



理文化工有限公司

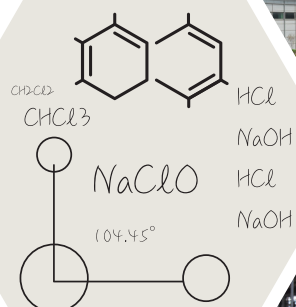
**Lee & Man Chemical Company Limited**

(Incorporated in the Cayman Islands and its members' liability is limited)

(於開曼群島註冊成立及其成員責任為有限)

Stock Code 股份代號 : 746

**Together We Grow**



**INTERIM  
REPORT  
中期報告  
2020**



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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

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

#### Independent non-executive Directors

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

### AUDIT COMMITTEE

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

### REMUNERATION COMMITTEE

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

### NOMINATION COMMITTEE

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

### COMPANY SECRETARY

Mr. Ho Chun Ho Jason

### AUTHORISED REPRESENTATIVES

Ms. Wai Siu Kee  
Mr. Ho Chun Ho Jason

### REGISTERED OFFICE

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

### 董事會

#### 執行董事

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

#### 獨立非執行董事

王啟東先生  
尹志強先生*BBS太平紳士*  
邢家維先生

### 審核委員會

邢家維先生(*主席*)  
王啟東先生  
尹志強先生*BBS太平紳士*

### 薪酬委員會

邢家維先生(*主席*)  
王啟東先生  
尹志強先生*BBS太平紳士*

### 提名委員會

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

### 公司秘書

何圳浩先生

### 授權代表

衛少琦女士  
何圳浩先生

### 註冊辦事處

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

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

## PRINCIPAL BANKERS

### In Hong Kong:

Hang Seng Bank Limited  
Mizuho Bank Ltd., Hong Kong Branch  
Bank of Communications Co., Ltd, Hong Kong Branch  
United Overseas Bank Limited, Hong Kong Branch  
Bank of China (Hong Kong) Limited

### In the PRC:

Bank of China Limited  
China Construction Bank Corporation

## AUDITORS

Deloitte Touche Tohmatsu  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

SMP Partners (Cayman) Limited  
Royal Bank House, 3rd Floor  
24 Shedden Road, P.O. Box 1586  
Grand Cayman, KY1-1110, Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

## WEBSITE

[www.leemanchemical.com](http://www.leemanchemical.com)

## 總部及香港主要營業地點

香港  
九龍  
觀塘  
敬業街61–63號  
利維大廈8樓

## 主要往來銀行

### 香港：

恒生銀行有限公司  
瑞穗銀行，香港分行  
交通銀行，香港分行  
大華銀行，香港分行  
中國銀行(香港)有限公司

### 中國：

中國銀行股份有限公司  
中國建設銀行股份有限公司

## 核數師

德勤•關黃陳方會計師行  
執業會計師  
註冊公共利益實體核數師

## 主要股份過戶登記處

SMP Partners (Cayman) Limited  
Royal Bank House, 3rd Floor  
24 Shedden Road, P.O. Box 1586  
Grand Cayman, KY1-1110, Cayman Islands

## 香港股份過戶登記分處

卓佳秘書商務有限公司  
香港  
皇后大道東183號  
合和中心54樓

## 網址

[www.leemanchemical.com](http://www.leemanchemical.com)

# Interim Results

## 中期業績

The board of directors (the "Board") of Lee & Man Chemical Company Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2020 together with comparative figures for the last corresponding period as follows:

理文化工有限公司(「本公司」)董事會欣然公布，本公司及其附屬公司(「本集團」)截至2020年6月30日止6個月之未經審核中期業績，連同去年同期比較數字如下：

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2020

### 簡明綜合損益及其他全面收益表

截至2020年6月30日止6個月

		<b>Six months ended 30 June</b>	
		<b>截至6月30日止6個月</b>	
		<b>2020</b>	2019
		<b>(Unaudited)</b>	(Unaudited)
		(未經審核)	(未經審核)
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
		<i>Notes</i>	
		<i>附註</i>	
Revenue	收入	3&4	1,718,656
Cost of sales	銷售成本		<u>(1,036,563)</u>
			<b>1,381,714</b>
Gross profit	毛利		682,093
			<b>443,400</b>
Other income	其他收入	5	85,426
Other gains or losses	其他收益或虧損	6	(3,678)
Selling and distribution costs	銷售及分銷成本		(106,511)
General and administrative expenses	行政費用		(83,813)
Research and development cost	研發費用		(71,302)
Finance costs	融資成本		(41,027)
Net exchange (losses) gains	匯兌淨(虧損)收益		1,591
Share of gains of joint ventures	應佔合營企業收益		212
Share of losses of associates	應佔聯營企業虧損		(128)
			<u>462,863</u>
Profit before taxation	除稅前溢利		462,863
Income tax expense	所得稅支出	7	(61,683)
			<u>191,447</u>
<b>Profit for the period</b>	<b>期內溢利</b>	8	<b>156,213</b>
<b>Other comprehensive expenses:</b>	<b>其他全面支出：</b>		
<b>Items that will not be reclassified to profit or loss:</b>	<b>其後不會重新分類至損益之項目：</b>		
Exchange differences arising on translation	因換算而產生的匯兌差額		(9,161)
Share of other comprehensive expenses of joint ventures and an associate	應佔合營企業及聯營企業之其他全面支出		(4)
			<u>(57,863)</u>
Other comprehensive expenses for the period	期內其他全面支出		(9,165)
			<u>(616)</u>
			<b>(58,479)</b>
<b>Total comprehensive income for the period</b>	<b>期內全面收益總額</b>		392,015
			<u>97,734</u>
Earnings per share:	每股盈利：		
– Basic (HK cents)	– 基本(港仙)	10	48.6
			<u>18.9</u>
– Diluted (HK cents)	– 攤薄(港仙)		48.6
			<u>18.9</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 30 June 2020

**簡明綜合財務狀況表**

於2020年6月30日

			<b>30 June 2020 2020年 6月30日 (Unaudited) (未經審核)</b>	31 December 2019 2019年 12月31日 (Audited) (經審核)
	<i>Notes 附註</i>		<b>HK\$'000 千港元</b>	HK\$'000 千港元
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment		物業、廠房及設備	<b>4,070,326</b>	4,083,068
Right-of-use assets		使用權資產	<b>138,855</b>	142,998
Intangible assets		無形資產	<b>92,470</b>	95,405
Deposits paid for the acquisition of property, plant and equipment		購置物業、廠房及設備之 已付訂金	<b>64,602</b>	76,644
Interests in joint ventures		合營企業之權益	<b>16,589</b>	16,462
Interests in associates		聯營企業之權益	<b>20,084</b>	19,619
Loan to a joint venture		合營企業之貸款	<b>97,755</b>	97,755
Deferred tax assets		遞延稅項資產	<b>21,581</b>	22,335
Goodwill		商譽	<b>2,579</b>	2,622
			<b>4,524,841</b>	4,556,908
<b>CURRENT ASSETS</b>				
Inventories		存貨	<b>474,324</b>	550,384
Properties under development for sale		待出售的發展中物業	<b>304,749</b>	263,163
Trade and other receivables		應收貿易及其他款項	<b>309,075</b>	290,527
Bills receivable		應收票據	<b>114,250</b>	156,105
Amount due from a joint venture		應收合營企業款項	<b>13,823</b>	14,120
Amount due from an associate		應收聯營企業款項	<b>313</b>	1,199
Amounts due from related companies		應收關連公司款項	<b>15,228</b>	16,138
Bank balances and cash		銀行結餘及現金	<b>200,220</b>	246,404
			<b>1,431,982</b>	1,538,040
<b>CURRENT LIABILITIES</b>				
Trade and other payables		應付貿易及其他款項	<b>342,755</b>	366,898
Bills payable		應付票據	<b>48,597</b>	131,763
Contract liabilities		合約負債	<b>45,577</b>	55,157
Amounts due to related companies		應付關連公司款項	<b>11,368</b>	15,307
Taxation payable		應付稅項	<b>12,381</b>	85,677
Lease liabilities		租賃負債	<b>1,321</b>	1,850
Bank borrowings – due within 1 year		銀行借款 – 1年內到期	<b>417,637</b>	587,538
			<b>879,636</b>	1,244,190

