



理文造紙有限公司*

Lee & Man Paper Manufacturing Limited

(Incorporated in the Cayman Islands with limited liability) Stock Code: 2314

(於開曼群島註冊成立之有限公司) 股份代號: 2314

2008/09 中期報告
INTERIM REPORT



* 僅供識別

* For identification purposes only

CONTENTS 目錄

2	Corporate Information 公司資料
4	Condensed Consolidated Income Statement 簡明綜合損益表
5	Condensed Consolidated Balance Sheet 簡明綜合資產負債表
7	Condensed Consolidated Cash Flow Statement 簡明綜合現金流量表
8	Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表
9	Notes to the Condensed Financial Statements 簡明財務報表附註
25	Business Review and Outlook 業務回顧及展望
26	Management Discussion and Analysis 管理層討論及分析
29	Other Information 其他資料

CORPORATE INFORMATION

公司資料

Board of Directors

Executive director

Mr Lee Wan Keung Patrick (*Chairman*)

Mr Lee Man Chun Raymond *BBS JP* (*Chief Executive Officer*)

Mr Lee Man Bun

Mr Li King Wai Ross

Non-executive director

Professor Poon Chung Kwong *GBS JP*

Independent non-executive director

Mr Wong Kai Tung Tony

Ms Law Kar Shui Elizabeth

Mr Peter A Davies

Mr Chau Shing Yim David

Company Secretary

Mr Cheung Kwok Keung

Registered Office

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal Office

5th Floor, Liven House

61–63 King Yip Street

Kwun Tong

Kowloon

Hong Kong

Principal Bankers

In Macau and Hong Kong:

Hang Seng Bank

Standard Chartered Bank

Citibank, N.A.

HSBC

In the PRC:

China Construction Bank

Bank of China

Agricultural Bank of China

董事會

執行董事

李運強先生 (主席)

李文俊先生 *BBS* 太平紳士 (行政總裁)

李文斌先生

李經緯先生

非執行董事

潘宗光教授 *GBS* 太平紳士

獨立非執行董事

王啟東先生

羅嘉穗小姐

Peter A Davies 先生

周承炎先生

公司秘書

張國強先生

註冊辦事處

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

總辦事處

香港

九龍觀塘

敬業街61–63號

利維大廈5樓

主要往來銀行

澳門及香港：

恒生銀行

渣打銀行

花旗銀行

滙豐銀行

中國：

中國建設銀行

中國銀行

中國農業銀行

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants

Principal Share Registrar and Transfer Office

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
26/F Tesbury Centre
28 Queen's Road East
Hong Kong

Website

<http://www.leemanpaper.com>

核數師

德勤•關黃陳方會計師行
執業會計師

主要股份過戶登記處

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
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P.O. Box 705
George Town
Grand Cayman
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東28號
金鐘滙中心26樓

網址

<http://www.leemanpaper.com>

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合收益表

For the six months ended 30 September 2008 截至二零零八年九月三十日止六個月

The board of directors of Lee & Man Paper Manufacturing Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2008 together with the comparative figures as follows:

理文造紙有限公司(「本公司」)董事會欣然公佈，本公司及其附屬公司(「本集團」)截至二零零八年九月三十日止六個月未經審核簡明綜合業績，連同比較數字如下：

Condensed Consolidated Income Statement

For the six months ended 30 September 2008

簡明綜合收益表

截至二零零八年九月三十日止六個月

		Notes 附註	2008 二零零八年 (unaudited) (未經審核) HK\$'000 千港元	2007 二零零七年 (unaudited) (未經審核) HK\$'000 千港元
Revenue	收入	2	5,492,866	3,894,469
Cost of sales	銷售成本		(4,476,592)	(2,900,799)
Gross profit	毛利		1,016,274	993,670
Other income	其他收入		85,989	79,691
Net gain (loss) from fair value changes of derivative financial instruments	因衍生財務工具公平值變動 產生的淨得益(虧損)		5,581	(5,712)
Distribution and selling expenses	分銷及銷售費用		(148,104)	(104,806)
Administrative expenses	行政費用		(184,932)	(168,502)
Finance costs	財務成本	3	(79,212)	(33,439)
Profit before tax	除稅前盈利		695,596	760,902
Income tax expense	利得稅支出	4	(27,767)	(43,202)
Profit for the period	期內盈利	5	667,829	717,700
Attributable to:	應佔：			
Equity holders of the Company	公司股益持有人		668,213	718,082
Minority interests	少數股益		(384)	(382)
			667,829	717,700
Dividends:	股息：	6		
— Final dividend paid	— 已付末期股息		113,738	227,316
— Interim dividend proposed	— 建議中期股息		56,869	181,917
			HK cents	HK cents
			港仙	港仙
Earnings per share	每股盈利	7		
— Basic	— 基本		58.75	63.52
— Diluted	— 攤薄		58.74	63.23

