



天德化工控股有限公司

Tiande Chemical Holdings Limited

(於開曼群島註冊成立之有限公司)(股份代號：609)

(incorporated in the Cayman Islands with limited liability) (Stock Code: 609)



斐然成就 脫穎而出
BRILLIANT AND OUTSTANDING

二零一二年年報
ANNUAL REPORT 2012



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董事會

執行董事

劉洪亮先生 (主席)
王子江先生 (總經理)
郭希田先生
郭玉成先生

獨立非執行董事

高寶玉先生
梁錦雲先生
劉晨光先生

董事會委員會

審核委員會

梁錦雲先生 (主席)
高寶玉先生
劉晨光先生

薪酬委員會

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

提名委員會

劉洪亮先生 (主席)
梁錦雲先生
劉晨光先生

安全及環保委員會

郭玉成先生 (主席)
高寶玉先生
傅安旭先生

公司秘書

劉偉珍女士

獨立核數師

香港立信德豪會計師事務所有限公司

主要往來銀行

中國銀行(香港)有限公司
中國工商銀行濰坊市分行

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-Executive Directors

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

BOARD COMMITTEES

Audit Committee

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

Remuneration Committee

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

Nomination Committee

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

Safety and Environmental Protection Committee

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

COMPANY SECRETARY

Ms. Lau Wai Chun

INDEPENDENT AUDITOR

BDO Limited

PRINCIPAL BANKERS

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

香港股份過戶登記處

香港中央證券登記有限公司
香港
灣仔皇后大道東183號
合和中心
17字樓1712-1716室

註冊辦事處

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

香港主要營業地點

香港
中環夏慤道12號
美國銀行中心
22字樓2204A室

總辦事處及中華人民共和國（「中國」） 主要營業地點

中國
山東省
濰坊市
濰坊高新技術產業開發區

公司網址

www.tdchem.com

股份代號

聯交所：609

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

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

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

COMPANY WEBSITE

www.tdchem.com

STOCK CODE

The Stock Exchange: 609

財務摘要及五年財務概要 Financial Highlights and Five Years Financial Summary

	附註 Notes	二零零八年 2008	二零零九年 2009	二零一零年 2010	二零一一年 2011	二零一二年 2012
業績 (以人民幣千元列示)						
營業額		725,199	598,947	881,775	972,163	1,003,895
毛利		99,123	97,272	223,768	219,761	261,603
本公司擁有人應佔溢利		24,925	42,044	129,226	132,360	159,182
每股基本盈利 (人民幣)						
(已重列，附註1)	2	0.031	0.053	0.158	0.156	0.188
未計利息、稅項、折舊及攤銷前盈利 (「未計利息、稅項、折舊及攤銷前盈利」)		74,462	90,536	199,611	210,083	251,014
財務狀況 (以人民幣千元列示)						
總資產	3	640,725	638,082	739,287	858,251	960,610
總負債		291,794	250,134	211,772	228,580	192,819
每股淨資產 (人民幣)						
(已重列，附註1)	4	0.436	0.485	0.626	0.744	0.907
財務比率						
流動比率	5	0.8	1.1	1.8	2.3	2.3
速動比率	6	0.6	0.9	1.4	1.8	1.9
負債比率	7	36.8%	34.1%	7.0%	5.0%	3.1%

附註:

1 本公司普通股(「股份」)數目已就根據本公司於二零一一年五月十三日舉行之股東週年大會所批准之發行紅股(一送一)作出調整。

2 本公司擁有人應佔溢利÷年內已發行股份加權平均數。(每股基本盈利乃根據加權平均股份數目計算，而於截至二零零八年、二零零九年、二零一零年、二零一一年及二零一二年十二月三十一日止五個年度之加權平均股份數目分別為800,000,000股、800,000,000股、819,723,222股、846,229,704股及846,878,000股。)

3 總資產 = 非流動資產 + 流動資產

4 股東權益÷年底已發行股份數目。(於二零零八年、二零零九年、二零一零年、二零一一年及二零一二年十二月三十一日，每股淨資產乃分別根據已發行股份800,000,000股、800,000,000股、842,496,000股、846,878,000股及846,878,000股計算。)

5 流動比率 = 流動資產÷流動負債

6 速動比率 = (流動資產 - 存貨)÷流動負債

7 負債比率 = 淨負債(扣除銀行與現金結餘及已抵押銀行存款後之借貸總額)÷股東權益

Notes:

1 The number of ordinary shares of the Company (the "Shares") has been adjusted for the issue of bonus shares (1 for 1) approved pursuant to the annual general meeting of the Company held on 13 May 2011.

2 Profit attributable to owners of the Company ÷ Weighted average of issued Shares for the year. (The calculation of basic earnings per share is based on the weighted average number of 800,000,000, 800,000,000, 819,723,222, 846,229,704 and 846,878,000 Shares for the five years ended 31 December 2008, 2009, 2010, 2011 and 2012 respectively.)

3 Total assets = Non-current assets + Current assets

4 Shareholders' equity ÷ Number of issued Shares at the year end. (As at 31 December 2008, 2009, 2010, 2011 and 2012, the calculation of net assets per share is based on the number of issued Shares of 800,000,000, 800,000,000, 842,496,000, 846,878,000 and 846,878,000 respectively.)

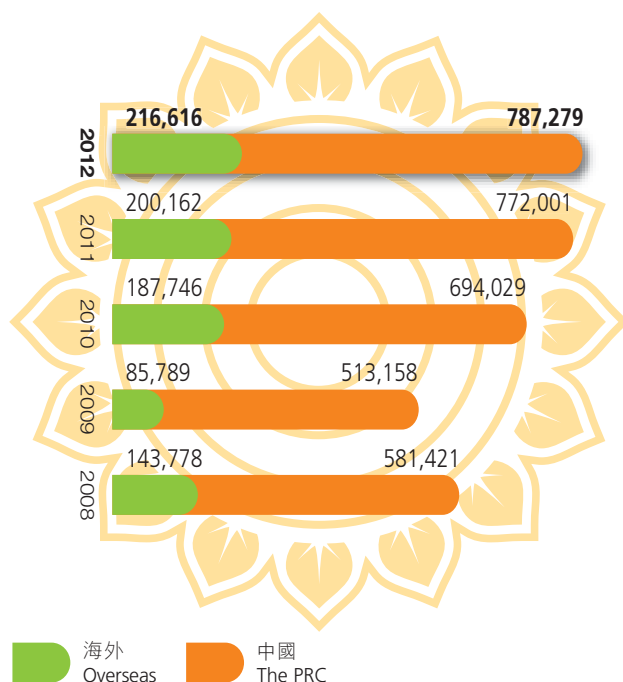
5 Current ratio = Current assets ÷ Current liabilities

6 Quick ratio = (Current assets - Inventories) ÷ Current liabilities

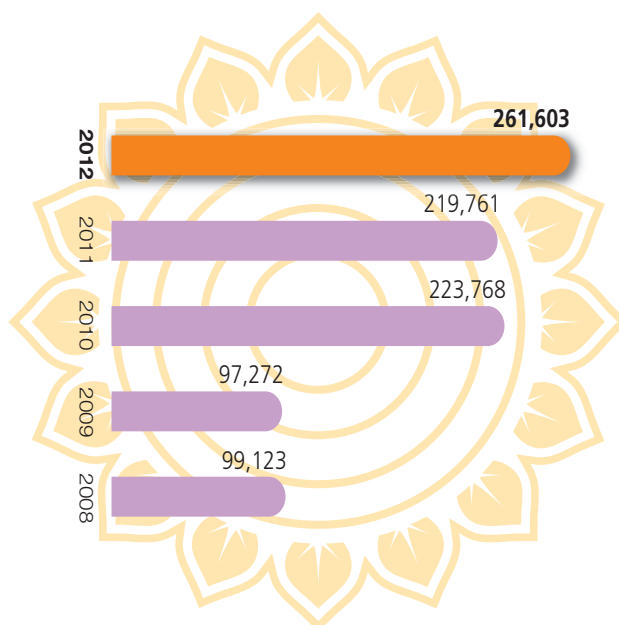
7 Gearing ratio = Net debts (Total borrowings net of bank and cash balances and pledged bank deposits) ÷ Shareholders' equity

財務摘要及五年財務概要 Financial Highlights and Five Years Financial Summary

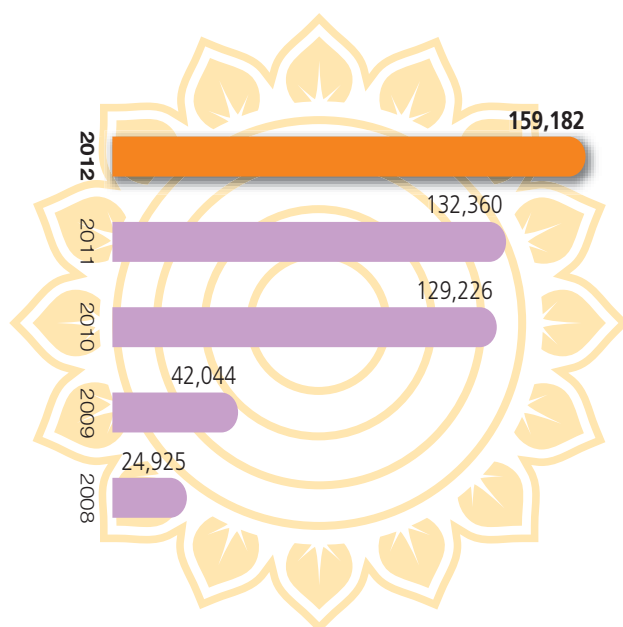
營業額 (人民幣千元)
TURNOVER (RMB'000)



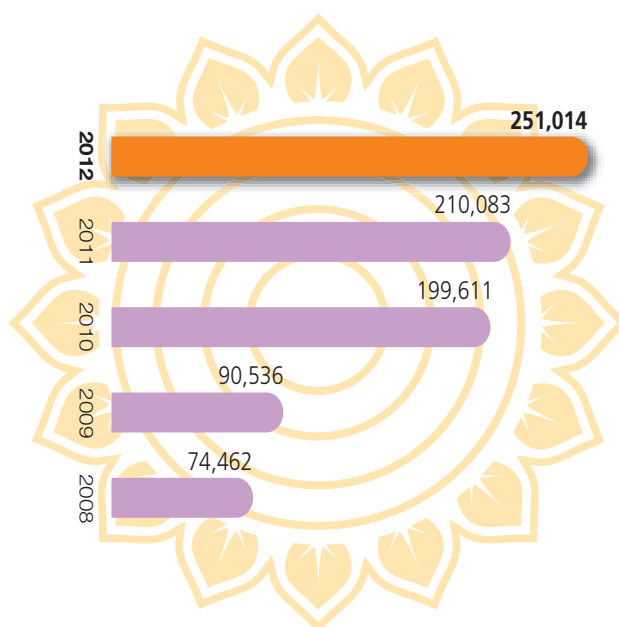
毛利 (人民幣千元)
GROSS PROFIT (RMB'000)



本公司擁有人應佔溢利 (人民幣千元)
PROFIT ATTRIBUTABLE TO OWNERS OF
THE COMPANY (RMB'000)



未計利息、稅項、折舊及攤銷前盈利 (人民幣千元)
EBITDA (RMB'000)



各位股東：

本人謹代表天德化工控股有限公司（「本公司」，連同其附屬公司統稱為「本集團」）董事（「董事」）組成之董事會（「董事會」）欣然宣佈截至二零一二年十二月三十一日止年度之年度報告。

Dear shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Tiande Chemical Holdings Limited (the "Company" and together with its subsidiaries, collectively the "Group"), I am pleased to present the annual report for the year ended 31 December 2012.



劉洪亮 主席
Liu Hongliang Chairman

年度業績

在回顧年度內，本集團不斷實現持續增長，錄得令人滿意的業績，本集團的營業額達到歷史高位至約人民幣1,003,900,000元，與上年同期比較增長3.3%，本集團的毛利為約人民幣261,600,000元，與去年相比上升19.0%，本公司擁有人應佔溢利亦明顯地增加至約人民幣159,200,000元，與去年相比上升20.3%。總體淨利潤增幅乃主要歸因於：(i)原材料成本下降幅度大於產品的銷售價格（尤其在下半年），增加了利潤空間；(ii)有效的採購策略，以較低價格採購材料；(iii)行之有效的經濟生產規模、提升生產工藝及進一步增強縱向垂直整合生產的協同作用，有助提升整體高效的生產力；及(iv)採取嚴格的成本控制措施和精簡業務，使本集團取得令人滿意的業績。

在回顧年度內，歐元區危機升級、美國經濟減速及中國政府實行緊縮性貨幣措施以遏制通貨膨脹及過熱的經濟造成國內不同行業的製造業務萎縮，因此，低迷的市場氣氛對銷售價格及原材料價格構成負面影響，在這環境下，本集團的銷售表現無可避免地受到影響。儘管如此，憑藉往年不斷開發新產品以推動營業額及提高產能，本集團的營業額仍錄得持續增長。還有，更高興的是所有報告分部的盈利均錄得持續增長。

RESULTS FOR THE YEAR

The Group continuously achieves persistent growth and recorded satisfactory results during the year under review. The Group's turnover reached historical high to approximately RMB1,003.9 million and increased by 3.3% year-on-year. The gross profit of the Group stood at approximately RMB261.6 million, representing an increase of 19.0% when compared with last year. The profit attributable to owners of the Company also increased obviously to approximately RMB159.2 million, representing an increase of 20.3% when compared with last year. The overall increase in net profit were mainly attributed to (i) the degree of decline in raw material costs was greater than the selling price of products, especially in the second half year, thus increased the profit margins; (ii) effective procurement strategies by sourcing materials at lower price; (iii) well-established economies of production scale, advanced production technologies and further enhancement of the synergies of upward vertically integrated production helped to promote the efficient productivity as a whole; and (iv) adoption of stringent cost control measures and streamlining of operations allowed the Group to achieve satisfactory results.

During the year under review, the escalation of the Eurozone crisis, a decelerating US economy and the PRC government imposed tightening monetary measures to curb inflation and the over-heating economy caused the shrinkage of manufacturing business of various sectors in the PRC. Consequently, the poor market sentiment negatively affected both of the selling price and materials price. Against this background, the Group's sales performance was inevitably been affected. Nevertheless, the Group's turnover still recorded persistent growth by virtue of the development of new products to boost turnover and enhancement of production capacities continuously in prior years. Likewise, it could not be more pleased that the profitability of all reportable segments recorded continuous growth.



年度業績 (續)

在回顧年度內，本集團為提高工作流程效率和推動節約成本，已投資於提升生產能力，同時斥資對合營公司（「合營公司」）注入資本，這些都導致高資本性支出，但由於穩健的業績和更妥善管理本集團的營運資金，故能保持健康的現金流狀況，且資產負債比率達到了歷史最低點。基於各項改善措施，得以加強本集團的生產經營效率以及其業務優勢，以維持其未來的業務發展。儘管如此，未來，本集團將善用其現有業務的優勢繼續開發新產品，把握潛在的市場，以提高營業額和改善利潤。本著本集團的業務發展策略，在回顧年度內，已開發了若干新產品，於本報告日期，這些新開發產品的生產設施之準備和建造工作已展開，預期新產品將在可預見將來推出。本集團首要目標是實現其現有業務的自然增長，並以創新意念開發具潛力的新產品，以充實本集團的業務。

此外，本集團已與一位策略性業務夥伴成立合營公司經營新的業務，以發展工業用特種化學品（有關詳細情況，請參考本公司於二零一一年七月三日刊發之公佈）。在回顧年內，合營公司已正式成立，而與生產廠房相關的設計和佈局也已完成。接下來，有必要加快合營公司的生產線施工進度及生產線安裝，以及建立銷售及採購管理系統和其他營運監控。本集團將盡其最大的努力在二零一三年度內啟動合營公司的生產及經營。

本集團一間主要附屬公司擁有先進生產技術和創新的生產過程，並申請高新技術企業的身份（「高新技術企業身份」）。在回顧年度內，該申請正由有關當局審查。本集團將跟進申請的進展。假若獲得中國有關當局頒授高新技術企業身份，這家附屬公司將享受稅收優惠，如降低所得稅稅率。

RESULTS FOR THE YEAR (Continued)

During the year under review, the Group has made investments in production advancement in order to improve workflow efficiency and drive cost savings as well as capital injection in a joint venture company (the "JV Company"). These accounted for the high capital investment expenditure. However, the cash flow position remained healthy and the gearing ratio achieved the historical low due to the solid results and better management of working capital of the Group. As a result of various improvement measures, the Group's productions and operations efficient as well as its business edge has been strengthened to sustain its future business development. Notwithstanding, the Group will keep developing new products to grasp the potential markets by capitalising its existing business advantages to boost turnover and improve margins in the years ahead. In line with the Group's business development strategies, certain new products have been developed during the year under review. The preparation and construction works of production facilities for such newly developed products have been commenced as at this report date, the new products are expected to be launched in foreseeable future. The primary goal of the Group is to achieve organic growth in its existing business as well as innovative in developing new potential products to enrich the Group's business.

Besides, the Group has tapped into a new business with a strategic business partner to set up the JV Company for developing a specialty chemical for industrial use product (please refer to the announcement of the Company dated 3 July 2011 for details). The JV Company has been duly established, as well as the design and layout related to the production plant has also been completed during the year under review. Afterward, it is essential to speed up the construction progress and installation of production line for the JV Company, as well as establishment of sales and procurement management system and other operational controls. The Group will use its best endeavor to kick-start the productions and operations of the JV Company within 2013.

One key subsidiary of the Group with advanced production technologies and innovative production process applying for High and New Technology Enterprise status ("HNTE"). The application is under examination by the relevant authorities during the year under review. The Group will follow up the application progress. If HNTE is awarded by the relevant PRC authorities then this subsidiary will enjoy tax incentives such as lower income tax rate.

展望

憑藉過往年度實行的各項業務改進措施，例如提高生產力、改善生產工序、精簡業務運作以達到節約成本和更佳利潤及建立穩固業務平台，本集團在過去三個財政年度均能實現利潤增長，顯示持續及穩定的利潤和現金流基礎已經建立，這些都是支持本集團發展策略必不可少的元素。鑑於這些條件，本集團已準備就緒，有能力捕捉新的業務發展機會及繼續向前邁進。展望未來，由於宏觀經濟緊縮措施有放寬的跡象，銷售價格和原料成本預期逐步回升。本集團將盡力保持營業額增長。此外，本集團將繼續貫徹其務實和精簡管理的做法，以維持其經營和生產效率及效益，目的是保持本集團持續的盈利能力。

另一方面，本集團定必努力解決有關啟動合營公司業務的相關事項。根據目前的工作計劃，來年合營公司應不會帶來經濟利益。此外，預計合營公司在下一財政年度將會出現大額的啟動成本和經營前費用，而本集團將根據其股權比例相應承擔費用。

由於歐洲經濟仍不明朗，加上北美的經濟復甦速度非常緩慢，本集團仍傾向在中國市場作進一步業務發展。儘管中國的國內生產總值的增長速度預期比過去慢，本集團將繼續採取一切必要的措施以改善成本控制、生產力和運營效率，以保障本集團未來的盈利水平。本集團相信，憑藉其穩健業務策略、市場領先地位，良好和有效的生產力，以及建基於穩健現金流的堅實資產基礎，所有這些因素將有助本集團未來業務實現持續增長及向本公司股東（「股東」）提供更佳回報。

PROSPECTS

By virtue of the various business improvement measures implemented in prior years, such as productivity enhancement, advancement of production process, streamlining the business operations to achieve cost savings and a better margin and building a solid business platform, the Group's profit growth recognised over the past three financial years demonstrated that a sustainable and stable profit and cash flow base has now been established. These will be the essential components in supporting the development strategies of the Group. Given these backdrop, the Group is ready to capture new business development opportunities and move ahead. Looking forward, as signs of easing macroeconomic tightening measures, the selling price and materials costs are expected to rebound gradually. The Group will endeavor to deliver turnover growth. In addition, the Group will continuously uphold its practice of pragmatic and meticulous management to maintain its operations and productions efficiency and effectiveness with an aim to maintain ongoing profitability of the Group.

On the other hand, the Group shall work hard to solve relevant issues related to the start-up of the JV Company's business. Based on current work plan, JV Company is unlikely to deliver economic benefits in forthcoming year. Besides, it is anticipated that the start-up costs and pre-operating expenses in respect of the JV Company would be incurred substantially in next financial year, which will be borne by the Group according to its equity interest proportion.

As there is still economic uncertainty in Europe as well as north America is suffering from a very slow rate of economic recovery, the Group still tilts toward the PRC markets for its further business development. Despite of the GDP growth of China is anticipated at a slower pace than the past, the Group will continue to take all necessary measures to improve cost control, productivity and operations efficiency to protect the profit level of the Group in future. The Group believes that leveraging on its solid business strategies, market leading position, sound and efficient productivity and strong asset base backed by sound cash flow, all of which will enable the Group to achieve sustainable business growth and offer even better returns to shareholders of the Company (the "Shareholders") in future.



主席報告 Chairman's Statement

股息

在回顧年度內，由於表現令人滿意，董事會建議就截至二零一二年十二月三十一日止財政年度派付末期股息每股3.8港仙(二零一一年：3.0港仙)。在本公司應屆股東週年大會上獲得批准後，末期股息將於二零一三年六月二十日支付予股東。

鳴謝

在回顧年度內，我們取得令人自豪的成就，本人感謝所有對本集團作出貢獻人士，包括一直信任和支持我們的股東、客戶和業務合作夥伴。本人同時也感謝董事會及全體員工對本集團的持續成功所作出的辛勤努力、承諾和貢獻。

承董事會命
主席
劉洪亮

香港，二零一三年三月二十二日

DIVIDEND

As a result of the satisfactory performance of the Group during the year under review, the Board recommends the payment of a final dividend of 3.8 HK cents (2011: 3.0 HK cents) per Share, for the financial year ended 31 December 2012. Subject to the approval at coming annual general meeting of the Company, the final dividend will be paid to Shareholders on 20 June 2013.

APPRECIATION

I would like to thank all who contributed to the Group that we are proud of our accomplishments during the year under review, including our Shareholders, customers and business partners for their unwavering trust and support. I am also grateful to the Board and our employees for their industrious work, commitment and contribution to the continuous success of the Group.

On behalf of the Board
Liu Hongliang
Chairman

Hong Kong, 22 March 2013

執行董事

劉洪亮，57歲，執行董事、董事會主席（「主席」）及本集團創辦人之一。劉先生負責本集團整體策略性發展及政策。彼於一九八二年畢業於華東石油學院（現稱為中國石油大學（華東）），主修基本有機化工。劉先生自一九八二年起至一九九三年期間於濰坊市新技術研究所任職逾十年，其後，劉先生與其他人士於一九九六年成立濰坊天弘股權投資有限責任公司（「濰坊天弘」）（前身為濰坊天弘企業管理及顧問有限公司）。劉先生在化工業擁有約30年經驗。

王子江，48歲，執行董事、本公司總經理及本集團創辦人之一。王先生負責管理及監察本集團整體運作。彼於一九八八年畢業於南京化工學院（現稱為南京工業大學），主修化學工程。彼自一九九一年起於濰坊市新技術研究所任職，為期三年。其後，王先生與其他人士於一九九六年成立濰坊天弘。王先生在化工業擁有逾20年經驗。

郭希田，51歲，執行董事及本公司副總經理。郭先生負責本集團整體生產及技術發展。彼於一九八二年畢業於華東石油學院（現稱為中國石油大學（華東）），主修基本有機化工。於加盟本集團前，郭先生曾任職於山東淄博東風化工廠。郭先生於一九九九年三月加盟本集團，在化工業擁有約30年經驗。

郭玉成，56歲，執行董事。郭先生負責本集團整體安全及環境保護工作。彼於一九八二年畢業於華東石油學院（現稱為中國石油大學（華東）），主修基本有機化工。於二零零零年加盟本集團前，郭先生自一九八二年起一直於濰坊有機化工廠任職。彼於一九九四年獲山東省化工工程技術職務高級評審委員會認可為高級工程師。郭先生於二零零零年十二月加盟本集團，在化工業擁有約30年經驗。

EXECUTIVE DIRECTORS

LIU Hongliang, aged 57, is an executive Director, the chairman of the Board (the "Chairman") and one of the founders of the Group. Mr. Liu is responsible for the overall strategic development and policy of the Group. He graduated from East China Petroleum Institute (now known as China University of Petroleum) in 1982, majoring in basic organic chemistry. Mr. Liu spent more than ten years from 1982 to 1993 in Weifang New Technology Research Centre. After that, Mr. Liu established Weifang Tianhong Equity Investment Company Limited ("Weifang Tianhong") (formerly known as Weifang Tianhong Corporate Management and Consultancy Company Limited) with others in 1996. Mr. Liu has around 30 years of experience in the chemical industry.

WANG Zijiang, aged 48, is an executive Director, the general manager of the Company and one of the founders of the Group. Mr. Wang is responsible for the management and supervision of the overall operation of the Group. He graduated from Nanjing Chemical College (now known as Nanjing University of Technology) in 1988, majoring in chemical engineering. He spent three years since 1991 working in Weifang New Technology Research Centre. After that, Mr. Wang established Weifang Tianhong with others in 1996. Mr. Wang has over 20 years of experience in the chemical industry.

GUO Xitian, aged 51, is an executive Director and deputy general manager of the Company. Mr. Guo is responsible for the overall production and technology development of the Group. He graduated from East China Petroleum Institute (now known as China University of Petroleum) in 1982, majoring in basic organic chemistry. Prior to joining the Group, Mr. Guo had been working in Shandong Zibo Dongfeng Chemical Factory. Mr. Guo joined the Group in March 1999. Mr. Guo has around 30 years of experience in the chemical industry.

GUO Yucheng, aged 56, is an executive Director. Mr. Guo is responsible for the overall safety and environmental protection of the Group. He graduated from East China Petroleum Institute (now known as China University of Petroleum) in 1982, majoring in basic organic chemistry. Prior to joining the Group in 2000, Mr. Guo had been working for Weifang Organic Chemicals Factory since 1982. He was accredited as a senior engineer by The Jury of Senior Title of Chemical Technical Post, Shandong Province in 1994. Mr. Guo joined the Group in December 2000. Mr. Guo has around 30 years of experience in the chemical industry.

獨立非執行董事

高寶玉，51歲，自二零零六年十月四日起獲委任為獨立非執行董事。於二零零一年一月至二零一二年十一月，彼為山東大學博士研究生導師、環境工程教授兼環境科學與工程學院院長。彼於二零零七年獲評為山東省有突出貢獻的中青年專家。彼於一九九九年畢業於清華大學，取得工程學博士學位，主修環境工程。

梁錦雲，47歲，自二零零七年三月一日起獲委任為獨立非執行董事。梁先生畢業於香港浸會大學及香港理工大學，分別於一九九二年及二零零七年獲頒授工商管理財務學士學位及企業管治碩士學位。梁先生為香港會計師公會的會員、英國特許公認會計師公會的資深會員、英國特許秘書及行政人員公會的會士及香港特許秘書公會的會士。梁先生從事執業會計師超過10年。彼在財務、會計及審計方面經驗豐富，現為梁錦雲會計師有限公司董事總經理及中正天恆會計師有限公司董事。

劉晨光，51歲，自二零零六年十月四日起獲委任為獨立非執行董事。劉先生於一九八二年取得華東石油學院（現稱為中國石油大學（華東））石油煉製系科學學士學位及於一九八五年取得應用化學碩士學位。彼於一九九一年取得中國石油大學（北京）應用化學博士學位。劉先生自一九九二年起任中國石油大學（華東）副教授，後於一九九四年升任教授，並於一九九八年擔任博士學位研究生導師。劉先生為中國石油大學（華東）化學工程學院院長及教授。彼為中國石油協會、中國化學協會、中國化工協會及美國化學協會會員，並為山東省化學化工協會常務理事。

INDEPENDENT NON-EXECUTIVE DIRECTORS

GAO Baoyu, aged 51, has been appointed as an independent non-executive Director since 4 October 2006. He was the tutor of the post-graduate students studying for doctorate degrees, the professor of environmental engineering and the dean of the school of environmental science and engineering of Shandong University from January 2001 to November 2012. He was recognised as one of the Middle-aged and Young Expert with Outstanding Contributions in Shandong Province in 2007. He graduated from Tsinghua University in 1999 with a doctorate degree in engineering majoring in environment engineering.

LEUNG Kam Wan, aged 47, has been appointed as an independent non-executive Director since 1 March 2007. Mr. Leung graduated from Hong Kong Baptist University and Hong Kong Polytechnic University with a degree of Bachelor of Business Administration in Finance and a master degree in corporate governance in 1992 and 2007 respectively. Mr. Leung is an associate member of The Hong Kong Institute of Certified Public Accountants, a fellow of The Association of Chartered Certified Accountants, an associate of The Institute of Chartered Secretaries and Administrators and an associate of The Hong Kong Institute of Chartered Secretaries. Mr. Leung has been a practicing certified public accountant for over 10 years. He has extensive experience in financing, accounting and auditing. Mr. Leung currently is the managing director of Leung Kam Wan CPA Limited and a director of CCTH CPA Limited.

LIU Chenguang, aged 51, has been appointed as an independent non-executive Director since 4 October 2006. Mr. Liu has obtained from East China Petroleum Institute (now known as China University of Petroleum) a bachelor degree in science majoring in petroleum refining in 1982 and a master degree in applied chemistry in 1985. He obtained his doctorate degree in applied chemistry from China University of Petroleum (Beijing) in 1991. Mr. Liu has been an associate professor of China University of Petroleum since 1992, then was promoted as a professor in 1994 and subsequently the tutor of the post-graduate students studying for doctorate degrees in 1998. Mr. Liu is the dean and professor of the college of chemical engineering of China University of Petroleum. He is a member of China Petroleum Society, China Chemistry Society, China Chemical Society, American Chemistry Society and director of Shandong Chemistry and Chemical Society.

財務回顧

營業額

本集團過去不斷增強具優厚市場潛力產品的產能，以搶佔市場份額及推動營業額增長。然而，由於在回顧年度內中國政府實施緊縮經濟措施以遏抑通脹及過熱的經濟，銷售價格因而下降，更中和了銷售表現。本集團之營業額輕微上升至約人民幣1,003,900,000元，較二零一一年約人民幣972,200,000元上升3.3%。

毛利

本集團之毛利明顯增加至約人民幣261,600,000元，與二零一一年約人民幣219,800,000元比較，上升19.0%；而毛利率與二零一一年之22.6%比較，也增長了3.5%至26.1%。毛利及毛利率上升主要是由於：(i)原材料價格下降；(ii)改善採購過程以較低價格採購原材料；及(iii)提高生產力和優化生產流程有助進一步節省成本。

經營收入及開支

在回顧年度內，其他收入主要包括：(i)遞延收入撥回；(ii)雜項收入；(iii)租金收入；(iv)利息收入；及(v)政府補貼。

在回顧年度內，銷售開支略增人民幣600,000元，升至約人民幣22,200,000元（二零一一年：人民幣21,600,000元）。銷售開支輕微增長的主要原因是運輸成本隨著本集團營業額增長而有所上升，但因直接銷售並不需要支付銷售佣金，而直接銷售佔銷售總額的比例進一步增加，銷售佣金持續減少。銷售開支佔本集團營業額維持於2.2%（二零一一年：2.2%）的水平。

在回顧年度內，由於本集團實施嚴格的成本控制及精簡運作，行政開支由二零一一年約人民幣35,100,000元減少約人民幣1,300,000元至二零一二年約人民幣33,800,000元。開支減少主要是由於匯兌損失、維修保養費及銀行費用減少所致。二零一二年，行政開支佔本集團營業額百分比為3.4%（二零一一年：3.6%）。

FINANCIAL REVIEW

Turnover

The Group continuously enhanced the production capacity of products with good market potential in prior years to seize market share and boost the growth of turnover. However, the sales performance was neutralized by the decline of selling price as a result of tightening economic measures implemented by the PRC government to curb inflation and the over-heating economy during the year under review. The Group's turnover increased slightly to approximately RMB1,003.9 million, representing an increase of 3.3% as compared with that of approximately RMB972.2 million in 2011.

Gross profit

The gross profit of the Group has noticeably increased to approximately RMB 261.6 million, representing an increase of 19.0% as compared with approximately RMB219.8 million in 2011 while the gross profit margin was also grew by 3.5% to 26.1% when compared with 22.6% in 2011. The increase is mainly due to (i) the decrease of materials price; (ii) improvement in procurement process allowed sourcing materials at lower price; and (iii) the enhanced productivity and streamlined production processes helped to save costs further.

Operating income and expenses

The other income was mainly comprised (i) release of deferred income; (ii) sundry income; (iii) rental income; (iv) interest income; and (v) government grants during the year under review.

The selling expenses were slightly increased by RMB0.6 million to approximately RMB22.2 million (2011: RMB21.6 million) during the year under review. Such slight increase was principally as a result of the increase in the transportation costs which was in line with the growth of turnover of the Group, whereas the sales commission continuously decreased as the proportion of direct sales to total sales further increased. Sales commission was not required to pay for direct sales. The selling expenses as a percentage of the Group's turnover were fairly stable at 2.2% (2011: 2.2%).

As a result of the stringent costs control and streamlining of operations implemented by the Group during the year under review, the administrative expenses decreased by approximately RMB1.3 million from approximately RMB35.1 million in 2011 to approximately RMB33.8 million in 2012. Such decrease was mainly due to the decrease of exchange loss, repairs and maintenance, and bank charges. Administrative expenses expressed as a percentage of the Group's turnover were 3.4% in 2012 (2011: 3.6%).

財務回顧 (續)

財務成本

財務成本主要為銀行貸款利息及貼現票據利息，由二零一一年約人民幣6,600,000元增加約人民幣2,100,000元至二零一二年約人民幣8,700,000元。財務成本上升之主因是銀行借貸利率在回顧年度內上升。本集團之銀行借貸主要用於應付本集團之資本開支及一般營運資金需求。

衍生金融工具的公平值虧損

於二零一一年六月三十日，本公司與漢高香港有限公司（「漢高」）簽訂合營協議（「合營協議」）成立合營公司以發展工業用特種化學品，而合營協議於二零一二年二月二十三日生效。根據合營協議，(i)本公司已獲授認購期權，可要求漢高按認購期權價格向本公司賣出或促成漢高向本公司賣出漢高及／或其關聯公司所持的全部合營公司股份；及(ii)漢高已獲授認沽期權，可要求本公司按認沽期權價格買入或促成本公司買入漢高及／或其關聯公司所持的全部合營公司股份。上述期權僅可在指定未來日子確定的期權期間行使（有關詳細情況，請參考本公司於二零一一年七月三日刊發之公佈）。因此，合營協議被視為包含嵌入式衍生工具，須按公平值列賬。截至二零一二年十二月三十一日止年度，根據以下的重大假設，嵌入式衍生金融工具之公平值虧損確定為約人民幣7,000,000元：

估值方法：二項式點陣模型
無風險利率：2.32%年利率

衍生金融工具之詳情載於截至二零一二年十二月三十一日止年度之財務報表附註29。

本年度溢利

鑑於上述的改善措施，本集團之年度溢利增長約人民幣26,800,000元至約人民幣159,200,000元，與二零一一年約人民幣132,400,000元比較，增加20.3%。

FINANCIAL REVIEW (Continued)

Finance costs

The finance costs mainly represented bank borrowings interest and discounted bills interest, which was increased by approximately RMB2.1 million from approximately RMB6.6 million in 2011 to approximately RMB8.7 million in 2012. The increase was mainly due to the increase in bank borrowings interest rate during the year under review. The bank borrowings of the Group were mainly used in financing the capital expenditure and general working capital requirements of the Group.

Fair value loss on derivative financial instruments

On 30 June 2011, the Company entered into a joint venture agreement (the "JV Agreement") with Henkel Hong Kong Limited ("Henkel") to set up the JV Company for developing a specialty chemical for industrial use product and the JV Agreement became effective from 23 February 2012. Under the JV Agreement, (i) the Company is granted with a call option to require Henkel to sell or cause the sale of all of the shares of the JV Company held by Henkel and/or its affiliates to the Company at the call option price; and (ii) Henkel is granted with a put option to require the Company to purchase or cause the purchase of all of the shares of the JV Company held by Henkel and/or its affiliates at the put option price. Such options can only be exercised during the option period which set on a specified future dates (please refer to the announcement of the Company dated 3 July 2011 for details). Thus, the JV Agreement deemed to contain embedded derivative which is required to be carried at fair value. For the year ended 31 December 2012, the fair value loss on the embedded derivative financial instruments was determined to be approximately RMB7.0 million, based on the following significant assumptions:

Valuation method: Binomial Lattice Model
Risk free rate: 2.32% p.a.