## Interim Results

## 中期業績

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

At 30 June 2020

## 簡明綜合財務狀況表(續)

於2020年6月30日

		<b>30 June 2020</b>	31 December 2019
		<b>2020年 6月30日</b>	2019年 12月31日
		<b>(Unaudited)</b>	(Audited)
		(未經審核)	(經審核)
	<i>Notes</i>	<b>HK\$'000</b>	HK\$'000
	<i>附註</i>	千港元	千港元
<b>NET CURRENT ASSETS</b>	流動資產淨額	<b>552,346</b>	293,850
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	總資產減流動負債	<b>5,077,187</b>	4,850,758
<b>NON-CURRENT LIABILITIES</b>	非流動負債		
Other payables	應付其他款項	14 <b>36,800</b>	40,747
Lease liabilities	租賃負債	<b>276</b>	–
Contract liabilities	合約負債	<b>8,963</b>	9,877
Deferred tax liabilities	遞延稅項負債	<b>32,289</b>	38,697
Bank borrowings – due after 1 year	銀行借款 – 1年後到期	<b>1,158,053</b>	910,914
		<b>1,236,381</b>	1,000,235
<b>NET ASSETS</b>	資產淨值	<b>3,840,806</b>	3,850,523
<b>CAPITAL AND RESERVES</b>	資本及儲備		
Share capital	股本	15 <b>82,500</b>	82,500
Reserves	儲備	<b>3,758,306</b>	3,768,023
<b>TOTAL EQUITY</b>	權益總額	<b>3,840,806</b>	3,850,523

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six months ended 30 June 2020

**簡明綜合權益變動表**

截至2020年6月30日止6個月

		Share capital 股本	Share premium 股份溢價	Non-distributable reserve 不可分派儲備 (note i) (附註i)	Safety fund reserve 安全基金儲備 (note ii) (附註ii)	Translation reserve 匯兌儲備	Share option reserve 購股權儲備	Special reserve 特別儲備 (note iii) (附註iii)	Other reserve 其他儲備 (note iv) (附註iv)	Accumulated profits 累計溢利	Total equity 權益總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2019 (audited)	於2019年1月1日(經審核)	82,500	20,307	531,614	1,213	(121,568)	47,997	(97,362)	(686)	3,014,650	3,478,665
Transitional adjustment on initial adoption of HKFRS 16	首次採用香港財務報告準則第16號之過渡調整	-	-	-	-	-	-	-	-	58	58
At 1 January 2019 (adjusted)	於2019年1月1日(經調整)	82,500	20,307	531,614	1,213	(121,568)	47,997	(97,362)	(686)	3,014,708	3,478,723
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	401,180	401,180
Other comprehensive expense for the period	期內其他全面支出	-	-	-	-	(9,165)	-	-	-	-	(9,165)
Total comprehensive (expense) income for the period	期內全面(支出)收益總額	-	-	-	-	(9,165)	-	-	-	401,180	392,015
Dividend recognised as distribution	已確認分派之股息	-	-	-	-	-	-	-	-	(123,750)	(123,750)
Transfer to non-distributable reserve	轉入不可分派儲備	-	-	40,436	-	-	-	-	-	(40,436)	-
Net utilisation of safety fund reserve	釋出安全基金儲備淨額	-	-	-	(1,213)	-	-	-	-	1,213	-
Recognition of equity settled share based payments	確認以股本結算為基礎之支出	-	-	-	-	-	16,208	-	-	-	16,208
At 30 June 2019 (unaudited)	於2019年6月30日(未經審核)	82,500	20,307	572,050	-	(130,733)	64,205	(97,362)	(686)	3,252,915	3,763,196



# Interim Results

## 中期業績

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2020

### 簡明綜合權益變動表(續)

截至2020年6月30日止6個月

		Share capital	Share premium	Non-distributable reserve	Safety fund reserve	Translation reserve	Share option reserve	Special reserve	Other reserve	Accumulated profits	Total equity
		股本	股份溢價	不可分派儲備	安全基金儲備	匯兌儲備	購股權儲備	特別儲備	其他儲備	累計溢利	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(note i)	(note ii)			(note iii)	(note iv)		
				(附註i)	(附註ii)			(附註iii)	(附註iv)		
At 1 January 2020 (audited)	於2020年1月1日 (經審核)	82,500	20,307	614,212	-	(210,973)	80,681	(97,362)	(686)	3,361,844	3,850,523
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	156,213	156,213
Other comprehensive expense for the period	期內其他全面支出	-	-	-	-	(58,479)	-	-	-	-	(58,479)
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	(58,479)	-	-	-	156,213	97,734
Dividend recognised as distribution	已確認分派之股息	-	-	-	-	-	-	-	-	(123,750)	(123,750)
Transfer to non-distributable reserve	轉入不可分派儲備	-	-	26,502	-	-	-	-	-	(26,502)	-
Appropriation to safety fund reserve	轉撥至安全基金儲備	-	-	-	8,630	-	-	-	-	(8,630)	-
Utilisation of safety fund reserve	釋出安全基金儲備	-	-	-	(8,630)	-	-	-	-	8,630	-
Recognition of equity settled share based payments	確認以股本結算為基礎之支出	-	-	-	-	-	16,299	-	-	-	16,299
At 30 June 2020 (unaudited)	於2020年6月30日 (未經審核)	82,500	20,307	640,714	-	(269,452)	96,980	(97,362)	(686)	3,367,805	3,840,806

Notes:

附註:

- According to the relevant laws in the People's Republic of China ("PRC"), wholly foreign-owned enterprises in the PRC are required to transfer at least 10% of their net profits after taxation, as determined under the PRC accounting regulations, to a non-distributable reserve fund until the reserve balance reaches 50% of their registered capital. The transfer to this reserve must be made before the distribution of a dividend to equity owners. The non-distributable reserve fund can be used to offset the previous years' losses, if any. The non-distributable reserve fund is non-distributable other than upon liquidation.
- Pursuant to the relevant regulation in the PRC, certain subsidiaries of the Company are required to provide for safety fund reserve based on sales revenue.
- The special reserve of the Group represents the difference between the nominal value of the share capital issued by the Company and the nominal value of the share capital of the subsidiaries acquired pursuant to a group reorganisation in December 2001.
- In November 2018, the Group acquired the remaining 30% equity interests in a subsidiary from its non-controlling shareholder at a consideration of RMB10,500,000 (equivalent to approximately HK\$12,146,000). The difference between the carrying amount of the net assets acquired and the fair value of the consideration has been recognised directly to equity as "other reserve".
- 根據中華人民共和國(「中國」)相關法律，在中國的外資企業須結轉最少10%除稅後溢利(根據中國會計規定釐定)至不可分派儲備，直至儲備結餘達到註冊資本50%。結轉該儲備必須在分派股息給股東前。不可分派儲備可用作抵銷過往年度虧損(如有)。除清盤外，不可分派儲備是不得分派。
- 根據中國相關法規，部份本公司之子公司是需根據銷售額計提安全基金儲備。
- 本集團之特別儲備乃本公司透過2001年12月之集團重組所收購之附屬公司之股本面值與本公司已發行股本面值之差額。
- 於2018年11月，本集團向一家附屬公司之非控股股東收購該間附屬公司餘下30%股權，總代價為人民幣10,500,000元(約等於12,146,000港元)。所收購資產淨值之賬面金額超出所付代價之公平值之數額已直接於權益中的其他儲備確認。

