



理文化工有限公司

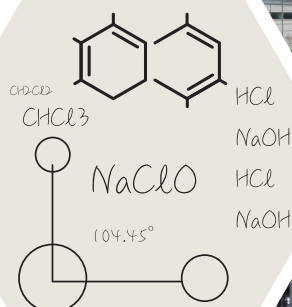
Lee & Man Chemical Company Limited

(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
2021**



Content 目錄

CORPORATE INFORMATION	公司資料	2
INTERIM RESULTS	中期業績	4
– CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	– 簡明綜合損益及其他全面收益表	4
– CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	– 簡明綜合財務狀況表	5
– CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	– 簡明綜合權益變動表	7
– CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	– 簡明綜合現金流量表	9
– NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	– 簡明綜合財務報表附註	10
– INTERIM DIVIDEND	– 中期股息	25
– CLOSURE OF REGISTER OF MEMBERS	– 暫停辦理股份過戶登記	25
MANAGEMENT DISCUSSION AND ANALYSIS	管理層討論及分析	26
OTHER INFORMATION	其他資料	30

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

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court
Camana Bay
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

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

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court
Camana Bay
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

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 2021 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2021年6月30日止六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 2021

簡明綜合損益及其他全面收益表

截至2021年6月30日止六個月

		Six months ended 30 June		
		截至6月30日止六個月		
		2021	2020	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
		HK\$'000	HK\$'000	
		千港元	千港元	
		<i>Notes</i>		
		<i>附註</i>		
Revenue	收入	3, 4	2,271,500	1,381,714
Cost of sales	銷售成本		(1,253,416)	(938,314)
Gross profit	毛利		1,018,084	443,400
Other income	其他收入	5	40,486	41,570
Other gains or losses	其他收益或虧損	6	(2,807)	353
Selling and distribution costs	銷售及分銷成本		(114,444)	(91,172)
General and administrative expenses	行政費用		(136,070)	(98,498)
Research and development cost	研發費用		(94,137)	(59,409)
Finance costs	融資成本		(23,000)	(31,863)
Net exchange gains (losses)	匯兌淨收益(虧損)		15,973	(13,048)
Share of gains of joint ventures	應佔合營企業收益		166	402
Share of losses of associates	應佔聯營企業虧損		(457)	(288)
Profit before taxation	除稅前溢利		703,794	191,447
Income tax expense	所得稅支出	7	(116,766)	(35,234)
Profit for the period	期內溢利	8	587,028	156,213
Other comprehensive income (expenses):	其他全面收益(支出)：			
Items that will not be reclassified to profit or loss:	其後不會重新分類至損益之項目：			
Exchange differences arising on translation	因換算而產生的匯兌差額		102,484	(57,863)
Share of other comprehensive income (expenses) of joint ventures and associates	應佔合營企業及聯營企業之其他全面收益(支出)		965	(616)
Other comprehensive income (expenses) for the period	期內其他全面收益(支出)		103,449	(58,479)
Total comprehensive income for the period	期內全面收益總額		690,477	97,734
Earnings per share:	每股盈利：			
– Basic (HK cents)	– 基本(港仙)	10	71.2	18.9
– Diluted (HK cents)	– 攤薄(港仙)		71.1	18.9

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

簡明綜合財務狀況表

於2021年6月30日

			30 June 2021 2021年 6月30日 (Unaudited) (未經審核)	31 December 2020 2020年 12月31日 (Audited) (經審核)
	<i>Notes 附註</i>		HK\$'000 千港元	HK\$'000 千港元
NON-CURRENT ASSETS				
Property, plant and equipment		物業、廠房及設備	4,769,463	4,537,826
Right-of-use assets		使用權資產	154,233	153,547
Intangible assets		無形資產	99,555	98,661
Deposits paid for the acquisition of property, plant and equipment		購置物業、廠房及設備之已付訂金	112,368	55,053
Interests in joint ventures		合營企業之權益	108,332	105,602
Interests in associates		聯營企業之權益	21,920	21,849
Deferred tax assets		遞延稅項資產	23,370	23,093
Goodwill		商譽	2,860	2,793
			5,292,101	4,998,424
CURRENT ASSETS				
Inventories		存貨	703,565	504,455
Properties under development		發展中物業	357,980	390,804
Trade and other receivables		應收貿易及其他款項	313,695	296,074
Bills receivable		應收票據	136,055	134,289
Amount due from a joint venture		應收合營企業款項	15,328	14,966
Amount due from an associate		應收聯營企業款項	757	620
Amounts due from related companies		應收關連公司款項	19,386	16,492
Bank balances with restricted use		受限制銀行結餘	21,763	36,038
Bank balances and cash		銀行結餘及現金	387,077	386,645
			1,955,606	1,780,383
CURRENT LIABILITIES				
Trade and other payables		應付貿易及其他款項	538,774	398,727
Bills payable		應付票據	29,696	116,577
Contract liabilities		合約負債	72,231	135,171
Amount due to a joint venture		應付合營企業款項	788	-
Amounts due to related companies		應付關連公司款項	12,352	13,227
Taxation payable		應付稅項	57,000	49,423
Lease liabilities		租賃負債	2,337	2,384
Bank borrowings		銀行借款	824,790	458,663
			1,537,968	1,174,172

Interim Results

中期業績

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2021

簡明綜合財務狀況表(續)