Details of the derivative financial instruments are set out in note 29 to the financial statements for the year ended 31 December 2012.

Profit for the year

Given the aforesaid improvement measures, the profit of the Group for the year has recorded an increase of approximately RMB26.8 million to approximately RMB159.2 million, representing an increase of 20.3% as compared with that of approximately RMB132.4 million in 2011.

財務回顧 (續)

流動資金及財務資源

本集團之主要資金來源包括經營活動產生之淨現金流入約人民幣218,600,000元(二零一一年：人民幣91,300,000元)、新增銀行借貸約人民幣104,100,000元(二零一一年：人民幣124,300,000元)、並無發行新股份收益(二零一一年：人民幣1,200,000元)、利息收入約人民幣500,000元(二零一一年：人民幣400,000元)；出售物業、廠房及設備所得款項約人民幣60,000元(二零一一年：人民幣70,000元)；且無出售預付土地租賃款項(二零一一年：人民幣26,800,000元)。憑藉本集團營運所得財務資源，在回顧年度內，本集團斥資約人民幣133,300,000元(二零一一年：人民幣75,000,000元)購入物業、廠房及設備、向一間共同控制實體投資約人民幣48,400,000元(二零一一年：無)、償還借貸約人民幣139,100,000元(二零一一年：人民幣105,200,000元)、支付利息約人民幣8,800,000元(二零一一年：人民幣6,700,000元)以及支付股息約人民幣20,800,000元(二零一一年：人民幣32,000,000元)。截至二零一二年十二月三十一日止，本集團已抵押銀行存款與銀行及現金結餘約為人民幣50,000,000元(二零一一年：人民幣77,300,000元)，其中94.1%以人民幣持有，5.6%以美元持有，其餘則以港元及歐元持有。本集團在回顧年度內並無運用任何金融工具作對沖用途。

截至二零一二年十二月三十一日止，本集團錄得流動資產淨值約人民幣196,800,000元(二零一一年：人民幣217,600,000元)，流動比率約2.3倍(二零一一年：2.3倍)，銀行借貸約人民幣74,000,000元(二零一一年：人民幣109,000,000元)，而資產負債比率(即淨借貸(借貸總額減去銀行與現金結餘及已抵押銀行存款)對股東權益總額之比率)進一步減低至約3.1%(二零一一年：5.0%)。

憑藉持續來自經營業務之現金流入，加上現有現金資源及銀行授出但尚未動用的銀行信貸額度，本集團具備充裕之財務資源，足以應付其承擔及營運資金所需。本集團今後將持續緊密及謹慎地監督現金流出，並致力維持穩健之財務狀況，為股東提高股本回報。

資產抵押

截至二零一二年十二月三十一日止，並無銀行存款(二零一一年：人民幣13,400,000元)抵押以獲得票據及信用證額度。本集團之預付土地租賃款項約人民幣30,300,000元(二零一一年：人民幣23,500,000元)已作為本集團銀行融資及借貸之抵押品。

FINANCIAL REVIEW (Continued)

Liquidity and financial resources

The Group's primary source of funding included the net cash inflow generated from operating activities of approximately RMB218.6 million (2011: RMB91.3 million); newly raised bank borrowings of approximately RMB104.1 million (2011: RMB124.3 million); no proceed from the issuing of new Shares (2011: RMB1.2 million); interest income of approximately RMB0.5 million (2011: RMB0.4 million); proceeds on disposal of property, plant and equipment of approximately RMB0.06 million (2011: RMB0.07 million); and no proceed on the disposal of prepaid land lease payments (2011: RMB26.8 million). With the financial resources obtained from the Group's operations, the Group had spent approximately RMB133.3 million (2011: RMB75.0 million) in the acquisition of the property, plant and equipment; investment in a jointly controlled entity approximately RMB48.4 million (2011: Nil); borrowing repayments of approximately RMB139.1 million (2011: RMB105.2 million); interest paid of approximately RMB8.8 million (2011: RMB6.7 million) and dividend paid of approximately RMB20.8 million (2011: RMB32.0 million) during the year under review. As at 31 December 2012, the Group had pledged bank deposit and bank and cash balances of approximately RMB50.0 million (2011: RMB77.3 million), of which 94.1% was held in RMB, 5.6% was held in United States dollars and the remaining balance was held in Hong Kong dollars and EUROS. During the year under review, the Group did not use any financial instruments for any hedging purposes.

As at 31 December 2012, the Group had recorded net current assets of approximately RMB196.8 million (2011: RMB217.6 million), the current ratio of the Group was approximately 2.3 times (2011: 2.3 times), bank borrowings of approximately RMB74.0 million (2011: RMB109.0 million) and the gearing ratio which is represented by the ratio of net debts (total borrowings net of bank and cash balances and pledged bank deposits) to total shareholders' equity, was further decreased to approximately 3.1% (2011: 5.0%).

With the continuous positive cash inflow generated from its operations and its existing cash resources and undrawn banking facilities obtained from its banks, the Group has sufficient financial resources to meet its commitments and working capital requirements. The Group will continuously monitor its cash outflow closely and cautiously in the coming years and dedicate to maintain a sound financial position and improve the equity return to Shareholders.

Pledge of assets

As at 31 December 2012, no bank deposits (2011: RMB13.4 million) was pledged for bills and letter of credit facilities. Prepaid land lease payments of the Group of approximately RMB30.3 million (2011: RMB23.5 million) were pledged to secure the Group's banking facilities and borrowings.

財務回顧 (續)

或然負債

截至二零一二年十二月三十一日止，本集團並無任何重大或然負債。

承擔

截至二零一二年十二月三十一日止，本集團已訂約但未撥備之承擔總額約人民幣115,700,000元（二零一一年：人民幣150,300,000元），當中約人民幣98,800,000元（二零一一年：人民幣145,500,000元）為涉及有關合營公司項目之承擔，其餘部分則涉及購買物業、廠房及設備以及在建工程。同時，已批准但未訂約之資本承擔總額約人民幣50,200,000元（二零一一年：人民幣87,900,000元）乃涉及購買物業、廠房及設備以及在建工程。

匯率波動風險

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

本集團所承擔之最主要外匯波動風險乃因回顧年度內人民幣升值所致。除出口銷售主要以美元結算外，本集團大部分之收入及開支均以人民幣結算。然而，本集團在回顧年度內並無因外幣匯率波動而於營運或資金流動狀況方面遇上任何重大困難，亦未因而受到任何影響。此外，於適當之時，本集團日後將就外幣交易考慮使用具有成本效益之對沖方法。

僱員及酬金政策

截至二零一二年十二月三十一日止，本集團共有903名全職僱員（二零一一年：896名），其中810名屬生產及倉庫員工，17名為銷售及市場推廣員工，17名為研發中心員工，而59名則為管理層及辦公室後勤員工。員工人數輕微增加乃因配合本集團在回顧年度內擴張之業界活動所致。

在回顧年度內，員工成本總額（包括董事酬金）升至約人民幣57,000,000元（二零一一年：人民幣50,700,000元）。

本集團已制定其人力資源政策及體制，務求於薪酬制度中加入獎勵及獎金，以及為員工提供多元化之員工培訓及個人發展計劃。向員工發放之酬金待遇乃按其職務及當時市場標準釐定，本集團同時向僱員提供員工福利，包括醫療保險及公積金。

FINANCIAL REVIEW (Continued)

Contingent liabilities

As at 31 December 2012, the Group had no material contingent liabilities.

Commitments

As at 31 December 2012, the Group had commitments which has been contracted but not yet been provided for in the aggregate amount of approximately RMB115.7 million (2011: RMB150.3 million), among of that approximately RMB98.8 million (2011: RMB145.5 million) relating to the commitment for the joint venture project and the rest for purchases of property, plant and equipment as well as construction in progress, while the capital commitment for authorised but not yet been contracted for in the aggregate amount of approximately RMB50.2 million (2011: RMB87.9 million) is relating to the purchases of property, plant and equipment as well as construction in progress.

Exposure to fluctuations in exchange rates

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

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

Employees and remuneration policy

As at 31 December 2012, the Group has 903 full-time employees (2011: 896) of whom 810 were production and warehouse employees, 17 were sales and marketing employees, 17 were research and development centre employees, and 59 were management and back-office supporting employees. The slight increase in the number of employees was in line with the expansion in business activities during the year under review.

For the year under review, the total staff costs incurred including directors' remuneration increased to approximately RMB57.0 million (2011: RMB50.7 million).

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

財務回顧 (續)

僱員及酬金政策 (續)

本集團根據員工年度表現評核的評分，發放任意花紅及獎金。本集團亦會給予僱員獎金或其他獎勵，以推動僱員個人成長及事業發展，例如持續向員工提供培訓，以提升彼等之技術及產品知識以及對行業品質標準之認識。所有新加入本集團之員工均須參加入職課程以及各類可供本集團所有僱員參加之培訓課程。

本公司亦已採納購股權計劃，以獎勵及獎賞曾對本集團成功經營作出貢獻之合資格參與人士。在回顧年度內，本集團並無授出任何購股權。

業務回顧

在回顧年度內，有賴以往年度不斷推出新產品，以擴大下游產業市場覆蓋及刺激銷售增長，儘管整體銷售價格與去年相比下降，本集團的營業額持續錄得正面增長。本集團來自國內市場的營業額仍然帶來最關鍵的貢獻，佔本集團總營業額的78.4%，而來自海外的營業額佔其餘的21.6%。同時，為遏制不斷上升的勞動力成本和間接開支，本集團通過優化生產流程、以先進技術提升生產設施及加強經濟效益，從而改善生產力及營運效率，還有完善採購流程以較低價格購買原材料。結合上述努力，本集團毛利及毛利率有可觀改善。隨著有效的營運費用控制，本集團在回顧年度內的利潤水平較為理想。

鑑於預計具有良好市場潛力的產品產能無法滿足強勁的市場需求，自上一財政年度起，本集團已投入更大努力和資源提高其生產效率和產能，在回顧年度內，過去的投資得到了回報，本集團在成本節約和營業額增長方面得見成效。此外，為了滿足未來業務擴張的需求及進一步推動節能減排，在回顧年度內，本集團已實施全面計劃來整合現有的生產線，這不僅有利於擴大整體產能及提高生產力，更有利於長遠的能源節約。

FINANCIAL REVIEW (Continued)

Employees and remuneration policy (Continued)

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

The Company has also adopted a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. During the year under review, no share option of the Company has been granted.

BUSINESS REVIEW

During the year under review, leverage on the new products continuously launched in previous years that expanded market coverage of the downstream industries and stimulated the growth of sales, the turnover of the Group continuously delivered a positive growth even though the overall selling prices have been decreased as compared with last year. Turnover of the Group derived from domestic market continued to be the key contribution, accounted for 78.4% of total turnover of the Group, while turnover derived from overseas accounted for the balance 21.6%. Meanwhile, the Group improved productivity and operational efficiency through optimised production processes, upgraded the production facilities with advanced technology and enhanced economies of scale to curb the rising of labour costs and overheads, as well as improving the procurement processes to purchase materials at lower price. The gross profit and gross margin of the Group have improved impressively because of the above combined efforts. Along with effective operating expense controls, the Group performed a better profit level during the year under review.

In view of projected production capacities unable to satisfy robust market demands in respect of products with good market potential, the Group has devoted more efforts and resources in enhancement of its production efficiencies and capacities since the prior financial year. The past investments paid off in achieving cost savings and turnover growth to the Group during the year under review. Besides, in order to meet the future demand as business expanding and further promote the energy conservation and emission reduction, the Group has implemented a comprehensive plan to consolidate the existing production lines during the year under review. This does not only help to enlarge the overall production capacities and uplift the productivity but also facilitate energy conservation in long term.

業務回顧 (續)

由於新產品開發是保持本集團業務發展及增長的重要策略，在回顧年度內，本集團不斷開發新產品，而該等新產品的生產線將於下個財政年度興建。通過不斷創新發展，本集團得以繼續提高競爭力，輔以持續提高的生產力，形成本集團維持業務增長的主要驅動力。

氰乙酸及其酯類產品

氰乙酸及其酯類產品仍是本集團核心業務分部，由於推出新產品擴大市場覆蓋面及改善產能帶動營業額增長，在回顧年度內已實現了強勁的營業額增長。該產品類別之營業額佔本集團總營業額78.5% (二零一一年：77.4%)。該產品類別之溢利比上一個財政年度明顯上升，主要是由於擴大規模經濟的優勢、提高垂直整合生產的協同效應及優化生產流程有效地降低生產成本。目前，這產品類別的殷切需求為本集團進一步發展提供了良好的機遇，本集團將繼續加強其競爭優勢，並著重產品創新開發和改善生產力，以鞏固其在業內的領先地位。預期該產品類別未來的表現最低限度能跟上市場的自然增長。

氰化鈉及其下游產品

氰化鈉及其下游產品是本集團核心產品，惟已區別於氰乙酸及其酯類產品類別，目的是緊密監測該產品類別的市場發展。這產品類別的若干產量供內部消耗，而其餘則對外銷售。由於近年內部和外部需求不斷增長，董事認為，通過利用本集團目前的競爭優勢，此產品類別未來將有良好的增長潛力，因此，本集團已在回顧年度內開發若干下游產品以開拓新的市場。截至本報告日期，新生產線的籌備及建設工作正在進行，預計新產品將在二零一四財政年度推出市場。本集團將密切監察這產品類別的市場發展，並作出果斷的措施以把握未來的發展機遇。

BUSINESS REVIEW (Continued)

As new product development is an essential strategy to sustain the business development and growth of the Group, the Group was consistently developing new products during the year under review and the production lines for such new products will be constructed in next financial year. Uninterrupted innovative development enabled the Group to continue to raise its competitiveness, supplemented with ongoing improvements in its productivity, it will shape the main driver of sustain business growth of the Group.

Cyanoacetic acid and its ester products

Cyanoacetic acid and its ester products are still the main business segment of the Group, which has performed a strong turnover growth during the year under review as a result from the new products launched to expand the market coverage and improved production capacities which driven the growth of turnover. The turnover of such products category was accounting for 78.5% (2011: 77.4%) of the Group's total turnover. The profit from this products category was obviously higher than the previous financial year mainly because of enhanced economies of scales, improved synergies of vertically integrated production and the optimised production processes to trim the production costs effectively. Currently, the buoyancy in demand of this products category provided a good opportunity to the Group for its further development. The Group will continue to enhance its competitive advantages of such products category with a focus on the product innovation and development and improvement of productivity to secure its leading position in the industry. It is expected that the performance of this products category would at the minimum be keep pace with market organic growth in future.

Sodium cyanide and its derivative products

Sodium cyanide and its derivative products are core products of the Group, which have been differentiated from cyanoacetic acid and its ester products category with the aim to closely monitor the market development of this products category. A certain portion of outputs from this products category has been consumed internally and the remaining balance was sold externally. As the continuous growing demands both internally and externally in recent years, the Group has also developed certain downstream products to explore new markets during the year under review as the Directors considered that there will be good potential growth for this products category in future by capitalising the existing competitive edge of the Group. The preparation and construction works of new production lines are ongoing up to the date of this report and it is anticipated that the new products will be launched in financial year of 2014. The Group will closely monitor the market development of this products category and make decisive measures to grasp development opportunities in future.

業務回顧 (續)

醇類產品

這產品類別主要供內部消耗，故有必要保持穩定的內部供應並同時尋求對外銷售。在回顧年度內，營業額下降是由於有限的市場空間所致。鑑於有效的銷售和市場營銷策略，加上改善採購流程，這產品類別的利潤最終得到改善。本集團將因應該產品類別未來的發展，保持適當的生產和運作規模。

氯乙酸及其下游產品

一如本集團所預期，在回顧年度內，通過不斷提高生產能力來滿足強大的市場需求，氯乙酸及其下游產品保持快速和健康的增長動力，營業額及分部溢利均持續錄得顯著增長。溢利增長率較營業額快速，這意味著此產品類別在未來仍有空間作進一步發展。氯乙酸及其下游產品是氰乙酸及其酯類產品的主要材料，過去主要用於內部消耗。為了能夠應付殷切的外部市場需求，這產品類別第四階段的生產擴建已在回顧年度內完成。提高生產效益不僅使本集團佔據更大的市場份額，並從內部供應中實踐促進循環經濟生產和充分利用內部資源的措施以進一步節省成本，並同時有助加強本集團的競爭優勢。本集團將專注於這產品類別的發展，並在適當的時候進一步作產能擴張。

精細石油化工類產品

在回顧年度內，精細石油化工類產品仍錄得理想業績，主因是改進採購流程，以較低的價格採購材料以降低生產成本。鑑於日益減少的訂單和萎縮的利潤率限制了此產品類別的進一步發展，這產品類別的前景只屬平穩。在回顧年度內，本集團決定調撥無利可圖的產品之生產設施至其他具潛力的產品。此舉可令本集團充分利用其資源在具前景的領域上。然而，本集團將繼續發展這產品類別中具盈利能力的產品。

BUSINESS REVIEW (Continued)

Alcohol products

This products category is mainly for internal consumption so it is important to maintain stable internal supply while seeking external sale. During the year under review, the turnover declined was resulted from limited market space. In light of an effective sales and marketing strategy and improved procurement process, the profit of this products category has been improved ultimately. The Group will maintain appropriated production and operation for the development of such products category in future.

Chloroacetic acid and its derivative products

In line with the Group's expectation, chloroacetic acid and its derivative products kept a rapid and healthy growth momentum through the continuous expansion of production capacities to meet surging market demands. Both the turnover and profit have achieved continuously prominent growth during the year under review. The growth rate of the profit margin was faster than the turnover, which implied that there is still a room for the further growth of this product category in future. Chloroacetic acid and its derivative products were the core materials for cyanoacetic acid and its ester products and mainly for internal consumption in the past. In order to cater for the buoyant external market demands, the fourth phase production expansion of this products category has been completed during the year under review. The enhancement of productivity efficiency is not only allowed the Group to take a bigger slice of market share and fulfill the promotion of recycling economy production and utilisation of internal resources fully from internal supply for further costs saving but also helps to strengthen the competitiveness edge of the Group. The Group will focus on the development of this products category and make further expansion of the production capacity onwards as and when appropriate.

Fine petrochemical products

During the year under review, the fine petrochemical products still delivered positive results was mainly due to the improved procurement process that sourcing materials at lower price to reduce the production costs. Given to the dwindling orders and shrinking margins limited the further development of such products category, the outlook of this products category is modest. The Group decided to reallocate the production facilities of a profitless product to other potential products during the year under review. The move allows the Group to fully utilise its resources in promising areas. However, the Group will still keep maintaining the development of profitable products within this products category.

業務回顧 (續)

合營公司

在回顧年度內，合營公司已正式成立，而所有營運前的工作都按進度如期開始並進展順利。截至本報告日期，合營公司已加快建設生產廠房和設施的進度。本集團預期，倘無發生其他不可預見的情況下，建設工程以及銷售和分銷網絡將會在下一個財政年度內完成，在可預見的未來將開始商業生產經營。因此，預計在下一個財政年度，本集團將按股權比例承擔龐大的合營公司營運前開支。

展望

宏觀經濟環境仍然充滿挑戰，美國顯然正在經歷一個緩慢但逐步復甦的過程。至於歐元區，金融風暴仍然在影響若干歐盟成員國，而中國通脹壓力連同人民幣升值壓力等，這些都對消費者需求有負面影響。儘管如此，本集團具有良好的業務定位和正確的發展戰略、創新的產品開發實力、強大的生產力及有效的生產和營運，這些均有利於本集團把握新的業務商機，從而實現業務增長。

展望將來，本集團必須加倍努力，以保持成功的軌道。本集團將繼續監督其業務和落實各項措施，進一步使成本降低至合理水平。本集團的長期業務策略是利用其核心競爭優勢，通過複製本集團成熟的商業模式，作為綜合精細化工公司以發展本集團下游化學品業務。根據本集團的核心競爭策略，本集團將繼續專注產品開發，開拓新市場，創造新的收入，並進一步提高具良好潛力產品的產能和改進現有的節能生產技術，以維持本集團在行業中的領先地位。

董事有信心，相信本集團定可憑藉本身優勢和堅實的基礎以把握未來的增長機會，董事亦相信，本集團有能力在未來為股東創造最大價值。

BUSINESS REVIEW (Continued)

Joint venture

During the year under review, the JV Company has been duly established and all the pre-operating activities have been kick-started on schedule and progressing smoothly. Up to the date of this report, the JV Company has accelerated the progress of the construction of production plant and facilities. Barring any unforeseen circumstance, the Group expected the construction works as well as the sales and distribution networks would be in place within next financial year, the commercial productions and operations would be commenced in foreseeable future. Hence, it is anticipated that the Group would bear the substantial pre-operating expenses of the JV Company in coming financial year in proportion to the Group's equity interest.

Outlook

The macro-economic environment remains challenging. US apparently are undergoing a slow but gradually recovery process. For the Eurozone, financial turmoil is still affecting certain members of the European Union and inflationary pressure in the PRC together with RMB appreciation pressure etc., have negative impact on consumer demands. Despite of these, the Group has well-positioned its business and right development strategies, equipped with innovative products development, strengthened productivity, efficient productions and operations. These measures will facilitate the Group to seize new business opportunities and achieve business growth.

Looking forward, it is essential for the Group to work even harder to remain on a successful path. The Group will continuously to monitor its operations and implement various measures to further rationalise and reduce the cost base. The long term business strategy of the Group is to leverage its core competitive advantages as an integrated fine chemical company to grow the downstream chemicals businesses of the Group by replicating the proven business model of the Group. In line with such core competitive strategies of the Group, the Group will continue focus on products development to exploit new markets for new streams of revenue and further enhance the production capacities of good potential products with improvement of existing technologies in energy-saving production to maintain the Group's leading position in the industry.

The Directors have confidence in the strengths and solid foundation of the Group to capture the growth opportunities going forward. The Directors also believe that the Group will be capable to maximize Shareholder value in future.

董事欣然提呈本集團截至二零一二年十二月三十一日止年度之年報連同經審核綜合財務報表。

主要業務

本公司為投資控股公司，本集團之主要業務為研發、製造及銷售精細化工產品。該等產品大致分為六個主要類別：氰乙酸及其酯類產品、氰化鈉及其下游產品、醇類產品、氯乙酸及其下游產品、精細石油化工產品及其他副產品。

業績及分派

本集團截至二零一二年十二月三十一日止年度之業績載於本年報第46頁的綜合收益表。

董事建議派發末期股息每股3.8港仙(二零一一年：3.0港仙)。本公司將於二零一三年六月二十日(星期四)向於二零一三年六月五日(星期三)名列本公司股東名冊之股東派付末期股息，惟須獲股東於本公司應屆股東週年大會(「二零一三年股東週年大會」)上批准後方可作實。

股東週年大會

二零一三年股東週年大會將於二零一三年五月二十四日(星期五)舉行。有關二零一三年股東週年大會之詳情，股東應參閱二零一三年四月二十二日之本公司通函、二零一三年股東週年大會通告及隨附之代表委任表格。

暫停辦理股東登記手續

為確定有權出席二零一三年股東週年大會並於會上投票的股東，本公司將由二零一三年五月二十二日(星期三)至二零一三年五月二十四日(星期五)(包括首尾兩天)止期間暫停辦理股東登記手續。如欲獲得出席二零一三年股東週年大會並於會上投票之資格，所有過戶文件連同有關股票證書最遲須於二零一三年五月二十一日(星期二)下午四時三十分前送交本公司之香港股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17字樓1712-1716室。

The Directors have pleasure in presenting the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal business of the Group includes the research and development, manufacture and sales of fine chemical products, which is broadly categorised into six major product groups, namely the cyanoacetic acid and its ester products, sodium cyanide and its derivative products, the alcohol products, the chloroacetic acid and its derivative products, the fine petrochemical products and other by-products.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2012 are set out in the consolidated income statement on page 46 of this annual report.

The Directors recommend the payment of a final dividend of 3.8 HKcents (2011: 3.0 HKcents) per Share. The final dividend will be payable by the Company on Thursday, 20 June 2013 to the Shareholders whose names appear on the register of members of the Company on Wednesday, 5 June 2013, which is subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company (the "2013 AGM").

ANNUAL GENERAL MEETING

The 2013 AGM will be held on Friday, 24 May 2013. Shareholders should refer to the details regarding the 2013 AGM in the circular of the Company of 22 April 2013 and the notice of the 2013 AGM and the form of proxy accompanying thereto.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Shareholders who are entitled to attend and vote at the 2013 AGM, the register of members of the Company will be closed from Wednesday, 22 May 2013 to Friday, 24 May 2013, both days inclusive. In order to qualify for the right to attend and vote at the 2013 AGM, all transfers accompanied by the relevant share certificates should be lodged with the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716 on the 17th Floor of Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 21 May 2013.

暫停辦理股東登記手續(續)

為確定合資格享有截至二零一二年十二月三十一日止年度之建議末期股息的股東，本公司將由二零一三年六月三日(星期一)至二零一三年六月五日(星期三)(包括首尾兩天)止期間暫停辦理股東登記手續。如欲取得獲派建議末期股息之資格，所有過戶文件連同有關股票證書最遲須於二零一三年五月三十一日(星期五)下午四時三十分前送交本公司之香港股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17字樓1712-1716室。

股本

在回顧年度內本公司股本變動之詳情載於截至二零一二年十二月三十一日止年度之財務報表附註25。

財務概要

本集團於過去五個財政年度的業績以及資產及負債概要載於本年報第4頁。

儲備

本集團及本公司之儲備變動詳情分別載於本年報第52頁之本集團綜合權益變動表及截至二零一二年十二月三十一日止年度之財務報表附註26。

本公司可供分派儲備

根據開曼群島公司法第22章，在組織章程大綱或細則條文之規限下，本公司之股份溢價賬可用於向股東作出分派或派付股息，惟於緊隨分派股息後，本公司須有能力償還於日常業務中到期之債務。截至二零一二年十二月三十一日止，本公司可供分派予股東之儲備合共約為人民幣221,700,000元(二零一一年：人民幣246,400,000元)。

物業、廠房及設備

在回顧年度內，本集團耗支約人民幣133,300,000元(二零一一年：人民幣75,000,000元)於物業、廠房及設備，以擴充生產能力。有關物業、廠房及設備之變動詳情載於截至二零一二年十二月三十一日止年度之財務報表附註14。

投資物業

本集團之投資物業已於年結日重估。因重估產生之投資物業公平值增加約人民幣600,000元(二零一一年：人民幣200,000元)，並已計入綜合收益表。有關本集團投資物業變動之詳情載於截至二零一二年十二月三十一日止年度之財務報表附註16。

CLOSURE OF REGISTER OF MEMBERS (Continued)

For the purpose of ascertaining Shareholders who qualify for the proposed final dividend in respect of the year ended 31 December 2012, the register of members of the Company will be closed from Monday, 3 June 2013 to Wednesday, 5 June 2013, both days inclusive. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates should be lodged with the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716 on the 17th Floor of Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 31 May 2013.

SHARE CAPITAL

Details of movements during the year under review in the share capital of the Company are set out in note 25 to the financial statements for the year ended 31 December 2012.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 4 of this annual report.

RESERVES

Details of movements in the reserves of the Group and of the Company are set out in the consolidated statement of changes in equity of the Group on page 52 of this annual report and note 26 to the financial statements for the year ended 31 December 2012 respectively.

DISTRIBUTABLE RESERVES OF THE COMPANY

Under Chapter 22 of the Companies Law of the Cayman Islands, the share premium account of the Company can be used for paying distributions or dividends to Shareholders subject to the provisions of its memorandum or articles of association and provided that immediately following the distribution of dividend, the Company is able to pay its debts as they fall due in the ordinary course of business. As at 31 December 2012, the Company's reserves available for distribution to Shareholders amounted in total to approximately RMB221.7 million (2011: RMB246.4 million).

PROPERTY, PLANT AND EQUIPMENT

During the year under review, the Group spent approximately RMB133.3 million (2011: RMB75.0 million) on property, plant and equipment to expand its production capabilities. Details of the movements in the property, plant and equipment of the Group are set out in note 14 to the financial statements for the year ended 31 December 2012.

INVESTMENT PROPERTIES

The Group's investment properties were revalued at the year end date. The fair value increase on investment properties arising on revaluation amounting to approximately RMB0.6 million (2011: RMB0.2 million) has been credited to the consolidated income statement. Details of movements in the investment properties of the Group are set out in note 16 to the financial statements for the year ended 31 December 2012.

捐款

在回顧年度內，本集團作出之慈善及其他捐款合共約人民幣2,000元（二零一一年：人民幣70,000元）。

主要客戶及供應商

截至二零一二年十二月三十一日止年度，五大客戶佔本集團總營業額約17.1%（二零一一年：16.8%），而本集團最大客戶應佔營業額則佔本集團總營業額約4.3%（二零一一年：4.8%）。

截至二零一二年十二月三十一日止年度，五大供應商佔本集團總採購額約35.0%（二零一一年：42.3%），而本集團最大供應商應佔採購額則佔本集團總採購額約9.5%（二零一一年：13.6%）。

任何董事、其聯繫人或就董事所知擁有本公司股本5%以上之任何股東，在回顧年度內任何時間概無在本集團五大客戶及供應商中擁有任何權益。

董事及董事之服務合約

在回顧財政年度內及截至本報告刊發當日之董事如下：

執行董事：

劉洪亮先生
王子江先生
郭希田先生
郭玉成先生

獨立非執行董事：

高寶玉先生
梁錦雲先生
劉晨光先生

根據本公司組織章程細則（「組織章程細則」）第86及87條，王子江先生、郭玉成先生及梁錦雲先生須於二零一三年股東週年大會上退任，惟符合資格並願意膺選連任為董事。

獨立非執行董事之初步任期不超過三年，並將自動續任三年，直至任何一方向對方發出不少於一個月之書面通知終止合約為止。

執行董事已與本公司訂立服務合約，為期三年。其後，除非任何一方向對方發出不少於三個月之書面通知以終止合約，否則董事任期將會按年延續。

DONATIONS

During the year under review, the Group made charitable and other donations totaling approximately RMB0.002 million (2011: RMB0.07 million).

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2012, the five largest customers accounted for approximately 17.1% (2011: 16.8%) of the Group's total turnover, whilst the turnover attributable to the Group's largest customer accounted for approximately 4.3% (2011: 4.8%) of the Group's total turnover.

For the year ended 31 December 2012, the five largest suppliers accounted for approximately 35.0% (2011: 42.3%) of the Group's total purchases, whilst the purchases attributable to the Group's largest supplier accounted for approximately 9.5% (2011: 13.6%) of the Group's total purchases.

At no time during the year under review did any Director, any associate of a Director or any Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) has an interest in any of the Group's five largest customers and suppliers.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors during the financial year under review and up to the date of this report are:

Executive Directors:

Mr. Liu Hongliang
Mr. Wang Zijiang
Mr. Guo Xitian
Mr. Guo Yucheng

Independent non-executive Directors:

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

In accordance with articles 86 and 87 of the Company's articles of association (the "Articles of Association"), Mr. Wang Zijiang, Mr. Guo Yucheng and Mr. Leung Kam Wan shall retire and, being eligible, offer themselves for re-election as Directors at the 2013 AGM.

The independent non-executive Directors were appointed for an initial term of not more than three years and will be renewable automatically for successive term of three years until terminated by not less than one month's notice in writing served by either party on the other.

The executive Directors have entered into service contracts with the Company for a term of 3 years and thereafter shall continue from year to year until terminated by giving three months' notice in writing thereof by either party to the other.

董事及董事之服務合約 (續)

擬於二零一三年股東週年大會上膺選連任之董事概無與本公司或其任何附屬公司訂立本公司不作賠償(法定賠償除外)則不可於一年內終止之未屆滿服務合約。

董事之合約權益

除本報告題為「關連交易」一段及截至二零一二年十二月三十一日止年度財務報表附註32「關聯方交易」所披露者外，於年終或年內任何時間，概無任何由本公司或其任何附屬公司所訂立而與本集團業務有關且本公司董事直接或間接擁有重大權益之重大合約。

董事及主要行政人員之證券權益

截至二零一二年十二月三十一日止，各董事、本公司主要行政人員及彼等之聯繫人於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份及／或相關股份中，擁有本公司根據證券及期貨條例第352條規定存置之登記冊所記錄，或已根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十所載上市公司董事進行證券交易的標準守則(「標準守則」)知會本公司及聯交所之權益及淡倉如下：

於股份之好倉

董事姓名 Name of Director	公司／相聯法團名稱 Company/ name of associated corporation	所持股份數目／ 股份權益 Number of Shares held/ interest in the Shares	身份 Capacity	佔已發行股本總數 概約百分比(%) Approximate % in the total issued share capital
劉洪亮先生 Mr. Liu Hongliang	志峰集團有限公司(附註1) Cheerhill Group Limited (Note 1)	584,000,000 (附註2) (Note 2)	受控法團之權益 Interest of controlled corporation	69.0%

附註：

- 584,000,000股股份乃由志峰集團有限公司(「志峰」)持有，其全部已發行股本分別由劉洪亮先生、王子江先生、郭希田先生、鄭虹女士、郭玉成先生及傅安旭先生最終實益擁有38.0%、26.0%、11.5%、11.5%、6.5%及6.5%。
- 由於劉先生於志峰擁有38.0%權益，故被視為於上文附註1所述之584,000,000股股份擁有權益。

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS (Continued)

No Directors proposed for re-election at the 2013 AGM has an unexpired service contract which is not determinable by the Company or any its subsidiaries within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the paragraph headed "Connected Transactions" set out in this report and note 32 to the financial statements for the year ended 31 December 2012 on "Related Party Transactions", no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or any time during the year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 December 2012, the interests and short positions of the Directors and chief executive of the Company and their associates in the shares and/or underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Long position in the Shares

- The 584,000,000 Shares were held by Cheerhill Group Limited ("Cheerhill"), the entire issued share capital of which is ultimately beneficially owned as to 38.0% by Mr. Liu Hongliang, 26.0% by Mr. Wang Zijiang, 11.5% by Mr. Guo Xitian, 11.5% by Ms. Zheng Hong, 6.5% by Mr. Guo Yucheng and 6.5% by Mr. Fu Anxu.
- Mr. Liu is deemed to be interested in 584,000,000 Shares referred to in Note 1 above by virtue of his 38.0% interest in Cheerhill.

董事及主要行政人員之證券權益 (續)

除上文所披露者外，截至二零一二年十二月三十一日止，各董事、本公司主要行政人員及彼等之聯繫人概無擁有本公司或其任何相聯法團之任何股份、相關股份或債券之任何權益或淡倉。

主要股東

截至二零一二年十二月三十一日止，按本公司根據證券及期貨條例第336條存置之主要股東名冊所示，以下股東已知會本公司其於本公司已發行股本中擁有相關權益：

主要股東於股份及／或相關股份中持有之好倉

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES (Continued)

Other than as disclosed above, none of the Directors, chief executive of the Company nor their associates had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations as at 31 December 2012.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2012, the register of substantial Shareholders maintained by the Company pursuant to section 336 of the SFO shows that the following Shareholder had notified the Company of their relevant interests in the issued share capital of the Company:

Long position of substantial Shareholders in the Shares and/or underlying Shares

股東名稱 Name of Shareholders	所持股份數目／ 股份權益及權益總額 Number of Shares held/interest in the Shares and aggregated interest	身份 Capacity	佔已發行股本總數 概約百分比(%) Approximate % in the total issued share capital
志峰 (附註) Cheerhill (Note)	584,000,000	實益擁有人 Beneficiary owner	69.0%

附註：

584,000,000股股份乃由志峰持有，其全部已發行股本分別由劉洪亮先生、王子江先生、郭希田先生、鄭虹女士、郭玉成先生及傅安旭先生最終實益擁有38.0%、26.0%、11.5%、11.5%、6.5%及6.5%。

Note:

The 584,000,000 Shares were held by Cheerhill, the entire issued share capital of which is ultimately beneficially owned as to 38.0% by Mr. Liu Hongliang, 26.0% by Mr. Wang Zijiang, 11.5% by Mr. Guo Xitian, 11.5% by Ms. Zheng Hong, 6.5% by Mr. Guo Yucheng and 6.5% by Mr. Fu Anxu.