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

## 簡明綜合現金流量表

		<b>Six months ended 30 June</b>	
		截至6月30日止6個月	
		<b>2020</b>	2019
		<b>(Unaudited)</b>	(Unaudited)
		(未經審核)	(未經審核)
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
<b>NET CASH FROM OPERATING ACTIVITIES</b>	經營業務所得現金淨額	<b>232,767</b>	538,230
<b>INVESTING ACTIVITIES</b>	投資活動		
Payments for purchase of property, plant and equipment	購置物業、廠房及設備付款	<b>(95,154)</b>	(198,206)
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備之已付訂金	<b>(117,832)</b>	(167,519)
Capital injected to associates	對聯營公司增資	<b>(1,095)</b>	(1,569)
(Decrease) increase in construction costs payable	應付建設款項(減少)增加	<b>(21,201)</b>	12,688
Interest received	已收利息	<b>3,032</b>	2,455
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	<b>1,670</b>	99
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	投資活動所用現金淨額	<b>(230,580)</b>	(352,052)
<b>FINANCING ACTIVITIES</b>	融資活動		
Bank borrowings raised	新籌集銀行借款	<b>568,485</b>	400,169
Repayment of bank borrowings	償還銀行借款	<b>(480,036)</b>	(418,014)
Dividends paid	已付股息	<b>(123,750)</b>	(123,750)
Interest paid	已付利息	<b>(31,950)</b>	(39,364)
Proceeds from (payments for) settlement of derivative financial instruments	結算衍生金融工具所得(所付)款項	<b>306</b>	(3,381)
Payments for lease liabilities	租賃負債付款	<b>(1,087)</b>	(1,442)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	融資活動所用現金淨額	<b>(68,032)</b>	(185,782)
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	現金及現金等價物(減少)增加淨額	<b>(65,845)</b>	396
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	期初之現金及現金等價物	<b>246,404</b>	593,074
<b>EFFECT OF CHANGES IN EXCHANGE RATE</b>	匯率變動之影響	<b>19,661</b>	(2,225)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	期末之現金及現金等價物	<b>200,220</b>	591,245

# Interim Results

## 中期業績

### NOTE TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Notes:

#### 1. BASIS OF PREPARATION

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

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

#### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values as appropriate.

Other than new accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2019.

#### Application of amendments to HKFRSs

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>
Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>

### 簡明綜合財務報表附註

附註：

#### 1. 編製基準

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

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

#### 2. 主要會計政策

本簡明綜合財務報表按歷史成本法編製，惟按公允值(倘適用)計量之若干衍生金融工具除外。

除應用經修訂香港財務報告準則(「香港財務報告準則」)所產生之新增會計政策及應用與本集團相關之若干會計政策外，截至2020年6月30日止6個月之簡明綜合財務報表所採用的會計政策及計算方法，與本集團截至2019年12月31日止年度財務報表所採用者一致。

#### 應用經修訂香港財務報告準則

於本中期期間，本集團已首次採納由香港會計師公會頒布且已於2020年1月1日或之後開始之年度期間強制生效之香港財務報告準則經修訂概念框架指引及以下之經修訂香港財務報告準則，以編製本集團之簡明綜合財務報表：

香港會計準則第1號及香港會計準則第8號(修訂本)	<i>重大的定義</i>
香港財務報告準則第3號(修訂本)	<i>業務的定義</i>
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)	<i>利率基準改革</i>

## 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### Application of amendments to HKFRSs (Continued)

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

#### 2.1 Impacts of application on Amendments to HKAS 1 and HKAS 8 "Definition of Material"

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current period had no impact on the condensed consolidated financial statements. Changes in presentation and disclosures on the application of the amendments, if any, will be reflected on the consolidated financial statements for the year ending 31 December 2020.

#### 2.2 Impacts and accounting policies on application of Amendments to HKFRS 3 "Definition of a Business"

##### 2.2.1 Accounting policies

###### *Business combinations or asset acquisitions*

###### Optional concentration test

Effective from 1 January 2020, the Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

## 2. 主要會計政策(續)

### 應用經修訂香港財務報告準則(續)

除下文所述外，本期間應用香港財務報告準則經修訂概念框架指引及經修訂香港財務報告準則對本集團於本期間及過往期間之財務狀況及表現及／或載於簡明綜合財務報表之披露並無重大影響。

#### 2.1 應用香港會計準則第1號及香港會計準則第8號(修訂本)[重大的定義]之影響

修訂本為重大提供新的定義，列明「倘遺漏、錯誤陳述或隱瞞資訊可以合理預期會影響一般用途財務報表的主要用戶基於該等提供有關特定報告實體之財務資訊的財務報表作出之決策，則該資訊屬重大」。

修訂本並釐清在整體財務報表的範圍內，重要性取決於資訊的性質或幅度(單獨或與其他資訊結合使用)。

本期間應用修訂本對簡明綜合財務報表並無影響。應用修訂本之呈報及披露的變更(倘有)，將於截至2020年12月31日止年度之綜合財務報表中反映。

#### 2.2 應用香港財務報告準則第3號(修訂本)[業務的定義]之影響及會計政策

##### 2.2.1 會計政策

###### *業務合併或資產收購*

###### 可選集中度測試

自2020年1月1日生效起，本集團可選擇以逐項交易基準應用可選集中度測試，可對所收購之一組活動及資產是否並非一項業務作簡化評估。倘所購總資產的公允值幾乎全部都集中在單一可識別資產或一組類似可識別資產中，則符合集中度測試。評估之總資產不包括現金及現金等價物、遞延稅項資產、及由遞延稅項負債影響產生之商譽。倘符合集中度測試，該組活動及資產會被釐定為並非業務及毋須作進一步評估。

# Interim Results

## 中期業績

### 2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### Application of amendments to HKFRSs (Continued)

#### 2.2 Impacts and accounting policies on application of Amendments to HKFRS 3 "Definition of a Business" (Continued)

##### 2.2.2 Transition and summary of effects

The amendments had no impact on the condensed consolidated financial statements of the Group.

