



EcoGreen Fine Chemicals Group Limited
中怡精細化工集團有限公司*

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

Stock code 股份代號 : 2341

INTERIM REPORT 2011 中期報告



* For identification purposes only
* 僅供識別

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Corporate Information

公司資料

Board of Directors

Executive Directors

Mr. Yang Yirong (*Chairman & President*)
Mr. Gong Xionghui
Ms. Lu Jiahua
Mr. Lin Like
Mr. Han Huan Guang

Non-executive Directors

Mr. Feng Tao (*Vice Chairman*)

Independent non-executive Directors

Mr. Yau Fook Chuen
Mr. Wong Yik Chung, John
Mr. Lau Wang Yip Derrick

Board Committees

Audit Committee

Mr. Yau Fook Chuen (*Chairman*)
Mr. Wong Yik Chung, John
Mr. Lau Wang Yip Derrick

Remuneration Committee

Mr. Han Huan Guang (*Chairman*)
Mr. Yau Fook Chuen
Mr. Wong Yik Chung, John
Mr. Lau Wang Yip Derrick

Company secretary

Mr. Lam Kwok Kin *FCCA, FCPA*

Auditors

PricewaterhouseCoopers

Principal bankers

Agricultural Bank of China
ANZ Bank
Bank of China
Bank of Communications
China Citic Bank
China Merchants Bank
Citic Bank International
Hong Kong and Shanghai Banking Corporation
KBC Bank
Standard Chartered Bank

董事會

執行董事

楊毅融先生(*主席兼總裁*)
龔雄輝先生
盧家華女士
林力克先生
韓歡光先生

非執行董事

馮濤先生(*副主席*)

獨立非執行董事

丘福全先生
黃翼忠先生
劉宏業先生

董事委員會

審核委員會

丘福全先生(*主席*)
黃翼忠先生
劉宏業先生

薪酬委員會

韓歡光先生(*主席*)
丘福全先生
黃翼忠先生
劉宏業先生

公司秘書

林國健先生 *FCCA, FCPA*

核數師

羅兵咸永道會計師事務所

主要往來銀行

中國農業銀行
澳盛銀行
中國銀行
交通銀行
中信銀行
招商銀行
中信銀行國際
滙豐銀行
比利時聯合銀行
渣打銀行

Corporate Information

公司資料

Registered office

Century Yard
Cricket Square, Hutchins Drive
P.O. Box 2681 GT, George Town
Grand Cayman, Cayman Islands
British West Indies

Head office and principal place of business in Hong Kong

Suite 3706, 37th Floor
Central Plaza
18 Harbour Road
Wanchai, Hong Kong

Principal share registrar and transfer office

HSBC Trustee (Cayman) Limited
P.O. Box 484, HSBC House
68 West Bay Road, Grand Cayman
KY1-1106, Cayman Islands

Hong Kong branch share registrar and transfer office

Tricor Tengis Limited
26th Floor
Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

Website

<http://www.ecogreen.com>

Listing venue

Main Board of The Stock Exchange of Hong Kong Limited

Stock codes

| | |
|----------------------------|----------------|
| Stock Exchange, Hong Kong: | 2341 |
| Access to Reuters: | 2341.HK |
| Access to Bloomberg: | 2341 HK Equity |

Shareholders' calendar

Book closing dates for the declared interim dividend:
28 September 2011 to 30 September 2011 (both days inclusive)

Record date for the declared interim dividend:
30 September 2011

Payment date for the declared interim dividend:
21 October 2011

註冊辦事處

Century Yard
Cricket Square, Hutchins Drive
P.O. Box 2681 GT, George Town
Grand Cayman, Cayman Islands
British West Indies

總辦事處兼香港主要營業地點

香港灣仔
港灣道18號
中環廣場
37樓3706室

股份過戶登記總處

HSBC Trustee (Cayman) Limited
P.O. Box 484, HSBC House
68 West Bay Road, Grand Cayman
KY1-1106, Cayman Islands

香港股份過戶登記分處

卓佳登捷時有限公司
香港灣仔
皇后大道東28號
金鐘匯中心
26樓

網址

<http://www.ecogreen.com>

上市地點

香港聯合交易所有限公司主板

股份代號

| | |
|--------|----------------|
| 香港聯交所： | 2341 |
| 路透社版面： | 2341.HK |
| 彭博版面： | 2341 HK Equity |

股東日誌

就已宣派中期股息暫停辦理股份過戶登記日期：
二零一一年九月二十八日至
二零一一年九月三十日(包括首尾兩日)

已宣派中期股息記錄日期：
二零一一年九月三十日

已宣派中期股息派付日期：
二零一一年十月二十一日

Chairman's Statement

主席報告

Review

On behalf of the Board of Directors (the “Board”), I would like to present the Group's financial results for the six months ended 30 June 2011. During the period, turnover of the Group reached approximately RMB562 million, up 32% from that of the same period in 2010. Earnings before interest, tax, depreciation and amortization (“EBITDA”) was RMB129 million, representing an increase of 26% as compared to EBITDA of RMB102 million in the same period last year. Profit attributable to shareholders increased from RMB64.2 million for the six months ended 30 June 2010 to RMB80.3 million for the corresponding period this year. Basic earnings per share for this period reached RMB16.7 cents, up 21% from RMB13.8 cents in the same period of 2010. As a token of appreciation to our shareholders for their enduring support, the Board has resolved to declare payment of an interim dividend of HK1.2 cents per share (2010: HK 0.88 cents).

Against the backdrop of the second phase of quantitative easing policy promulgated by the United States Government, the world's economy appeared to be stabilizing in the first half of 2011. However, the tremendous liquidity supply of US dollar has persistently exported inflationary pressure to emerging markets, which results in triggering asset bubbles and social instability around the world. At the same time, significant improvement has yet to be made in regards to the sovereign debt crisis in the European countries, leading to more volatility in the financial markets. The complexity of the global economy is posing escalating challenges to the sustainability of recovery.

Thanks to the Group's relenting efforts and the faster economic growth in emerging markets, the Group achieved a strong and persisting growth in order volume for the six months ended 30 June 2011. With significant growth in production volume and selling prices, the Group's turnover grew by 32% year-on-year. The Group's business growth is steadily picking up its pace and returning to the usual double-digit momentum trajectory after the global financial crisis in 2009 which caused a severe destocking by our customers, the long-term upward trend of the business is gradually restored.

During the period under review, the cost of key raw materials, such as gum turpentine, continued to hike and hit record high levels due to the seasonal shortage of supply and inventory build-up by the traders. The escalating inflationary pressure in China also led to increases in manufacturing costs like energy and labor. Part of the cost pressure was offset by the considerable increase in the product selling price. Although most of the customers accepted the adjustment in selling price, substantial efforts were made to improve the gross margin by enhancing facility utilization, launching product mix at higher margins, and implementing cost-tightening measures. Gross profit margin eventually widened 0.1 percentage point when compared with that of the same period last year.

回顧

本人謹代表董事會(「董事會」)向各股東匯報本集團截至二零一一年六月三十日止六個月之業績。集團營業額約為5.62億元人民幣，與去年同期相比上升32%。期內未計利息、稅項、折舊及攤銷之溢利(「EBITDA」)為1.29億元人民幣，較去年同期之EBITDA共1.02億元人民幣比較升幅有26%，股東應佔未經審核溢利則從去年同期的6,420萬元人民幣增加25%至8,030萬元人民幣。每股基本利潤為16.7分人民幣，相對於二零一零年上半年財政年度每股基本利潤為13.8分人民幣，同比增長達21%。為了回報廣大股東之支持，董事會議決通過就回顧期宣派二零一一年中期股息每股1.2港仙(二零一零年上半年：0.88港仙)。

在二零一一年上半財政年度期間，在美國政府第二階段量化寬鬆貨幣政策的推動下，實體經濟表現出現了回穩跡象；然而，作為全球流動性最大的儲備及結算貨幣，美元流動性供應的巨額增加，令致通脹壓力持續地輸出至新興市場並引發全球資產泡沫和社會動盪；同一時期，多個歐洲國家的主權債務危機並未有明顯改善的情況，導致金融市場波動倍增。複雜的環球經濟將進一步考驗復蘇的持續性。

截至二零一一年六月三十日止的六個月期間，在新興市場較快的經濟增長推動及集團的努力經營下，與客戶的協商有了明顯成果，集團的訂單量持續獲得增加。在產量及售價皆獲得可觀升幅的情況下，營業額與去年同期相比上升了32%，表現出本集團業務正在穩步地恢復過往多年雙位數字複式增長的動力，從零九年環球金融海嘯時因客戶大規模縮減庫存所引致的放緩中，逐步回復了中長線的上升趨勢。

由於供應的季節性短缺和貿易商的存貨囤積，於本回顧期內，本集團最主要之原材料以松節油為例，其價格屢創新高。而其他製造成本例如能源消耗和工資支出，也因為國內之通脹壓力升溫而有所增加。本集團通過適度地調高產品價格，抵銷了大部份因原材料價格上漲及其他製造費用上升所帶來之成本壓力。儘管，本集團的客戶普遍地接受了價格調升之現實，但要改善生產經營的毛利率，還需要努力地提升設備使用率、推出較高利潤的新產品組合、及透過其他成本控制的措施，才能最終成功地將毛利率較去年平均相比提升0.1個百分點。

Chairman's Statement

主席報告

Under the challenging operating environment, the Group will continue to focus on the development of upstream resource supply chain integration and raw material upstream procurement, coupled with the extensive procurement network and effective resources management strategy, which will help secure a more stable supply of raw materials. These strategies will also allow the Group to lock in its key raw material costs on a quarterly basis and mitigate cost pressure from inflation through exploiting better economies of scale. Apart from providing quality product and stable supply, the Group strives to become a total-solutions provider by deepening its strategic partnerships with worldwide flavor and fragrance customers in adherence to its principle of customer service excellence. The Group's order volume recorded a significant year-on-year increase during the period, a testament of recognition by the Group's international peers on its proactive business strategies. During the period under review, the Group enhanced its efficiency through increasing facility utilization, unleashing production capacities, initiating technological advancement and optimizing costs.

The Group completed a trial run on the new facilities implemented to Phase I of Changtai Plant, Fujian Province during the period under review. It has scheduled for a trial operation in July and will commence production gradually. The new capacities added to Changtai Plant Phase I will mainly engage in the production of new aroma chemicals and specialty chemicals. The Group is in the planning of specialty chemicals production including pharmaceutical intermediates, crop-protection chemicals, and functional chemicals in the subsequent development phases at Changtai plant.

Meanwhile, the current major technological advancement at Phase I and II of the Haichang Plant progressed effectively. The first set of production facility upgrade equipped with a new technology has undergone trial-run and operation in the second quarter of 2011. Since it is the first time applying this cutting-edge technology in a large-scale industrial production, the Group will initiate technological upgrade on its existing infrastructure facilities and install new reactor devices once the result of trial-run is satisfactory. The production of Terpene-based raw material is expected to increase considerably following the significant enhancement in production scale and efficiency, thus further strengthening the Group's competitiveness in the world market.

面對充滿挑戰的營商環境，集團繼續地專注於發展上游資源的供應鏈整合，將原材料採購有效地前移，並配合廣泛的採購網絡和有效的資源管理戰略，保障了原材料的穩定供應；同時，也落實鎖定主要原料按季度成本，在規模效益下平衡了通脹對原料資源的成本壓力。本集團也一如既往地履行以客為尊的銷售承諾，除了合格品質、穩定供應等傳統銷售管理外，通過深化與客戶策略夥伴的合作關係，使中怡逐步地成為全球香精客戶之整體解決方案服務商。本集團積極的營運策略獲得了國際同業的肯定，結果訂單量較去年同期錄得明顯的上升。回顧期間內，本集團也在積極地提升設備使用率、擴充受限產能、技術改造和優化成本，以提高效率。

其中，福建長泰廠區第一期設施的調試已在回顧期內完成，並已在七月份安排試產，並將逐步投入生產，長泰第一期主要提供新的生產力給芳香化學品和特殊化學品之新產品組合。對於期後的廠區發展，將構思增加包括醫藥中間體、植保化學品、功能化學品等特殊化學品的生產和經營。

同時，現有的海滄廠區第一、二期之重大技術改造也富有成效地推進中，配備新技術裝備的首套工業化裝置，已在本年度第二季度投入試產和運行。由於該嶄新之技術首次應用於大規模的工業生產，本集團將在經調試後的反應效果達到預期後，計劃在來年內逐步在現有基礎設施上進行技術改造、安裝新的反應裝置，使得整個海滄廠區萜類香原料的生產得以倍升，並在生產規模和效率顯著的提高下，進一步提升企業在全球市場的競爭力。

Chairman's Statement

主席報告

Outlook

While having accomplished notable growth in results for the first half of 2011, the Group envisages that the operating environment will remain complex in the second half of the year, due to the high unemployment rate and deep fiscal deficit in the United States, the unsettling sovereign debt crisis in key European countries, and the tightening fiscal measures in China, which all will pose uncertainties and obstacles to the world's economy recovery. Nevertheless, demand for consumer goods around the world will continue to grow, driven by the domestic demand in emerging economies and the natural disaster in Japan which might speed up the restructuring within the sector. The latter will create an opportunity for the Group to react proactively in the industrial shift and speed up the expansion of its current product mix, while enhancing its competitiveness progressively. Therefore, the Group remains positive about the prospect of the industry and cautiously optimistic about its own business development.