除上文所披露者外，截至二零一二年十二月三十一日止，本公司並無獲任何人士知會於股份或相關股份中，擁有任何根據證券及期貨條例須知會本公司之權益或淡倉，或擁有本公司根據證券及期貨條例第336條存置之登記冊中記錄之權益或淡倉。

Save as disclosed above, the Company has not been notified by any person who had any interest or short position in the Shares or underlying Shares as at 31 December 2012, which are required to be notified to the Company under the SFO or which are recorded in the register required to be kept by the Company under section 336 of the SFO.

購買股份或債券之安排

本公司、其控股公司、或其任何附屬公司及同系附屬公司概無在回顧年度內任何時間訂立任何安排，致使董事可藉購買本公司或任何其他法人團體之股份或債務證券(包括債券)而獲益。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year under review was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate.

關連交易

若干於截至二零一二年十二月三十一日止年度之財務報表附註32所披露的關連人士交易也構成關連交易。下列若干關連人士(定義見上市規則)與本集團訂立及/或持續進行之交易,本公司已遵照上市規則有關規定作出公佈(如需要時)。

- (a) 於二零一一年六月三十日,本公司與漢高訂立合營協議,據此,本公司與漢高議定組成一家合營公司。合營公司在二零一二年二月二十三日註冊成立後,合營公司之主要股東漢高成為本公司之關連人士。因此,根據上市規則第14A.41條,本公司(代表其本身及濰坊柏立化學有限公司(「濰坊柏立」)行事)與Henkel AG & Co. KGaA(「Henkel AG」)(代表其本身及Henkel Ireland Ltd.(「漢高愛爾蘭」)、Henkel Puerto Rico Inc.及Henkel Ltda.(全部均為漢高之聯繫人)於二零一一年一月二十八日訂立之框架供應協議(「供應協議」)項下擬進行之持續交易,構成本公司之持續關連交易。於回顧年度內,濰坊柏立根據供應協議不時供應氰乙酸乙酯、氰乙酸甲酯、氰乙酸正丁酯及其他產品予漢高愛爾蘭、Henkel Puerto Rico Inc及Henkel Ltda。
- (b) 於二零一二年十一月六日,本公司間接非全資附屬公司濰坊德高新材料有限公司(「濰坊德高」)與漢高愛爾蘭訂立總供應協議(「協議」),據此,濰坊德高同意每年提供而漢高愛爾蘭同意每年購買協議所載列擁有不同參數及規格之產品。於回顧年度內,並無進行交易。

本公司核數師已獲聘按照香港會計師公會頒佈之香港核證工作準則第3000號「審計或審閱歷史財務資料以外的核證工作」規定,並參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」,報告本集團之持續關連交易。根據上市規則第14A.38條,本公司核數師已就本章節所披露本集團之持續關連交易的審查結果及結論發出報告。本公司已將有關核數師報告之副本提交聯交所。

CONNECTED TRANSACTIONS

Certain related party transactions as disclosed in note 32 to the financial statements for the year ended 31 December 2012 also constituted connected transactions. The following transactions between certain connected persons (as defined in the Listing Rules) and the Group have been entered into and/or are continuing for which relevant announcements, if necessary, had been made by the Company in accordance with the requirements of the Listing Rules.

- (a) On 30 June 2011, the Company and Henkel entered into the JV Agreement pursuant to which the Company and Henkel have agreed to form the JV Company. Upon the incorporation of the JV Company on 23 February 2012, Henkel, being a substantial shareholder of the JV Company, has become a connected person of the Company. Hence, the continuing transactions contemplated under the framework supply agreement ("Supply Agreement") entered into between the Company (acting on its own behalf and on behalf of Weifang Parasia Chem Co., Ltd. ("Weifang Parasia")) and Henkel AG & Co. KGaA ("Henkel AG") (acting on its own behalf and on behalf of Henkel Ireland Ltd. ("Henkel Ireland"), Henkel Puerto Rico Inc. and Henkel Ltda.), being associates of Henkel, on 28 January 2011 constitute continuing connected transactions of the Company under the Listing Rules 14A.41. During the year under review, Weifang Parasia has supplied ethylcyanoacetate, methylcyanoacetate, nbutylcyanoacetate and other products to Henkel Ireland, Henkel Puerto Rico Inc. and Henkel Ltda from time to time under the Supply Agreement.
- (b) On 6 November 2012, Weifang Dekel Innovative Materials Co., Ltd. ("Weifang Dekel"), a indirect non-wholly owned subsidiary of the Company entered into a master supply agreement (the "Agreement") with Henkel Ireland, pursuant to which Weifang Dekel agreed to supply and Henkel Ireland agreed to purchase products with different parameter and specifications as set out in the Agreement annually. No transaction has been incurred during the year under review.

The auditor of the Company was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules", issued by the Hong Kong Institute of Certified Public Accountants. The auditor of the Company has issued a report containing the findings and conclusions in respect of the continuing connected transactions disclosed by the Group under this section in accordance with paragraph 14A.38 of the Listing Rules. A copy of the auditor's report has been provided by the Company to the Stock Exchange.

關連交易 (續)

獨立非執行董事已審閱上述交易，並確認該等交易：(i)由本集團在一般及日常業務程序中訂立；(ii)按照一般商務條款訂立；及(iii)根據規管有關交易的協議條款進行，而交易條款屬公平合理，並且符合股東的整體利益。

- (c) 於二零一二年五月二十九日，濰坊濱海石油化學有限公司(「濰坊濱海」)(本公司之全資附屬公司)與濰坊祥瑞置業有限公司(「濰坊祥瑞」)(濰坊天弘的間接附屬公司，由執行董事劉洪亮先生、王子江先生、郭希田先生及郭玉成先生控制擁有大部分投票權，乃本公司之關連人士)訂立協議(「協議A」)，據此，濰坊濱海同意購買而濰坊祥瑞同意出售位於中國山東省濰坊濱海經濟技術開發區內名為祥瑞雅居的居民社區A地塊，將於毗鄰北面出口之土地上建造的156個住宅單位，總建築面積約為9,200平方米之物業(「該物業」)，根據協議A的條款及條件，會於該物業竣工驗收合格後但收購完成(「完成」)前委任獨立物業估值師對該物業進行估值以釐定代價(「代價」)。於回顧年度內，根據上市規則第十四A章，濰坊濱海已向濰坊祥瑞支付的預付款項人民幣18,000,000元構成本公司一項關連交易。倘該物業的價值超過人民幣18,000,000元，代價將按實際上升的款額上調，並須於完成時由濰坊濱海以現金方式向濰坊祥瑞支付。倘該物業的價值低於人民幣18,000,000元，代價將按實際減少的款額下調，而濰坊祥瑞須於完成時以現金方式向濰坊濱海支付已超額款項部分。

上述關於本集團關連交易的披露已符合上市規則的披露規定。

CONNECTED TRANSACTIONS (Continued)

The independent non-executive Directors have reviewed the above transactions and confirmed that these transactions were entered into by the Group (i) in the ordinary and usual course of business; (ii) on normal commercial terms; and (iii) the transactions were entered into in accordance with the agreements governing such transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

- (c) On 29 May 2012, Weifang Binhai Petro-chem Co., Ltd. ("Weifang Binhai"), a wholly owned subsidiary of the Company, and 濰坊祥瑞置業有限公司 (transliterated as Weifang Xiang Rui Properties Ltd.) ("Weifang Xiang Rui"), an indirect subsidiary of Weifang Tianhong, which is connected person to the Company as Mr. Liu Hongliang, Mr. Wang Zijiang, Mr. Guo Xitian and Mr. Guo Yucheng, all being executive Directors, have majority voting control of Weifang Tianhong, entered into an agreement ("Agreement A") pursuant to which Weifang Binhai has agreed to purchase and Weifang Xiang Rui has agreed to sell the 156 residential units with an aggregate building area of approximately 9,200 sq.m. to be constructed on the parcel of land located adjacent to the northern exit of parcel A land at 居民社區 (transliterated as Jumin Xiaogu), 祥瑞雅居 (transliterated as Xiangrui Yaju), Weifang Binhai Economic Technological Development Area, Shandong Province, the PRC (the "Property") at a consideration (the "Consideration") determined by an independent property valuer to conduct a valuation on the Property after the acceptance of the examination on the completed construction of the Property but prior to completion (the "Completion") of the acquisition in accordance with the terms and conditions of the Agreement A. A prepayment of RMB18,000,000 has been paid by Weifang Binhai to Weifang Xiang Rui has constituted a connected transaction on the part of the Company under Chapter 14A of the Listing Rules during the year under review. In the event the valuation of the Property exceeds RMB18,000,000, the Consideration will be adjusted upwards on a dollar to dollar basis and shall be paid by Weifang Binhai to Weifang Xiang Rui in cash at the Completion. In the event the valuation of the Property is less than RMB18,000,000, the Consideration will be adjusted downwards on a dollar to dollar basis and Weifang Xiang Rui shall pay the excess amount to Weifang Binhai in cash at the Completion.

The above disclosure of the connected transactions of the Group has complied with the disclosure requirements in accordance with the Listing Rules.

關連交易 (續)

- (d) 根據本公司全資附屬公司濰坊柏立與濰坊天弘訂立之租約(「該租約」)，濰坊柏立由二零一二年一月一日起租賃濰坊天弘擁有之辦公室物業，租期三年，每年租金人民幣180,000元，於每年年底支付。此外，於回顧年度內，濰坊柏立按公平市場條款向濰坊天弘非全資附屬公司濰坊祥瑞物業管理有限公司(「濰坊祥瑞物業」)供應蒸汽，總金額為約人民幣474,000元(「該供應」)。

由於執行董事劉洪亮先生、王子江先生、郭希田先生及郭玉成先生控制濰坊天弘大部分投票權，濰坊天弘及濰坊祥瑞物業為本公司之關連人士，該租約項下之交易因而構成本公司之持續關連交易，而該供應下之交易亦構成本公司之關連交易。然而，由於該租約及該供應均屬上市規則第14A.33(3)條下之最低限額交易，故獲豁免遵守上市規則內有關申報、公佈及獨立股東批准之規定。

除上文所披露及在截至二零一二年十二月三十一日止年度之財務報表附註32所述者外，概無任何其他根據上市規則之規定須作披露之關連交易，而本公司、控股股東、或其任何附屬公司及同系附屬公司之間亦概無訂立於本年度年結日或回顧年度內任何時間仍然有效且董事於其中直接或間接擁有重大權益，或根據上市規則或香港法例第32章公司條例之規定而須予披露之重要合約。

管理合約

在回顧年度內，概無訂立或存在任何有關本集團全部或任何主要部分業務之管理及行政之合約。

獨立非執行董事確認

本公司已收到每位獨立非執行董事根據上市規則第3.13條規定就其獨立性發出之年度確認書。本公司認為，所有獨立非執行董事均為獨立人士。

CONNECTED TRANSACTIONS (Continued)

- (d) Pursuant to a lease (the "Lease") entered into between Weifang Parasia, being a wholly owned subsidiary of the Company, and Weifang Tianhong, Weifang Parasia leased the office premises owned by Weifang Tianhong for a term of three years commencing on 1 January 2012 at an annual rental payment of RMB180,000, payable at the end of each year. Besides, Weifang Parasia, has supplied steam to 濰坊祥瑞物業管理有限公司 (transliterated as Weifang Xiang Rui Properties Management Ltd.) ("Weifang Xiang Rui Properties"), a non-wholly owned subsidiary of Weifang Tianhong, at fair market terms in total sum of approximately RMB474,000 during the year under review (the "Supply").

Weifang Tianhong and Weifang Xiang Rui Properties are connected person to the Company as Mr. Liu Hongliang, Mr. Wang Zijiang, Mr. Guo Xitian and Mr. Guo Yucheng, all being executive Directors, have majority voting control of Weifang Tianhong, the transaction under the Lease constituted a continuing connected transaction of the Company and the transaction of the Supply also constituted a connected transaction of the Company. However, as both of the Lease and the Supply are de minimis transactions under Rule 14A.33(3) of the Listing Rules, they were exempted from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

Save as disclosed above and in note 32 to the financial statements for the year ended 31 December 2012, there were no other transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules and no contract of significance, between the Company, controlling Shareholders, or any of its subsidiaries and fellow subsidiaries or in which a Director had a material interest, whether directly or indirectly, or which are required to be disclosed under the Listing Rules or the Companies Ordinance (Chapter 32 of the laws of Hong Kong) subsisted at the end of the year or at any time during the year under review.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year under review.

CONFIRMATION FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all independent non-executive Directors are independent.

薪酬政策

本集團之薪酬政策由董事會按僱員之功績、資歷及能力釐定。

董事及本公司高級管理層之酬金將由薪酬委員會經參照本集團經營業績、董事及本公司高級管理人員須承擔之責任及可資比較之市場統計數據後審閱。

購股權計劃

本公司於二零零六年十月四日採納之購股權計劃（「購股權計劃」），因行使根據購股權計劃及其他購股權計劃授出但未行使之所有購股權而可予發行之股份數目上限，不得超過不時已發行股份數目之30%。除非在股東大會上獲得股東同意，否則每位參與者於任何十二個月期間因行使獲授之所有購股權（不論已行使、已註銷或未行使之購股權）而已發行及可獲發行之股份總數，不得超過已發行股份數目之1%。購股權可於董事會通知之期間（不得超過授出購股權當日起計十年），隨時根據購股權計劃之條款行使。因行使購股權而配發及發行之任何股份，將與配發當日之其他已發行股份享有同等權利。

授出購股權之建議由提出建議當日起計21日內可供接納，惟合資格參與者須支付合共1港元之象徵式代價，方視作承授人。每份購股權於獲接納當日起即已歸屬。該等購股權於承授人不再為本集團合資格參與者後馬上失效。購股權將因行使期屆滿而失效。

因行使購股權將予發行之股份之認購價不得低於以下各項中之較高數值：(i)股份於授出日期在聯交所發出之每日報價表所示之收市價；(ii)股份於緊接授出日期前五個營業日在聯交所發出之每日報價表所示之收市價平均值；及(iii)股份於授出日期之面值。董事會將於向參與者提呈購股權時釐定認購價。

在回顧年度內，本公司並無根據購股權計劃提呈或授出購股權。

優先購買權

組織章程細則或開曼群島法例均無載列有關優先購買權，規定本公司須向現有股東按比例提呈發售新股份之條文。

EMOLUMENT POLICY

The emolument policy of the Group is set up by the Board on the basis of the merit, qualifications and competence of the employees.

The emoluments of the Directors and senior management of the Company will be reviewed by the Remuneration Committee, having regard to factors including the Group's operating results, responsibilities required of the Directors and senior management of the Company and the comparable market statistics.

SHARE OPTION SCHEME

Under the share option scheme of the Company (the "Share Option Scheme") adopted by the Company on 4 October 2006, the maximum number of Shares available for issue upon exercise of all options granted and yet to be exercised under the Share Option Scheme and other share option schemes in aggregate shall not exceed 30% of the number of issued Shares from time to time. The total number of Shares issued and which may be issued upon exercise of all options (whether exercised, cancelled or outstanding) granted in any 12-month period to each participant must not exceed 1% of the number of Shares in issue unless approval by the Shareholders in a general meeting. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board, which must not be more than ten years from the date of grant. Any Share allotted and issued on the exercise of options will rank pari passu with other Shares in issue on the date of allotment.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of nominal consideration of HK\$1 in total by the eligible participants that become grantees. Each share option will be vested immediately at the date when the option is accepted. The share options will lapse immediately after the grantee ceases to be eligible participant of the Group. The options will lapse due to the expiry of the option's exercise period.

The subscription price for the Shares to be issued upon exercise of the options shall be no less than the higher of (i) the closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange on the date of grant; (ii) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share on the date of grant. The subscription price will be established by the Board at the time the option is offered to the participants.

No share option has been offered or granted by the Company under the Share Option Scheme during the year under review.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

購買、出售或贖回本公司上市證券

在回顧年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

足夠公眾持股量

於刊發本報告前之最後實際可行日期，根據本公司從公開途徑所得的資料及就董事所知，董事確認本公司一直維持上市規則所規定的足夠公眾持股量。

遵守最佳應用守則

本公司致力維持高水準之企業管治常規。有關本公司所採納企業管治常規之資料載於本年報第31至43頁之企業管治報告內。

本公司已採納標準守則作為董事買賣本公司證券之守則。經本公司作出具體查詢後，所有董事確認，彼等於截至二零一二年十二月三十一日止財政年度一直遵守標準守則所載之規定標準。

獨立核數師

截至二零零九年十二月三十一日止財政年度之財務報表乃由均富（「均富香港」，現稱莊柏會計師行）審核。由於均富香港與香港立信德豪會計師事務所有限公司（「立信德豪」）於二零一零年十一月二十六日公佈作業務合併並以立信德豪作為商號繼續營業，均富香港辭任而立信德豪獲委任為本公司核數師，由二零一零年十一月二十二日起生效。截至二零一二年、二零一一年及二零一零年十二月三十一日止年度之財務報表乃由立信德豪審核。

於二零一三年股東週年大會上，將會提呈一項決議案，以續聘立信德豪為本公司核數師。

承董事會命
主席
劉洪亮

香港，二零一三年三月二十二日

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

During the year under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

As at the latest practicable date prior to the issue of this report, based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirmed that the Company has maintained sufficient public float as required under the Listing Rules.

COMPLIANCE WITH CODE OF BEST PRACTICES

The Company is committed to maintaining the high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 31 to 43 of this annual report.

The Company has adopted the Model Code as its code for dealing in securities of the Company by the Directors. After specific enquiry by the Company, all the Directors confirmed that they had complied with the required standards set out in the Model Code for the financial year ended 31 December 2012.

INDEPENDENT AUDITOR

The financial statements in respect of the financial year ended 31 December 2009 were audited by Grant Thornton ("GTHK"), now known as JBPB & Co.. Due to a merger of the business of GTHK and BDO Limited ("BDO") to practice in the name of BDO as announced on 26 November 2010, GTHK resigned and BDO was appointed as the auditor of the Company effective from 22 November 2010. The financial statements for the years ended 31 December 2010, 2011 and 2012 were audited by BDO.

A resolution will be proposed at 2013 AGM to re-appoint BDO as auditor of the Company.

On behalf of the Board
Liu Hongliang
Chairman

Hong Kong, 22 March 2013

本公司致力建立及維持高水平的企業管治。於截至二零一二年十二月三十一日止財政年度內，本公司均採納及遵守上市規則附錄十四「企業管治常規守則」（於二零一二年四月一日起修訂及重新命名為「企業管治守則」）（「守則」）所載之原則及規定。

董事會定期檢討本公司的企業管治常規，以確保該等常規持續符合守則之規定，並認為本公司於回顧年度內一直遵守守則之適用守則條文。本集團的主要企業管治實務概述如下：

董事會 董事角色

董事會肩負領導及監控本公司的責任，同時集體負責指導並監督本公司事務以促使本公司成功。本集團的業務策略方針及管理目標乃由董事會制訂。董事會授權管理層在本公司總經理及不同的董事委員會監察下，履行日常營運職責。董事會定期檢討本集團表現是否符合既定目標及財政預算。

企業管治職能

董事會負責履行企業管治的職責，當中主要包括：(i)制定及檢討企業管治政策及常規；(ii)監督並在適當時對政策及常規作出修訂以在適用情況下遵守法律及監管規定；(iii)檢討及監察董事及高級管理人員的培訓及持續專業發展；(iv)制定、檢討及監察僱員及董事的操守準則；(v)檢討本公司遵守守則的情況及在企業管治報告內的披露；(vi)檢討及監察本公司的資訊披露過程，包括評估和核實股價敏感資料的準確性和重要性，並確定任何須作披露事項之形式和內容；(vii)檢討董事委員會的結構及所有董事委員會的職權範圍的有效性，及他們對企業管治常規所承擔之責任，並作出適當的修改；及(viii)檢討及監察本公司與其股東和權益人之通信政策。

The Company is committed to building and maintaining high standards of corporate governance. Throughout the financial year ended 31 December 2012, the Company has adopted the principles and complied with the requirements set out in the "Code on Corporate Governance Practices" (revised and renamed as "Corporate Governance Code" with effect from 1 April 2012) (the "CG Code") contained in Appendix 14 to the Listing Rules.

The Board reviews the corporate governance practices of the Company periodically to ensure the practices continue to meet the CG Code and considered that the Company has complied with the applicable code provisions of the CG Code during the year under review. The key corporate governance practices of the Group are summarised as follows:

BOARD OF DIRECTORS Roles of Directors

The Board assumes responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. The strategic business direction of the Group and objectives for management has been formulated by the Board. The Board has delegated the day-to-day operation responsibility to the management under the supervision of the general manager of the Company and various Board committees. The Board reviews the performance of the Group against the agreed targets and budgets on a regular basis.

Corporate governance function

The Board is responsible for performing the corporate governance duties, which mainly include (i) developing and reviewing policies and practices on corporate governance; (ii) monitoring and revising policies and practices on compliance with legal and regulatory requirements as appropriate; (iii) reviewing and monitoring the training and continuous professional development of Directors and senior management; (iv) developing, reviewing and monitoring the code of conduct applicable to employees and Directors; (v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; (vi) reviewing and monitoring the Company's process of information disclosure, including assessing and verifying the accuracy and materiality of price-sensitive information and determine the form and content of any required disclosure; (vii) reviewing the effectiveness of the committee structure of the Board and the terms of reference of all Board committees and their accountability for the corporate governance practices and make amendment as appropriate; and (viii) reviewing and monitoring the Company's communication policy with its shareholders and stakeholders.

董事會 (續)

企業管治職能 (續)

於回顧年度內，董事會已：(i)檢討及修訂本公司的企業管治政策及常規以符合經修訂之守則及上市規則的規定；(ii)檢討本公司通信政策；(iii)檢討及修訂本公司的資訊披露政策；(iv)制定及監察本公司僱員及董事的操守準則；(v)檢討及監察董事及高級管理人員的培訓紀錄；及(vi)檢討本公司遵守守則的情況及在企業管治報告內之披露。

組成

董事會由七名董事組成，包括四名執行董事及三名獨立非執行董事。各董事的履歷載於本年報第11至12頁。董事會結構平衡，每名董事均具備與本集團業務營運及發展相關之豐富知識、經驗及／或專才。獨立非執行董事(其中最少一名獨立非執行董事具備合適專業資格或會計或相關財務管理專業知識)具備多樣性的專業知識及經驗，能有效地就制定策略及政策方面向管理層提出建議。全體董事深知彼等共同及個別對股東所負之責任，並勤勉盡職，為本集團之理想業績作出貢獻。

主席、董事會各成員及本公司總經理之間概無財務、業務、親屬或其他重大或相關關係。彼等均可自由作出獨立判斷。本公司已接獲各獨立非執行董事就本身獨立性呈交的年度確認書，並信納其獨立性符合上市規則的規定。

本公司已為其董事安排合適的責任保險，以保障彼等因企業活動而引起的責任賠償。保障範圍將按年檢討。

董事的委任、重選及罷免

所有董事的指定任期為三年，而根據組織章程細則，最少每三年輪值退任一次。

BOARD OF DIRECTORS (Continued)

Corporate governance function (Continued)

During the year under review, the Board has (i) reviewed and revised the corporate governance policy and practices of the Company to comply with the revised CG Code and Listing Rules requirements; (ii) reviewed the communication policy of the Company; (iii) reviewed and revised the information disclosure policy of the Company; (iv) developed and monitored the code of conduct applicable to employees of the Company and Directors; (v) reviewed and monitored the training records of Directors and senior management; and (vi) reviewed the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

Composition

The Board comprises seven Directors, including four executive Directors and three independent non-executive Directors. The biographical details of the Directors are set out on pages 11 to 12 of this annual report. The composition of the Board is well balanced with each Director having sound knowledge, experience and/or expertise relevant to the business operations and development of the Group. The independent non-executive Directors, with at least one independent non-executive Director possessing the appropriate professional qualifications, or accounting or related financial management expertise, who offer diversified expertise and experience, contribute significantly to the important function of advising management on strategy and policy development. All the Directors are aware of their collective and individual responsibilities to the Shareholders and have exercised their duties with care, skill and diligence, contributing to the successful performance of the Group.

There is no financial, business, family or other material or relevant relationship among the Chairman, members of the Board and the general manager of the Company. All of them are free to exercise their independent judgement. The Company has received from each independent non-executive Director a written annual confirmation of their independence and is satisfied with their independence in accordance with the Listing Rules.

The Company maintains appropriate liability insurance to indemnify its Directors for their liabilities arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

Appointment, re-election and removal of Directors

All Directors are appointed for a specific term of three years and subject to retirement by rotation at least once every three years in accordance with the Articles of Association.

董事會 (續)

董事的委任、重選及罷免 (續)

於每屆股東週年大會上，當時三分之一之董事(或如其數目並非三之倍數，則以最接近但不少於三分之一之數目為準)須輪值退任，惟每名董事須最少每三年退任一次。退任董事符合資格膺選連任，並於其退任之大會上繼續擔任董事。輪值退任之董事將為自上次重選或獲委任以來在任最久之董事，惟就於同一日獲委任或重選為董事之人士而言，將以抽籤方式(除非彼等互相協定)決定退任之人士。為進一步提高問責性，倘擬繼續委任在任超過九年的獨立非執行董事，須以獨立決議案形式提交股東審議通過。

在董事任期完結前可通過本公司普通決議案罷免董事，惟此舉不影響該董事就其本身與本公司訂立之任何協議遭違反而索償之權力。

培訓

所有董事須不時瞭解其作為公司董事的集體責任，以及本集團的業務和活動。所以本集團將安排簡介，以確保新委任董事對董事會的角色及其作為董事的法律及其他責任、本集團的業務運作及企業管治實務均有適當的理解。本公司之公司秘書(「公司秘書」)將持續提供有關上市規則及其他適用監管規定之最新信息予所有董事，以確保所有董事遵守該等規則及規定。

於回顧年度內，所有董事已定期獲得本集團業務變化和發展的最新資料和介紹。此外，所有董事已參與合適的持續專業發展活動，當中包括出席與董事職務及責任有關的培訓、或閱讀相關的資料。董事已應要求向公司秘書提供他們的培訓記錄以作記錄。

於回顧年度內，公司秘書已參加不少於15個小時的相關專業培訓，以更新她的技能和知識。

BOARD OF DIRECTORS (Continued)

Appointment, re-election and removal of Directors (Continued)

At each annual general meeting, one-third of the Directors for the time being, or if their number is not a multiple of three, then the number nearest to but not less than one third, are required to retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation will be those who have been the longest in office since their last re-election or appointment but as between persons who become or were last re-elected Directors on the same day those retire will (unless they otherwise agree among themselves) be determined by lot. To further enhance accountability, any further re-appointment of an independent non-executive Director who has served the Company for more than nine years will be subject to separate resolution to be approved by Shareholders.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of time (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company).

Training

All Directors must keep abreast of their collective responsibilities as Directors and of the business and activities of the Group. A briefing is provided and organised to ensure that newly appointed Directors are familiar with the role of the Board, their legal and other duties and responsibilities as Director as well as the business and corporate governance practices of the Group. The company secretary of the Company (the "Company Secretary") will continuously update all Directors on latest development regarding the Listing Rules and other applicable regulator requirements to ensure compliance of the same by all Directors.

During the year under review, all Directors received regular updates and presentations on changes and developments to the Group's business. Besides, all Directors have participated in appropriate continuous professional development activities by ways of attending training or reading material relevant to the Directors' duties and responsibilities. Directors are requested to provide their records of training they received to the Company Secretary for record.

Company Secretary has attended no less than 15 hours of relevant professional training to update her skills and knowledge during the year under review.

董事會 (續)

主席及總經理

本公司目前並無高級職員獲授行政總裁職銜，但本公司設有等同之總經理職位。為加強獨立性及問責性，主席與本公司總經理各有不同職責，並分別由劉洪亮先生及王子江先生(王先生於二零一二年一月一日起獲委任為本公司總經理)擔任。主席之責任明確，主要負責領導董事會及確保董事會正常運作，並具有良好的企業管治常規及程序，而本公司總經理則負責管理日常營運、執行董事會批准的業務策略及政策、發展及制訂組織架構、監控系統及內部程序與流程，以供董事會批准。主席與本公司總經理之間的責任已明確界定，並以書面形式載列。

董事會會議

董事會每年最少召開定期會議四次。董事皆親身出席或透過電子通訊方法參與會議。為了讓全體董事可盡量出席全部會議，所有定期董事會會議的日期均須預先計劃。會議議程在諮詢董事會成員後制訂。每位董事均獲邀提出任何擬在會議中討論或提呈的事項。如有任何董事與董事會將會考慮之事宜存在利益衝突，有關董事須放棄投票，並且不得計入董事會會議的法定人數。

董事已獲邀將彼等認為合適之任何事項列入董事會會議議程內。每次董事會會議前最少十四天發出通知。董事會文件在會議舉行前不少於三天送交所有董事傳閱，以確保彼等可及時獲得一切有關資料。如有需要取得更多資料，各董事均可個別及單獨地向本集團管理層查詢。所有董事均可於有需要時尋求獨立專業意見，費用由本公司承擔。

於回顧年度，曾舉行四次董事會會議。董事曾討論本集團的整體策略、營運及財務表現，包括年度預算、年度及中期業績、批准重大資本交易及其他重大營運及財務事宜等等。所有董事亦會適時獲知可影響本集團業務的重大事項，包括有關規則及規例的修訂。董事會文件及本公司會議記錄由公司秘書備存於本公司在香港之主要營業地點。所有會議記錄之草擬及最終稿已於各董事會會議舉行後三十天內送交董事，以供彼等審閱、發表意見及作記錄之用。

BOARD OF DIRECTORS (Continued)

Chairman and general manager

The Company does not presently have any officer with the title of chief executive officer but with equivalent to the position of general manager of the Company. In order to reinforce the independence and accountability, the roles of the Chairman and the general manager of the Company are segregated and performed by Mr. Liu Hongliang and Mr. Wang Zijiang (Mr. Wang has been appointed as a general manager of the Company with effective from 1 January 2012) respectively. There is a clear distinction responsibility of the Chairman to mainly provide leadership for the Board and ensure the Board is functioning properly, with good corporate governance practices and procedures, whilst the general manager of the Company is responsible for managing the day-to-day operations, implementing business strategies and policies approved by the Board, developing and formulating the organisational structure, control systems and internal procedures and processes for the Board's approval. The division of responsibilities between the Chairman and general manager of the Company has been clearly defined and set out in writing.

Board meeting

The Board meets regularly at least 4 times every year. The Directors participated in person or through electronic means of communication. All regular Board meetings are scheduled in advance to facilitate the possible fullest attendance. The meeting agenda is set after consulting with members of the Board. Each Director is invited to present any businesses that he wishes to discuss or propose at such meetings. Directors are required to abstain from voting and will not be counted in the quorum present in the Board meeting if any director has a conflict of interest in a matter to be considered by the Board.

The Directors have been invited to include any matters which they thought appropriate in the agenda for the Board meetings. Notice of at least 14 days has been given for each Board meeting. Board papers are circulated to all Directors not less than 3 days before the Board meetings to ensure timely access to relevant information. Each Director is able to access the management of the Group separately and independently if more information is required. All the Directors are permitted to seek independent professional advice, if required, at the Company's expenses.

During the year under review, 4 times of Board meetings were held. Directors has discussed the overall strategy as well as the operation and financial performance of the Group, including annual budgets, annual and interim results, approval of major capital transactions and other significant operational and financial matters etc. Directors are kept informed on a timely basis of major changes that may affect the Group's business, including relevant rules and regulations. The Board papers and minutes of the Company are kept by the Company Secretary at the Company's principal place of business in Hong Kong. All draft and final versions of minutes have been sent to Directors for review, comment and record within 30 days after each board meeting.

董事會 (續)

董事委員會

董事會已成立下列委員會，並具備既定的職權範圍，其內容不比守則所載的規定寬鬆。董事委員會的職權範圍已刊登在本公司網站，並可應股東之要求以供查閱。

審核委員會

審核委員會包括三名獨立非執行董事，分別為梁錦雲先生、高寶玉先生及劉晨光先生。梁先生為審核委員會之主席，彼具備上市規則規定之認可會計專業資格。審核委員會的主要職責包括：

- (i) 確保本集團之財務報表、年度報告、中期報告及核數師報告展示經真確及平衡評估後的本集團財政狀況以及遵守會計準則、上市規則及其他有關財務申報的規定；
- (ii) 審閱本集團之財務監控、內部監控及風險管理制度；
- (iii) 審閱本集團的財政及會計政策及常規；
- (iv) 建議外聘核數師的任命及酬金；及
- (v) 其他職責於其特定權責範圍內載列。

審核委員會獲提供充足資源以履行其職責。

審核委員會在回顧年度內已舉行兩次會議，以討論下列事宜：

- (i) 按照審核委員會的權責範圍，與管理層及本公司外聘核數師一起審閱本集團的重大內部監控及財務事宜；
- (ii) 審閱本公司外聘核數師的獨立性及審核結果；
- (iii) 審閱本集團的會計原則及常規，上市規則及法則的遵行、內部監控、風險管理，以及財務匯報事宜；
- (iv) 審閱提交董事會批准的中期及全年賬目；及
- (v) 審閱本公司外聘核數師之任命及酬金，並建議董事會批准。

BOARD OF DIRECTORS (Continued)

Board committees

The Board has established the following committees with defined terms of reference, which are of no less exacting terms than those set out in the CG Code. The terms of reference of the Board committees are posted on the Company's website and are available to Shareholders upon request.

Audit Committee

The Audit Committee comprises the three independent non-executive Directors, namely, Mr. Leung Kam Wan, Mr. Gao Baoyu and Mr. Liu Chenguang. Mr. Leung is the Chairman of the Audit Committee and he possesses recognised professional qualifications in accounting required by the Listing Rules. The primary duties of the Audit Committee include:

- (i) ensuring the Group's financial statements, annual and interim reports, and the auditor's report present a true and balanced assessment of the Group's financial position and complying of the accounting standards, the Listing Rules and other requirements in relation to financial reporting;
- (ii) reviewing the Group's financial controls, internal control and risk management systems;
- (iii) reviewing the Group's financial and accounting policies and practices;
- (iv) recommending the appointment and remuneration of external auditor; and
- (v) other duties are set out in its specific terms of reference.

The Audit Committee is provided with sufficient resources enabling it to discharge its duties.

Two Audit Committee meetings were held during the year under review to discuss the following matters:

- (i) reviewing the Group's significant internal controls and financial matters as set out in the Audit Committee's terms of reference with management and the external auditor of the Company;
- (ii) reviewing the independence and the audit findings of the external auditor of the Company;
- (iii) reviewing the Group's accounting principles and practices, listing rules and statutory compliance, internal controls, risk management and financial reporting matters;
- (iv) reviewing the interim and annual accounts for the Board's approval; and
- (v) reviewing the terms of engagement and remuneration of the external auditor of the Company and recommending for the Board's approval.