於2021年6月30日

		30 June 2021 2021年 6月30日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2020 2020年 12月31日 (Audited) (經審核) HK\$'000 千港元
	<i>Notes 附註</i>		
NET CURRENT ASSETS	流動資產淨額	417,638	606,211
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	5,709,739	5,604,635
NON-CURRENT LIABILITIES	非流動負債		
Other payables	應付其他款項	14 27,534	33,344
Lease liabilities	租賃負債	3,212	4,213
Deferred tax liabilities	遞延稅項負債	31,840	50,021
Bank borrowings	銀行借款	633,029	1,073,493
		695,615	1,161,071
NET ASSETS	資產淨值	5,014,124	4,443,564
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	15 82,500	82,500
Reserves	儲備	4,931,624	4,361,064
TOTAL EQUITY	權益總額	5,014,124	4,443,564

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

簡明綜合權益變動表

截至2021年6月30日止六個月

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Non-distributable reserve 不可分派儲備 HK\$'000 千港元 (note i) (附註i)	Safety fund reserve 安全基金儲備 HK\$'000 千港元 (note ii) (附註ii)	Translation reserve 匯兌儲備 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元 (note iii) (附註iii)	Other reserve 其他儲備 HK\$'000 千港元 (note iv) (附註iv)	Accumulated profits 累計溢利 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
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

Interim Results

中期業績

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2021

簡明綜合權益變動表(續)

截至2021年6月30日止六個月

		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 2021 (audited)	於2021年1月1日 (經審核)	82,500	20,307	678,018	-	32,290	113,456	(97,362)	(686)	3,615,041	4,443,564
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	587,028	587,028
Other comprehensive income for the period	期內其他全面收益	-	-	-	-	103,449	-	-	-	-	103,449
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	103,449	-	-	-	587,028	690,477
Dividend recognised as distribution	已確認分派之股息	-	-	-	-	-	-	-	-	(136,125)	(136,125)
Transfer to non-distributable reserve	轉入不可分派儲備	-	-	61,846	-	-	-	-	-	(61,846)	-
Appropriation to safety fund reserve	轉撥至安全基金儲備	-	-	-	8,997	-	-	-	-	(8,997)	-
Utilisation of safety fund reserve	釋出安全基金儲備	-	-	-	(8,997)	-	-	-	-	8,997	-
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 2021 (unaudited)	於2021年6月30日 (未經審核)	82,500	20,307	739,864	-	135,739	129,664	(97,362)	(686)	4,004,098	5,014,124

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

		Six months ended 30 June	
		截至6月30日止六個月	
		2021	2020
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額	674,829	232,767
INVESTING ACTIVITIES	投資活動		
Payments for purchase of property, plant and equipment	購置物業、廠房及設備付款	(228,276)	(95,154)
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備之 已付訂金	(138,600)	(117,832)
Capital injected to associates	對聯營公司增資	-	(1,095)
Decrease in construction costs payable	應付建設款項減少	(33,226)	(21,201)
Interest received	已收利息	2,157	3,032
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備 所得款項	-	1,670
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(397,945)	(230,580)
FINANCING ACTIVITIES	融資活動		
Bank borrowings raised	新籌集銀行借款	378,429	568,485
Repayment of bank borrowings	償還銀行借款	(466,561)	(480,036)
Dividends paid	已付股息	(136,125)	(123,750)
Interest paid	已付利息	(16,817)	(31,950)
(Payments for) proceeds from settlement of derivative financial instruments	結算衍生金融工具(所付) 所得款項	(2,628)	306
Payments for lease liabilities	租賃負債付款	(1,326)	(1,087)
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用現金淨額	(245,028)	(68,032)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加(減少) 淨額	31,856	(65,845)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	期初之現金及現金等價物	422,683	246,404
EFFECT OF CHANGES IN EXCHANGE RATE	匯率變動之影響	(45,699)	19,661
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	期末之現金及現金等價物	408,840	200,220

Interim Results

中期業績

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 2021 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2020.

Application of amendments to HKFRSs

In the current interim period, the Group has applied 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 2021 for the preparation of the Group’s condensed consolidated financial statements:

Amendment to HKFRS 16 *COVID-19-Related Rent Concessions*

Amendments to HKFRS 9, HKAS 39, *Interest Rate Benchmark Reform –*
HKFRS 7, HKFRS 4 and HKFRS 16 *Phase 2*

The application of 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.

簡明綜合財務報表附註

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2021年6月30日止六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2020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2021年1月1日或之後開始之年度期間強制生效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：

香港財務報告準則第16號 *COVID-19相關*
(修訂本) *的租金優惠*

香港財務報告準則第9號、*利率基準改革*
香港會計準則第39號、*—第二階段*
第7號、香港財務報告
準則第4號及香港財務報
告準則第16號(修訂本)

本期間應用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。

3. REVENUE**(i) Disaggregation of revenue**

Caustic soda	燒鹼
Chloromethane products	甲烷氯化物
Polymers	高分子材料
Hydrogen peroxide	過氧化氫
Fluorochemical products	氟化工產品
Styrene acrylic latex surface sizing agent	苯丙施膠劑
Liquified chlorine	液化氯
Others	其他
Manufacture and sale of chemical products	製造和銷售化工產品
Sale of properties	物業銷售

All of the Group's revenue is recognised at a point in time.

(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.

Sale of properties

For contracts entered into with customers for sale of properties, the Group's performance does not create an asset with alternative use to the Group. Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the management has concluded that the Group does not have an enforceable right to payment prior to transfer of the relevant properties to the customers. Revenue from sale of properties is therefore recognised at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable.