As for the aroma chemicals business, the new facilities of the Changtai Plant has commenced production since the second half of the year and is gradually picking up the capacity utilization. The new product collections of aroma chemicals and specialty chemicals will become the Group's new growth drivers. The Group will introduce more new products in Changtai Plant including pharmaceutical intermediates, crop-protection chemicals, and other specialty chemicals in the coming years, in an effort to expand into areas beyond terpene chemical category and optimize the Group's product mix, diversifying from over-concentration on gum turpentine as raw material.

Following the trial-run of technological advancement in Haichang Plant, the Group expects better cost efficiency, including enhanced capacities, lower energy consumption and production cost can be achieved as the first set of production facility upgrade will commence production in the second half of the year. The Group plans to further upgrade the existing production facilities at Haichang Plant in the coming year. Upon full completion of the technological advancement, production capacity of the major products is expected to enhance significantly with over half of the energy consumption cost saved. The above measures will help the Group reinforce its position as a key provider of terpene chemicals in the world.

In terms of development strategies, the Group is set to improve its overall operating efficiency and better leverage its intrinsic organic growth edges. Firstly, for strategic resources operation, the Group will continue to move its raw material procurement upstream, improve inventory and procurement management, optimize efficiency through integration across the supply chain and keep raw material costs under more effective control. Secondly, the Group will also invest in improving its production facilities, technologies, and knowhow in order to enhance efficiency and consumption of energy, water, and ancillary raw materials. Thirdly, the Group will boost utilization of production facilities and selectively expand its capacities and production scale, to achieve a more optimal resources allocation and increase its market share. Lastly, the Group will continue to control and monitor various costs in terms of production, sales, and others.

展望

在二零一一年上半年度取得較為理想的業績增長之餘，本集團展望下半年度，經營環境仍相對複雜。一方面，美國的高失業率及政府財赤、歐洲多國的主權債務危機迭起、以及中國正在採取的緊縮財政措施，會對環球的經濟復蘇帶來不明朗因素或者阻礙；另一方面，預計在新興經濟體系的內在需求帶動下，環球消費品的需求仍將持續地增長，加上日本天災的影響有可能加快全球產業重組的過程。後者，對本集團意味著機會，以更積極承接全球行業的再分工、更快地擴展現有的產品組合、積極穩步地提升企業的競爭力。因此，我們對行業的前景仍持著積極的期待，對本集團業務之發展持有審慎的樂觀。

對於香原料業務，長泰廠區的新設施在下半年已在投產，並預計該設施的產能將逐漸獲得釋放，當中新系列的芳香化學品以及特殊化學品將會成為本集團新的增長動力；在未來數年，長泰廠區計劃將提供更多醫藥中間體、植保化學品和其他特殊化學品的新品組合，可幫助本集團擴展萜類香原料以外的業務，從而優化集團的產品結構，分散集團過度集中於以松節油為原料的經營模式。

海滄廠區的重大技術改造在完成調試後，期待首套裝置所產生之經濟效益包括提升產能、節省能耗、降低成本等，可在下半年的運營中逐步反映。計劃在來年進一步將現有海滄產區進行系統提升，預期完成整個技術改造後，主要產品之產能將逐步得以倍升，而新技術的能耗預計比現有工藝節省超過一半，相信將有力地幫助本集團鞏固其於全球萜類香原料市場的主要供應商地位。

本集團在發展策略上，主要通過幾個方面致力提升整體營運效率以及發揮內部有機增長優勢：(1) 策略資源營運上繼續將原料採購的供應鏈有效上移，同時改善存貨和採購管理，以優化供應鏈上下游整合的效益和有效地控制原料成本；(2) 投資、改善和提升其生產設施、技術和工藝以提高運作效率，並達致節省能源、用水和原輔料消耗；(3) 提高生產設施使用率，並有選擇地增加新產能和生產規模，以實現較理想的資源配置和提高市場份額；(4) 繼續控制生產、銷售及其他成本以及該等成本所佔集團總收入的比重。

Chairman's Statement

主席報告

Despite the general expectation on RMB appreciation remains intact, prices of major raw materials which had once stayed firm at high levels, have started to decline. The Group is keeping close scrutiny of the changes and paying particular attention to the demand dynamics in the industry downstream, so as to grasp the overall industry landscape and adjust its business strategies accordingly. At the same time, the Group seeks to deepen its partnerships with key flavor and fragrance customers in the world and launch new cutting-edge product mix to create better values for the customers. It will also continue its expansion into specialty chemicals and food additives businesses.

Through efforts in various areas, the Group expects to maintain its growth momentum in the second half of the year, despite the uncertainties in recovery of the world's economy.

While exerting efforts in its organic growth, the Group also strives to continue its vertical integration across the industry chain. The traditional landscape of raw material resources supply will experience a fundamental change. At the same time, the Group will continue to identify accretive opportunities for lateral collaborations and mergers to pursue synergies along the industry supply chain.

Acknowledgment

On behalf of the Board, I would like to express my sincere gratitude to all our shareholders, customers, suppliers, and staff, whose persisting support is crucial to our growth and success. I would also like to thank all Board members for their ardent support and valuable advices made during the period.

I believe that through our collaborative efforts, the Group will achieve better business growth, and eventually establish itself as a key aroma chemical supplier and an comprehensive solution provider for related industries in the world. All this will allow us to achieve sustaining and lucrative returns for our shareholders.

Yang Yirong

Chairman

Hong Kong, 25 August 2011

雖然對人民幣升值之預期不變，但過往持續高企的主要原材料價格，正開始回落，由此我們在密切掌握這一變化的進程，並特別關注產業鏈的下游需求動態，把握行業整體的供需形勢，以及時調整集團的運營策略。以此同時，本集團更會積極鞏固與國際主要香精香料客戶的夥伴關係，推出更具市場優勢的新產品組合，為客戶創造更高價值。並繼續拓展特殊化學品和食品配料等業務。

通過多方面之努力，預期本集團下半年之主營業務在環球經濟復蘇的不確定性下，仍能夠保持一定的成長動力。

本集團在積極推動內部有機增長的同時，將繼續積極地實施產業鏈垂直整合策略，而原料資源供應的傳統格局也將得到根本改變。與之配合，本集團也會積極地尋求有價值的產業橫向合作及兼併的機會，以形成產業供應鏈協同發展的新局面。

致謝

本人謹代表董事會，對股東、客戶、供應商及全體員工致以衷心謝意。大家對本集團一如以往的信任與支持是本集團取得業務成功和增長的根本要素。同時，也對各董事在期間所給予的大力支持和寶貴建議致以真誠感謝。

本人深信，在大家進一步的努力下，本集團的業務將會更加蓬勃地發展，在成為為全球主要的香料供應商的同時，進一步發展成為各相關產業的綜合解決方案的提供商，為廣大股東創造持續、豐厚的價值回報。

主席

楊毅融

香港，二零一一年八月二十五日

Management Discussion and Analysis

管理層討論與分析

Business Review

During the period under review, thanks to the increase in the total sale volume and the increase in average selling prices of the major products, the Group's turnover reached RMB562 million, representing an increase of 32% of the corresponding period last year. With the price of gum turpentine, the major raw material of the Group, sustained at the high level during the period, the Group faced higher cost pressure. Nevertheless, the Group managed to maintain the gross profit margin at 24.8%, which represented a slight improvement from the annual average profit margin last year at 24.7%, by implementing various measures to strictly control direct costs and to transfer part of the costs to customers by raising the product price.

For sales and marketing costs, the expenses accounted for 2.5% of the sales, almost the same as the corresponding period last year. With the adoption of more cost-efficient measures by the Group, administrative expenses did not increase considerably despite the expansion of the scale of operation. Total administrative expenses only accounted for 3.8% of the sales as compared to 4.1% of the corresponding period last year.

For finance cost, the net finance costs decreased by RMB0.76 million in the period under review was mainly because of the Group's balanced loan structure with borrowings denominated in both local currency and foreign currency, in which the appreciation of Renminbi in the period caused the exchange gain of RMB4.38 million.

Profit attributable to the equity holders of the Company amounted to RMB80.3 million, representing an increase of 25% over the corresponding period last year. Basic earnings per share for the period was RMB16.7 cents per share. The Board has resolved to declare an interim dividend of HK1.2 cent per share for the period ended 30 June 2011.

Product Review

Aroma Chemicals

The aroma chemicals business, being the Group's core business, sustained the previous growth momentum in the period under review. It provides the Group with stable operating revenue. For the six months ended 30 June 2010, there was an upward adjustment to prices due to increased in the cost of raw materials. Sales of aroma chemicals increased by 38% to RMB407 million, accounting for 72% of the Group's sales. The gross profit margin was 24.5%, up slightly from 24.3% for the annual average gross margin last year. Dihydromyrcenol remained a major source of income, generating RMB109 million in revenue and, accounting for 27% of the total revenue of this product category.

業務回顧

於回顧期間，本集團因為產品的銷售總量以及主要產品之平均售價有所調升，加上產品組合優化之貢獻，營業額達到5.62億元人民幣，較二零一零年同期增加32%。期內，因為本集團主要原材料—松節油價格之持續高企，本集團面對了較大的成本壓力，惟通過各種措施嚴格控制直接成本、以及通過產品加價將部分成本轉移至客戶，最終能夠把毛利率保持在24.8%之水準，比去年全年平均毛利率之24.7%略有改善。

在銷售及市場推廣成本方面，該開支佔銷售額百分比之2.5%，與去年同期2.5%相若；在行政開支方面，該開支佔銷售額百分比之3.8%，與去年同期4.1%略有改善，體現了集團持續控制成本的效益。

在融資成本方面，期內淨融資成本減少約76萬元人民幣，其主要原因是集團平衡的借貸結構中包含了以外幣及以人民幣為結算貨幣的借貸，在上半年人民幣升值中獲得匯兌盈利438萬元人民幣。

本公司權益持有人應佔溢利為80,303,000元人民幣，比去年同期增加25%。期內每股基本盈利為每股16.7分人民幣。董事會已議決就截至二零一一年六月三十日止期間宣佈派發每股1.2港仙之中期股息。

產品回顧

芳香化學品

芳香化學品業務，作為本集團的核心業務，在回顧期內保持了過往的增長動力，並為集團提供了穩定之主要經營收益。截至二零一一年六月三十日止六個月，在銷售價格因應原材料成本增加而有所調高的情況下，芳香化學品的銷售額增加了38%至4.07億元人民幣，佔集團銷售額的72%。毛利率為24.5%，與去年全年平均毛利率24.3%稍有改善。二氫月桂烯醇繼續作為芳香化學品中的主打品種，為集團提供了1.09億元人民幣的收益，佔本產品類別總收益的27%。

Management Discussion and Analysis

管理層討論與分析

Natural Extracts

During the period under review, demand for natural extracts of the Group maintained steady growth. Turnover increased 16% to RMB74.0 million, accounting for 13% of the sales of the Group. Gross profit margin was 26.5%, representing a slight increase from 23.8% last year. Natural cinnamic aldehyde was the largest contributor among natural extracts, constituting an income of RMB26.5 million to the Group and accounting for 36% of the total revenue of this product category.