### 3. REVENUE

#### (i) Disaggregation of revenue

##### Types of goods or services

Manufacture and sale of chemical products
Caustic soda
Chloromethane products
Polymers
Hydrogen peroxide
Fluorochemical products
Styrene acrylic latex surface sizing agent
Others

##### 產品與服務種類

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

#### Six months ended 30 June

截至6月30日止6個月

2020	2019
HK\$'000	HK\$'000
千港元	千港元

<b>532,594</b>	691,484
<b>318,856</b>	498,129
<b>193,557</b>	212,538
<b>154,934</b>	105,861
<b>23,556</b>	85,581
<b>31,456</b>	25,581
<b>126,761</b>	99,482

**1,381,714**      **1,718,656**

#### (ii) Performance obligations for contracts with customers

##### Manufacture and sale of chemical products with product delivery services

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

### 2. 主要會計政策(續)

#### 應用經修訂香港財務報告準則(續)

#### 2.2 應用香港財務報告準則第3號(修訂本)「業務的定義」之影響及會計政策(續)

##### 2.2.2 影響之過渡及總結

修訂本對本集團之簡明綜合財務報表並無影響。

### 3. 收入

#### (i) 收入分類

#### (ii) 與客戶合約之履約義務

##### 製造和銷售化工產品附帶產品交付服務

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

#### 4. SEGMENT INFORMATION

##### (a) Operating segments

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

##### (b) Geographical information

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

##### (c) Revenue from major customers

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

Customer A

客戶A

\* The corresponding revenue from the customer did not contribute over 10% of the total revenue of the Group for the six months ended 30 June 2020.

#### 4. 分部資料

##### (a) 經營分部

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

##### (b) 地區資料

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

##### (c) 來自主要客戶的收益

來自個別為本集團收益貢獻超過10%的客戶的收益如下：

<b>Six months ended 30 June</b>	
<b>截至6月30日止6個月</b>	
<b>2020</b>	<b>2019</b>
<b>HK\$'000</b>	<b>HK\$'000</b>
<b>千港元</b>	<b>千港元</b>
Customer A	客戶A
<b>N/A*</b>	<b>N/A*</b>
<b>不適用*</b>	<b>172,021</b>

\* 截至2020年6月30日止6個月，來自該客戶的相應收益並無為本集團總收益貢獻超過10%。

## Interim Results

## 中期業績

## 5. OTHER INCOME

## 5. 其他收入

		<b>Six months ended 30 June</b>	
		截至6月30日止6個月	
		<b>2020</b>	2019
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Government grants	政府補貼	<b>22,693</b>	64,452
Electricity and steam income	提供電力及蒸氣收入	<b>8,960</b>	13,295
Scrap sales	廢品收入	<b>5,108</b>	3,453
Bank interest income	銀行利息收入	<b>3,032</b>	2,455
Rental income	租金收入	<b>1,026</b>	1,168
Interest income from a joint venture	合營公司之利息收入	<b>309</b>	236
Others	其他	<b>442</b>	367
		<b>41,570</b>	85,426

## 6. OTHER GAINS OR LOSSES

## 6. 其他收益或虧損

		<b>Six months ended 30 June</b>	
		截至6月30日止6個月	
		<b>2020</b>	2019
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Net gain (loss) on settlement of derivative financial instruments	衍生金融工具結算之淨收益(損失)	<b>306</b>	(3,380)
Net gain (loss) on disposal of property, plant and equipment	處置物業、廠房及設備淨收益(損失)	<b>47</b>	(298)
		<b>353</b>	(3,678)

**7. INCOME TAX EXPENSE****7. 所得稅支出**

		<b>Six months ended 30 June</b>	
		截至6月30日止6個月	
		2020	2019
		HK\$'000	HK\$'000
		千港元	千港元
The charge comprises:	支出包括：		
Current tax:	本期稅項：		
PRC Enterprise Income Tax ("EIT")	中國企業所得稅	<b>40,855</b>	70,598
Withholding tax on dividend income	股息收入預扣稅	<b>5,805</b>	8,947
Over provision in prior years – EIT	以前年度多提中國企業所得稅	<b>(6,013)</b>	(9,044)
Deferred tax	遞延稅項	<b>(5,413)</b>	(8,818)
		<b>35,234</b>	61,683

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

For the periods ended 30 June 2019 and 30 June 2020, Jiangsu Lee & Man Chemical Limited ("Jiangsu L&M") and Jiangxi Lee & Man Chemical Limited ("Jiangxi L&M") were entitled to reduced EIT rate of 15% as they have been qualified as a High and New Technology Enterprise.

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

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

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

於2019年6月30日及2020年6月30日止期內，因江蘇理文化工有限公司（「江蘇理文」）及江西理文化工有限公司（「江西理文」）取得高新科技企業資格，所以享有較低之15%企業所得稅率。

其他司法權區之稅項乃按有關司法權區之課稅率而計算。

由於該兩個期間並無應評稅利潤，故無提撥香港利得稅。



## Interim Results

## 中期業績

## 8. PROFIT FOR THE PERIOD

## 8. 期內溢利

		Six months ended 30 June 截至6月30日止6個月	
		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Profit for the period has been arrived at after charging:	期內溢利已扣除：		
Directors' emoluments	董事薪酬	24,305	26,027
Other staff costs:	其他職員成本：		
Salaries and other benefits (excluding directors)	薪金及其他福利 (董事除外)	122,172	119,812
Retirement benefit schemes contributions (excluding directors)	退休福利計劃供款 (董事除外)	3,516	7,667
Total staff costs	員工成本總額	<u>149,993</u>	<u>153,506</u>
Finance costs:	融資成本：		
Interest on bank borrowings wholly repayable within five years	利息支出一須於五年內全部償還之銀行借款	31,558	38,823
Interest on lease liabilities	利息支出一租賃負債	46	131
Less: amounts capitalised to property, plant and equipment (note)	減：於物業、廠房及設備資本化之金額(附註)	<u>(608)</u>	<u>(99)</u>
		<u>30,996</u>	<u>38,855</u>
Cost of inventories recognised as expenses	已確認為支出的存貨成本	938,314	1,036,563
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	167,416	173,748
Depreciation of right-of-use assets	使用權資產折舊	2,636	3,430
Amortisation of intangible assets	無形資產攤銷	<u>1,389</u>	<u>1,621</u>
Total depreciation and amortisation	折舊及攤銷合計	171,441	178,799
Capitalised in inventories	已計入存貨之金額	<u>(147,501)</u>	<u>(159,007)</u>
		<u>23,940</u>	<u>19,792</u>

Note: During the period ended 30 June 2020, certain borrowing costs capitalised arose from the specific borrowings and were calculated by applying a capitalisation rate of 4.9875% (2019: 4.75%) per annum to expenditures on qualifying assets.

附註：截至2020年6月30日，部分資本化的借貸成本由指定借款產生及採用符合資本化條件的資產支出按每年資本化率4.9875%(2019：4.75%)計算。

## 9. DIVIDENDS

## 9. 股息

		<b>Six months ended 30 June</b>	
		截至6月30日止6個月	
		<b>2020</b>	2019
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Final dividend paid during the period: 2019 final dividend HK15 cents per share (2019: 2018 final dividend of HK15 cents per share)	期內已派付之末期股息： 2019年末期股息每股15港仙 (2019：2018年末期股息 每股15港仙)	<b>123,750</b>	123,750
Interim dividend declared subsequent to period end: 2020 interim dividend HK7.5 cents per share (2019: 2019 interim dividend of HK18 cents per share)	期後已宣派之中期股息： 2020年中期股息每股7.5港仙 (2019：2019年中期股息 每股18港仙)	<b>61,875</b>	148,500

The Board has declared that an interim dividend of HK7.5 cents (2019: HK18 cents) per share for the six months ended 30 June 2020 to shareholders whose names appear in the Register of Members on 24 August 2020.

