

LESSO 联塑

CHINA LESSO GROUP HOLDINGS LIMITED
中國聯塑集團控股有限公司

Incorporated in the Cayman Islands with limited liability
於開曼群島註冊成立的有限公司

Stock Code 股份代號 : 2128

INTERIM REPORT 2015 中期報告

UPGRADE & INNOVATION
升級 創新

CORPORATE PROFILE

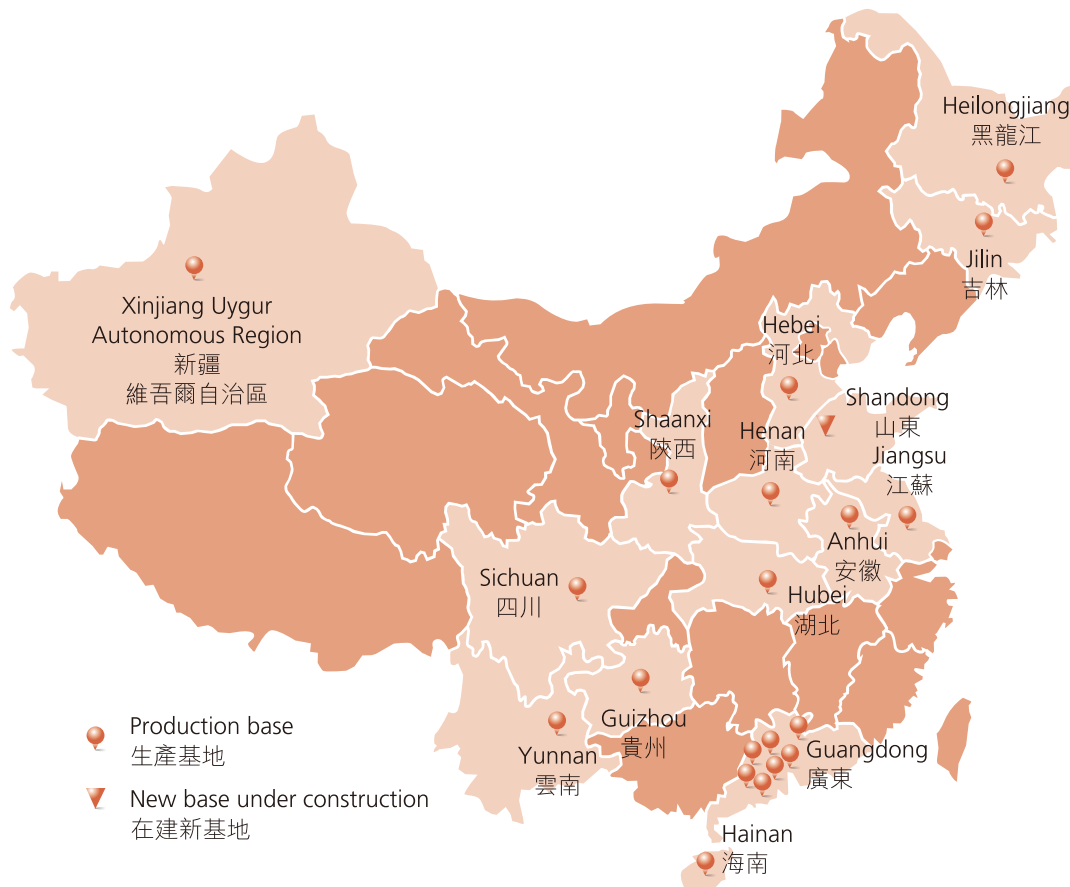
企業簡介

China Lesso Group Holdings Limited is a leading large-scale industrial group, making building materials and interior decoration products in mainland China. It is listed on the main board of The Stock Exchange of Hong Kong Limited (stock name: China Lesso, stock code: 2128). China Lesso is one of the constituent stocks of the Hang Seng Composite Index – MidCap and has been covered by Hong Kong Stock Link, which is tradable under the pilot scheme of Shanghai-Hong Kong Stock Connect. The Group provides over 10,000 kinds of quality products, including plastic pipes and pipe fittings, sanitary ware products, integrated kitchens, systems of doors and windows, decorative plates, fire-fighting equipment, and sanitary materials, etc. They are widely applied to such fields as interior decoration, water supply, drainage, power supply and telecommunications, gas transmission, agriculture, floor heating and fire services. The Group is positioned as one of the manufacturers who offer the most comprehensive range of building materials and interior decoration products.

The Group has 20 advanced production bases in 14 regions, namely Guangdong, Guizhou, Sichuan, Hubei, Jiangsu, Anhui, Henan, Hebei, Heilongjiang, Jilin, Shaanxi, Xinjiang, Hainan and Yunnan. The Group has established a nationwide sales network and has also developed long-term strategic partnerships with 2,100 independent and exclusive first-tier distributors to provide quality and comprehensive products as well as professional services for customers.

中國聯塑集團控股有限公司是中國內地領先的大型建材家居產業集團，於香港聯合交易所有限公司主板上市(股票簡稱：中國聯塑，股份代號：2128)。中國聯塑是恆生綜合指數成份股中型股之一，並被獲納入為港股通股份，因此可根據滬港通試點計劃進行買賣。本集團提供過萬種優質產品，涵蓋塑料管道及管件產品、水暖衛浴產品、整體廚房、門窗系統、裝飾板、消防器材及衛生材料等類別，並廣泛應用於家居裝修、給水、排水、電力供應及通訊、燃氣輸送、農用、地暖和消防等領域，為中國建材家居領域產品體系最為齊全的生產商之一。

本集團於廣東、貴州、四川、湖北、江蘇、安徽、河南、河北、黑龍江、吉林、陝西、新疆、海南及雲南等十四個地區擁有二十個先進生產基地。本集團擁有覆蓋全國的分銷網絡，與2,100名的獨立獨家一級經銷商建立長期戰略合作關係，為全國客戶提供優質豐富的產品和專業的服務。



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FINANCIAL HIGHLIGHTS

財務摘要

| | | Six months ended 30 June | | 30 June | 31 December | Change 變動 |
|--|------------------------------|--------------------------|-----------|-------------------|-------------|--------------|
| | | 截至6月30日止六個月 | | 6月30日 | 12月31日 | |
| | | 2015 | 2014 | 2015 | 2014 | |
| (RMB'000) | (人民幣千元) | | | | | |
| Revenue | 收入 | 7,043,182 | 6,581,051 | | | 7.0% |
| Gross profit | 毛利 | 1,907,607 | 1,643,019 | | | 16.1% |
| Finance costs | 融資成本 | 41,458 | 133,927 | | | (69.0)% |
| EBITDA | 除息稅折攤前盈利 | 1,318,713 | 1,099,141 | | | 20.0% |
| Profit before tax | 除稅前溢利 | 1,035,248 | 761,222 | | | 36.0% |
| Profit for the period | 期內溢利 | 802,329 | 621,666 | | | 29.1% |
| Profit attributable to owners of the Company | 本公司擁有人應佔溢利 | 805,945 | 627,535 | | | 28.4% |
| (RMB'000) | (人民幣千元) | | | | | |
| Total assets | 資產總額 | | | 15,181,465 | 14,519,528 | 4.6% |
| Cash and bank deposits | 現金及銀行存款 | | | 2,741,340 | 3,198,902 | (14.3)% |
| Total debts ^(a) | 債務總額 ^(a) | | | 3,400,194 | 3,179,834 | 6.9% |
| Net debt/(cash) ^(b) | 債務/(現金)淨額 ^(b) | | | 658,854 | (19,068) | 3,555.3% |
| Total equity | 權益總額 | | | 9,038,263 | 8,549,723 | 5.7% |
| Share information (RMB) | 股份資料(人民幣) | | | | | |
| Basic earnings per share ^(c) | 每股基本盈利 ^(c) | 0.26 | 0.20 | | | 30.0% |
| Diluted earnings per share ^(c) | 每股攤薄盈利 ^(c) | 0.26 | 0.20 | | | 30.0% |
| Equity attributable to owners of the Company per share | 每股本公司擁有人應佔權益 | | | 2.91 | 2.75 | 5.8% |
| Financial ratios | 財務比率 | | | | | |
| Gearing Ratio (%) | 資產負債率(%) | | | 27.3 | 27.1 | |
| Net debt to equity ^(d) (%) | 債務淨額對權益比率 ^(d) (%) | | | 7.3 | N/A | |
| Interest cover ^(e) (times) | 利息盈利比率 ^(e) (倍) | 31.81 | 8.21 | | | |

Note:

(a) Represented total borrowings.

(b) Represented total debts less cash and bank deposits.

(c) Details of the calculations of the basic and diluted earnings per share of the Company are set out in note 9 to condensed consolidated financial statements.

(d) Represented net debt divided by total equity.

(e) Represented EBITDA divided by finance costs.

附註：

(a) 指借款總額。

(b) 指債務總額減現金及銀行存款。

(c) 本公司每股基本及攤薄盈利之計算詳述於簡明綜合財務報表附註9。

(d) 指債務淨額除以權益總額。

(e) 指息稅折攤前利潤除以融資成本。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

COMPANY OVERVIEW

China Lesso is a leading large-scale industrial group, making building materials and interior decoration products in mainland China. The Group has 20 advanced production bases in 14 regions which support a nationwide sales network, providing a comprehensive range of diverse products and quality sales services for its customers.

Quality products, strong brand influence, advanced technologies in research and development and a wide sales network have reinforced the Group's market leadership in southern China and have allowed it to springboard into other local markets in the country. In addition to steadily enhancing the core business of pipe business, the Group has been fostering growth drivers by pursuing the development of its new business of building materials and interior decoration products, namely those of systems of doors and windows, sanitary ware products and integrated kitchens. The Group also initiated an e-commerce venture, its proprietary Lesso Mall, which is dedicated web portal for hardware, electrical equipment and building material products in China.

MARKET OVERVIEW

During the period under review, the pipes and pipe fittings industry continued to benefit from a series of government policies, which will favour the Company's development in the medium and long term. In particular, the government took a number of initiatives in accelerating the construction of major water conservation projects, ensuring safe water supplies and reducing pollution regarding the water sector. Under a government plan, 172 major water projects will be launched before 2020, of which 57 are under construction and 27 are to start this year. Also, China's Ministry of Finance rolled out 1,043 exemplary Public-Private-Partnership (PPP) projects, many of which feature water-resources projects, including water and heating supply, sewerage systems and underground pipe networks. All these projects require a total investment of RMB1.97 trillion, according to the National Development and Reform Commission. Moreover, the State Council unveiled a landmark mission, "Action Plan for Water Pollution Prevention and Control", which calls for a total investment of RMB4 trillion to RMB5 trillion over the next five years to bolster the comprehensive ancillary piping systems and to build more sewage treatment plants while upgrading the existing ones.

公司概覽

中國聯塑為中國內地領先的大型建材家居產業集團。為配合覆蓋全國的銷售網絡，本集團擁有二十個先進生產基地分佈於全國十四個地區，為客戶提供種類齊全、多元化產品及全面優質的銷售服務。

憑藉優質的產品質量、強大的品牌效應、先進的研發技術及廣泛的銷售網絡等多方面優勢，本集團繼續鞏固在華南市場的領導地位，並拓展華南以外市場。除穩步提升核心管道業務外，本集團繼續開拓包括門窗系統、水暖衛浴及整體廚房等建材家居產品之新業務，致力培育未來新增長點。本集團亦開展電子商貿業務，旗下聯塑商城為國內五金、電氣和建材產品專業門戶網站。

市場概況

於回顧期內，管道及管件行業繼續受惠於一系列政府政策，有利於本公司之中長期發展。值得一提的是政府實施多項方案，加快推進重大節水項目的工程建設，確保安全供水及降低用水污染。根據政府規劃，2020年前將建設172個重大水利項目，其中57個正在興建中，另外27個擬於年內開工。此外，中國財政部推出1,043個公私合營示範項目，當中大部分以水利工程為主，包括供水供熱、排污系統及地下管道網絡。根據國家發展和改革委員會，所有該等項目所需投資總額達人民幣19,700億元。此外，國務院推出「水污染防治行動計劃」的重要任務，提出未來五年投資合共人民幣40,000億元至人民幣50,000億元，全面加強配套管網建設，新建並升級改造現有污水處理廠。

管理層討論及分析(續)

MARKET OVERVIEW (Continued)

The country's ongoing new mode of urbanisation will also boost demand for pipes which are widely used in telecommunications, the supply of power, heat, gas and water as well as drainage, the sewerage system and fire service, etc. Specifically, the Chinese government has embarked on a number of major civil infrastructure projects, including shantytown renovation, construction of affordable housing, redevelopment of dilapidated housing and integrated subterranean piping systems upgrade for the urban areas, all of which will add new impetus to the industry. In June 2015, the State Council set in motion an action plan to rebuild 18 million housing units in shantytowns and renovate dilapidated rural houses for 10.6 million households from 2015 to 2017. Apart from the RMB149.4 billion allocated from the central budget for rebuilding shantytowns this year and the RMB36.5 billion for renovating dilapidated rural housing, the government also uses new financing mechanisms for tapping the private capital to fund such projects. In addition, the central government decided to grant special subsidies of RMB300 million to RMB500 million annually to 36 pilot cities for the replacement or renovation of urban water supply piping systems.

In order to promote international development, China has proposed the "One Belt, One Road" initiative to boost economic cooperation and development among the countries in Central Asia, West Asia, the Middle East, and Europe, which will call for huge amount of infrastructural construction in the preliminary stage. The Asian Development Bank estimated that the Asian economies would need to invest US\$8 trillion in infrastructure from the present until 2020 to bring their facilities up to the international standards. The colossal amount of fund will be spent on construction of railway networks, port facilities, airports, highways, power plants and telecommunications projects. This will give rise to a considerable number of opportunities for international cooperation in contracting to build infrastructures. The pipe and piping industry is set to benefit from this development as its wide range of products can be applied to all kinds of infrastructural projects.

On the other hand, China's property developers have yet to reduce the high inventory of unsold homes even though the government has succeeded in stabilising the real estate market with a host of measures. Growth in the property market will remain constrained in the short term. Nevertheless, the building materials and interior decoration sector is poised to benefit from the steady progress in social security housing projects and the increasing market penetration of pre-decorated flats.

市場概況(續)

國家持續進行新型城鎮化亦將帶動管道需求，因為管道可廣泛應用於通訊、供電、供熱、供氣及供水以及排水、污水系統及消防等。具體而言，中國政府開展多項大型民生基建項目，包括棚戶區改造、興建保障房、重建危房及綜合城市地下管線升級，為行業注入新動力。於2015年6月，國務院通過一項行動計劃，於2015年至2017年間，重建各類棚戶區住房1,800萬套及改造1,060萬戶農村危房。中央預算年內撥付人民幣1,494億元重建棚戶區，人民幣365億元改造農村危房。政府亦使用新融資機制以開發私募資本資助該等項目。此外，中央政府決定每年向36個試點城市發放人民幣3億元至人民幣5億元特別資助，以更換或改造城鎮供水管道系統。

為推進國際發展，中國提出「一帶一路」倡議，以促進中亞、西亞、中東及歐洲國家之間的經濟合作及發展，而初期將需要建設大量基礎設施。亞洲發展銀行估計，由現時至2020年亞洲經濟體將需投資80,000億美元於基礎建設，以令其設施達致國際標準。巨額資金將用於建造鐵路網絡、港口設施、機場、高速公路、發電廠及通訊項目。此將帶來許多國際合作機會，以承建基礎設施。管道及管件行業定能受惠於此項發展，因其各式各樣產品可應用於任何種類的基建項目。

另一方面，雖然政府通過一系列措施成功穩定房地產市場，但中國地產開發商未售住房存貨高企仍有待減少。物業市場短期內的增長仍然受壓。儘管如此，隨著社會保障住房項目穩定推進及精裝房的市場滲透率日益增加，建材家居產業仍將從中受惠。

管理層討論及分析(續)

BUSINESS REVIEW

China Lesso's business is divided into three major business units, namely plastic pipes and pipe fittings business, business of building materials and interior decoration products and Lesso Mall e-commerce platform. During the period under review, the Group's revenue achieved a steady growth of 7.0% to RMB7,043 million (1H 2014: RMB6,581 million).