董事會 (續)

審核委員會 (續)

審核委員會成員亦於回顧年度內舉行之董事會上與執行董事會面以：(i)審閱本集團內部監控系統自我評估報告和企業管治合規評估報告；(ii)評估資源、負責本公司會計和財務報告員工的資格和經驗是否足夠、以及員工參與的培訓課程和有關預算是否充裕；及(iii)評估本集團週年預算案並向董事會提供建議。

審核委員會於二零一三年三月二十二日舉行會議以審議截至二零一二年十二月三十一日止年度之財務報表及外聘核數師的審核結果。審核委員會相信，本集團所採用的會計政策及實務乃符合香港目前的最佳常規。審核委員會發現財務報表並未遺漏任何特殊項目，並對該等報表所披露的數據及闡釋表示滿意。

薪酬委員會

薪酬委員會的主席為劉晨光先生(獨立非執行董事)，其他三名成員為劉洪亮先生(主席)、梁錦雲先生(獨立非執行董事)及高寶玉先生(獨立非執行董事)。薪酬委員會之大部分成員皆為獨立非執行董事。

薪酬委員會主要負責：(i)因應董事會所訂企業方針及目標，並且考慮同類公司支付的薪酬、須付出的時間及職責以及本集團內其他職位的僱傭條件，以審閱個別執行董事及本集團高級管理人員的薪酬政策及向董事會提出建議；(ii)審閱本公司之購股權計劃、分紅機制及其他與薪酬相關之事宜，並向董事會提出建議；及(iii)於其特定權責範圍內說明的其他職責。

薪酬委員會將就其提案及建議諮詢主席，如薪酬委員會認為有需要，亦可尋求專業意見。薪酬委員會獲提供充足資源以履行其職責。

在回顧年度內，薪酬委員會曾舉行一次實體會議，審閱全體董事及本集團高級管理層之薪酬待遇(當時已參考其責任和職能、本集團的經營業績和達成了的企業目標)，並已考慮可比較的市場條件，建議董事會批准。任何董事不得參與任何有關其本身薪酬的討論及決議。

BOARD OF DIRECTORS (Continued)

Audit Committee (Continued)

The members of the Audit Committee had also met with the executive Directors to (i) review the reports of the internal control self-assessment and the corporate governance compliance assessment of the Group; (ii) evaluate the sufficiency of resources, the qualification and the experience of the employees who were responsible for the accounting and financial reporting of the Company, and the sufficiency of training courses received by employees and the relevant budget and (iii) assess the annual budget of the Group and make recommendations to the Board in a Board meeting held during the year under review.

On 22 March 2013, the Audit Committee also held a meeting to review the relevant financial statements and the external auditor's audit finding for the year ended 31 December 2012. The Audit Committee was satisfied that the accounting policies and practices adopted by the Group are in accordance with the current best practices in Hong Kong. The Audit Committee found no unusual items that were omitted from the financial statements and was satisfied with the disclosures of data and explanations shown in the financial statements.

Remuneration Committee

The Remuneration Committee is chaired by Mr. Liu Chenguang, an independent non-executive Director, with Mr. Liu Hongliang, the Chairman, Mr. Leung Kam Wan, an independent non-executive Director, and Mr. Gao Baoyu, an independent non-executive Director, as the three other members. The majority members of the Remuneration Committee are independent non-executive Directors.

The Remuneration Committee is mainly responsible to (i) review and make recommendations to the Board on the remuneration policy of individual Directors and members of senior management of the Group, with reference to the Board's corporate goals and objectives as well as considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group; (ii) review the Company's share option scheme, bonus structure and other compensation-related issues and make recommendation to the Board; and (iii) other duties are set out in its specific terms of reference.

The Remuneration Committee consults with the Chairman on its proposals and recommendations, and also has access to professional advice if deemed necessary by the Remuneration Committee. The Remuneration Committee is also provided with other resources enabling it to discharge its duties.

During the year under review, the Remuneration Committee has held one physical meeting to review of the remuneration packages for all the Directors and senior management of the Group by reference to their responsibilities and duties, the Group's operating results and achieved corporate objectives, after taking into account also the comparable market conditions, and made recommendation to the Board for approval. No Director shall participate in any discussion and resolution about his own remuneration.

董事會 (續)

薪酬委員會 (續)

薪酬政策

董事及本集團高級管理人員的薪酬政策主要旨在讓本集團可將執行董事及本集團高級管理人員的酬金與其工作表現(以是否符合公司目標作為衡量標準)掛鉤,從而挽留及激勵執行董事及高級管理人員。董事及本集團高級管理人員之薪酬待遇主要包括基本薪酬、酌情花紅及購股權。於釐定各酬金項目的指引時,本公司會參考市場對經營類似業務的公司所作的酬金調查結果。

獨立非執行董事的酬金主要包括董事袍金,須參考市場標準進行年度評估。非執行董事履行職務(包括出席本公司會議)的費用可以實報實銷方式獲得償付。

提名委員會

本公司自二零一一年十二月十六日起成立提名委員會。提名委員會的主席為劉洪亮先生(主席),其他兩名成員為獨立非執行董事劉晨光先生及梁錦雲先生。提名委員會之大部分成員皆為獨立非執行董事。

提名委員會之主要職責為制定提名政策及就董事之提名與委任及董事會之繼任安排向董事會提出建議。提名委員會亦會:(i)審閱董事會架構、人數及組成(包括技能、知識及經驗方面),並就任何為配合本公司的企業策略而擬對董事會作出的變動提出建議;(ii)物色具備合適資格可擔任董事的人士,並挑選提名有關人士出任董事或就此向董事會提供意見;(iii)評核獨立非執行董事的獨立性;及(iv)於其特定權責範圍內說明的其他職責。提名委員會獲提供充足資源以履行其職責。

提名委員會選擇和推薦董事候選人的標準包括候選人的技能、知識和在相關領域的經驗、候選人出任上市公司董事職務的數目、需要投入的時間及候選人是否能夠表現出作為董事應有的能力和操守。

在回顧年度內,提名委員會曾舉行一次會議,以:(i)評核董事會目前的架構、人數及組成(包括技能、知識及經驗方面);(ii)審閱獨立非執行董事的獨立性;及(iii)審閱並推薦股東於股東週年大會上批准續聘退任董事。

BOARD OF DIRECTORS (Continued)

Remuneration Committee (Continued)

Remuneration policy

The primary goal of the remuneration policy for Directors and senior management of the Group is to enable the Group to retain and motivate executive Directors and senior management of the Group by linking their compensation with performance as measured against the corporate objectives of the Company. The principal elements of the remuneration package for Directors and senior management of the Group include basic salary, discretionary bonus and share option. In determining guidelines for each compensation element, the Company will make reference to market remuneration surveys on companies operating in similar business.

The remuneration of independent non-executive Directors mainly comprising directors' fees which is subject to annual assessment with reference to the market standard. Reimbursement is allowed for out-of-pocket expenses incurred in connection with the performance of their duties including attendance at the Company meeting.

Nomination Committee

The Company has established a Nomination Committee since 16 December 2011. The Nomination Committee is chaired by Mr. Liu Hongliang, the Chairman, with Mr. Liu Chenguang and Mr. Leung Kam Wan, as the two other members, both are independent non-executive Directors. The majority members of the Nomination Committee are independent non-executive Directors.

The Nomination Committee is mainly responsible to formulate nomination policy, and making recommendations to the Board on nomination and appointment of Directors and Board succession. The Nomination Committee will also (i) review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (ii) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; (iii) assess the independence of independent non-executive Directors; and (iv) other duties are set out in its specific terms of reference. The Nomination Committee is provided with sufficient resources enabling it to discharge its duties.

The criteria for the Nomination Committee to select and recommend candidates for directorship include the candidate's skill, knowledge and experience in relevant areas, the number of directorships of listed companies held by the candidate, the time commitment required, and whether the candidate can demonstrate a level of competence and integrity required for the position of the Director.

Nomination Committee held one meeting during the year under review to (i) assess the current structure, size and composition (including the skills, knowledge and experience) of the Board; (ii) review the independence of independent non-executive Directors; and (iii) review and recommend the re-appointment of the retiring Directors for Shareholders' approval at annual general meeting.

董事會 (續)

安全及環保委員會

安全及環保委員會乃負責強化生產營運之安全及效益，以減少本集團之營運風險。安全及環保委員會乃由郭玉成先生(執行董事)出任主席，其他成員為高寶玉先生(獨立非執行董事)及傅安旭先生(本集團總工程師)。委員會的主要職責包括：

- (i) 制定本集團整體的安全和環保計劃及制度，並向董事會提出建議；
- (ii) 建立和維持本集團的安全和環保生產運作系統；
- (iii) 審核和監督本集團的生產和營運，並確保本集團的安全和環保政策和制度有效地執行；
- (iv) 確保本集團之生產運作符合有關監管機構及部門不時頒佈之所有相關法規和規則；及
- (v) 回應及處理所有關於安全及環保事項之投訴，並向董事會提供改善建議。

在回顧年度內，安全及環保委員會曾舉行一次會議，以討論下列事宜：

- (i) 發展和制定新生產線的安全及環保系統；
- (ii) 審閱及確保本集團現行的安全和環保系統符合有關法規和規則；及
- (iii) 向董事會提出建議，加強和提升廢水處理系統以應付不斷擴張的業務。

BOARD OF DIRECTORS (Continued)

The Safety and Environmental Protection Committee

The Safety and Environmental Protection Committee is responsible to enhance the safety and effectiveness of production operations so as to eliminate the operating risk of the Group. The Safety and Environmental Protection Committee is chaired by Mr. Guo Yucheng, an executive Director and other members are Mr. Gao Baoyu, an independent non-executive Director and Mr. Fu Anxu, a chief engineer of the Group. The primary duties of the Committee are include:

- (i) to formulate the Group's overall safety and environmental protection plans and regulations and make recommendations to the Board;
- (ii) to establish and maintain a safety and environmental production operations system of the Group;
- (iii) to examine and monitor the productions and operations of the Group and ensure the Group's safety and environmental protection policy and regulations are implemented effectively;
- (iv) to ensure the production operations of the Group are complied with all relevant rules and regulations promulgated by relevant regulators and authorities from time to time; and
- (v) to respond and handle all complaints regarding the safety and environmental issues and make recommendations to the Board for improvement.

The Safety and Environmental Protection Committee has held one meeting during the year under review to discuss the following issues:

- (i) developing and formulating the safety and environmental protection system for new production lines;
- (ii) reviewing and ensuring the current safety and environmental protection systems of the Group are comply with the relevant regulations and rules; and
- (iii) recommending to the Board for enhancing and upgrading the waste water treatment systems in order to fulfill evolving business.

董事會 (續)

於回顧年度內，各董事出席董事會、董事委員會及股東週年大會之記錄載列如下：

BOARD OF DIRECTORS (Continued)

During the year under review, the attendance record of each Director at the Board meetings, Board committee meetings and annual general meeting is set out below:

		出席會議記錄 Attendance of meetings					安全及 環保委員會 Safety and Environmental Protection Committee
		股東週年大會 Annual general meeting	董事會 Board	審核委員會 Audit Committee	薪酬委員會 Remuneration Committee	提名委員會 Nomination Committee	
執行董事	Executive Directors						
劉洪亮先生 ^{4,5}	Mr. Liu Hongliang ^{4,5}	1/1	4/4	1/2	1/1	1/1	–
王子江先生	Mr. Wang Zijiang	1/1	4/4	1/2	–	–	–
郭希田先生	Mr. Guo Xitian	1/1	4/4	–	–	–	–
郭玉成先生 ⁷	Mr. Guo Yucheng ⁷	1/1	4/4	–	–	–	1/1
獨立非執行董事	Independent non-executive Directors						
梁錦雲先生 ^{1,4,6}	Mr. Leung Kam Wan ^{1,4,6}	1/1	4/4	2/2	1/1	1/1	–
高寶玉先生 ^{2,4,8}	Mr. Gao Baoyu ^{2,4,8}	1/1	4/4	2/2	1/1	–	1/1
劉晨光先生 ^{2,3,6}	Mr. Liu Chenguang ^{2,3,6}	1/1	4/4	2/2	1/1	1/1	–
管理層	Management						
傅安旭先生 ⁸	Mr. Fu Anxu ⁸	1/1	–	–	–	–	1/1

附註：

1. 審核委員會主席
2. 審核委員會成員
3. 薪酬委員會主席
4. 薪酬委員會成員
5. 提名委員會主席
6. 提名委員會成員
7. 安全及環保委員會主席
8. 安全及環保委員會成員

Notes:

1. Chairman of the Audit Committee
2. Member of the Audit Committee
3. Chairman of the Remuneration Committee
4. Member of the Remuneration Committee
5. Chairman of the Nomination Committee
6. Member of the Nomination Committee
7. Chairman of the Safety and Environmental Protection Committee
8. Member of the Safety and Environmental Protection Committee

問責及審核

董事會致力根據一切法定規定，向股東及公眾人士呈列以公平清晰及明確的方式就本公司的表現、狀況及前景所作的評估。

董事須負責根據香港會計師公會頒佈的香港財務報告準則及按照香港公司條例的披露規定編製及真實而公平地列報財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況作出合理的會計估計。本公司外聘核數師對賬目的責任於本年報第44至45頁之核數師報告書內列出。

ACCOUNTABILITY AND AUDIT

The Board aims to present a balanced, clear and understandable assessment of the Company's performance, position and prospects to Shareholders and the public pursuant to all sort of statutory requirements.

The Directors are responsible for the preparation and the true and fair presentation of the financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the presentation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The responsibilities of the external auditor of the Company for the accounts are set out in the Auditor's Report on pages 44 to 45 of this annual report.

問責及審核 (續)

此外，董事會已在回顧年度內審閱及考慮本集團在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算是否充足。

管理層須提交詳盡報告及解釋，以供董事會於批准前作出知情評估。

內部監控

董事會全盤負責本集團的內部監控，並為本集團維持健全和有效的內部監控系統，以保障本集團資產及股東投資。

本集團之內部監控系統包括一套全面之組織架構及授權制度，當中已清晰界定各業務及營運單位之責任，權力之分配則根據有關人士之經驗及業務需要而進行。監控程序旨在保障資產免被未經授權挪用或處置；確保遵守有關法律、規則及規例；確保保存妥善之會計記錄以提供可靠之財務資料作業務或公佈之用；以及合理保證不會出現重大誤報、損失或欺詐。

董事會負責本集團的整體風險管理職能。風險管理程序已設立並於本集團整體營運中實行，以就所有可影響主要業務活動之風險，提供一致之風險管理程序（即風險識別、評估、處理及呈報）。

儘管內部監控部門至今仍未成立，全體執行董事均緊密及直接監控本集團之日常營運及業務活動，並每月審閱財務業績，以確保所有內部監控程序、合規監控及風險管理措施和程序均妥善地實施。執行董事參加每月管理層會議，就財務與營運程序、詐騙調查，以及生產效率及效益等進行檢討，及／或按需要舉行會議以即時處理違規情況。此外，執行董事會不斷檢討本集團關鍵之風險管理監控，以確保業務運作一直保持健全和有效。

於回顧年度內，本集團持續對內部監控運作實行自我評估及評檢機制，目的是對現有的內部監控運作進行合理性測試、促進員工參與評估內部監控系統之執行情況、對內部監控運作不足之處即時修正，以及使董事會及審核委員會可更有效地評估本集團之內部監控運作。

ACCOUNTABILITY AND AUDIT (Continued)

In addition, the Board has reviewed and considered the adequacy of resources, qualifications and experience of staffs of the accounting and financial reporting function of the Group and also considered the training programs and budget during the year under review.

Management is required to provide detailed reports and explanation to enable the Board to make an informed assessment before approval.

INTERNAL CONTROLS

The Board has overall responsibilities for the Group's system of internal control and maintaining a sound and effective internal control system of the Group to safeguard the Group's assets and the Shareholders' investment.

The internal control system of the Group comprises a comprehensive organisational structure and delegation of authorities, with responsibilities of each business and operational units clearly defined and authorities assigned to individuals based on experience and business need. Control procedures have been designed to safeguard assets against unauthorised use and disposition, ensure compliance with relevant laws, rules and regulations, and ensure proper maintenance of accounting records for provision of reliable financial information used within the business or for publication; and to provide reasonable assurance against material misstatement, loss or fraud.

The Board is responsible for the overall risk management functions of the Group. Risk management procedures has been set up and implemented for the overall operations of the Group, which is in place to provide a consistent approach on the risk management processes in identification, assessment, treatment and reporting of all risks identified affecting key business activities.

All executive Directors closely and directly monitor the daily operations, business activities and review monthly financial results of the Group regularly ensuring that all internal control procedures, compliance controls procedures and risk management measures and procedures are properly implemented even though an internal control department has not yet built up until now. Executive Directors participate in the monthly management meetings to review the Group's financial and operational procedures, fraud investigations, productivity efficiency and effectiveness etc., and/or meetings held as and when required to address irregularities immediately. Besides, the executive Directors take a constant review of critical risk management control of the Group to ensure the business operation is sound and effectiveness on an on-going basis.

The Group has continued to execute the self-assessment and evaluation mechanism on internal control operations during the year under review that is aimed to test the reasonableness of the existing internal control operations, prompt employee to step in evaluation of the implementation of internal control system, serves to rectify internal control operations immediately if any shortcoming, facilitate the Board and the Audit Committee to assess the internal control operations of the Group more effectiveness.

內部監控 (續)

於回顧年度內，董事會仍緊密地監控業務運作，通過定期審閱本集團之營運程序，不斷努力完善本集團之營運系統、盡量降低運作風險及減少違規情況。為支持本集團業務持續發展，內部監控部門將在不久將來成立，以制定更多監控措施和建立全面的內部監控系統。

董事會負責處理發佈股價敏感資料及其他財務資料披露規定之程序。董事會完全瞭解其根據上市規則應負的責任，並定期審閱其合規監控工作。根據法規要求，本公司應進行即時披露。本公司的政策是嚴禁任何未經授權使用機密或內幕資料。凡得悉或可存取本集團未公佈之股價敏感資料之僱員，均已得悉本集團所採納的標準守則，並須遵從證券及期貨條例第XIII及XIV部分所規定之限制。

遵從進行證券交易的標準守則

本公司已採納標準守則作為其本身監管董事進行證券交易之守則。作出具體查詢後，各董事均已確認於截至二零一二年十二月三十一日止財政年度一直遵守標準守則。本公司亦已就有關僱員採納條款不會較標準守則寬鬆之書面指引。高級管理層因其在本公司所擔任之職務而可能擁有未公佈之股價敏感資料，彼等已應要求遵守標準守則及本公司有關董事進行證券交易之操守準則之有關規定。於回顧年度內，根據本公司所知，並無出現有關僱員違反僱員書面指引之情況。

股東權利

召開股東特別大會之權利

任何一名或以上於遞呈要求日期持有不少於本公司繳足股本(附有本公司股東大會之投票權)十分之一股東於任何時候均有權透過向本公司董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且有關大會須於遞呈該要求後兩(2)個月內舉行。

該遞呈要求須述明有關大會之目的，並須由遞呈要求人簽署及送達本公司主要營業地點交公司秘書。該遞呈要求由多份同樣格式之文件組成，而各文件均須由一位或以上之遞呈要求人簽署。

INTERNAL CONTROLS (Continued)

The Board has kept monitoring the business operation closely and devoted to optimise the Group's operation system, minimise its operational risks and any irregularities areas by periodically review the operation procedures of the Group during the year under review. An internal control department is planned to be set up in near future to formulate more control measures and put in place an integrated system of internal control so as to support the business continuous development of the Group.

The Board is responsible for the handling of the dissemination of price sensitive information and other financial disclosure requirements procedures. The Board is fully aware of its obligations under the Listing Rules and reviews its compliance controls process regularly. The Company should make disclosure immediately pursuant to statutory requirements. Any unauthorised use of confidential or insider information is strictly prohibited under the Company's policy. Employees who are privy or have access to unpublished price-sensitive information of the Group has also been notified on the adoption of the Model Code by the Company and on observing the restrictions pursuant to Parts XIII and XIV of the Securities and Futures Ordinance.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code governing securities transactions of the Directors. Each of the Directors has confirmed, upon specific enquiry, his compliance with the Model Code for the financial year ended 31 December 2012. The Company has also adopted written guidelines on no less exacting terms than the Model Code for the relevant employees. The senior management, who, because of their office in the Company, is likely to be in possession of unpublished price sensitive information, has been requested to comply with the provisions of the Model Code and the Company's code of conduct regarding securities transactions by Directors. No incidence of non-compliance of the employees' written guidelines by the relevant employees was noted by the Company during the year under review.

SHAREHOLDERS' RIGHTS

Right to convene extraordinary general meeting

Any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting (the "EGM") to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition.

The requisition must state the purposes of the meeting, and must be signed by the requisitionist(s) and deposited to the Company Secretary at the Company's principal place of business, and may consist of several documents in like form each signed by one or more requisitionist(s).

股東權利 (續)

召開股東特別大會之權利 (續)

如有關要求被證實並不妥當，提出要求之股東將獲知會核實結果，因而不會按要求召開股東特別大會。

倘董事會未有於遞呈後二十一(21)日內召開有關大會，則遞呈要求人可自行以同樣方式召開大會，而遞呈要求人因董事會未有召開大會而產生的所有合理開支，須由本公司向遞呈要求人作出償付。

向董事會作出查詢之權利

股東有權向董事會作出查詢，所有查詢須以書面方式連同遞呈要求人之聯絡資料送達本公司主要營業地點交公司秘書。

於股東大會提出議案之權利

開曼群島公司法(經不時修訂)或組織章程細則概無允許股東可於股東大會上提呈新決議案之規定，惟提名候選董事的建議除外。然而，股東可向董事會或公司秘書發出書面要求提出建議，並依循上述「召開股東特別大會之權利」一段所述之程序，召開股東特別大會以處理書面要求列明之任何事宜。

提名人選參選董事之權利

根據本公司組織章程細則第88條，除非獲董事推薦參選，否則，除在大會上退任的董事外，其他人士概無資格在任何股東大會上參選董事，除非由正式合資格出席大會並於會上投票的本公司股東(並非擬參選人士)簽署書面通告，其內表明建議提名有關人士參選的意向，並附上所提名人士簽署表示願意參選的通告及連同獲提名人士根據上市規則第13.51(2)條之規定載列之個人履歷的通知，送至本公司主要營業地點交公司秘書，而發出有關通告之期間最少須為七(7)日，如有關通告於寄發指定舉行有關選舉之股東大會通告後發出，則該期間於寄發進行選舉之股東大會之有關通告翌日開始，且不得遲於有關股東大會舉行日期前七(7)日結束。

SHAREHOLDERS' RIGHTS (Continued)

Right to convene extraordinary general meeting (Continued)

If the request which has been verified is not in order, the Shareholders making the request will be advised of this outcome and accordingly, an EGM will not be convened as requested.

If within twenty one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Right to put enquiries to the Board

Shareholders have the right to put enquiries to the Board. All enquiries must be in writing with contact information of the requisitionists and deposited to the Company Secretary at the Company's principal place of business.

Right to put forward proposals at general meetings

There are no provisions allowing Shareholders to move resolutions at the general meetings other than a proposal of a person for election as a Director under the Cayman Islands Companies Law (as amended from time to time) or the Articles of Association. However, Shareholders may suggest proposals by sending written requisition to the Board or the Company Secretary following the procedures set out in the paragraph headed "Right to convene extraordinary general meeting" above to convene an extraordinary general meeting for any business specified in such written requisition.

Right to propose a person for election as a Director

Pursuant to article 88 of the Articles of Association, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a written notice signed by a member of the Company (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected including that person's biographical details as required by rule 13.51(2) of the Listing Rules, shall have been lodged at the Company Secretary at the Company's principal place of business provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the dispatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

投資者關係

本公司認為，股東週年大會是與股東作面對面溝通的重要渠道。主席及審核委員會及薪酬委員會之主席或彼等之代表均會出席本公司之股東週年大會，以向股東解答及說明有關本集團業務策略及財務業績之事宜，以及於股東大會提呈之決議案。在大會開始時，大會主席已解釋進行按投票方式表決之詳細程序，並已回答股東就以投票方式表決而提出的任何問題。

此外，本公司亦透過公佈、年報及中期報告與股東溝通。所有該等公佈及報告均可從本公司及聯交所之網站下載。董事、公司秘書及其他有關之管理層成員均會就股東及投資界之提問作迅速回應。

外聘核數師

本公司外聘核數師就非審計服務及審計服務的性質及其所收取的年費比率，須受審核委員會監察。倘本公司外聘核數師提供非審計服務，事前必須取得審核委員會批准，以確保不會影響本公司外聘核數師的獨立性及客觀性。於截至二零一二年十二月三十一日止財政年度已支付或應支付予本公司外聘核數師的費用詳情如下：

審計服務	540,000港元
非審計服務	
審閱中期財務報表	50,000港元

承董事會命
主席
劉洪亮

香港，二零一三年三月二十二日

INVESTOR RELATIONS

The Company considers its annual general meeting as an important channel for face-to-face dialogue with Shareholders. The Chairman and either the chairman of the Audit Committee and the Remuneration Committee or their representatives would attend the annual general meeting of the Company answering and explaining to Shareholders issues relating to the Group's business strategies and financial results and proposed resolutions at the general meeting. At the commencement of the meeting, the chairman of the meeting has explained the detailed procedures for conducting a poll and then answers any questions from Shareholders regarding voting by way of a poll.

In addition, the Company also communicates to its shareholder through announcements and annual and interim reports. All such reports and announcements can also be accessed via the Company's website and the website of the Stock Exchange. The Directors, Company Secretary or other appropriate members of the management team also respond to inquiries from Shareholders and investment community promptly.

EXTERNAL AUDITOR

The nature and ratio of annual fees to external auditor of the Company for non-audit services and for audit services are subject to scrutiny by the Audit Committee. The provision of non-audit services by the external auditor of the Company requires prior approval of Audit Committee so as to ensure that the independence and objectivity of the external auditor of the Company will not be impaired. Details of the fees paid or payable to the external auditor of the Company for the financial year ended 31 December 2012 are as follows:

Audit services	HK\$540,000
Non-audit services	
Review of interim financial statements	HK\$50,000

On behalf of the Board
Liu Hongliang
Chairman

Hong Kong, 22 March 2013



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永安中心25樓

致天德化工控股有限公司股東
(於開曼群島註冊成立之有限公司)

TO THE SHAREHOLDERS OF TIANDE CHEMICAL HOLDINGS LIMITED
(Incorporated in Cayman Islands with limited liability)

本核數師(以下簡稱「我們」)已審計列載於第46至120頁天德化工控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表,此綜合財務報表包括於二零一二年十二月三十一日的綜合及公司財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合現金流量表及綜合權益變動表,以及主要會計政策概要及其他附註解釋資料。

We have audited the consolidated financial statements of Tiande Chemical Holdings Limited ("the Company") and its subsidiaries (together "the Group") set out on pages 46 to 120, which comprise the consolidated and company statements of financial position as at 31 December 2012, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定編製綜合財務報表,以令綜合財務報表作出真實而公平的反映,及落實其認為編製綜合財務報表所必要的內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

核數師的責任

我們的責任是根據我們的審計就綜合財務報表作出意見,並按照審計業務約定書的條文僅向整體股東報告,除此以外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。該等準則要求我們遵守道德規範,並規劃及執行審計,以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

BDO Limited
香港立信德豪會計師事務所有限公司

BDO Limited, a Hong Kong limited company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

核數師的責任 (續)

審計涉及執行程序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非為對公司內部控制的有效性發表意見。審計亦包括評價董事所採用的會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等綜合財務報表已根據《香港財務報告準則》真實而公平地反映 貴公司及 貴集團於二零一二年十二月三十一日的事務狀況及 貴集團截至該日止年度的溢利及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

香港立信德豪會計師事務所有限公司
執業會計師
徐家賜
執業證書號碼 P05057

香港，二零一三年三月二十二日

AUDITOR'S RESPONSIBILITY (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

BDO Limited
Certified Public Accountants
Tsui Ka Che, Norman
Practising Certificate Number P05057

Hong Kong, 22 March 2013

綜合收益表 Consolidated Income Statement

截至二零一二年十二月三十一日止年度 For the year ended 31 December 2012

		附註 Notes	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
營業額	Turnover	6	1,003,895	972,163
銷貨成本	Cost of sales		(742,292)	(752,402)
毛利	Gross profit		261,603	219,761
其他收入	Other income	6	5,962	5,023
投資物業重估增值	Revaluation gain on investment properties	16	590	230
銷售開支	Selling expenses		(22,212)	(21,611)
行政開支	Administrative expenses		(33,808)	(35,140)
財務成本	Finance costs	7	(8,692)	(6,642)
衍生金融工具的公平值虧損	Fair value loss on derivative financial instruments	29	(6,990)	—
應佔一間共同控制實體溢利	Share of profit of a jointly controlled entity	17	373	—
除所得稅前溢利	Profit before income tax	8	196,826	161,621
所得稅開支	Income tax expense	9	(37,644)	(29,261)
本年度溢利	Profit for the year		159,182	132,360
本年度本公司擁有人 應佔溢利	Profit for the year attributable to owners of the Company		159,182	132,360
每股盈利 — 基本及攤薄	Earnings per share — Basic and diluted	13	人民幣0.188元 RMB0.188	人民幣0.156元 RMB0.156

綜合全面收益表 Consolidated Statement of Comprehensive Income

截至二零一二年十二月三十一日止年度 For the year ended 31 December 2012

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
本年度溢利	Profit for the year	159,182	132,360
其他全面(開支)/收益	Other comprehensive (expense)/income		
物業重估增值	Gain on revaluation of properties	—	392
重估物業產生之 遞延稅項負債	Deferred tax liabilities arising on revaluation of properties	—	(98)
換算海外業務產生的 匯兌差額	Exchange differences arising on translation of foreign operations	(464)	(689)
本年度其他全面開支	Other comprehensive expense for the year	(464)	(395)
本年度全面收益總額	Total comprehensive income for the year	158,718	131,965
本年度本公司擁有人 應佔全面收益總額	Total comprehensive income for the year attributable to owners of the Company	158,718	131,965

綜合財務狀況表 Consolidated Statement of Financial Position

於二零一二年十二月三十一日 As at 31 December 2012

	附註 Notes	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
資產與負債			
非流動資產			
物業、廠房及設備	14	473,262	399,279
預付土地租賃款項	15	54,001	55,294
投資物業	16	13,030	12,440
購買物業、廠房及設備之 已付訂金		22,008	2,432
於一間共同控制實體之權益	17	48,511	–
遞延稅項資產	18	–	63
		610,812	469,508
流動資產			
存貨	19	58,814	85,529
貿易應收賬及應收票據	20	210,666	210,348
預付款項及其他應收款項		29,913	15,577
應收一間共同控制實體款項	17	443	–
已抵押銀行存款	21	–	13,400
銀行與現金結餘	21	49,962	63,889
		349,798	388,743
流動負債			
貿易應付賬	22	17,498	37,851
應付未付賬款及其他應付款項		65,056	53,654
銀行借貸	23	57,000	70,000
即期稅項負債		13,421	9,681
		152,975	171,186
流動資產淨值		196,823	217,557
總資產減流動負債		807,635	687,065
非流動負債			
銀行借貸	23	17,000	39,000
遞延收入	24	13,191	15,931
遞延稅項負債	18	2,663	2,463
衍生金融工具	29	6,990	–
		39,844	57,394
資產淨值		767,791	629,671
權益			
本公司擁有人應佔權益			
股本	25	7,786	7,786
儲備	26	760,005	621,885
總權益		767,791	629,671

劉洪亮
LIU HONGLIANG
董事
Director

王子江
WANG ZIJIANG
董事
Director

財務狀況表 Statement of Financial Position

於二零一二年十二月三十一日 As at 31 December 2012

		附註 Notes	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
資產與負債	ASSETS AND LIABILITIES			
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	14	8	—
於一間共同控制實體之權益	Interest in a jointly controlled entity	17	48,416	—
於附屬公司之投資	Investments in subsidiaries	27	—	—
			48,424	—
流動資產	Current assets			
應收附屬公司款項	Amounts due from subsidiaries	27	171,940	187,351
應收股息	Dividend receivables		9,048	56,302
預付款項及其他應收款項	Prepayments and other receivables		258	260
銀行與現金結餘	Bank and cash balances	21	7,522	10,784
			188,768	254,697
流動負債	Current liabilities			
應付未付賬款及其他應付款項	Accruals and other payables		739	503
			739	503
流動資產淨值	Net current assets		188,029	254,194
總資產減流動負債	Total assets less current liabilities		236,453	254,194
非流動負債	Non-current liabilities			
衍生金融工具	Derivative financial instruments	29	6,990	—
			6,990	—
資產淨值	Net assets		229,463	254,194
權益	EQUITY			
股本	Share capital	25	7,786	7,786
儲備	Reserves	26	221,677	246,408
總權益	Total equity		229,463	254,194

劉洪亮
LIU HONGLIANG
董事
Director

王子江
WANG ZIJIANG
董事
Director

綜合現金流量表 Consolidated Statement of Cash Flows

截至二零一二年十二月三十一日止年度 For the year ended 31 December 2012

	附註 Notes	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
經營業務產生之現金流量	Cash flows from operating activities		
除所得稅前年度溢利	Profit for the year before income tax	196,826	161,621
調整：	Adjustments for:		
利息收入	Interest income	(510)	(444)
利息開支	Interest expenses	8,692	6,642
攤銷	Amortisation	1,293	1,293
折舊	Depreciation	44,203	40,527
遞延收入撥回	Release of deferred income	(2,740)	(2,740)
撇減至可變現淨值之存貨價值之 回撥金額	Reversal of write-down of inventories to net realisable value	(230)	(1,996)
存貨價值撇減至可變現淨值	Write-down of inventories to net realisable value	189	—
投資物業重估增值	Revaluation gain on investment properties	(590)	(230)
股權結算以股份支付之款項開支	Equity-settled share-based payment expenses	162	1,020
應佔一間共同控制實體溢利	Share of profit of a jointly controlled entity	(373)	—
衍生金融工具的公平值虧損	Fair value loss on derivative financial instruments	6,990	—
出售物業、廠房及設備之 (淨收益)/淨虧損	(Gain)/Loss on disposals of property, plant and equipment, net	(12)	5
物業、廠房及設備撇賬	Written off on property, plant and equipment	174	—
未計營運資金變動前之經營溢利	Operating profit before working capital changes	254,074	205,698
存貨減少/(增加)	Decrease/(Increase) in inventories	26,756	(18,169)
貿易應收賬、應收票據與 其他應收款項及預付款項增加	Increase in trade, bills and other receivables and prepayments	(14,661)	(82,120)
貿易應付賬、應付未付賬款及 其他應付款項(減少)/增加	(Decrease)/Increase in trade payables, accruals and other payables	(13,508)	12,960
應收一間共同控制 實體款項增加	Increase in amount due from a jointly controlled entity	(443)	—
經營業務所得現金	Cash generated from operations	252,218	118,369
已付所得稅	Income taxes paid	(33,641)	(27,081)
經營業務產生之現金淨額	Net cash generated from operating activities	218,577	91,288
投資業務產生之現金流量	Cash flows from investing activities		
購買物業、廠房及設備	Purchase of property, plant and equipment	(133,316)	(75,030)
出售預付土地租賃款項與物業、 廠房及設備之所得款項	Proceeds on disposals of prepaid land lease payments and property, plant and equipment	56	26,819
於一間共同控制實體之權益	Interest in a jointly controlled entity	(48,416)	—
已收利息	Interest received	510	444
已抵押銀行存款減少/(增加)	Decrease/(Increase) in pledged bank deposits	13,400	(2,900)
投資業務所用之現金淨額	Net cash used in investing activities	(167,766)	(50,667)

綜合現金流量表 Consolidated Statement of Cash Flows

截至二零一二年十二月三十一日止年度 For the year ended 31 December 2012

		附註 Notes	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
融資業務產生之現金流量	Cash flows from financing activities			
已付股息	Dividends paid	12(b)	(20,760)	(32,012)
已付利息	Interest paid		(8,778)	(6,680)
償還銀行借貸	Repayments of bank borrowings		(139,066)	(105,224)
新增銀行借貸	New bank borrowings raised		104,066	124,324
因購股權獲行使而發行 新股之所得款項	Proceeds from issue of new shares upon exercise of share options	28	–	1,183
融資業務所用之現金淨額	Net cash used in financing activities		(64,538)	(18,409)
現金及現金等值項目 (減少)／增加淨額	Net (decrease)/increase in cash and cash equivalents		(13,727)	22,212
年初之現金及現金等值項目	Cash and cash equivalents at beginning of year		63,889	42,382
外匯匯率變動之影響	Effect of foreign exchange rate changes		(200)	(705)
年終之現金及現金等值項目	Cash and cash equivalents at end of year		49,962	63,889
現金及現金等值項目結餘分析	Analysis of balances of cash and cash equivalents			
銀行與現金結餘	Bank and cash balances		49,962	63,889

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

截至二零一二年十二月三十一日止年度 For the year ended 31 December 2012

		股本 Share capital 人民幣千元 RMB'000	股份溢價 Share premium 人民幣千元 RMB'000 (附註26a)	特別儲備 Special reserve 人民幣千元 RMB'000 (附註26b)	盈餘公積金 Surplus reserve fund 人民幣千元 RMB'000 (附註26c)	物業重估儲備 Property revaluation reserve 人民幣千元 RMB'000	公益金 Public welfare fund 人民幣千元 RMB'000 (附註26d)	以股份支付之 款項儲備 Share-based payment reserve 人民幣千元 RMB'000 (附註26e)	資本出資儲備 Capital contribution reserve 人民幣千元 RMB'000 (附註26f)	外幣匯兌儲備 Foreign currency translation reserve 人民幣千元 RMB'000 (附註26g)	保留溢利 Retained profits 人民幣千元 RMB'000	建議股息 Proposed dividends 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
於二零一一年一月一日結餘	Balance at 1 January 2011	4,216	108,177	31,182	30,144	1,359	633	530	4,162	(1,278)	316,378	32,012	527,515
已付股息(附註12(b))	Dividends paid (note 12(b))	-	-	-	-	-	-	-	-	-	-	(32,012)	(32,012)
發行紅股(附註25)	Bonus issue of shares (note 25)	3,552	(3,552)	-	-	-	-	-	-	-	-	-	-
因購股權行使而發行新股 (附註28)	Issue of new shares upon exercise of share options (note 28)	18	1,708	-	-	-	-	(543)	-	-	-	-	1,183
股權結算以股份支付之 款項開支	Equity-settled share-based payment expenses	-	-	-	-	-	-	13	1,007	-	-	-	1,020
與擁有人交易	Transactions with owners	3,570	(1,844)	-	-	-	-	(530)	1,007	-	-	(32,012)	(29,809)
本年度溢利	Profit for the year	-	-	-	-	-	-	-	-	-	132,360	-	132,360
其他全面(開支)/收益	Other comprehensive (expense)/income												
重估物業增值	Surplus on revaluation of properties	-	-	-	-	392	-	-	-	-	-	-	392
因重估物業而產生之 遞延稅項負債	Deferred tax liabilities arising on revaluation of properties	-	-	-	-	(98)	-	-	-	-	-	-	(98)
因換算海外業務而產生的 匯兌差額	Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	-	(689)	-	-	(689)
年度其他全面 (開支)/收益總額	Total comprehensive (expense)/income for the year	-	-	-	-	294	-	-	-	(689)	132,360	-	131,965
分配往法定儲備	Appropriations to statutory reserve	-	-	-	7,800	-	-	-	-	-	(7,800)	-	-
二零一一年建議末期股息 (附註12(a))	2011 proposed final dividend (note 12(a))	-	-	-	-	-	-	-	-	-	(20,760)	20,760	-
於二零一一年 十二月三十一日結餘	Balance at 31 December 2011	7,786	106,333	31,182	37,944	1,653	633	-	5,169	(1,967)	420,178	20,760	629,671
於二零一二年一月一日結餘	Balance at 1 January 2012	7,786	106,333	31,182	37,944	1,653	633	-	5,169	(1,967)	420,178	20,760	629,671
已付股息(附註12(b))	Dividend paid (note 12(b))	-	-	-	-	-	-	-	-	-	-	(20,760)	(20,760)
股權結算以股份支付之 款項開支	Equity-settled share-based payment expenses	-	-	-	-	-	-	-	162	-	-	-	162
與擁有人交易	Transactions with owners	-	-	-	-	-	-	-	162	-	-	(20,760)	(20,598)
年度溢利	Profit for the year	-	-	-	-	-	-	-	-	-	159,182	-	159,182
其他全面(開支)/收益	Other comprehensive (expense)/income												
因換算海外業務而產生的 匯兌差額	Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	-	(464)	-	-	(464)
年度其他全面 (開支)/收益總額	Total comprehensive (expense)/income for the year	-	-	-	-	-	-	-	-	(464)	159,182	-	158,718
分配往法定儲備	Appropriations to statutory reserve	-	-	-	10,509	-	-	-	-	-	(10,509)	-	-
二零一二年建議末期股息 (附註12(a))	2012 proposed final dividend (note 12(a))	-	-	-	-	-	-	-	-	-	(25,750)	25,750	-
轉撥(附註26(f))	Transfer (note 26(f))	-	-	-	-	-	-	-	(5,331)	-	5,331	-	-
於二零一二年 十二月三十一日結餘	Balance at 31 December 2012	7,786	106,333	31,182	48,453	1,653	633	-	-	(2,431)	548,432	25,750	767,791

I. 一般資料

天德化工控股有限公司（「本公司」）為一間在開曼群島根據開曼群島公司法註冊成立之獲豁免有限公司，註冊辦事處設於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司股份於香港聯合交易所有限公司（「聯交所」）上市。

本公司主要業務為投資控股，其附屬公司（連同本公司統稱為「本集團」）之主要業務載於附註27。

本公司董事（「董事」）認為，本集團最終控股公司為在英屬處女群島（「英屬處女群島」）註冊成立之志峰集團有限公司。

財務報表乃以人民幣（「人民幣」）呈列，而人民幣亦為本公司之呈列貨幣及本公司主要營運附屬公司之功能性貨幣。除另有說明者外，所載之數額已四捨五入至最接近之千位。

第46至120頁所載之財務報表乃根據香港財務報告準則（「香港財務報告準則」，該統稱詞彙涵蓋香港會計師公會（「香港會計師公會」）所頒佈所有適用之個別香港財務報告準則（「香港財務報告準則」）、香港會計準則（「香港會計準則」）及詮釋（「詮釋」），以及香港公司條例之披露規定而編製。財務報表亦載有聯交所證券上市規則規定之適用披露事項。

截至二零一二年十二月三十一日止年度之財務報表已於二零一三年三月二十二日獲董事會批准刊發。

I. GENERAL INFORMATION

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

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries (together with the Company referred to as the "Group") are set out in note 27.