3. 收入**(i) 收入分類****Six months ended 30 June**
截至6月30日止六個月

2021	2020
HK\$'000	HK\$'000
千港元	千港元

Caustic soda	燒鹼	568,112	532,594
Chloromethane products	甲烷氯化物	594,627	318,856
Polymers	高分子材料	336,911	193,557
Hydrogen peroxide	過氧化氫	242,970	154,934
Fluorochemical products	氟化工產品	80,950	23,556
Styrene acrylic latex surface sizing agent	苯丙施膠劑	35,241	31,456
Liquified chlorine	液化氯	78,164	32,355
Others	其他	174,008	94,406
Manufacture and sale of chemical products	製造和銷售化工產品	2,110,983	1,381,714
Sale of properties	物業銷售	160,517	—
		2,271,500	1,381,714

本集團所有收入均於某一時點確認。

(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。

物業銷售

對於與客戶訂立的物業銷售合同，本集團的履約行為不會產生具可替代用途的資產。經考慮相關合同條款，法律環境和相關法律先例後，管理層總結本集團在將相關物業轉讓給客戶之前，沒有可強制執行的付款權。因此，物業銷售收入於已竣工物業被轉讓至客戶的某一時點確認，亦即客戶取得已竣工物業之控制權，而本集團擁有即時的付款權和可能收取購價之時。

Interim Results

中期業績

3. REVENUE (CONTINUED)

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

Sale of properties (Continued)

The Group receives certain percentage of the contract value as deposits from customers when they sign the sale and purchase agreements and receives the remainder within 120 days from the date of agreements. Depending on market conditions, the Group may offer customers a discount compared to the listed sales price, provided that the customers agree to pay the balance of the consideration early while construction is still ongoing. The deposits and advance payment schemes result in contract liabilities being recognised throughout the property construction period until the customer obtains control of the completed property.

4. SEGMENT INFORMATION

The Group manages its different businesses by their unique attributes. At 31 December 2020, the Group had only one reportable segment, which is the Group's strategic business unit and principally engaged in manufacture and sale of chemical products.

During the six months ended 30 June 2021, the Group established a new business unit in response to the completion and delivery of the residential units in the property development project in Changshu City. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, below describes the operations in each of the Group's identified reportable segments as at 30 June 2021:

- Chemical: manufacture and sale of chemical products
- Property: development and sale of properties and rental income from leasing of properties

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases.

Revenue and expenses are allocated to the reportable segments with reference to revenue directly generated by those segments and the expenses directly incurred by those segments. Segment results form the basis of measurement used for assessing segment performance and represent profit or loss before other income, other gains or losses, finance cost, net exchange gain (loss), share of results of joint ventures and associates, income tax and items not specifically attributed to individual reportable segments, such as unallocated head office and corporate expenses. Segment information below is presented in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment.

3. 收入(續)

(ii) 與客戶合約之履約義務(續)

物業銷售(續)

本集團與客戶在簽訂買賣協議時，一般收取客戶若干百分比合同金額作為訂金，餘款則於合同日期後120天內收取。根據市場情況，如客戶同意在施工進行期間儘早支付購價之餘額，與銷售價單比較下，本集團可能向客戶提供折扣。由訂金和預付款計劃產生之合約負債於整個物業工程期間確認，並於客戶取得已竣工物業之控制權時轉出。

4. 分部資料

本集團乃按各業務獨特性質管理不同業務。於2020年12月31日，本集團只有一個可報告分部，其為本集團的策略業務單位並主要製造及銷售化工產品。

於截至2021年6月30日止六個月，本集團因應位於常熟市的物業發展項目陸續竣工並開始交付住宅單位，為其成立一個新業務單位。下列描述本集團於2021年6月30日，按照與向本集團最高層行政管理人員就資源配置及表現評估之內部匯報資料方式，確立的每個可報告分部的運作情況：

- 化工：製造及銷售化工產品
- 物業：物業發展和銷售及出租物業之租金收入

就評估分部表現及各分部間之資源配置而言，本集團最高層行政管理人員根據下列基準監控每一個須報告分部之業績。

收入與支出乃參考來自各個須報告分部所產生之直接收入及所涉及之直接支出而分配到該等分部。評估分部表現之計算基準為分部業績，此乃指未計及其他收入、其他收益或虧損、融資成本、匯兌淨收益(虧損)、應佔合營企業及聯營企業業績、所得稅及並無明確歸類於個別分部之項目(如未分配之總公司及企業費用淨額)前之盈利或虧損。以下分部資料與就資源分配及表現評估而向本集團最高級執行管理層作出內部報告的呈列方式一致。

4. SEGMENT INFORMATION (CONTINUED)**(a) Operating segments**

Six months ended 30 June 2021

		Chemical 化工 HK\$'000 千港元	Property 物業 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Revenue from external customers	來自外間客戶之收入	2,110,983	160,517	2,271,500
Segment results	分部業績	674,201	47,072	721,273
Unallocated head office and corporate expenses	未分配之總公司及企業費用淨額			(47,840)
Other income	其他收入			40,486
Other gains or losses	其他收益或虧損			(2,807)
Finance cost	融資成本			(23,000)
Net exchange gain	匯兌淨收益			15,973
Share of results of joint ventures and associates	應佔合營企業及聯營企業業績			(291)
Profit before tax	除稅前溢利			703,794

No segmental information for the six months ended 30 June 2020 was presented as the Group's revenue and trading results for that period were generated solely from its Chemical operations.

(b) Geographical information

The Group's operations of the two segments are both 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

None of the corresponding revenue from customers contribute over 10% of the total revenue of the Group for the six months ended 30 June 2021 and 2020.