The table below sets out the breakdown of revenue by region for the six months ended 30 June 2015 and 2014:

| Region [#] | 地區 [#] | Revenue | | Change | % of revenue | |
|---------------------|-----------------|-------------|-------------|---------|--------------|--------|
| | | 2015 | 2014 | | 2015 | 2014 |
| | | RMB million | RMB million | | 佔收入% | |
| | | 人民幣百萬元 | 人民幣百萬元 | 變動 | | |
| Southern China | 華南 | 4,220 | 3,856 | 9.4% | 59.9% | 58.6% |
| Southwestern China | 西南 | 674 | 679 | (0.8)% | 9.6% | 10.3% |
| Central China | 華中 | 774 | 717 | 8.0% | 11.0% | 10.9% |
| Eastern China | 華東 | 367 | 330 | 11.2% | 5.2% | 5.0% |
| Northern China | 華北 | 430 | 440 | (2.1)% | 6.1% | 6.7% |
| Northwestern China | 西北 | 239 | 220 | 8.7% | 3.4% | 3.3% |
| Northeastern China | 東北 | 119 | 151 | (21.1)% | 1.7% | 2.3% |
| Outside China | 中國境外 | 220 | 188 | 16.7% | 3.1% | 2.9% |
| Total | 總計 | 7,043 | 6,581 | 7.0% | 100.0% | 100.0% |

[#] Details of the scope of coverage of each region are set out in note 3 to condensed consolidated financial statements.

As at 30 June 2015, the Group had 2,100 independent and exclusive tier-one distributors all over the country. The Group still has its major market in southern China, where it puts efforts to enhance the market penetration of its products in order to strengthen its market leadership there. Moreover, the Group is further expanding its business presence beyond southern China with the aim of raising its overall sales. During the period under review, revenues from southern China and those from other regions in the country account for 59.9% and 40.1% respectively (1H 2014: 58.6% and 41.4% respectively) of the Group's total revenue.

業務回顧

中國聯塑業務分為三個主要業務單位，即塑料管道及管件業務、建材家居產品業務以及聯塑商城電子商貿平台。於回顧期內，本集團收入穩定增長7.0%至人民幣70.43億元(2014年上半年：人民幣65.81億元)。

下表載列截至2015年及2014年6月30日止六個月按地區劃分的收入詳情：

[#] 各地區的覆蓋範圍詳情載於簡明綜合財務報表附註3。

於2015年6月30日，本集團於全國各地擁有2,100名獨立獨家一級經銷商。本集團仍以華南地區為主要市場，致力提升其產品的市場滲透率，鞏固市場領先地位。此外，本集團正進一步將其業務擴展至華南以外地區，務求增加整體銷售額。於回顧期內，來自華南地區及國內其他地區的收入分別佔本集團總收入的59.9%及40.1%(2014年上半年：分別為58.6%及41.4%)。

管理層討論及分析(續)

BUSINESS REVIEW (Continued)

PLASTIC PIPES AND PIPE FITTINGS BUSINESS

The plastic pipes and pipe fittings business is a mainstay operation of China Lesso. During the period under review, the plastic pipes and pipe fittings business took up 90.3% of the Group's total revenue (1H 2014: 93.1%). The Company's pipes and pipe fittings are used in various fields including water supply, drainage, power supply and telecommunications, gas transmission, agriculture, floor heating and fire services. Through a nationwide distribution network, the Group provided quality products and comprehensive services for its customers.

The table below sets out the breakdown of revenue from plastic pipes and pipe fittings business by product application for the six months ended 30 June 2015 and 2014:

| | | 2015 | Revenue | | % of revenue | |
|-------------------------------------|---------|-------------|-------------|--------|--------------|--------|
| | | RMB million | 2014 | Change | 2015 | 2014 |
| | | 人民幣百萬元 | RMB million | 變動 | 佔收入% | |
| | | | 人民幣百萬元 | | | |
| Water supply | 供水 | 2,602 | 2,411 | 7.9% | 40.9% | 39.4% |
| Drainage | 排水 | 2,411 | 2,318 | 4.0% | 37.9% | 37.8% |
| Power supply and telecommunications | 電力供應及通訊 | 1,014 | 1,057 | (4.1)% | 16.0% | 17.3% |
| Gas transmission | 燃氣輸送 | 106 | 95 | 12.0% | 1.7% | 1.5% |
| Others* | 其他* | 224 | 245 | (8.6)% | 3.5% | 4.0% |
| Total | 總計 | 6,357 | 6,126 | 3.8% | 100.0% | 100.0% |

* "Others" include agricultural applications, floor heating and fire services.

業務回顧(續)

塑料管道及管件業務

塑料管道及管件業務為中國聯塑的主營業務。於回顧期內，塑料管道及管件業務佔本集團總收入之90.3% (2014年上半年：93.1%)。本公司的管道管件產品應用於供水、排水、電力供應及通訊、燃氣輸送、農用、地暖和消防等不同領域。本集團擁有全國性的經銷商網絡，為客戶提供優質產品和全面服務。

下表載列截至2015年及2014年6月30日止六個月塑料管道及管件業務收入按產品應用劃分的詳情：

* 「其他」包括農用、地暖及消防。

During the period under review, the plastic pipes and pipe fittings business continued to growth in both sales volume and revenue. In particular, it achieved a more significant growth in revenue from sales of water supply and gas transmission pipes used in urban projects.

於回顧期內，塑料管道及管件業務的銷量及收入繼續錄得增長。用於市政項目的供水及燃氣輸送管銷售收入增長較為顯著。

管理層討論及分析(續)

BUSINESS REVIEW (Continued)

PLASTIC PIPES AND PIPE FITTINGS BUSINESS (Continued)

The table below sets out the breakdown of average selling price, sales volume, and revenue from plastic pipes and pipe fittings business by product material for the six months ended 30 June 2015 and 2014:

| | | Average selling price 平均售價 | | | Sales volume 銷量 | | | Revenue 收入 | | |
|------------------------|---------------------|-------------------------------|--------|--------|--------------------|---------|--------|---------------|-------------|--------|
| | | 2015 | 2014 | Change | 2015 | 2014 | Change | 2015 | 2014 | Change |
| | | RMB | RMB | | Tonne | Tonne | | RMB million | RMB million | |
| | | 人民幣元 | 人民幣元 | 變動 | 噸 | 噸 | 變動 | 人民幣百萬元 | 人民幣百萬元 | 變動 |
| PVC ^(a) | PVC ^(a) | 7,510 | 7,859 | (4.4)% | 560,172 | 508,691 | 10.1% | 4,207 | 3,998 | 5.2% |
| Non-PVC ^(b) | 非PVC ^(b) | 16,278 | 15,842 | 2.8% | 132,082 | 134,327 | (1.7)% | 2,150 | 2,128 | 1.0% |
| Total | 總計 | 9,183 | 9,527 | (3.6)% | 692,254 | 643,018 | 7.7% | 6,357 | 6,126 | 3.8% |

Note:

- (a) "PVC" refers to material used in the manufacture of plastic pipes and pipe fittings with high mechanical strength and hardness.
- (b) "Non-PVC" plastic pipes and pipe fittings mainly refer to those made of PE and PP-R.

In terms of product materials, sales volume of PVC products grew by 10.1% to 560,172 tonnes while that of non-PVC products registered a mild decrease of 1.7% to 132,082 tonnes (1H 2014: 508,691 tonnes and 134,327 tonnes respectively). Revenue from sales of PVC products amounted to RMB4,207 million (1H 2014: RMB3,998 million), accounting for 66.2% (1H 2014: 65.3%) of the revenue of the plastic pipes and pipe fittings business.

Decline in the cost of raw materials and the Company's effective cost control resulted in satisfactory growth in gross profit during the period under review. The average cost of plastic pipes and pipe fittings decreased by 7.5% to RMB6,521 per tonne during the period under review (1H 2014: RMB7,049 per tonne), while the average selling price decreased to RMB9,183 per tonne (1H 2014: RMB9,527 per tonne).

業務回顧(續)

塑料管道及管件業務(續)

下表載列塑料管道及管件業務截至2015年及2014年6月30日止六個月按產品物料劃分的平均售價、銷量及收入分項詳情：

附註：

- (a) 「PVC」指一種用於生產高機械強度及硬度塑料管道及管件的材料。
- (b) 「非PVC」塑料管道及管件主要是PE制及PP-R制。

產品物料方面，PVC產品銷量增加10.1%至560,172噸而非PVC產品銷量微降1.7%至132,082噸(2014年上半年：分別為508,691噸及134,327噸)。銷售PVC產品所得收入為人民幣42.07億元(2014年上半年：人民幣39.98億元)，佔塑料管道及管件業務收入之66.2%(2014年上半年：65.3%)。

由於原材料成本下降及本公司有效控制成本，回顧期內毛利增幅理想。回顧期內，塑料管道及管件平均成本減少7.5%至每噸人民幣6,521元(2014年上半年：每噸人民幣7,049元)，而平均售價減少至每噸人民幣9,183元(2014年上半年：每噸人民幣9,527元)。

管理層討論及分析(續)

BUSINESS REVIEW (Continued)

PLASTIC PIPES AND PIPE FITTINGS BUSINESS (Continued)

Newly Developed Business of Offshore Cage Culture

During the period under review, the Group has overcome technical obstacles and successfully launched an offshore cage culture business, providing integrated products and solution which includes production and installation services for marine finfish aquaculture. Intended to replace the old system with more fragile structures, the Group's cages perform better in terms of strength and durability regarding resistance to strong winds and waves. It began sending to fish farmers for trial use during the period under review and received promising feedback. Coupled with significant support and subsidies from the government due to its environmental friendliness, the new business has huge potential for development and is expected to stimulate the Group's sales growth in the future.

BUSINESS OF BUILDING MATERIALS AND INTERIOR DECORATION PRODUCTS

The Group has been developing the business of new types of building materials and interior decoration products since 2012, which mainly provides major property developers with various types of integrated building materials and interior decoration products. In addition, the Group also provides comprehensive installation solution to their residential property projects. The Group continued to improve its product offering and strengthen its relationship with major property developers. Revenue arising from this business amounted to RMB344 million (1H 2014: RMB360 million), accounting for 4.9% (1H 2014: 5.5%) of the Group's total revenue.

LESSO MALL

With a view to enhancing its customer services and providing more diverse product offerings to meet the demand of a wide spectrum of distributors and customers, the Group launched a diversified and dedicated e-commerce platform, Lesso Mall, in the country during the period under review. As an extension of the Group's business, Lesso Mall displays a wide range of products, including hardware, electrical equipment and building materials for its distributors and takes advantage of the Group's established network of warehouses and sales channels. The Group is currently investing in information technology and related logistics improvements, and its progress is in line with the Group's expectations. During the period under review, the new Lesso Mall business has already been initiated in the southern China market and generated a revenue of RMB215 million, involving 1,004 registered members.

業務回顧(續)

塑料管道及管件業務(續)

發展深海養殖網箱新業務

於回顧期內，本集團克服技術障礙，成功開展深海養殖網箱業務，為海水魚類養殖提供一體化產品及解決方案，包括生產及安裝服務。本集團的網箱不論在強度及耐用性方面均有較佳表現，能抵抗強風巨浪，足以取代結構較脆弱的舊系統。本集團於回顧期內開始派發養殖網箱予漁民試用，並收到正面反饋。加上養殖網箱有利環保，獲政府大力支持及提供補貼，新業務發展潛力龐大，預期日後會有利本集團的銷售增長。

建材家居產品業務

本集團自2012年開始拓展新型建材家居產品業務，主要為大型房地產商提供多種類一體化建材家居產品。此外，本集團亦為其住宅物業項目提供全面安裝解決方案。本集團不斷優化其產品組合，並鞏固與主要房地產開發商的關係。該業務產生的收入達人民幣3.44億元(2014年上半年：人民幣3.60億元)，佔本集團總收入的4.9%(2014年上半年：5.5%)。

聯塑商城

為提升客戶服務及提供更多元化的產品組合，以滿足廣大經銷商及客戶的需求，在回顧期內，本集團在中國推出多元化及專門的電子商貿平台——聯塑商城。聯塑商城乃本集團業務的延伸，為經銷商展示多種產品，包括五金、電氣及建材，善用本集團完善的倉儲網絡及銷售渠道。本集團目前投資於資訊科技及相關物流改良項目，發展進度符合集團預期。於回顧期內，新聯塑商城業務已於華南市場開展，產生收入人民幣2.15億元，註冊會員達1,004名。

管理層討論及分析(續)

BUSINESS REVIEW (Continued)

CAPITAL EXPENDITURE AND CAPACITY EXPANSION

The Group has been expanding its production capacity based on its own development and actual needs so as to cater the market demand. The Group's annual designed capacity for the production of plastic pipes and pipe fittings increased to 2.05 million tonnes at the end of the reporting period (2014: 2.0 million tonnes).

The expected capital expenditure for 2015 will be approximately RMB1.0 billion, mainly investing in the expansion and automation of the existing production bases as well as the construction of Shandong plant. During the first half of 2015, RMB629 million has been spent.

PROSPECTS

China's economic growth decelerated to a six-year low of 7% in the first half of 2015 as demand at home and abroad faltered, and the downward pressure is expected to persist into the second half of the year at the critical stage of the economic restructuring. However, the Group believes that the government's pledge to restructure the country's economy for sustainable development will create a favourable operating environment for the business community.

According to the "Report on the development of the building materials and interior decoration industry in China 2014" released by China Building and Decoration Association, the sector is estimated to maintain a steady growth in 2015 with market size hitting RMB4.27 trillion. With their expanding scope of applications in different fields, the plastic pipes and pipe fittings have huge potential for growth in sales.

The Group will continue to enhance its core competitiveness and reinforce its market leadership by leveraging its integrated advantages of comprehensive product offerings, strong brand and nationwide distribution network. To achieve these objectives, the Group will implement the following strategies:

OPTIMISE PRODUCTION CAPACITY AND ENHANCE OVERALL PRODUCTION EFFICIENCY

The Group has embarked on a five-year scheme to fully automate its production bases since last year. This move will enhance product quality control, cut down production time, and reduce human error while lowering labour costs, thus enhancing the overall production efficiency. In addition, the plant in Shandong is under construction and is expected to commence production in the first half of 2016.

業務回顧(續)

資本開支及產能擴展

本集團一直按其自身發展及實際需要擴展產能，以滿足市場需求。本集團生產塑料管道及管件的年度設計產能於報告期末增至205萬噸（2014年：200萬噸）。

預計2015年的資本開支將約為人民幣10億元，主要投資於現有生產基地的擴建及自動化工程，以及興建山東廠房。於2015年上半年，已使用人民幣6.29億元。

未來展望

2015年上半年，隨著國內外需求疲弱，中國經濟增長放緩至7%，為六年來最低水平，且預期在經濟重組的重要階段，下行壓力將持續至下半年。然而，本集團深信政府致力推動國內經濟轉型實現可持續發展，將為商界創造有利的營商環境。

根據中國建築裝飾協會發佈的《2014年中國建材家居產業發展報告》，預計該行業於2015年將保持穩定增長，市場規模達人民幣42,700億元。隨著塑料管道及管件在不同領域的應用範圍擴大，其銷售具龐大的增長潛力。

憑藉全面的產品組合、強大的品牌及遍佈全國的經銷商網絡的優勢，本集團將繼續增強其核心競爭力及鞏固其市場領先地位。為達成該等目標，本集團將實施以下策略：

優化產能，提高整體生產效率

本集團自去年起已開展五年計劃，將生產基地全面自動化，藉以增強產品質量控制、縮短生產時間及減少人為錯誤，同時降低勞工成本，從而提高整體生產效率。此外，山東廠房正在施工，預期將於2016年上半年投產。

管理層討論及分析(續)

PROSPECTS (Continued)

FURTHER EXPAND NATIONAL DISTRIBUTION NETWORK TO INCREASE MARKET SHARE

The Group has built up an extensive distribution network across the country and will continue to tap more market segments with potential to achieve a balanced source of income. In southern China, the Group has been maintaining its market dominance and will endeavor to enhance the market penetration there. Besides, the Group will continue to actively explore markets outside southern China, especially southwestern, central and northern parts of the country, with the aim of boosting the Group's revenue stream.

ENHANCE CONTRIBUTION FROM THE BUILDING MATERIALS AND INTERIOR DECORATION BUSINESS TO THE GROUP'S REVENUE AND PROFIT

The Group will continue to enrich the product offering and improve its integrated service scope while striving to strengthen its relationships with major property developers and expand its market coverage through distributors. By taking advantage of its brand influence and logistics support, the Group will develop the business into another growth engine.

TAKE NEW INITIATIVES IN BOOSTING GROWTH IN THE LONG TERM

The Group started an e-commerce platform for its Lesso Mall and began producing plastic pipes for offshore cage culture earlier this year. Riding on the favourable market response in southern China, the Group will extend the e-commerce business into central China in the second half of this year after the completion of the redeployment of resources for warehousing in Wuhan. The Group will roll out the e-commerce plan across the country in 2016. As for the offshore cage culture products, the Group will gauge the market's feedback during the trial running, and expect to start mass production in the next year. The Group will endeavor to develop these new undertakings into new growth drivers in the long term.