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

At 30 September 2008 於二零零八年九月三十日

		Notes 附註	30 September 2008 二零零八年 九月三十日 (unaudited) (未經審核) HK\$'000 千港元	31 March 2008 二零零八年 三月三十一日 (audited) (經審核) HK\$'000 千港元
NON-CURRENT ASSETS				
	非流動資產			
Property, plant and equipment	物業、廠房及設備	8	12,049,636	10,005,464
Prepaid lease payments	預付租賃款項		355,781	323,705
Deposits paid for acquisition of property, plant and equipment and land use rights	購置物業、廠房及設備及土地使用權所付訂金		460,777	918,844
Interests in associates	聯營公司權益	9	—	—
Deferred tax assets	遞延稅項資產		42,162	29,796
Retirement benefit assets	退休福利資產		728	728
			12,909,084	11,278,537
CURRENT ASSETS				
	流動資產			
Inventories	存貨	10	2,684,557	2,499,167
Prepaid lease payments	預付租賃款項		5,314	17,045
Trade and other receivables	應收貿易及其他賬款	11	2,522,530	2,727,887
Amounts due from associates	應收聯營公司款項		33,289	141,936
Amount due from a related company	應收有關連公司款項		—	6,516
Derivative financial instruments	衍生財務工具		8,611	25,224
Restricted bank deposits	有限制銀行存款		—	489
Bank balances and cash	銀行結餘及現金		232,912	318,188
			5,487,213	5,736,452
CURRENT LIABILITIES				
	流動負債			
Derivative financial instruments	衍生財務工具		72,856	192,544
Trade and other payables	應付貿易及其他賬款	12	1,495,358	1,391,649
Tax payable	應付稅項		6,623	5,452
Bank and other borrowings	銀行及其他借貸		3,342,322	2,781,310
			4,917,159	4,370,955
NET CURRENT ASSETS	流動資產淨值		570,054	1,365,497
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		13,479,138	12,644,034

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

At 30 September 2008 於二零零八年九月三十日

		Notes 附註	30 September 2008 二零零八年 九月三十日 (unaudited) (未經審核) HK\$'000 千港元	31 March 2008 二零零八年 三月三十一日 (audited) (經審核) HK\$'000 千港元
NON-CURRENT LIABILITIES				
	非流動負債			
Derivative financial instruments	衍生財務工具		136,502	162,307
Bank and other borrowings	銀行及其他借貸		4,175,754	4,319,534
Deferred tax liabilities	遞延稅項負債		135,593	108,470
Retirement benefit liabilities	退休福利負債		20,584	19,414
			4,468,433	4,609,725
			9,010,705	8,034,309
CAPITAL AND RESERVES				
	股本及儲備			
Share capital	股本	13	113,738	113,738
Reserves	儲備		8,909,217	7,930,873
Equity attributable to equity holders of the Company	股益歸屬於公司股 益持有人		9,022,955	8,044,611
Minority interests	少數股益		(12,250)	(10,302)
Total equity	總權益		9,010,705	8,034,309

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

簡明綜合現金流量表

For the six months ended 30 September 2008 截至二零零八年九月三十日止六個月

		2008 二零零八年 (unaudited) (未經審核) HK\$'000 千港元	2007 二零零七年 (unaudited) (未經審核) HK\$'000 千港元
Net cash generated from operating activities	經營業務所得現金淨額	485,828	150,497
Net cash used in investing activities	投資活動所用現金淨額	(874,598)	(1,975,838)
Net cash generated from financing activities	融資活動所得現金淨額	303,494	1,873,678
Net (decrease) increase in cash and cash equivalents	現金及現金等價物(虧損)增加淨額	(85,276)	48,337
Cash and cash equivalents brought forward	現金及現金等價物承前	318,188	214,985
Cash and cash equivalents carried forward represented by bank balances and cash	現金及現金等價物結轉等於銀行結餘及現金	232,912	263,322

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 September 2008 截至二零零八年九月三十日止六個月

Attributable to equity holders of the Company 本公司權益持有人應佔

		Attributable to equity holders of the Company											Total equity	
		Share capital	Share premium	Convertible bonds reserve	Share options reserve	Translation reserve	Hedging reserve	Capital contribution	Legal reserve	Special reserve	Retained profits	Minority Interests		
		(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
At 1 April 2008	二零零八年四月一日	113,738	4,352,945	—	15,908	580,125	(183,067)	12,552	49	(2,999)	3,155,360	8,044,611	(10,302)	8,034,309
Exchange differences arising on translation of foreign operations	海外業務轉移時所產生之匯兌差額	—	—	—	—	370,071	—	—	—	—	—	370,071	(1,564)	368,507
Gain on cash flow hedges	現金流量對沖盈利	—	—	—	—	—	48,752	—	—	—	—	48,752	—	48,752
Profit for the period	期內盈利	—	—	—	—	—	—	—	—	—	668,213	668,213	(384)	667,829
Total recognized income and expenses for the period	期內已確認之收入及開支總額	—	—	—	—	370,071	48,752	—	—	—	668,213	1,087,036	(1,948)	1,085,088
Equity-settled share-based payments	股結算股權支付款項	—	—	—	5,046	—	—	—	—	—	—	5,046	—	5,046
Cancellation of share options	取消購股權	—	3,457	—	(3,457)	—	—	—	—	—	—	—	—	—
Dividends paid	派息	—	—	—	—	—	—	—	—	—	(113,738)	(113,738)	—	(113,738)
At 30 September 2008	二零零八年九月三十日	113,738	4,356,402	—	17,497	950,196	(134,315)	12,552	49	(2,999)	3,709,835	9,022,955	(12,250)	9,010,705

Attributable to equity holders of the Company 本公司權益持有人應佔

		Attributable to equity holders of the Company											Total equity	
		Share capital	Share premium	Convertible bonds reserve	Share options reserve	Translation reserve	Hedging reserve	Capital contribution	Legal reserve	Special reserve	Retained profits	Minority Interests		
		(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
At 1 April 2007	二零零七年四月一日	111,948	4,123,902	12,335	8,424	193,871	—	—	—	(2,999)	2,123,313	6,570,794	(93)	6,570,701
Exchange differences arising on translation of foreign operations	海外業務轉移時所產生之匯兌差額	—	—	—	—	121,745	—	—	—	—	—	121,745	—	121,745
Profit for the period	期內盈利	—	—	—	—	—	—	—	—	—	718,082	718,082	(382)	717,700
Total recognized income and expenses for the period	期內已確認之收入及開支總額	—	—	—	—	121,745	—	—	—	—	718,082	839,827	(382)	839,445
Exercise of share options	購股權行使	50	6,504	—	(2,304)	—	—	—	—	—	—	4,250	—	4,250
Conversion of convertible bonds	可換股債券兌換	1,700	218,358	(12,335)	—	—	—	—	—	—	—	207,723	—	207,723
Equity-settled share-based payments	股結算股權支付款項	—	—	—	5,443	—	—	—	—	—	—	5,443	—	5,443
Capital contributions from minority interests	少數股東出資款項	—	—	—	—	—	—	—	—	—	—	—	36,670	36,670
Dividends paid	派息	—	—	—	—	—	—	—	—	—	(227,316)	(227,316)	—	(227,316)
At 30 September 2007	二零零七年九月三十日	113,698	4,348,764	—	11,563	315,616	—	—	—	(2,999)	2,614,079	7,400,721	36,195	7,436,916