(d) Other segment information

Depreciation	折舊	186,734	2,184
Amortisation	攤銷	1,483	-

4. 分部資料(續)**(a) 經營分部**

截至2021年6月30日止六個月期間

	Chemical 化工 HK\$'000 千港元	Property 物業 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Revenue from external customers	2,110,983	160,517	2,271,500
Segment results	674,201	47,072	721,273
Unallocated head office and corporate expenses			(47,840)
Other income			40,486
Other gains or losses			(2,807)
Finance cost			(23,000)
Net exchange gain			15,973
Share of results of joint ventures and associates			(291)
Profit before tax			703,794

由於截至2020年6月30日止六個月內，本集團之收入及經營業績全部來自化工業務，因此並無呈列於上述期間之分部資料。

(b) 地區資料

本集團的兩個分部的業務均位於中國。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

截至2021年6月30日止及2020年6月30日止六個月期間，概無客戶的相應收益為本集團總收益貢獻超過10%。

(d) 其他分部資料

	Chemical 化工 2021 HK\$'000 千港元	Property 物業 2021 HK\$'000 千港元
Depreciation	186,734	2,184
Amortisation	1,483	-

Interim Results

中期業績

5. OTHER INCOME

5. 其他收入

		Six months ended 30 June	
		截至6月30日止六個月	
		2021	2020
		HK\$'000	HK\$'000
		千港元	千港元
Government grants	政府補貼	8,868	22,693
Electricity and steam income	提供電力及蒸氣收入	13,678	8,960
Scrap sales	廢品收入	6,763	5,108
Bank interest income	銀行利息收入	2,157	3,032
Rental income	租金收入	1,332	1,026
Interest income from a joint venture	合營公司之利息收入	324	309
Others	其他	7,364	442
		40,486	41,570

6. OTHER GAINS OR LOSSES

6. 其他收益或虧損

		Six months ended 30 June	
		截至6月30日止六個月	
		2021	2020
		HK\$'000	HK\$'000
		千港元	千港元
Net (loss) gain on settlement of derivative financial instruments	衍生金融工具結算之淨(損失)收益	(2,628)	306
Net (loss) gain on disposal of property, plant and equipment	處置物業、廠房及設備淨(損失)收益	(179)	47
		(2,807)	353

7. INCOME TAX EXPENSE

7. 所得稅支出

		Six months ended 30 June	
		截至6月30日止六個月	
		2021	2020
		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	110,707	40,855
PRC Land Appreciation Tax ("LAT")	中國土地增值稅	20,506	–
Withholding tax on dividend income	股息收入預扣稅	19,248	5,805
Other jurisdictions	其他司法權區	138	–
Over provision in prior years – EIT	以前年度多提中國企業所得稅	(14,864)	(6,013)
Deferred tax	遞延稅項	(18,969)	(5,413)
		116,766	35,234

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 six months ended 30 June 2021 and 2020, Jiangsu Lee & Man Chemical Limited ("Jiangsu L&M") and Jiangxi Lee & Man Chemical Limited ("Jiangxi L&M") are entitled to a favourable EIT rate of 15% to 2021 and 2023 respectively, as they have been qualified as High and New Technology Enterprise, which is subject to renewal for every three years.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been levied at progressive rates ranging from 30% to 60% on the appreciation of land value, represented by the excess of sale proceeds of properties over prescribed direct costs. Prescribed direct costs are defined to include costs of land use rights, development and construction costs, as well as certain costs relating to the property development. According to the State Administration of Taxation's official circulars, LAT shall be payable provisionally upon sale of the properties, followed by final ascertainment of the gain at the completion of the properties development.

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%。

於截至2021年6月30日止及2020年6月30日止六個月期間，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15%優惠企業所得稅率至分別2021年及2023年止，其有關資格需要每三年續新。

計提土地增值稅撥備是按有關中國稅法及規則要求估算。土地增值稅乃按土地增值金額（即物業銷售收入扣減指定直接成本後之餘額）以累進稅率30%至60%計收。指定直接成本包括土地使用權成本，發展及建築成本，以及其他關於物業發展的成本。按照國家稅務總局之官方公告，銷售物業時應暫繳土地增值稅，並於物業發展完成後確定最終收益。

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日止六個月	
		2021	2020
		HK\$'000	HK\$'000
		千港元	千港元
Profit for the period has been arrived at after charging:	期內溢利已扣除：		
Directors' emoluments	董事薪酬	28,966	24,305
Other staff costs:	其他員工成本：		
Salaries and other benefits (excluding directors)	薪金及其他福利(董事除外)	141,630	122,172
Retirement benefit schemes contributions (excluding directors)	退休福利計劃供款(董事除外)	7,219	3,516
Total staff costs	員工成本總額	177,815	149,993
Finance costs:	融資成本：		
Interest on bank borrowings	利息支出－銀行借款	24,828	31,558
Interest on lease liabilities	利息支出－租賃負債	130	46
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)	(1,958)	(608)
		23,000	30,996
Cost of inventories recognised as expenses	已確認為支出的存貨成本	1,253,416	938,314
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	185,912	167,416
Depreciation of right-of-use assets	使用權資產折舊	3,006	2,636
Amortisation of intangible assets	無形資產攤銷	1,483	1,389
Total depreciation and amortisation Capitalised in inventories	折舊及攤銷合計 已計入存貨之金額	190,401 (162,555)	171,441 (147,501)
		27,846	23,940

Note: During the six months ended 30 June 2021, certain borrowing costs capitalised arose from the specific borrowings and were calculated by applying a capitalisation rate of 4.9875% (2020: 4.9875%) per annum to expenditures on qualifying assets.

附註：截至2021年6月30日止六個月，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% (2020：4.9875%)計算。



9. DIVIDENDS

9. 股息

Six months ended 30 June

截至6月30日止六個月

2021 2020

HK\$'000 HK\$'000

千港元 千港元

Final dividend paid during the period: 2020 final dividend HK16.5 cents per share (2020: 2019 final dividend of HK15 cents per share)	期內已派付之末期股息： 2020年末期股息每股16.5港仙 (2020：2019年末期股息每股 15港仙)	136,125	123,750
Interim dividend declared subsequent to period end: 2021 interim dividend HK26.0 cents per share (2020: 2020 interim dividend of HK7.5 cents per share)	期後已宣派之中期股息： 2021年中期股息每股26.0港仙 (2020：2020年中期股息每股 7.5港仙)	214,500	61,875

The Board has declared that an interim dividend of HK26.0 cents (2020: HK7.5 cents) per share for the six months ended 30 June 2021 to shareholders whose names appear in the Register of Members on 24 August 2021.