CONCLUSION

As a manufacturer of the most comprehensive range of building materials and interior decoration products in China, China Lesso is confident about the prospect of its businesses of plastics pipes and pipe fittings, building materials and interior decoration products as well as Lesso Mall e-commerce business. The Group will endeavour to fulfill its corporate mission to "Create a Relaxing Life for Dwellers" by developing itself into a leading global industrial group that makes building materials and interior decoration products. It aims to provide more value-for-money products that enable a comfortable and quality life at home for its customers.

未來展望(續)

進一步擴大全國經銷商網絡，增加市場份額

本集團已於全國建立廣泛的經銷商網絡，並將繼續進軍更多富有潛力的市場分部，務求使收入來源更為均衡。本集團一直於華南地區維持市場主導，將致力增加該地區的市場滲透率。此外，本集團將繼續積極拓展華南以外市場，尤其是西南、華中及華北地區，藉以擴大本集團的收入來源。

提高建材家居業務對本集團收入及溢利的貢獻

本集團將繼續豐富產品組合並改善綜合服務範圍，同時，努力鞏固與主要房地產開發商的關係，並透過經銷商擴大市場覆蓋率。憑藉本集團的品牌影響力及物流支援，本集團將發展該業務為另一項增長引擎。

發展新業務，推動長期增長

年初，本集團開設聯塑商城電子商貿平台，並開始生產深海養殖網箱塑料管道。為順應華南市場反應良好，本集團將於完成調配武漢倉庫資源後，於下半年將電子商貿業務拓展至華中地區，並將於2016年將電子商貿計劃推廣至全國各地。在深海養殖網箱產品方面，本集團將審視市場於試業期間的反饋意見，預期將於明年開始量產。本集團將傾力發展該等新業務，使其成為長期增長的新動力。

總結

作為中國建材家居產品種類最全面的生產商之一，中國聯塑對其塑料管道及管件業務、建材家居業務以及聯塑商城電子商貿業務的發展前景充滿信心。本集團將繼續秉持「為居者構築輕鬆生活」的品牌理念，致力將中國聯塑打造成為全球領先的建材家居用品產業集團，為客戶提供更多物有所值的產品，締造舒適、優質的家居生活。

管理層討論及分析(續)

RESULTS PERFORMANCE

For the six months ended 30 June 2015, the Group's revenue increased by 7.0% year-on-year to RMB7,043 million (1H 2014: RMB6,581 million). Benefited from the saving on the cost of raw materials, the gross profit rose by 16.1% to RMB1,908 million (1H 2014: RMB1,643 million), with gross profit margin up by 2.1 percentage points to 27.1% (1H 2014: 25.0%).

The Group's other expenses increased by 56.6% to RMB265 million (1H 2014: RMB169 million) during the period under review due to impairment of trade receivables of RMB47 million and increase in research and development costs of RMB44 million. EBITDA was RMB1,319 million (1H 2014: RMB1,099 million), representing an increase of 20.0% year-on-year and the EBITDA ratio was 18.7% (1H 2014: 16.7%) in the first half of 2015.

In the first half of 2015, the Group's financing costs significantly reduced by 69.0% to RMB41 million (1H 2014: RMB134 million). This was resulted from there was no one-off premium and unamortised issuance expenses arising from early redemption of the Senior Notes (1H 2014: RMB49 million). In addition, the Group's average interest rate was significantly lower than the first half of 2014.

The Group's effective tax rate increased to 22.5% during the period under review (1H 2014: 18.3%). Profit before tax increased by 36.0% year-on-year to RMB1,035 million (1H 2014: RMB761 million) while profit attributable to the owners of the Company increased by 28.4% to RMB806 million (1H 2014: RMB628 million). Basic earnings per share increased by 30.0% year-on-year to RMB0.26 (1H 2014: RMB0.20).

FINANCIAL POSITION

The Group continued to adopt prudent financial policies. Finance, fund utilisation and fund raising activities of the Group are subject to effective centralised management and supervision. The Group keeps reasonable gearing level and adequate liquidity.

As at 30 June 2015, the Group had total debts (i.e. total borrowings) of approximately RMB3,400 million, of which 65.4% was denominated in US dollar, 30.2% was denominated in HK dollar, 2.6% was denominated in Euro and 1.8% was denominated in Renminbi. The Group's borrowings are subject to floating rates ranging from 1.18% to 5.41% per annum with maturity periods ranging from within one year to three years.

業績表現

於截至2015年6月30日止六個月，本集團的收入按年增加7.0%至人民幣70.43億元（2014年上半年：人民幣65.81億元）。由於節省原材料成本，毛利增加16.1%至人民幣19.08億元（2014年上半年：人民幣16.43億元），而毛利率增加2.1個百分點至27.1%（2014年上半年：25.0%）。

回顧期內，本集團的其他開支增加56.6%至人民幣2.65億元（2014年上半年：人民幣1.69億元），此乃由於貿易應收款項減值人民幣4,700萬元及研發成本增加人民幣4,400萬元。除息稅折攤前盈利為人民幣13.19億元（2014年上半年：人民幣10.99億元），按年增加20.0%，而於2015年上半年的除息稅折攤前盈利率為18.7%（2014年上半年：16.7%）。

於2015年上半年，本集團的融資成本大幅減少69.0%至人民幣4,100萬元（2014年上半年：人民幣1.34億元），此乃由於並無產生一次性提早贖回優先票據的溢價及未攤銷發行開支（2014年上半年：人民幣4,900萬元）。此外，本集團的平均年利率大幅低於2014年上半年。

回顧期內，本集團的實際稅率上升至22.5%（2014年上半年：18.3%）。除稅前溢利按年增加36.0%至人民幣10.35億元（2014年上半年：人民幣7.61億元），而本公司擁有人應佔溢利增加28.4%至人民幣8.06億元（2014年上半年：人民幣6.28億元）。每股基本盈利按年增加30.0%至人民幣0.26元（2014年上半年：人民幣0.20元）。

財務狀況

本集團持續採取審慎的財務政策，其財務、資金運用和融資活動實行有效的中央管理及監察模式。本集團維持合理的資產負債水平及充足的流動資金。

於2015年6月30日，本集團的債務總額（即借款總額）為約人民幣34.00億元，其中65.4%以美元計值、30.2%以港元計值、2.6%以歐元計值，而餘下1.8%則以人民幣計值。本集團的借款按浮息計息，年息介乎1.18%至5.41%，到期期間由一年內至三年不等。

管理層討論及分析(續)

FINANCIAL POSITION (Continued)

As at 30 June 2015, the Group's current assets and current liabilities were approximately RMB7,502 million and RMB3,972 million respectively. The Group's Current Ratio decreased to 1.89 from 1.92 as at 31 December 2014, while the Quick Ratio decreased to 1.24 from 1.34 as at 31 December 2014. The Group's total equity increased to approximately RMB9,038 million. The Group's Gearing Ratio stood at a healthy level of 27.3%.

With cash and bank deposits, including restricted cash, of approximately RMB2,741 million as well as unutilised banking facilities, the Board considers that the Group has sufficient working capital for its operation and future development.

The Group had no material exposure to foreign exchange fluctuation other than borrowings denominated in US dollar, HK dollar and Euro. No hedging has been arranged on the above-mentioned exposure.

CHARGE ON ASSETS

As at 30 June 2015, certain of the Group's held-to-maturity investments with an aggregate net carrying amount of approximately RMB31 million (31 December 2014: approximately RMB30 million) and available-for-sale investments with an aggregate net carrying amount of approximately RMB32 million (31 December 2014: approximately RMB5 million) were pledged to a bank to secure the banking facility granted to the Company. The Company has not utilised this banking facility as at 30 June 2015.

CONTINGENT LIABILITIES

As at 30 June 2015, the Group did not have any significant contingent liabilities.

HUMAN RESOURCES

As at 30 June 2015, the Group employed a total of approximately 7,500 employees including directors. Total staff costs were RMB331 million during the review period. The Group ensures that the remuneration packages for employees are determined based on their work performance, professional experience and the prevailing industry practice. Discretionary year-end bonus may be paid to employees based on individual performance. Other benefits to employees include medical insurance, retirement scheme and training programmes.

財務狀況(續)

於2015年6月30日，本集團的流動資產及流動負債分別為約人民幣75.02億元及人民幣39.72億元。本集團的流動比率及速動比率從2014年12月31日的1.92及1.34分別下降至1.89及1.24。本集團的權益總額增至約人民幣90.38億元。本集團的資產負債率仍處於27.3%的健康水平。

現金及銀行存款(包括受限制現金)為約人民幣27.41億元，再加上尚未使用之銀行融資額度，董事會認為本集團擁有足夠的營運資金用於經營及未來發展。

除以美元、港元及歐元計值的借款外，本集團並無任何重大外匯波動風險，亦無對上述風險作任何對沖安排。

資產抵押

於2015年6月30日，本集團總賬面淨值為約人民幣3,100萬元的若干持有至到期投資(2014年12月31日：約人民幣3,000萬元)及總賬面淨值為約人民幣3,200萬元的若干可供出售投資(2014年12月31日：約人民幣500萬元)已向銀行抵押作本公司獲授銀行融資的擔保。於2015年6月30日，本公司概無動用該銀行融資。

或然負債

於2015年6月30日，本集團概無任何重大或然負債。

人力資源

於2015年6月30日，本集團共聘用約7,500名僱員，包括董事在內。回顧期內的員工成本總額為人民幣3.31億元。本集團確保僱員薪酬乃根據其工作表現、專業經驗及現行行業慣例釐定，並可按照個人表現年底酌情向僱員發放花紅。其他僱員福利包括醫療保險、退休計劃及培訓課程。

CORPORATE GOVERNANCE AND OTHER INFORMATION

企業管治及其他資料

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

董事及行政總裁於股份、相關股份及債權證的權益及淡倉

As at 30 June 2015, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) as recorded in the register to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

於2015年6月30日，本公司董事及行政總裁於本公司或其任何相聯法團（證券及期貨條例第XV部內的定義）的股份、相關股份及債權證中擁有根據證券及期貨條例第352條須於本公司存置的登記冊中記錄，或根據標準守則須通知本公司及聯交所的權益及淡倉如下：

Number of issued ordinary shares held^(a)
持有的已發行普通股數目^(a)

| Name | Personal interests | Family interests | Corporate interests | Total | Percentage of the issued share capital of the Company 佔本公司已發行股本的百分比 |
|----------------------|------------------------------|----------------------------------|----------------------------------|-------------------|--|
| 姓名 | 個人權益 | 家族權益 | 公司權益 | 總數 | |
| Wong Luen Hei 黃聯禧 | – | 2,308,000 (L) ^(c) | 2,118,485,000 (L) ^(b) | 2,120,793,000 (L) | 68.18% |
| Zuo Xiaoping 左笑萍 | 2,308,000 (L) ^(c) | 2,118,485,000 (L) ^(b) | – | 2,120,793,000 (L) | 68.18% |
| Zuo Manlun 左滿倫 | 3,842,000 (L) | – | – | 3,842,000 (L) | 0.12% |
| Luo Jianfeng 羅建峰 | 1,927,000 (L) | – | – | 1,927,000 (L) | 0.06% |

Note:

- (a) The letter "L" denotes the person's long position in such securities.
- (b) These shares of the Company are held by New Fortune, which is wholly-owned by Mr. Wong Luen Hei ("Mr. Wong"). Ms. Zuo Xiaoping is the spouse of Mr. Wong, and therefore Ms. Zuo Xiaoping is deemed to be interested in all the shares of the Company in which Mr. Wong is interested by virtue of the SFO.
- (c) Ms. Zuo Xiaoping is directly holding of 2,308,000 shares of the Company. Mr. Wong is the spouse of Ms. Zuo Xiaoping, and therefore Mr. Wong is deemed to be interested in all the shares of the Company in which Ms. Zuo Xiaoping is interested by virtue of the SFO.

附註：

- (a) 字母「L」指該人士於該等證券的好倉。
- (b) 該等本公司股份由新富星所持有，該公司由黃聯禧先生（「黃先生」）全資擁有。左笑萍女士為黃先生的配偶，因此根據證券及期貨條例，左笑萍女士被視為於黃先生擁有的所有本公司股份中擁有權益。
- (c) 左笑萍女士直接持有本公司的2,308,000股股份。黃先生為左笑萍女士的配偶，因此根據證券及期貨條例，黃先生被視為於左笑萍女士擁有的所有本公司股份中擁有權益。

Save as disclosed above, as at 30 June 2015, none of the directors, chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於2015年6月30日，本公司董事及行政總裁概無於本公司或其任何相聯法團的任何股份、相關股份及債權證中擁有任何根據證券及期貨條例第352條須載於登記冊，或根據標準守則須通知本公司及聯交所的權益或淡倉。

企業管治及其他資料(續)

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

主要股東的權益及淡倉

As at 30 June 2015, the following persons (other than a director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

於2015年6月30日，於本公司股份或相關股份中擁有根據證券及期貨條例第336條須予存置的登記冊中記錄的權益或淡倉的人士(本公司董事及行政總裁除外)如下：

| Name of Shareholder | Capacity | Number of issued ordinary shares held ^(a) | Percentage of the issued share capital of the Company |
|---------------------|---|--|---|
| 股東名稱 | 身份 | 持有的已發行普通股數目 ^(a) | 佔本公司已發行股本的百分比 |
| New Fortune 新富星 | Beneficial owner ^(b) 實益擁有人 ^(b) | 2,118,485,000 (L) | 68.11% |

Note:

- (a) The letter "L" denotes the person's long position in such securities.
- (b) Mr. Wong is the ultimate beneficial owner of New Fortune. Under Part XV of the SFO, Mr. Wong is deemed to have an interest in these shares, as disclosed in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above.

附註：

- (a) 字母「L」指該人士於該等證券的好倉。
- (b) 黃先生為新富星之最終實益擁有人，根據證券及期貨條例第XV部，黃先生被視作擁有該等股份之權益，誠如上文「董事及行政總裁於股份、相關股份及債權證的權益及淡倉」一節所披露者。

The above shares were the same shares as set out under the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above. Save as disclosed above, as at 30 June 2015, the directors of the Company were not aware of any person or corporation (other than the directors and chief executive of the Company) who had any interests or short positions in any shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

上述股份與上文「董事及行政總裁於股份、相關股份及債權證的權益及淡倉」一節所述的股份相同。除上文所披露者外，於2015年6月30日，本公司董事概不知悉任何人士或法團(本公司董事及行政總裁除外)於本公司任何股份或相關股份中擁有根據證券及期貨條例第336條須予存置的登記冊記錄的任何權益或淡倉。

企業管治及其他資料(續)

SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") was conditionally approved by resolutions of the Shareholders on 14 May 2010 and the summary of terms of such Share Option Scheme are disclosed in the Prospectus. No share options have been granted, under the Share Option Scheme since its adoption.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the accounting policies adopted by the Group and the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2015. Such condensed consolidated financial statements have not been audited but have been reviewed by the independent auditor of the Company, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

CORPORATE GOVERNANCE PRACTICES

China Lesso is always committed to maintaining high standards of corporate governance practices and business ethics of the Group. The Board believes in good corporate governance practices and business ethics which are essential for achieving sustainable development, establishing investors' confidence in the Company and safeguarding and enhancing the interests of the Shareholders.

In pursuit of good and high standard of corporate governance practices, the Board reviews the corporate governance practices of the Company from time to time so as to meet the expectations of the Shareholders for continual improvement, comply with increasingly stringent regulatory requirements and fulfill its commitment of pursuing excellent corporate governance. In the opinion of the directors, the Company complied with all the applicable code provisions of the Code during the review period.

購股權計劃

股東於2010年5月14日決議有條件批准一項購股權計劃(「購股權計劃」)，而該項購股權計劃的條款摘要於招股章程內披露。本公司自採納購股權計劃以來，並無根據該計劃授出購股權。

審核委員會

本公司審核委員會已審閱本集團所採納的會計政策及截至2015年6月30日止六個月的未經審核簡明綜合財務報表。該簡明綜合財務報表未經審核，但已由本公司獨立核數師安永會計師事務所根據香港會計師公會頒布的香港審閱委聘準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。

企業管治常規

中國聯塑一直致力保持本集團高水平的企業管治常規及商業道德。董事會相信，良好的企業管治常規及商業道德，是達致可持續發展、建立投資者對本公司的信心以及保障和提升股東權益的關鍵。

為追求良好而高水平的企業管治常規，董事會不時檢討本公司的企業管治常規，以達到股東對更臻完善的期望、遵守日趨嚴謹的監管規定，並且履行其對追求卓越企業管治的承諾。董事認為，回顧期內本公司已遵守守則中的所有適用守則條文。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code governing securities transactions by directors of the Company. Having made specific enquiry to the directors, all of them confirmed that they have complied with the required standard as set out in the Model Code throughout the review period. The Model Code is also applicable to other specific senior management officers of the Company.