Intermediates

During the period under review, the Group's intermediates business remained stable. Sales slightly increased 5% over the corresponding period last year to RMB31.7 million, accounting for 6% of the sales of the Group, and the gross profit margin was 45.7%. 3-phenylpropanal aldehyde, a major product of the intermediates, contributed an income of RMB11.8 million to the Group, accounting for 37% of total revenue of this product category.

Resource Management and Services Business

During the six months ended 30 June 2011, revenue of the Group's resource management and services business increased by 36% to RMB48.8 million from the corresponding period last year. This business segment represented 9% of turnover of the Group with a gross profit margin of 11.8%. As a necessary complement to the core business of the Group, resource management and services business also contributed to the Group's sales and earnings for the period under review.

Financial Review

Liquidity and Financial Resources

The Group's financial position was solid throughout the period. As at 30 June 2011, the net current assets and the current ratio of the Group were approximately RMB791 million (31 December 2010: approximately RMB695 million) and 2.6 (31 December 2010: 2.8), respectively. As at 30 June 2011, the Group had cash and cash equivalents of approximately RMB553 million (31 December 2010: approximately RMB524 million).

The Group will continue to maintain a sound finance position and with the positive cash inflow from operations and its available banking facilities, the Group has sufficient financial resources for fulfilling its commitments, meeting working capital requirements and making future investments for expansion.

天然提取物

於本回顧期間，本集團天然提取物之需求保持著穩中有升的趨勢，營業額增加16%至7,400萬元人民幣，佔集團銷售額的13%，毛利率為26.5%，較去年全年平均毛利率23.8%略有上升。天然肉桂醛作為天然提取物類別中的最大貢獻者，為集團提供了2,650萬元人民幣的收益，佔本產品類別總收益的36%。

中間體

於本回顧期間，本集團的中間體業務表現仍然平穩，銷售額較去年同期錄得5%增幅至3,170萬元人民幣，佔集團銷售額的6%，毛利率為45.7%。本集團主要生產以3-苯丙醛為首之中間體，該產品為集團提供1,180萬元人民幣的收益，佔本產品類別總益的37%。

資源管理與服務

截至二零一一年六月三十日止六個月內，本集團資源管理與服務業務之營業額較去年同期錄得36%增長至4,880萬元人民幣。該業務單元佔本集團營業額9%，毛利率為11.8%，資源管理與服務業務作為本集團核心業務的必要輔助，於回顧期間，也為集團的銷售及盈利帶來了貢獻。

財務回顧

流動資金及財務資源

期內，本集團之財政狀況穩健。於二零一一年六月三十日，本集團流動資產淨值及流動比率分別約為7.91億元人民幣（於二零一零年十二月三十一日：約6.95億元人民幣）及2.6（二零一零年十二月三十一日：2.8）。於二零一一年六月三十日，本集團有現金及銀行存款約5.53億元人民幣（二零一零年十二月三十一日：約5.24億元人民幣）。

本集團將繼續維持穩健財務狀況。憑藉經營所得之正數現金流入及其可用銀行信貸，本集團具備充裕財務資源以應付其承擔、營運資金需要及日後擴展投資之用。

Management Discussion and Analysis

管理層討論與分析

Capital Structure and Gearing Ratio

As at 30 June 2011, the equity attributable to the Company's equity holders amounted to RMB1,046 million (31 December 2010: RMB958 million). Increase in shareholders' funds was mainly attributable to the profit generated in the period less payment of dividend during the period.

Total borrowings as of 30 June 2011 amounted to approximately RMB453 million (31 December 2010: RMB391 million). The Group's gearing ratio (total debt over total equity) as at 30 June 2011 increased from 40.8% at 31 December 2010 to 43.3%. However, the Group could maintain the net debt to equity ratio at a net cash surplus position, being cash and cash equivalents less borrowings amounting to RMB100 million (31 December 2010: RMB134 million).

Treasury Policies and Exposure to Fluctuations in Exchange Rates

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

The Group's exposure to foreign exchange fluctuations was caused by the revaluation of Renminbi during the period under review. Nevertheless, the Group has not experienced any material difficulties or effects on its operation or liquidity as a result of fluctuations in currency exchange rate during the period.

Charge on Assets

As at 30 June 2011, bank deposit of RMB97.3 million (31 December 2010: RMB58.0 million) were pledged to secure the Group's bank borrowings.

Capital Expenditure

During the period under review, the Group invested approximately RMB14.5 million and RMB4.4 million respectively in the additions of property, plant and equipment and intangible assets compared with approximately RMB13.1 million and RMB8.6 million respectively for the same period last year.

Capital Commitment

As at 30 June 2011, the Group had capital commitments of approximately RMB27.8 million (31 December 2010: RMB25.2 million) in respect of purchases of property, plant and equipment, construction-in-progress, product development projects and land use rights.

股本架構及負債比率

於二零一一年六月三十日，本公司權益持有人應佔權益為10.46億元人民幣（於二零一零年十二月三十一日：9.58億元人民幣）。股東應佔權益增加主要源自期內所產生溢利減於期內派付之股息。

於二零一一年六月三十日，借貸總額約為4.53億元人民幣（二零一零年十二月三十一日：3.91億元人民幣）。於二零一一年六月三十日，本集團之負債比率（總負債相對總權益）由二零一零年十二月三十一日之40.8%上升至43.3%，惟本集團借貸淨額相對股權比率仍能維持於淨現金盈餘水平（即現金及現金等價物減貸款）則為1.00億元人民幣（二零一零年十二月三十一日：1.34億元人民幣）。

庫務政策及外匯波動風險

本集團之資產、負債、收入及交易主要以人民幣、美元及港元結算，而其主要於中國進行業務。銀行借貸均分別以人民幣及美元結算。

於回顧期內，本集團主要的外匯波動風險乃因重估人民幣所致。儘管如此，本集團於期內並無因匯率波動而於營運或流動資金方面遇上任何重大困難或影響。

資產抵押

於二零一一年六月三十日，銀行存款9,730萬元人民幣（二零一零年十二月三十一日：5,800萬元人民幣）作為本集團銀行借貸之抵押品。

資本開支

於回顧期內，本集團就添置物業、廠房及設備與無形資產分別投資約1,450萬元人民幣及440萬元人民幣，而去年同期則分別約為1,310萬元人民幣及860萬元人民幣。

資本承擔

於二零一一年六月三十一日，本集團就購買物業、廠房及設備、在建工程、產品開發項目及土地使用權約有2,780萬元人民幣（二零一零年十二月三十一日：2,520萬元人民幣）之資本承擔。

Management Discussion and Analysis

管理層討論與分析

Contingent Liabilities

As at 30 June 2011, the Group did not have any contingent liabilities. The Company and its subsidiaries executed corporate guarantees as part of securities for the club loans and the general banking facilities granted to the Group.

Employees and Remuneration Policy

As at 30 June 2011, the Group has 362 full-time employees of whom 356 are based in the PRC and 6 in the Hong Kong office. Remuneration packages offered to the staff are in line with the prevailing market terms and reviewed on a regular basis. Discretionary bonuses may be rewarded to employees after assessment of the Group's and individual performance. Besides salaries and bonus, staff are also entitled to other benefits, including participation in retirement benefits schemes and the share option schemes adopted by the Company pursuant to resolutions in writing of all the shareholders of the Company passed on 16 February 2004. 8,030,000 share options remained outstanding at the period end.

或然負債

於二零一一年六月三十日，本集團並無任何或然負債；惟本公司及其附屬公司已簽立公司擔保，以作為授予本集團之俱樂部貸款及一般銀行信貸額之擔保。

僱員及酬金政策

於二零一一年六月三十日，本集團有362名全職僱員，其中356名駐中國，其餘6名則駐於香港。向員工提供之薪酬與現行市場條款一致，並定期檢討。酌情花紅可於評估本集團及個別員工表現後向僱員發放。除薪金及花紅外，員工亦有權獲取其他福利，包括參與退休福利計劃及本公司根據本公司全體股東於二零零四年二月十六日通過之書面決議案採納之購股權計劃。於期間結束時，仍有8,030,000份購股權尚未行使。

Condensed Consolidated Balance Sheet

簡明綜合資產負債表

As at 30 June 2011 截至二零一一年六月三十日

(All amounts in RMB thousands unless otherwise stated) (除另有指明者外，所有款額均以千元人民幣列值)

| | | Note 附註 | 30 June 六月三十日 2011 二零一一年 (Unaudited) (未經審核) | 31 December 十二月三十一日 2010 二零一零年 (Audited) (經審核) |
|--------------------------------------------------------------------------|------------------------|------------|------------------------------------------------------------|---------------------------------------------------------------|
| ASSETS | 資產 | | | |
| Non-current assets | 非流動資產 | | | |
| Land use rights | 土地使用權 | 5 | 9,426 | 9,541 |
| Property, plant and equipment | 物業、機器及設備 | 5 | 395,891 | 397,316 |
| Intangible assets | 無形資產 | 5 | 52,416 | 52,687 |
| Investments in associates | 聯營公司投資 | 6 | 6,750 | 1,750 |
| Available-for-sale financial assets | 可供出售金融資產 | | 200 | 200 |
| | | | 464,683 | 461,494 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | | 167,469 | 115,489 |
| Trade receivables | 應收交易帳款 | 7 | 342,056 | 290,313 |
| Derivative financial instruments | 衍生金融工具 | | 678 | – |
| Prepayment and other receivables | 預付款項及其他應收款項 | 8 | 138,979 | 99,598 |
| Pledged bank deposits | 已抵押之銀行存款 | | 97,324 | 57,961 |
| Cash and cash equivalents | 現金及現金等價物 | | 553,049 | 524,409 |
| | | | 1,299,555 | 1,087,770 |
| Total assets | 總資產 | | 1,764,238 | 1,549,264 |
| EQUITY | 權益 | | | |
| Capital and reserves attributable to the Company's equity holders | 本公司權益持有人應佔股本及儲備 | | | |
| Share capital | 股本 | 9 | 51,071 | 49,232 |
| Share premium | 股本溢價 | 9 | 205,462 | 181,841 |
| Other reserves | 其他儲備 | | 58,769 | 65,515 |
| Retained earnings | 保留盈利 | 10 | 731,018 | 660,922 |
| | | | 1,046,320 | 957,510 |
| Non-controlling interest in equity | 非控制權益 | | 3,497 | 3,468 |
| Total equity | 總權益 | | 1,049,817 | 960,978 |

The notes on pages 18 to 30 form an integral part of this condensed financial information. 第18至30頁的附註為簡明財務資料的整體部份。

Condensed Consolidated Balance Sheet

簡明綜合資產負債表

As at 30 June 2011 截至二零一一年六月三十日

(All amounts in RMB thousands unless otherwise stated) (除另有指明者外，所有款額均以千元人民幣列值)

| | | Note 附註 | 30 June 六月三十日 2011 二零一一年 (Unaudited) (未經審核) | 31 December 十二月三十一日 2010 二零一零年 (Audited) (經審核) |
|----------------------------------------------|-----------------|------------|------------------------------------------------------------|---------------------------------------------------------------|
| LIABILITIES | 負債 | | | |
| Non-current liabilities | 非流動負債 | | | |
| Borrowings | 借貸 | 11 | 191,663 | 184,820 |
| Derivative financial instruments | 衍生金融工具 | | 3,152 | – |
| Deferred tax liabilities | 遞延所得稅負債 | | 11,400 | 10,500 |
| | | | 206,215 | 195,320 |
| Current liabilities | 流動負債 | | | |
| Trade payables and bills payable | 應付交易帳款及應付票據 | 12 | 217,282 | 157,107 |
| Current income tax liabilities | 即期所得稅負債 | | 7,535 | 5,766 |
| Borrowings | 借貸 | 11 | 261,182 | 205,661 |
| Derivative financial instruments | 衍生金融工具 | | 337 | 668 |
| Accruals and other payables | 應計費用及其他應付款項 | | 20,892 | 22,802 |
| Amount due to a director | 應付一董事款項 | | 978 | 962 |
| | | | 508,206 | 392,966 |
| Total liabilities | 總負債 | | 714,421 | 588,286 |
| Total equity and liabilities | 總權益及負債 | | 1,764,238 | 1,549,264 |
| Net current assets | 流動資產淨值 | | 791,349 | 694,804 |
| Total assets less current liabilities | 總資產減流動負債 | | 1,256,032 | 1,156,298 |

The notes on pages 18 to 30 form an integral part of this condensed financial information.