The directors of the Company (the "Directors") consider the ultimate holding company of the Group to be Cheerhill Group Limited, a company incorporated in the British Virgin Islands (the "BVI").

The financial statements are presented in Renminbi ("RMB") which is the Company's presentation currency and functional currency of the principal operating subsidiaries of the Company and all values are rounded to the nearest thousand except when otherwise stated.

The financial statements on pages 46 to 120 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations ("Int") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The financial statements for the year ended 31 December 2012 were approved for issue by board of the Directors on 22 March 2013.

2. 採納新訂或經修訂香港財務報告準則

本集團所採納的新訂及經修訂準則

於本年度，本集團首次採用由香港會計師公會頒佈之以下新準則、修訂及詮釋，該等新準則、修訂及詮釋適用於及對二零一二年一月一日開始之年度期間之本集團財務報表有效：

香港財務報告準則 第7號修訂本	「披露－金融資產轉讓」
香港會計準則 第12號修訂本	「遞延稅項－收回相關資產」

除以下作註解者外，採納新訂香港財務報告準則對本期間及過往期間之業績及財務狀況之編製及呈列方式沒有重大影響。

香港財務報告準則第7號修訂本－「披露－金融資產轉讓」

香港財務報告準則第7號的修訂本擴大金融資產的轉讓交易的披露規定，特別是在報告實體持續參與其已終止確認的金融資產的情況下。新披露規定讓財務報表使用者可更了解報告實體仍然面對的風險。該資料亦有助評估實體之未來現金流的金額、時間及不確定性。該修訂並無影響本集團的財務狀況、經營業績或其披露。

香港會計準則第12號修訂本－「遞延稅項－收回相關資產」

香港會計準則第12號修訂本引入可駁回假設，該項可駁回假設為根據香港會計準則第40號「投資物業」按公平值列賬的投資物業可透過銷售全部收回。遞延稅項負債或遞延稅項資產的計量反映通過出售全部收回投資物業的賬面值產生的稅項後果。倘投資物業可予折舊，而且持有該物業之業務模式的目標是隨著時間消耗該投資物業絕大部分經濟收益（並非透過銷售），則此假設可予駁回。倘假設遭駁回，會根據投資物業賬面值預期會被收回的方式，按於報告日期已頒佈或實質頒佈的適用稅率計量遞延稅項的金額（附註3(v)）。

2. ADOPTION OF NEW OR AMENDED HKFRSs

New and revised standards adopted by the Group

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

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

Other than as noted below, the adoption of the new HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

Amendments to HKFRS 7 – Disclosures – Transfers of Financial Assets

The amendments to HKFRS 7 expand the disclosure requirements for transfer transactions of financial assets, in particular where the reporting entity has continuing involvement in financial assets that it has derecognised. The newly required disclosures allow users of financial statements to better understand the risks to which the reporting entity remains exposed. And such information is relevant in assessing the amount, timing and uncertainty of the entity's future cash flows. The amendments did not have an impact on the Group's financial position, performance or its disclosures.

Amendments to HKAS 12 – Deferred Tax – Recovery of Underlying Assets

The amendments to HKAS 12 introduce a rebuttable presumption that an investment property which is stated at fair value under HKAS 40 "Investment property" is recovered entirely through sale. The measurement of the deferred tax liability or deferred tax asset reflects the tax consequences of recovering the carrying amount of the investment property entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If this presumption is rebutted, the amount of deferred tax is measured based on the expected manner in which the carrying amount of the investment property would be recovered, using the appropriate tax rates enacted or substantially enacted at the reporting date (Note 3(v)).

2. 採納新訂或經修訂香港財務報告準則 (續)

香港會計準則第12號修訂本－「遞延稅項－收回相關資產」(續)

本集團位於中華人民共和國(「中國」)的投資物業按於二零一二年十二月三十一日的公平值人民幣13,030,000元(二零一一年十二月三十一日：人民幣12,440,000元)計量，詳情見附註16的披露。本集團已就位於中國的投資物業駁回假設，原因是該等投資物業經評估後為可予折舊並由附屬公司持有，而有關業務模式的目標是隨著時間消耗該等投資物業絕大部分經濟收益(並非透過銷售)。有關該等投資物業的遞延稅項並未重新計量。

於財務報表獲得批核當日，若干新訂及經修訂香港財務報告準則已經頒佈但尚未生效，亦未獲本集團採納。

董事預期，本集團將於有關規定生效日期後開始之首段期間，在本身之會計政策採納所有有關規定。預計會對本集團會計政策構成影響之新訂及經修訂香港財務報告準則之詳情，將在下文載述。另外，若干其他新訂及經修訂香港財務報告準則經已發表，但預計不會對本集團之財務報表造成重大影響。

香港會計準則第1號修訂本(經修訂)－「其他全面收益項目之呈列」

此項準則對於二零一二年七月一日當日或以後開始之會計期間有效。香港會計準則第1號修訂本(經修訂)規定，本集團須將呈列於其他全面收益之項目分為可能於日後重新分類至損益之項目(如可供出售金融資產之重新估值)及可能不會於日後重新分類至損益之項目(如物業、廠房及設備之重新估值)。就其他全面收益項目繳納的稅項會按相同基準進行分配及披露。該等修訂本將追溯應用。

香港財務報告準則第9號－「金融工具」

此項準則對於二零一五年一月一日當日或以後開始之會計期間有效，其內容有關金融資產之分類及計量。此項新訂準則減少金融資產之計量類別數目，並規定須根據實體管理金融資產之業務模式及金融資產之合約現金流量特徵，按攤銷成本或公平值對所有金融資產進行計量。公平值收益及虧損將於損益確認，惟若干權益投資之公平值收益或虧損則於其他全面收益內呈列。董事現正評估此項新準則對本集團於應用首年之業績及財務狀況可能產生之影響。

2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

Amendments to HKAS 12 – Deferred Tax – Recovery of Underlying Assets (Continued)

The Group has investment property located in the People's Republic of China (the "PRC") measured at fair value of RMB13,030,000 as at 31 December 2012 (31 December 2011: RMB12,440,000) as disclosed in Note 16. The Group has rebutted the presumption in respect of its investment properties located in the PRC as they are assessed to be depreciable and are held by a subsidiary with a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time rather than through sale. Deferred tax in relation to these investment properties has not been re-measured.

At the date of authorisation of these financial statements, certain new and amended HKFRSs have been published but are not effective, and have not been adopted by the Group.

The Directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Certain other new and amended HKFRSs have been issued but are not expected to have a material impact of the Group's financial statements.

Amendments to HKAS 1 (Revised) – Presentation of Items of Other Comprehensive Income

The standard is effective for accounting periods beginning on or after 1 July 2012. The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit or loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluation of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

HKFRS 9 – Financial Instruments

The standard is effective for accounting periods beginning on or after 1 January 2015 and addresses the classification and measurement of financial assets. The new standard reduces the number of measurement categories of financial assets and all financial assets will be measured at either amortised cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Fair value gains and losses will be recognised in profit or loss except for those on certain equity investments which will be presented in other comprehensive income. The Directors are currently assessing the possible impact of the new standard on the Group's results and financial position in the first year of application.

2. 採納新訂或經修訂香港財務報告準則 (續)

香港財務報告準則第9號 – 「金融工具」 (續)

於二零一零年十一月，香港會計師公會就金融負債頒佈香港財務報告準則第9號之新增規定。該修訂帶來之變動只對指定透過運用公平值選擇權（「公平值選擇權」）按公平值計入損益之金融負債之計量構成影響。就該等公平值選擇權負債而言，因信貸風險變動而產生之負債公平值變動金額，須於其他全面收益中呈列。除非於其他全面收益中就負債之信貸風險呈列公平值變動會於損益產生會計差異或擴大有關之會計差異，否則其餘之公平值變動金額均於損益呈列。香港會計準則第39號與負債相關之所有其他規定已轉往香港財務報告準則第9號。然而，該等新增規定並不涵蓋納入公平值選擇權之貸款承諾及財務擔保合約。

香港財務報告準則第10號 – 「綜合財務報表」

此項準則對於二零一三年一月一日當日或之後開始之會計期間有效。香港財務報告準則第10號就綜合計算所有被投資實體引入單一控制權模式。如投資者有權控制被投資方（不論實際上有否行使該權力）、對來自被投資方之浮動回報享有權利或作出承擔，以及能運用對被投資方之權力以影響該等回報，投資者即擁有控制權。香港財務報告準則第10號載有評估控制權之詳細指引。例如，該準則引入「實際」控制權之概念，據此，倘相對其他個人股東之表決權益之數量及分散情況，投資者之表決權益數量足以佔優，使其獲得對被投資方之權力，持有被投資方表決權少於50%之投資者仍可控制被投資方。潛在表決權僅在實質存在（即持有人有實際能力可行使該等表決權）時，方會於分析控制權時考慮。該準則明確要求，須評估具有決策權之投資者是以委託人或是代理人之身份行事，以及具有決策權之其他各方是否以投資者代理人之身份行事。代理人乃獲委聘以代表另一方及為另一方之利益行事，故在行使其決策權時並不控制被投資方。實施香港財務報告準則第10號可能導致該等被視為受本集團控制並因而在財務報表中綜合入賬之實體出現變動。現行香港會計準則第27號內有關其他綜合計算相關事項之會計規定維持不變。香港財務報告準則第10號獲追溯應用，惟須受限於若干過渡性條文。

2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

HKFRS 9 – Financial Instruments (Continued)

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities. The changes resulting from the amendments only affect the measurement of financial liabilities designated at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. All other requirements in HKAS 39 in respect of liabilities are carried forward into HKFRS 9. However, the loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of these additions.

HKFRS 10 – Consolidated Financial Statements

The standard is effective for accounting periods beginning on or after 1 January 2013. HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

2. 採納新訂或經修訂香港財務報告準則 (續)

香港財務報告準則第11號 – 「合營安排」

此項準則對於二零一三年一月一日當日或之後開始之會計期間有效。香港財務報告準則第11號所指之合營安排與香港會計準則第31號所指之合營企業之基本特點相同。合營安排分類為合營業務或合營企業。倘本集團有權享有合營安排之資產及有義務承擔其負債，則被視為合營者，並將確認其於合營安排產生之資產、負債、收入及開支之權益。倘本集團在整體上有權享有合營安排之淨資產，則被視為於合營企業擁有權益，並將應用權益會計法。香港財務報告準則第11號不准採用比例綜合法。在透過獨立實體構建之安排中，所有相關事實及情況均應予考慮，以釐定參與該安排之各方是否有權享有該安排之淨資產。以往，於釐定香港會計準則第31號所指之共同控制實體是否存在時，獨立合法實體存在與否是主要之因素。香港財務報告準則第11號將追溯應用，並特別規定合營企業須由比例綜合法改為使用權益法進行重列，而合營業務則須由權益法改為將資產及負債入賬進行重列。

香港財務報告準則第12號 – 「披露於其他實體之權益」

此項準則對於二零一三年一月一日當日或之後開始之會計期間有效。香港財務報告準則第12號整合及統一有關附屬公司、聯營公司及合營安排的權益披露規定。準則還引入新的披露規定，包括有關未予合併的結構化實體的規定。準則的大體目標是使財務報表使用者可評估報告實體於其他實體所佔權益的性質和風險及該等權益對報告實體的財務報表的影響。

董事現正評估該等新訂或經修訂香港財務報告準則的潛在影響，至今認為應用該等新訂或經修訂香港財務報告準則將不會對本集團的財務報表構成重大影響。

2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

HKFRS 11 – Joint Arrangements

The standard is effective for accounting periods beginning on or after 1 January 2013. Joint arrangements under HKFRS 11 have the same basic characteristics as joint ventures under HKAS 31. Joint arrangements are classified as either joint operations or joint ventures. Where the Group has rights to the assets and obligations for the liabilities of the joint arrangement, it is regarded as a joint operator and will recognise its interests in the assets, liabilities, income and expenses arising from the joint arrangement. Where the Group has rights to the net assets of the joint arrangement as a whole, it is regarded as having an interest in a joint venture and will apply the equity method of accounting. HKFRS 11 does not allow proportionate consolidation. In an arrangement structured through a separate vehicle, all relevant facts and circumstances should be considered to determine whether the parties to the arrangement have rights to the net assets of the arrangement. Previously, the existence of a separate legal entity was the key factor in determining the existence of a jointly controlled entity under HKAS 31. HKFRS 11 will be applied retrospectively with specific restatement requirements for a joint venture which changes from proportionate consolidation to the equity method and a joint operation which changes from equity method to accounting for assets and liabilities.

HKFRS 12 – Disclosure of Interests in Other Entities

The standard is effective for accounting periods beginning on or after 1 January 2013. HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

The Directors are in the process of making an assessment of the potential impact of these new or amended HKFRSs and so far concluded that the application of these new or amended HKFRSs will have no material impact on the Group's financial statements.

3. 主要會計政策概要

(a) 編製基準

用於編製財務報表之主要會計政策概述如下。除另有說明者外，該等政策於提呈的所有年度均一致採納。採納新訂或經修訂香港財務報告準則及對本集團財務報表之影響（如有）在附註2披露。

財務報表乃按歷史成本法編製，惟以公平值列賬之投資物業及若干金融工具重估則除外。計量基準於下述會計政策中詳述。

務請注意，編製財務報表時已使用會計估計及假設。儘管該等估計乃基於管理層對現時事件及行動所掌握之一切資料而按最佳判斷作出，實際結果最終或會有別於該等估計。涉及高度判斷或極為複雜之範疇，或假設及估計對財務報表乃屬重要之範疇，乃於附註4披露。

(b) 綜合基準及業務合併

綜合財務報表包括本公司及其附屬公司截至每年十二月三十一日止之財務報表。

附屬公司於控制權歸入本集團當日起綜合於賬目內，並於終止控制日期起不再綜合於賬目內。

本集團各成員公司之間的交易、交易結餘及未變現收益及虧損均於編製綜合財務報表時對銷。集團內部資產銷售的未變現虧損於綜合賬目時撥回，而相關資產亦會從本集團之角度進行減值測試。附屬公司財務報表內所報告之金額已於有需要時作調整，以確保與本集團採納之會計政策貫徹一致。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group's financial statements, if any, are disclosed in note 2.

The financial statements have been prepared on the historical cost basis except for the revaluation of investment properties and certain financial instruments which are stated at fair values. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

(b) Basis of consolidation and business combination

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are excluded from consolidation from the date that control ceases.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

3. 主要會計政策概要 (續)

(b) 綜合基準及業務合併 (續)

收購附屬公司或業務乃以收購法入賬。收購成本按本集團(作為收購方)所轉移之資產、產生之負債及發行之股權於收購日期之公平值總額計量。所收購之可識別資產及承擔之可識別負債主要按收購日期之公平值計量。本集團先前持有被收購方之股權按收購日期之公平值重新計量，所產生之損益於損益確認。本集團可就每宗交易選擇按公平值或按應佔被收購方可識別資產淨值之比例計量非控股權益。所產生之收購相關成本一概列作開支。

收購方將予轉移之任何或然代價均按收購日期之公平值計量。倘其後對代價作出調整，僅於調整乃因在計量期間(最長為收購日期起計12個月)內所取得關於收購日期公平值之新資料而作出時，方通過商譽確認。分類為資產或負債之或然代價之所有其他其後調整均於損益確認。

本集團於附屬公司之權益變動(指並無導致失去控制權者)列作權益交易入賬。本集團之權益與非控股權益之賬面值均作調整，以反映兩者於附屬公司相對權益之變動。非控股權益之調整額與已經支付或收取之代價之公平值之間的任何差額，均直接於權益確認，並歸屬於本公司擁有人。

倘本集團失去附屬公司之控制權，出售損益乃按下列兩者之差額計算：(i)所收取代價之公平值與任何保留權益之公平值之總額；(ii)該附屬公司之資產(包括商譽)及負債與任何非控股權益過往之賬面值。先前就該附屬公司於其他全面收益確認之款額，乃按假定出售相關資產或負債時所規定之相同方式列賬。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of consolidation and business combination (Continued)

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

3. 主要會計政策概要 (續)

(b) 綜合基準及業務合併 (續)

收購後，非控股權益之賬面值為該等權益於初步確認時之金額另加非控股權益應佔權益其後變動之部分。全面收益總額乃歸屬於非控股權益，即使此舉會導致非控股權益出現虧絀亦然。

(c) 附屬公司

附屬公司乃指本集團有權控制其財務及經營政策，以自其業務獲益之實體（包括特殊目的實體）。於評估本集團是否控制另一間實體時，會考慮現時可行使或可轉換之潛在投票權是否存在及其影響。

於本公司之財務狀況表內，除非附屬公司乃持作待售或已包括在出售組別內，否則該附屬公司會按成本減任何減值虧損入賬。本公司乃按於報告日期之已收及應收股息為基準，將附屬公司之業績列賬。因應接受投資公司之收購前或收購後溢利收取之所有股息，一概於本公司之損益確認。

(d) 共同控制實體

共同控制實體是本集團與其他各方根據合約安排所經營的實體，有關的合約安排確定本集團與一間或多間其他各方共同控制的實體之經濟活動。

共同控制實體採用權益法初步按成本確認入賬，此後，共同控制實體之賬面值會因應本集團應佔該共同控制實體之收購後變動作相應調整，惟共同控制實體的虧損超出本集團於共同控制實體的權益則不予確認（除非有責任彌補該等虧損）。

至於本集團及其共同控制實體之間的交易產生的未實現利潤和虧損，本集團會於共同控制實體的利益範圍內抵銷，惟當未變現虧損提供所轉讓資產減值的證據，在這種情況下，會立即於損益確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of consolidation and business combination (Continued)

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

(d) Jointly controlled entity

A jointly controlled entity is an entity which operates under a contractual arrangement between the Group and other parties, where the contractual arrangement establishes that the Group and one or more of the other parties share joint control over the economic activity of the entity.

Jointly controlled entity is accounted for using equity method whereby it is initially recognised at cost and thereafter, its carrying amount is adjusted for the Group's share of the post-acquisition change in the jointly controlled entity's net assets except that losses in excess of the Group's interest in the jointly controlled entity are not recognised unless there is an obligation to make good those losses.

Unrealised profits and losses resulting from transactions between the Group and its jointly controlled entity are eliminated to the extent of the Group's interest in the jointly controlled entity, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are immediately recognised in profit or loss.

3. 主要會計政策概要 (續)

(d) 共同控制實體 (續)

本公司於一間共同控制實體的權益按成本減去減值虧損(如有)列賬。至於共同控制實體的業績，會在本公司已收及應收股息的基礎上入賬。

(e) 外幣換算

於綜合實體之獨立財務報表內，外幣交易均按交易日期之匯率換算為個別實體之功能貨幣。於報告日期，以外幣列值之貨幣資產及負債按報告日期之通行外幣匯率換算。結算該等交易及於報告日期重新換算貨幣資產及負債產生之匯兌收益及虧損，均於損益確認。

以外幣列值並按公平值列賬之非貨幣項目，按釐定公平值當日之匯率重新換算，並列作公平值收益或虧損一部分。以外幣按歷史成本計量之非貨幣項目不作重新換算。

於綜合財務報表內，海外業務所有原先以與本集團呈列貨幣不同之貨幣呈列之獨立財務報表均已換算為人民幣。資產與負債已按報告日期之收市匯率換算為人民幣。倘匯率並無大幅波動，收支項目乃按交易日期之匯率或報告期間之平均匯率換算為人民幣。因此程序而產生之任何差額已於其他全面收益確認，並且於權益內之外幣匯兌儲備另行累計。

出售海外業務時，匯兌差額會由權益重新分類為損益，作為出售收益或虧損的一部分。

(f) 物業、廠房及設備

物業、廠房及設備(在建工程除外)乃按成本值減累計折舊及所有累計減值虧損列賬。資產成本包括買價及將資產達致運作狀況及運到有關地點作擬定用途之任何直接應佔成本。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Jointly controlled entity (Continued)

The Company's interest in a jointly controlled entity is stated at cost less impairment losses, if any. Result of a jointly controlled entity is accounted for by the Company on the basis of dividends received and receivable.

(e) Foreign currency translation

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into RMB. Assets and liabilities have been translated into RMB at the closing rates at the reporting date. Income and expenses have been converted into RMB at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the foreign currency translation reserve in equity.

When a foreign operation is disposed, such exchange differences are reclassified from equity to profit or loss as part of the gain or loss on disposal.

(f) Property, plant and equipment

Property, plant and equipment (other than construction in progress) are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to the working condition and location for its intended use.

3. 主要會計政策概要 (續)

(f) 物業、廠房及設備 (續)

物業、廠房及設備之折舊以直線法根據下列年率計算，按其估計可使用年期撇銷其成本(減殘值，如有)：

樓宇	4.5% – 5% 或 按租賃年期 (以較短者為準)
租賃物業裝修	20% 或按租賃年期 (以較短者為準)
廠房及機器	6% – 10%
汽車	18% – 20%
傢俬、 固定裝置及 辦公室設備	18% – 20%

資產之殘值、折舊方法及可使用年期會於每個報告日期進行檢討，並在適當情況下並作出調整。

報廢或出售所產生之收益或虧損乃出售該項資產所得款項與其賬面值間之差額，並於出售時在損益確認。

在建工程意指建造中之租賃樓宇及廠房及機器，並按成本扣除所有累計減值虧損列賬。成本包括直接建築成本以及在建設和安裝期間內撥作資本的借貸成本。在準備資產使其可作預定用途所需之工作大致完成時，有關之成本停止撥作資本，而相關工程會轉移到物業、廠房及設備類別。在建工程不計提折舊，直到建設完成並可作預定用途時為止。

其後成本僅會於與項目有關之未來經濟利益有可能流入本集團，且項目之成本能可靠地計量時，方會列入資產之賬面值或確認為獨立資產(如適用)。維修及保養費等所有其他成本於產生之財政期間自損益扣除。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Property, plant and equipment (Continued)

Depreciation on property, plant and equipment is provided to write off the cost less their residual values, if any, over their estimated useful lives, using the straight-line method, at the following rates per annum:

Buildings	4.5% – 5% or the lease term, whichever is shorter
Leasehold improvements	20% or the lease term, whichever is shorter
Plant and machinery	6% – 10%
Motor vehicles	18% – 20%
Furniture, fixtures and office equipment	18% – 20%

The assets' residual values, depreciation method and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss on disposal.

Construction in progress represents leasehold buildings and plant and machinery under construction, which is stated at cost less any accumulated impairment losses. Cost comprises direct cost of construction as well as borrowing costs capitalised during the periods of construction and installation. Capitalisation of these costs ceases and the construction is transferred to the appropriate class of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

3. 主要會計政策概要 (續)

(g) 預付土地租賃款項

就收購根據經營租賃持有之土地所作出之預付款項，乃以成本減累計攤銷及任何累計減值虧損列賬。至於安排是否屬於租賃或是否包含租賃以及該租賃是否屬於經營租賃，有關的釐定方式乃於附註3(n)詳述。攤銷乃按租期／使用權有效期以直線法計算，惟倘有另一種基準更能反映本集團透過利用有關土地產生收益之時間模式則除外。

預付土地租賃款項包括賺取租金收入之部分及為行政目的而持有的部分。由於持有作為賺取租金的部分不能單獨出售及並不重大，故被列為預付土地租賃款項，而不是投資物業。

(h) 投資物業

投資物業是指為賺取租金收入及／或為資本增值而以租賃權益擁有或持有的土地及／或建築物，包括就尚未確定未來用途持有的土地及正在興建或發展以於將來作投資物業之用的物業。

如本集團以經營租賃持有物業權益以賺取租金收入及／或取得資本增值，有關權益會按每項物業分類為投資物業及入賬為投資物業。分類為投資物業的任何物業權益的入賬方式與假定以融資租賃持有的權益相同。

投資物業於初步確認時按成本(包括任何應計之直接開支)計量。初步確認後，除非投資物業在報告日期仍處於在建或發展階段，而其公平值當時不能可靠地確定，否則投資物業按公平值列賬。公平值每年由對投資物業地點及性質具豐富經驗之外聘專業估值師釐定。在報告日期確認的賬面值可反映報告日期當時之市況。

公平值變化或出售投資物業所產生之收益或虧損於產生期間列入損益。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Prepaid land lease payments

Upfront payments made to acquire land held under an operating lease are stated at cost less accumulated amortisation and any accumulated impairment losses. The determination if an arrangement is or contains a lease and the lease is an operating lease is detailed in note 3(n). Amortisation is calculated on a straight-line method over the term of the lease/right of use except where an alternative basis is more representative of the time pattern of benefits to be derived by the Group from use of the land.

The prepaid land lease payments comprise a portion that is held to earn rentals and the other portion that is held for administrative purpose. As the portion held to earn rentals cannot be sold separately and is insignificant, it is classified as prepaid land lease payments rather than investment property.

(h) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease.

On initial recognition, investment property is measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment property is stated at fair value, unless it is still in the course of construction or development at the reporting date and its fair value cannot be reliably determined at that time. Fair value is determined by external professional valuers, with sufficient experience with respect to both the location and the nature of the investment property. The carrying amounts recognised at the reporting date reflect the prevailing market conditions at the reporting date.

Gains or losses arising from either changes in the fair value or the sale of an investment property are included in profit or loss in the period in which they arise.

3. 主要會計政策概要 (續)

(h) 投資物業 (續)

如將自用物業轉入投資物業，自用物業在轉讓日期的公平值即視為投資物業的成本，而任何重估增值或虧損，即公平值與以往賬面值之間的差額，則作為重估增值或虧損在權益入賬。除非同一物業在往年已確認減值虧損，且增值部分(惟只以減值虧損款額為限)已於損益確認，否則增值直接確認於權益。減值於損益確認。超出已列入在該物業的重估增值金額之減少在損益確認。

(i) 研發活動

與研究活動相關之成本於產生時於損益支銷。發展活動直接應佔之成本確認為無形資產，惟須符合下列有關確認的規定：

- (i) 供內部使用或出售之準產品證實
在技術上可以完成；
- (ii) 有意完成無形資產並加以使用或
將其出售；
- (iii) 本集團使用或出售無形資產之能
力得到證明；
- (iv) 無形資產極有可能透過內部使用
或出售產生經濟利益；
- (v) 有足夠技術、財務及其他資源可
用於完成研發；及
- (vi) 無形資產應佔開支能可靠地計
量。

直接成本包括因發展活動而產生的僱員成本及適當比例的間接開支。因內部開發而產生之軟件、產品或知識如符合以上確認要求，有關的開發成本確認為無形資產。此等成本的後續計量方法與已收購的無形資產相同。

所有其他開發成本均於產生時支銷。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Investment properties (Continued)

For a transfer of an owner-occupied property to an investment property, the deemed cost of investment property is the fair value of the owner-occupied property at the date of transfer and any revaluation gain or loss, being the difference between fair value and the previous carrying amount, is accounted for as a revaluation surplus or deficit in equity. Increase is recognised directly in equity, unless there was an impairment loss recognised for the same property in prior years and a portion of the increase is recognised in profit or loss to the extent of that impairment loss. Decrease is recognised in profit or loss for any decrease in excess of the amount included in the revaluation surplus for that property.

(i) Research and development activities

Cost associated with research activities are expensed in profit or loss as they occur. Costs that are directly attributable to development activities are recognised as intangible assets provided they meet the following recognition requirement:

- (i) demonstration of technical feasibility of completing the prospective product for internal use or sale;
- (ii) there is intention to complete the intangible asset and use or sell it;
- (iii) the Group's ability to use or sell the intangible asset is demonstrated;
- (iv) the intangible asset will generate probable economic benefits through internal use or sale;
- (v) sufficient technical, financial and other resources are available for completion; and
- (vi) the expenditure attributable to the intangible asset can be reliably measured.

Direct costs include employee costs incurred on development activities along with an appropriate portion of relevant overheads. The costs of development of internally generated software, products or knowhow that meet the above recognition criteria are recognised as intangible assets. They are subject to the same subsequent measurement method as acquired intangible assets.

All other development costs are expensed as incurred.

3. 主要會計政策概要 (續)

(j) 金融資產

本集團金融資產分類為貸款及應收款項及按公平值計入損益的金融資產。管理層於初步確認時，按收購金融資產之目的將金融資產分類。在容許及適當情況下，金融資產之分類於每個報告日期重新評估。

所有金融資產於及僅於本集團成為該工具之合約條文的一方時，方予確認。初步確認金融資產時，會按公平值，再加上直接應佔交易成本計量。

倘自資產獲取現金流量之合約權利已屆滿或已轉讓，且其擁有權之絕大部分風險及回報已轉讓，則終止確認金融資產。

於每個報告日期，會檢討金融資產以評估有否客觀跡象顯示減值。倘有任何該等跡象，則會按該金融資產之分類釐定及確認減值虧損。

貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款之非衍生且並無活躍市場報價之金融資產。貸款及應收款項其後使用實際利息法以攤銷成本減任何減值虧損計量。計量攤銷成本時已計及任何收購折讓或溢價，並包括屬實際利息及交易成本重要組成部分之費用。

按公平值計入損益之金融資產

按公平值計入損益之金融資產乃主要持作買賣用途之金融資產，而購入之目的是於短期內將其出售，或該金融資產為可識別金融工具組合(被彙集管理及可證明具備短期獲利形態)之一部分。衍生工具，包括獨立的嵌入式衍生工具，除非被指定為有效的對沖工具或財務擔保合同，否則亦被歸類為持作買賣。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial assets

Financial assets of the Group are classified into loans and receivables and financial assets at fair value through profit or loss. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. When financial assets are recognised initially, they are measured at fair value, plus directly attributable transaction costs.

Derecognition of financial assets occurs when the contractual rights to receive cash flows from the assets expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are mainly financial assets held for trading and they are acquired for the purpose of selling in the near term, or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

3. 主要會計政策概要 (續)

(j) 金融資產 (續)

按公平值計入損益之金融資產 (續)

倘一份合約含有一項或以上之嵌入式衍生工具，則整個混合而成的合約可被指定為按公平值計入損益之金融資產，除非嵌入式衍生工具並不顯著改變現金流量或分離嵌入式衍生工具顯然被禁止，則另當別論。

倘符合下列標準，則金融資產於初步確認時可被指定為按公平值列入損益：

- 該指定清除或顯著減少按不同基準計量資產或確認資產收益或虧損而產生不一致之處理方式；或
- 資產為一組金融資產之一部分，該組金融資產根據以文件記載形式制定之風險管理策略按公平值基準進行管理及評估表現，而該組金融資產之資料乃按該基準以內部文件形式提供予主要管理人員；或
- 金融資產含有須作獨立記錄之嵌入式衍生工具。

於初步確認後，計入本類別之金融資產乃按於損益賬內確認之公平值計量。公平值乃參考活躍市場交易或(如無活躍市場)以估值技術來確定。公平值變動收益或損失不包括該等金融資產所賺取的任何股息或利息。股息及利息收入根據本集團之政策確認。

金融資產之減值

金融資產會於每個報告日期進行檢討，以釐定有否任何客觀跡象顯示減值。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial assets (Continued)

Financial assets at fair value through profit or loss (Continued)

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial assets may be designated at initial recognition as at fair value through profit or loss if the following criteria are met:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; or
- the assets are part of a group of financial assets which are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy and information about the group of financial assets is provided internally on that basis to the key management personnel; or
- the financial asset contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial assets included in this category are measured at fair value recognised in profit or loss. Fair value is determined by reference to active market transactions or using a valuation technique where no active market exists. Fair value gain or loss does not include any dividend or interest earned on these financial assets. Dividend and interest income is recognised in accordance with the Group's policies.