董事會議決宣派2020年6月30日止6個月之中期股息每股7.5港仙(2019：18港仙)予於2020年8月24日名列於股東名冊內之股東。

## 10. EARNINGS PER SHARE

## 10. 每股盈利

The calculation of the basic and diluted earnings per share is based on the profit for the year attributable to owners of the Company of HK\$156,213,000 (2019: HK\$401,180,000) and 825,000,000 (2019: 825,000,000) shares in issue during the period.

每股基本及攤薄盈利乃按本公司擁有人之期內溢利156,213,000港元(2019：401,180,000港元)及825,000,000股(2019：825,000,000股)作計算。

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

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

		<b>Six months ended 30 June</b>	
		截至6月30日止6個月	
		<b>2020</b>	2019
		<b>'000 Shares</b>	'000 Shares
		千股	千股
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利之普通股加權 平均數	<b>825,000</b>	825,000
Effect of deemed issue of shares under the Company's share option scheme	根據本公司的購股權計劃被視作為 已發行股份之影響	<b>N/A</b> 不適用	1,402
Weighted average number of ordinary shares for the purpose of diluted earnings per share	計算每股攤薄盈利之普通股加權 平均數	<b>825,000</b>	826,402

The computation of diluted earnings per share for the current period did not assume the exercise of the Company's share options because the adjusted exercise price of those share options was higher than the average market price for shares in that period.

本期間每股攤薄盈利的計算並不假設行使本公司的購股權，因為該等購股權的行使價高於當期股份的平均市價。

# Interim Results

## 中期業績

### 11. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK\$223 million on property, plant and equipment to expand its operation.

### 12. INVENTORIES

Raw materials and consumables	原材料及耗用品
Work in progress	在製品
Finished goods	製成品

<b>30 June</b>	31 December
<b>2020</b>	2019
<b>2020年</b>	2019年
<b>6月30日</b>	12月31日
<b>HK\$'000</b>	HK\$'000
千港元	千港元

<b>276,013</b>	394,661
<b>22,190</b>	22,780
<b>176,121</b>	132,943
<b>474,324</b>	550,384

### 13. TRADE AND OTHER RECEIVABLES

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

Included in the balance are trade receivables of approximately HK\$130,044,000 (31 December 2019: HK\$115,432,000). The aged analysis of trade receivables based on invoice date at the end of the reporting period is as follows:

Not exceeding 30 days	不超過30天
31 to 60 days	31至60天
61 to 90 days	61至90天
91 to 120 days	91至120天
Over 120 days	超過120天

Trade receivables	貿易應收款
Prepayments	預付款
Deposits to suppliers	付供應商訂金
Value-added tax receivable	應收增值稅項
Other receivables	其他應收款

Total trade and other receivables	應收貿易及其他款項合計
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### 11. 添置物業、廠房及設備

期內，本集團就物業、廠房及設備添置約2.23億港元，以擴展集團業務。

### 12. 存貨

### 13. 應收貿易及其他款項

本集團一般給予貿易客戶之除賬期平均為7至60天。

應收貿易及其他款項包括應收賬款約130,044,000港元(2019年12月31日：115,432,000港元)，應收賬款於結算日按發票日期之賬齡分析如下：

<b>30 June</b>	31 December
<b>2020</b>	2019
<b>2020年</b>	2019年
<b>6月30日</b>	12月31日
<b>HK\$'000</b>	HK\$'000
千港元	千港元

<b>118,973</b>	103,929
<b>9,017</b>	8,376
<b>1,152</b>	2,748
<b>-</b>	81
<b>902</b>	298

<b>130,044</b>	115,432
<b>110,243</b>	102,014
<b>24,130</b>	18,983
<b>39,013</b>	36,950
<b>5,645</b>	17,148

<b>309,075</b>	290,527
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**14. TRADE AND OTHER PAYABLES**

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

Included in trade and other payables are trade payables of approximately HK\$120,686,000 (31 December 2019: HK\$107,160,000). The aged analysis of trade payables based on invoice date at the end of the reporting period is as follows:

		<b>30 June</b>	31 December
		<b>2020</b>	2019
		<b>2020年</b>	2019年
		<b>6月30日</b>	12月31日
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Not exceeding 30 days	不超過30天	<b>57,410</b>	62,624
31 to 60 days	31至60天	<b>27,250</b>	16,807
61 to 90 days	61至90天	<b>6,688</b>	3,692
Over 90 days	90天以上	<b>29,338</b>	24,037
Trade payables	貿易應付款	<b>120,686</b>	107,160
Construction costs payables and accruals	應付工程款及預提費用	<b>116,137</b>	137,338
Value-added tax accruals	預提增值稅項	<b>11,310</b>	16,136
Other payables	其他應付款	<b>90,005</b>	103,872
Other accruals	其他預提費用	<b>41,417</b>	43,139
Total trade and other payables	應付貿易及其他款項合計	<b>379,555</b>	407,645
Analysed for reporting purposes as:	作報告分析用途：		
Current liabilities	流動負債	<b>342,755</b>	366,898
Non-current liabilities	非流動負債	<b>36,800</b>	40,747
		<b>379,555</b>	407,645

As at 30 June 2020, other payables included a non-current deferred income, amounting to HK\$25,325,000 (31 December 2019: HK\$29,080,000) received from the PRC government for an innovative technology project. The amounts will be utilised to the relevant research and development expenses.

**14. 應付貿易及其他款項**

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

應付貿易及其他款項包括應付賬款約120,686,000港元(2019年12月31日：107,160,000港元)，應付賬款於結算日按發票日期之賬齡分析如下：

截至2020年6月30日，收取了中國政府給予之創新科技項目金額為25,325,000港元(2019年12月31日：29,080,000港元)之非流動遞延收入已包含在其他應付款中。

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## 15. SHARE CAPITAL

## 15. 股本

		Number of ordinary shares 普通股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.10 each:	每股面值0.10港元之普通股：		
Authorised:	法定：		
At 1 January 2019, 30 June 2019, 1 January 2020 and 30 June 2020	於2019年1月1日、2019年 6月30日、2020年1月1日 及2020年6月30日	5,000,000,000	500,000
Issued and fully paid:	發行及繳足：		
At 1 January 2019, 30 June 2019, 1 January 2020 and 30 June 2020	於2019年1月1日、2019年 6月30日、2020年1月1日 及2020年6月30日	825,000,000	82,500

## 16. CAPITAL COMMITMENTS

## 16. 資本承擔

		30 June 2020 2020年 6月30日 HK\$'000 千港元	31 December 2019 2019年 12月31日 HK\$'000 千港元
Acquisition of property, plant and equipment	購置物業廠房及設備	297,328	239,036
Acquisition of right-of-use assets	購置使用權資產	21,304	21,660
		<b>318,632</b>	<b>260,696</b>

**17. CONNECTED AND RELATED PARTY TRANSACTIONS**

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

**17. 關連交易**

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

Name of related party 關連方名稱	Relationship 關係	Nature of transactions 交易性質	Six months ended 30 June 截至6月30日止6個月	
			2020 HK\$'000 千港元	2019 HK\$'000 千港元
LMP Group 理文造紙	A Group beneficially owned and controlled by family members of Mr. Lee Man Yan 由李文恩先生家族成員實益擁有及控制之公司	Electricity & steam fee paid 已付發電及蒸氣費	<b>33,406</b>	33,133
		Rental expense paid 已付租金費用	<b>903</b>	947
		Sales of chemical products 銷售化工產品	<b>56,951</b>	45,695
		Electricity & steam fee received 已收發電及蒸氣費	<b>35,745</b>	35,146
		Rental income received 已收租金收入	<b>1,026</b>	1,121
常熟東港置業有限公司	A joint venture 合營企業	Management fee paid 已付管理費	<b>2,047</b>	2,254
		Interest received 已收利息	<b>309</b>	236
瑞昌市碼頭熱力有限公司	An associate 聯營企業	Steam fee received 已收蒸氣費	<b>3,098</b>	1,981