第18至30頁的附註為簡明財務資料的整體部份。

Condensed Consolidated Income Statement

簡明綜合收益表

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

(All amounts in RMB thousands unless otherwise stated) (除另有指明者外，所有款額均以千元人民幣列值)

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------------------|----------------------------------------|
| | | 2011 二零一一年 (Unaudited) (未經審核) | 2010 二零一零年 (Unaudited) (未經審核) |
| | | Note 附註 | |
| Revenue | 收益 | 4 | 561,971 |
| Cost of goods sold | 已售貨品成本 | | (422,438) |
| Gross profit | 毛利 | | 139,533 |
| Other (losses)/gains – net | 其他(虧損)/收益–淨額 | 13 | (3,445) |
| Selling and marketing costs | 銷售及市場推廣成本 | | (13,896) |
| Administrative expenses | 行政費用 | | (21,447) |
| Operating profit | 經營盈利 | 14 | 100,745 |
| Finance costs – net | 融資成本–淨額 | 15 | (5,745) |
| Profit before income tax | 除所得稅前盈利 | | 95,000 |
| Income tax expense | 所得稅開支 | 16 | (14,668) |
| Profit for the period | 期內溢利 | | 80,332 |
| Attributable to: | 應佔： | | |
| Equity holders of the Company | 本公司權益持有人 | | 80,303 |
| Non-controlling interest | 非控制權益 | | 29 |
| Profit for the period | 期內溢利 | | 80,332 |
| Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in RMB per share) | 期內本公司權益持有人應佔溢利之每股盈利 (每股以人民幣列示) | | |
| – Basic | – 基本 | 18 | 16.7 cents 分 |
| – Diluted | – 攤薄 | 18 | 16.5 cents 分 |
| Interim dividends | 中期股息 | 17 | 4,784 |

The notes on pages 18 to 30 form an integral part of this condensed financial information.

第18至30頁的附註為簡明財務資料的整體部份。

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月
(All amounts in RMB thousands unless otherwise stated) (除另有指明者外，所有款額均以千元人民幣列值)

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--------------------------------------------------|-----------------|-----------------------------------------|----------------------------------------|
| | | 2011 二零一一年 (Unaudited) (未經審核) | 2010 二零一零年 (Unaudited) (未經審核) |
| Profit for the period | 期內溢利 | 80,332 | 64,218 |
| Other comprehensive income: | 期內其他全面收益： | | |
| Currency translation differences | 貨幣匯兌差額 | 34 | 56 |
| Cash flow hedge | 現金流量對沖 | | |
| – Fair value change for the period | – 期內公平值改變 | (1,561) | 666 |
| – Transfer to finance costs | – 轉撥入融資成本 | – | 644 |
| | | (1,527) | 1,366 |
| Total comprehensive income for the period | 期內全面收益總額 | 78,805 | 65,584 |
| Attributable to: | 應佔： | | |
| Equity holders of the Company | 本公司權益持有人 | 78,776 | 65,604 |
| Non-controlling interest | 非控制權益 | 29 | (20) |
| Total comprehensive income for the period | 期內全面收益總額 | 78,805 | 65,584 |

The notes on pages 18 to 30 form an integral part of this condensed financial information. 第18至30頁的附註為簡明財務資料的整體部份。

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

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

(All amounts in RMB thousands unless otherwise stated) (除另有指明者外，所有款額均以千元人民幣列值)

| | | Six months ended 30 June 2011 (Unaudited) | | | | | | | | | | Non-controlling interests 非控制性權益 | Total 總計 |
|------------------------------------------------------------------------|---------------------|-----------------------------------------------|-----------------------|-------------------------|-----------------------------|----------------------------|--------------------------------------|-----------------------------------------|-------------------------|--------------------------------------|---------------------------|-------------------------------------|-------------|
| | | Attributable to equity holders of the Company | | | | | | | | | | | |
| | | 本公司權益持有人應佔 | | | | | | | | | | | |
| | | Share capital 股本 | Share premium 股份溢價 | Capital reserve 股本儲備 | Contributed surplus 繳入盈餘 | Statutory reserves 法定儲備 | Capital redemption reserve 股本贖回儲備 | Share options equity reserve 購股權股本儲備 | Hedging reserve 對沖儲備 | Currency translation reserve 匯兌儲備 | Retained earnings 保留盈利 | | |
| Balance at 1 January 2011 | 二零一一年一月一日結餘 | 49,232 | 181,841 | 685 | 9,500 | 47,084 | 421 | 7,796 | - | 29 | 660,922 | 3,468 | 960,978 |
| Profit for the period | 期內盈利 | - | - | - | - | - | - | - | - | - | 80,303 | 29 | 80,332 |
| Other comprehensive income for the period | 本期其他全面收益總額 | - | - | - | - | - | - | - | (1,561) | 34 | - | - | (1,527) |
| Total comprehensive income for the period | 本期全面收益總額 | - | - | - | - | - | - | - | (1,561) | 34 | 80,303 | 29 | 78,805 |
| Issue of shares | 發行股份 | 1,839 | 23,621 | - | - | - | - | - | - | - | - | - | 25,460 |
| Employees share option scheme: - Exercise/Cancellation of share option | 僱員購股權計劃：- 行使/註銷購股權 | - | - | - | - | - | - | (5,219) | - | - | 5,219 | - | - |
| Dividend relating to 2010 paid in June 2011 | 已於二零一一年六月派付之二零一零年股息 | - | - | - | - | - | - | - | - | - | (15,426) | - | (15,426) |
| Balance at 30 June 2011 | 二零一一年六月三十日結餘 | 51,071 | 205,462 | 685 | 9,500 | 47,084 | 421 | 2,577 | (1,561) | 63 | 731,018 | 3,497 | 1,049,817 |

| | | Six months ended 30 June 2010 (Unaudited) | | | | | | | | | | Non-controlling interests 非控制性權益 | Total 總計 |
|---------------------------------------------|---------------------|-----------------------------------------------|-----------------------|-------------------------|-----------------------------|----------------------------|--------------------------------------|-----------------------------------------|-------------------------|--------------------------------------|---------------------------|-------------------------------------|-------------|
| | | Attributable to equity holders of the Company | | | | | | | | | | | |
| | | 本公司權益持有人應佔 | | | | | | | | | | | |
| | | Share capital 股本 | Share premium 股份溢價 | Capital reserve 股本儲備 | Contributed surplus 繳入盈餘 | Statutory reserves 法定儲備 | Capital redemption reserve 股本贖回儲備 | Share options equity reserve 購股權股本儲備 | Hedging reserve 對沖儲備 | Currency translation reserve 匯兌儲備 | Retained earnings 保留盈利 | | |
| Balance at 1 January 2010 | 二零一零年一月一日結餘 | 49,232 | 181,841 | 685 | 9,500 | 43,202 | 421 | 7,796 | (2,750) | (2) | 550,558 | 3,502 | 843,985 |
| Profit for the period | 期內盈利 | - | - | - | - | - | - | - | - | - | 64,238 | (20) | 64,218 |
| Other comprehensive income for the period | 本期其他全面收益 | - | - | - | - | - | - | - | 1,310 | 56 | - | - | 1,366 |
| Total comprehensive income for the period | 本期全面收益總額 | - | - | - | - | - | - | - | 1,310 | 56 | 64,238 | (20) | 65,584 |
| Dividend relating to 2009 paid in July 2010 | 已於二零一零年七月派付之二零零九年股息 | - | - | - | - | - | - | - | - | - | (12,274) | - | (12,274) |
| Balance at 30 June 2010 | 二零一零年六月三十日結餘 | 49,232 | 181,841 | 685 | 9,500 | 43,202 | 421 | 7,796 | (1,440) | 54 | 602,522 | 3,482 | 897,295 |

The notes on pages 18 to 30 form an integral part of this condensed financial information.

第18至30頁的附註為簡明財務資料的整體部份。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2011 截至二零一一年六月三十日止六個月
(All amounts in RMB thousands unless otherwise stated) (除另有指明者外，所有款額均以千元人民幣列值)

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--------------------------------------------------------|-----------------|-----------------------------------------|----------------------------------------|
| | | 2011 二零一一年 (Unaudited) (未經審核) | 2010 二零一零年 (Unaudited) (未經審核) |
| Net cash (used in)/generated from operating activities | 經營活動(所用)/所得淨現金 | (20,027) | 46,478 |
| Net cash used in investing activities | 投資活動所用淨現金 | (23,850) | (21,684) |
| Net cash generated from/(used in) financing activities | 融資活動所得/(所用)淨現金 | 72,483 | (27,387) |
| Net increase/(decrease) in cash and cash equivalents | 現金及現金等價物增加/(減少) | 28,606 | (2,593) |
| Cash and cash equivalents at beginning of the period | 期初之現金及現金等價物 | 524,409 | 514,744 |
| Exchange gain on cash and cash equivalents | 現金及現金等價物之匯兌收益 | 34 | 56 |
| Cash and cash equivalents at end of the period | 期終之現金及現金等價物 | 553,049 | 512,207 |

The notes on pages 18 to 30 form an integral part of this condensed financial information. 第18至30頁的附註為簡明財務資料的整體部份。

Notes to the Interim Financial Information

中期財務資料附註

(All amounts in RMB thousands unless otherwise stated) (除另有指明者外，所有款額均以千元人民幣列值)

1. Accounting Policies

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and in compliance with the Hong Kong Accounting Standard (“**HKAS**”) 34, “Interim Financial Reporting” and Interpretations (“**INT**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The accounting policies adopted in these consolidated interim financial statements are consistent with those adopted in the Company’s 2010 Annual Report except for the adoption of new Hong Kong Financial Reporting Standards (“**HKFRS(s)**”), HKASs and Interpretations as disclosed in note 3 below.

2. Basis of Preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2011 have been prepared in accordance with HKAS 34, “Interim Financial Reporting”.

These condensed consolidated interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of “available-for-sale financial assets”, “financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss”, which are carried at fair value. The consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2010.

3. Change in Accounting Policies and Disclosures Standards, Amendments and Interpretations Effective in 2011

The Group has adopted all new/revised HKFRSs which were mandatory for the financial year beginning on or after 1 January 2011 and were pertinent to its operations. The applicable HKFRSs are set out below:

| | |
|-------------------------------------|-------------------------------------------------------------------------------------------------|
| HKAS 24 (Revised) | Related Party Disclosures |
| HKAS 32 (Amendment) | Classification of Rights Issues |
| HKAS 34 (Amendment) | Interim Financial Reporting |
| HK(IFRIC)-INT14 (Amendment) | Prepayments of a Minimum Funding Requirement |
| HK(IFRIC)-INT19 | Extinguishing Financial Liabilities with Equity Instruments |
| Third improvements to HKFRSs (2010) | Certain third improvements to HKFRSs (2010) were issued in May 2010 by both IASB and the HKICPA |

1. 會計政策

本簡明綜合中期財務報表乃根據香港聯合交易所有限公司證券上市規則(「**上市規則**」)內的適用披露規定；及已遵照香港會計師公會頒佈的香港會計準則(「**HKAS**」)第34號「中期財務報告」及詮釋(「**INT**」)而編製。

本綜合中期財務報表所採納的會計政策，除下文附註3披露採納新香港財務報告準則(「**HKFRS**」)、HKAS及詮釋外，與本公司二零一零年年報所採納的一致。

2. 編製基準

截至二零一一年六月三十日止六個月的簡明綜合中期財務報表乃根據HKAS第34號「中期財務報告」而編製。

本簡明綜合中期財務報表乃按照歷史成本法編製，並就「可供出售金融資產」、「按公平值透過損益記帳的金融資產和金融負債(包括衍生工具)」等之重估按公平值列帳作出修訂。本綜合中期財務報表並未包括年度財務報表的一切所需資料及披露，並應與本集團截至二零一零年十二月三十一日止年度財務報表一起審閱。

3. 會計政策之變動及披露

在二零一一年已生效的準則、修訂及詮釋

本集團已採納所有於二零一一年一月一日或以後強制應用，而又與本集團業務有關之新／經修訂的HKFRS。適用的HKFRS載列如下：

| | |
|----------------------|-------------------------------------------|
| HKAS 24(修訂) | 關連人士披露 |
| HKAS 32(修正) | 供股之分類 |
| HKAS 34(修正) | 中期財務報告 |
| HK(IFRIC) –INT14(修訂) | 最低資金要求的預付款項 |
| HK(IFRIC) –INT19 | 以股本工具抵銷金融負債 |
| HKFRS第三次修訂本 (2010年) | 國際會計準則理事會及香港會計師公會於二零一零年五月頒佈若干HKFRS之第三次修訂本 |

Notes to the Interim Financial Information

中期財務資料附註

(All amounts in RMB thousands unless otherwise stated) (除另有指明者外，所有款額均以千元人民幣列值)

3. Change in Accounting Policies and Disclosures (continued)

Standards, Amendments and Interpretations Effective in 2011 (continued)

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after the dates as set out below, but the Group has not early adopted:

| | |
|---------------------|---------------------------------------------------------------------------------------|
| HKAS 1 (Amendment) | Presentation of Financial Statements ³ |
| HKAS 12 (Amendment) | Income Taxes: Deferred Tax – Recovery of Underlying Assets ² |
| HKAS 19 (Amendment) | Employee Benefits ⁴ |
| HKFRS 1 (Amendment) | Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ¹ |
| HKFRS 7 (Amendment) | Financial Instruments: Disclosures – Transfers of Financial Assets ¹ |
| HKFRS 9 | Financial Instruments ⁴ |
| HKFRS 10 | Consolidated Financial Statements ⁴ |
| HKFRS 11 | Joint Arrangements ⁴ |
| HKFRS 12 | Disclosure of Interests in Other Entities ⁴ |
| HKFRS 13 | Fair Value Measurements ⁴ |

¹ effective for annual periods beginning on or after 1 July 2011

² effective for annual periods beginning on or after 1 January 2012

³ effective for annual periods beginning on or after 1 July 2012

⁴ effective for annual periods beginning on or after 1 January 2013

The Group has commenced considering the potential impact of the other new and revised standards, amendments or interpretations but is not yet in a position to determine whether they would have a significant impact on its results and financial position are prepared and presented.