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 September 2008 截至二零零八年九月三十日止六個月

1. Basis of Preparation and Principal Accounting Policies

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements set out in Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies used in the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2008.

In the current interim period, the Group has applied, for the first time, a new standard, amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning on 1 April 2008. The applicable new HKFRSs adopted in this interim financial statements are set out below:

HK(IFRIC)-Int 12	Service Concession Arrangements ¹
HK(IFRIC)-Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ¹

¹ Effective for annual periods beginning on or after 1 January 2008

The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

1. 編製基準及主要會計政策

此未審核簡明綜合中期財務報表乃按照香港聯合交易所有限公司證券上市規則（「上市規則」）附錄16所載之適用披露規定及香港會計師公會頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」而編製。

編製本簡明綜合中期財務報表所採用的會計政策，與本集團截至二零零八年三月三十一日止全年財務報表所採用者一致。

於期內，本集團第一次採納香港會計師公會（「香港會計師公會」）頒佈必須於二零零八年四月一日開始之財政年度生效之新準則、修訂及詮釋（「新香港財務報告準則」）。本中期財務報表採納之適用新財務報告準則載列如下：

香港（國際財務報告詮釋委員會） 詮釋第12號	服務經營權安排 ¹
香港（國際財務報告詮釋委員會） 詮釋第14號	香港會計準則第19號 — 界定利益資產的限制、最低資金規定及其互相影響 ¹

¹ 由2008年1月1日起或以後年度期間生效

採納此等新香港財務報告準則對本集團現在或過往會計年度之業績或財務狀況不會有重大影響。因此，並無過往期內調整需予確認。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 September 2008 截至二零零八年九月三十日止六個月

2. Segments Information

Business segments

For management purposes, the Group is currently organised into two operating businesses — manufacture and sales of paper, and manufacture and sales of pulp. These businesses are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below:

2008

Consolidated income statement

2. 分部資料

業務分部

就管理而言，本集團現經營兩個業務：生產及銷售紙張、生產及銷售木漿。該等業務為本集團申報其主要分類資料之基準。

該等商業分類資料呈報如下：

二零零八年

綜合損益表

		Paper 紙張 HK\$'000 千港元	Pulp 木漿 HK\$'000 千港元	Eliminations 刪除 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收入				
External sales	對外銷售	5,200,082	292,784	—	5,492,866
Inter-segment sales	業務之間銷售	—	107,347	(107,347)	—
		5,200,082	400,131	(107,347)	5,492,866
SEGMENT RESULTS	分類業績	795,208	(27,844)	—	767,364
Net gain from fair value changes of derivative financial instruments	因衍生財務工具公平值改變產生的淨得益				5,581
Unallocated corporate incomes	未分類之公司收入				3,678
Unallocated corporate expenses	未分類之公司支出				(1,815)
Finance costs	財務成本				(79,212)
Profit before tax	稅前盈利				695,596
Income tax expense	利得稅支出				(27,767)
Profit for the period	期內盈利				667,829

2. Segments Information (Continued)

Business segments (Continued)

2007

Consolidated income statement

2. 分部資料(續)

業務分部(續)

二零零七年

綜合損益表

		Paper 紙張 HK\$'000 千港元	Pulp 木漿 HK\$'000 千港元	Eliminations 刪除 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收入				
External sales	對外銷售	3,606,017	288,452	—	3,894,469
Inter-segment sales	業務之間銷售	—	194,482	(194,482)	—
		3,606,017	482,934	(194,482)	3,894,469
SEGMENT RESULTS	分類業績	754,546	43,565	—	798,111
Net loss from fair value changes of derivative financial instruments	因衍生財務工具公平值改變產生的淨虧損				(5,712)
Unallocated corporate incomes	未分類之公司收入				2,970
Unallocated corporate expenses	未分類之公司支出				(1,028)
Finance costs	財務成本				(33,439)
Profit before tax	稅前盈利				760,902
Income tax expense	利得稅支出				(43,202)
Profit for the period	期內盈利				717,700

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 September 2008 截至二零零八年九月三十日止六個月

2. Segments Information (Continued)

Geographical segments

The following table provides an analysis of the Group's sales by geographical market based on location of customers, others mainly include countries in Asia other than PRC.

