027年3月31日

18. 購股權計劃(續)

截至2019年6月30日及2018年6月30日止期間內，本公司購股權變動呈列如下：

		2019		2018	
		Weighted average exercise price 加權平均行使價	Number of share options 購股權數目 '000 千股	Weighted average exercise price 加權平均行使價	Number of shares options 購股權數目 '000 千股
Outstanding at the beginning of the period	期初結餘	HK\$3.72	82,500	HK\$3.72	82,500
Granted during the period	期內授出	-	-	-	-
Exercised during the period	期內行使	-	-	-	-
Lapsed during the period	期內失效	-	-	-	-
Outstanding at the end of the period	期末結餘	HK\$3.72	82,500	HK\$3.72	82,500
Exercisable at the end of the period	於期末可予行使	-	-	-	-

The estimated fair value of the share options granted under the Scheme on 14 July 2017 was approximately HK\$154,200,000, calculated using the Binomial Model (the "Model"). The inputs into the Model were as follows:

於2017年7月14日所授出購股權之估算公平價值為154,200,000港元，乃採用二項式模型(「模型」)釐定。模型的輸入數據如下：

**Share options with
an exercisable period from
1 April 2022 – 31 March 2027
購股權之行使期
由2022年4月1日 – 2027年3月31日**

Share price at date of grant	於授出日期股價	HK\$4.44
Exercise price	行使價	HK\$3.72
Expected volatility (per annum)	預期波幅(每年)	44.29%
Expected life of share options	購股權預期年期	9.7 years
Expected dividend yield	預期股息率	3.24%
Risk-free rate	無風險利率	1.52%
Fair value of share option	購股權之公平值	HK\$1.87

Fair values of the share options were with reference to the valuation carried out by an independent firm of professional valuers.

購股權之公平值乃參考由專業獨立估值師之評估。

Expected volatility was determined by using the historical volatility of the Company's share price. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

預期波幅按過去五年公司股價之歷史波幅釐定。模式所採用預期年期已就不可轉讓、行使限制及行為考慮之影響按管理層最佳估計調整。

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18. SHARE OPTION SCHEME (CONTINUED)

The risk free interest rate was estimated based on the yield of 5-year exchange fund note issued by the Hong Kong Monetary Authority as of the grant date.

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

The Group recognises the total expense of HK\$16,208,000 for the period ended 30 June 2019 (2018: HK\$16,208,000) in relation to share options granted by the Company.

19. REVIEW OF UNAUDITED INTERIM FINANCIAL INFORMATION

The unaudited interim financial information for the six months ended 30 June 2019 has been reviewed with no disagreement by the Audit Committee of the Company.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK18 cents per share for the six months ended 30 June 2019 to shareholders whose names appear on the Register of Members on 2 September 2019. It is expected that the interim dividend will be paid around 12 September 2019.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 28 August 2019 to 2 September 2019, both days inclusive, during which period no transfer of shares in the Company can be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 pm on 27 August 2019.

18. 購股權計劃(續)

無風險利率按香港金融管理局之五年期外匯基金債券率於授出日期估計。

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

就本公司授出之購股權，於2019年6月30日止期間本集團已確認16,208,000港元之費用(2018：16,208,000港元)。

19. 未經審核中期財務資料審閱

截至2019年6月30日止6個月的未經審核中期財務資料，已經由本公司的審核委員會作出審閱及並無不同意見。

中期股息

董事會議決宣派截至2019年6月30日止6個月之中期股息每股18港仙予於2019年9月2日名列股東名冊內之股東。預期中期股息將於2019年9月12日派發。

暫停辦理股份過戶登記

本公司將於2019年8月28日至2019年9月2日(首尾兩天包括在內)暫停辦理股份過戶登記手續。為符合獲派中期股息之資格，所有過戶文件連同有關股票最遲須於2019年8月27日下午4：30前送達本公司位於香港皇后大道東183號合和中心54樓之股份過戶登記分處卓佳秘書商務有限公司，以辦理登記手續。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

For the six months ended 30 June 2019, the Group recorded a revenue of approximately HK\$1,719 million, decreased by 12.0% when compared to the corresponding period last year; and a net profit for the period of approximately HK\$401 million, representing a decrease of 26.4% when compared to the corresponding period last year.

The Group's gross profit margin was 39.7%, decreased by 9.1 percentage points when compared to the corresponding period last year and the net profit margin was 23.3%, decreased by 4.6 percentage points when compared to the corresponding period last year.