4. Turnover and Segment Information

(a) Turnover

The Group is principally engaged in the manufacturing of fine chemicals from natural resources for use in aroma chemicals and pharmaceutical products and the trading of natural materials and fine chemicals. Turnover for the Group represents revenue from the sale of goods.

(b) Segment information – business segment

The chief operating decision-maker has been identified as the Executive Directors. The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. The Executive Directors have determined the operating segments based on these reports. The Executive Directors consider the business from product perspective.

3. 會計政策之變動及披露(續)

在二零一一年已生效的準則、修訂及詮釋(續)

採納新HKFRS並無對本會計期間或過往會計期間之業績及財務狀況之編製及呈報方式造成重大影響。

仍未生效而本集團亦無提早採納的準則、修訂及對現有準則的詮釋

以下為已公佈的準則、修訂及對現有準則的詮釋，而本集團必須在如下載列的日期或之後開始的會計期間採納，但本集團並無提早採納：

| | |
|-------------|--------------------------------------|
| HKAS 1(修訂) | 財務報表的呈報 ³ |
| HKAS 12(修訂) | 所得稅：遞延稅項－相關資產的收回 ² |
| HKAS 19(修訂) | 僱員福利 ⁴ |
| HKFRS 1(修訂) | 嚴重的惡性通貨膨脹及為首次採納者除去固定的日期 ¹ |
| HKFRS 7(修訂) | 金融工具：披露－金融資產轉讓 ¹ |
| HKFRS 9 | 金融工具 ⁴ |
| HKFRS 10 | 合併財務報表 ⁴ |
| HKFRS 11 | 聯合安排 ⁴ |
| HKFRS 12 | 持有其他主體權益的披露 ⁴ |
| HKFRS 13 | 公允價值計量 ⁴ |

¹ 於二零一一年七月一日或之後開始的年度期間生效

² 於二零一二年一月一日或之後開始的年度期間生效

³ 於二零一二年七月一日或之後開始的年度期間生效

⁴ 於二零一三年一月一日或之後開始的年度期間生效

本集團已開始考慮其他新訂及修訂準則、修正或詮釋的潛在影響，惟目前仍未能確定該等準則會否對所編製及呈報的業績及財務狀況有重大之影響。

4. 營業額及分部資料

(a) 營業額

本集團主要從事利用天然資源製造精細化學品，以用於芳香化學品及醫藥產品以及買賣天然原料及精細化學品。本集團營業額指從銷售貨品所產生之效益。

(b) 分部資料－業務分部

執行董事為主要經營決策者。執行董事審閱本集團的內部報告，以評估表現及分配資源。執行董事根據該等報告劃分營運分部。執行董事從產品角度考慮業務的性質。

Notes to the Interim Financial Information

中期財務資料附註

(All amounts in RMB thousands unless otherwise stated) (除另有指明者外，所有款額均以千元人民幣列值)

4. Turnover and Segment Information (continued)

(b) Segment information – business segment (continued)

During the six months ended, the Group is organised into two main operating segments:

- (1) manufacturing and selling of fine chemicals; and
- (2) trading of natural materials and fine chemicals.

The segment results for the six months ended 30 June 2011 are as follows:

4. 營業額及分部資料(續)

(b) 分部資料 – 業務分部(續)

截至二零一一年六月三十日止六個月，本集團分為兩大主要經營分部：

- (1) 生產及銷售精細化學品；及
- (2) 買賣天然原料及精細化學品。

截至二零一一年六月三十日止年度之分部業績如下：

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|-------------------------------------|--------------|-----------------------------------------|----------------------------------------|
| | | 2011 二零一一年 (Unaudited) (未經審核) | 2010 二零一零年 (Unaudited) (未經審核) |
| Revenue | 收益 | | |
| Manufacturing | 生產 | 513,129 | 389,216 |
| Trading | 貿易 | 48,842 | 36,043 |
| Total revenue | 總收益 | 561,971 | 425,259 |
| Segment results | 分部業績 | | |
| Manufacturing | 生產 | 121,102 | 97,106 |
| Trading | 貿易 | 4,535 | 2,497 |
| Unallocated corporate expense – net | 未分配公司支出 – 淨額 | (24,892) | (17,576) |
| Finance cost – net | 融資成本 – 淨額 | (5,745) | (6,506) |
| Income tax expense | 所得稅開支 | (14,668) | (11,303) |
| Profit for the period | 期內溢利 | 80,332 | 64,218 |

Other segment items charged/(credited) in the condensed consolidated income statements are as follows:

簡明綜合收益表內已扣除/(計入)之其他分部項目如下：

| | | Manufacturing 生產 Six months ended 30 June 截至六月三十日止六個月 | | Trading 貿易 Six months ended 30 June 截至六月三十日止六個月 | |
|-------------------------------------------------------------|-----------------|----------------------------------------------------------------|----------------------------------------|----------------------------------------------------------|----------------------------------------|
| | | 2011 二零一一年 (Unaudited) (未經審核) | 2010 二零一零年 (Unaudited) (未經審核) | 2011 二零一一年 (Unaudited) (未經審核) | 2010 二零一零年 (Unaudited) (未經審核) |
| Depreciation | 折舊 | 15,804 | 14,332 | 64 | 58 |
| Amortisation | 攤銷 | 4,794 | 4,121 | - | - |
| Provision for/(reversal of) impairment of inventories | 存貨減值撥備/(撥回) | 1,348 | 178 | (15) | (80) |
| Write-down of inventories | 存貨減記 | - | 332 | - | - |
| Provision for/(reversal of) impairment of trade receivables | 應收交易帳款減值撥備/(撥回) | 741 | 480 | (218) | (5) |

Notes to the Interim Financial Information

中期財務資料附註

(All amounts in RMB thousands unless otherwise stated) (除另有指明者外，所有款額均以千元人民幣列值)

4. Turnover And Segment Information (continued)

(b) Segment information – business segment (continued)

The segment assets and liabilities as at 30 June 2011 and capital expenditure for the period then ended are as follows:

| | | 30 June 六月三十日 2011 二零一一年 (Unaudited) (未經審核) | 31 December 十二月三十一日 2010 二零一零年 (Audited) (經審核) |
|--------------------------------|-------------|------------------------------------------------------------|---------------------------------------------------------------|
| Segment assets | 分部資產 | | |
| Manufacturing | 生產 | 1,082,026 | 922,216 |
| Trading | 貿易 | 12,233 | 35,642 |
| Pledged bank deposits | 已抵押之銀行存款 | 97,324 | 57,961 |
| Cash and cash equivalents | 現金及現金等價物 | 553,049 | 524,409 |
| Other corporate assets | 其他公司資產 | 19,606 | 9,036 |
| Total assets | 資產總值 | 1,764,238 | 1,549,264 |
| Segment liabilities | 分部負債 | | |
| Manufacturing | 生產 | 219,520 | 163,327 |
| Trading | 貿易 | 6,632 | 15,100 |
| Bank borrowings | 銀行借貸 | 443,975 | 370,161 |
| Deferred tax liabilities | 遞延所得稅負債 | 11,400 | 10,500 |
| Current income tax liabilities | 即期所得稅負債 | 7,535 | 5,766 |
| Other corporate liabilities | 其他公司負債 | 25,359 | 24,432 |
| Total liabilities | 負債總額 | 714,421 | 588,286 |
| | | Six months ended 30 June 截至六月三十日止六個月 | |
| | | 2011 二零一一年 (Unaudited) (未經審核) | 2010 二零一零年 (Unaudited) (未經審核) |
| Capital expenditure | 資本開支 | | |
| Manufacturing | 生產 | 18,772 | 21,643 |
| Trading | 貿易 | 79 | 41 |
| | | 18,851 | 21,684 |

4. 營業額及分部資料(續)

(b) 分部資料－業務分部(續)

於二零一一年六月三十日之資產及負債分部以及截至該日止期間之資本開支如下：

Notes to the Interim Financial Information

中期財務資料附註

(All amounts in RMB thousands unless otherwise stated) (除另有指明者外，所有款額均以千元人民幣列值)

4. Turnover and Segment Information (continued)

(c) Segment information – geographical segment

The Group's two operating segments operate in three main geographical areas.

4. 營業額及分部資料(續)

(c) 分部資料－地區分部

本集團兩大經營分部於三個主要地區經營。

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|-----------------------------------|--------------|-----------------------------------------|----------------------------------------|
| | | 2011 二零一一年 (Unaudited) (未經審核) | 2010 二零一零年 (Unaudited) (未經審核) |
| Revenue | 收益 | | |
| – Mainland China | – 中國內地 | 315,457 | 279,068 |
| – Europe | – 歐洲 | 113,328 | 78,552 |
| – Asia (excluding Mainland China) | – 亞洲(中國內地除外) | 70,330 | 41,136 |
| – North America | – 北美洲 | 40,327 | 11,052 |
| – Others | – 其他 | 22,529 | 15,451 |
| | | 561,971 | 425,259 |

Revenue are allocated based on the places/countries in which customers are located.

收益乃按客戶所在地區／國家分配。

| | | 30 June 六月三十日 2011 二零一一年 (Unaudited) (未經審核) | 31 December 十二月三十一日 2010 二零一零年 (Audited) (經審核) |
|---------------------|-------------|------------------------------------------------------------|---------------------------------------------------------------|
| Total assets | 資產總值 | | |
| – Mainland China | – 中國內地 | 1,667,803 | 1,477,821 |
| – Hong Kong | – 香港 | 90,701 | 67,041 |
| – Unallocated | – 未分配 | 5,734 | 4,402 |
| | | 1,764,238 | 1,549,264 |

Total assets are allocated based on where the assets are located.

資產總值乃按資產所在地分配。

No geographical analysis of capital expenditure is presented as substantially all of the Group's capital expenditure was incurred in respect of assets located in Mainland China.