Impairment of financial assets

At each reporting date, financial assets are reviewed to determine whether there is any objective evidence of impairment.

3. 主要會計政策概要 (續)

(j) 金融資產 (續)

金融資產之減值 (續)

個別金融資產之客觀減值跡象包括本集團注意到可顯示以下一項或多項虧損事件之顯著數據：

- 債務人有重大財務困難；
- 違反合約，如拖欠或未能如期償還利息或本金；
- 債務人極有可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境有重大改變而對債務人有不利影響；及
- 對權益工具之投資的公平值顯著或持續下降至低於其成本。

一組金融資產之虧損事件包括出現顯著數據，可顯示該組金融資產之估計未來現金流量會有可計量之減少。該等顯著數據包括(但不限於)該組別內應收賬項之付款情況，以及與該組別資產違約有關連的國家或地方經濟情況出現不利變動。

倘有客觀跡象顯示按攤銷成本列賬之貸款及應收款項出現減值虧損，有關虧損金額為資產賬面值與估計日後現金流量(不包括尚未產生之日後信貸虧損)按該金融資產原本實際利率(即初步確認時用作計算之實際利率)折現之現值間之差額。虧損金額會於減值產生之期間在損益確認。

倘於往後期間，減值虧損金額減少，而有關減少客觀地關乎確認減值後發生之事件，則早前確認之減值虧損將予撥回，惟於撥回減值當日金融資產之賬面值不得因而超逾在並無確認減值的情況下而原應釐定之攤銷成本。撥回金額於撥回產生之期間在損益確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial assets (Continued)

Impairment of financial assets (Continued)

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

- Significant financial difficulty of the debtor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

3. 主要會計政策概要 (續)

(k) 存貨

存貨乃按成本值與可變現淨值兩者中之較低者列賬。可變現淨值按日常業務中之估計售價扣除預計完成成本及適用之銷售開支。成本按加權平均法釐定，如屬半成品和成品，則包括直接材料，直接工資、適當比例的間接開支及分包費用(如屬適用)。

(l) 現金及現金等值項目

現金及現金等值項目包括銀行及手頭現金、銀行活期存款以及可隨時兌換為已知金額現金(原到期日為三個月或以內)，且所涉及價值變動風險輕微之短期高流通量投資。

(m) 金融負債

本集團之金融負債包括銀行借貸及貿易應付賬、應付未付賬款及其他應付款項。此等項目已包括在財務狀況表中流動和非流動負債下的銀行借貸、貿易應付賬、應付未付賬款及其他應付款項。

金融負債乃於本集團成為工具合約條文之一方時確認。所有利息相關開支乃根據本集團就借貸成本採納之會計政策(見附註3(u))確認。

金融負債於負債責任獲履行、註銷或到期時終止確認。

倘現行金融負債以由相同借款人按極為不同條款作出之另一項金融負債取代，或現行負債之條款大幅修訂，則有關取代或修訂視作終止確認原有負債及確認新負債處理，而各賬面值間之差額會於損益確認。

借貸

借貸初步按公平值扣除交易成本確認，其後則按攤銷成本列賬；至於所得款項(扣除交易成本)與贖回價值間之任何差額，乃於借貸期內使用實際利息法於損益確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Inventories

Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses. Cost is determined using the weighted average basis, and in the case of work in progress and finished goods, comprise direct materials, direct labour and an appropriate proportion of overheads, and where appropriate, subcontracting charges.

(l) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(m) Financial liabilities

The Group's financial liabilities include bank borrowings and trade payables, accruals and other payables. They are included in line items in the statement of financial position as bank borrowings under current and non-current liabilities, trade payables and accruals and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs (see note 3(u)).

A financial liability is derecognised when the obligations under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

3. 主要會計政策概要 (續)

(m) 金融負債 (續)

借貸 (續)

借貸歸類為流動負債，除非本集團有權無條件延遲至報告日期至少十二個月後償還則作別論。

貿易應付賬、應付未付賬款及其他應付款項

貿易應付賬、應付未付賬款及其他應付款項初步按各自的公平值確認，其後以實際利息法按攤銷成本計量。

(n) 租賃

倘本集團確定一項安排賦予於經議定期間內使用一項或多項指定資產之權利，而使用者須付款或作出一系列付款作為回報，則該安排(包括一項交易或一系列交易)屬於或包含租賃。本集團評估該項安排之實際內容後，方作出上述確定，而不會考慮該項安排是否擁有租約之法定形式。

(i) 本集團承租之資產之分類

本集團按租賃持有而擁有權之絕大部分風險及回報轉讓予本集團之資產，乃分類為按融資租賃持有。如租賃並無將擁有權之絕大部分風險及回報轉讓予本集團，則分類為經營租賃，但下列情況例外：

按經營租賃持有的物業如符合投資物業之定義，則按個別物業分類為投資物業。倘已分類為投資物業，入賬方式與歸類為按融資租賃持有者相同(見附註3(h))。

(ii) 經營租賃費用(作為承租人)

如本集團有權使用按經營租賃持有之資產，則除非有較租賃資產產生利益之時間模式更具代表性之另一基準，否則根據租賃作出之付款會按租期以直線法於損益扣除。至於所得之租賃獎勵，會作為已繳付租賃付款淨值總額之重要組成部分於損益確認。或然租金於發生之會計期間於損益扣除。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Financial liabilities (Continued)

Borrowings (Continued)

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Trade payables, accruals and other payables

Trade payables, accruals and other payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

(n) Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (see note 3(h)).

(ii) Operating lease charges as the lessee

Where the Group has the right to use the assets held under operating leases, payments made under the leases are charged to profit or loss on a straight-line method over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rental are charged to profit or loss in the accounting period in which they are incurred.

3. 主要會計政策概要 (續)

(n) 租賃 (續)

(iii) 根據經營租賃租賃之資產 (作為出租人)

根據經營租賃租賃之資產乃按資產性質計量及呈列。因商議及安排經營租賃而產生之初步直接成本會記入租賃資產之賬面值，並以與租金收入相同之基準按租期確認為開支。

經營租賃所得租金收入按租期覆蓋之期間以直線法於損益確認，除非有較使用租賃資產產生利益之時間模式更具代表性之另一基準則作別論。至於所得之租賃獎勵，會作為應收租賃付款淨值總額之重要組成部分於損益確認。或然租金於賺得之會計期間確認為收入。

(o) 撥備及或然負債

倘本集團因過往事件負上現有責任 (指法律或推定責任)，並可能須以流出經濟利益來承擔有關責任及可就負債金額作出可靠估計，方會確認撥備。倘幣值時間價值重大，撥備會以承擔責任之預期所需支出之現值列賬。

在每個報告日期，會對所有撥備進行檢討及調整，以反映當時最合適的估計。

倘極有可能毋須流出經濟利益或無法可靠地估計有關金額，則有關責任會披露為或然負債，惟倘經濟利益極不可能流出則作別論。至於潛在責任，存在與否僅取決於是否發生非本集團所能完全控制之一項或多項未來不確定事件，而潛在責任乃披露為或然負債，惟倘經濟利益極不可能流出則作別論。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Leases (Continued)

(iii) Assets leased out under operating leases as the lessor

Assets leased out under operating leases are measured and presented according to the nature of the assets. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the rental income.

Rental income receivable from operating leases is recognised in profit or loss on a straight-line method over the periods covered by the lease term, except where an alternative basis is more representative of the time pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(o) Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3. 主要會計政策概要 (續)

(o) 撥備及或然負債 (續)

或然負債於購買價分配至在業務合併中所收購資產及負債過程中確認。或然負債初步按收購日期之公平值計量，其後按在上述可資比較撥備中確認之金額與初步確認金額減任何累計攤銷(如適用)之較高者計量。

(p) 股本

普通股乃分類為權益。股本乃使用已發行股份之面值釐定。

與發行股份有關之任何交易成本乃自股份溢價(扣除任何相關所得稅利益)扣除，惟以權益交易之直接應佔成本增加幅度為限。

(q) 收益確認

收益包含因銷售貨品及其他人士使用本集團資產產生利益而已收或應收的代價的公平值。倘經濟利益極有可能流入本集團，且能可靠地計量收益及成本(如適用)，收益按以下基準確認：

銷售貨品於貨品擁有權涉及之大部分風險及權益轉移至客戶時確認。一般於貨品送發及客戶收取貨品時確認。

按經營租賃應收之租金收入按租期覆蓋之會計期間以等額方式於損益確認。授出之租賃獎勵於損益確認為租約應收款項淨值總額的重要組成部分。倘於會計期間賺得或然租金，則確認為該期間之收入。

利息收入使用實際利息法按時間比例基準確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Provisions and contingent liabilities (Continued)

Contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in a business combination. They are initially measured at fair value at the date of acquisition and subsequently measured at the higher of the amount that would be recognised in a comparable provision as described above and the amount initially recognised less any accumulated amortisation, if appropriate.

(p) Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefits) to the extent that they are incremental cost directly attributable to the equity transaction.

(q) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and the use by others of the Group's assets yielding interest. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

Sales of goods are recognised upon transfer of the significant risks and rewards of ownership to the customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods.

Rental income receivable under operating leases is recognised in profit or loss in equal installments over the accounting periods covered by the lease terms. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

Interest income is recognised on a time-proportion basis using the effective interest method.

3. 主要會計政策概要 (續)

(r) 政府補貼

只有在可以合理保證能收取政府補貼以及本集團會符合政府補貼之附帶條件之情況下，政府補貼方會按公平值確認。政府補貼為遞延項目，並須於將補貼用於補償符合授出補貼原意的相關成本的期間在損益確認。涉及購置物業、廠房及設備之政府補貼已包括在財務狀況表中的負債作為遞延收入，並以直線法按有關資產預計年期在損益確認。

涉及收入的政府補貼已在綜合收益表中「其他收入」下的總額呈報。

(s) 其他資產之減值

物業、廠房及設備、預付土地租賃款項以及於附屬公司之投資及於共同控制實體之權益須進行減值測試。

所有該等資產於有跡象顯示可能無法收回賬面值時測試減值。

減值虧損按資產之賬面值超出其可收回金額之部分，即時確認為支出。可收回金額為反映市況之公平值（減銷售成本）與使用價值兩者中之較高者。評估使用價值時，估計日後現金流量按可反映幣值時間價值之現行市場評估及該資產之特定風險之稅前折現率，折現至其現值。

就評估減值而言，倘資產並無產生大致上獨立於其他資產之現金流入，其可收回金額會就獨立產生現金流入之最小組別資產（即現金產生單位）釐定。因此，部分資產會個別測試減值，部分則按現金產生單位測試。

如用以釐定資產可收回款額之估計出現有利變化，減值虧損將予回撥，但回撥不得導致資產賬面值超過在無確認減值虧損的情況下原應得出之賬面值（扣除折舊或攤銷）。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income in the statement of financial position and are recognised in profit or loss on a straight-line method over the expected lives of the related assets.

Government grants relating to income is presented in gross under "Other income" in the consolidated income statement.

(s) Impairment of other assets

Property, plant and equipment, prepaid land lease payments, investments in subsidiaries and interest in a jointly controlled entity are subject to impairment testing.

All these assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflow independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. 主要會計政策概要 (續)

(t) 僱員福利

退休福利

給予僱員之退休福利乃透過界定供款計劃提供。

本集團按照強制性公積金計劃條例為所有合資格參與強制性公積金計劃的僱員設立界定供款退休福利計劃。供款乃按僱員基本薪金之百分比作出。

本集團設於中國之附屬公司之僱員，須參與由有關地方政府統籌之中央退休金計劃。

在僱員提供服務之年度，供款於損益確認為開支。本集團在這些計劃下之責任僅為按固定比率作出供款。

短期僱員福利

僱員應得之年假於僱員可享有時確認。因僱員於截至報告日期為止提供之服務而可享有之年假之估計負債已作撥備。

非累計之有薪假期（例如病假及產假），於休假時方予確認。

以股份支付之薪酬

本集團推行股權結算以股份支付之薪酬計劃，提供給其若干僱員及一位供應商。僱員提供以換取獲授任何以股份支付之薪酬之所有服務，乃按照公平值計量。此乃參照所獲得之權益工具而間接釐定，其價值乃於授出日期評估，並不包括任何非市場歸屬條件（如盈利能力及銷售增長目標）之影響。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Employee benefits

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution retirement benefit plan under the Mandatory Provident Fund Schemes Ordinance, for all of its employees who are eligible to participate in the Mandatory Provident Fund Scheme. Contributions are made based on a percentage of the employees' basic salaries.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government.

Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

Share-based compensation

The Group operates equity-settled share-based compensation plans to certain employees and a supplier. All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the equity instruments awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

3. 主要會計政策概要 (續)

(t) 僱員福利 (續)

以股份支付之薪酬 (續)

所有以股份支付之薪酬按歸屬期(若歸屬條件適用)在損益確認為開支，或於授出的權益工具即時歸屬時，在授出日期悉數確認為開支，除非有關薪酬符合資格確認為資產，且在權益內以股份支付之款項儲備出現相應增加則作別論。倘歸屬條件適用，則開支會按歸屬期因應預期歸屬之權益工具數目之最佳可得估計確認。在有關預期將予歸屬之權益工具數目之假設中，已納入非市場歸屬條件。倘有任何跡象顯示預期歸屬之權益工具數目與過往之估計不同，會於其後修訂估計。

於購股權獲行使時，先前於以股份支付之款項儲備確認為之款額將撥入股份溢價。於歸屬日期後，如已歸屬之購股權其後被沒收或於到期日尚未行使，早前於以股份支付之款項儲備確認為之金額將轉撥保留溢利。

就本公司最終控股公司轉讓予本公司一位僱員之股份而言，所獲取服務之公平值乃參考所授出股份於授出日期之公平值而釐定，並以直線法按歸屬期支銷及同時增加股本。於每個報告日期，本集團會因應以非市場表現歸屬條件向一位僱員授出的股份，修訂其就預期最終歸屬之股份數目所作之估計。修訂估計於歸屬期內之影響(如有)會在損益確認，並把相關之調整反映在儲備中。

(u) 借貸成本

就收購、建造或生產任何合資格資產所產生之借貸成本，作為合資格資產成本的一部分，於完成及準備資產作擬定用途或正在開展出售的期間內撥作資本。合資格資產乃指需要一段長時間方可達致擬定用途或出售的資產。其他借貸成本於產生時支銷。

在使合資格資產作擬定用途或銷售所需的絕大部分準備工作完成時，借貸成本即停止撥作資本。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Employee benefits (Continued)

Share-based compensation (Continued)

All share-based compensation is recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as asset, with a corresponding increase in the share-based payment reserve in equity. If vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates.

At the time when the share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. After vesting date, when the vested share options are later forfeited or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to retained profits.

For shares transferred to an employee of the Company by the Company's ultimate holding company, the fair value of services received is determined by reference to the fair value of shares granted at the grant date, and is expensed on a straight-line method over the vesting period with a corresponding increase in equity. At each reporting date, for shares granted to an employee with non-market performance vesting conditions, the Group revises its estimates of the number of shares that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to reserve.

(u) Borrowing costs

Borrowing costs incurred for the acquisition, construction or production of any qualifying asset are capitalised, as part of the cost of a qualifying asset, during the period of time that is required to complete and prepare the asset for its intended use or sale are being undertaken. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

3. 主要會計政策概要 (續)

(v) 所得稅之會計方法

所得稅包括即期稅項及遞延稅項。

即期所得稅資產及／或負債包括現行或上個報告期間應向財政機關支付或提出而於報告日期尚未支付之責任或索償，乃根據有關財政期間之適用稅率及稅務法例，按照相關年度之應課稅溢利計算。所有即期稅務資產或負債之變動均於損益確認為稅項開支一部分。

遞延稅項乃就於報告日期在財務報表內資產及負債之賬面值與其相關稅基之間的暫時差額，按負債法計算。一般就所有應課稅暫時差額確認遞延稅項負債。遞延稅項資產乃就所有可扣減暫時差額、可結轉稅項虧損及其他未動用稅項抵免確認，惟須有應課稅溢利(包括現有應課稅暫時差額)可用作抵銷可扣減暫時差額、未動用稅項虧損及未動用稅項抵免。

至於有關確定計量遞延所得稅金額的適當稅率的一般規定，乃於投資物業根據香港會計準則第40號「投資物業」按公平值計量時出現例外情況。除非假設可予駁回，否則這些投資物業的遞延稅項金額將採用於報告日期按賬面值出售這些投資物業適用的稅率計量。當投資物業可予折舊，而且持有該物業之業務模式的目標是隨著時間消耗該投資物業絕大部分經濟收益(並非透過銷售)，則此假設可予駁回。

遞延稅項負債乃就於附屬公司的投資及於一間共同控制實體的權益產生之應課稅暫時差額確認，惟倘本集團可控制暫時差額之撥回及暫時差額極有可能不會於可見將來撥回則除外。

遞延稅項乃不計折現，按預期於付還負債或變現資產之期間適用而於報告日期已制定或大致制定之稅率計算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Accounting for income tax

Income tax for the year comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

An exception to the general requirement on determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under HKAS 40 "Investment Property". Unless the presumption is rebutted, the deferred tax amounts on these investment properties are measured using the tax rates that would apply on sale of these investment properties at their carrying amounts at the reporting date. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interest in a jointly controlled entity, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

3. 主要會計政策概要 (續)

(v) 所得稅之會計方法 (續)

所得稅於損益中確認，除非此等所得稅涉及在其他全面收益中確認的項目，在這種情況下，稅項亦在全面收益中確認。

即期稅項資產與即期稅項負債只會於以下情況以淨額呈列：

- (a) 本集團依法有強制執行權可將已確認金額對銷；及
- (b) 計劃以淨額基準結算，或同時變現資產及結清負債。

本集團只會於以下情況以淨額呈列遞延稅項資產與遞延稅項負債：

- (a) 該實體依法有強制執行權可將即期稅項資產與即期稅項負債對銷；及
- (b) 遞延稅項資產與遞延稅項負債是關於同一稅務機關就以下任何一項所徵收的所得稅：
 - (i) 同一應課稅實體；或
 - (ii) 計劃於各段未來期間(已預期在有關期間內結清或收回大額的遞延稅項負債或資產)以淨額基準結算即期稅項負債與資產或同時變現資產及結清負債的不同應課稅實體。

(w) 分部報告

主要經營決策者(即執行董事)獲定期匯報內部財務資料，以供彼等就本集團業務組成部分的資源分配作決定，以及供彼等審閱該等組成部分的表現，而本集團則根據該等資料劃分經營分部及編製分部資料。向執行董事報告之內部財務資料的業務組成部分，乃依照本集團之主要產品及服務類別而釐定。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Accounting for income tax (Continued)

Income tax are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the tax is also recognised in comprehensive income.

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (i) the same taxable entity; or
 - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(w) Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the chief operating decision maker (i.e. executive Directors) for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive Directors are determined following the Group's major product and service lines.

3. 主要會計政策概要 (續)

(w) 分部報告 (續)

本集團已劃分以下可呈報分部：

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

上述各營運分部均分開管理，原因是各種產品及服務類別所需之資源以及市場推廣方式並不相同。分部間銷售所收取價格乃參考就同類訂單向外界客戶收取之價格而釐定。

本集團根據香港財務報告準則第8號就報告分部業績所採用的計量政策，與根據香港財務報告準則編製的財務報表所採用者相同，惟以下所述者除外：

- 以股份支付之款項開支
- 租金收入、租金成本及有關投資物業公平值收益
- 應佔一間共同控制實體溢利
- 衍生金融工具的公平值虧損
- 財務費用
- 所得稅

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Segment reporting (Continued)

The Group has identified the following reportable segments:

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

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

The measurement policies the Group used for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that:

- expenses related to share-based payments
- rental income, rental costs and fair value gains related to investment properties
- share of profit of a jointly controlled entity
- fair value loss on derivative financial instruments
- finance costs
- income tax

3. 主要會計政策概要 (續)

(w) 分部報告 (續)

- 非由任何經營分部業務活動直接應佔的企業收入及開支

於計算經營分部的經營業績時，以上各項並不包括在內。

分部資產包括投資物業以外的所有資產。此外，非由任何經營分部業務活動直接應佔的企業資產(主要適用於本集團總部)並不分配至分部。

分部負債不包括非由任何經營分部業務活動直接應佔，且不會分配至分部的企業負債，此乃指投資物業及本集團總部應佔之遞延稅項負債，以及為收購該等資產而特別借貸之資金。

並無對可呈報分部採用非對稱的分配。

(x) 關聯方

- (a) 一位人士或該位人士之家族成員近親與本集團有關連，前提是該位人士：
 - (i) 可控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 是本集團或本公司母公司主要管理人員之成員。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Segment reporting (Continued)

- corporate income and expenses which are not directly attributable to the business activities of any operating segment

are not included in arriving at the operating results of the operating segment.

Segment assets include all assets but investment properties. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarter.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. These include deferred tax liabilities attributable to investment properties and the Group's headquarters, and borrowings undertaken specifically to fund the acquisition of these assets.

No asymmetrical allocations have been applied to reportable segments.

(x) Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.

3. 主要會計政策概要 (續)

(x) 關聯方 (續)

(b) 如下列任何條件適用，一個實體即與本集團有關連：

- (i) 實體和本集團是同一集團的成員(意即每間母公司、附屬公司及同系附屬公司均互相有關)；
- (ii) 一個實體是另一個實體的聯營公司或合營公司(或是另一個實體所屬集團旗下成員的聯營公司或合營公司)；
- (iii) 兩個實體均是同一第三方的合營企業；
- (iv) 一個實體是第三實體的合營公司而另一個實體是第三實體之聯營公司；
- (v) 實體是為本集團或本集團關聯實體僱員福利而設的離職後福利計劃；
- (vi) 實體被確定為上述(a)的人士控制或共同控制；及
- (vii) 被確定為上述(a)(i)項的人士對實體有重大影響力或是該實體(或該實體的母公司)的關鍵管理人員的成員。

一位人士之家族成員近親乃指預期可以影響該人士與實體之間的交易或預期會受該人士與實體之間的交易影響的家族成員，並包括：

- (i) 該人士之子女和配偶或家庭伴侶；
- (ii) 該人士之配偶或家庭伴侶的子女；及
- (iii) 該人士或該人士之配偶或家庭伴侶的受扶養人。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions apply:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group;
- (vi) The entity is controlled or jointly controlled by a person identified in (a); and
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

4. 重要會計估計及判斷

估計及判斷會根據過往經驗及其他因素（包括在有關情況下對未來事件作出應為合理之預期）持續評估。

重要會計估計及假設

本集團作出有關未來之估計及假設。在定義上，由此作出的會計估計極有可能與實際情況不一致。具有重大風險，可能會導致下一財政年度資產和負債的賬面值出現大幅調整的估計和假設載述如下：

(i) 物業、廠房及設備的可使用年期與折舊

本集團釐定其物業、廠房及設備之估計可使用年期及相關折舊開支，而是項估計乃根據類似性質及功能之物業、廠房及設備之實際可使用年期之過往經驗作出。如可使用年期與先前估計者不同，本集團將修訂折舊開支，或將已棄用或出售且在技術上過時或屬非策略性之資產撇銷或撇減。

(ii) 投資物業之估計公平值

本集團已委任一間獨立專業估值師行評估投資物業之公平值。估值師於釐定公平值時，使用之估值方法涉及輸入若干估計數據。董事已作出判斷，認為該估值方法可反映目前市況。

(iii) 存貨估值

存貨之價值為成本與可變現淨值兩者中之較低者。存貨之可變現淨值乃於日常業務過程中之估計售價，減估計完成成本及銷售開支。該等估計是根據目前市況及製造和銷售同類產品之過往經驗而作出，並可因應客戶喜好改變及競爭對手因嚴峻的行業週期所採取的行動而顯著改變。本集團將於每個報告日期重新評估有關估計。

估計可變現淨值的評估涉及判斷及估計。倘日後之實際結果與原先之估計不同，該差異將會影響存貨之賬面值及於估計變動之期間之撇減支出／回撥。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Useful lives and depreciation of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(ii) Estimated fair values of investment properties

The Group appointed a firm of independent professional valuers to assess the fair values of the investment properties. In determining the fair values, the valuers have used a method of valuation which involves input of certain estimates. The Directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions.

(iii) Inventory valuation

Inventory is valued at the lower of cost and net realisable value. Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on the current market conditions and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customers' taste and competitors' actions in response to serve industry cycles. The Group will reassess the estimates by each reporting date.

The assessment of the estimated net realisable value involves judgement and estimates. Where the actual outcome in future is different from the original estimates, such difference will impact the carrying value of inventories and write-down/reversal of write-down in the period in which such estimates have been changed.

4. 重要會計估計及判斷 (續)

重要會計估計及假設 (續)

(iv) 物業、廠房及設備之估計減值

於每個報告日期，管理層會按附註3(s)所載之會計政策就是否存在客觀跡象顯示物業、廠房及設備已減值而進行評估。該等計算需要使用估計。

(v) 衍生金融工具的公平值

根據於二零一一年六月三十日本公司與合營夥伴簽訂之合營協議(「合營協議」)，本公司與合營夥伴分別獲授認購期權及認沽期權，據此，本公司有權要求合營夥伴出售合營夥伴於共同控制實體的45%權益，而合營夥伴有權要求本公司購買合營夥伴於共同控制實體的45%權益。進一步詳情已列載於附註29。衍生金融工具乃根據列載於附註3(j)的會計政策按公平值入賬為金融負債。衍生金融工具的公平值由獨立專業估值師根據二項式模型估計，須注意該估值是基於一定的假設，故受不確定因素影響，並可能存在重大偏差及影響衍生金融工具的公平值估計。

(vi) 所得稅及遞延稅項

本集團須繳納香港及中國之所得稅。於釐定所得稅撥備金額及有關支付稅項之時間時，須作出重大判斷。日常業務過程中有若干交易，而此等交易難以確定最終稅項之計算方法。本集團就預計稅項確認負債時，乃以估計有否額外稅項為根據。倘最終稅務結果與最初記錄之金額不同，有關差額將影響作出有關計算期間之所得稅撥備。

(vii) 股息分派所產生的預提稅項

本集團決定是否根據有關稅項司法權區就來自中國附屬公司之股息分派計提預提稅項時，乃取決於對派息時間所作之判斷。倘本集團認為在中國之附屬公司於二零零八年一月一日後賺取之溢利不可能於可預見將來分派，不會撥備預提稅項。此方面之未確認遞延稅項負債的詳情載於附註18。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Critical accounting estimates and assumptions (Continued)

(iv) Estimated impairment on property, plant and equipment

At each reporting date, management makes an assessment on whether there is objective evidence that the property, plant and equipment are impaired in accordance with the accounting policy stated in note 3(s). These calculations require the use of estimates.

(v) Fair value of derivative financial instruments

Pursuant to the joint venture agreement entered between the Company and the joint venture partner on 30 June 2011 ("JV Agreement"), the Company and the joint venture partner are granted call and put option respectively that entitled the Company to require the joint venture partner to sell 45% the joint venture partner's interest in the jointly controlled entity and entitled joint venture partner to require the Company to purchase 45% joint venture partner's interest in the jointly controlled entity. Further details are set out in note 29. The derivative financial instrument was accounted as a financial liability and stated at fair value in accordance with the accounting policies stated in note 3(j). The fair value of derivative financial instruments was estimated by independent professional valuer based on Binomial Lattice Model, it should be noted that the valuation was based on certain assumptions, which are subject to uncertainty and might materially differ affect the estimation of the fair value of derivative financial instruments.

(vi) Income taxes and deferred taxes

The Group is subject to income taxes in Hong Kong and the PRC. Significant judgement is required in determining the provision for income taxes and the timing of payment of the related taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such determination is made.

(vii) Withholding taxes arising from the distributions of dividends

The Group's determination as to whether to accrue for withholding taxes from the distribution of dividends from the subsidiaries in the PRC according to the relevant tax jurisdictions is subject to judgement on the timing of the payment of the dividends, where the Group considers that if it is probable that the profits of the subsidiaries in the PRC earned after 1 January 2008 will not be distributed in the foreseeable future, then no withholding taxes are provided. Details of the unrecognised deferred tax liabilities in this respect are set out in note 18.

財務報表附註 Notes to the Financial Statements

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5. 分部資料

執行董事已將本集團之六大產品及服務類別定為經營分部，詳情見附註3(w)。

此等經營分部是按經調整分部經營業績監察，而策略決定亦是按同一基準作出。

5. SEGMENT INFORMATION

The executive Directors have identified the Group's six product and service lines as operating segments as further described in note 3(w).

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

		二零一二年 2012						
		氰乙酸及其酯類產品 Cyanoacetic acid and its ester products 人民幣千元 RMB'000	氰化鈉及其下游產品 Sodium cyanide and its derivative products 人民幣千元 RMB'000	醇類產品 Alcohol products 人民幣千元 RMB'000	氯乙酸及其下游產品 Chloroacetic acid and its derivative products 人民幣千元 RMB'000	精細石油化工類產品 Fine petrochemical products 人民幣千元 RMB'000	其他副產品 Other by-products 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
收益：	Revenue:							
來自外界客戶	From external customers	787,868	94,610	43,121	32,661	30,200	15,435	1,003,895
分部間之收益	Inter-segment revenue	-	-	74,824	230,788	20,678	-	326,290
可呈報分部之收益	Reportable segment revenue	787,868	94,610	117,945	263,449	50,878	15,435	1,330,185
可呈報分部之溢利	Reportable segment profit	200,081	24,825	8,913	123,864	2,075	4,819	364,577
物業、廠房及設備折舊	Depreciation of property, plant and equipment	16,456	5,868	498	9,850	272	6,199	39,143
撇減至可變現淨值之存貨之回撥金額	Reversal of write-down of inventories to net realisable value	-	-	-	-	230	-	230
撇減至可變現淨值之存貨	Write-down of inventories to net realisable value	140	-	-	-	49	-	189
可呈報分部之資產	Reportable segment assets	347,430	98,539	27,047	98,661	16,433	70,185	658,295
非流動分部資產增加	Additions to non-current segment assets	23,118	56,166	-	15,580	-	143	95,007
可呈報分部之負債	Reportable segment liabilities	20,016	14,921	4,689	10,840	14,074	1,474	66,014

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截至二零一二年十二月三十一日止年度 For the year ended 31 December 2012

5. 分部資料 (續)

5. SEGMENT INFORMATION (Continued)

		二零一一年 2011						
		氰乙酸及其 酯類產品 Cyanoacetic acid and its ester products 人民幣千元 RMB'000	氰化鈉及其 下游產品 Sodium cyanide and its derivative products 人民幣千元 RMB'000	醇類產品 Alcohol products 人民幣千元 RMB'000	氯乙酸及其 下游產品 Chloroacetic acid and its derivative products 人民幣千元 RMB'000	精細石油 化工類產品 Fine petrochemical products 人民幣千元 RMB'000	其他副產品 Other by-products 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
收益：	Revenue:							
來自外界客戶	From external customers	752,322	91,946	63,955	16,158	37,092	10,690	972,163
分部間之收益	Inter-segment revenue	–	–	39,028	214,127	–	991	254,146
可呈報分部之收益	Reportable segment revenue	752,322	91,946	102,983	230,285	37,092	11,681	1,226,309
可呈報分部之溢利	Reportable segment profit	163,853	20,559	5,929	89,461	1,476	2,820	284,098
物業、廠房及設備折舊	Depreciation of property, plant and equipment	14,868	5,668	388	7,981	338	6,140	35,383
撇減至可變現淨值之存貨之 回撥金額	Reversal of write-down of inventories to net realisable value	12	–	142	1,528	314	–	1,996
可呈報分部之資產	Reportable segment assets	320,251	52,077	25,070	91,383	35,814	81,884	606,479
非流動分部資產增加	Additions to non-current segment assets	15,723	1,890	253	21,960	–	728	40,554
可呈報分部之負債	Reportable segment liabilities	25,357	8,308	1,063	13,181	34,303	5,672	87,884

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

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

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
可呈報分部之收益	Reportable segment revenue	1,330,185	1,226,309
抵銷分部間之收益	Elimination of inter-segment revenue	(326,290)	(254,146)
綜合收益	Consolidated revenue	1,003,895	972,163

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截至二零一二年十二月三十一日止年度 For the year ended 31 December 2012

5. 分部資料 (續)

5. SEGMENT INFORMATION (Continued)

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
可呈報分部之溢利	Reportable segment profit	364,577	284,098
租金收入	Rental income	837	555
投資物業重估增值	Revaluation gain on investment properties	590	230
股權結算以股份支付之款項開支	Equity-settled share-based payment expenses	(162)	(1,020)
財務成本	Finance costs	(8,692)	(6,642)
衍生金融工具的公平值虧損	Fair value loss on derivative financial instruments	(6,990)	—
企業不能分配之收入	Corporate unallocated income	1,280	1,283
企業不能分配之開支	Corporate unallocated expenses	(35,161)	(34,447)
應佔一間共同控制實體溢利	Share of profit of a jointly controlled entity	373	—
抵銷分部間之溢利	Elimination of inter-segment profit	(119,826)	(82,436)
除所得稅前綜合溢利	Consolidated profit before income tax	196,826	161,621
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
可呈報分部之資產	Reportable segment assets	658,295	606,479
於一間共同控制實體之權益	Interest in a jointly controlled entity	48,511	—
應收一間共同控制實體款項	Amount due from a jointly controlled entity	443	—
預付土地租賃款項	Prepaid land lease payments	55,294	56,587
投資物業	Investment properties	13,030	12,440
遞延稅項資產	Deferred tax assets	—	63
已抵押銀行存款	Pledged bank deposits	—	13,400
銀行及現金結餘	Bank and cash balances	49,962	63,889
物業、廠房及設備	Property, plant and equipment	112,006	101,877
其他企業資產	Other corporate assets	23,069	3,516
綜合總資產	Consolidated total assets	960,610	858,251
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
可呈報分部之負債	Reportable segment liabilities	66,014	87,884
銀行借貸	Bank borrowings	74,000	109,000
遞延稅項負債	Deferred tax liabilities	2,663	2,463
流動稅項負債	Current tax liabilities	13,421	9,681
衍生金融工具	Derivative financial instruments	6,990	—
其他企業負債	Other corporate liabilities	29,731	19,552
綜合總負債	Consolidated total liabilities	192,819	228,580

5. 分部資料 (續)

本集團來自外界客戶之收益劃分為以下地區：

5. SEGMENT INFORMATION (Continued)

The Group's revenue from external customers are divided into the following geographical areas:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
中國(本地)	The PRC (domicile)	787,279	772,001
台灣	Taiwan	47,992	37,762
美國	United States of America	32,651	31,395
印度	India	32,276	21,041
西班牙	Spain	19,369	7,840
愛爾蘭	Ireland	16,592	18,510
德國	Germany	17,671	15,089
其他	Others	50,065	68,525
		1,003,895	972,163

客戶之地區劃分以貨物送達地區為基準。由於大部分非流動資產實際位於中國，故無呈報按地區劃分之非流動資產。

The geographical location of customers is based on the location at which the goods delivered. No geographical location of the non-current assets is presented as the substantial non-current assets are physically based in the PRC.

截至二零一一年十二月三十一日止年度若干分部資料比較數字已重新分類。過往，氰化鈉及其下游產品包含在氰乙酸及其酯類產品內匯報。截至二零一二年十二月三十一日年度，因應資源分配及評估業務表現所需的內部報告信息的變動，氰化鈉及其下游產品作為一個獨立分部匯報。比較數字已相應重新分類。

Certain comparative figures in the segment information for the year ended 31 December 2011 has been reclassified. Previously, sodium cyanide and its derivative products were reported under the segment of cyanoacetic acid and its ester products. For the year ended 31 December 2012, sodium cyanide and its derivative products was reported as a separate segment as a result of the change in information reported internally for the purposes of resources allocation and assessment of business performance. Comparative figures have been reclassified accordingly.