2. 分部資料(續)

地域分部

下表是按地區市場根據客戶所在地區劃分本集團銷售的分析，其他主要包括中國以外的亞洲國家。

		Six months ended 30 September 截至九月三十日止六個月	
		Sales revenue by geographical market 按地區市場劃分的銷售收入	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
People's Republic of China other than Hong Kong (the "PRC")	中華人民共和國，香港除外 (「中國」)	5,171,115	3,109,572
Europe	歐洲	—	217,318
United States of America	美國	5,289	42,049
Others	其他	316,462	525,530
		5,492,866	3,894,469

3. Finance Costs

3. 財務成本

		Six months ended 30 September 截至九月三十日止六個月	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Interest on bank borrowings wholly repayable within five years	於五年內悉數償還之銀行借貸 利息	145,741	78,730
Interest on notes payable	應付票據利息	23,422	2,157
Total borrowing costs	總借貸成本	169,163	80,887
Less: Amounts capitalised in property, plant and equipment	減去：物業、廠房及設備之 資本化金額	(89,951)	(47,448)
		79,212	33,439

4. Income Tax Expense

4. 利得稅支出

		Six months ended 30 September 截至九月三十日止六個月	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
The charge comprises:	支出包括：		
Current tax	現有稅項		
— PRC Foreign Enterprise Income Tax	— 中國外商企業所得稅	13,010	18,768
Deferred taxation in respect of:	就以下事項所產生的遞延稅項：		
— accelerated tax depreciation	— 遞增稅項折舊	27,123	21,970
— tax losses	— 稅項虧損	(12,366)	2,464
		27,767	43,202

The Group's profit is subject to taxation from the place of its operations where its profit is generated. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The subsidiaries in the PRC are entitled to exemption from PRC Foreign Enterprise Income Tax for two years starting from their respective first profit-making year, followed by a 50% relief for the three years thereafter ("Tax Holiday").

The first profit-making year of a subsidiary, Jiangsu Lee & Man Paper Manufacturing Company Limited ("Jiangsu Lee & Man"), was the year of 2005. Accordingly, tax exemption period of Jiangsu Lee & Man expired during the year ended 31 March 2007 and it is now subject to a reduced tax rate of 12.5% for the relief period. Beside, pursuant to approvals granted by the PRC tax authority, Jiangsu Lee & Man was granted tax credits that resulted from the purchase of plant and equipment manufactured in the PRC by Jiangsu Lee & Man. Current period's tax charge of Jiangsu Lee & Man was fully offsetted by such credits.

集團之利潤乃根據其利潤產生的營運地方繳納稅項。其他管轄地區的稅項按個別管轄地區之課稅率計算。

位於中國的附屬公司於各自首個獲利年度起，免繳中國外商企業所得稅兩年，其後三年半免（「稅務優惠」）。

附屬公司江蘇理文造紙有限公司（「江蘇理文」）首個獲利年度為二零零五年。因此，江蘇理文稅務豁免期已於截至二零零七年三月三十一日止年度內到期，其後需於減免期繳納12.5%之減免稅率。此外，根據中國稅務機關所批准，江蘇理文因購買廠房及中國製造的設備而獲授予稅務抵免。江蘇理文於期內需繳納的稅款已由該等得益全數抵銷。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 September 2008 截至二零零八年九月三十日止六個月

4. Income Tax Expense (Continued)

The Tax Holiday of a subsidiary, Dongguan Lee & Man Paper Factory Co., Ltd. ("Dongguan Lee & Man") expired during the year ended 31 March 2006 and it is now subject to a preferential tax rate of 18% because approval was obtained from the PRC tax authority as it was qualified as a technologically advanced enterprise in the Guangdong Province.

All the Group's other PRC subsidiaries were within the tax exemption period during the year ended 31 March 2008 and were therefore not subject to PRC Foreign Income Enterprise Tax.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "Tax Law") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the Tax Law. The Tax Law and Implementation Regulations will increase the tax rate for the Group's PRC subsidiaries to 25% with effect from the expiry of the Tax Holiday period and in the case of Dongguan Lee & Man, on a progressive basis over a period of five years.

The subsidiary in Malaysia carries on offshore trading activities in Labuan, with other group companies which are non-residents of Malaysia. As such, it is qualified as an offshore trading company in Labuan and is charged at a fixed annual rate of Malaysian RM20,000.

The Macau subsidiaries incorporated under Decree-Law no. 58/99/M are exempted from Macau complementary tax (Macau income tax) as long as they comply with the relevant regulations and do not sell their products to a Macau resident.

The subsidiary in the United States is subject to Federal Income Tax and California State Income Tax (collectively refer to as "US Income Tax") at rates of 35% and 8.84%, respectively. No provision for US Income Tax has been made for the period as the United States subsidiary incurred losses for the period.

4. 利得稅支出(續)

附屬公司東莞理文造紙廠有限公司(「東莞理文」)的稅務期已於截至二零零六年三月三十一日止年度內到期。由於東莞理文為廣東省內合資格的先進科技企業，因此已向中國稅務機關取得批准，可享有18%的優惠稅率。

截至二零零八年三月三十一日止年度內，本集團其餘的中國附屬公司均全部處於稅務豁免期，因此毋須繳納中國的外商企業所得稅。

於二零零七年三月十六日，中國以中國主席令第63號頒佈企業所得稅法(「稅法」)。於二零零七年十二月六日，中國國務院頒佈稅法執行規例。稅法及執行規例將提高本集團之中國附屬公司之稅率至25%，於稅務優惠期屆滿後開始，而東莞理文之稅率將以五年內逐漸遞增。

馬來西亞的附屬公司與集團內其他非馬來西亞公司進行離岸貿易業務。所以，附屬公司為拉布安合資格的離岸貿易公司，需每年繳納20,000馬幣的定額稅。

澳門附屬公司根據第58/99/M號法令註冊，均可免繳澳門補充稅(澳門所得稅)，前提是需符合有關規例及不得向澳門本土公司出售產品。

美國的附屬公司須分別按35%及8.84%繳納聯邦所得稅及加利福尼亞州所得稅(統稱「美國所得稅」)。由於美國附屬公司於期內產生虧損，故並無就期內計提美國所得稅撥備。

4. Income Tax Expense (Continued)

The Vietnam subsidiaries are subjected to Vietnam Corporate Income Tax at a maximum rate of 28%. No provision for Vietnam Corporate Income Tax has been made for the period as the Vietnam subsidiaries incurred losses for the period.