董事會議決宣派2021年6月30日止六個月之中期股息每股26.0港仙(2020：7.5港仙)予於2021年8月24日名列於股東名冊內之股東。

Interim Results

中期業績

10. EARNINGS PER SHARE

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\$587,028,000 (2020: HK\$156,213,000) and 825,000,000 (2020: 825,000,000) shares in issue during the period.

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.

10. 每股盈利

每股基本及攤薄盈利乃按本公司擁有人之期內溢利587,028,000港元(2020: 156,213,000港元)及825,000,000股(2020: 825,000,000股)作計算。

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

		Six months ended 30 June 截至6月30日止六個月	
		2021	2020
		'000 Shares	'000 Shares
		千股	千股
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利之普通股加權平均數	825,000	825,000
Effect of deemed issue of shares under the Company's share option scheme	根據本公司的購股權計劃被視作為已發行股份之影響	861	N/A不適用
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	825,861	825,000

The computation of diluted earnings per share for the six months ended 30 June 2020 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.

截至2020年6月30日止六個月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該期股份的平均市價。

11. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK\$302 million on property, plant and equipment to expand its operation.

11. 添置物業、廠房及設備

期內，本集團就物業、廠房及設備添置約3.02億港元，以擴展集團業務。

12. INVENTORIES

		30 June	31 December
		2021	2020
		2021年	2020年
		6月30日	12月31日
		HK\$'000	HK\$'000
		千港元	千港元
Chemical operations	化工業務		
Raw materials and consumables	原材料及耗用品	385,212	374,140
Work in progress	在製品	34,073	31,943
Finished goods	製成品	138,572	98,372
		557,857	504,455
Property operations	物業業務		
Properties for sale	待售物業	145,708	-
		703,565	504,455

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\$152,555,000 (31 December 2020: HK\$105,170,000). The aged analysis of trade receivables based on invoice date at the end of the reporting period is as follows:

12. 存貨

30 June	31 December
2021	2020
2021年	2020年
6月30日	12月31日
HK\$'000	HK\$'000
千港元	千港元

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152,555,000港元(2020年12月31日: 105,170,000港元)，應收賬款於結算日按發票日期之賬齡分析如下：

		30 June	31 December
		2021	2020
		2021年	2020年
		6月30日	12月31日
		HK\$'000	HK\$'000
		千港元	千港元
Not exceeding 30 days	不超過30天	135,059	95,533
31 to 60 days	31至60天	15,623	9,342
61 to 90 days	61至90天	1,837	178
91 to 120 days	91至120天	-	60
Over 120 days	超過120天	36	57
Trade receivables	貿易應收款	152,555	105,170
Prepayments	預付款	50,571	103,366
Deposits to suppliers	付供應商訂金	69,642	50,359
Value-added tax recoverable	可收回增值稅項	32,643	34,081
Other receivables	其他應收款	8,284	3,098
Total trade and other receivables	應收貿易及其他款項合計	313,695	296,074

Interim Results

中期業績

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\$178,676,000 (31 December 2020: HK\$107,256,000). The aged analysis of trade payables based on invoice date at the end of the reporting period is as follows:

		30 June 2021 2021年 6月30日 HK\$'000 千港元	31 December 2020 2020年 12月31日 HK\$'000 千港元
Not exceeding 30 days	不超過30天	118,030	66,847
31 to 60 days	31至60天	23,989	13,823
61 to 90 days	61至90天	8,277	6,338
Over 90 days	90天以上	28,380	20,248
Trade payables	貿易應付款	178,676	107,256
Construction costs payables and accruals	應付工程款及預提費用	241,273	164,345
Other payables	其他應付款	83,912	101,028
Value-added tax accruals	預提增值稅項	17,025	14,538
Other accruals	其他預提費用	45,422	44,904
Total trade and other payables	應付貿易及其他款項合計	566,308	432,071
Analysed for reporting purposes as:	作報告分析用途：		
Current liabilities	流動負債	538,774	398,727
Non-current liabilities	非流動負債	27,534	33,344
		566,308	432,071

As at 30 June 2021, other payables included a non-current deferred income, amounting to HK\$19,638,000 (31 December 2020: HK\$23,877,000) 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。貿易購貨之平均賒賬期為7至45天。

應付貿易及其他款項包括應付賬款約178,676,000港元(2020年12月31日：107,256,000港元)，應付賬款於結算日按發票日期之賬齡分析如下：

截至2021年6月30日，收取了中國政府給予之創新科技項目金額為19,638,000港元(2020年12月31日：23,877,000港元)之非流動遞延收入已包含在其他應付款中。

**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 2021 2021年 6月30日 HK\$'000 千港元	31 December 2020 2020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	229,728	287,864
Acquisition of right-of-use assets	購置使用權資產	23,629	23,069
		253,357	310,933

Interim Results

中期業績

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日止六個月	
			2021 HK\$'000 千港元	2020 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	40,134	33,406
		Rental expense paid 已付租金費用	1,076	903
		Sales of chemical products 銷售化工產品	77,551	56,951
		Electricity & steam fee received 已收發電及蒸氣費	43,421	35,745
		Rental income received 已收租金收入	1,276	1,026
		Loading fee paid 已付裝卸費	2,848	—
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	2,470	2,047
		Interest received 已收利息	324	309
瑞昌理文物流有限公司	A joint venture 合營企業	Pier rental charge paid 已付碼頭租賃費	1,417	—
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	3,330	3,098