COMPLIANCE AND ENFORCEMENT OF THE NON-COMPETE UNDERTAKINGS FROM CONTROLLING SHAREHOLDER

None of the directors or substantial shareholder of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group. The controlling Shareholder being New Fortune and Mr. Wong Luen Hei (the "Controlling Shareholder") have entered into a deed of non-competition in favour of the Group dated 14 May 2010 (the "Deed of Non-Competition").

The directors are of the view that the Group's measures adopted by the Company in respect of the enforceability of the Deed of Non-Competition are adequate to safeguard the effectiveness of the non-competition undertakings. The independent non-executive directors have reviewed the compliance of the Deed of Non-Competition, including any potential conflicts of interest and competition arising from the taking up by the Controlling Shareholder of opportunities rejected by the Group pursuant to the Deed of Non-Competition. Based on the confirmation from the Controlling Shareholder, the independent non-executive directors are of the view that the Deed of Non-Competition has been complied with and has been effectively enforced.

董事進行證券交易之標準守則

本公司已採納標準守則作為本公司董事進行證券交易之守則。經向董事特定查詢後，所有董事確認彼等於回顧期內一直遵守標準守則所載之規定標準。標準守則亦應用於本公司其他特定之高級管理人員。

遵守及執行控股股東的不競爭承諾

概無本公司董事或主要股東或任何彼等各自的聯繫人從事任何與本集團業務競爭或可能競爭的業務。控股股東(即新富星)及黃聯禧先生(「控股股東」)已於2010年5月14日訂立以本集團為受益人的不競爭契據(「不競爭契據」)。

董事認為本公司所採納本集團有關執行不競爭契據的措施已足夠保障不競爭承諾的效力。獨立非執行董事已審閱不競爭契據的遵守情況，包括任何因控股股東接受本集團根據不競爭契據而拒絕的機會所產生的潛在利益衝突及競爭。根據控股股東的確認函，獨立非執行董事認為不競爭契據已獲遵守及有效執行。

企業管治及其他資料(續)

DISCLOSURE PURSUANT TO RULES 13.18 AND 13.21 OF THE LISTING RULES

On 3 March 2014, the Company as borrower entered into a facility agreement (the "Facility Agreement I") in relation to a syndicated term loan facility in the amount of US\$135 million at an interest rate of LIBOR plus 2.00% per annum with, among others, Taipei Fubon Commercial Bank Co., Ltd. and CTBC Bank Co., Ltd. as mandated lead arrangers, and a syndicate of nine lenders, for the purpose of refinancing the Group's existing financial indebtedness. The loan made thereunder is repayable 36 months after the same has been made.

On 26 June 2014, the Company as borrower entered into a facility agreement (the "Facility Agreement II") in relation to a syndicated term loan facility in the amount of US\$155 million at an interest rate of LIBOR plus 2.20% per annum with a syndicate of three lenders, independent licensed banks in Hong Kong, for general corporate requirements (including the refinancing of the Group's existing financial indebtedness). The loan made thereunder is repayable 42 months after the same has been made.

Pursuant to the Facility Agreement I and Facility Agreement II (collectively the "Facility Agreements"), save for additional requirement that Mr. Wong Luen Hei (being the Controlling Shareholder) and his family (collectively, the "Wong Family") shall remain to have effective management control over the Company set out in the Facility Agreement I, the Facility Agreements require that the Wong Family shall collectively maintain, directly or indirectly, at least 55% of beneficial shareholding interest in the issued share capital of the Company, carrying at least 55% of the voting rights, free from any security. Otherwise, a lender shall not be obliged to fund the loans made under the Facility Agreements, and the total commitments under the Facility Agreements may be liable to be cancelled and the outstanding loans with interest and all other amounts accrued under the Facility Agreements or other related financial documents may be due and payable to the lenders immediately.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the six months ended 30 June 2015, the Company or any of its subsidiaries did not purchase, sell or redeem any of the Company's listed securities.

根據上市規則第13.18條及第13.21條作出的披露

於2014年3月3日，本公司(作為借款人)與(其中包括)台北富邦商業銀行股份有限公司及中國信託商業銀行股份有限公司(作為受託牽頭安排人)以及九個銀團貸款人訂立一項有關1.35億美元，利率為倫敦銀行同業拆息加每年2.00%的銀團定期貸款融資之融資協議(「融資協議I」)，目的乃為本集團現有財務負債再融資。據該協議項下作出之貸款須於貸款作出後36個月償還。

於2014年6月26日，本公司(作為借款人)與三個銀團貸款人(香港獨立持牌銀行)訂立一項有關1.55億美元，利率為倫敦銀行同業拆息加每年2.20%的銀團定期貸款融資之融資協議(「融資協議II」)，作為一般企業用途(包括本集團現有財務負債再融資)。據該協議項下作出之貸款須於貸款作出後42個月償還。

根據融資協議I及融資協議II(統稱「該等融資協議」)，除融資協議I所載之額外規定，即黃聯禧先生(為控股股東)及其家族(統稱「黃氏家族」)須繼續對本公司之管理行使有效的控制權外，該等融資協議規定黃氏家族須共同直接或間接擁有(且並無抵押)本公司已發行股本最少55%實益股權(佔最少55%的表決權)。否則，貸款人毋須支付根據該等融資協議作出的貸款，而該等融資協議項下的總承擔可予撤銷，且該等融資協議或其他相關財務文件項下的未償還貸款連同利息及所有其他應計款項，可即時到期並須向貸款人償還。

購買、出售或贖回上市證券

於截至2015年6月30日止六個月，本公司或其任何附屬公司概無購買、出售或贖回任何本公司的上市證券。

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表的審閱報告



To the board of directors of China Lesso Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the accompanying condensed consolidated financial statements of China Lesso Group Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) set out on pages 20 to 50, which comprise the condensed consolidated statement of financial position as at 30 June 2015, and the related condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six months then ended and explanatory notes. The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited require the preparation of a report on financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants.

The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

致中國聯塑集團控股有限公司董事會

(於開曼群島註冊成立的有限公司)

引言

我們已審閱隨附載於第20至50頁的中國聯塑集團控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的簡明綜合財務報表，此財務報表包括於2015年6月30日的簡明綜合財務狀況表以及截至該日止六個月的相關簡明綜合損益及其他全面收益表、簡明綜合權益變動表及簡明綜合現金流量表以及說明附註。根據香港聯合交易所有限公司證券上市規則規定，就財務資料編製的報告必須符合上市規則有關條文以及香港會計師公會頒布的香港會計準則第34號「中期財務報告」(「香港會計準則第34號」)。

貴公司董事須負責根據香港會計準則第34號編製及呈報該等簡明綜合財務報表。我們的責任是根據我們的審閱對該等簡明綜合財務報表作出結論。根據雙方協定的委聘條款，僅向全體董事會報告，除此之外本報告不作其他用途，我們概不就本報告書的內容對任何其他人士負責或承擔責任。

簡明綜合財務報表的審閱報告(續)

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young
Certified Public Accountants
22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong
17 August 2015

審閱範圍

我們已根據香港會計師公會所頒布之香港審閱委聘準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。審閱中期財務資料包括主要向負責財務及會計事務的人員作出查詢，並應用分析和其他審閱程序。審閱的範圍遠較根據香港審核準則進行審核的範圍為小，故不能令我們可保證我們將知悉在審核中可能被發現的所有重大事項。因此，我們不會發表審核意見。

結論

按照我們的審閱，我們並無發現任何事項，令我們相信隨附的簡明綜合財務報表在各重大方面未有根據香港會計準則第34號編製。

安永會計師事務所
執業會計師
香港中環
添美道1號
中信大廈22樓
2015年8月17日

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

Six months ended 30 June 2015
截至2015年6月30日止六個月

| | | Note 附註 | Six months ended 30 June 截至6月30日止六個月 | |
|--|------------------|------------|---|---|
| | | | 2015 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2014 RMB'000 人民幣千元 (Unaudited) (未經審核) |
| REVENUE | 收入 | 4 | 7,043,182 | 6,581,051 |
| Cost of sales | 銷售成本 | | (5,135,575) | (4,938,032) |
| Gross profit | 毛利 | | 1,907,607 | 1,643,019 |
| Other revenue, income and gains | 其他收入、收益及利益 | 4 | 51,372 | 48,741 |
| Selling and distribution expenses | 銷售及分銷開支 | | (333,965) | (340,343) |
| Administrative expenses | 行政開支 | | (283,718) | (287,136) |
| Other expenses | 其他開支 | | (265,202) | (169,334) |
| Finance costs | 融資成本 | 5 | (41,458) | (133,927) |
| Share of profit of a joint venture | 分佔一間合營企業溢利 | | 612 | 202 |
| PROFIT BEFORE TAX | 除稅前溢利 | 6 | 1,035,248 | 761,222 |
| Income tax expense | 所得稅開支 | 7 | (232,919) | (139,556) |
| PROFIT FOR THE PERIOD | 期內溢利 | | 802,329 | 621,666 |
| OTHER COMPREHENSIVE INCOME/(EXPENSE) | 其他全面收益/(開支) | | | |
| Items that may be reclassified subsequently to profit or loss: | 其後可能會重新歸類至損益的項目： | | | |
| Exchange differences on translation of foreign operations | 折算外幣報表產生的匯兌差額 | | 4,150 | (1,656) |
| Changes in fair value of available-for-sale investments | 可供出售投資公允價值變動 | | 922 | - |
| OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD | 期內其他全面收益/(開支) | | 5,072 | (1,656) |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 期內全面收益總額 | | 807,401 | 620,010 |

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

簡明綜合損益及其他全面收益表(續)

Six months ended 30 June 2015
截至2015年6月30日止六個月

| | | Six months ended 30 June 截至6月30日止六個月 | |
|---|---------------|---|-------------|
| | | 2015 | 2014 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| Profit for the period attributable to: | 以下應佔期內溢利： | | |
| Owners of the Company | 本公司擁有人 | 805,945 | 627,535 |
| Non-controlling interests | 非控制權益 | (3,616) | (5,869) |
| | | 802,329 | 621,666 |
| Total comprehensive income for the period attributable to: | 以下應佔期內全面收益總額： | | |
| Owners of the Company | 本公司擁有人 | 809,778 | 625,835 |
| Non-controlling interests | 非控制權益 | (2,377) | (5,825) |
| | | 807,401 | 620,010 |
| EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY | 本公司擁有人應佔每股盈利 | | |
| Basic | 基本 | RMB0.26 | RMB0.20 |
| | | 人民幣0.26元 | 人民幣0.20元 |
| Diluted | 攤薄 | RMB0.26 | RMB0.20 |
| | | 人民幣0.26元 | 人民幣0.20元 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 30 June 2015
於2015年6月30日

| | | | 30 June 6月30日 2015 RMB'000 人民幣千元 (Unaudited) (未經審核) | 31 December 12月31日 2014 RMB'000 人民幣千元 (Audited) (經審核) |
|---|------------|---------------------|---|---|
| | Note 附註 | | | |
| NON-CURRENT ASSETS | | 非流動資產 | | |
| Property, plant and equipment | 10 | 物業、廠房及設備 | 5,629,136 | 5,263,614 |
| Prepaid land lease payments | 10 | 預付土地租賃款 | 1,101,106 | 1,087,126 |
| Other intangible assets | | 其他無形資產 | 36,821 | 35,405 |
| Deposits paid for the purchase of land, property, plant and equipment | | 購買土地、物業、廠房及設備所支付的按金 | 771,214 | 729,051 |
| Interest in a joint venture | | 於一間合營企業的權益 | 6,686 | 6,074 |
| Held-to-maturity investments | 11 | 持有至到期投資 | 58,554 | 30,383 |
| Available-for-sale investments | 12 | 可供出售投資 | 40,374 | 39,466 |
| Deferred tax assets | | 遞延稅項資產 | 35,199 | 13,577 |
| Total non-current assets | | 非流動資產總額 | 7,679,090 | 7,204,696 |
| CURRENT ASSETS | | 流動資產 | | |
| Inventories | 13 | 存貨 | 2,595,682 | 2,210,038 |
| Trade and bills receivables | 14 | 貿易應收款項及票據 | 1,256,084 | 1,303,576 |
| Prepayments, deposits and other receivables | 15 | 預付款、按金及其他應收款項 | 878,424 | 571,942 |
| Held-to-maturity investments | 11 | 持有至到期投資 | 30,845 | 30,374 |
| Cash and bank deposits | 16 | 現金及銀行存款 | 2,741,340 | 3,198,902 |
| Total current assets | | 流動資產總額 | 7,502,375 | 7,314,832 |
| CURRENT LIABILITIES | | 流動負債 | | |
| Trade and bills payables | 17 | 貿易應付款項及票據 | 1,381,556 | 973,387 |
| Other payables and accruals | 18 | 其他應付款項及應計費用 | 1,050,450 | 1,564,290 |
| Borrowings | 19 | 借款 | 1,419,136 | 1,158,729 |
| Tax payable | | 應付稅項 | 121,143 | 113,440 |
| Total current liabilities | | 流動負債總額 | 3,972,285 | 3,809,846 |
| NET CURRENT ASSETS | | 流動資產淨額 | 3,530,090 | 3,504,986 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 資產總額減流動負債 | 11,209,180 | 10,709,682 |
| NON-CURRENT LIABILITIES | | 非流動負債 | | |
| Borrowings | 19 | 借款 | 1,981,058 | 2,021,105 |
| Deferred tax liabilities | | 遞延稅項負債 | 115,344 | 68,542 |
| Deferred income | | 遞延收益 | 74,515 | 70,312 |
| Total non-current liabilities | | 非流動負債總額 | 2,170,917 | 2,159,959 |
| Net assets | | 資產淨值 | 9,038,263 | 8,549,723 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

簡明綜合財務狀況表(續)

As at 30 June 2015
於2015年6月30日

| | | | 30 June | 31 December |
|--|------------|------|--------------------|-------------|
| | | | 6月30日 | 12月31日 |
| | | | 2015 | 2014 |
| | | Note | RMB'000 | RMB'000 |
| | | 附註 | 人民幣千元 | 人民幣千元 |
| | | | (Unaudited) | (Audited) |
| | | | (未經審核) | (經審核) |
| EQUITY | 權益 | | | |
| Issued capital | 已發行股本 | 20 | 135,686 | 135,686 |
| Reserves | 儲備 | | 8,900,690 | 8,409,773 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | 9,036,376 | 8,545,459 |
| Non-controlling interests | 非控制權益 | | 1,887 | 4,264 |
| Total equity | 權益總額 | | 9,038,263 | 8,549,723 |

Wong Luen Hei
黃聯禧
Director
董事

Luo Jianfeng
羅建峰
Director
董事

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

Six months ended 30 June 2015
截至2015年6月30日止六個月

Attributable to owners of the Company

本公司擁有人應佔

| | | Issued capital | Share premium | Statutory reserve ^(a) | Capital reserve ^(b) | Merger reserve | Available- for-sale | Exchange fluctuation reserve | Retained profits | Non- controlling interests | Total equity | |
|---|-----------------------|-------------------|------------------------|-------------------------------------|-----------------------------------|--------------------|--------------------------------------|------------------------------------|------------------------|----------------------------------|-----------------|-----------|
| | | | | | | | investment revaluation reserve | | | | | |
| | | 已發行股本 | 股份溢價 | 法定儲備 ^(a) | 資本儲備 ^(b) | 合併儲備 | 可供出售 投資重估儲備 | 匯兌波動 儲備 | 保留溢利 | 總計 | 非控制 權益 | 權益總額 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| At 1 January 2015 (Audited) | 於2015年1月1日 (經審核) | 135,686 | 1,922,887 | 943,494 | 31,645 | 5,515 | 222 | 21,486 | 5,484,524 | 8,545,459 | 4,264 | 8,549,723 |
| Profit for the period | 期內溢利 | - | - | - | - | - | - | - | 805,945 | 805,945 | (3,616) | 802,329 |
| Other comprehensive income for the period | 期內其他 全面收益 | - | - | - | - | - | 922 | 2,911 | - | 3,833 | 1,239 | 5,072 |
| Total comprehensive income for the period | 期內全面 收益總額 | - | - | - | - | - | 922 | 2,911 | 805,945 | 809,778 | (2,377) | 807,401 |
| Dividends recognised as distributions to owners (note 8) | 確認為向擁有人 分派的股息(附註8) | - | - | - | - | - | - | - | (318,861) | (318,861) | - | (318,861) |
| Appropriation to statutory reserve | 轉撥至法定儲備 | - | - | 563 | - | - | - | - | (563) | - | - | - |
| At 30 June 2015 (Unaudited) | 於2015年6月30日 (未經審核) | 135,686 | 1,922,887 [#] | 944,057 [#] | 31,645 [#] | 5,515 [#] | 1,144 [#] | 24,397 [#] | 5,971,045 [#] | 9,036,376 | 1,887 | 9,038,263 |

* These reserve accounts comprise the reserves of RMB8,900,690,000 in the condensed consolidated statement of financial position as at 30 June 2015.