During the first half of 2019, increase in market demand volatility of chemical products is observed in the downstream market due to the uncertainties in the world economy. The domestic price of chemical products has continued to decline from the high level in the first half of 2018 as the market was in short supply. In addition, the Company proactively fine-tunes the process safety and improves the production equipment in light of the new safety standards implemented to the chemical industry by the government. During which our production capacity is affected and product costs are increased, and that putting pressure on our gross profits and profit margins of the Group in the first half of the year.

PROSPECTS

In view of the increasingly strengthening of the safety and environmental protection requirements of the Chinese government, the Group will enhance the safety and environmental protection measures to enable the Company to operate stably and to grow sustainably and to facilitate the online evaluation of the local environmental protection authorities. At the same time, the Company will strive to promote the concept of green manufacturing, and to practice a clean, efficient and low-carbon development management, so as to be socially responsible through energy conservation and emission reduction.

The Group will continue to expand its income streams and to reduce costs in respond to the shadow over the world economy. The product portfolio of the Company will be increasingly diversified. Sales of commercialised hydrogen will begin in the third quarter of this year, contributing to the development of hydrogen fuel cells. Located at Gaolan Port, Zhuhai, the trial production of the internally-developed lithium battery electrolyte additives will begin in December 2019. The research and development team of the Company dedicates to the research and commercialisation of specialty polymers, lithium battery chemicals and innovative surface agents to provide customers with the appropriate solutions.

In terms of cost savings, the Group continues to invest in production automation and intelligent management implementation in respond to the risk of ever-increasing cost of human resources. Meanwhile, the Company will expand the functionality of the existing ERP management platform. In the second half of this year, a centralised material storage system will be established which helps to lower the inventory level of equipment parts and thus the procurement costs.

業務回顧

截至2019年6月30日止6個月，本集團錄得總營業額17.19億港元，較去年同期下跌12.0%，而期內溢利為4.01億港元，較去年同期下跌26.4%。

本集團毛利率為39.7%，較去年同期下跌9.1個百分點；而淨利潤率為23.3%，較去年同期下跌4.6個百分點。

2019年上半年，受到環球經濟局勢不明朗所影響，下游市場對化工產品需求變得波動，國內化工產品價格自2018年上半年因為供不應求造成的高位持續向下。加上政府對化工行業實行新的安全標準，本公司積極配合，在工藝安全，生產設備上完善更新，但期間影響我們的產能負荷，令產品成本上升，毛利受壓，影響本集團在上半年的邊際利潤。

展望

面對目前國家安全及環保要求日趨嚴格，本集團將加大安全及環保的應對措施，使本公司能穩定經營，持續發展，並配合當地環保部門進行線上監督工作。本集團同時致力推行綠色製造理念，踐行清潔、高效、低碳的發展管理，貫徹落實節能減排的社會責任。

面對環球經濟不明朗的前提下，本集團將採取一系列的開源節流措施。本公司的產品種類將會日趨多元化。商品氫氣的銷售將於本年第三季度開始，為發展氫能源電池作出貢獻。此外，位於珠海市高欄港，自主研發的鋰電池電解液添加劑將會在本年12月份試產。公司的研發團隊致力於特種聚合物，鋰電池化學品及新型表面處理劑進行研究及商業化，為客戶的需求提供妥善的解決方案。

在節省成本方面，本集團繼續增加生產自動化的投入，及實施智能化管理，以抗衡人力成本不斷上漲的風險。同時，本公司亦會在現有的ERP管理平台中擴大功能，在本年下半年度開始建立公司物料中央庫，減少分廠的設備零件擺放庫存及降低採購成本。

Management Discussion and Analysis

管理層討論及分析

The management and the team of the Company will leverage on our internal technical innovation and scientific research, and to continue its persistent efforts in bringing desirable and sustainable return to the shareholders.

RESULTS OF OPERATION

For the six months ended 30 June 2019, the Group's revenue and net profit were approximately HK\$1,719 million and HK\$401 million respectively, representing a decrease of 12.0% and a decrease of 26.4% respectively, as compared to approximately HK\$1,953 million and HK\$545 million respectively for the corresponding period in the last year. The basic earnings per share was HK48.6 cents for the six months ended 30 June 2019 and HK66.1 cents for the last corresponding period in the last year.

Revenue

For the six months ended 30 June 2019, the Group recorded a revenue of approximately HK\$1,719 million, representing a decrease of HK\$234 million or 12.0% as compared to last corresponding period. The decrease in revenue was mainly attributable to the fluctuation in unit selling price of primary products during the period under review. As compared to last corresponding period, the average selling price per ton of the Group's products methylene chloride and chloroform was about RMB3,400 and RMB3,100, increased by approximately 6% and 19% respectively. The average selling price per ton of caustic soda was about RMB890, decreased by approximately 24%. The average selling price per ton of polytetrafluoroethylene was about RMB53,000, decreased by approximately 30%, while the average selling price per ton of hydrogen peroxide was about RMB1,000, decreased by approximately 38%.