由於本集團絕大部分資本開支就位於中國內地之資產產生，因此並無呈報資本開支之地區分析。

Notes to the Interim Financial Information

中期財務資料附註

(All amounts in RMB thousands unless otherwise stated) (除另有指明者外，所有款額均以千元人民幣列值)

5. Capital expenditure

5. 資本開支

| | | Property, plant and equipment 物業、廠房 及設備 (Unaudited) (未經審核) | Land use right 土地使用權 (Unaudited) (未經審核) | Intangible assets 無形資產 (Unaudited) (未經審核) |
|-------------------------------------------------|------------------------|------------------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------|
| Opening net book amount as at 1 January 2010 | 於二零一零年一月一日之 期初帳面淨額 | 384,191 | 9,851 | 57,173 |
| Additions | 添置 | 13,104 | - | 8,578 |
| Depreciation and amortisation charge | 折舊及攤銷 | (14,390) | (56) | (4,065) |
| Closing net book amount as at 30 June 2010 | 於二零一零年六月三十日之 期終帳面淨額 | 382,905 | 9,795 | 61,686 |
| Opening net book amount as at 1 January 2011 | 於二零一一年一月一日之 期初帳面淨額 | 397,316 | 9,541 | 52,687 |
| Additions | 添置 | 14,443 | - | 4,408 |
| Depreciation and amortisation charge | 折舊及攤銷 | (15,868) | (115) | (4,679) |
| Closing net book amount as at 30 June 2011 | 於二零一一年六月三十日之 期終帳面淨額 | 395,891 | 9,426 | 52,416 |

6. Investments in associates

6. 聯營公司投資

| | | 2011 二零一一年 (Unaudited) (未經審核) | 2010 二零一零年 (Audited) (經審核) |
|----------------------------------|------------------------------|----------------------------------------|-------------------------------------|
| At 1 January | 於一月一日 | 1,750 | 1,750 |
| Investment in associate | 投資於聯營公司 | 5,000 | - |
| At 30 June 2011/31 December 2010 | 於二零一一年六月三十日/ 二零一零年十二月三十一日 | 6,750 | 1,750 |

During the period, the Group has newly invested in 25% equity interest of an unlisted company, named "Wuhan Geyuan Fine Chemicals Co. Ltd.", a company incorporated in the PRC with fully paid up registered capital of RMB20,000,000 and engaged in the manufacturing of fine chemicals.

於本期間，集團新的投資於一間非上市公司共25%之股份權益，該公司於中國內地成立並取名為「武漢格源精細化工有限公司」，該公司之足繳註冊股本為人民幣2,000萬元，主要業務為生產精細化工產品。

Notes to the Interim Financial Information

中期財務資料附註

(All amounts in RMB thousands unless otherwise stated) (除另有指明者外，所有款額均以千元人民幣列值)

7. Trade Receivables

The credit period granted by the Group to its customers is generally around 60 to 90 days. The aging analysis of trade receivables is as follows:

| | | 30 June 六月三十日 2011 二零一一年 (Unaudited) (未經審核) | 31 December 十二月三十一日 2010 二零一零年 (Audited) (經審核) |
|--------------------------------------------------------|--------------|---------------------------------------------------------------------------------|---------------------------------------------------------------|
| 0 to 30 days | 0至30天 | 106,670 | 80,759 |
| 31 to 60 days | 31至60天 | 81,106 | 72,602 |
| 61 to 90 days | 61至90天 | 57,451 | 66,796 |
| 91 to 180 days | 91至180天 | 100,038 | 72,890 |
| 181 to 365 days | 181至365天 | 215 | 198 |
| Over 365 days | 365天以上 | 31 | - |
| | | 345,511 | 293,245 |
| Less: Provision for impairment of trade receivables | 減：應收交易帳款減值撥備 | (3,455) | (2,932) |
| | | 342,056 | 290,313 |

7. 應收交易帳款

本集團給予其客戶之信貸期一般60至90天。應收交易帳款之帳齡分析如下：

8. Prepayments and other receivables

| | | 30 June 六月三十日 2011 二零一一年 (Unaudited) (未經審核) | 31 December 十二月三十一日 2010 二零一零年 (Audited) (經審核) |
|-------------------------------------------|----------|---------------------------------------------------------------------------------|---------------------------------------------------------------|
| Prepayment for purchases of raw materials | 購買原料預付款項 | 127,000 | 92,512 |
| Input value-added tax recoverable | 可收回進項增值稅 | 8,260 | 5,448 |
| Others | 其他 | 3,719 | 1,638 |
| | | 138,979 | 99,598 |

8. 預付款項及其他應收款項

Notes to the Interim Financial Information

中期財務資料附註

(All amounts in RMB thousands unless otherwise stated) (除另有指明者外，所有款額均以千元人民幣列值)

9. Share capital and share premium

9. 股本及股本溢價

| Authorised share capital – Ordinary shares of HK\$0.1 each: | | 法定股本—每股面值 0.1 港元之普通股： | Number of shares 股份數目 | Nominal value of ordinary shares 普通股面值 | | |
|-------------------------------------------------------------|--|------------------------------------|-----------------------------------------|-------------------------------------------|-----------------------|----------------|
| At 1 January 2010, 31 December 2010 and 30 June 2011 | | 於二零一零年一月一日、二零一零年十二月三十一日及二零一一年六月三十日 | 2,000,000,000 | 212,000 | | |
| Issued share capital – Ordinary shares of HK\$0.1 each: | | 已發行股本—每股面值 0.1 港元之普通股： | Number of fully paid shares 已繳股款股份數目 | Nominal value of ordinary shares 普通股面值 | Share Premium 股份溢價 | Total 合計 |
| At 1 January 2010 and 31 December 2010 | | 於二零一零年一月一日及二零一零年十二月三十一日 | 465,210,000 | 49,232 | 181,841 | 231,073 |
| At 1 January 2011 | | 於二零一一年一月一日 | 465,210,000 | 49,232 | 181,841 | 231,073 |
| Shares issued upon exercise of employees share option | | 僱員購股權行使時發行的股份 | 21,700,000 | 1,839 | 23,621 | 25,460 |
| At 30 June 2011 | | 於二零一一年六月三十日 | 486,910,000 | 51,071 | 205,462 | 256,533 |

Notes to the Interim Financial Information

中期財務資料附註

(All amounts in RMB thousands unless otherwise stated) (除另有指明者外，所有款額均以千元人民幣列值)

10. Retained Earnings

10. 保留盈利

| | | 2011 二零一一年 (Unaudited) (未經審核) | 2010 二零一零年 (Audited) (經審核) |
|------------------------------------------------------|------------------------------|----------------------------------------|-------------------------------------|
| At 1 January | 於一月一日 | 660,922 | 550,558 |
| Profit for the period/year | 本期間/年度溢利 | 80,303 | 130,103 |
| Exercise/Cancellation of share options | 行使/註銷購股權 | 5,219 | - |
| Transfer from retained earnings to statutory reserve | 轉撥保留盈利至法定公積金 | - | (3,882) |
| Dividends: | 股息： | | |
| 2010/2009 final dividend | 二零一零/二零零九年度末期股息 | (15,426) | (12,274) |
| 2010 interim dividend | 二零一零年度中期股息 | - | (3,583) |
| At 30 June 2011/31 December 2010 | 於二零一一年六月三十日/ 二零一零年十二月三十一日 | 731,018 | 660,922 |
| Representing: | 相當於： | | |
| Retained earnings | 保留盈利 | 726,234 | 645,496 |
| Declared interim/proposed final dividend | 已宣派中期/建議末期股息 | 4,784 | 15,426 |
| At 30 June 2011/31 December 2010 | 於二零一一年六月三十日/ 二零一零年十二月三十一日 | 731,018 | 660,922 |

11. Borrowings

The loans carry floating interest at the weighted average effective interest rate of 4.5% (31 December 2010: 4.2%) per annum.

11. 貸款

銀行貸款按浮息以平均有效年利率4.5%(二零一零年十二月三十一日：4.2%)計算利息。

| | | 30 June 六月三十日 2011 二零一一年 (Unaudited) (未經審核) | 31 December 十二月三十一日 2010 二零一零年 (Audited) (經審核) |
|----------------------------------------------------|---------------|------------------------------------------------------------|---------------------------------------------------------------|
| Maturity of borrowings | 借貸之還款期 | | |
| Amounts repayable within a period: | 須於以下期間償還之款項： | | |
| - not exceeding one year | - 不超過一年 | 261,182 | 205,661 |
| - more than one year but not exceeding two years | - 一年以上，但不超過兩年 | 133,058 | 92,760 |
| - more than two years but not exceeding five years | - 兩年以上，但不超過五年 | 57,655 | 90,660 |
| - more than five years | - 五年以上 | 950 | 1,400 |
| | | 452,845 | 390,481 |

Notes to the Interim Financial Information

中期財務資料附註

(All amounts in RMB thousands unless otherwise stated) (除另有指明者外，所有款額均以千元人民幣列值)

12. Trade Payables and Bills Payable

Included in the balance was trade payables and bills payable amounting to RMB24,081,000 and RMB193,201,000 (31 December 2010: RMB30,330,000 and RMB126,777,000) respectively.

As at 30 June 2011, the aging analysis of trade payables and bills payable was as follows:

12. 應付交易帳款及應付票據

餘額內包括應付交易賬款及應付票據，金額分別為24,081,000元人民幣及193,201,000元人民幣（二零一零年十二月三十一日：30,330,000元人民幣及126,777,000元人民幣）。

於二零一一年六月三十日，應付交易帳款及應付票據之帳齡分析如下：

| | | 30 June 六月三十日 2011 二零一一年 (Unaudited) (未經審核) | 31 December 十二月三十一日 2010 二零一零年 (Audited) (經審核) |
|-----------------|----------|---------------------------------------------------------------------------------|---------------------------------------------------------------|
| 0 to 30 days | 0至30天 | 48,357 | 35,574 |
| 31 to 60 days | 31至60天 | 52,926 | 33,212 |
| 61 to 90 days | 61至90天 | 51,682 | 25,362 |
| 91 to 180 days | 91至180天 | 62,068 | 62,645 |
| 181 to 365 days | 181至365天 | 708 | 10 |
| Over 365 days | 365天以上 | 1,541 | 304 |
| | | 217,282 | 157,107 |

13. Other (losses)/gains – net

13. 其他(虧損)/收益 – 淨額

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|-----------------------------------------------------------|-------------------|------------------------------------------------------|----------------------------------------|
| | | 2011 二零一一年 (Unaudited) (未經審核) | 2010 二零一零年 (Unaudited) (未經審核) |
| Unrealised loss on derivative financial instruments – net | 衍生金融工具之未變現虧損 – 淨額 | (1,256) | – |
| Net exchange (losses)/gains | 淨匯兌(虧損)/收益 | (2,444) | 32 |
| Others | 其他 | 255 | (18) |
| | | (3,445) | 14 |

Notes to the Interim Financial Information

中期財務資料附註

(All amounts in RMB thousands unless otherwise stated) (除另有指明者外，所有款額均以千元人民幣列值)

14. Operating Profit

Operating profit is stated after charging/(crediting) the following:

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---------------------------------------------------------|--------------|-----------------------------------------|----------------------------------------|
| | | 2011 二零一一年 (Unaudited) (未經審核) | 2010 二零一零年 (Unaudited) (未經審核) |
| Amortisation of prepaid operating lease payments | 預付經營租金款項攤銷 | 115 | 56 |
| Amortisation of intangible assets | 無形資產攤銷 | 4,679 | 4,065 |
| Depreciation | 折舊 | 15,868 | 14,390 |
| Loss on disposal of available-for-sale financial assets | 出售可供出售金融資產虧損 | - | 200 |
| Provision for impairment of inventories | 存貨減值撥備 | 1,333 | 98 |
| Write-down of inventories | 存貨減記 | - | 332 |
| Provision for impairment of trade receivables | 應收交易帳款減值撥備 | 523 | 475 |

14. 經營盈利

經營溢利已扣除/(計入)以下各項：

15. Finance Costs – net

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|-----------------------------------------------------------|-------------------|-----------------------------------------|----------------------------------------|
| | | 2011 二零一一年 (Unaudited) (未經審核) | 2010 二零一零年 (Unaudited) (未經審核) |
| Interest expense on: | 利息開支： | | |
| – Bank borrowings wholly repayable within five years | – 須於五年內全數償還之銀行借貸 | (13,242) | (9,208) |
| – Government loans wholly repayable within five years | – 須於五年內全數償還之政府貸款 | (189) | (297) |
| – Government loans not wholly repayable within five years | – 無須於五年內全數償還之政府貸款 | (47) | (47) |
| Net foreign exchange gains on financing activities | 融資活動的淨匯兌收益 | 4,377 | 629 |
| | | (9,101) | (8,923) |
| Less: amount capitalized on qualifying assets | 減：合資格資產資本化數額 | 1,544 | 1,151 |
| Finance costs | 融資成本 | (7,557) | (7,772) |
| Finance income | 融資收入 | | |
| – Interest income on short term bank deposits | – 短期銀行存款的利息收入 | 1,812 | 1,266 |
| Net finance costs | 淨融資成本 | (5,745) | (6,506) |

15. 融資成本－淨額

Finance cost capitalised during the period have been calculated by applying a capitalisation rate of 4.4% (six months ended 30 June 2010: 5.9%) per annum on expenditure of qualifying assets.