* 該等儲備賬構成於2015年6月30日簡明綜合財務狀況表中儲備人民幣8,900,690,000元。

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

簡明綜合權益變動表(續)

Six months ended 30 June 2015
截至2015年6月30日止六個月

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | | | | | | | | |
|--|-----------------------|---|------------------|-------------------------------------|-----------------------------------|----------------------------|-------------------|------------------------------------|---------------------|-----------|----------------------------------|-----------------|
| | | Issued capital | Share premium | Statutory reserve ^(a) | Capital reserve ^(b) | Share option reserve | Merger reserve | Exchange fluctuation reserve | Retained profits | Total | Non- controlling interests | Total equity |
| | | 已發行股本 | 股份溢價 | 法定儲備 ^(a) | 資本儲備 ^(b) | 購股權儲備 | 合併儲備 | 匯兌波動 儲備 | 保留溢利 | 總計 | 非控制 權益 | 權益總額 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| At 1 January 2014 (Audited) | 於2014年1月1日 (經審核) | 134,316 | 1,843,631 | 730,288 | 31,645 | 36,999 | 5,515 | 24,381 | 4,432,963 | 7,239,738 | 16,205 | 7,255,943 |
| Profit for the period | 期內溢利 | - | - | - | - | - | - | - | 627,535 | 627,535 | (5,869) | 621,666 |
| Other comprehensive expense for the period | 期內其他全面 開支 | - | - | - | - | - | - | (1,700) | - | (1,700) | 44 | (1,656) |
| Total comprehensive income for the period | 期內全面 收益總額 | - | - | - | - | - | - | (1,700) | 627,535 | 625,835 | (5,825) | 620,010 |
| Issue of shares | 發行股份 | 1,370 | 79,849 | - | - | (30,796) | - | - | - | 50,423 | - | 50,423 |
| Dividends recognised as distributions to owners (note 8) | 確認為向擁有人 分派的股息(附註8) | - | - | - | - | - | - | - | (295,460) | (295,460) | - | (295,460) |
| Transfer upon the expiry of the Pre-IPO Share Option Scheme | 首次公開發售前購股權 計劃屆滿後轉入 | - | - | - | - | (6,203) | - | - | 6,203 | - | - | - |
| Appropriation to statutory reserve | 轉撥至法定儲備 | - | - | 5,013 | - | - | - | - | (5,013) | - | - | - |
| At 30 June 2014 (Unaudited) | 於2014年6月30日 (未經審核) | 135,686 | 1,923,480 | 735,301 | 31,645 | - | 5,515 | 22,681 | 4,766,228 | 7,620,536 | 10,380 | 7,630,916 |

Note:

- (a) In accordance with the Company Law of the PRC, each of the Company's subsidiaries registered in the PRC is required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses) determined in accordance with generally accepted accounting principles in the PRC to the statutory reserve until the balance of the reserve fund reaches 50% of its registered capital. The statutory reserve can be utilised to offset prior years' losses or to increase capital, provided that the remaining balance of the statutory reserve is not less than 25% of the registered capital.
- (b) Capital reserve mainly represented the difference between the consideration and the book value of the share of the net assets acquired in respect of the acquisition of non-controlling interests.

附註:

- (a) 根據中國公司法，本公司於中國註冊的各間附屬公司須劃撥根據中國公認會計原則釐定的年度法定除稅後溢利(經扣除任何過往年度虧損後)的10%至法定儲備，直至儲備金結餘達到其註冊資本的50%為止。法定儲備可用於抵銷過往年度虧損或增資，惟法定儲備的餘下結餘不得少於註冊資本的25%。
- (b) 資本儲備主要指有關收購非控制權益的代價與應佔所收購淨資產賬面值之間的差額。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

Six months ended 30 June 2015
截至2015年6月30日止六個月

| | | Six months ended 30 June 截至6月30日止六個月 | |
|---|---------------------------|---|-------------|
| | | 2015 | 2014 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| OPERATING ACTIVITIES | 經營活動 | | |
| Profit before tax: | 除稅前溢利： | 1,035,248 | 761,222 |
| Adjustments for: | 就以下各項作出調整： | | |
| Interest income | 利息收益 | (33,700) | (39,359) |
| Government grants released | 已撥入的政府補助 | (522) | (579) |
| Interest expenses | 利息開支 | 41,458 | 84,872 |
| Premium and unamortised issuance expenses arising from the early redemption of the Senior Notes | 提早贖回優先票據的溢價及未攤銷發行開支 | - | 49,055 |
| Depreciation and amortisation | 折舊及攤銷 | 242,007 | 203,992 |
| Loss on disposal of items of land, other intangible assets and property, plant and equipment | 出售土地、其他無形資產和物業、廠房及設備項目的虧損 | 2,792 | 1,088 |
| Write-down/(write-back) of inventories to net realisable value | 撇減/(撥回)存貨至可變現淨值 | 41,263 | (180) |
| Impairment of trade receivables, net | 貿易應收款項減值淨額 | 47,072 | 2,082 |
| Impairment of property, plant and equipment | 物業、廠房及設備的減值 | 398 | - |
| Share of profit of a joint venture | 分佔一間合營企業溢利 | (612) | (202) |
| | | 1,375,404 | 1,061,991 |
| Increase in inventories | 存貨增加 | (426,907) | (241,432) |
| Decrease/(increase) in trade and bills receivables | 貿易應收款項及票據減少/(增加) | 8,844 | (84,279) |
| Increase in prepayments, deposits and other receivables | 預付款、按金及其他應收款項增加 | (297,909) | (8,226) |
| Increase in trade and bills payables | 貿易應付款項及票據增加 | 408,169 | 70,364 |
| Decrease in other payables and accruals | 其他應付款項及應計費用減少 | (397,825) | (222,447) |
| Increase in deferred income | 遞延收益增加 | 4,725 | 482 |
| Cash generated from operations | 經營產生的現金 | 674,501 | 576,453 |
| Bank interest received | 已收銀行利息 | 28,645 | 16,987 |
| Corporate income tax paid | 已付企業所得稅 | (206,851) | (152,251) |
| Net cash flows from operating activities | 經營活動所得現金流量淨額 | 496,295 | 441,189 |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

簡明綜合現金流量表(續)

Six months ended 30 June 2015
截至2015年6月30日止六個月

| | Note 附註 | Six months ended 30 June 截至6月30日止六個月 | |
|--|------------|---|---|
| | | 2015 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2014 RMB'000 人民幣千元 (Unaudited) (未經審核) |
| INVESTING ACTIVITIES | | | |
| Purchases of items of property, plant and equipment | | (750,375) | (690,006) |
| Proceeds from disposal of items of land, other intangible assets and property, plant and equipment | | 2,765 | 7,119 |
| Additions to prepaid land lease payments | | (29,918) | (351,401) |
| Additions to other intangible assets | | (7,001) | (2,244) |
| Purchases of held-to-maturity investments | | (28,427) | (11,898) |
| Proceeds from maturity of held-to-maturity investments | | - | 17,413 |
| Interest received from held-to-maturity investments | | 3,303 | 17,077 |
| Acquisition of a subsidiary | | - | (28,633) |
| Placement of time deposits with original maturity over three months | | (110,813) | (82,000) |
| Withdrawal of time deposits with original maturity over three months | | 85,060 | 16,957 |
| (Increase)/decrease in restricted cash | | (79,510) | 276,743 |
| Net cash flows used in investing activities | | (914,916) | (830,873) |
| FINANCING ACTIVITIES | | | |
| New bank borrowings raised | | 801,105 | 1,990,193 |
| Repayment of bank borrowings | | (584,149) | (699,289) |
| Early redemption of the Senior Notes | | - | (831,804) |
| Proceeds from issue of shares, net of expenses | | - | 49,830 |
| Interest paid | | (41,559) | (83,392) |
| Dividends paid | | (318,861) | (295,460) |
| Net cash flows (used in)/from financing activities | | (143,464) | 130,078 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | | | |
| Cash and cash equivalents at beginning of the period | | 2,531,004 | 1,503,181 |
| Effect of foreign exchange rate changes, net | | (740) | (597) |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | | | |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | | |
| Time deposits with original maturity of three months or less when acquired | | 199,805 | 150,153 |
| Cash and bank balances | | 1,768,374 | 1,092,825 |
| | | 1,968,179 | 1,242,978 |

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

30 June 2015
2015年6月30日

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The addresses of its registered office and principal place of business are disclosed in the section headed "Corporate Information" of this interim report.

The Group is principally engaged in the manufacture and sale of building materials and interior decoration products.

The Company's ultimate holding company is New Fortune, a limited liability company incorporated in the BVI and its controlling party is Mr. Wong Luen Hei, who is the Chairman and Executive Director of the Company.

These condensed consolidated financial statements were approved and authorised for issue by the Board on 17 August 2015.

2.1 BASIS OF PREPARATION

These condensed consolidated financial statements of the Group for the six months ended 30 June 2015 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. These condensed consolidated financial statements are presented in Renminbi and all values are rounded to the nearest thousand except when otherwise indicated.

The accounting policies and basis of preparation used in the preparation of these condensed consolidated financial statements are the same as those used in the Group's annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) as disclosed in note 2.2 below.

These condensed consolidated financial statements do not include all information and disclosures required in the Group's annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2014.

1. 公司及集團資料

本公司為一間於開曼群島註冊成立的有限公司。其註冊辦事處及主要營業地點載於本中期報告「公司資料」部份。

本集團主要從事製造及銷售建材家居產品。

本公司的最終控股公司為新富星(於英屬維爾京群島註冊成立的有限公司)及其控股方為本公司之主席及執行董事黃聯禧先生。

此等簡明綜合財務報表於2015年8月17日獲董事會批准及授權刊發。

2.1 編製基準

本集團截至2015年6月30日止六個月的簡明綜合財務報表乃根據上市規則附錄16的適用披露規定及由香港會計師公會頒布的香港會計準則第34號「中期財務報告」編製。本簡明綜合財務報表乃以人民幣呈列，除另有指明外，所有價值均調整至最接近的千元數。

本簡明綜合財務報表乃按與本集團截至2014年12月31日止年度的年度綜合財務報表所採用相同的會計政策及編製基準編製，惟如下文附註2.2所披露，已採用新訂及經修訂香港財務報告準則(「香港財務報告準則」，亦包括香港會計準則(「香港會計準則」)及詮釋)除外。

本簡明綜合財務報表並不包括規定於本集團年度綜合財務報表載列的一切資料及披露事項，應與本集團截至2014年12月31日止年度的年度綜合財務報表一併閱讀。

簡明綜合財務報表附註(續)

30 June 2015
2015年6月30日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has applied the following new and revised HKFRSs for the first time for the current period's condensed consolidated financial statements:

| | |
|-------------------------------------|---|
| Amendments to HKAS 19 (2011) | Defined Benefit Plans: Employee Contributions |
| Annual Improvements 2010–2012 Cycle | Amendments to a number of HKFRSs |
| Annual Improvements 2011–2013 Cycle | Amendments to a number of HKFRSs |

The application of these new and revised HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of building materials and interior decoration products. For management purposes, the Group's businesses are organised by geographical areas based on the location of the customers and assets are attributable to the geographical unit based on the location of the assets. The Group has eight reportable operating segments as follows:

- (i) Southern China, including Guangdong Province, Guangxi Zhuang Autonomous Region, Hunan Province, Fujian Province and Hainan Province;
- (ii) Southwestern China, including Chongqing Municipality, Sichuan Province, Guizhou Province, Yunnan Province and Xizang (Tibet) Autonomous Region;
- (iii) Central China, including Hubei Province, Jiangxi Province and Henan Province;
- (iv) Eastern China, including Shanghai Municipality, Jiangsu Province, Zhejiang Province and Anhui Province;
- (v) Northern China, including Beijing Municipality, Tianjin Municipality, Hebei Province, Shandong Province, Inner Mongolia Autonomous Region and Shanxi Province;

2.2 會計政策及披露事項變動

本集團即期簡明綜合財務報表內首次應用下列新訂和經修訂香港財務報告準則：

| | | |
|-----------------------|-------------------|---------------|
| 香港會計準則第19號 (2011年)修訂本 | 年度改善2010年至2012年週期 | 界定福利計劃：僱員供款 |
| 年度改善2011年至2013年週期 | | 香港財務報告準則的多項修訂 |
| | | 香港財務報告準則的多項修訂 |

於即期應用該等新訂和經修訂香港財務報告準則對本集團即期及過往期間的財務表現及狀況及／或載列於本簡明綜合財務報表之披露並無任何重大影響。

3. 經營分部資料

本集團主要從事製造及銷售建材家居產品。就管理目的而言，本集團的業務根據客戶的所在地組成地理分區，且資產按其所在地分配予地域單位。本集團擁有以下八個需匯報經營分部：

- (i) 華南，包括廣東省、廣西壯族自治區、湖南省、福建省及海南省；
- (ii) 西南地區，包括重慶市、四川省、貴州省、雲南省及西藏自治區；
- (iii) 華中，包括湖北省、江西省及河南省；
- (iv) 華東，包括上海市、江蘇省、浙江省及安徽省；
- (v) 華北，包括北京市、天津市、河北省、山東省、內蒙古自治區及山西省；

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3. OPERATING SEGMENT INFORMATION
(Continued)

- (vi) Northwestern China, including Shaanxi Province, Ningxia Hui Autonomous Region, Qinghai Province, Gansu Province and Xinjiang Uygur Autonomous Region;
- (vii) Northeastern China, including Liaoning Province, Jilin Province and Heilongjiang Province; and
- (viii) Outside China.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that exchange differences, finance costs, interest income, share of result of a joint venture and other unallocated income and expenses are excluded from such measurement.

Segment assets exclude interest in a joint venture, held-to-maturity investments, available-for-sale investments, deferred tax assets, cash and bank deposits and other unallocated head office and corporate assets as these assets are managed on a group basis.

Intersegment revenue is eliminated on consolidation. Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The Group's revenue from external customers is derived from its operations in the mainland China, special administrative regions of the PRC and foreign countries.