**18. SHARE OPTION SCHEME**

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

**18. 購股權計劃**

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

# Interim Results

## 中期業績

### 18. SHARE OPTION SCHEME (CONTINUED)

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

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

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

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

### 18. 購股權計劃(續)

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

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

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

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

**18. SHARE OPTION SCHEME (CONTINUED)**

The following table discloses movements of the Company's share options during the periods ended 30 June 2020 and 30 June 2019:

Director 董事	Date of grant 授出日期	Exercise price 行使價 HK\$ 港元	Exercisable period 行使期		
Mr. Lee 李先生	14 July 2017 2017年7月14日	3.72	1 April 2022 – 31 March 2027 2022年4月1日 – 2027年3月31日		
		<b>2020</b>	<b>2019</b>		
		<b>Weighted average exercise price</b>	<b>Weighted average exercise price</b>		
		<b>Number of share options</b>	<b>Number of shares options</b>		
		加權平均行使價	加權平均行使價		
		購股權數目	購股權數目		
		'000	'000		
		千股	千股		
Outstanding at the beginning of the period	期初結餘	<b>HK\$3.72</b>	<b>82,500</b>	HK\$3.72	82,500
Granted during the period	期內授出	-	-	-	-
Exercised during the period	期內行使	-	-	-	-
Lapsed during the period	期內失效	-	-	-	-
Outstanding at the end of the period	期末結餘	<b>HK\$3.72</b>	<b>82,500</b>	HK\$3.72	82,500
Exercisable at the end of the period	於期末可予行使	-	-	-	-

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

**18. 購股權計劃(續)**

截至2020年6月30日及2019年6月30日止期間內，本公司購股權變動呈列如下：

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

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

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

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

購股權之公平值乃參考由專業獨立估值師之評估。

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

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



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### 18. SHARE OPTION SCHEME (CONTINUED)

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

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

The Group recognises the total expense of HK\$16,299,000 for the period ended 30 June 2020 (period ended 30 June 2019: HK\$16,208,000) in relation to share options granted by the Company.

### 19. REVIEW OF UNAUDITED INTERIM FINANCIAL INFORMATION

The unaudited interim financial information for the six months ended 30 June 2020 has been reviewed with no disagreement by the Audit Committee of the Company.

### INTERIM DIVIDEND

The Board has declared an interim dividend of HK7.5 cents per share for the six months ended 30 June 2020 to shareholders whose names appear on the Register of Members on 24 August 2020. It is expected that the interim dividend will be paid around 3 September 2020.

### CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 19 August 2020 to 24 August 2020, both days inclusive, during which period no transfer of shares in the Company can be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on 18 August 2020.

### 18. 購股權計劃(續)

無風險利率按香港金融管理局之五年期外匯基金債券率於授出日期估計。

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

就本公司授出之購股權，於2020年6月30日止期間本集團已確認16,299,000港元之費用(2019年6月30日止期間：16,208,000港元)。

### 19. 未經審核中期財務資料審閱

截至2020年6月30日止6個月的未經審核中期財務資料，已經由本公司的審核委員會作出審閱及並無不同意見。

### 中期股息

董事會議決宣派截至2020年6月30日止6個月之中期股息每股7.5港仙予於2020年8月24日名列股東名冊內之股東。預期中期股息將於2020年9月3日派發。

### 暫停辦理股份過戶登記

本公司將於2020年8月19日至2020年8月24日(首尾兩天包括在內)暫停辦理股份過戶登記手續。為符合獲派中期股息之資格，所有過戶文件連同有關股票最遲須於2020年8月18日下午4:30前送達本公司位於香港皇后大道東183號合和中心54樓之股份過戶登記分處卓佳秘書商務有限公司，以辦理登記手續。

# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW

For the six months ended 30 June 2020, the Group recorded a revenue of approximately HK\$1,382 million, decreased by 19.6% when compared to the corresponding period last year; and a net profit of approximately HK\$156 million for the period, representing a decrease of 61.1% when compared to the corresponding period last year.

The Group's gross profit margin was 32.1%, decreased by 7.6 percentage points when compared to the corresponding period last year and the net profit margin was 11.3%, decreased by 12 percentage points when compared to the corresponding period last year.

During the period under review, China has imposed a large-scale lockdown in early 2020 in response to the novel coronavirus ("COVID-19") pandemic. The supply chain of manufacturing industry was hard hit, which would take time for rectification. Countries around the world are being affected by the pandemic one after another, resulting in drastic slowdown and even contraction of the overall economy. Except for the prices of certain chemical products for epidemic prevention and sterilization had once increased, the overall market prices of chemical products have slid to the low end in recent years after the production was resumed in 2020, imposing tremendous pressure on the Group's profitability.

### PROSPECTS

As the pandemic situation remains volatile and the business environment is still full of challenges, the unprecedented widespread influence has created a new normal across different industries that is yet to be adapted to and navigate within. The Group expects the restrictive measures in Mainland China and some European countries to be gradually lifted in the second half of 2020. The domestic chemical industry is expected to bottom out soon, but the operating environment remains extremely challenging. The Group will strive to preserve its competitive edge over cost-effectiveness, and cautiously explore other sources of business growth by handpicking investment opportunities. The Group will also continue to enhance occupational safety measures and to provide all-round training for its employees, so as to attain the 'Grade-A Safe Production Standardization Enterprise Certification' and ensure sustainable development under the conditions of safe production.

The infrastructure construction of the new factory in Gaolan Port, Zhuhai is near completion. Commercial production of the Group's internally-developed lithium battery electrolyte additives is expected to commence by the end of 2020. Furthermore, the Group will still be dedicated to undertaking research and commercialization of specialty polymers, lithium battery chemicals and innovative surface treatment agents, as well as furthering vertical expansion to widen the variety of downstream products.

### 業務回顧

截至2020年6月30日止6個月，本集團錄得總營業額13.82億港元，較去年同期下跌19.6%，而期內溢利為1.56億，較去年同期下跌61.1%。

本集團毛利率為32.1%，較去年同期下跌7.6個百分點；淨利潤率為11.3%，按年下跌12個百分點。

回顧期內，受到新型冠狀病毒疫情影響，中國曾於2020年初實施大規模封閉式管理，對製造業的供應鏈造成的衝擊需時重整。之後世界各國亦陸續受疫情影響，整體經濟亦見急速放緩甚至收縮。除部份防疫消毒相關化工產品價格曾經有所上揚外，化工產品的整體市場價格於2020年復工後一直維持於近年來的偏低水平，令本集團的盈利面對沉重壓力。

### 展望

全球疫情仍持續反覆，營商環境依然充滿挑戰，影響所及更是前所未見，各行各業仍在新常態中適應和摸索。本集團預期於2020年下半年，隨著中國境內以至部份歐洲國家的各項限制措施將會陸續放寬，國內化工行業最低潮的時期即將過去，惟經營前景仍然極具挑戰。本集團會積極穩守既有成本效益優勢，同時慎選投資，致力繼續擴展業務。本集團亦會繼續提升職業安全，全方位加強員工培訓，以獲取安全生產標準化一級企業認證為目標，在確保安全生產的前提下持續發展。

位於珠海市高欄港的新廠房基礎建設已接近完成，預計自主研发的鋰電池電解液添加劑將會在2020年底前商業化投產。本集團亦會繼續致力於特種聚合物，鋰電池化學品及新型表面處理劑進行研究及商業化，垂直擴張，擴充下游產品種類，擴闊收入增長來源。

# Management Discussion and Analysis

## 管理層討論及分析

In view of the further strengthening of industrial safety and environmental protection requirements of the PRC government, the Group will be committed to improving internal control standards, so as to achieve sustainable development. Moreover, the Group will strive to promote the concept of green manufacturing, and to manage with clean, efficient and low-carbon development, in order to fulfill our social responsibility through energy conservation and emission reduction, and deliver sustainable and reasonable returns to shareholders.