合資格資本化的融資成本佔合資格資產開支之4.4%(二零一零年六月三十日止六個月：5.9%)。

Notes to the Interim Financial Information

中期財務資料附註

(All amounts in RMB thousands unless otherwise stated) (除另有指明者外，所有款額均以千元人民幣列值)

16. Income Tax Expense

16. 所得稅開支

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|----------------------------------------|-------------|-----------------------------------------|----------------------------------------|
| | | 2011 二零一一年 (Unaudited) (未經審核) | 2010 二零一零年 (Unaudited) (未經審核) |
| Current income tax | 現有稅項 | | |
| – Mainland China enterprise income tax | – 中國內地企業所得稅 | 14,668 | 11,303 |

Notes:

No Hong Kong profits tax was provided as the Group had no assessable profit arising in or derived from Hong Kong.

The subsidiaries established in Xiamen, Fujian Province, Mainland China are subject to Mainland China enterprise income tax at a rate of 24% (2010: 22%). In November 2006, Xiamen Doingcom Chemical Co. Ltd. transformed from a domestic enterprise to a wholly foreign owned enterprise. It has obtained approval from Mainland China Tax Bureau to be exempted from enterprise income tax for two years starting from the first year of profitable operations, followed by a 50% reduction in enterprise income tax for the following three years, Xiamen Doingcom Chemical Co. Ltd. has commenced to enjoy its tax holiday starting from year 2007.

17. Interim Dividends

An interim dividend in respect of the six months ended 30 June 2011 of HK1.2 cents per share, totalling approximately of RMB4,784,000, is declared. This interim financial information does not reflect such dividend payable.

附註：

由於本集團並無在香港獲得或賺取應課稅溢利，因此並無就香港利得稅作出撥備。

於中國內地福建省廈門成立之附屬公司須按24% (二零一零年：22%)之稅率繳納中國內地企業所得稅。二零零六年十一月，廈門中坤化學有限公司由內資企業轉為全外資企業，並且獲得中國內地稅務局豁免自首個獲利年度起繳納企業所得稅兩年，其後三年之企業所得稅則減半。廈門中坤化學有限公司在二零零七年啟用該項稅收優惠。

17. 中期股息

有關截至二零一一年六月三十日止六個月已宣派中期股息每股1.2港仙，合共約4,784,000元人民幣，此中期財務資料並無反映此應付股息。

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|-------------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------|----------------------------------------|
| | | 2011 二零一一年 (Unaudited) (未經審核) | 2010 二零一零年 (Unaudited) (未經審核) |
| Interim dividend declared of HK1.2 cents (2010: HK0.88 cents) per ordinary share | 已宣派中期股息每股普通股1.2港仙 (二零一零年：0.88港仙) | 4,784 | 3,583 |

The 2010 final dividend of HK3.8 cents per ordinary share, totalling HK\$18,503,000, shown as RMB15,426,000 was paid in June 2011. The 2009 final dividend of HK3.0 cents per ordinary share, totalling HK\$13,956,000, shown as RMB12,274,000 was paid in July 2010.

二零一零年的末期股息每股3.8港仙已於二零一一年六月份內支付，合計為港幣18,503,000元，列作15,426,000元人民幣。二零零九年的末期股息每股3.0港仙於二零一零年七月份內支付，合計為港幣13,956,000元，列作12,274,000元人民幣。

Notes to the Interim Financial Information

中期財務資料附註

(All amounts in RMB thousands unless otherwise stated) (除另有指明者外，所有款額均以千元人民幣列值)

18. Earnings Per Share

Basic

18. 每股盈利

基本

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|-----------------------------------------------------------------------|---------------------------|-----------------------------------------|----------------------------------------|
| | | 2011 二零一一年 (Unaudited) (未經審核) | 2010 二零一零年 (Unaudited) (未經審核) |
| Earnings | 盈利 | | |
| Profit attributable to equity holders of the Company | 本公司權益持有人應佔溢利 | 80,303 | 64,238 |
| Shares | 股份 | | |
| Weighted average number of ordinary shares in issue during the period | 計算每股基本盈利採用之期內已發行普通股加權平均股數 | 480,937,000 | 465,210,000 |
| Basic earnings per share (RMB per share) | 每股基本盈利 (每股人民幣) | 16.7 cents 分 | 13.8 cents 分 |

Diluted

攤薄

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---------------------------------------------------------------------------|---------------------------|-----------------------------------------|----------------------------------------|
| | | 2011 二零一一年 (Unaudited) (未經審核) | 2010 二零一零年 (Unaudited) (未經審核) |
| Earnings | 盈利 | | |
| Profit attributable to equity holders of the Company | 本公司權益持有人應佔溢利 | 80,303 | 64,238 |
| Shares | 股份 | | |
| Weighted average number of ordinary shares in issue | 計算每股基本盈利採用之期內已發行普通股加權平均股數 | 480,937,000 | 465,210,000 |
| Adjustments assuming the exercise of share options | 假設購股權被行使的調整 | 7,082,000 | 8,918,000 |
| Weighted average number of ordinary shares for diluted earnings per share | 計算每股攤薄盈利的普通股的加權平均數 | 488,019,000 | 474,128,000 |
| Diluted earnings per share (RMB per share) | 每股攤薄盈利 (每股人民幣) | 16.5 cents 分 | 13.5 cents 分 |

Disclosure of Interests

權益披露

Directors' and chief executives' interests and/or short positions in shares' underlying shares and debentures

As 30 June 2011, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) to be notified to the Company and the Stock Exchange, were as follows:

董事及行政總裁於股份、相關股份及債券之權益及／或淡倉

於二零一一年六月三十日，本公司各董事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中，擁有(i)已根據《證券及期貨條例》(「證券及期貨條例」)第XV部第7及8分部須知會本公司及聯交所的權益及淡倉(包括彼等根據證券及期貨條例有關條文被視為或當作擁有的權益及淡倉)，或(ii)根據證券及期貨條例第352條存置規定須登記於本公司的登記冊內的權益及淡倉，或(iii)根據《上市發行人董事進行證券交易的標準守則》(「標準守則」)的規定須知會本公司及聯交所的權益及淡倉，如下：

(a) Long positions in ordinary shares of HK\$0.10 each of the Company

(a) 於本公司每股面值0.10港元普通股之好倉

| Name of Director 董事姓名 | Number of shares held 所持股數 | | | | | Total 總計 | % of the issued share capital of the Company 佔本公司已發行股本百份比 |
|----------------------------|-------------------------------|--------------------------|---------------------------------|-------------------------|-------------|-------------|--------------------------------------------------------------|
| | Personal interests 個人權益 | Family interests 家族權益 | Corporate interests 公司權益 | Other interests 其他權益 | | | |
| Mr. Yang Yirong 楊毅融先生 | 400,000 | – | 195,595,158 (Note i) (附註i) | – | 195,995,158 | 40.25% | |
| Mr. Gong Xionghui 龔雄輝先生 | – | – | 11,368,421 (Note ii) (附註ii) | – | 11,368,421 | 2.33% | |
| Ms. Lu Jiahua 盧家華女士 | – | – | 8,526,316 (Note iii) (附註iii) | – | 8,526,316 | 1.75% | |

Notes:

附註：

- (i) These shares were beneficially owned by Marietta Limited, a private company beneficially wholly-owned by Mr. Yang Yirong.
- (ii) These shares were beneficially owned by Dragon Kingdom Investment Limited, a private company beneficially wholly-owned by Mr. Gong Xionghui.
- (iii) These shares were beneficially owned by Sunwill Investments Limited, a private company beneficially wholly-owned by Ms. Lu Jiahua.

- (i) 該等股份由楊毅融先生全資實益擁有之私人公司 Marietta Limited實益擁有。
- (ii) 該等股份由龔雄輝先生全資實益擁有之私人公司 Dragon Kingdom Investment Limited實益擁有。
- (iii) 該等股份由盧家華女士全資實益擁有之私人公司 Sunwill Investments Limited實益擁有。

Disclosure of Interests

權益披露

Directors' and chief executives' interests and/or short positions in shares underlying shares and debentures

(continued)

(b) Interest in share options of the Company

Share options, being unlisted physically settled equity derivatives, to subscribe for the Company's ordinary shares were granted to Directors, chief executives, employees and consultants of the Company pursuant to the approved Company's share option scheme. Information in relation to these share options during the period ended 30 June 2011 are set out in the following section under the heading "Share options".

(c) Interest in registered share capital of Company's subsidiaries

A Director hold nominee shares in certain subsidiaries held in trust for the Group solely for the purpose of ensuring that the relevant subsidiaries has more than one member.

Other than as disclosed above, neither the Directors nor any chief executives, nor any of their associates, had any interests or short positions in the shares, underlying shares, or debentures of the Company or its associated corporation as at 30 June 2011.

Share options

Pursuant to a written resolution of the shareholders of the Company passed on 16 February 2004, a share option scheme (the "**Scheme**") was approved and adopted. The purpose of the Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contributions to the Group. All Directors, employees, suppliers of goods or services, customers, persons or entities that provide research, development or other technological support to the Group, shareholders and advisers or consultants of the Group are eligible to participate in the Scheme.

There are no changes in any terms of the scheme during the six months ended 30 June 2011. The detailed terms of the scheme were disclosed in the 2010 annual report.

董事及行政總裁於股份、相關股份及債券之權益及／或淡倉(續)

(b) 於本公司購股權之權益

根據已獲批准之本公司購股權計劃，董事、本公司行政總裁、僱員及顧問獲授屬於非上市實物交收股本衍生工具之購股權，以認購本公司普通股。有關該等購股權於截至二零一一年六月三十日止期間之詳情，載於下文「購股權」一節。

(c) 於本公司一家附屬公司註冊股本之權益

一名董事以信託方式為本集團持有若干附屬公司之代名人股份，僅為確保有關附屬公司擁有超過一名股東。

除上文披露者外，於二零一一年六月三十日，概無董事或任何行政總裁或彼等任何聯繫人士，於本公司或其相聯法團之股份、相關股份或債券中，擁有任何權益或淡倉。

購股權

本公司股東於二零零四年二月十六日通過書面決議案，批准及採納購股權計劃（「**該計劃**」）。該計劃之目的為致使本集團可向指定參與者授出購股權，作為彼等對本集團所作貢獻之獎勵或回報。所有董事、僱員、貨品或服務供應商、客戶、向本集團提供研發或其他技術支援之人士或實體、本集團股東及諮詢人或顧問均合資格參與該計劃。

截至二零一一年六月三十日止六個月，該計劃之任何條款並無任何變動。有關該計劃條款詳情於二零一零年年報中披露。

Disclosure of Interests

權益披露

Share options (continued)

The following table discloses details of share options outstanding as at 30 June 2011 under the Scheme and the movements during the period.