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。

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。

Interim Results

中期業績

18. SHARE OPTION SCHEME (CONTINUED)

The following table discloses movements of the Company's share options during the periods ended 30 June 2021 and 30 June 2020:

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	

		2021		2020	
		Weighted average exercise price 加權平均行使價	Number of share options 購股權數目 '000 千股	Weighted average exercise price 加權平均行使價	Number of shares options 購股權數目 '000 千股
Outstanding at the beginning of the period	期初結餘	HK\$3.72	82,500	HK\$3.72	82,500
Granted during the period	期內授出	-	-	-	-
Exercised during the period	期內行使	-	-	-	-
Lapsed during the period	期內失效	-	-	-	-
Outstanding at the end of the period	期末結餘	HK\$3.72	82,500	HK\$3.72	82,500
Exercisable at the end of the period	於期末可予行使	-	-	-	-

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

截至2021年6月30日及2020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 (years)	購股權預期年期(年)	9.7
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

18. SHARE OPTION SCHEME (CONTINUED)

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

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.

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

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

The Group recognises the total expense of HK\$16,208,000 for the period ended 30 June 2021 (period ended 30 June 2020: HK\$16,299,000) 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 2021 has been reviewed with no disagreement by the Audit Committee of the Company.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK26.0 cents per share for the six months ended 30 June 2021 to shareholders whose names appear on the Register of Members on 24 August 2021. It is expected that the interim dividend will be paid around 3 September 2021.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 19 August 2021 to 24 August 2021, 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 2021.

18. 購股權計劃(續)

購股權之公平值乃參考由專業獨立估值師之評估。

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。

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2021年6月30日止期間本集團已確認16,208,000港元之費用(2020年6月30日止期間：16,299,000港元)。

19. 未經審核中期財務資料審閱

截至2021年6月30日止六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2021年6月30日止六個月之中期股息每股26.0港仙予於2021年8月24日名列股東名冊內之股東。預期中期股息將於2021年9月3日派發。

暫停辦理股份過戶登記

本公司將於2021年8月19日至2021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2021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 2021, the Group recorded revenue of approximately HK\$2,272 million, up by 64.4% when compared with the corresponding period last year and net profit of approximately HK\$587 million, a leap of 275.8% when compared with the corresponding period last year.

The Group's gross profit margin for the period was 44.8%, 12.7 percentage points more against the corresponding period last year and net profit margin was 25.8%, 14.5 percentage points higher when compared with the corresponding period last year.

During the period under review, for Chemical operations, with the rates of vaccination against the novel coronavirus ("COVID-19") gradually picking up across the world, market demand for different products also progressively resumed and correspondingly the demand for chemical products of the manufacturing industry also rebounded notably. However, abiding with preventive measures against the pandemic, it was not easy for factories to increase production capacity, and at tight supply, the prices of chemical products climbed. Thanks to that, the Group's profitability improved markedly. For Property operations, RIVERDALE, a commercial-residential complex of the Group in the Economic Development Zone of Changshu, had 129 residential units sold and revenue from sale of properties of the Group for the period amounted to approximately HK\$161 million.

PROSPECTS

With more and more people receiving COVID-19 vaccination across the world, restrictions associated with the pandemic are expected to be gradually relaxed and governments have started to re-vitalise their economy. Thus the Group remains cautiously optimistic about the outlook of its business. With highly-automated operations, the Group can expect to see its competitive edge in cost-effectiveness consolidate, allowing it to enjoy the dividend from price movements. The Group will also actively enhance occupational safety measures as well as do its best in pandemic prevention, provide all-round training to employees to ensure safe production that can brace the sustainable development of its business. Also, the Group will maintain the strategy of selling property units at opportune time heeding market conditions.

The highly effective specialty polymers of the Group are heat resistant and boast excellent insulation thus can ensure smooth high-speed data transmission, ideal for use by telecom operators in building new 5G cell-site stations to upgrade their network service. The Group will continue to expand its specialty polymer mix that agrees with market development to meet its customers' unique demand.

業務回顧

截至2021年6月30日止六個月，本集團錄得總營業額22.72億港元，較去年同期上升64.4%，而期內溢利為5.87億，較去年同期上升275.8%。

本集團毛利率為44.8%，較去年同期上升12.7個百分點；淨利潤率為25.8%，按年上升14.5個百分點。

回顧期內，化工業務方面，隨著新型冠狀病毒（「COVID-19」）疫苗陸續於世界各地接種，市場對各式產品的需求逐漸回復殷切，連帶製造業對化工產品的需求顯著回暖。然而，配合防疫規定，工廠產能不易提升，帶動化工產品市場價格上漲，令本集團的盈利能力明顯回升。物業業務方面，本集團的商住項目「昕悅溪」，位處常熟經濟開發區，住宅部份已售出129個單位，期內來自物業銷售收入約1.61億港元。

展望

跟隨全球COVID-19疫苗接種進度，限制措施應該可望陸續放寬，各地開始爭取經濟早日復常，本集團對經營前景維持審慎樂觀。本集團的高度自動化運作亦會繼續鞏固成本效益優勢，於價格波動的市場享受紅利。本集團亦會積極提升職業安全，做好疫情防範，持續培訓員工，在確保安全生產的前提下穩步發展。另外，集團會對物業項目維持惜售策略。

本集團的高效特種聚合物產品，能有效隔熱絕緣，確保數據的高速傳輸，特別適合電訊商應用於新建5G基站提升網絡服務。本集團會因應市場發展，繼續拓展產品種類，滿足不同客戶的獨特需求。

The new factory in Gaolan Port, Zhuhai, for producing lithium-ion battery electrolyte additives has recently begun commercial production with the first batch of products delivered. The research and development team is working closely with customers downstream and the Group expects lithium-ion battery related products to begin contributing revenue in the second half of 2021. The Group will actively grasp opportunities to gain industry recognition and enlarge market share, and keep expanding the footprint of its lithium-ion battery-related products business in the future.