The actual production output of the main products for the period (including self-consumption) was approximately 160,000 tons for CMS products, approximately 250,000 tons for 100% dry basis caustic soda, approximately 3,800 tons for polytetrafluoroethylene, while for 27.5% hydrogen peroxide was approximately 100,000 tons.

Selling and distribution expenses

Selling and distribution expenses incurred for the six months ended 30 June 2019 was approximately HK\$107 million, representing a decrease of approximately HK\$2 million as compared to approximately HK\$109 million for last corresponding period. The change was mainly a combined effect of the reduction in transportation cost and additional packaging costs for deliveries to customers for further market penetration. The selling and distribution expenses represented about 6.2% of the total revenue for the period, representing an increase as compared to 5.6% of last corresponding period.

General and administrative expenses

General and administrative expenses incurred for the six months ended 30 June 2019 was approximately HK\$84 million, which decreased by approximately HK\$21 million as compared to HK\$105 million for the same period last year. The decrease was mainly due to decrease in taxes and surcharges and the overall cost control of the Group. General and administrative expenses represented approximately 4.9% of the total revenue for the period, comparable to 5.4% in corresponding period last year and were kept at a reasonable level.

本公司管理層和團隊，將努力不懈，穩步求進，結合內部技術創新及科研開發，為股東帶來理想的可持續回報。

經營業績

截至2019年6月30日止6個月，本集團收入及期內溢利分別約17.19億港元及4.01億港元，較去年同期的19.53億港元及5.45億港元，分別下跌12.0%及下跌26.4%。截至2019年6月30日止6個月，每股基本盈利為48.6港仙而去年同期為66.1港仙。

收入

截至2019年6月30日止6個月，本集團錄得總營業額約17.19億港元，較去年同期下跌2.34億港元或12.0%。收入下跌主要因為於回顧期間內主產品銷售單價波動所影響。與去年同期比較，集團產品二氯甲烷和三氯甲烷每噸平均銷售價分別為約3,400元人民幣及3,100元人民幣，上升約6%及19%；燒鹼每噸平均銷售價約890元人民幣，下跌約24%；聚四氟乙烯每噸平均銷售價53,000元人民幣，下跌約30%；過氧化氫每噸平均銷售價1,000元人民幣，下跌約38%。

期內主要產品的實際生產量(包含自用)為甲烷氧化物約16萬噸，折百燒鹼約25萬噸，聚四氟乙烯約3.8千噸，而27.5%過氧化氫約10萬噸。

銷售及分銷費用

銷售及分銷費用截至2019年6月30日止6個月約1.07億港元，較去年同期的約1.09億港元，減少約200萬港元。變動主因是運輸成本下跌及為求進一步滲透市場而提供的客戶產品包裝付運成本增加的綜合影響。銷售及分銷費用佔期內銷售收入約6.2%，與去年同期的5.6%比較有所增加。

行政費用

行政費用截至2019年6月30日止6個月約8,400萬港元，與去年同期的約1.05億港元比較，減少約2,100萬港元。變動原因主要包括稅費減少及集團整體成本控制所致。行政費用佔期內總收入約4.9%，與去年同期的5.4%相若，均保持在合理水準。

Research and development cost

Research and development costs for the year ended 30 June 2019 were approximately HK\$71 million, reduced by approximately HK\$6 million as compared to approximately HK\$77 million for the same period last year. Despite the moderate decrease in research and development cost in alignment with the decrease in revenue, during the period under review, the Group continues to devote its resources in research and development of new products and optimized process technology, increased the recruitment of senior scientists and chemical engineers and maintained the sustainable development of the Group.

Finance costs

The net interest expenses incurred for the six months ended 30 June 2019 was approximately HK\$41 million, reduced by approximately HK\$4 million as compared to approximately HK\$45 million for last corresponding period. The decrease was mainly because the Group actively lowers the overall loan balances to reduce the net interest expenses.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2019, the total shareholders' equity of the Group was approximately HK\$3,763 million (31 December 2018: HK\$3,479 million), current assets were approximately HK\$1,690 million (31 December 2018: HK\$1,736 million) and current liabilities approximately HK\$1,552 million (31 December 2018: HK\$1,541 million). The current ratio was 1.09 as at 30 June 2019 (31 December 2018: 1.13).