購股權(續)

下表披露於二零一一年六月三十日根據該計劃尚未行使之購股權詳情及其於期內之變動。

| Type of Grantee | 承授人類別 | Granted date | Exercise price | Exercisable period | Balance as at 1 January 2011 | Granted during period | Exercised during period | Lapsed/Cancelled during period | Balance as at 30 June 2011 |
|--------------------------------------------------------------------|-----------------------|--------------|-------------------|---------------------|------------------------------------|-----------------------|-----------------------------------------|--------------------------------|----------------------------------------------------------|
| | | 授出日期 | 行使價 HK\$ 港元 | 行使期 | 於 二零一一年 一月一日 結餘 ('000) | 期內 授出 ('000) | 期內 行使 ('000) (Note a) (附註a) | 期內 失效/ 註銷 ('000) | 於 二零一一年 六月三十日 結餘 ('000) (Note b) (附註b) |
| Category 1 – Directors | 類別1 – 董事 | | | | | | | | |
| Mr. Yang Yirong | 楊毅融先生 | 25.5.2006 | 1.39 | 25.5.2006-24.5.2011 | 400 | – | (400) | – | – |
| Mr. Gong Xionghui | 龔雄輝先生 | 8.6.2004 | 1.37 | 8.6.2004-7.6.2014 | 3,100 | – | (1,050) | – | 2,050 |
| Ms. Lu Jiahua | 盧家華女士 | 8.6.2004 | 1.37 | 8.6.2004-7.6.2014 | 2,600 | – | (1,050) | – | 1,550 |
| Mr. Lin Like | 林力克先生 | 25.5.2006 | 1.39 | 25.5.2006-24.5.2011 | 2,400 | – | (2,400) | – | – |
| Mr. Han Huan Guang | 韓歡光先生 | 25.5.2006 | 1.39 | 25.5.2006-24.5.2011 | 2,400 | – | (2,400) | – | – |
| Mr. Fung Tao | 馮濤先生 | 25.5.2006 | 1.39 | 25.5.2006-24.5.2011 | 2,400 | – | (2,400) | – | – |
| Mr. Yau Fook Chuen | 丘福全先生 | 8.6.2004 | 1.37 | 8.6.2004-7.6.2014 | 200 | – | – | – | 200 |
| | | 25.5.2006 | 1.39 | 25.5.2006-24.5.2011 | 400 | – | (400) | – | – |
| Mr. Wong Yik Chung, John | 黃翼忠先生 | 8.6.2004 | 1.37 | 8.6.2004-7.6.2014 | 200 | – | – | – | 200 |
| | | 25.5.2006 | 1.39 | 25.5.2006-24.5.2011 | 400 | – | (400) | – | – |
| Dr. Zheng Lansun | 鄭蘭蓀博士 | 8.6.2004 | 1.37 | 8.6.2004-7.6.2014 | 400 | – | – | (400) | – |
| | | 25.5.2006 | 1.39 | 25.5.2006-24.5.2011 | 400 | – | – | (400) | – |
| Sub-total | 小計 | | | | 15,300 | – | (10,500) | (800) | 4,000 |
| Category 2 – Employees under continuous employment contract | 類別2 – 持續僱傭合約僱員 | | | | | | | | |
| | | 8.6.2004 | 1.37 | 8.6.2004-7.6.2014 | 8,270 | – | (4,240) | – | 4,030 |
| | | 25.5.2006 | 1.39 | 25.5.2006-24.5.2011 | 4,000 | – | (3,760) | (240) | – |
| Sub-total | 小計 | | | | 12,270 | – | (8,000) | (240) | 4,030 |
| Category 3 – Other participants | 類別3 – 其他參與人士 | | | | | | | | |
| | | 25.5.2006 | 1.39 | 25.5.2006-24.5.2011 | 3,200 | – | (3,200) | – | – |
| Sub-total | 小計 | | | | 3,200 | – | (3,200) | – | – |
| Total | 總計 | | | | 30,070 | – | (21,700) | (1,040) | 8,030 |

Notes:

- (a) Exercise dates were 18 January 2011 and 24 May 2011. At the dates before the options were exercised, the market value per share were HK\$3.02 and HK\$2.49 respectively.
- (b) In accordance with the terms of the offer letters given by the Company to the grantees, the share options are vested in tranches starting from 9 June 2004 to 7 June 2005 for the options granted on 8 June 2004.

附註：

- (a) 行使日期為二零一一年一月十八日及二零一一年五月二十四日。在購股權行使前一日，每股市值分別為3.02及2.49港元。
- (b) 根據本公司向承授人發出之建議函件條款，購股權的權益分批授予。於二零零四年六月八日授出的購股權，其權益於二零零四年六月八日至二零零五年六月七日止分批授予。

Disclosure of Interests

權益披露

Interest and/or short positions of shareholders discloseable under the SFO

As at 30 June 2011, the interests and short positions of the persons, other than the Directors and chief executives of the Company, in the shares and underlying shares of the Company, which were notified to the Company pursuant to Division 2 and 3 of Part XV of the SFO; or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

Long positions in ordinary shares of HK\$0.10 each of the Company

根據證券及期貨條例須予披露之股東權益及／或淡倉

於二零一一年六月三十日，除董事及本公司行政總裁以外之人士於本公司股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部已知會本公司；或本公司根據證券及期貨條例第336條規定存置之登記冊所記錄之權益及淡倉：

於本公司每股面值0.10港元普通股之好倉

| Name 名稱 | Beneficial owner 實益擁有人 | Investment Manager 投資經理 | Number of shares held 所持股數 | | % of the issued share capital of the Company 佔本公司 已發行股 本百分比 |
|----------------------------------------------------|--------------------------------|-------------------------------|---------------------------------|-------------|-------------------------------------------------------------------------------|
| | | | Other interests 其他權益 | Total 總計 | |
| Marietta Limited | 195,389,158 (Note i) (附註 i) | – | – | 195,389,158 | 40.13% |
| Keywise Capital Management (HK) Limited | – | 71,342,000 | – | 71,342,000 | 14.65% |
| Keywise Greater China Opportunities Master Fund | 53,022,000 | – | – | 53,022,000 | 10.89% |
| FMR LLC | – | 42,000,000 | – | 42,000,000 | 8.63% |
| Platinum Investment Management Ltd. | – | 28,234,000 | – | 28,234,000 | 5.80% |
| UBS AG | – | – | 28,850,000 (Note ii) (附註 ii) | 28,850,000 | 5.93% |

Notes:

(i) These shares were registered in the name of and beneficially owned by Marietta Limited, the entire issued share capital of which was directly and beneficially owned by Mr. Yang Yirong.

(ii) Trustee.

附註：

(i) 該等股份以Marietta Limited之名義登記，並由該公司實益擁有，而Marietta Limited全部已發行股本則以楊毅融先生直接實益擁有。

(ii) 受託人。

Other than as disclosed above, the Company has not been notified by any persons, other than the Directors and chief executives of the Company, who had interest or short positions in the shares or underlying shares of the Company as at 30 June 2011.

除上文披露者外，本公司並無獲知會，於二零一一年六月三十日，除董事及本公司行政總裁以外，有任何人士於本公司之股份或相關股份中擁有權益或淡倉。

Arrangements to purchase shares or debentures

At no time during the six months ended 30 June 2011 was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors or chief executives of the Company or their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate with the exception of the Company's share option scheme, details of which are set out in the above section under the heading "Share options".

購買股份或債券之安排

於截至二零一一年六月三十日六個月止期間之任何時間，本公司或其任何附屬公司概無訂立任何安排，致使董事或本公司行政總裁或彼等之配偶或未滿十八歲子女可藉收購本公司或任何其他法人團體之股份或債券而獲利，惟透過本公司購股權計劃所購買者則除外，有關詳情載於上文「購股權」一節。

Other Information

其他資料

Interim Dividend

The Directors have resolved to pay an interim dividend of HK1.2 cents, equivalent to approximately RMB0.99 cents, per share for the six months ended 30 June 2011 (six months ended 30 June 2010: HK0.88 cents, equivalent to approximately RMB0.77 cents, per share) to the shareholders whose names appear on the register of members of the Company on 30 September 2011.

Closure of Registers of Members

The register of members of the Company will be closed from 28 September 2011 to 30 September 2011, both days inclusive, during which period no transfer of shares shall be effected. In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on 27 September 2011.

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

During the six months ended 30 June 2011, the Company made the following purchases of its own shares on the Stock Exchange:

| Month of purchase in 2011 | 於二零一一年內購回股份之月份 | 購回股份數目 | Purchase consideration | | Aggregate consideration paid |
|---------------------------|----------------|---------|----------------------------|-----------|------------------------------|
| | | | Number of Shares purchased | per share | |
| | | | Highest | Lowest | |
| | | | 最高 | 最低 | 代價總額 |
| | | | HK\$ | HK\$ | HK\$ |
| | | | 港元 | 港元 | 港元 |
| June | 六月 | 814,000 | 2.46 | 2.40 | 1,973,600 |

During the six months ended 30 June 2011, the Company repurchased a total of 814,000 of its listed shares on the Stock Exchange. Those repurchased shares were canceled after the period end, and therefore, the Company's issued share capital was reduced with the nominal value of the corresponding repurchased shares amounting to RMB85,000 in July 2011.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares during the period.

中期股息

董事議決就截至二零一一年六月三十日止六個月，向於二零一一年九月三十日名列本公司股東名冊之股東，派付中期股息每股1.2港仙，約相當於每股0.99分人民幣(截至二零一零年六月三十日止六個月：每股0.88港仙，約相當於每股0.77分人民幣)。

暫停辦理股份過戶手續

本公司將於二零一一年九月二十八日至二零一一年九月三十日(包括首尾兩日)期間暫停辦理股東登記手續，期內將不會辦理股份過戶登記手續。為符合領取中期股息之資格，所有正式填妥之過戶表格連同有關股票，須於二零一一年九月二十七日下午四時正前送交本公司股份過戶登記分處卓佳登捷時有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

購買、出售或贖回本公司之上市股份

截至二零一一年六月三十日止六個月，本公司於聯交所購回其股份之詳情概述如下：

截至二零一一年六月三十日止六個月，本公司於聯交所共購回其814,000股上市股份，該等購回股份已於期後註銷。因此，於二零一一年七月，本公司已發行股本相應減少該購回股份之面值共85,000元人民幣。

除上文披露者外，本公司或其任何附屬公司於回顧期內概無購買、贖回或出售本公司任何上市股份。

Other Information

其他資料

Model Code for Securities Transactions

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms not less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Specific enquiry has been made to all Directors and all the Directors have confirmed that they have complied with all the relevant requirements as set out in the Model Code throughout the six months ended 30 June 2011.

Corporate Governance

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2011, with deviations from code provisions A.2.1 of the Code in respect of the separate role of chairman and chief executive officer ("CEO"). Under the code provisions A.2.1 of the Code, the roles of chairman and CEO should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO should be clearly established and set out in writing.

The Company does not presently have any officer with the title CEO. At present, Mr. Yang Yirong, being the Chairman and the President of the Company, is responsible for the strategic planning, formulation of overall corporate development policy and running the business of the Group as well as the duties of Chairman. The Board considered that, due to the nature and extent of the Group's operations, Mr. Yang is the most appropriate chief executive because he possesses in-depth knowledge and experience in fine chemicals business and is able to ensure the sustainable development of the Group. Besides, he is the founder, the chairman and the controlling shareholder of the Group since its establishment and till now. Notwithstanding the above, the Board will review the current structure from time to time. When at the appropriate time and if candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group, the Company may make the necessary amendments.

Audit Committee

The audit committee of the Company has reviewed with the management in relation to the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited consolidated interim financial information for the six months ended 30 June 2011.

By order of the Board

EcoGreen Fine Chemicals Group Limited

Yang Yirong

Chairman & President

Hong Kong, 25 August 2011

進行證券交易的標準守則

本公司已採納一套有關董事進行證券交易的行為守則，條款不遜於上市規則附錄所載上市發行人董事進行證券交易的標準守則（「標準守則」）的規定標準。本公司已向全體董事作出具體查詢，而全體董事亦已確認，彼等於截至二零一一年六月三十日止年度一直遵守標準守則所載所有有關規定。

企業管治

於截至二零一一年六月三十日止六個月，本公司一直遵守上市規則附錄14所載企業管治常規守則（「守則」），惟偏離守則之守則條文A.2.1有關主席與行政總裁（「行政總裁」）職責之區分。根據守則之守則條文A.2.1，應區分主席及行政總裁之角色，不應由同一人擔任，主席與行政總裁間之職責分工應清楚界定及以書面說明。

本公司並無高級職員獲授行政總裁職銜。本公司主席兼總裁楊毅融先生現負責規劃策略、制定整體企業發展政策及本集團業務營運以及主席職責。董事會認為，基於本集團之業務性質及範疇，楊先生不但具備精細化工業務之深入知識及經驗，並有能力確保本集團得以持續發展，故為最合適的行政總裁人選。此外，彼亦為本集團自成立至今之創辦人、主席兼控股股東。儘管上文另有所述，董事會將不時檢討現行架構，並於合適時候倘本集團自內部或外界物色到具備適當領導才能、知識、技能及經驗之人選，本公司或會作出所需修訂。

審核委員會

本公司審核委員會已與管理層審閱本集團所採納之會計原則及準則，並討論內部監控及財務申報等事宜，包括審閱截至二零一一年六月三十日止六個月之未經審核綜合中期財務資料。

承董事會命

中怡精細化工集團有限公司

楊毅融

主席及總裁

香港，二零一一年八月二十五日



EcoGreen Fine Chemicals Group Limited
中怡精細化工集團有限公司*

www.ecogreen.com