財務報表附註 Notes to the Financial Statements

截至二零一二年十二月三十一日止年度 For the year ended 31 December 2012

6. 營業額及其他收入

本集團之主要業務已在附註27披露，而本集團營業額為該等業務之收入。本集團年內之主要業務收入及其他收入已確認如下：

6. TURNOVER AND OTHER INCOME

The Group's principal activities are disclosed in note 27. Turnover of the Group is the revenue from these activities. Revenue from the Group's principal activities and other income recognised during the year are as follows:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
營業額	Turnover		
銷售氰乙酸及其酯類產品	Sales of cyanoacetic acid and its ester products	787,868	752,322
銷售氰化鈉及其下游產品	Sales of sodium cyanide and its derivative products	94,610	91,946
銷售醇類產品	Sales of alcohol products	43,121	63,955
銷售氯乙酸及其下游產品	Sales of chloroacetic acid and its derivative products	32,661	16,158
銷售精細石油化工類產品	Sales of fine petrochemical products	30,200	37,092
銷售其他副產品	Sales of other by-products	15,435	10,690
		1,003,895	972,163
其他收入	Other income		
出售物業、廠房及設備淨收益	Gain on disposals of property, plant and equipment	12	—
政府補貼	Government grants	444	226
利息收入	Interest income	510	444
遞延收入撥回(附註24)	Release of deferred income (note 24)	2,740	2,740
租金收入	Rental income	837	555
雜項收入	Sundry Income	1,419	1,058
		5,962	5,023

7. 財務成本

7. FINANCE COSTS

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
以下各項之利息開支：	Interest charges on:		
於五年內全額償還之	Bank borrowings wholly repayable		
銀行貸款	within five years	7,725	6,642
貼現票據	Discounted bills	967	—
		8,692	6,642

分析顯示銀行借貸(包括載有按要求還款條款之定期貸款)按貸款協議所載預定還款日期之財務成本。截至二零一二年及二零一一年十二月三十一日止年度，載有按要求償還條款之銀行借貸之利息分別為人民幣2,821,000元及人民幣2,347,000元。

The analysis shows the finance costs of bank borrowings, including term loans which contain a repayment on demand clause, in accordance with the agreed scheduled repayments dates set out in the loan agreement. For the year ended 31 December 2012 and 2011, the interest on bank borrowings which contain a repayment on demand clause amounted to RMB2,821,000 and RMB2,347,000 respectively.

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截至二零一二年十二月三十一日止年度 For the year ended 31 December 2012

8. 除所得稅前溢利

8. PROFIT BEFORE INCOME TAX

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
除所得稅前溢利已扣除／(計入)：	Profit before income tax is arrived at after charging/(crediting):		
董事酬金(附註11(a))	Directors' remuneration (note 11(a))		
— 袍金	— Fees	310	314
— 薪金及津貼	— Salaries and allowances	3,544	3,363
— 退休福利計劃供款	— Retirement benefit scheme contributions	78	72
		3,932	3,749
其他員工成本	Other staff costs	49,826	43,407
退休福利計劃供款	Retirement benefit scheme contributions	3,086	2,533
股權結算以股份支付之款項開支	Equity-settled share-based payment expenses	162	1,020
總員工成本	Total staff costs	57,006	50,709
核數師酬金	Auditors' remuneration	528	462
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments	1,293	1,293
確認為開支之存貨成本(附註)，包括	Cost of inventories recognised as an expense (note), including	725,186	736,654
— 撇減至可變現淨值之存貨	— Write-down of inventories to net realisable value	189	—
— 撇減至可變現淨值之存貨之回撥金額	— Reversal of write-down of inventories to net realisable value	(230)	(1,996)
物業、廠房及設備折舊	Depreciation on property, plant and equipment	44,203	40,527
淨匯兌損失	Exchange losses, net	436	1,599
出售物業、廠房及設備之(收益)／虧損	(Gain)/Loss on disposals of property, plant and equipment	(12)	5
物業、廠房及設備撇賬	Written off on property, plant and equipment	174	—
有關租賃土地及樓宇的經營租賃的最低租賃款項	Minimum lease payments under operating leases in respect of leasehold land and buildings	663	594
租金收入減支出	Rental income less outgoings	(823)	(496)
帶來租金收入之投資物業所產生的直接經營開支	Direct operating expenses arising from investment properties that generated rental income	14	59
研究成本	Research costs	2,187	1,810

附註：存貨成本包括人民幣41,884,000元(二零一一年：人民幣38,123,000元)之相關折舊開支及人民幣42,180,000元(二零一一年：人民幣36,657,000元)之相關員工成本。

存貨撇減金額人民幣230,000元(二零一一年：人民幣1,996,000元)已撥回，原因是有關存貨之市場價格在二零一二年回升。

Note: Cost of inventories includes RMB41,884,000 (2011:RMB38,123,000) relating to depreciation expenses and RMB42,180,000 (2011:RMB36,657,000) relating to staff costs.

The write-down of inventories of RMB230,000 (2011: RMB1,996,000) was reversed as the market price of these inventories was increased in 2012.

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9. 所得稅開支

9. INCOME TAX EXPENSE

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
即期稅項－中國企業所得稅	Current tax – PRC Enterprise Income Tax	37,381	29,088
遞延稅項(附註18)	Deferred tax (note 18)	263	173
所得稅開支	Income tax expense	37,644	29,261

所得稅開支與除稅前溢利乘以中國企業所得稅稅率之積之對賬如下：

The reconciliation between the income tax expense and the profit before income tax multiplied by the PRC enterprise income tax rate is as follows:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
除所得稅前溢利	Profit before income tax	196,826	161,621
按中國企業所得稅稅率25% (二零一一年：25%) 計算之稅項	Tax at PRC enterprise income tax rate of 25% (2011: 25%)	49,207	40,405
不可扣稅開支之稅務影響	Tax effect of non-deductible expenses	2,736	1,689
非應稅收入的稅務影響	Tax effect of non-taxable income	(122)	–
本年度動用過往年度未確認 稅務虧損之稅務影響	Tax effect of prior year's unrecognised tax losses utilised this year	(83)	(70)
本公司中國附屬公司獲得 稅務豁免及稅務優惠之影響	Effect of tax exemption and concession granted to the Company's subsidiaries in the PRC	(15,458)	(12,480)
其他	Others	1,364	(283)
所得稅開支	Income tax expense	37,644	29,261

由於本集團之收入並非在香港產生或來自香港，故並無作出香港利得稅撥備。

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

濰坊同業化學有限公司及濰坊柏立化學有限公司須按中國企業所得稅稅率25%繳納二零一二年之中國企業所得稅(二零一一年：25%)。

Weifang Common Chem Co., Ltd. and Weifang Parasia Chem Co., Ltd. are subject to the PRC Enterprise Income Tax at the rate of 25% for 2012 (2011: 25%).

上海德弘化工有限公司須按中國企業所得稅稅率25%繳納二零一二年之中國企業所得稅(二零一一年：24%乃中國上海浦東新區之適用稅率)。

Shanghai Dehong Chemical Company Limited is subject to the PRC Enterprise Income Tax at the rate of 25% for 2012 (2011: 24%, being the applicable tax rate in Shanghai Pudong New District, the PRC).

9. 所得稅開支(續)

根據相關中國法律法規，濰坊濱海石油化工有限公司(「濰坊濱海」)合資格獲得中國若干免稅期及稅務優惠。免稅期及稅務優惠之形式為由首個獲利年度起獲完全豁免兩個年度之稅項，其後三年則可享50%適用稅率減免。由於二零一二年為濰坊濱海第五個獲利年度，故按適用之中國企業所得稅優惠稅率12.5%(二零一一年：12.5%)計提中國企業所得稅。

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

10. 本公司擁有人應佔溢利

本公司擁有人應佔綜合溢利為人民幣159,182,000元(二零一一年：人民幣132,360,000元)，其中虧損人民幣8,073,000元(二零一一年：虧損人民幣720,000元)已在本公司之財務報表中列賬。

9. INCOME TAX EXPENSE (Continued)

Pursuant to the relevant laws and regulations in the PRC, Weifang Binhai Petro-Chem Co., Ltd. ("Weifang Binhai") is eligible for certain tax holidays and concessions in the PRC. The tax holidays and concessions are in the form of two years tax exemption from the first profitable year, followed by a 50% reduction of the applicable tax rate in the following three years. The PRC Enterprise Income Tax has been provided for Weifang Binhai at the preferential rate of 12.5% for 2012 (2011: 12.5%) as this was the fifth profitable year.

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

10. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

Of the consolidated profit attributable to owners of the Company of RMB159,182,000 (2011: RMB132,360,000), a loss of RMB8,073,000 (2011: a loss of RMB720,000) has been dealt with in the financial statements of the Company.

財務報表附註 Notes to the Financial Statements

截至二零一二年十二月三十一日止年度 For the year ended 31 December 2012

II. 董事酬金及五名最高酬金人士

(a) 董事酬金

已付或應付予每位董事之酬金如下：

		袍金 Fees 人民幣千元 RMB'000	薪酬及津貼 Salaries and allowances 人民幣千元 RMB'000	退休福利 計劃供款 Retirement benefit scheme contributions 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
二零一二年	2012				
執行董事	Executive Directors				
劉洪亮	Liu Hongliang	–	1,078	21	1,099
王子江	Wang Zijiang	–	822	19	841
郭希田	Guo Xitian	–	822	19	841
郭玉成	Guo Yucheng	–	822	19	841
獨立非執行董事	Independent non-executive Directors				
梁錦雲	Leung Kam Wan	114	–	–	114
高寶玉	Gao Baoyu	98	–	–	98
劉晨光	Liu Chenguang	98	–	–	98
二零一二年合計	Total for 2012	310	3,544	78	3,932
二零一一年	2011				
執行董事	Executive Directors				
劉洪亮	Liu Hongliang	–	1,017	18	1,035
王子江	Wang Zijiang	–	782	18	800
郭希田	Guo Xitian	–	782	18	800
郭玉成	Guo Yucheng	–	782	18	800
獨立非執行董事	Independent non-executive Directors				
梁錦雲	Leung Kam Wan	116	–	–	116
高寶玉	Gao Baoyu	99	–	–	99
劉晨光	Liu Chenguang	99	–	–	99
二零一一年合計	Total for 2011	314	3,363	72	3,749

於本年度內，本集團並無向董事支付任何酬金，作為加入本集團之獎勵或離職補償（二零一一年：無）。

截至二零一二年及二零一一年十二月三十一日止年度內並無任何安排致使任何董事放棄或同意放棄任何酬金。

II. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

The emoluments paid or payables to each Director were as follows:

No emoluments were paid by the Group to any Directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2011: Nil).

There are no arrangements under which a Director waived or agreed to waive any emoluments for the years ended 31 December 2012 and 2011.

II. 董事酬金及五名最高酬金人士 (續)

(b) 五名最高酬金人士

年內，本集團最高酬金之五名人士當中，三名(二零一一年：三名)為董事，其酬金詳情已反映於上述分析中。應付其餘兩名(二零一一年：兩名)人士於本年度之酬金如下：

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
基本薪酬及津貼	Basic salaries and allowances	1,709	1,557
股權結算以股份支付之 款項開支	Equity-settled share-based payment expenses	–	1,008
退休福利計劃供款	Retirement benefit scheme contributions	31	20
		1,740	2,585

酬金屬於以下範圍：

The emoluments were within the following bands:

		人數 Number of Individuals	
		二零一二年 2012	二零一一年 2011
酬金範圍	Emolument bands		
零至1,000,000港元(「港元」)	Nil to Hong Kong Dollars ("HK\$")1,000,000	–	–
1,000,001港元至 1,500,000港元	HK\$1,000,001 to HK\$1,500,000	2	1
1,500,001港元至 2,000,000港元	HK\$1,500,001 to HK\$2,000,000	–	–
2,000,001港元至 2,500,000港元	HK\$2,000,001 to HK\$2,500,000	–	1
		2	2

財務報表附註 Notes to the Financial Statements

截至二零一二年十二月三十一日止年度 For the year ended 31 December 2012

12. 股息

(a) 年內之有關股息如下：

	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
擬派末期股息每股 普通股3.8港仙 (二零一一年：3.0港仙)	Proposed final dividend of 3.8 HKcents (2011: 3.0 HKcents) per ordinary share	
	25,750	20,760

於報告日期後建議派付之末期股息並未確認為於報告日期之負債，惟已反映為截至二零一二年十二月三十一日止年度之保留溢利分派。

The final dividend proposed after the reporting date have not been recognised as a liability at the reporting date, but reflected as an appropriation of retained profits for the year ended 31 December 2012.

(b) 於本年度批准及派付之過往財政年度應佔股息：

	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
過往財政年度之 末期股息，每股 普通股3.0港仙 (二零一一年：8.0港仙)	Final dividend in respect of the previous financial year, of 3.0 HKcents (2011: 8.0 HKcents) per ordinary share	
	20,760	28,455
過往財政年度 並無特別股息 (二零一一年： 每股普通股1.0港仙)	No special dividend in respect of the previous financial year (2011: 1.0 HKcent per ordinary share)	
	—	3,557
	20,760	32,012

13. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據以下數據計算：

13. EARNINGS PER SHARE

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

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
年度溢利	Profit for the year	159,182	132,360
		普通股數目 Number of ordinary shares	
		二零一二年 2012	二零一一年 2011
計算每股基本盈利之 普通股加權平均股數	Weighted average number of ordinary shares for the purpose of basic earnings per share	846,878,000	846,229,704
潛在攤薄普通股之影響： 購股權	Effect of dilutive potential ordinary shares: Share options	—	399,646
計算每股攤薄盈利之普通股 加權平均股數	Weighted average number of ordinary shares for the purpose of diluted earnings per share	846,878,000	846,629,350

截至二零一二年十二月三十一日止年度每股基本盈利乃根據本公司擁有人應佔溢利人民幣159,182,000元(二零一一年：人民幣132,360,000元)及年內已發行普通股加權平均股數846,878,000股(二零一一年：846,229,704股)計算。

The calculation of basic earnings per share for the year ended 31 December 2012 was based on the profit attributable to owners of the Company of RMB159,182,000 (2011: RMB132,360,000) and on the weighted average of 846,878,000 (2011: 846,229,704) ordinary shares in issue during the year.

截至二零一二年十二月三十一日止年度並無任何潛在攤薄普通股(二零一一年：每股攤薄盈利乃根據本公司擁有人應佔溢利人民幣132,360,000元及年內已發行普通股加權平均股數846,629,350股計算。以上款額及股數亦用於計算每股基本盈利，惟股數則因假設本公司所有購股權獲行使而加上視作無償發行之普通股加權平均股數399,646股)。

There were no dilutive potential ordinary shares for the year ended 31 December 2012 (2011: the calculation of diluted earnings per share was based on the profit attributable to owners of the Company of RMB132,360,000 and the weighted average of 846,629,350 ordinary shares in issue during the year, as used in the basic earnings per share calculation plus the weighted average of 399,646 ordinary shares deemed to be issued at no consideration as if all the Company's share options have been exercised).

財務報表附註 Notes to the Financial Statements

截至二零一二年十二月三十一日止年度 For the year ended 31 December 2012

14. 物業、廠房及設備—本集團與本公司

14. PROPERTY, PLANT AND EQUIPMENT – GROUP AND COMPANY

		本集團 Group					本公司 Company	
		樓宇 Buildings	租賃 物業裝修 Leasehold improvements	廠房及機械 Plant and machinery	汽車 Motor vehicles	傢俬、 固定裝置 及設備 Furniture, fixtures and equipment	在建工程 Construction in progress	辦公室設備 Office equipment
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000	人民幣千元 RMB'000
於二零一一年一月一日	As at 1 January 2011							
成本	Cost	109,452	35	396,819	1,946	3,788	12,875	524,915
累積折舊及減值虧損	Accumulated depreciation and impairment loss	(18,897)	(35)	(122,431)	(1,309)	(2,313)	–	(144,985)
賬面淨值	Net carrying amount	90,555	–	274,388	637	1,475	12,875	379,930
賬面淨值	Net carrying amount							
於二零一一年一月一日	As at 1 January 2011	90,555	–	274,388	637	1,475	12,875	379,930
增加	Additions	4,209	–	6,910	710	881	47,349	60,059
出售	Disposals	–	–	–	(75)	–	–	(75)
折舊	Depreciation	(5,291)	–	(34,330)	(271)	(635)	–	(40,527)
轉撥至投資物業 (附註16)	Transfer to investment properties (note 16)	(500)	–	–	–	–	–	(500)
重估調整	Adjustment on revaluation	392	–	–	–	–	–	392
轉撥	Transfer	3,214	–	31,697	–	–	(34,911)	–
於二零一一年十二月三十一日	As at 31 December 2011	92,579	–	278,665	1,001	1,721	25,313	399,279
於二零一一年十二月三十一日	As at 31 December 2011							
成本	Cost	116,715	35	435,490	2,251	4,669	25,313	584,473
累積折舊及減值虧損	Accumulated depreciation and impairment loss	(24,136)	(35)	(156,825)	(1,250)	(2,948)	–	(185,194)
賬面淨值	Net carrying amount	92,579	–	278,665	1,001	1,721	25,313	399,279
賬面淨值	Net carrying amount							
於二零一二年一月一日	As at 1 January 2012	92,579	–	278,665	1,001	1,721	25,313	399,279
增加	Additions	3,720	–	5,616	967	156	107,945	118,404
出售	Disposals	–	–	–	(44)	–	–	(44)
撇賬	Written off	–	–	–	–	(174)	–	(174)
折舊	Depreciation	(6,646)	–	(36,772)	(248)	(537)	–	(44,203)
轉撥	Transfer	13,948	–	74,463	–	–	(88,411)	–
於二零一二年十二月三十一日	As at 31 December 2012	103,601	–	321,972	1,676	1,166	44,847	473,262
於二零一二年十二月三十一日	As at 31 December 2012							
成本	Cost	134,383	35	515,569	2,742	2,035	44,847	699,611
累積折舊及減值虧損	Accumulated depreciation and impairment loss	(30,782)	(35)	(193,597)	(1,066)	(869)	–	(226,349)
賬面淨值	Net carrying amount	103,601	–	321,972	1,676	1,166	44,847	473,262

本集團之樓宇位於按中期租約持有之中國租賃土地。

The Group's buildings are situated on leasehold lands under medium-term in the PRC.

15. 預付土地租賃款項－本集團

15. PREPAID LAND LEASE PAYMENTS – GROUP

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
於一月一日	At 1 January	56,587	57,880
預付土地租賃款項攤銷	Amortisation of prepaid land lease payments	(1,293)	(1,293)
於十二月三十一日	At 31 December	55,294	56,587
即期部分(已包括在預付款項及其他應收款項)	Current portion (included in prepayments and other receivables)	(1,293)	(1,293)
非即期部分	Non-current portion	54,001	55,294

本集團之預付土地租賃款項乃按於中國之中期租賃持有。

The Group's prepaid land lease payments are held under medium-term in the PRC.

本集團已抵押作為取得銀行融資及借貸之擔保之預付土地租賃款項之賬面值約為人民幣30,278,000元(二零一一年：人民幣23,482,000元)(附註23)。

The carrying amount of the Group's prepaid land lease payments pledged as securities for the Group's banking facilities and borrowings amounted to approximately RMB30,278,000 (2011: RMB23,482,000) (note 23).

16. 投資物業－本集團

16. INVESTMENT PROPERTIES – GROUP

綜合財務狀況表中賬面值之變動概述如下：

Changes to the carrying amounts presented in the consolidated statement of financial position can be summarised as follows:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
於一月一日	At 1 January	12,440	11,710
由物業、廠房及設備轉入 (附註14)	Transferred from property, plant and equipment (note 14)	—	500
投資物業重估增值	Revaluation gain on investment properties	590	230
於十二月三十一日	At 31 December	13,030	12,440

投資物業於二零一二年及二零一一年十二月三十一日由獨立特許測量師行永利行評估顧問有限公司(擁有近期評估該位置及類似物業之經驗)進行重估。估值乃按位置及狀況相同之類似物業之近期市場交易作出估計。重估增值已在本年度損益確認。

Investment properties were revalued as at 31 December 2012 and 2011 by RHL Appraisal Limited, an independent firm of chartered surveyors, who has the recent experience in the location and category of property being valued. The valuation was arrived at by reference to the recent market transactions for similar properties in the same location and condition. The revaluation gain was recognised in profit or loss for the year.

本集團之投資物業位於按中期租賃持有之中國租賃土地。

The Group's investment properties are situated on leasehold lands under medium-term in the PRC.

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截至二零一二年十二月三十一日止年度 For the year ended 31 December 2012

17. 於一間共同控制實體之權益／應收 一間共同控制實體款項 本集團

17. INTEREST IN/AMOUNT DUE FROM A JOINTLY CONTROLLED ENTITY Group

	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
應佔資產淨值	48,511	—
Share of net assets		

截至二零一二年十二月三十一日止，本集團控制的共同控制實體之詳情如下：

Particulars of the jointly controlled entity of the Group as at 31 December 2012 are as follows:

名稱 Name	註冊成立／ 成立及營運地點 Place of incorporation/ establishment and operations	已發行普通／ 實繳註冊 股本之面值 Nominal value of issued ordinary/ paid-up registered share capital	本公司應佔權益之百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	非直接 Indirect	
德高投資控股有限公司 Dekel Investment Holdings Limited	香港 Hong Kong	100港元 HK\$100	55%	—	投資控股 Investment holding
濰坊德高新材料有限公司 Weifang Dekel Innovative Materials Co., Ltd	中國，外商獨資企業 (「外商獨資企業」) The PRC, wholly-owned foreign enterprise ("WFOE")	14,051,190美元 USD14,051,190	—	55%	研發、製造及銷售一種工業用 特殊化學產品 Research and development, manufacture and sales of a type of specialty chemical for industrial use

於二零一一年六月三十日，本公司與漢高香港有限公司(「漢高香港」)簽訂合營協議以成立德高投資控股有限公司(「德高投資」)，隨之於二零一二年六月二日於中國山東省濰坊市成立一間外商獨資企業，即濰坊德高新材料有限公司(「濰坊德高」)。濰坊德高主要業務乃從事研究和開發、製造及銷售一種工業用特殊化學產品。

On 30 June 2011, the Company entered into the JV Agreement with Henkel Hong Kong Holding Limited ("Henkel Hong Kong") to form Dekel Investment Holdings Limited ("Dekel Investment"), which then established a WFOE, Weifang Dekel Innovative Materials Co., Ltd ("Weifang Dekel") in Weifang City, Shandong Province, the PRC on 2 June 2012. The principal activity of Weifang Dekel is to engage in the research and development, manufacture and sales of a type of specialty chemical for industrial use.

17. 於一間共同控制實體之權益／應收
一間共同控制實體款項 (續)

本集團旗下共同控制實體的財務資料概要載列如下：

17. INTEREST IN/AMOUNT DUE FROM A JOINTLY
CONTROLLED ENTITY (Continued)

Summarised financial information in respect of the Group's jointly controlled entity is set out below:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
非流動資產	Non-current assets	8,042	—
流動資產	Current assets	87,188	—
		95,230	—
流動負債	Current liabilities	7,028	—
		7,028	—
資產淨值	Net assets	88,202	—
應佔資產淨值	Share of net assets	48,511	—
從成立之日起至報告 日期間的總收入	Total revenue from the date of incorporation to reporting date	—	—
從成立之日起至報告 日期間的總溢利	Total profit for the period from the date of incorporation to the reporting date	678	—
應佔一間共同控制實體之溢利	Share of profit of a jointly controlled entity	373	—

於二零一二年十二月三十一日，應收一間共同控制實體款項為無抵押、免息及須於一年內償還。

As at 31 December 2012, the amount due from a jointly controlled entity was unsecured, interest free and repayable within one year.

於二零一二年十二月三十一日，共同控制實體並無或然負債。

The jointly controlled entity had no contingent liabilities as at 31 December 2012.

於本報告日期，本集團應佔共同控制實體之資本承擔如下：

The Group's share of the jointly controlled entity's capital commitments at the reporting date is as follows:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
已訂約但未撥備 物業、廠房及設備	Contracted but not provided for property, plant and equipment	455	—
		455	—

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18. 遞延稅項 – 本集團

本集團已確認以下主要遞延稅項資產／(負債)：

18. DEFERRED TAX – GROUP

The following is the major deferred tax assets/(liabilities) recognised by the Group:

		產生自 Arising from		
		經營前開支 Pre- operating expenses 人民幣千元 RMB'000	投資物業 Investment properties 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
於二零一一年一月一日	At 1 January 2011	126	(2,255)	(2,129)
自其他全面收益扣除	Charge to other comprehensive income	–	(98)	(98)
自損益扣除(附註9)	Charge to profit or loss (note 9)	(63)	(110)	(173)
於二零一一年十二月三十一日 及二零一二年一月一日	At 31 December 2011 and 1 January 2012	63	(2,463)	(2,400)
自損益扣除(附註9)	Charge to profit or loss (note 9)	(63)	(200)	(263)
於二零一二年十二月三十一日	At 31 December 2012	–	(2,663)	(2,663)

以下為就綜合財務狀況表所作之遞延稅項結餘分析：

The following is the analysis of the deferred tax balances for the consolidated statement of financial position purposes:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
遞延稅項資產	Deferred tax assets	–	63
遞延稅項負債	Deferred tax liabilities	(2,663)	(2,463)
		(2,663)	(2,400)

於報告日期，本集團擁有可扣除暫時差額人民幣9,956,000元(二零一一年：人民幣12,269,000元)以抵銷將來溢利。由於未來溢利流不可預測，故並無就人民幣9,956,000元(二零一一年：人民幣12,269,000元)確認遞延稅項資產。

At the reporting date, the Group has deductible temporary differences of RMB9,956,000 (2011:RMB12,269,000) for offset against future profits. No deferred tax asset has been recognised in respect of RMB9,956,000 (2011:RMB12,269,000) due to the unpredictability of future profit streams.

由於本公司控制附屬公司的派息政策，若干中國國內附屬公司未匯出盈利之應付預扣稅項未有確立遞延稅項負債約人民幣48,243,000元(二零一一年：人民幣32,443,000元)；而在可見將來，亦不大可能會回撥該暫時差額。於二零一二年十二月三十一日，於附屬公司的投資的未匯出盈利合計約為人民幣482,430,000元(二零一一年：人民幣324,430,000元)。

Deferred tax liabilities of approximately RMB48,243,000 (2011: RMB32,443,000) have not been established for the withholding tax that would be payable on the unremitted earnings of certain subsidiaries in the PRC because the Company controls the dividend policy of these subsidiaries and it is not probable that the temporary differences will reverse in the foreseeable future. Such unremitted earnings for investment in subsidiaries totalled approximately RMB482,430,000 as at 31 December 2012 (2011: RMB324,430,000).

19. 存貨－本集團

19. INVENTORIES – GROUP

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
原材料	Raw materials	28,222	40,379
半成品	Work in progress	6,599	6,750
成品	Finished goods	23,993	38,400
		58,814	85,529

20. 貿易應收賬及應收票據－本集團

20. TRADE AND BILLS RECEIVABLE – GROUP

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
貿易應收賬	Trade receivables	103,354	100,304
應收票據	Bills receivable	107,312	110,044
		210,666	210,348

本集團給予貿易客戶之信貸期一般介乎一個月至六個月(二零一一年：介乎一個月至六個月)不等。應收票據為不計息之銀行承兌票據，於兩個報告日期，應收票據之賬齡均為六個月以內。每位客戶均有本身之信貸限額。本集團致力對應收賬款結欠維持嚴謹之控制。管理層會定期檢討過期欠款。

The Group allows a credit period normally ranging from one month to six months to its trade customers (2011: ranging from one month to six months). The bills receivable are non-interest bearing bank acceptance bills and aged within six months at both reporting dates. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management.

於報告日期，貿易應收賬及應收票據按發票日期所作之賬齡分析如下：

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

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
0至90日	0 to 90 days	177,754	179,374
91至180日	91 to 180 days	31,167	28,647
181至365日	181 to 365 days	1,622	2,259
超過365日	Over 365 days	123	68
		210,666	210,348

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20. 貿易應收賬及應收票據－本集團 (續)

於二零一二年十二月三十一日，貿易應收賬約人民幣6,710,000元(二零一一年：人民幣10,917,000元)已過期但未作出減值。根據以往的經驗，董事認為這些結餘的信貸質素並無重大變動且該等款項仍視作可收回，因此毋須就該等結欠計提減值準備。於報告日期，經已過期但未作減值之貿易應收賬按到期日所作之賬齡分析如下：

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
已過期1至90日	1 to 90 days past due	4,352	10,558
已過期91至180日	91 to 180 days past due	1,793	122
已過期181至365日	181 to 365 days past due	565	237
		6,710	10,917

於二零一二年十二月三十一日，貿易應收賬及應收票據約人民幣203,956,000元(二零一一年：人民幣199,431,000元)並未過期，亦未作減值。該等貿易應收賬及應收票據與多名來自不同層面的客戶有關，而該等客戶最近並無違約紀錄。

已過期但未作減值之貿易應收賬與多名來自不同層面的客戶有關，而該等客戶在本集團的信貸記錄良好。根據以往的信貸記錄，管理層認為信貸質素並無重大變動且該等結欠仍視作可全數收回，因此毋須就該等結欠計提減值撥備。本集團並無就已過期但未作減值之貿易應收賬持有任何抵押品。

貿易應收賬及應收票據之賬面值按以下貨幣計值：

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
人民幣	RMB	171,051	164,340
美元(「美元」)	United States Dollars ("US\$")	39,615	46,008
		210,666	210,348

20. TRADE AND BILLS RECEIVABLE – GROUP (Continued)

As at 31 December 2012, trade receivable of approximately RMB6,710,000 (2011: RMB10,917,000) were past due but not impaired. Based on the past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the amounts are still considered recoverable. The ageing analysis of these trade receivable that were past due as at the reporting date but not impaired, based on the due date, is as follows:

As at 31 December 2012, trade and bills receivable of approximately RMB203,956,000 (2011: RMB199,431,000) were neither past due nor impaired. These related to a large number of diversified customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a large number of diversified customers that had a good track record of credit with the Group. Based on past credit record, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral in respect of trade receivables past due but not impaired.

The carrying amounts of the trade and bills receivable are denominated in the following currencies:

21. 已抵押銀行存款及銀行與現金結餘 – 本集團與本公司

於二零一一年十二月三十一日，本集團之已抵押銀行存款乃指作為本集團獲授銀行融資之擔保而抵押予銀行之存款(附註22)。存款以人民幣計值，實際年利率由0.50%至3.10%。於二零一二年十二月三十一日，並無已抵押銀行存款。

本集團之已抵押銀行存款及銀行與現金結餘以人民幣計值，約為人民幣47,000,000元(二零一一年：人民幣72,940,000元)。人民幣兌換為外幣時，須按中國之外匯管制條例及結匯、售匯及付匯管理規定辦理。

已抵押銀行存款及銀行與現金結餘之賬面值按以下貨幣計值：

21. PLEDGED BANK DEPOSITS AND BANK AND CASH BALANCES – GROUP AND COMPANY

As at 31 December 2011, the Group's pledged bank deposits represented deposits pledged to banks to secure banking facilities granted to the Group (note 22). The deposits were in RMB and carried interest rate ranging from 0.50% to 3.10% per annum. There were no pledged bank deposits as at 31 December 2012.

The Group's pledged bank deposits and bank and cash balances amounted to approximately RMB47,000,000 (2011: RMB72,940,000) were denominated in RMB. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations.

The carrying amounts of pledged bank deposits and bank and cash balances are denominated in the following currencies:

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
港元	HK\$	144	93	142	93
美元	US\$	2,818	4,256	1,048	1,982
人民幣	RMB	47,000	72,940	6,332	8,709
		49,962	77,289	7,522	10,784

22. 貿易應付賬 – 本集團

本集團獲供應商給予之信貸期為30至365日(二零一一年：30至365日)。於報告日期，貿易應付賬按發票日期所作之賬齡分析如下：

22. TRADE PAYABLES – GROUP

The Group was granted by its suppliers credit periods ranging from 30 to 365 days (2011: 30 to 365 days). The ageing analysis of trade payables at the reporting date, based on the invoice date, is as follows:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
0至90日	0 to 90 days	15,865	36,914
91至180日	91 to 180 days	757	310
181至365日	181 to 365 days	480	414
超過365日	Over 365 days	396	213
		17,498	37,851

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

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

23. 銀行借貸—本集團

根據貸款協議所載的預定償還日期，在不計任何要求還款條款影響的情況下，應償還銀行貸款如下：

23. BANK BORROWINGS – GROUP

Based on the scheduled repayment dates set out in the loan agreements and ignoring the effect of any repayment on demand clause, the bank borrowings are repayable as follows:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
流動負債	Current liabilities		
於一年內償還之銀行借貸 (不包括按要求償還條款) (附註i)	Bank borrowings repayable within one year and do not contain a repayment on demand clause (note i)	–	15,000
於一年內償還之銀行借貸 (不包括按要求償還條款) (附註ii)	Bank borrowings repayable within one year and do not contain a repayment on demand clause (note ii)	22,000	12,000
於一年內償還之銀行借貸 (包括按要求償還條款) (附註i)	Bank borrowings repayable within one year and contain a repayment on demand clause (note i)	35,000	43,000
		57,000	70,000
非流動負債	Non-current liabilities		
於第二年(附註ii)	In the second year (note ii)	17,000	22,000
於第三至第五年內 (包括首尾兩年)(附註ii)	In the third to fifth years, inclusive (note ii)	–	17,000
		17,000	39,000

附註：

- (i) 該等銀行借貸由本公司的中國附屬公司擔保。
- (ii) 該等銀行借貸由：(1)本集團的預付土地租賃款項作抵押(附註15)；(2)由本公司的中國附屬公司及本公司董事擔保，並分期償還至二零一四年為止。

Notes:

- (i) These bank borrowings are guaranteed by the Company's subsidiaries in the PRC.
- (ii) These bank borrowings are (1) secured by the Group's prepaid land lease payments (note 15); (2) guaranteed by the Company's subsidiaries in the PRC and Company's Directors; and are repayable by instalments until 2014.

計息銀行貸款(包括可按要求償還的有期貨款)乃按攤銷成本列賬。非流動銀行借貸並無按要求償還的條款。

The interest-bearing bank borrowings, including the term loans repayable on demand, are carried at amortised cost. None of the non-current bank borrowings contains a repayment on demand clause.

所有銀行借貸的賬面值均以人民幣計值。短期及長期銀行借貸之浮動年利率介乎5.17%至8.53%(二零一一年：5.27%至7.63%)，致使本集團承受現金流量利率風險。

The carrying amounts of all bank borrowings are denominated in RMB. Short-term and long-term bank borrowings are arranged at floating interest rates ranged from 5.17% to 8.53% (2011: 5.27% to 7.63%) per annum exposing the Group to cash flow interest rate risks.

24. 遞延收入－本集團

本集團之遞延收入指由政府撥出，作為興建製造異丁烯、聚異丁烯及氯乙酸之生產線及配套設施之補貼。

為申報目的所作之分析：

24. DEFERRED INCOME – GROUP

The Group's deferred income represents a government grant obtained for subsidising the construction of the production lines and ancillary facilities for the manufacture of isobutylene, polyisobutylene and chloroacetic acid.

Analysed for reporting purpose as:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
流動負債(已包括在應付 未付賬款及其他應付款項)	Current liabilities (included in accruals and other payables)	2,740	2,740
非流動負債	Non-current liabilities	13,191	15,931
		15,931	18,671

25. 股本

25. SHARE CAPITAL

		股份數目 Number of shares	金額 Amount 千港元 HK\$'000	人民幣千元 RMB'000
法定： 每股面值0.01港元普通股 於二零一一年一月一日、 二零一一年十二月三十一日、 二零一二年一月一日及 二零一二年十二月三十一日	Authorised: Ordinary shares of HK\$0.01 each As at 1 January 2011 and 31 December 2011, 1 January 2012 and 31 December 2012	100,000,000,000	1,000,000	
已發行及繳足： 每股面值0.01港元普通股 於二零一一年一月一日	Issued and fully paid: Ordinary shares of HK\$0.01 each As at 1 January 2011	421,248,000	4,212	4,216
行使購股權(附註28)	Exercise of share options (note 28)	2,191,000	22	18
發行紅股(附註a及附註26)	Bonus issue of shares (note a and note 26)	423,439,000	4,234	3,552
於二零一一年十二月三十一日、 二零一二年一月一日及 二零一二年十二月三十一日	As at 31 December 2011, 1 January 2012 and 31 December 2012	846,878,000	8,468	7,786

附註a：

於二零一一年五月，由於本公司發行紅股，本公司發行423,439,000股新股給其現有股東。詳情已刊載在本公司分別於二零一一年三月二十二日及二零一一年五月三日刊發之公告及本公司於二零一一年四月七日刊發之通函。

Note a:

In May 2011, the Company issued 423,439,000 new shares to its existing shareholders as a result of the bonus issue of shares of the Company, details of which are set out in the Company's announcements dated 22 March 2011 and 3 May 2011 and the Company's circular dated 7 April 2011.