During the six months ended 30 June 2015 and 2014, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

3. 經營分部資料(續)

- (vi) 西北地區，包括陝西省、寧夏回族自治區、青海省、甘肅省及新疆維吾爾自治區；
- (vii) 東北地區，包括遼寧省、吉林省及黑龍江省；及
- (viii) 中國境外。

為制定資源分配決策及表現評估，管理層分別監控其經營分部的業績。分部表現乃按需匯報分部之溢利進行評估，需匯報分部之溢利即經調整除稅前溢利。經調整除稅前溢利乃按本集團除稅前溢利一貫計量，惟匯兌差異、融資成本、利息收益、分佔一間合營企業經營成果及其他未分配收益及開支並不包括在該等計量內。

鑑於於一間合營企業的權益、持有至到期投資、可供出售投資、遞延稅項資產、現金及銀行存款以及其他未分配總部及公司資產乃按集團基準管理，故分部資產並不包括以上資產。

分部間收入於綜合賬目時抵銷。分部間銷售及轉讓以在當時市價基礎上向第三方作出的銷售價格為參照進行交易。

本集團來自外部客戶的收入乃源於其在中國內地、中國特別行政區及外國的業務。

截至2015年及2014年6月30日止六個月，概無來自與單一外部客戶交易的收入佔本集團總收入的10%或以上。

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3. OPERATING SEGMENT INFORMATION 3. 經營分部資料(續)
(Continued)

| | | Southern China 華南 | Southwestern China 西南地區 | Central China 華中 | Eastern China 華東 | Northern China 華北 | Northwestern China 西北地區 | Northeastern China 東北地區 | Outside China 中國境外 | Eliminations 抵銷 | Consolidated 綜合 |
|--|---------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | RMB'000 (Unaudited) (未經審核) | RMB'000 (Unaudited) (未經審核) | RMB'000 (Unaudited) (未經審核) | RMB'000 (Unaudited) (未經審核) | RMB'000 (Unaudited) (未經審核) | RMB'000 (Unaudited) (未經審核) | RMB'000 (Unaudited) (未經審核) | RMB'000 (Unaudited) (未經審核) | RMB'000 (Unaudited) (未經審核) | RMB'000 (Unaudited) (未經審核) |
| Six months ended | 截至2015年6月30日 | | | | | | | | | | |
| 30 June 2015 | 止六個月 | | | | | | | | | | |
| Segment revenue: | 分部收入: | | | | | | | | | | |
| Sales to external customers | 外部客戶銷售 | 4,190,680 | 673,683 | 774,497 | 366,540 | 430,451 | 239,136 | 118,783 | 220,089 | - | 7,013,859 |
| Intersegment sales | 分部間銷售 | 859,972 | 133,577 | 174,076 | 47,573 | 59,531 | 45,634 | 28,865 | 245,877 | (1,595,105) | - |
| | | 5,050,652 | 807,260 | 948,573 | 414,113 | 489,982 | 284,770 | 147,648 | 465,966 | (1,595,105) | 7,013,859 |
| Revenue from construction contracts | 工程合約收入 | 29,323 | - | - | - | - | - | - | - | - | 29,323 |
| Total | 合計 | 5,079,975 | 807,260 | 948,573 | 414,113 | 489,982 | 284,770 | 147,648 | 465,966 | (1,595,105) | 7,043,182 |
| Segment results | 分部業績 | 1,412,791 | 195,980 | 286,132 | 82,683 | 109,304 | 53,273 | 25,692 | 33,104 | (291,352) | 1,907,607 |
| Reconciliations: | 對賬: | | | | | | | | | | |
| Exchange loss | 匯兌虧損 | | | | | | | | | | |
| Finance costs | 融資成本 | | | | | | | | | | |
| Interest income | 利息收益 | | | | | | | | | | |
| Share of profit of a joint venture | 分佔一間合營企業溢利 | | | | | | | | | | |
| Unallocated income and expenses | 未分配收益及開支 | | | | | | | | | | |
| | | | | | | | | | | | |
| Profit before tax | 除稅前溢利 | | | | | | | | | | |
| | | | | | | | | | | | |
| Other segment information: | 其他分部資料: | | | | | | | | | | |
| Depreciation and amortisation | 折舊及攤銷 | 133,664 | 24,070 | 32,209 | 12,486 | 13,377 | 18,558 | 4,006 | 3,637 | - | 242,007 |
| Impairment of property, plant and equipment | 物業、廠房及設備的減值 | - | - | - | - | - | - | - | 398 | - | 398 |
| Impairment of trade receivables, net | 貿易應收款項減值淨額 | 8,869 | - | 5,861 | 1,481 | 535 | 923 | 18,471 | 10,932 | - | 47,072 |
| Write-down/write-back of inventories to net realisable value | 撇減/(撥回)存貨至可變現淨值 | 37,593 | - | 1,140 | 618 | 1,396 | 582 | 1,250 | (1,316) | - | 41,263 |
| Capital expenditure [#] | 資本開支 [#] | 451,966 | 60,505 | 50,667 | 30,669 | 45,113 | 6,773 | 4,170 | 4,334 | (24,980) | 629,217 |
| As at 30 June 2015 | 於2015年6月30日 | | | | | | | | | | |
| Segment assets | 分部資產 | 7,341,878 | 1,085,806 | 1,127,467 | 580,337 | 624,568 | 620,002 | 477,015 | 411,394 | - | 12,268,467 |

[#] Capital expenditure consists of additions to property, plant and equipment, prepaid land lease payments and other intangible assets.

[#] 資本開支包括添置物業、廠房及設備、預付土地租賃款及其他無形資產。

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3. OPERATING SEGMENT INFORMATION 3. 經營分部資料(續)
 (Continued)

| | | Southern China 華南 | Southwestern China 西南地區 | Central China 華中 | Eastern China 華東 | Northern China 華北 | Northwestern China 西北地區 | Northeastern China 東北地區 | Outside China 中國境外 | Eliminations 抵銷 | Consolidated 綜合 |
|--|------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | RMB'000 (Unaudited) (未經審核) | RMB'000 (Unaudited) (未經審核) | RMB'000 (Unaudited) (未經審核) | RMB'000 (Unaudited) (未經審核) | RMB'000 (Unaudited) (未經審核) | RMB'000 (Unaudited) (未經審核) | RMB'000 (Unaudited) (未經審核) | RMB'000 (Unaudited) (未經審核) | RMB'000 (Unaudited) (未經審核) | RMB'000 (Unaudited) (未經審核) |
| Six months ended 30 June 2014 | 截至2014年6月30日 止六個月 | | | | | | | | | | |
| Segment revenue: | 分部收入： | | | | | | | | | | |
| Sales to external customers | 外部客戶銷售 | 3,826,822 | 679,172 | 717,414 | 329,573 | 439,780 | 220,013 | 150,599 | 188,661 | - | 6,552,034 |
| Intersegment sales | 分部間銷售 | 918,319 | 171,684 | 158,465 | 43,167 | 63,139 | 56,941 | 41,924 | 196,196 | (1,649,835) | - |
| | | 4,745,141 | 850,856 | 875,879 | 372,740 | 502,919 | 276,954 | 192,523 | 384,857 | (1,649,835) | 6,552,034 |
| Revenue from construction contracts | 工程合約收入 | 29,017 | - | - | - | - | - | - | - | - | 29,017 |
| Total | 合計 | 4,774,158 | 850,856 | 875,879 | 372,740 | 502,919 | 276,954 | 192,523 | 384,857 | (1,649,835) | 6,581,051 |
| Segment results | 分部業績 | 1,196,313 | 180,555 | 196,298 | 71,991 | 103,502 | 49,914 | 41,452 | 42,144 | (239,150) | 1,643,019 |
| Reconciliations: | 對賬： | | | | | | | | | | |
| Exchange loss | 匯兌虧損 | | | | | | | | | | (12,310) |
| Finance costs | 融資成本 | | | | | | | | | | (133,927) |
| Interest income | 利息收益 | | | | | | | | | | 39,359 |
| Share of profit of a joint venture | 分佔一間合營企業溢利 | | | | | | | | | | 202 |
| Unallocated income and expenses | 未分配收益及開支 | | | | | | | | | | (775,121) |
| Profit before tax | 除稅前溢利 | | | | | | | | | | 761,222 |
| Other segment information: | 其他分部資料： | | | | | | | | | | |
| Depreciation and amortisation | 折舊及攤銷 | 102,876 | 16,170 | 25,455 | 12,348 | 15,319 | 16,180 | 11,907 | 3,737 | - | 203,992 |
| Impairment of trade receivables, net | 貿易應收款項減值淨額 | 695 | - | 1,975 | - | (465) | - | - | (123) | - | 2,082 |
| Write-back of inventories to net realisable value | 撥回存貨至可變現 淨值 | - | - | - | - | - | - | - | (180) | - | (180) |
| Capital expenditure [#] | 資本開支 [#] | 438,858 | 131,856 | 90,181 | 7,951 | 39,266 | 24,634 | 10,613 | 44,519 | (24,018) | 763,860 |
| As at 30 June 2014 | 於2014年6月30日 | | | | | | | | | | |
| Segment assets | 分部資產 | 6,237,643 | 1,014,031 | 1,139,639 | 530,058 | 562,510 | 685,212 | 576,646 | 354,399 | - | 11,100,138 |

[#] Capital expenditure consists of additions to property, plant and equipment, prepaid land lease payments and other intangible assets.

[#] 資本開支包括添置物業、廠房及設備、預付土地租賃款及其他無形資產。

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4. REVENUE, OTHER REVENUE, INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts (net of value-added tax, if any), and an appropriate proportion of contract revenue from construction contracts during the period.

An analysis of the Group's revenue, other revenue, income and gains is as follows:

4. 收入、其他收入、收益及利益

收入亦為本集團的營業額，指期內銷售貨品的發票價值淨額，經扣除退貨及貿易折扣(經扣除增值稅(如有))，及工程合約之合約收入的適當部分。

本集團的收入、其他收入、收益及利益的分析如下：

| | | Six months ended 30 June 截至6月30日止六個月 | |
|---|-------------------|---|---|
| | | 2015 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2014 RMB'000 人民幣千元 (Unaudited) (未經審核) |
| Revenue | 收入 | | |
| Sale of goods | 銷售貨品 | 7,013,859 | 6,552,034 |
| Revenue from construction contracts | 工程合約收入 | 29,323 | 29,017 |
| | | 7,043,182 | 6,581,051 |
| Other revenue, income and gains | 其他收入、收益及利益 | | |
| Bank interest income | 銀行利息收益 | 28,645 | 16,987 |
| Interest income from held-to-maturity investments | 持有至到期投資的利息收益 | 5,055 | 22,372 |
| Total interest income | 利息收益總額 | 33,700 | 39,359 |
| Government grants and subsidies | 政府補助及補貼 | 12,757 | 4,144 |
| Gain on sale of raw materials | 銷售原材料的利益 | 1,291 | 852 |
| Others | 其他 | 3,624 | 4,386 |
| | | 51,372 | 48,741 |

Government grants and subsidies mainly represented funding received from government authorities to support certain of the Group's research and development activities. There are no unfulfilled conditions or contingencies related to these grants and subsidies.

政府補助及補貼主要指政府機構授予以支持本集團若干研發活動的資金，並無任何與該等補助及補貼有關的未達成條件或或有情況。

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5. FINANCE COSTS
5. 融資成本

| | | Six months ended 30 June 截至6月30日止六個月 | |
|---|---------------------|---|---|
| | | 2015 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2014 RMB'000 人民幣千元 (Unaudited) (未經審核) |
| Interest on: | 以下各項的利息： | | |
| Bank borrowings | 銀行借款 | 41,458 | 22,480 |
| The Senior Notes | 優先票據 | - | 62,392 |
| Total interest expenses | 利息開支總額 | 41,458 | 84,872 |
| Premium and unamortised issuance expenses arising from the early redemption of the Senior Notes | 提早贖回優先票據的溢價及未攤銷發行開支 | - | 49,055 |
| | | 41,458 | 133,927 |

6. PROFIT BEFORE TAX
6. 除稅前溢利

The Group's profit before tax is arrived at after charging/(crediting):

本集團的除稅前溢利乃經扣除/(計入)下列各項後達致：

| | | Six months ended 30 June 截至6月30日止六個月 | |
|---|--|---|---|
| | | 2015 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2014 RMB'000 人民幣千元 (Unaudited) (未經審核) |
| Cost of inventories sold | 已售存貨成本 | 5,069,184 | 4,912,876 |
| Direct cost of construction work | 工程直接成本 | 25,128 | 25,336 |
| Depreciation | 折舊 | 225,121 | 189,364 |
| Amortisation of prepaid land lease payments | 預付土地租賃款攤銷 | 11,301 | 10,105 |
| Amortisation of other intangible assets | 其他無形資產攤銷 | 5,585 | 4,523 |
| Total depreciation and amortisation | 折舊及攤銷總額 | 242,007 | 203,992 |
| Research and development costs [#] | 研發成本 [#] | 196,929 | 152,511 |
| Loss on disposal of items of land, other intangible assets and property, plant and equipment [#] | 出售土地、其他無形資產和物業、廠房及設備項目的虧損 [#] | 2,792 | 1,088 |
| Write-down/(write-back) of inventories to net realisable value | 撇減/(撥回)存貨至可變現淨值 | 41,263 | (180) |
| Impairment of trade receivables, net [#] | 貿易應收款項減值淨額 [#] | 47,072 | 2,082 |
| Impairment of property, plant and equipment [#] | 物業、廠房及設備的減值 [#] | 398 | - |
| Foreign exchange differences, net [#] | 匯兌差異淨額 [#] | 14,087 | 12,310 |

[#] The expenses are included in the "other expenses" in profit or loss.

[#] 該開支列於損益內的「其他開支」。

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7. INCOME TAX EXPENSE

7. 所得稅開支

| | | Six months ended 30 June 截至6月30日止六個月 | |
|---|-----------------|---|-------------|
| | | 2015 | 2014 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| Current tax | 即期稅項 | | |
| PRC | 中國 | 206,706 | 149,265 |
| Other jurisdiction | 其他司法權區 | - | 212 |
| | | 206,706 | 149,477 |
| Underprovision/(overprovision) in prior years | 過往年度撥備不足/(過度撥備) | | |
| PRC | 中國 | 1,033 | (50,157) |
| Deferred tax | 遞延稅項 | 25,180 | 40,236 |
| Total tax charge for the period | 期內稅項總額 | 232,919 | 139,556 |

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

HONG KONG PROFITS TAX

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for both periods, if any, after offsetting the tax loss brought forward. No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong for both periods.

PRC CORPORATE INCOME TAX

The Group's income tax provision in respect of its operations in mainland China has been calculated at the applicable tax rates on the taxable profits for both periods, based on the existing legislation, interpretations and practices in respect thereof.

INCOME TAX FOR OTHER JURISDICTIONS

The Group's tax provision in respect of other jurisdictions has been calculated at the applicable tax rates in accordance with the prevailing practices of the jurisdictions in which the Group operates.

本集團須就本集團成員公司於身處及經營所在的司法權區所產生或所錄得溢利按實體基準繳納所得稅。

香港利得稅

香港利得稅乃根據兩個期間內在香港產生的估計應課稅溢利抵銷承前稅項虧損(如有)後,以稅率16.5%撥備。由於本集團於該兩個期間並無在香港產生應課稅溢利,故並無就香港利得稅計提撥備。

中國企業所得稅

本集團已根據兩個期間內的應課稅溢利,以相關的現有法律、詮釋及慣例為基準,按適用稅率計算中國內地業務的所得稅撥備。

其他司法權區之所得稅

本集團就其他司法權區之稅項撥備已根據本集團經營業務所在之司法權區現行慣例的適用稅率計算。

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8. DIVIDENDS

During the period, a final dividend of HK13 cents per share in respect of the year ended 31 December 2014 (six months ended 30 June 2014: HK12 cents per share in respect of the year ended 31 December 2013) was declared and paid to the owners of the Company. The aggregate amount of the final dividend declared and paid in the period amounted to HK\$404,333,000 (approximately RMB318,861,000 equivalent) (six months ended 30 June 2014: HK\$372,233,000 (approximately RMB295,460,000 equivalent)).

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculations of basic and diluted earnings per share are based on:

8. 股息

期內，本公司就截至2014年12月31日止年度向本公司擁有人宣派及支付末期股息每股股份13港仙(截至2014年6月30日止六個月：就截至2013年12月31日止年度派付每股股份12港仙)。期內宣派及支付的末期股息總額為404,333,000港元(約相等於人民幣318,861,000元)(截至2014年6月30日止六個月：372,233,000港元(約相等於人民幣295,460,000元))。

董事會不擬派付截至2015年6月30日止六個月的中期股息(截至2014年6月30日止六個月：無)。

9. 本公司擁有人應佔每股盈利

根據以下各項計算每股基本及攤薄盈利：

| | | Six months ended 30 June | |
|---|---------------------------|--------------------------|-------------|
| | | 截至6月30日止六個月 | |
| | | 2015 | 2014 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| Earnings | 盈利 | | |
| Profit attributable to owners of the Company used in the basic and diluted earnings per share calculation | 計算每股基本及攤薄盈利時用到的本公司擁有人應佔溢利 | 805,945 | 627,535 |

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9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (Continued)
9. 本公司擁有人應佔每股盈利 (續)

| | | Number of Shares 股份數目 | |
|---|----------------------------|---|---------------|
| | | Six months ended 30 June 截至6月30日止六個月 | |
| | | 2015 | 2014 |
| Shares | 股份 | | |
| Weighted average number of ordinary shares of the Company in issue used in the basic earnings per share calculation | 計算每股基本盈利時用到的本公司已發行普通股加權平均數 | 3,110,255,400 | 3,087,633,690 |
| Effect of dilution – weighted average number of ordinary shares: share options | 攤薄效應 – 普通股加權平均數：購股權 | - | 13,491,098 |
| | | 3,110,255,400 | 3,101,124,788 |

The weighted average number of shares used to calculate the basic earnings per share (the "Calculation") for the six months ended 30 June 2015 includes 3,110,255,400 ordinary shares in issue as at 31 December 2014 (six months ended 30 June 2014: 3,075,731,740 ordinary shares in issue as at 31 December 2013). The Calculation for the six months ended 30 June 2014 also included 11,901,950 shares derived from the weighted average number of ordinary shares of 34,523,660 ordinary shares issued upon the exercise of share options.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

用以計算截至2015年6月30日止六個月的每股基本盈利(「該計算」)的股份加權平均數，包括於2014年12月31日已發行的3,110,255,400股普通股(截至2014年6月30日止六個月：於2013年12月31日已發行的3,075,731,740股普通股)。截至2014年6月30日止六個月的該計算亦包括11,901,950股股份，源自行使購股權後發行的普通股34,523,660股普通股的加權平均數。

每股攤薄盈利數額乃根據本公司擁有人應佔期內溢利計算。計算所用的普通股加權平均數為期內已發行的普通股數目(與計算每股基本盈利所使用者相同)，及假設所有潛在攤薄普通股被視作行使或轉換為普通股而以零代價發行的普通股加權平均數。

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12. AVAILABLE-FOR-SALE INVESTMENTS
12. 可供出售投資

| | | 30 June 6月30日 2015 RMB'000 人民幣千元 (Unaudited) (未經審核) | 31 December 12月31日 2014 RMB'000 人民幣千元 (Audited) (經審核) |
|--|---------------|---|---|
| Listed equity investments, at fair value | 上市股本投資(按公允價值) | | |
| Hong Kong | 香港 | 40,374 | 39,466 |

The available-for-sale investments represent non-cumulative preference shares of counterparties with Ba2 credit rating. These preference shares have no maturity dates.