5. Profit for the Period

4. 利得稅支出(續)

越南附屬公司須按不多於28%繳納越南企業所得稅。由於越南附屬公司於期內產生虧損，故並無就期內計提越南企業所得稅撥備。

5. 期內盈利

		Six months ended 30 September 截至九月三十日止六個月	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Profit for the period has been arrived at after charging:	期內盈利經扣除：		
Directors' emoluments	董事酬金	6,408	3,636
Staff salaries and other benefits, excluding those of directors	員工薪金及其他福利，不包括董事	219,852	175,141
Contributions to retirement benefit schemes, excluding those of directors	退休福利計劃供款，不包括董事	11,345	5,036
Total employee benefit expense	員工成本總額	237,605	183,813
Amortisation of prepaid lease payments	預付租賃款項攤銷	2,627	2,322
Cost of inventories recognised as expenses	存貨成本確認為支出	4,476,592	2,900,799
Depreciation of property, plant and equipment	物業、廠房及設備折舊	179,198	114,024
Loss on disposal of property, plant and equipment	出售物業、廠房及設備產生的虧損	390	—
Operating lease rentals in respect of land and buildings	土地及樓宇的經營租賃租金	4,549	1,512
and after crediting (in other income):	並已計入(其他收入)：		
Interest income	利息收入	3,678	2,970
Income from operating a pier	經營碼頭收入	18,655	9,226
Net foreign exchange gains	淨滙兌得益	42,753	25,516

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 September 2008 截至二零零八年九月三十日止六個月

6. Dividends

A final dividend for the year ended 31 March 2008 of HK10 cents (for the year ended 31 March 2007: HK20 cents) per share was paid to shareholders during the current period, and was reflected in the condensed consolidated statement of changes in equity.

The Directors determined that an interim dividend of HK5 cents per share (2007: HK16 cents per share) should be paid to the shareholders of the Company whose names appear in the Register of Members on 7 January 2009.

7. Earnings Per Share

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

6. 股息

期內，二零零八年三月三十一日止年度之每股10港仙(二零零七年三月三十一日止年度：20港仙)的末期股息已支付給股東，並於簡明綜合權益變動表內反映。

董事決定派發每股5港仙之中期股息(二零零七年：16港仙)給予在二零零九年一月七日名列於股東名冊內之本公司股東。

7. 每股盈利

公司權益持有人的每股基本及攤薄盈利乃以下列數據為基準計算：

		Six months ended 30 September 截至九月三十日止六個月	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Profit for the period attributable to equity holders of the Company	公司權益持有人的期內利潤	668,213	718,082
Effect of dilutive potential ordinary shares:	普通股潛在的攤薄影響：		
— Interest on convertible bonds	— 可換股債券利息	—	2,157
— Gain on fair value change of derivative embedded in the convertible bonds	— 可換股債券內含衍生工具公平值變動產生的盈利	—	(3)
Earnings for the purpose of diluted earnings per share	用以計算每股攤薄盈利的盈利	668,213	720,236
		Number of shares 股份數目	Number of shares 股份數目
Weighted average number of ordinary shares for the purpose of basic earnings per share	用以計算每股基本盈利的普通股加權平均數	1,137,380,412	1,130,512,688
Effect of dilutive potential ordinary shares:	普通股潛在攤薄影響：		
— Share options	— 購股權	144,797	2,489,574
— Convertible bonds	— 可換股債券	—	6,074,829
Weighted average number of ordinary shares for the purpose of diluted earnings per share	用以計算每股攤薄盈利的普通股加權平均數	1,137,525,209	1,139,077,091

8. Additions to Property, Plant and Equipment

During the period, the Group spent HK\$852 million (six months ended 30 September 2007: HK\$2,010 million) on property, plant and equipment to expand its operations.

9. Interests in Associates

8. 添置物業、廠房及設備

期內，本集團在添置物業、廠房及設備上耗資8.52億港元（截至二零零七年九月三十日止六個月：20.10億港元），以拓展業務。

9. 聯營公司權益

		30 September 2008 二零零八年 九月三十日 HK\$'000 千港元	31 March 2008 二零零八年 三月三十一日 HK\$'000 千港元
Cost of unlisted investment	非上市投資成本	1	1
Share of post-acquisition results	應佔收購後業績	(1)	(1)
		—	—

The balances with associates are unsecured, interest-free and repayable on demand.

各聯營公司之結餘乃無抵押，免息及於通知時即須償還。

Details of the Group's associates at 30 September 2008 are as follows:

於二零零八年九月三十日本集團聯營公司詳情如下：

Name of associate 聯營公司名稱	Form of business structure 業務架構形式	Place of Incorporation/ registration and operations 成立／註冊及營運地點	Issued and fully paid share capital/registered capital 已發行及繳足股本／註冊股本	Effective interest in the issued share capital/ registered capital held 已發行股本／註冊資本實際利率	Principal Activity 主要活動
Fortune Sight Group Limited	Incorporated 成立	British Virgin Islands 英屬維爾京群島	Ordinary shares — US\$1,000 普通股 — 1,000美元	19%	Investment holding 投資控股
Guangxi Lee & Man Forestry Technology Limited 廣西理文林業科技發展有限公司	Registered 註冊	PRC 中國	Registered capital — HK\$168,000,000 註冊資本 — 168,000,000港元	19%	Producing raw materials for manufacturing of paper and pulp 生產用以製造紙張及木漿的原材料

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 September 2008 截至二零零八年九月三十日止六個月

10. Inventories

10. 存貨

		30 September 2008 二零零八年 九月三十日 HK\$'000 千港元	31 March 2008 二零零八年 三月三十一日 HK\$'000 千港元
Raw materials	原料	2,375,448	2,131,577
Finished goods	製成品	309,109	367,590
		2,684,557	2,499,167