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26. 儲備 – 本集團及本公司

本集團

本集團儲備之款額及有關變動在綜合權益變動表列示。

本公司

26. RESERVES – GROUP AND COMPANY

Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity.

Company

		股份溢價 Share premium 人民幣千元 RMB'000 (附註 a) (note a)	合併寬減 繳入盈餘 Merger relief contributed surplus 人民幣千元 RMB'000 (附註 h) (note h)	以股份支付 之款項儲備 Share-based payment reserve 人民幣千元 RMB'000 (附註 e) (note e)	資本 出資儲備 Capital contribution reserve 人民幣千元 RMB'000 (附註 f) (note f)	外幣 匯兌儲備 Foreign currency translation reserve 人民幣千元 RMB'000 (附註 g) (note g)	保留溢利 Retained profits 人民幣千元 RMB'000	擬派股息 Proposed dividends 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
於二零一一年一月一日結餘	Balance at 1 January 2011	108,177	111,137	530	4,162	(36,037)	68,926	32,012	288,907
發行紅股(附註25)	Bonus issue of shares (note 25)	(3,552)	-	-	-	-	-	-	(3,552)
已付股息(附註12(b))	Dividends paid (note 12(b))	-	-	-	-	-	-	(32,012)	(32,012)
因購股權行使而 發行新股(附註28)	Issue of new shares upon exercise of share options (note 28)	1,708	-	(543)	-	-	-	-	1,165
股權結算以股份支付之 款項開支	Equity-settled share-based payment expenses	-	-	13	1,007	-	-	-	1,020
二零一一年擬派末期股息 (附註12(a))	2011 proposed final dividend (note 12(a))	-	-	-	-	-	(20,760)	20,760	-
年內虧損	Loss for the year	-	-	-	-	-	(720)	-	(720)
其他全面開支	Other comprehensive expense	-	-	-	-	(8,400)	-	-	(8,400)
於二零一一年十二月三十一日 及二零一二年一月一日	Balance at 31 December 2011 and 1 January 2012	106,333	111,137	-	5,169	(44,437)	47,446	20,760	246,408
已付股息(附註12(b))	Dividend paid (note 12(b))	-	-	-	-	-	-	(20,760)	(20,760)
股權結算以股份支付之 款項開支	Equity-settled share-based payment expenses	-	-	-	162	-	-	-	162
二零一二年擬派末期股息 (附註12(a))	2012 proposed final dividend (note 12(a))	-	-	-	-	-	(25,750)	25,750	-
年內虧損	Loss for the year	-	-	-	-	-	(8,073)	-	(8,073)
其他全面收益	Other comprehensive income	-	-	-	-	3,940	-	-	3,940
轉撥(附註26(f))	Transfer (note 26(f))	-	-	-	(5,331)	-	5,331	-	-
於二零一二年 十二月三十一日結餘	Balance at 31 December 2012	106,333	111,137	-	-	(40,497)	18,954	25,750	221,677

26. 儲備—本集團及本公司 (續)

(a) 股份溢價

根據開曼群島公司法，本公司股份溢價賬內之資金可供分派予本公司擁有人，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中到期之債務。

(b) 特別儲備

特別儲備指根據本集團於二零零四年進行之重組所收購中國附屬公司之已繳股本與本公司為取得該等附屬公司控制權而發行之本公司股份面值間的差額。

(c) 盈餘公積金

本公司於中國成立之附屬公司之章程細則規定，該等附屬公司須每年轉撥除所得稅後溢利之若干百分比至盈餘公積金，直至該結餘達到有關附屬公司註冊資本之50%為止。在一般情況下，盈餘公積金僅可用作抵償虧損、透過撥作資本轉入註冊資本及擴充附屬公司之生產及經營。盈餘公積金撥作資本並轉為註冊資本後，儲備之餘額不得少於註冊資本之25%。

(d) 公益金

根據中國公司法(於二零零五年修訂)於二零零六年一月一日頒佈前之有關規例，在中國成立之本公司附屬公司須將5%至10%之除所得稅後溢利撥往公益金，而公益金只可為僱員之集體福利而用於屬資本性質之事項。除在進行清盤之情況下，公益金不得分派。

(e) 以股份支付之款項儲備

以股份支付之款項儲備指股權結算以股份支付予本集團若干僱員及一名供應商之款項，有關款項乃根據附註3(t)所載就股權結算以股份支付之款項而採納之會計政策確認。

26. RESERVES – GROUP AND COMPANY (Continued)

(a) Share premium

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the owners of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debt as they fall due in the ordinary course of business.

(b) Special reserve

Special reserve represents the difference between the paid in capital of the PRC subsidiaries acquired pursuant to the Group reorganisation in 2004 and the nominal value of the Company's shares issued in exchange for the control in these subsidiaries.

(c) Surplus reserve fund

Articles of association of the Company's subsidiaries established in the PRC require the appropriation of certain percentage of their profits after income tax each year to the surplus reserve fund until the balance reaches 50% of their registered capitals. In normal circumstances, the surplus reserve fund shall only be used for making up losses, capitalisation into registered capital and expansion of the subsidiaries' production and operation. For the capitalisation of surplus reserve fund into registered capital, the remaining amount of such reserve shall not be less than 25% of the registered capital.

(d) Public welfare fund

Pursuant to relevant regulations before the enactment of Company Law of the PRC (revised in 2005) on 1 January 2006, the Company's subsidiaries established in the PRC shall make allocation from their profits after income tax at the rate of 5% to 10% to the public welfare fund. The public welfare fund can only be utilised on capital nature items for collective welfare of employees. The public welfare fund is not distributable other than in liquidation.

(e) Share-based payment reserve

The share-based payment reserve represents equity-settled share-based payments to certain employees and a supplier of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 3(t).

26. 儲備－本集團及本公司 (續)

(f) 資本出資儲備

於二零零七年，本公司之最終控股公司授予本公司一位員工一定數目之本公司股份，且附帶非市場表現歸屬條件。所獲得服務之公平值乃參考股份於授出當日之公平值而釐定，並以直線法按歸屬期支銷為股權結算以股份支付之款項開支，並同時相應增加資本出資儲備。於二零一二年十二月三十一日，董事認為，因應歸屬期的完結，不再需要該儲備，並根據本公司組織章程細則第137條決議把該儲備的賬面總值轉移至本公司的保留溢利。

(g) 外幣匯兌儲備

外幣匯兌儲備包括換算外國業務之財務報表所產生之所有匯兌差額。匯兌儲備根據附註3(e)所載會計政策處理。

(h) 合併寬減繳入盈餘

合併寬減繳入盈餘指根據本集團於二零零四年進行之重組所收購中國附屬公司之資產淨值與本公司為取得該等附屬公司控制權而發行之本公司股份面值間的差額。

27. 於附屬公司之權益及應收附屬公司款項－本公司

26. RESERVES – GROUP AND COMPANY (Continued)

(f) Capital contribution reserve

In 2007, certain number of the Company's shares were granted to an employee of the Company by the Company's ultimate holding company, with non-market performance vesting conditions, with its fair value of services received determined by reference to the fair value of shares granted at the grant date, expenses on a straight-line method over the vesting period as equity settled share based payment expenses, with a corresponding increase in capital contribution reserve. At 31 December 2012, the Directors considered that this reserve was no longer necessary upon the completion of vesting period and resolved that the total carrying amount of this reserve be transferred to the retained profits of the Company in accordance with article 137 of the Company's articles of association.

(g) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3(e).

(h) Merger relief contributed surplus

Merger relief contributed surplus represents the difference between the net assets value of the PRC subsidiaries acquired pursuant to the Group reorganisation in 2004 and the nominal value of the Company's shares issued in exchange for the control in these subsidiaries.

27. INTERESTS IN AND DUE FROM SUBSIDIARIES – COMPANY

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
非上市投資，按成本	Unlisted investments, at cost	3	3

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27. 於附屬公司之權益及應收附屬公司款項—本公司 (續)

截至二零一二年及二零一一年十二月三十一日為止，本集團附屬公司之詳情如下：

27. INTERESTS IN AND DUE FROM SUBSIDIARIES – COMPANY (Continued)

Particulars of the subsidiaries of the Group as at 31 December 2012 and 2011 are as follows:

名稱 Name	註冊成立/ 成立及營運地點 Place of incorporation/ establishment and operations	已發行普通/ 實繳註冊 股本之面值 Nominal value of issued ordinary/ paid-up registered share capital	本公司應佔權益之百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	非直接 Indirect	
盛泰控股有限公司 Great Growth Holdings Limited	香港 Hong Kong	1港元 HK\$1	100%	–	投資控股 Investment holding
盛瑞控股有限公司 Great Spirit Holdings Limited	香港 Hong Kong	1港元 HK\$1	100%	–	投資控股 Investment holding
盛信控股有限公司 Great Promise Holdings Limited	香港 Hong Kong	1港元 HK\$1	100%	–	投資控股 Investment holding
智創控股有限公司 Smartcam Holdings Limited	英屬處女群島 The BVI	268美元 US\$268	–	100%	投資控股 Investment holding
智邦企業有限公司 Smartpoint Enterprises Limited	英屬處女群島 The BVI	1,251美元 US\$1,251	–	100%	投資控股 Investment holding
智得控股有限公司 Techsmart Holdings Limited	英屬處女群島 The BVI	477美元 US\$477	–	100%	投資控股 Investment holding
濰坊同業化學有限公司 Weifang Common Chem Co., Ltd.	中國，外商獨資企業 The PRC, WOFE	600,000美元 US\$600,000	–	100%	研發、製造及銷售精細化工產品 Research and development, manufacture and sales of fine chemical products
上海德弘化工有限公司 Shanghai Dehong Chemical Company Limited	中國，外商獨資企業 The PRC, WOFE	人民幣5,000,000元 RMB5,000,000	–	100%	研發、銷售及分銷精細化工產品 Research and development, selling and distribution of fine chemical products
濰坊柏立化學有限公司 Weifang Parasia Chem Co., Ltd	中國，外商獨資企業 The PRC, WOFE	5,200,000美元 US\$5,200,000	–	100%	研發、製造及銷售精細化工產品 Research and development, manufacture and sales of fine chemical products
濰坊濱海石油化工有限公司 Weifang Binhai Petro-Chem Co., Ltd	中國，外商獨資企業 The PRC, WOFE	10,800,000美元 US\$10,800,000	–	100%	研發、製造及銷售精細化工產品 Research and development, manufacture and sales of fine chemical products

結欠金額並無抵押，且屬免息及按要求償還。

於本年年末，概無任何附屬公司發行債務證券。

The amounts due are unsecured, interest-free and repayable on demand.

None of the subsidiaries had issued any debt securities at the end of the year.

28. 以股份支付之款項

股權結算購股權計劃

本公司於二零零六年十月四日批准及採納一項購股權計劃（「購股權計劃」），旨在獎勵及酬謝對本集團之成功作出貢獻之各方，包括董事、本集團任何成員公司或聯營公司之合資格僱員、供應商、客戶、股東或彼等各自之聯繫人或本集團之顧問或諮詢人。購股權計劃由二零零六年十月四日起生效，有效期十年。根據購股權計劃可授出最多40,000,000份購股權，賦予其持有人權利認購最多40,000,000股股份。

於二零零八年二月一日，本公司根據本公司之購股權計劃向合資格僱員及供應商授出4,000,000份購股權。於截至二零一一年十二月三十一日止年度，2,191,000份行使價為0.64港元之購股權於年內行使，於二零一一年及二零一二年十二月三十一日並無尚未行使之購股權。

於年內尚未行使之購股權詳情如下：

28. SHARE-BASED PAYMENTS

Equity-settled share option scheme

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

On 1 February 2008, the Company granted 4,000,000 share options to the eligible employees and a supplier under the Share Option Scheme of the Company. During the year ended 31 December 2011, 2,191,000 of share options at the exercise price of HK\$0.64 per share were exercised, there was no outstanding share option as at 31 December 2011 and 2012.

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

		二零一二年 2012		二零一一年 2011	
		購股權數目 Number of share option	加權平均 行使價 Weighted average exercise price 港元 HK\$	購股權數目 Number of share option	加權平均 行使價 Weighted average exercise price 港元 HK\$
於年初 尚未行使	Outstanding at the beginning of the year	—	—	2,291,000	0.64
年內沒收	Forfeited during the year	—	—	(100,000)	0.64
年內行使	Exercised during the year	—	—	(2,191,000)	0.64
於年末尚未行使	Outstanding at the end of the year	—	—	—	—
於年末可行使	Exercisable at the end of the year	—	—	—	—

29. 衍生金融工具

根據本公司與漢高香港簽訂的合營協議，已成立德高投資。德高投資隨之成立濰坊德高以從事研發、製造及銷售一種工業用特殊化學產品。本公司與漢高香港分別獲授認購期權及認沽期權，據此，本公司有權要求漢高香港出售漢高香港於德高投資的45%權益，而漢高香港有權要求本公司購買漢高香港於德高投資的45%權益。認購期權或認沽期權可於生效日期（即二零一二年二月二十三日）屆滿六年當日行使，並可於隨後每屆滿三年當日行使。認購期權及認沽期權之行使價乃根據合營協議所載之條件及條款確定。

根據認購期權應收的金融資產初步按公平值確認及反映在非流動資產內，相應的費用直接在綜合收益表入賬。

根據認沽期權應付的金融負債初步按公平值確認及反映在非流動負債內，相應的費用直接在綜合收益表入賬。

於每個報告日期，根據預期德高投資的表現變動，認購期權資產及認沽期權負債須按公平值重新計量，由此產生的任何收益或虧損在綜合收益表中確認。倘認購期權／認沽期權未獲行使而失效，相應的資產／負債將終止確認並在權益作出相應調整。

衍生金融工具公平值乃採用二項式點陣模型，並如附註34(v)所述已作計量。年內，公平值虧損人民幣6,990,000元已在綜合收益表中確認。

29. DERIVATIVE FINANCIAL INSTRUMENTS

Pursuant to the JV Agreement entered between the Company and Henkel Hong Kong, Dekel Investment was formed. Dekel investment then established Weifang Dekel to engage in the research and development, manufacture and sales of a type of specialty chemical for industrial use. The Company and Henkel Hong Kong are respectively granted call and put options which entitled the Company to require Henkel Hong Kong to sell the 45% Henkel Hong Kong's interest in Dekel Investment, and entitled Henkel Hong Kong to require the Company to purchase the 45% Henkel Hong Kong's interest in Dekel Investment. Either the call or put options will be exercisable on the sixth anniversary upon the effective date (i.e. 23 February 2012), and subsequently for once every third year. The exercise price for the call and put options was determined in accordance with the terms and conditions contained in the JV agreement.

The financial asset that may become receivable under the call option is initially recognised at fair value within non-current assets with a corresponding charge directly to the consolidated income statement.

The financial liability that may become payable under the put option is initially recognised at fair value within non-current liabilities with a corresponding charge directly to the consolidated income statement.

The call option asset and put option liability shall be re-measured at their fair values resulting from the change in the expected performance of Dekel Investment at each reporting date, with any resulting gain or loss recognised in the consolidated income statement. In the event that the call option/put option lapses unexercised, the corresponding asset/liability will be derecognised with a corresponding adjustment to equity.

The derivative financial instruments are stated at fair value by using the Binomial Lattice Model, which has been measured as described in note 34(v). During the year, fair value loss of RMB6,990,000 was recognised in the consolidated income statement.

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30. 承擔 本集團

於報告日期，本集團之承擔如下：

30. COMMITMENTS Group

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

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
已訂約但未撥備 物業、廠房及設備 向合營公司借出的 股東貸款(附註)	Contracted but not provided for Property, plant and equipment Shareholder's loans to a jointly controlled entity (note)	16,906	4,885
		98,813	145,456
		115,719	150,341
已授權但未訂約 物業、廠房及設備	Authorised but not contracted for Property, plant and equipment	50,185	87,901
		165,904	238,242

附註：根據合營協議所載條款及條件，本公司同意按本公司所持之德高投資55%股權向德高投資借出股東貸款，金額為11,880,000歐元(約為人民幣98,813,000元)。

Note: The Company agrees to make shareholder's loans of EURO11,880,000 (approximately RMB98,813,000) to Dekel Investment in accordance with 55% shareholding of the Company in Dekel Investment, which is subject to the terms and conditions set out in the JV Agreement.

本公司

於二零一二年及二零一一年十二月三十一日，本公司並無任何資本承擔。

Company

The Company does not have any capital commitments as at 31 December 2012 and 2011.

31. 經營租賃安排及承擔

本集團作為出租人

於二零一二年十二月三十一日，根據不可撤銷經營租賃，本集團之日後最低租賃收款總額如下：

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
一年之內	Within one year	773	456
於第二至第五年內(包括首尾兩年)	In the second to fifth year inclusive	1,720	88
第五年之後	After fifth year	33	—
		2,526	544

在本集團的經營租賃安排下，租期經洽商後平均為一至六年不等。租賃條款一般要求租戶支付抵押按金。

本公司作為出租人

於二零一二年及二零一一年十二月三十一日，本公司並無任何不可撤銷經營租賃最低租賃收款。

本集團作為承租人

於二零一二年十二月三十一日，根據不可撤銷經營租賃，本集團之日後最低租賃付款總額如下：

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
一年之內	Within one year	243	499
於第二至第五年內(包括首尾兩年)	In the second to fifth year inclusive	180	108
		423	607

經營租賃付款指本集團就其若干辦公室而應付之租金。租期經洽商後平均為一至三年不等，而於租期內的租金固定，並不包括任何或然租金。

31. OPERATING LEASE ARRANGEMENT AND COMMITMENTS

Group – as lessor

As at 31 December 2012, the Group had future aggregate minimum lease receipts under non-cancellable operating leases as follows:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
一年之內	Within one year	773	456
於第二至第五年內(包括首尾兩年)	In the second to fifth year inclusive	1,720	88
第五年之後	After fifth year	33	—
		2,526	544

Under operating lease arrangements of the Group, the leases are negotiated for an average terms of one to six years. The terms of the leases generally require the tenants to pay security deposits.

Company – as lessor

The Company does not have any minimum lease receipts under non-cancellable operating leases as at 31 December 2012 and 2011.

Group – as lessee

As at 31 December 2012, the total future minimum lease payments by the Group under non-cancellable operating leases payable are as follows:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
一年之內	Within one year	243	499
於第二至第五年內(包括首尾兩年)	In the second to fifth year inclusive	180	108
		423	607

Operating lease payments represent rental payable by the Group for certain of its offices. Leases are negotiated for an average term of one to three years and rentals are fixed over the lease terms and do not include contingent rentals.

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31. 經營租賃安排及承擔 (續)

本公司作為承租人

於二零一二年十二月三十一日，根據不可撤銷經營租賃，本公司之日後最低租賃付款總額如下：

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
一年之內	Within one year	63	302
於第二至第五年內(包括首尾兩年)	In the second to fifth year inclusive	–	63
		63	365

經營租賃付款指本公司就其辦公室而應付之租金。租期經洽商後平均為兩年，而於租期內的租金固定，並不包括任何或然租金。

31. OPERATING LEASE ARRANGEMENT AND COMMITMENTS (Continued)

Company – as lessee

As at 31 December 2012, the total future minimum lease payments by the Company under non-cancellable operating leases payable are as follows:

Operating lease payments represent rental payable by the Company for its office. Lease is negotiated for a term of two years and rental is fixed over the lease terms and do not include contingent rental.

32. 關聯方交易

- (a) 年內，本集團與關聯方訂立如下交易：

32. RELATED PARTY TRANSACTIONS

- (a) During the year, the Group entered into the following transactions with related parties:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
付予一間關聯公司(所有執行董事均擁有實益權益並可以行使重大影響力)的租金開支	Rental expenses to a related company in which all the executive Directors have beneficial interests and can exercise significant influence	180	180
向一間關聯公司(所有執行董事均擁有實益權益並可以行使重大影響力)銷售貨品	Sale of goods to a related company in which all the executive Directors have beneficial interests and can exercise significant influence	474	313
向一間共同控制實體收取的租金收入	Rental income received from a jointly controlled entity	250	–
付予一間關聯公司(所有執行董事均擁有實益權益並可以行使重大影響力)的購買物業、廠房及設備的訂金	Deposits paid for acquisition of property, plant and equipment to a related company in which all the executive Directors have beneficial interests and can exercise significant influence	18,000	–

- (b) 主要管理人員之酬金詳情載於財務報表附註11。

- (b) The remuneration of key management personnel are set out in note 11.

33. 非現金交易

年內，添置物業、廠房及設備總額約人民幣4,664,000元尚未結算，已包括在「應付未付賬款及其他應付款項」內。

34. 金融風險管理

本集團面對之金融風險計有：市場風險（包括貨幣風險及利率風險）、信貸風險及流通性風險。本集團之整體風險管理着重金融市場不可預測之特性，務求盡量降低可能對本集團財務表現帶來之負面影響。本集團目前並無任何明文之風險管理政策及指引。不過，董事會定期與主要管理層會面及與主要管理層通力合作，以分析及制定管理及監察金融風險的策略。

本集團並未為投機目的而買賣金融資產，亦未有出售期權。本集團所承受最重大的金融風險在下文載述。此外，附註34(vi)載有按類別劃分的金融資產及負債概要。

(i) 外匯風險

由於本集團若干業務交易、資產及負債以港元及美元計值，故本集團面對外匯風險。本集團現時並無就其他外匯交易、資產及負債制定外匯對沖政策。本集團將密切監察外匯風險，並會考慮於有需要時對沖重大外匯風險。

於二零一二年十二月三十一日，如人民幣兌港元及美元的匯價下降／上升5%而所有其他可變因素維持不變，則本集團年內的溢利及保留溢利會增加／減少約人民幣1,590,000元（二零一一年：人民幣1,888,000元），主要原因是以美元計值的貿易應收賬所致的匯兌收益／虧損。

截至二零一一年十二月三十一日止年度的財務報表所載的敏感度分析乃按相同基準編製。

(ii) 利率風險

本集團面對之利率變動風險主要涉及浮息借貸。本集團並未使用任何衍生合約對沖利率風險。然而，管理層會監察利率風險，並會考慮於有需要時對沖重大利率風險。

33. NON-CASH TRANSACTIONS

Of the total additions of property, plant and equipment during the year, approximately RMB4,664,000 was yet settled and included under "Accruals and other payables".

34. FINANCIAL RISK MANAGEMENT

The Group is exposed to financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group currently does not have any written risk management policies and guidelines. However, the Directors meet periodically and cooperate closely with key management to analyse and formulate strategies to manage and monitor financial risks.

The Group is not engaged in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below. See also note 34(vi) for a summary of financial assets and liabilities by category.

(i) Foreign currency risk

The Group has exposure to foreign currency risk as certain of its business transactions, assets and liabilities are denominated in HK\$ and US\$. The Group currently does not have a foreign currency hedging policy in respect of other foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

As at 31 December 2012, if the RMB had weakened/strengthened 5% against HK\$ and US\$ with all other variables held constant, the Group's profit for the year and retained profits would have been approximately RMB1,590,000 (2011: RMB1,888,000) higher/lower, arising mainly as a result of the foreign exchange gain/loss on trade receivables denominated in US\$.

The sensitivity analysis included in the financial statements for the year ended 31 December 2011 had been prepared on the same basis.

(ii) Interest rate risk

The Group's exposure to interest rate risk for changes in interest rates relates primarily to the Group's floating interest rate borrowings. The Group has not used any derivative contracts to hedge its exposure to interest rate risk. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

34. 金融風險管理 (續)

(ii) 利率風險 (續)

敏感度分析

下表顯示由年初開始本集團年度溢利及保留溢利對可能出現的利率變動 $\pm 0.5\%$ (二零一一年: $\pm 0.5\%$) 的敏感度。計算時乃以本集團於報告日期所持的金融資產及負債為基準。所有其他可變因素維持不變。

		本集團 Group		本公司 Company	
		年度溢利及保留溢利 Profit for the year and retained profits 人民幣千元 RMB'000		年度虧損及保留溢利 Loss for the year and retained profits 人民幣千元 RMB'000	
		+0.5%	- 0.5%	+0.5%	- 0.5%
二零一二年	31 December 2012				
十二月三十一日		(76)	76	46	(46)
二零一一年	31 December 2011				
十二月三十一日		(101)	101	70	(70)

根據對目前市況的觀察所得，假定的利率變動乃視作有合理可能出現，並可作為管理層對利率於未來十二個月期間的合理可能變動所作的評估。

截至二零一一年十二月三十一日止年度的財務報表所載的敏感度分析乃按相同基準編製。

34. FINANCIAL RISK MANAGEMENT (Continued)

(ii) Interest rate risk (Continued)

Sensitivity analysis

The following table illustrates the sensitivity of the Group's profit for the year and retained profits to a possible change in interest rates of $\pm 0.5\%$ (2011: $\pm 0.5\%$), with effect from the beginning of the year. The calculations are based on the Group's financial assets and liabilities held at the reporting date. All other variables are held constant.

		本集團 Group		本公司 Company	
		年度溢利及保留溢利 Profit for the year and retained profits 人民幣千元 RMB'000		年度虧損及保留溢利 Loss for the year and retained profits 人民幣千元 RMB'000	
		+0.5%	- 0.5%	+0.5%	- 0.5%
二零一二年	31 December 2012				
十二月三十一日		(76)	76	46	(46)
二零一一年	31 December 2011				
十二月三十一日		(101)	101	70	(70)

The assumed changes in interest rates are considered to be reasonably possible based on observation of current market conditions and represents the management's assessment of a reasonably possible change in interest rate over the next twelve months period.

The sensitivity analysis included in the financial statements for the year ended 31 December 2011 had been prepared on the same basis.

34. 金融風險管理 (續)

(iii) 信貸風險

列於綜合財務狀況表的銀行及現金結餘、貿易應收賬、應收票據及其他應收款項的賬面值，相當於本集團就本身金融資產承擔的最大信貸風險。銀行及現金結餘的信貸風險有限，原因是對手方擁有高信貸評級。

本集團已制定政策，以確保向有恰當信貸記錄之客戶銷售貨品。

本集團並無重大的信貸集中風險，有關風險分散至多個客戶及對手方。然而，客戶的所在地主要為中國，佔截至二零一二年十二月三十一日止貿易應收賬的62% (二零一一年：54%)。為盡量減輕信貸風險，管理層將致力建立遍佈全球的廣泛客戶網絡，從而盡量降低因客戶所在地帶來的信貸風險。

(iv) 流通性風險

在管理流通性風險時，本集團會監察及維持管理層認為充裕的現金及現金等值項目，作為本集團營運所需的資金，以及紓緩現金流量波動的影響，方式是不斷監察預測及實際的現金流量及使到期的金融資產與到期的金融負債互相配合。

由於本集團的短期銀行借貸可由本集團在銀行批准的限額內酌情決定按年延續，董事認為，計及本集團目前可用的融資額度及內部財政資源後，本集團擁有充裕的營運資金，足以應付目前所需。本集團依賴銀行借貸作為其流通資金的主要來源。

34. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Credit risk

The carrying amount of the bank and cash balances and trade, bills and other receivables included in the consolidated statement of financial position represented the Group's maximum exposure to credit risk in relation to the Group's financial assets. The credit risk on bank and cash balances is limited because the counterparties have high credit ratings.

The Group has policies in place to ensure that sales are made to customers with an appropriate credit history.

The Group has no significant concentration of credit risk with exposure spread over a number of customers and counterparties. However, the geographical location of customers is mainly in the PRC which accounted for 62% (2011: 54%) of the trade receivables as at 31 December 2012. In order to minimise the credit risk, management will endeavor to build an extensive customer base that spread over the world, which can minimise the credit risk by geographical location.

(iv) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

As the Group has short term bank borrowings which could be renewed on an annual basis at the discretion of the Group within limit approved by banks, the Directors are of the opinion that, taking into account the presently available facilities and internal financial resources of the Group, the Group has sufficient working capital for its present requirements. The Group relies on bank borrowings as a significant source of liquidity.

財務報表附註 Notes to the Financial Statements

截至二零一二年十二月三十一日止年度 For the year ended 31 December 2012

34. 金融風險管理 (續)

(iv) 流通性風險 (續)

下表概述按合約未貼現付款分析的非衍生金融負債到期情況：

34. FINANCIAL RISK MANAGEMENT (Continued)

(iv) Liquidity risk (Continued)

The table below summarises the maturity profile of the non-derivative financial liabilities based on contractual undiscounted payments:

		三個月內 或應要求 Within 3 months or on demand 人民幣千元 RMB'000	三個月至 一年內 Between 3 months to 1 year 人民幣千元 RMB'000	一至五年內 Between 1 to 5 years 人民幣千元 RMB'000	未貼現總額 Total undiscounted amount 人民幣千元 RMB'000	賬面值 Carrying amount 人民幣千元 RMB'000
本集團	Group					
二零一二年	2012					
貿易應付賬、 應付未付賬款及 其他應付款項	Trade payables, accruals and other payables	56,762	16,802	–	73,564	73,564
銀行借貸	Bank borrowings	7,145	53,672	17,296	78,113	74,000
合計	Total	63,907	70,474	17,296	151,677	147,564
二零一一年	2011					
貿易應付賬、 應付未付賬款及 其他應付款項	Trade payables, accruals and other payables	63,522	18,729	–	82,251	82,251
銀行借貸	Bank borrowings	17,626	57,441	41,211	116,278	109,000
合計	Total	81,148	76,170	41,211	198,529	191,251
本公司	Company					
二零一二年	2012					
其他應付款項	Other payables	289	450	–	739	739
合計	Total	289	450	–	739	739
二零一一年	2011					
其他應付款項	Other payables	381	122	–	503	503
合計	Total	381	122	–	503	503

34. 金融風險管理 (續)

(v) 在綜合財務狀況表中確認的公平值計量

以下列表為按公平值列賬的金融工具的層級水平分析：

第一級別：相同資產或負債在活躍市場中的報價(未經調整)；

第二級別：除第一級別包括的報價外，該資產或負債的可觀察輸入值，可為直接(即價格)或間接(即來自價格)的輸入值；及

第三級別：並非基於可觀察市場數據的資產或負債輸入值(不可觀察輸入值)。

金融負債的公平值層級水平乃純粹根據最低水平輸入值作出分類，此舉對公平值計量構成重大影響。

本集團及本公司

34. FINANCIAL RISK MANAGEMENT (Continued)

(v) Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within the financial liability is categorised in its entirety based on the lowest level of input that is significant to the fair value measurement.

Group and Company

	附註 Notes	第一級別 Level 1 人民幣千元 RMB'000	第二級別 Level 2 人民幣千元 RMB'000	第三級別 Level 3 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
二零一二年 十二月三十一日	31 December 2012				
負債：	Liabilities:				
按公平值計入 損益的金融負債	Financial liabilities at fair value through profit or loss				
－ 衍生金融工具	－ derivative financial instruments	29	－	－	6,990
			－	－	6,990
二零一一年 十二月三十一日	31 December 2011				
負債：	Liabilities:				
按公平值計入 損益的金融負債	Financial liabilities at fair value through profit or loss				
－ 衍生金融工具	－ derivative financial instruments	29	－	－	－
			－	－	－

34. 金融風險管理 (續)

(v) 在綜合財務狀況表中確認的公平值計量 (續)

金融負債的分類為第三級別，使用的估值技術乃根據非基於可觀察市場數據的重大輸入值。此級別的工具金融工具期初至期末對賬的結餘如下：

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
衍生金融負債	Derivative financial liabilities		
於一月一日	At 1 January	—	—
衍生金融工具的 公平值虧損	Fair value loss on derivative financial instruments	6,990	—
於十二月三十一日	At 31 December	6,990	—

在報告期內並沒有轉移入或轉移出第三級別。

年內，衍生金融工具的公平值虧損人民幣6,990,000元已在綜合收益表中確認。

34. FINANCIAL RISK MANAGEMENT (Continued)

(v) Fair value measurements recognised in the consolidated statement of financial position (Continued)

The financial liabilities classified in Level 3 use valuation techniques based on significant inputs that are not based on observable market data. The financial instruments within this level are reconciled from opening to closing balances as follows:

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
衍生金融負債	Derivative financial liabilities		
於一月一日	At 1 January	—	—
衍生金融工具的 公平值虧損	Fair value loss on derivative financial instruments	6,990	—
於十二月三十一日	At 31 December	6,990	—

There have been no transfers into or out of Level 3 in the reporting period.

During the year, fair value loss on derivative financial instruments of RMB6,990,000 was recognised in the consolidated income statement.

34. 金融風險管理 (續)

(vi) 按類別劃分的金融資產及負債概要

此外，已確認金融資產及負債分別於二零一一年及二零一二年十二月三十一日的賬面值可作以下分類。至於有關金融工具的類別如何影響其後的計量，請參閱附註3(j)及3(m)的說明。

34. FINANCIAL RISK MANAGEMENT (Continued)

(vi) Summary of financial assets and liabilities by category

The carrying amounts of the financial assets and liabilities recognised as at 31 December 2011 and 2012 may also be categorised as follows. See notes 3(j) and 3(m) for explanations about how the category of financial instruments affects their subsequent measurement.

		本集團 Group		本公司 Company	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
金融資產	Financial assets				
貸款及應收款項：	Loans and receivables:				
— 貿易應收賬	— Trade receivables	103,354	100,304	—	—
— 應收票據	— Bills receivable	107,312	110,044	—	—
— 其他應收款項	— Other receivables	28,620	14,284	258	260
— 已抵押銀行存款	— Pledged bank deposits	—	13,400	—	—
— 銀行及現金結餘	— Bank and cash balances	49,962	63,889	7,522	10,784
— 應收附屬公司款項	— Amounts due from subsidiaries	—	—	171,940	187,351
— 應收股息	— Dividend receivables	—	—	9,048	56,302
— 應收一間共同 控制實體款項	— Amount due from a jointly controlled entity	443	—	—	—
		289,691	301,921	188,768	254,697
金融負債	Financial liabilities				
按公平值計入 損益的金融負債：	Financial liabilities at fair value through profit or loss:				
— 衍生金融工具	— Derivative financial instruments	6,990	—	6,990	—
按攤銷成本計量的 金融負債：	Financial liabilities measured at amortised cost:				
— 貿易應付賬	— Trade payables	17,498	37,851	—	—
— 應付未付賬款及 其他應付款項	— Accruals and other payables	56,067	44,400	739	503
— 銀行借貸	— Bank borrowings	74,000	109,000	—	—
		154,555	191,251	7,729	503

35. 資本管理

本集團的資本管理目標在於確保本集團有能力持續經營，以及可因應風險水平就貨品作相應定價，從而為股東帶來理想回報。

本集團會基於經濟狀況的變動及基本資產的風險特性，管理及調整資本結構。為維持或調整資本結構，本集團可調整向股東派息的款額、發行新股、向股東退回資本、借取新債務融資或出售資產減債。

本集團乃根據債務對經調整資本之比率監察本身之資本，此比率的計算方式載於下表。

於報告日期的淨債務權益比率如下：

35. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing goods commensurately with the level of risk.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristic of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as set out in the table below.

The net debt-to-equity ratio at the reporting date was as follows:

		本集團 Group	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
借貸	Borrowings		
— 流動	— Current	57,000	70,000
— 非流動	— Non-current	17,000	39,000
減：銀行及現金結餘及 已抵押銀行存款	Less: Bank and cash balances and pledged bank deposits	(49,962)	(77,289)
債務淨額	Net debt	24,038	31,711
權益總額	Total equity	767,791	629,671
淨債務權益比率	Net debt-to-equity ratio	3.13%	5.04%



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