The Group will strive to promote green manufacturing and embrace clean, highly-efficient and low-carbon development management, aiming to realize the long-term goal of obtaining "Grade-A Safe Production Standardization Enterprise Certification" and delivering satisfactory and sustainable returns to shareholders.

RESULTS OF OPERATION

For the six months ended 30 June 2021, the Group's revenue and net profit were approximately HK\$2,272 million and HK\$587 million respectively, representing an increase of 64.4% and an increase of 275.8% respectively, as compared to approximately HK\$1,382 million and HK\$156 million respectively for the corresponding period in the last year. The basic earnings per share was HK71.2 cents for the six months ended 30 June 2021 and HK18.9 cents for the last corresponding period in the last year.

Revenue

Chemical operations

For the six months ended 30 June 2021, the Group recorded a revenue from Chemical operations of approximately HK\$2,111 million, representing an increase of HK\$729 million or 52.8% as compared to last corresponding period. The increase in revenue was mainly attributable to the increase 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 RMB3,900 and RMB3,800, increased by approximately 50% and 90% respectively. The average selling price per ton of caustic soda was about RMB600, decreased by approximately 9%. The average selling price per ton of polytetrafluoroethylene was about RMB57,000, increased by approximately 24%, while the average selling price per ton of hydrogen peroxide was about RMB1,200, increased by approximately 33%.

The actual production output of the main products for the period (including self-consumption) was approximately 166,000 tons for CMS products, approximately 286,000 tons for 100% dry basis caustic soda, approximately 5,500 tons for polytetrafluoroethylene, while for 27.5% hydrogen peroxide was approximately 195,000 tons.

位於珠海市高欄港的鋰電池電解液添加劑新廠房已於近期開始量產，首批產品已陸續交付。研發團隊亦與下游客戶緊密合作，預期2021年下半年開始鋰電池相關產品會為集團收入作出貢獻。未來本集團亦會積極把握機遇，提升行業認受性和市場份額，持續拓展本集團於鋰電池相關製品的版圖。

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，以全線獲取安全生產標準化一級企業認證為長遠目標，並為股東帶來持續而理想的回報。

經營業績

截至2021年6月30日止六個月，本集團收入及期內溢利分別約22.72億港元及5.87億港元，較去年同期的13.82億港元及1.56億港元，分別上升64.4%及增加275.8%。截至2021年6月30日止六個月，每股基本盈利為71.2港仙而去年同期為18.9港仙。

收入

化工業務

截至2021年6月30日止六個月，本集團從化工業務錄得營業額約21.11億港元，較去年同期上升7.29億港元或52.8%。收入上升主要來自於回顧期間內大部份主產品銷售單價上升所貢獻。與去年同期比較，集團產品二氯甲烷和三氯甲烷每噸平均銷售價分別為約3,900元人民幣及3,800元人民幣，上升約50%及90%；燒鹼每噸平均銷售價約600元人民幣，下跌約9%；聚四氟乙烯每噸平均銷售價57,000元人民幣，上升約24%；過氧化氫每噸平均銷售價1,200元人民幣，上升約33%。

期內主要產品的實際生產量(包含自用)為甲烷氧化物約16.6萬噸，折百燒鹼約28.6萬噸，聚四氟乙烯約5.5千噸，而27.5%過氧化氫約19.5萬噸。

Management Discussion and Analysis

管理層討論及分析

Property operations

For the six months ended 30 June 2021, the Group recorded a revenue from Property operations of approximately HK\$161 million, arising from the sale and delivery a total of 129 residential units of RIVERDALE, The unsold residential units of RIVERDALE was 167 at the period end.

Selling and distribution expenses

Selling and distribution expenses incurred for the six months ended 30 June 2021 was approximately HK\$114 million, representing an increase of approximately HK\$23 million as compared to approximately HK\$91 million for last corresponding period. The change was mainly a combined effect of the increase in delivery costs in alignment with the increase in sales volume of the Chemical operations and the expenses for exhibitions and promotions of the Property operations. The selling and distribution expenses represented about 5.0% of the total revenue for the period, representing a decrease as compared to 6.6% of last corresponding period.

General and administrative expenses

General and administrative expenses incurred for the six months ended 30 June 2021 was approximately HK\$136 million, which increased by approximately HK\$38 million as compared to HK\$98 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 non-recurring impact from pandemic-related concessions and waivers in the corresponding period last year and the resulting depreciation charges from additions of office equipment. General and administrative expenses represented approximately 6.0% of the total revenue for the period, representing a decrease as compared to 7.1% in corresponding period last year.

Research and development cost

Research and development costs for the six months ended 30 June 2021 were approximately HK\$94 million, increased by approximately HK\$35 million as compared to approximately HK\$59 million for the same period last year. During the period under review, continuous investments are being made to research and development of new products and optimization of technical processes, maintaining a strong team of senior scientists and chemical professionals, procurement of equipment and testing materials, so as to maintain the sustainable development of the Group.