The Group generally finances its operations with internally generated cash flow and credit facilities provided by its principal bankers in Hong Kong and the PRC. As at 30 June 2019, the Group had outstanding bank borrowings of approximately HK\$1,859 million (31 December 2018: HK\$1,874 million). These bank loans were secured by corporate guarantees provided by the Company and its certain subsidiaries. As at 30 June 2019, the Group maintained bank balances and cash of approximately HK\$591 million (31 December 2018: HK\$593 million). The Group's net debt-to-equity ratio (total bank borrowings net of cash and cash equivalents over shareholders' equity) was 33.69% as at 30 June 2019 (31 December 2018: 36.83%).

The Group's liquidity position remains strong and the Group possesses sufficient cash and available banking facilities to meet its commitments, working capital requirements and future investments for expansion.

HUMAN RESOURCES

As at 30 June 2019, the Group had a workforce of around 2,050 people. Salaries of employees are maintained at competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. The Group also provides internal training to staff and provides bonuses based upon staff performance and profits of the Group. The Group has not experienced any significant problems with its employees or disruption to its operations due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff. The Group maintains a good relationship with its employees.

研發成本

研發成本截至2019年6月30日止6個月約7,100萬港元，與去年同期的7,700萬港元比較，減少約600萬港元。雖然研發開支整體跟隨收入稍為下跌，集團於回顧期內仍持續投放資源在新產品研發和優化工藝技術，增加招聘高級及化工專業人員，購置設備和測試物料，保持集團持續性發展。

融資成本

淨利息支出截至2019年6月30日止6個月約4,100萬港元，與去年同期約4,500萬港元比較，減少約400萬港元。支出減少原因是由於集團著力縮小貸款規模以減低淨利息支出。

流動資金、財務資源及資本結構

於2019年6月30日，本集團的股東權益總額約37.63億港元(2018年12月31日：34.79億港元)，流動資產約16.90億港元(2018年12月31日：17.36億港元)及流動負債約15.52億港元(2018年12月31日：15.41億港元)。流動比率於2019年6月30日約為1.09(2018年12月31日：1.13)。

本集團一般以內部產生的現金流，以及中港兩地主要往來銀行提供的信貸備用額作為業務的營運資金。於2019年6月30日，本集團的未償還銀行借貸約為18.59億港元(2018年12月31日：18.74億港元)。該等銀行貸款由本公司及其若干附屬公司提供的公司擔保作為抵押。於2019年6月30日，本集團之銀行結餘及現金約為5.91億港元(2018年12月31日：5.93億港元)。本集團的淨負債對權益比率(銀行借款總額減現金及現金等價物除以股東權益)於2019年6月30日為33.69%(2018年12月31日：36.83%)。

本集團保持著強勁的流動資金並具備充裕的現金及可供動用的銀行備用額，以應付集團的資本承擔，營運資金需要及未來的投資發展。

人力資源

於2019年6月30日，本集團有約2,050名員工。僱員薪酬維持於具競爭力水平，並會每年檢討，且密切留意有關勞工市場及經濟市況趨勢。本集團亦為僱員提供內部培訓，並按員工表現及本集團盈利發放花紅。本集團並無遭遇任何重大僱員問題，亦未曾因勞資糾紛令營運中斷，在招聘及挽留經驗豐富的員工方面亦不曾出現困難。本集團與僱員的關係良好。

Other Information

其他資料

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the period was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2019, the interests and short positions of the directors and chief executives of the Company and their associates in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") of the Listing Rules, were as follows:

(a) Long positions in shares of the Company

Ordinary shares of HK\$0.10 each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
董事姓名	身份	所持已發行普通股份數目	佔本公司已發行股本百分比
Mr. Lee Man Yan 李文恩先生	Beneficial owner 實益擁有人	495,000,000	60%

(b) Share options

Name of director	Capacity	Number of ordinary shares subject to options granted	Percentage of the issued share capital of the Company
董事姓名	身份	授出的購股權所涉及的普通股數目	佔本公司已發行股本百分比
Mr. Lee Man Yan 李文恩先生	Beneficial owner 實益擁有人	82,500,000	10%

Other than disclosed above, as at 30 June 2019, none of the directors or the chief executives, or any of their associates, had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

購買股份或債券之安排

本公司、其控股公司、或其任何附屬公司於本期間任何時間內，概無參與任何安排，使本公司董事藉購入本公司或任何其他法人團體之股份或債券而獲得利益。

董事於股份、相關股份及債權證中之權益

於2019年6月30日，本公司董事及最高行政人員及彼等之聯繫人於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及聯交所、或已記錄於根據證券及期貨條例第352條須存置之登記冊、或已根據上市規則之上市規則之上市公司董事進行證券交易之標準守則（「標準守則」）知會本公司及聯交所之權益及淡倉如下：