可供出售投資指具Ba2信貸評級之交易對手的非累積優先股。該等優先股並無到期日。

As at 30 June 2015, certain of the Group's available-for-sale investments with an aggregate net carrying amount of RMB31,890,000 (31 December 2014: RMB5,088,000) were pledged to a bank to secure the banking facility granted to the Company. The Company has not utilised this banking facility as at 30 June 2015 (31 December 2014: Nil).

於2015年6月30日，若干本集團總賬面淨值為人民幣31,890,000元(2014年12月31日：人民幣5,088,000元)的若干可供出售投資已抵押予銀行作為本公司獲授銀行融資的擔保。於2015年6月30日，本公司概未動用該項銀行融資(2014年12月31日：無)。

13. INVENTORIES
13. 存貨

| | | 30 June 6月30日 2015 RMB'000 人民幣千元 (Unaudited) (未經審核) | 31 December 12月31日 2014 RMB'000 人民幣千元 (Audited) (經審核) |
|------------------|-----|---|---|
| Raw materials | 原材料 | 1,216,537 | 931,957 |
| Work in progress | 在產品 | 300,592 | 256,227 |
| Finished goods | 產成品 | 1,078,553 | 1,021,854 |
| | | 2,595,682 | 2,210,038 |

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14. TRADE AND BILLS RECEIVABLES

14. 貿易應收款項及票據

| | | 30 June 6月30日 2015 RMB'000 人民幣千元 (Unaudited) (未經審核) | 31 December 12月31日 2014 RMB'000 人民幣千元 (Audited) (經審核) |
|--------------------------------|--------|---|---|
| Trade receivables | 貿易應收款項 | 1,167,989 | 1,127,901 |
| Bills receivable | 應收票據 | 175,554 | 216,231 |
| Less: Provision for impairment | 減：減值撥備 | (87,459) | (40,556) |
| | | 1,256,084 | 1,303,576 |

The Group's major customers are independent distributors, civil contractors, property developers, utility companies and municipalities in mainland China. Depending on the market condition, marketing tactics and relationships with the customers, the Group's trading terms with its independent distributors may change from settlement on an advance receipt basis to giving a credit period of generally one month or more, if appropriate. The Group does not have a standardised and universal credit period granted to the non-distributor customers. The credit period of an individual non-distributor customer is considered on a case-by-case basis and is set out in the sales contracts, as appropriate. Sales to small, new, or short-term customers are normally expected to be settled on an advance receipt basis or shortly after the goods delivery. No credit term period is set by the Group for small, new and short-term customers.

Trade and bills receivables are unsecured and interest-free.

本集團的主要客戶為中國內地的獨立分銷商、土木工程承建商、房地產開發商、公用事業公司及市政部門。本集團視乎市況、市場策略及與客戶的關係，可將其與獨立分銷商的貿易條款由按預付方式結算更改為授予一般一個月或多個月的信用期限(如適當)。本集團並無統一向非分銷商客戶授予標準的信用期限。個別非分銷商客戶的信用期限視乎個別情況而定，並在銷售合同中列明(如適當)。對小規模、新或短期客戶的銷售一般預期以預付方式或於交貨後短期內結算。本集團並無為小規模、新或短期客戶設立信用期限。

貿易應收款項及票據均為無抵押及免息。

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14. TRADE AND BILLS RECEIVABLES (Continued)

An aged analysis of the Group's trade and bills receivables at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

| | | 30 June | 31 December |
|-----------------|--------|--------------------|-------------|
| | | 6月30日 | 12月31日 |
| | | 2015 | 2014 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Audited) |
| | | (未經審核) | (經審核) |
| Within 3 months | 3個月內 | 619,135 | 722,607 |
| 4 to 6 months | 4至6個月 | 182,319 | 302,968 |
| 7 to 12 months | 7至12個月 | 346,349 | 173,891 |
| 1 to 2 years | 1至2年 | 96,988 | 93,031 |
| 2 to 3 years | 2至3年 | 10,823 | 9,435 |
| Over 3 years | 3年以上 | 470 | 1,644 |
| | | 1,256,084 | 1,303,576 |

14. 貿易應收款項及票據(續)

於報告期末，本集團的貿易應收款項及票據按發票日期並扣除撥備後的賬齡分析如下：

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | | 30 June | 31 December |
|--|--------------|--------------------|-------------|
| | | 6月30日 | 12月31日 |
| | | 2015 | 2014 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Audited) |
| | | (未經審核) | (經審核) |
| Prepayments | 預付款 | 655,282 | 337,622 |
| Current portion of prepaid land lease payments | 預付土地租賃款的流動部分 | 22,779 | 22,474 |
| Value-added tax recoverable | 待抵扣增值稅 | 129,114 | 153,441 |
| Corporate income tax recoverable | 待抵扣企業所得稅 | 10,523 | 3,708 |
| Deposits | 按金 | 26,418 | 19,907 |
| Other receivables | 其他應收款項 | 34,308 | 34,790 |
| | | 878,424 | 571,942 |

15. 預付款、按金及其他應收款項

The financial assets included in the above balances are unsecured, interest-free and have no fixed terms of repayment.

上述結餘包括的金融資產乃無抵押、免息及無固定還款期。

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16. CASH AND BANK DEPOSITS
16. 現金及銀行存款

| | | 30 June | 31 December |
|--|-------------------|--------------------|-------------|
| | | 6月30日 | 12月31日 |
| | | 2015 | 2014 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Audited) |
| | | (未經審核) | (經審核) |
| Restricted cash: | 受限制現金： | | |
| Guarantee deposits for banking facilities | 作為銀行融資的擔保按金 | 662,348 | 582,838 |
| Time deposits with original maturity of more than three months when acquired | 定期存款(原有期限超過三個月) | 110,813 | 85,060 |
| Cash and cash equivalents: | 現金及現金等價物： | | |
| Time deposits with original maturity of three months or less when acquired | 定期存款(原有期限為三個月或以下) | 199,805 | 1,605,234 |
| Cash and bank balances | 現金及銀行結餘 | 1,768,374 | 925,770 |
| | | 1,968,179 | 2,531,004 |
| Cash and bank deposits | 現金及銀行存款 | 2,741,340 | 3,198,902 |

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods between one day and twelve months and earn interest at the respective short-term time deposit rates. The bank balances and restricted cash are deposited with creditworthy banks with no recent history of default.

存放於銀行的現金按每日銀行存款利率的浮動利率賺取利息。短期定期存款的期限介乎1天至12個月不等並按各短期定期存款利率賺取利息。銀行結餘及受限制現金存放於近期無違約記錄且信譽良好的銀行。

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17. TRADE AND BILLS PAYABLES
17. 貿易應付款項及票據

| | | 30 June | 31 December |
|----------------|--------|--------------------|-------------|
| | | 6月30日 | 12月31日 |
| | | 2015 | 2014 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Audited) |
| | | (未經審核) | (經審核) |
| Trade payables | 貿易應付款項 | 458,915 | 373,925 |
| Bills payable | 應付票據 | 922,641 | 599,462 |
| | | 1,381,556 | 973,387 |

The trade payables are interest-free. The average credit period for trade purchases is 30 to 90 days.

貿易應付款項乃免息。貿易採購的平均信用期限為30至90日。

An aged analysis of the Group's trade and bills payables at the end of reporting period, based on the invoice date, is as follows:

於報告期末，本集團的貿易應付款項及票據按發票日期的賬齡分析如下：

| | | 30 June | 31 December |
|-----------------|--------|--------------------|-------------|
| | | 6月30日 | 12月31日 |
| | | 2015 | 2014 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Audited) |
| | | (未經審核) | (經審核) |
| Within 3 months | 3個月內 | 1,132,159 | 690,755 |
| 4 to 6 months | 4至6個月 | 231,497 | 267,183 |
| 7 to 12 months | 7至12個月 | 9,782 | 6,794 |
| 1 to 2 years | 1至2年 | 4,039 | 4,993 |
| 2 to 3 years | 2至3年 | 2,698 | 3,420 |
| Over 3 years | 3年以上 | 1,381 | 242 |
| | | 1,381,556 | 973,387 |

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18. OTHER PAYABLES AND ACCRUALS

| | | 30 June | 31 December |
|-------------------------------|---------|--------------------|-------------|
| | | 6月30日 | 12月31日 |
| | | 2015 | 2014 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Audited) |
| | | (未經審核) | (經審核) |
| Advances from customers | 客戶墊款 | 557,878 | 897,739 |
| Accruals | 應計費用 | 38,710 | 39,219 |
| Salaries and welfare payables | 應付工資及福利 | 85,520 | 108,955 |
| Other payables | 其他應付款項 | 368,342 | 518,377 |
| | | 1,050,450 | 1,564,290 |

The financial liabilities included in the above balances are interest-free and have no fixed terms of repayment.

上述結餘包括的金融負債乃免息及無固定還款期。

19. BORROWINGS

| | | 30 June | 31 December |
|---|----------------|--------------------|-------------|
| | | 6月30日 | 12月31日 |
| | | 2015 | 2014 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Audited) |
| | | (未經審核) | (經審核) |
| Current | 流動 | | |
| Unsecured bank loans | 無抵押銀行貸款 | 1,363,048 | 1,114,898 |
| Current portion of long term unsecured bank loans | 長期無抵押銀行貸款的流動部分 | 56,088 | 43,831 |
| | | 1,419,136 | 1,158,729 |
| Non-current | 非流動 | | |
| Unsecured bank loans | 無抵押銀行貸款 | 221,574 | 265,479 |
| Unsecured syndicated loans | 無抵押銀團貸款 | 1,759,484 | 1,755,626 |
| | | 1,981,058 | 2,021,105 |
| | | 3,400,194 | 3,179,834 |

19. 借款

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19. BORROWINGS (Continued)

Note:

The effective interest rates of the Group's bank borrowings range from 1.18% to 5.41% (31 December 2014: 1.17% to 5.60%) per annum.

As at the end of the reporting period, the Group's bank borrowings are denominated in US dollar, HK dollar, Euro, Renminbi and other currencies at aggregate amounts of RMB2,225,321,000 (31 December 2014: RMB2,395,795,000), RMB1,025,559,000 (31 December 2014: RMB734,015,000), RMB89,309,000 (31 December 2014: Nil), RMB60,000,000 (31 December 2014: RMB50,000,000), and RMB5,000 (31 December 2014: RMB24,000) respectively.

20. SHARE CAPITAL

19. 借款(續)

附註：

本集團銀行借款之實際年利率介乎1.18%至5.41%不等(2014年12月31日：1.17%至5.60%)。

於報告期末，本集團以美元、港元、歐元、人民幣及其他貨幣計值的銀行借款總額分別為人民幣2,225,321,000元(2014年12月31日：人民幣2,395,795,000元)、人民幣1,025,559,000元(2014年12月31日：人民幣734,015,000元)、人民幣89,309,000元(2014年12月31日：無)、人民幣60,000,000元(2014年12月31日：人民幣50,000,000元)及人民幣5,000元(2014年12月31日：人民幣24,000元)。

20. 股本

| | | 30 June 6月30日 2015 (Unaudited) (未經審核) | 31 December 12月31日 2014 (Audited) (經審核) |
|--|---|--|---|
| Authorised: | 法定： | | |
| 20,000,000,000 (31 December 2014: 20,000,000,000) ordinary shares of HK\$0.05 each | 20,000,000,000(2014年12月31日： 20,000,000,000)股每股面值 0.05港元的普通股 | HK\$1,000,000,000 1,000,000,000港元 | HK\$1,000,000,000 1,000,000,000港元 |
| Issued and fully paid: | 已發行及繳足： | | |
| 3,110,255,400 (31 December 2014: 3,110,255,400) ordinary shares of HK\$0.05 each | 3,110,255,400(2014年12月31日： 3,110,255,400)股每股面值 0.05港元的普通股 | HK\$155,512,770 155,512,770港元 | HK\$155,512,770 155,512,770港元 |
| Equivalent to | 等值於 | RMB135,686,000 人民幣135,686,000元 | RMB135,686,000 人民幣135,686,000元 |

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21. SHARE OPTION SCHEME

A share option scheme was adopted by the Company on 14 May 2010 (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

No share options have been granted under the Share Option Scheme since its adoption.

22. CONTINGENT LIABILITIES

As at 30 June 2015, the Group did not have any significant contingent liabilities (31 December 2014: Nil).

23. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

21. 購股權計劃

於2010年5月14日，為激勵及獎勵對本集團的成功經營作出貢獻的合資格參與人，本公司採納一項購股權計劃（「購股權計劃」）。

本公司自採納購股權計劃以來，並無根據該計劃授出購股權。

22. 或然負債

於2015年6月30日，本集團概無任何重大或然負債（2014年12月31日：無）。

23. 承擔

於報告期末，本集團有以下資本承擔：

| | 30 June 6月30日 2015 RMB'000 人民幣千元 (Unaudited) (未經審核) | 31 December 12月31日 2014 RMB'000 人民幣千元 (Audited) (經審核) |
|-------------------------------------|---|---|
| Contracted, but not provided for: | | |
| Land, property, plant and equipment | 479,154 | 347,681 |

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24. RELATED PARTY TRANSACTIONS AND BALANCES **24. 關聯人士交易及結餘**

(A) THE GROUP'S MATERIAL TRANSACTIONS WITH RELATED PARTIES DURING THE PERIOD

(A) 期內本集團與關聯人士之重大交易

| | | Six months ended 30 June 截至6月30日止六個月 | |
|---|-----------------------|---|-------------|
| | | 2015 | 2014 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| Transactions with companies under the common control of a director: | 於多間共同受一位董事控制的公司的交易： | | |
| Sale of goods | 銷售貨品 | 404 | - |
| Consumption of utilities | 耗用公用事業 | 4,196 | 3,539 |
| Rental expenses | 租金開支 | 2,803 | 1,658 |
| Purchases of materials | 採購原材料 | 5,813 | 5,605 |
| Purchases of equipment | 採購設備 | 12,692 | 65,008 |
| Purchases of electronic accessories | 採購電子配件 | - | 2,136 |
| Licensing trademarks | 授予商標 | 130 | 250 |
| Agency services from companies under the control of a director | 於受一位董事控制的多間公司所提供的代理服務 | 83 | 527 |
| Deposits paid for the purchase of land, property and plant to directors | 向董事購買土地、物業及廠房所支付的按金 | - | 27,792 |
| Rental expenses paid to directors | 向董事支付的租金開支 | 142 | 1,777 |
| Design and maintenance services from a joint venture | 合營企業提供的設計及維修服務 | 2,300 | 1,658 |

簡明綜合財務報表附註(續)

30 June 2015
2015年6月30日

24. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

24. 關聯人士交易及結餘(續)

(A) THE GROUP'S MATERIAL TRANSACTIONS WITH RELATED PARTIES DURING THE PERIOD (Continued)

Note:

- (i) Sale of goods to related companies were made with reference to the prices and conditions offered by the Group to the third-party customers.
- (ii) Utilities were provided by related companies at cost.
- (iii) Rental expenses were based on mutually agreed terms.
- (iv) Purchases of materials from related companies were made based on mutually agreed terms.
- (v) Purchases of equipment and electronic accessories from related companies were made with reference to the prices and conditions offered by the related companies to their third-party customers.
- (vi) Licensing trademarks to related companies were conducted based on mutually agreed terms.
- (vii) Agency services were provided by related companies based on mutually agreed terms.
- (viii) Land, property and plant were sold to the Group based on mutually agreed terms. For details, please refer to the Company's announcement on connected transactions dated 20 June 2014.
- (ix) Properties including office premises, cafeteria, workshops and warehouses were leased to the Group based on mutually agreed terms.
- (x) Services were provided by a joint venture based on mutually agreed terms.