物業業務

截至2021年6月30日止六個月，本集團從物業業務錄得營業額約1.61億港元，來自出售並交付129個「昕悅溪」之住宅單位。「昕悅溪」於期末之未出售住宅單位為167個。

銷售及分銷費用

銷售及分銷費用截至2021年6月30日止六個月約1.14億港元，較去年同期的約9,100萬港元，增加約2,300萬港元。變動主因是化工業務因銷售量增加帶動的付運成本增加和物業業務的展銷推廣費用的綜合影響。銷售及分銷費用佔期內銷售收入約5.0%，與去年同期的6.6%比較有所下跌。

行政費用

行政費用截至2021年6月30日止六個月約1.36億港元，與去年同期的約9,800萬港元比較，增加約3,800萬港元。回顧期內行政費用增加，主要是員工工資普調，去年同期因應疫情的若干寬免之一次性影響，新增辦公設備和折舊所致。行政費用佔期內總收入約6.0%，與去年同期的7.1%比較有所下跌。

研發成本

研發成本截至2021年6月30日止六個月約9,400萬港元，與去年同期的5,900萬港元比較，增加約3,500萬港元。於回顧期內集團持續投放資源在新產品研發和優化工藝技術，留聘高級及化工專業人員強大團隊，購置設備和測試物料，保持集團的可持續發展。

Finance costs

The interest expenses incurred for the six months ended 30 June 2021 was approximately HK\$23 million, reduced by approximately HK\$9 million as compared to approximately HK\$32 million for last corresponding period. The decrease was mainly because the overall market interest rates remains at an extremely low level.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2021, the total shareholders' equity of the Group was approximately HK\$5,014 million (31 December 2020: HK\$4,444 million), current assets were approximately HK\$1,956 million (31 December 2020: HK\$1,780 million) and current liabilities approximately HK\$1,538 million (31 December 2020: HK\$1,174 million). The current ratio was 1.27 as at 30 June 2021 (31 December 2020: 1.52).

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 2021, the Group had outstanding bank borrowings of approximately HK\$1,458 million (31 December 2020: HK\$1,532 million). These bank loans were secured by corporate guarantees provided by the Company and its certain subsidiaries. As at 30 June 2021, the Group maintained bank balances and cash of approximately HK\$409 million (31 December 2020: HK\$423 million). The Group's net debt-to-equity ratio (total bank borrowings net of cash and cash equivalents over shareholders' equity) was 20.92% as at 30 June 2021 (31 December 2020: 24.97%).

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 2021, the Group has 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.

融資成本

利息支出截至2021年6月30日止六個月約2,300萬港元，與去年同期約3,200萬港元比較，減少約900萬港元。支出減少原因是由於整體市場息口繼續維持極低水平所致。

流動資金、財務資源及資本結構

於2021年6月30日，本集團的股東權益總額約50.14億港元(2020年12月31日：44.44億港元)，流動資產約19.56億港元(2020年12月31日：17.80億港元)及流動負債約15.38億港元(2020年12月31日：11.74億港元)。流動比率於2021年6月30日約為1.27(2020年12月31日：1.52)。

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2021年6月30日，本集團的未償還銀行借貸約為14.58億港元(2020年12月31日：15.32億港元)。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2021年6月30日，本集團之銀行結餘及現金約為4.09億港元(2020年12月31日：4.23億港元)。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2021年6月30日為20.92%(2020年12月31日：24.97%)。

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2021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 2021, 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 董事姓名	Capacity 身份	Number of issued ordinary shares held 所持已發行 普通股股份數目	Percentage of the issued share capital of the Company 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	536,250,000	65%
Ms. Wai Siu Kee 衛少琦女士	Beneficial owner 實益擁有人	82,500,000	10%

(b) Share options

Name of director 董事姓名	Capacity 身份	Number of ordinary shares subject to options granted 授出的購股權 所涉及的普通股數目	Percentage of the issued share capital of the Company 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 2021, 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2021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2021年6月30日，本公司董事或最高行政人員於本公司或其任何相聯法團之股份、相關股份及債權證中，概無擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所、或根據證券及期貨條例第352條須記錄於該條例所指之登記冊、或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2021, 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 (Note) 郭靜怡女士(附註)	Interest of Spouse 配偶權益	536,250,000	65%

Note: Ms. Kwok Ching Yee Lorinda is the spouse of Mr. Lee Man Yan. She is deemed to be interested in the Shares held by Mr. Lee Man Yan under the SFO.

主要股東

於2021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

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

附註：郭靜怡女士乃李文恩先生的配偶。根據證券及期貨條例，彼被視為擁有李文恩先生所持有之股份的權益。

Other than disclosed above, as at 30 June 2021, 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.

除上文所披露，於2021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。

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 2021.

購買、出售或贖回本公司之上市證券

截至2021年6月30日止六個月內，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 2021.

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2021年6月30日止六個月內均遵守標準守則所載之規定標準。

Other Information

其他資料

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 2021.

AUDIT COMMITTEE

The Audit Committee, comprising all the independent non-executive directors of the Company, has reviewed the result of the Group for the period ended 30 June 2021 and has discussed with the management the accounting principles and practices adopted by the Group and its internal controls and financial reporting matters.

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.

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 2021

遵守企業管治常規守則

董事認為，本公司於截至2021年6月30日止六個月內一直遵守上市規則附錄14的企業管治守則(「守則」)所轉載之守則條文。

審核委員會

審核委員會(包括所有獨立非執行董事)已審閱本集團2021年6月30日止期間業績，與管理層檢討本集團所採納之會計原則及慣例，並就內部監控及財務報告等事宜進行討論。

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。

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，2021年8月4日

LEE & MAN CHEMICAL COMPANY LIMITED

8th Floor, Liven House

61-63 King Yip Street

Kwun Tong, Kowloon, Hong Kong

Tel: (852) 2319 9888 Fax: (852) 2319 9333

理文化工有限公司

香港九龍觀塘敬業街61-63號利維大廈8樓

電話：(852) 2319 9888 傳真：(852) 2319 9333