### RESULTS OF OPERATION

For the six months ended 30 June 2020, the Group's revenue and net profit were approximately HK\$1,382 million and HK\$156 million respectively, representing a decrease of 19.6% and a decrease of 61.1% respectively, as compared to approximately HK\$1,719 million and HK\$401 million respectively for the corresponding period in the last year. The basic earnings per share was HK18.9 cents for the six months ended 30 June 2020 and HK48.6 cents for the last corresponding period in the last year.

#### Revenue

For the six months ended 30 June 2020, the Group recorded a revenue of approximately HK\$1,382 million, representing a decrease of HK\$337 million or 19.6% as compared to last corresponding period. The decrease in revenue was mainly attributable to the drop in unit selling price across most of primary products during the period under review. As compared to last corresponding period, the average selling price per ton of the Group's products methylene chloride and chloroform was about RMB2,600 and RMB2,000, decreased by approximately 23% and 34% respectively. The average selling price per ton of caustic soda was about RMB660, decreased by approximately 25%. The average selling price per ton of polytetrafluoroethylene was about RMB46,000, decreased by approximately 13%, while the average selling price per ton of hydrogen peroxide was about RMB900, decreased by approximately 8%.

The actual production output of the main products for the period (including self-consumption) was approximately 160,000 tons for CMS products, approximately 270,000 tons for 100% dry basis caustic soda, approximately 4,600 tonnes for polytetrafluoroethylene, while for 27.5% hydrogen peroxide was approximately 170,000 tons.

#### Selling and distribution expenses

Selling and distribution expenses incurred for the six months ended 30 June 2020 was approximately HK\$91 million, representing a decrease of approximately HK\$16 million as compared to approximately HK\$107 million for last corresponding period. The change was mainly a combined effect of the reduction in transportation cost and additional packaging costs for deliveries to customers for further market penetration. The selling and distribution expenses represented about 6.6% of the total revenue for the period, representing an increase as compared to 6.2% of last corresponding period.

面對政府對工業安全和環保標準日趨嚴格，本集團致力提升內控標準，以可持續發展為目標。本集團並同時致力推行綠色生產，踐行清潔、高效、低碳的發展管理，貫徹落實節能減排的社會責任，為股東帶來持續而合理的回報。

### 經營業績

截至2020年6月30日止6個月，本集團收入及期內溢利分別約13.82億港元及1.56億港元，較去年同期的17.19億港元及4.01億港元，分別下跌19.6%及下跌61.1%。截至2020年6月30日止6個月，每股基本盈利為18.9港仙而去年同期為48.6港仙。

#### 收入

截至2020年6月30日止6個月，本集團錄得總營業額約13.82億港元，較去年同期下跌3.37億港元或19.6%。收入下跌主要因為於回顧期間內大部份主產品銷售單價下跌所影響。與去年同期比較，集團產品二氯甲烷和三氯甲烷每噸平均銷售價分別為約2,600元人民幣及2,000元人民幣，下跌約23%及34%；燒鹼每噸平均銷售價約660元人民幣，下跌約25%；聚四氟乙烯每噸平均銷售價46,000元人民幣，下跌約13%；過氧化氫每噸平均銷售價900元人民幣，下跌約8%。

期內主要產品的實際生產量(包含自用)為甲烷氧化物約16萬噸，折百燒鹼約27萬噸，聚四氟乙烯約4.6千噸，而27.5%過氧化氫約17萬噸。

#### 銷售及分銷費用

銷售及分銷費用截至2020年6月30日止6個月約9,100萬港元，較去年同期的約1.07億港元，減少約1,600萬港元。變動主因是運輸成本相對減少，及為求進一步滲透市場而提供的客戶產品包裝付運成本增加的綜合影響。銷售及分銷費用佔期內銷售收入約6.6%，與去年同期的6.2%比較有所增加。

### General and administrative expenses

General and administrative expenses incurred for the six months ended 30 June 2020 was approximately HK\$98 million, which increased by approximately HK\$14 million as compared to HK\$84 million for the same period last year. The increase in general and administrative expenses during the period under review was mainly due to the salary increments to general staff, the remuneration for overtime to employees for their extra work during the epidemic situation, the costs for strengthening of the maintenance and cleaning of the factories and offices and the additions of office equipment and resulting depreciation. General and administrative expenses represented approximately 7.1% of the total revenue for the period, representing an increase as compared to 4.9% in corresponding period last year.

### Research and development cost

Research and development costs for the year ended 30 June 2020 were approximately HK\$59 million, reduced by approximately HK\$12 million as compared to approximately HK\$71 million for the same period last year. Despite the moderate decrease in research and development cost in alignment with the decrease in revenue, during the period under review, the Group continues to devote its resources in research and development projects on new products and process advancements, to maintain the sustainable development of the Group.

### Finance costs

The net interest expenses incurred for the six months ended 30 June 2020 was approximately HK\$32 million, reduced by approximately HK\$9 million as compared to approximately HK\$41 million for last corresponding period. The decrease was mainly because the Group's floating-rate loans are benefited from falling market interest rates during the period.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2020, the total shareholders' equity of the Group was approximately HK\$3,841 million (31 December 2019: HK\$3,851 million), current assets were approximately HK\$1,432 million (31 December 2019: HK\$1,538 million) and current liabilities approximately HK\$880 million (31 December 2019: HK\$1,244 million). The current ratio was 1.63 as at 30 June 2020 (31 December 2019: 1.24).

### 行政費用

行政費用截至2020年6月30日止6個月約9,800萬港元，與去年同期的約8,400萬港元比較，增加約1,400萬港元。回顧期內行政費用增加，主要是員工工資普調，疫情期間職員管理加班，加強廠區和辦公區的維護保潔，新增辦公設備和折舊所致。行政費用佔期內總收入約7.1%，與去年同期的4.9%比較有所增加。

### 研發成本

研發成本截至2020年6月30日止6個月約5,900萬港元，與去年同期的7,100萬港元比較，減少約1,200萬港元。雖然研發開支整體跟隨收入稍為下跌，集團於回顧期內仍持續投放資源在新產品研發和優化工藝技術等項目，以保持集團持續性發展。

### 融資成本

淨利息支出截至2020年6月30日止6個月約3,200萬港元，與去年同期約4,100萬港元比較，減少約900萬港元。支出減少原因是由於集團浮息貸款受惠於期間市場利率下跌。

### 流動資金、財務資源及資本結構

於2020年6月30日，本集團的股東權益總額約38.41億港元（2019年12月31日：38.51億港元），流動資產約14.32億港元（2019年12月31日：15.38億港元）及流動負債約8.80億港元（2019年12月31日：12.44億港元）。流動比率於2020年6月30日約為1.63（2019年12月31日：1.24）。

# Management Discussion and Analysis

## 管理層討論及分析

The Group generally finances its operations with internally generated cash flow and credit facilities provided by its principal bankers in Hong Kong and the PRC. As at 30 June 2020, the Group had outstanding bank borrowings of approximately HK\$1,576 million (31 December 2019: HK\$1,498 million). These bank loans were secured by corporate guarantees provided by the Company and its certain subsidiaries. As at 30 June 2020, the Group maintained bank balances and cash of approximately HK\$200 million (31 December 2019: HK\$246 million). The Group's net debt-to-equity ratio (total bank borrowings net of cash and cash equivalents over shareholders' equity) was 35.81% as at 30 June 2020 (31 December 2019: 32.52%).