(a) 於本公司股份之好倉

本公司每股0.10港元之普通股

(b) 購股權

除上文所披露，於2019年6月30日，本公司董事或最高行政人員於本公司或其任何相聯法團之股份、相關股份及債權證中，概無擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所、或根據證券及期貨條例第352條須記錄於該條例所指之登記冊、或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2019, shareholders (other than directors and chief executives of the Company) who had interests and short positions in the shares and underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions

Ordinary shares of HK\$0.10 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
股東姓名	身份	普通股數目	佔已發行股本百分比
Ms. Kwok Ching Yee Lorinda 郭靜怡女士	Interest of Spouse 配偶權益	495,000,000	60%
Dr. Lee Wan Keung Patrick 李運強博士	Beneficial Owner 實益擁有人	123,750,000	15%

Other than disclosed above, as at 30 June 2019, the Company has not been notified by any person (other than directors or chief executives of the Company) who had an interests or short positions in the shares or underlying shares of the Company which would fall to the disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2019.

主要股東

於2019年6月30日，股東（本公司董事或最高行政人員除外）於本公司之股份及相關股份中，擁有已根據證券及期貨條例第XV部第2及3分部向本公司披露、或已記錄於根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉如下：

好倉

本公司每股0.10港元之普通股

除上文所披露，於2019年6月30日，概無任何人士（本公司董事或最高行政人員除外）通知本公司，指其在本公司之股份或相關股份中，擁有任何根據證券及期貨條例第XV部第2及3分部須向本公司披露、或已記錄於根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉。

購買、出售或贖回本公司之上市證券

截至2019年6月30日止6個月內，本公司或其任何附屬公司概無購買、出售或贖回本公司之上市證券。

Other Information

其他資料

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as a code of conduct regarding directors' securities transactions. All the members of the Board have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2019.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors, the Company has complied with the code provisions set out in the Corporate Governance Code (the "Code") contained in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2019.

AUDIT COMMITTEE

The Audit Committee of the Company comprised of three independent non-executive directors namely, Mr. Wong Kai Tung, Tony, Mr. Wan Chi Keung, Aaron BBS JP and Mr. Heng Victor Ja Wei.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the Group's unaudited interim results for the six months ended 30 June 2019.

REMUNERATION COMMITTEE

To comply with the Code, a remuneration committee had been established with specific written terms of reference which deal clearly with its authority and duties. The members of the remuneration committee comprises Mr. Wong Kai Tung, Tony, Mr. Wan Chi Keung, Aaron BBS JP and Mr. Heng Victor Ja Wei. All members of the remuneration committee are independent non-executive directors.

NOMINATION COMMITTEE

To comply with the Code, a nomination committee had been established with specific written terms of reference which deal clearly with its authority and duties. The members of nomination committee comprises Ms. Wai Siu Kee (Chairman), Mr. Wong Kai Tung, Tony, Mr. Wan Chi Keung, Aaron BBS JP, and Mr. Heng Victor Ja Wei, of which three members are independent non-executive directors.

On behalf of the Board

Wai Siu Kee
Chairman

Hong Kong, 13 August 2019

證券交易之標準守則

本公司已採納標準守則作為董事進行證券交易之行為守則。本公司經向所有董事作出具體查詢後，全體董事皆確認截至2019年6月30日止6個月內均遵守標準守則所載之規定標準。

遵守企業管治常規守則

董事認為，本公司於截至2019年6月30日止6個月內一直遵守上市規則附錄14的企業管治守則(「守則」)所轉載之守則條文。

審核委員會

本公司之審核委員會由3位獨立非執行董事王啟東先生、尹志強先生BBS太平紳士及邢家維先生組成。

審核委員會已與本集團之管理層檢討本集團所採納之會計原則及慣例，並已就內部監控及財務申報等事宜進行討論，其中包括審閱本集團截至2019年6月30日止6個月的未經審核中期業績。

薪酬委員會

為符合守則，本公司已成立薪酬委員會，並以書面清楚說明委員會的權限及職責。薪酬委員會成員包括王啟東先生、尹志強先生BBS太平紳士、邢家維先生。全部成員均為獨立非執行董事。

提名委員會

為符合守則，本公司已成立提名委員會，並以書面清楚說明委員會的權限及職責。提名委員會成員包括衛少琦女士(主席)、王啟東先生、尹志強先生BBS太平紳士、邢家維先生。其中三位成員為獨立非執行董事。

代表董事會
主席
衛少琦

香港，2019年8月13日

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