11. Trade and Other Receivables

11. 應收貿易及其他賬款

		30 September 2008 二零零八年 九月三十日 HK\$'000 千港元	31 March 2008 二零零八年 三月三十一日 HK\$'000 千港元
Trade receivables	應收貿易賬款	1,426,329	1,708,040
Bills receivable	應收票款	281,835	526,742
		1,708,164	2,234,782
Deposits and prepayments	訂金及預付款項	404,924	199,017
Other receivables	其他應收款項	409,442	294,088
		2,522,530	2,727,887

11. Trade and Other Receivables (Continued)

The Group generally allows an average credit period range from 45 to 60 days to its customers. An ageing analysis of the trade and bills receivables is as follows:

		30 September 2008 二零零八年 九月三十日 HK\$'000 千港元	31 March 2008 二零零八年 三月三十一日 HK\$'000 千港元
Aged:	賬齡：		
Less than 30 days	少於30日	883,771	1,257,486
31-60 days	31日-60日	455,300	545,117
61-90 days	61日-90日	181,123	286,433
Over 90 days	90日以上	187,970	145,746
		1,708,164	2,234,782

11. 應收貿易及其他賬款(續)

本集團一般給予客戶的信貸期由45日至60日不等。應收貿易賬款及票款的賬齡分析如下：

12. Trade and Other Payables

		30 September 2008 二零零八年 九月三十日 HK\$'000 千港元	31 March 2008 二零零八年 三月三十一日 HK\$'000 千港元
Trade and bills payable	應付貿易賬款及票款	641,513	747,743
Accruals and other payables	應計費用及其他應付款項	853,845	643,906
		1,495,358	1,391,649

12. 應付貿易及其他賬款

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 September 2008 截至二零零八年九月三十日止六個月

12. Trade and Other Payables (Continued)

The average credit period taken for trade purchases range from 30 to 60 days. An ageing analysis of the trade and bills payables is as follows:

12. 應付貿易及其他賬款(續)

貿易購買之平均賒賬期由30至60日不等。應付賬款及票款之賬齡分析如下：

		30 September 2008 二零零八年 九月三十日 HK\$'000 千港元	31 March 2008 二零零八年 三月三十一日 HK\$'000 千港元
Aged:	賬齡：		
Less than 30 days	少於30日	359,639	665,148
31-60 days	31日-60日	127,448	48,584
61-90 days	61日-90日	82,144	17,161
Over 90 days	90日以上	72,282	16,850
		641,513	747,743

13. Share Capital

13. 股本

		Number of ordinary shares 普通股數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.10 each Authorised:	每股面值0.10港元的普通股 法定：		
At 31 March 2008 and 30 September 2008	二零零八年三月三十一日及 二零零八年九月三十日	2,000,000,000	200,000
Issued and fully paid:	已發行及繳足：		
At 1 April 2007	二零零七年四月一日	1,119,477,932	111,948
Exercise of share options	行使購股權	900,000	90
Conversion of convertible bonds	兌換可換股債券	17,002,480	1,700
At 31 March 2008 and 30 September 2008	二零零八年三月三十一日及 二零零八年九月三十日	1,137,380,412	113,738

14. Operating Lease Arrangements

The Group as lessee

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings, which fall due as follows:

		30 September 2008 二零零八年 九月三十日 HK\$'000 千港元	31 March 2008 二零零八年 三月三十一日 HK\$'000 千港元
Within one year	一年內	25,238	1,736
In the second to fifth year inclusive	第二年至第五年內 (包括首尾兩年)	108,903	109,562
After five years	第五年後	526,144	392,464
		660,285	503,762

Operating lease payments represent rentals payable by the Group for lands and certain of its office properties. For lands, leases are negotiated for an average term of twenty years and rentals are negotiated every year. For office properties, leases are negotiated for an average term of one year with fixed rentals.

14. 經營租約安排

集團作為承租人

於結算日，本集團根據不可撤銷的土地及樓宇經營租約於日後應付的最低租金如下：

經營租金指本集團就土地及其若干辦公室物業應付的租金。土地的租期平均二十年，租金則每年商討。辦公室物業的租期平均一年，期內租金不變。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 September 2008 截至二零零八年九月三十日止六個月

14. Operating Lease Arrangements (Continued)

The Group as lessor

At the balance sheet date, the Group had contracted with tenants for the use of the Group's pipelines with the following future minimum lease payments:

		30 September 2008 二零零八年 九月三十日 HK\$'000 千港元	31 March 2008 二零零八年 三月三十一日 HK\$'000 千港元
Within one year	一年內	390	390
In the second to fifth year inclusive	第二年至第五年內 (包括首尾兩年)	1,560	1,560
After five years	第五年後	585	780
		2,535	2,730

Operating lease payments represent rental payable by tenants for the use of the Group's pipelines. Leases are negotiated for an average term of ten years with fixed rentals.

14. 經營租約安排 (續)

集團作為出租人

於結算日，本集團與租戶為使用導管簽訂日後應付的最低租金如下：

經營租金指租戶為使用本集團的導管應付的租金，租期平均十年，期內租金不變。

15. Commitments

15. 承擔

		30 September 2008 二零零八年 九月三十日 HK\$'000 千港元	31 March 2008 二零零八年 三月三十一日 HK\$'000 千港元
Expenditures contracted for but not provided in the consolidated financial statements in respect of capital expenditure:	就已訂約但未於綜合財務報表中撥備的資本開支：		
— property, plant and equipment	— 購置物業、廠房及設備	2,019,189	2,648,229
— land use rights	— 土地使用權	23,818	21,821
		2,043,007	2,670,050

16. Connected and Related Party Transactions

The Group had the following significant transactions with connected and related parties during the period:

16. 關連及相關人士之交易

期內，本集團與關連及相關人士進行下列的重大交易：

Name of party 關連人士名稱	Nature of transactions 交易性質	Six months ended 30 September 截至九月三十日止六個月	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Lee & Man Industrial Manufacturing Limited (Note i) 理文實業有限公司(註 i)	Finished goods sold by the Group 集團出售製成品	107,265	63,982
	Steam sold by the Group 集團出售蒸氣	780	780
Lee & Man Paper Products Limited (Note i) 理文紙品有限公司(註 i)	Licence fee paid by the Group 集團已付許可權費	506	457
Jiangsu Lee & Man Chemical Limited (Note ii) 理文化工有限公司(註 ii)	Electricity and steam services fees received 發電及蒸氣服務費收入	8,059	—

Note:

- (i) Lee & Man Industrial Manufacturing Limited and Lee & Man Paper Products Limited are associates of Mr Lee Wan Keung Patrick, the chairman and a director of the Company.
- (ii) Jiangsu Lee & Man Chemical Limited is a wholly-owned subsidiary of Lee & Man Holding Limited, an associate of Mr Lee Wan Keung Patrick, the chairman and a director of the Company.

附註：

- (i) 理文實業有限公司及理文紙品有限公司為本公司主席及董事李運強先生之聯繫人士。
- (ii) 理文化工有限公司為理文集團之全資擁有的附屬公司，並為本公司主席及董事李運強先生之聯繫人士。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 September 2008 截至二零零八年九月三十日止六個月

17. Post Balance Sheet Event

On 15 October 2008, Deepfaith International Limited, an indirect wholly-owned subsidiary of the Company, entered into an agreement with Worthy Pick Group Limited ("Worthy Pick Group"), a company incorporated in the British Virgin Islands, to transfer its entire shares of USLM Acquisition Inc ("USLM") and HKLM Acquisition Inc ("HKLM") to Worthy Pick Group for an aggregate consideration of HK\$200 million. USLM and HKLM were companies established in Colorado, the United States of America and were both indirect wholly-owned subsidiaries of the Company and were mainly engaged in the manufacture of paper pulp.

18. Review of Interim Accounts

The condensed interim financial statements are unaudited, but have been reviewed by the Audit Committee.

Interim Dividend

The Board has resolved to declare an interim dividend of HK5 cents (2007: HK16 cents) per share for the six months ended 30 September 2008 to shareholders whose names appear on the Register of Members on 7 January 2009. It is expected that the interim dividend will be paid around 20 January 2009.

Closure of Register of Members

The Register of Members will be closed from 5 January 2009 to 7 January 2009, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the interim dividend, all transfers accomplished by the relevant share certificates must be lodged with the Company's Branch Share Registrars, Tricor Investor Services Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4.30 pm on 2 January 2009.

17. 結算日後事項

於二零零八年十月十五日，Deepfaith International Limited，為本公司間接全資擁有的附屬公司，與Worthy Pick Group Limited，一間於英屬維爾京群島註冊成立之公司，簽訂協議以總代價2億港元轉讓USLM Acquisition Inc（「USLM」）及HKLM Acquisition Inc（「HKLM」）之全部股份予Worthy Pick Group。USLM及HKLM於美國科羅拉多成立之公司及為本公司間接全資擁有的附屬公司，兩間公司主要從事木漿生產。

18. 審閱中期賬目

簡明中期財務報表均未經審核，惟經審核委員會審閱。

中期股息

董事會議決宣派截至二零零八年九月三十日止六個月之中期股息每股5港仙（二零零七年：16港仙）予二零零九年一月七日名列於股東名冊內之股東。預期中期股息將於二零零九年一月二十日派付予股東。

暫停辦理股份過戶登記

本公司將於二零零九年一月五日至二零零九年一月七日（首尾兩天包括在內）暫停辦理股份過戶登記手續。為符合獲派中期股息之資格，所有過戶文件連同有關股票最遲須於二零零九年一月二日下午四時三十分前送達本公司之股份過戶登記處卓佳證券登記有限公司，地址為香港皇后大道東28號金鐘匯中心26樓，以辦理登記手續。

BUSINESS REVIEW AND OUTLOOK

業務回顧及展望

Business Review

For the first six months of fiscal year of 2008/2009, the Group achieved a turnover of HK\$5,493 million and has recorded a net profit of HK\$668 million. During this period, we have added two new paper production lines, PM12 and PM13, boosting our total annual containerboard capacity to 3.76 million tons. The management believes these two production lines will make financial contributions in the near future.

Outlook

The management believes the next six months will be extremely difficult due to current global economic crisis and market slowdown. In fact, our fiscal third quarter's performance (from October to December) will be adversely affected because of rapidly falling of selling price. Fortunately, we believe our fiscal fourth quarter's performance (from January 2009 to March 2009) will be returned to normal.

In the meantime, the management will focus on cost control, sales network expansion, and products diversification to meet market demands. Further, the management will sell unprofitable non-core businesses and will postpone our Vietnam expansion plans indefinitely in order to reduce our current gearing levels.

The management believes that the current economic uncertainties are only short term, and by strengthening ourselves now, we will be able to grow and expand when the global economic situation improves, aiming to generate the better returns for our shareholders.