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

### HUMAN RESOURCES

As at 30 June 2020, the Group had a workforce of around 2,100 people. Salaries of employees are maintained at competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. The Group also provides internal training to staff and provides bonuses based upon staff performance and profits of the Group. The Group has not experienced any significant problems with its employees or disruption to its operations due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff. The Group maintains a good relationship with its employees.

本集團一般以內部產生的現金流，以及中港兩地主要往來銀行提供的信貸備用額作為業務的營運資金。於2020年6月30日，本集團的未償還銀行借貸約為15.76億港元(2019年12月31日：14.98億港元)。該等銀行貸款由本公司及其若干附屬公司提供的公司擔保作為抵押。於2020年6月30日，本集團之銀行結餘及現金約為2.00億港元(2019年12月31日：2.46億港元)。本集團的淨負債對權益比率(銀行借款總額減現金及現金等價物除以股東權益)於2020年6月30日為35.81%(2019年12月31日：32.52%)。

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

### 人力資源

於2020年6月30日，本集團有約2,100名員工。僱員薪酬維持於具競爭力水平，並會每年檢討，且密切留意有關勞工市場及經濟市況趨勢。本集團亦為僱員提供內部培訓，並按員工表現及本集團盈利發放花紅。本集團並無遭遇任何重大僱員問題，亦未曾因勞資糾紛令營運中斷，在招聘及挽留經驗豐富的員工方面亦不曾出現困難。本集團與僱員的關係良好。

## Other Information

### 其他資料

#### ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

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

#### DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2020, the interests and short positions of the directors and chief executives of the Company and their associates in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") of the Listing Rules, were as follows:

##### (a) Long positions in shares of the Company

*Ordinary shares of HK\$0.10 each of the Company*

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

##### (b) Share options

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

Other than disclosed above, as at 30 June 2020, none of the directors or the chief executives, or any of their associates, had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

#### 購買股份或債券之安排

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

#### 董事於股份、相關股份及債權證中之權益

於2020年6月30日，本公司董事及最高行政人員及彼等之聯繫人於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及聯交所、或已記錄於根據證券及期貨條例第352條須存置之登記冊、或已根據上市規則之上市規則之上市公司董事進行證券交易之標準守則（「標準守則」）知會本公司及聯交所之權益及淡倉如下：

##### (a) 於本公司股份之好倉

*本公司每股0.10港元之普通股*

##### (b) 購股權

除上文所披露，於2020年6月30日，本公司董事或最高行政人員於本公司或其任何相聯法團之股份、相關股份及債權證中，概無擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所、或根據證券及期貨條例第352條須記錄於該條例所指之登記冊、或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

## Other Information

### 其他資料

#### SUBSTANTIAL SHAREHOLDERS

As at 30 June 2020, shareholders (other than directors and chief executives of the Company) who had interests and short positions in the shares and underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

#### Long positions

##### Ordinary shares of HK\$0.10 each of the Company

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

Other than disclosed above, as at 30 June 2020, the Company has not been notified by any person (other than directors or chief executives of the Company) who had an interests or short positions in the shares or underlying shares of the Company which would fall to the disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2020.

#### 主要股東

於2020年6月30日，股東（本公司董事或最高行政人員除外）於本公司之股份及相關股份中，擁有已根據證券及期貨條例第XV部第2及3分部向本公司披露、或已記錄於根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉如下：

#### 好倉

本公司每股0.10港元之普通股

除上文所披露，於2020年6月30日，概無任何人士（本公司董事或最高行政人員除外）通知本公司，指其在本公司之股份或相關股份中，擁有任何根據證券及期貨條例第XV部第2及3分部須向本公司披露、或已記錄於根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉。

#### 購買、出售或贖回本公司之上市證券

截至2020年6月30日止6個月內，本公司或其任何附屬公司概無購買、出售或贖回本公司之上市證券。

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as a code of conduct regarding directors' securities transactions. All the members of the Board have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2020.

## COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors, the Company has complied with the code provisions set out in the Corporate Governance Code (the "Code") contained in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2020.

## AUDIT COMMITTEE

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

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the Group's unaudited interim financial statements for the six months ended 30 June 2020.

## REMUNERATION COMMITTEE

The Company established the Remuneration Committee with adopted written terms of reference which deal clearly with its authority and duties. The members of the remuneration committee comprises Mr. Wong Kai Tung, Tony, Mr. Wan Chi Keung, Aaron *BBS JP* and Mr. Heng Victor Ja Wei. All members of the remuneration committee are independent non-executive directors.

## NOMINATION COMMITTEE

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

## 證券交易之標準守則

本公司已採納標準守則作為董事進行證券交易之行為守則。本公司經向所有董事作出具體查詢後，全體董事皆確認截至2020年6月30日止6個月內均遵守標準守則所載之規定標準。

## 遵守企業管治常規守則

董事認為，本公司於截至2020年6月30日止6個月內一直遵守上市規則附錄14的企業管治守則(「守則」)所連載之守則條文。

## 審核委員會

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

審核委員會已與本集團之管理層檢討本集團所採納之會計原則及慣例，並已就內部監控及財務申報等事宜進行討論，其中包括審閱本集團截至2020年6月30日止6個月的未經審核中期財務報表。

## 薪酬委員會

本公司已成立薪酬委員會，並採納書面權責範圍以說明委員會的權限及職責。薪酬委員會成員包括王啟東先生、尹志強先生*BBS太平紳士*、邢家維先生。全部成員均為獨立非執行董事。

## 提名委員會

本公司已成立提名委員會，並採納書面權責範圍以說明委員會的權限及職責。提名委員會成員包括衛少琦女士(主席)、王啟東先生、尹志強先生*BBS太平紳士*、邢家維先生。其中三位成員為獨立非執行董事。



## Other Information

### 其他資料

#### APPRECIATION

On behalf of the Board, I would like to extend our sincere gratitude to the Company's shareholders, customers and business partners for their strong support throughout the period. In addition, I would also like to take this opportunity to thank all our colleagues and staff for their persistent efforts and contribution to the Group.

By Order of the Board

**Wai Siu Kee**

*Chairman*

Hong Kong, 4 August 2020

#### 鳴謝

本人謹代表董事會，向本公司股東、客戶及業務夥伴於本期間給予的鼎力支持，表示衷心致意。此外，本人亦藉此機會感謝各位員工一直努力不懈，持續為本集團作出貢獻。

承董事會命

*主席*

**衛少琦**

香港，2020年8月4日

**LEE & MAN CHEMICAL COMPANY LIMITED**

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