(B) BALANCES WITH RELATED PARTIES

(A) 期內本集團與關聯人士之重大交易(續)

附註：

- (i) 向關聯公司銷售貨品乃以本集團向第三方客戶開出的價格及條件為參照進行。
- (ii) 公用事業乃按成本由關聯公司提供。
- (iii) 租金開支乃按雙方協定的條款計算。
- (iv) 材料乃按雙方協定的條款向關聯公司購買。
- (v) 設備及電子配件乃經參考關聯公司向其第三方客戶開出的價格及條件後向關聯公司購買。
- (vi) 授予關聯公司的商標乃按雙方協定的條款進行。
- (vii) 關聯公司乃按雙方協定的條款提供代理服務。
- (viii) 土地、物業及廠房乃按雙方協定的條款銷售予本集團。有關詳情，請參閱本公司於2014年6月20日就關連交易刊發之公告。
- (ix) 物業包括辦公室、食堂、車間及倉庫，乃按雙方協定的條款租予本集團。
- (x) 合營企業乃按雙方協定的條款提供服務。

(B) 與關聯人士之結餘

| | | 30 June 6月30日 2015 RMB'000 人民幣千元 (Unaudited) (未經審核) | 31 December 12月31日 2014 RMB'000 人民幣千元 (Audited) (經審核) |
|--|-----------------------|---|---|
| Balances with companies under the common control of a director arising from: | 於多間共同受一名董事控制的公司的結餘來自： | | |
| Purchases of equipment | 採購設備 | 76,993 | 23,780 |
| Purchases of electronic accessories | 採購電子配件 | 30,000 | - |
| Deposits paid for the purchase of land, property and plant to directors | 就購買土地、物業及廠房支付予董事的按金 | 77,010 | 77,010 |

Note:

- (i) The balances are included in the Group's deposits paid for the purchase of land, property, plant and equipment.
- (ii) The balance is included in the Group's prepayments, deposits and other receivables.

附註：

- (i) 該結餘計入本集團的購買土地、物業、廠房及設備所支付的按金內。
- (ii) 該結餘計入本集團的預付款、按金及其他應收款項內。

簡明綜合財務報表附註(續)

30 June 2015
2015年6月30日

24. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

24. 關聯人士交易及結餘(續)

(C) COMPENSATION OF THE GROUP'S KEY MANAGEMENT PERSONNEL

(C) 本集團主要管理人員薪酬

| | | Six months ended 30 June 截至6月30日止六個月 | |
|-------------------------------|--------|---|---|
| | | 2015 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2014 RMB'000 人民幣千元 (Unaudited) (未經審核) |
| Short-term employees benefits | 短期僱員福利 | 3,944 | 3,317 |
| Post-employment benefits | 退休後福利 | 163 | 135 |
| | | 4,107 | 3,452 |

25. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

25. 金融工具的公允價值計量

Except as detailed in the following table, the carrying amounts of the Group's financial instruments recognised in these condensed consolidated financial statements approximate their fair values:

除下表所詳述者外，本集團於本簡明綜合財務報表內確認入賬的金融工具賬面值與其公允價值相若：

| | | 30 June 6月30日 2015 | | 31 December 12月31日 2014 | |
|------------------------------|---------|--|---|---|--|
| Financial asset | 金融資產 | Carrying amount | Fair value | Carrying amount | Fair value |
| | | 賬面值 RMB'000 人民幣千元 (Unaudited) (未經審核) | 公允價值 RMB'000 人民幣千元 (Unaudited) (未經審核) | 賬面值 RMB'000 人民幣千元 (Audited) (經審核) | 公允價值 RMB'000 人民幣千元 (Audited) (經審核) |
| Held-to-maturity investments | 持有至到期投資 | 89,399 | 88,560 | 60,757 | 58,927 |

The fair values are based on the quoted market price provided by a leading global financial market data provider.

公允價值乃根據全球領先財經市場資料供應商提供的市場報價釐定。

簡明綜合財務報表附註(續)

30 June 2015
2015年6月30日

25. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value estimates are made at a specific point in time and are based on relevant market information about the financial instruments. The fair values of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of held-to-maturity investments, and available-for-sale investments are derived from quoted prices in active market for identical assets, i.e., level 1 fair value hierarchy in accordance with HKFRS 7.
- The fair values of trade and bills receivables, other receivables, cash and bank deposits, trade and bills payables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.
- The fair values of borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments on similar terms, credit risk and remaining maturities.

25. 金融工具的公允價值計量(續)

公允價值估計乃按於指定時間根據有關金融工具的相關市場資料作出。金融資產及負債的公允價值以該工具自願交易方(而非強迫或清盤出售)當前交易下之可交易金額入賬。下列方法及假設乃用以估計公允價值：

- 持有至到期投資及可供出售投資的公允價值乃源自活躍市場相同資產的報價，即符合香港財務報告準則第7號的公允價值架構第一層。
- 貿易應收款項及票據、其他應收款項、現金及銀行存款、貿易應付款項及票據、計入其他應付款項及應計費用的金融負債的公允價值與其賬面值相若，主要由於該等工具的到期日短。
- 借款的公允價值乃透過按現時應用在具相若條款、信貸風險及剩餘到期日的工具上的利率對預期未來現金流量進行貼現而計算得出。

GLOSSARY

詞彙

| | | |
|--|---|--|
| “Board” 「董事會」 | 指 | the board of directors of the Company 本公司董事會 |
| “BVI” 「英屬維爾京群島」 | 指 | the British Virgin Islands 英屬維爾京群島 |
| “China” or “PRC” 「中國」 | 指 | the People’s Republic of China, for the purpose of this interim report, excluding Hong Kong, Macau and Taiwan 中華人民共和國，就本中期報告而言，並不包括香港、澳門及臺灣 |
| “Code” 「守則」 | 指 | the Corporate Governance Code as set out in Appendix 14 to the Listing Rules 上市規則附錄14所載的企業管治守則 |
| “Company” or “China Lesso” 「本公司」或「中國聯塑」 | 指 | China Lesso Group Holdings Limited 中國聯塑集團控股有限公司 |
| “Current Ratio” 「流動比率」 | 指 | the ratio of current assets to current liabilities 流動資產除以流動負債的比率 |
| “EBITDA” 「除息稅折攤前盈利」 | 指 | earnings before interest, taxes, depreciation and amortisation 扣除利息、稅項、折舊及攤銷前盈利 |
| “EUR” 「歐元」 | 指 | Euro, the lawful currency of the member states of the European Union 歐盟成員國的法定貨幣 — 歐元 |
| “Gearing Ratio” 「資產負債率」 | 指 | the total debts divided by the sum of total debts and total equity 按債務總額除以債務總額加上權益總額的總和 |
| “Group” 「本集團」 | 指 | the Company and its subsidiaries 本公司及其附屬公司 |
| “HK\$” 「港元」 | 指 | Hong Kong dollar, the lawful currency of Hong Kong 香港之法定貨幣 — 港元 |
| “Hong Kong” or “HK” 「香港」 | 指 | Hong Kong Special Administrative Region of the PRC 中國香港特別行政區 |
| “Listing Rules” 「上市規則」 | 指 | the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則 |
| “Macau” 「澳門」 | 指 | Macau Special Administrative Region of the PRC 中國澳門特別行政區 |
| “Model Code” 「標準守則」 | 指 | the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules 上市規則附錄10所載的上市公司董事進行證券交易的標準守則 |

詞彙(續)

| | | |
|---------------------------|---|--|
| “N/A” [N/A] | 指 | not applicable 不適用 |
| “New Fortune” [新福星] | 指 | New Fortune Star Limited New Fortune Star Limited |
| “PE” [PE] | 指 | polyethylene 聚乙烯 |
| “PP-R” [PP-R] | 指 | polypropylene random 無規共聚聚丙烯 |
| “Prospectus” [招股章程] | 指 | the Company’s prospectus dated 9 June 2010 本公司日期為2010年6月9日的招股章程 |
| “PVC” [PVC] | 指 | polyvinyl chloride 聚氯乙烯 |
| “Quick Ratio” [速動比率] | 指 | the ratio of current assets less inventories to current liabilities 流動資產減存貨再除以流動負債的比率 |
| “RMB” [人民幣] | 指 | Renminbi, the lawful currency of the PRC 中國之法定貨幣－人民幣 |
| “Senior Notes” [優先票據] | 指 | US\$300 million 7.875% senior notes due 2016 issued by the Company 本公司發行於2016年到期的3億美元7.875%優先票據 |
| “SFO” [證券及期貨條例] | 指 | Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong 香港法例第571章證券及期貨條例 |
| “Share(s)” [股份] | 指 | share(s) of a nominal value of HK\$0.05 each in the capital of the Company 本公司資本中每股面值0.05港元的股份 |
| “Shareholder(s)” [股東] | 指 | holder(s) of the Share(s) of the Company 本公司股份持有人 |
| “State Council” [國務院] | 指 | The State Council of the PRC 中國國務院 |
| “Stock Exchange” [聯交所] | 指 | The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司 |
| “Taiwan” [臺灣] | 指 | the Republic of China 中華民國 |

詞彙(續)

| | | |
|-------------------|---|---|
| “tonne(s)” 「噸」 | 指 | a unit measuring weight, equal to 1,000 kilograms 量度重量的單位，相等於1,000公斤 |
| “US” 「美國」 | 指 | the United States of America 美利堅合眾國 |
| “US\$” 「美元」 | 指 | US dollar, the lawful currency of US 美國之法定貨幣 — 美元 |
| “%” 「%」 | 指 | per cent. 百分比 |

- * The English or Chinese translations in this interim report, where indicated, denote for identification purposes only.
- * 本中期報告的英文或中文翻譯(如註明)僅供識別。

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Wong Luen Hei (*Chairman*)
Mr. Zuo Manlun (*Chief executive*)
Ms. Zuo Xiaoping
Mr. Lai Zhiqiang
Mr. Kong Zhaocong
Mr. Chen Guonan
Dr. Lin Shaoquan
Mr. Huang Guirong
Mr. Luo Jianfeng

NON-EXECUTIVE DIRECTOR

Mr. Lin Dewei

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Bai Chongen
Mr. Fung Pui Cheung
Mr. Wong Kwok Ho Jonathan
Mr. Cheung Man Yu
Ms. Lan Fang

AUDIT COMMITTEE

Mr. Fung Pui Cheung (*Chairman*)
Mr. Wong Kwok Ho Jonathan
Mr. Lin Dewei
Mr. Cheung Man Yu

REMUNERATION COMMITTEE

Mr. Fung Pui Cheung (*Chairman*)
Mr. Wong Luen Hei
Mr. Zuo Manlun
Dr. Bai Chongen
Mr. Wong Kwok Ho Jonathan

NOMINATION COMMITTEE

Mr. Wong Luen Hei (*Chairman*)
Mr. Zuo Manlun
Dr. Bai Chongen
Mr. Fung Pui Cheung
Mr. Wong Kwok Ho Jonathan
Ms. Lan Fang

COMPANY SECRETARY

Mr. Kwan Chi Wai Samuel

董事會

執行董事

黃聯禧先生(*主席*)
左滿倫先生(*行政總裁*)
左笑萍女士
賴志強先生
孔兆聰先生
陳國南先生
林少全博士
黃貴榮先生
羅建峰先生

非執行董事

林德緯先生

獨立非執行董事

白重恩博士
馮培漳先生
王國豪先生
張文宇先生
蘭芳女士

審核委員會

馮培漳先生(*主席*)
王國豪先生
林德緯先生
張文宇先生

薪酬委員會

馮培漳先生(*主席*)
黃聯禧先生
左滿倫先生
白重恩博士
王國豪先生

提名委員會

黃聯禧先生(*主席*)
左滿倫先生
白重恩博士
馮培漳先生
王國豪先生
蘭芳女士

公司秘書

關志偉先生

公司資料(續)

AUTHORISED REPRESENTATIVES

Mr. Zuo Manlun
Mr. Kwan Chi Wai Samuel

REGISTERED OFFICE

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN CHINA

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Longjiang Town
Shunde District
Foshan City
Guangdong Province 528318
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3, 12th Floor, Tower 2
South Seas Centre
75 Mody Road
Tsim Sha Tsui East
Kowloon, Hong Kong

LISTING INFORMATION

Listing:
The Stock Exchange of Hong Kong Limited

Stock code:
2128

SHARE INFORMATION

Board lot size:
1,000 shares

Share issued as at 30 June 2015:
3,110,255,400 shares

Market capitalisation as at 30 June 2015:
HK\$19,626 million

FINANCIAL CALENDAR

Interim results announcement:
17 August 2015

法定代表

左滿倫先生
關志偉先生

註冊辦事處

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

中國總部及主要營業地點

中國
廣東省(郵編: 528318)
佛山市
順德區
龍江鎮
聯塑工業村

香港主要營業地點

香港九龍
尖沙咀東部
麼地道75號
南洋中心
第二座12樓3室

上市資料

上市地點:
香港聯合交易所有限公司

股份代號:
2128

股份資料

每手買賣單位:
1,000股

於2015年6月30日已發行股份數目:
3,110,255,400股

於2015年6月30日市值:
196.26億港元

財務日誌

中期業績公告:
2015年8月17日

公司資料(續)

PRINCIPAL SHARE REGISTRAR

MaplesFS Limited
PO Box 1093
Queensgate House
Grand Cayman, KY1-1102
Cayman Islands

BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
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Hong Kong

INVESTOR RELATIONS

iPR Ogilvy & Mather
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Tel: (852) 2136 6185
Fax: (852) 3170 6606
Email: ir@lesso.com

AUDITOR

Ernst & Young
Certified Public Accountants, Hong Kong

SOLICITOR

K&L Gates

PRINCIPAL BANKERS

Agricultural Bank of China Limited
Bank of China (Hong Kong) Limited
China Merchants Bank Co., Ltd.
CTBC Bank Co., Ltd., Hong Kong Branch
Foshan Shunde Rural Commercial Bank Company Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited
Industrial and Commercial Bank of China Limited
Taipei Fubon Commercial Bank Co., Ltd., Hong Kong Branch
The Hongkong and Shanghai Banking Corporation Limited

WEBSITE

<http://www.lesso.com>

股份過戶登記總處

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Grand Cayman, KY1-1102
Cayman Islands

股份過戶登記分處

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電郵：ir@lesso.com

核數師

安永會計師事務所
香港執業會計師

律師

高蓋茨律師事務所

主要往來銀行

中國農業銀行股份有限公司
中國銀行(香港)有限公司
招商銀行股份有限公司
中國信託商業銀行股份有限公司香港分行
佛山順德農村商業銀行股份有限公司
恒生銀行有限公司
中國工商銀行(亞洲)有限公司
中國工商銀行股份有限公司
台北富邦商業銀行股份有限公司香港分行
香港上海滙豐銀行有限公司

網址

<http://www.lesso.com>

Forward-looking statements

This interim report contains forward-looking statements. These forward-looking statements include, without limitation, statements related to revenue and earnings. The words “believe”, “intend”, “expect”, “anticipate”, “forecast”, “estimate”, “predict”, “is confident”, “has confidence” and similar expressions are also intended to represent forward-looking statements. These forward-looking statements are not historical facts. Rather, the forward-looking statements are based on the current beliefs, assumptions, expectations, estimates and projections of the directors and management of China Lesso about the business, industry and markets in which China Lesso operates.

These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the Company’s control and are difficult to predict. Consequently, actual results could differ materially from those expressed, implied or forecasted in the forward-looking statements.

Reliance should not be placed on these forward-looking statements, which reflect only the views of the directors and management of China Lesso as at the date of this interim report only. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after publication of this interim report.

前瞻聲明

本中期報告載有前瞻聲明。此等前瞻聲明包括但不限於有關收入及盈利的聲明，而「相信」、「計劃」、「預計」、「預期」、「預測」、「估計」、「推測」、「深信」、「抱有信心」及類似詞彙亦擬表示前瞻聲明。前瞻聲明是以中國聯塑董事及管理層根據業務、行業及中國聯塑所經營的市場而具備或作出的目前信念、假設、期望、估計及預測為基準，而並非歷史事實。

此等前瞻聲明並非就未來的業務表現作出保證，而是會因為風險、不明朗因素及其他因素而受影響，其中有些因素更非本公司所能控制，且難以預料。故此，實際結果可能與前瞻聲明所明示、暗示或預測的情況有重大差別。

上述前瞻聲明僅反映中國聯塑董事及管理層於本中期報告發表當日所持的觀點，任何人士一概不應依賴此等前瞻聲明。本公司並無責任公開修訂上述前瞻聲明，以反映本中期報告編印後所發生的事件或情況。

LESSO 联塑

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