業務回顧

2008/2009財政年度上半年，本集團錄得營業額54.93億港元及純利6.68億元。期內，本集團新添了第十二號及第十三號造紙生產線，令集團箱板原紙總年產能增加至376萬噸。管理層相信這兩條新生產線將為集團未來的盈利作貢獻。

展望

全球金融海嘯令集團本年度下半年經營極之困難，市場萎縮，尤其是第三季度10月至12月的三個月，其業績不如理想，相信第四季度即2009年1月至3月將可恢復正常。

現階段，管理層連同全體員工努力控制成本，拓展銷售網絡、發展多類紙種，以迎合市場需求。同時，將部分盈利不理想的行業變賣，越南的項目亦延期，以降低負債率。

只要不斷增強自己的實力，保持競爭力，當經濟好轉時，我們相信亦有能力繼續發展及擴充業務，為股東爭取最高回報。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Results of Operation

Revenue and net profit attributable to equity holder of the Company for the six months ended 30 September 2008 was HK\$5,493 million and HK\$668 million respectively, representing an increase of 41.0% and a decrease of 6.9%, as compared to HK\$3,894 million and HK\$718 million, for the corresponding period last year. The earnings per share for the period was HK58.75 cents as compared to HK63.52 cents for the corresponding period last year.

The increase in revenue was mainly attributable to the significant increase in the Group's sales of containerboard due to the full period commercial operation of PM9, PM10 and PM11 and the commercial operation of PM12 during the period.

The decrease in net profit was mainly due to tremendously increasing raw material costs in recovered paper, pulp and coal during the period.

Distribution and Selling Expenses and Administrative Expenses

The Group's distribution and selling expenses and administrative expenses increased by approximately 41.3% and 9.8% from HK\$104.8 million and HK\$168.5 million for the six months ended 30 September 2007 to HK\$148.1 million and HK\$184.9 million for the six months ended 30 September 2008 respectively as a result of the expansion in the operation of the Group and the increase in the Group's turnover during this period. The distribution and selling expenses and administrative expenses represented about 2.7% and 3.4% of the revenue, respectively, for the six months ended 30 September 2008, and were comparable to the year ended 31 March 2008.

Finance Costs

The Group's finance costs increased by approximately 136.9% from HK\$33.4 million for the six months ended 30 September 2007 to HK\$79.2 million for the six months ended 30 September 2008. The increase was mainly due to the increase in average amount of outstanding bank borrowings during the period.

經營業績

截至二零零八年九月三十日止六個月的收入及股東應佔純利分別為54.93億港元及6.68億港元，較去年的38.94億港元及7.18億港元，分別增加41.0%及下跌6.9%。期內，每股盈利為58.75港仙，去年則為63.52港仙。

收入上升，主要歸因於本集團第9號、第10號及第11號造紙機已全期生產及期內第12號造紙機亦已開始投產，帶動本集團箱板原紙銷量激增所致。

期內純利下跌，主要歸因於廢紙、木漿及煤等原材料成本大幅上升所致。

分銷及銷售費用及行政費用

本集團的分銷及銷售費用及行政費用分別由截至二零零七年九月三十日止六個月的104.8百萬港元及168.5百萬港元上升至截至二零零八年九月三十日止六個月的148.1百萬港元及184.9百萬港元，升幅約41.3%及9.8%，乃由於本集團於此期間擴充業務以及本集團的營業額上升所致。截至二零零八年九月三十日止六個月的分銷及銷售費用及行政費用分別佔收入約2.7%及3.4%，與二零零八年三月三十一日止年度相約。

財務成本

本集團的財務成本由截至二零零七年九月三十日止六個月的33.4百萬港元上升至截至二零零八年九月三十日止六個月的79.2百萬港元，升幅約為136.9%。成本增加主要由於期內未償還平均銀行貸款上升所致。

Inventories, Debtors' and Creditors' Turnover

The inventory turnover of the Group's raw materials and finished products were 119 days and 13 days, respectively, for the year ended 30 September 2008 as compared to 105 days and 11 days, respectively, for the six months ended 31 March 2008.

The Group's debtors' turnover days were 48 days for the six months ended 30 September 2008 as compared to 69 days for the year ended 31 March 2008. This is in line with the credit terms of 45 days to 60 days granted by the Group to its customers.

The Group's creditors' turnover days were 32 days for the six months ended 30 September 2008 as compared to 37 days for the year ended 31 March 2008 and is in line with the credit terms granted by the Group's suppliers to the Group.

Liquidity, Financial Resources and Capital Structure

The total shareholders' fund of the Group as at 30 September 2008 was HK\$9,011 million (31 March 2008: HK\$8,034 million). As at 30 September 2008, the Group had current assets of HK\$5,487 million (31 March 2008: HK\$5,736 million) and current liabilities of HK\$4,917 million (31 March 2008: HK\$4,371 million). The current ratio was 1.12 as at 30 September 2008 as compared to 1.31 at 31 March 2008.

The Group generally finances its operations with internally generated cashflow and credit facilities provided by its principal bankers in Macau, Hong Kong and the PRC. As at 30 September 2008, the Group had outstanding bank borrowings of HK\$7,518 million (31 March 2008: HK\$7,101 million). These bank loans were secured by corporate guarantees provided by certain subsidiaries of the Company. The Group's net debt-to-equity ratio (total borrowings net of cash and cash equivalents over shareholders' equity) decreased from 0.84 as at 31 March 2008 to 0.81 as at 30 September 2008.

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

存貨、應收賬款及應付賬款周轉期

本集團截至二零零八年九月三十日止六個月的原料及製成品的存貨周轉期分別為119天及13天，相比截至二零零八年三月三十一日止年度則分別為105天及11天。

本集團截至二零零八年九月三十日止六個月的應收賬款周轉期為48天，相比截至二零零八年三月三十一日止年度則為69天。上述應收賬款周轉期與本集團授予客戶介乎45天至60天不等的信貸期相符。

本集團的應付賬款周轉期截至二零零八年九月三十日止六個月為32天，相比截至二零零八年三月三十一日止年度則為37天。上述應付賬款周轉期與供應商給予本集團的信貸期相符。

流動資金、財務資源及資本結構

於二零零八年九月三十日，本集團的股東資金總額為90.11億港元（二零零八年三月三十一日：80.34億港元）。於二零零八年九月三十日，本集團的流動資產達54.87億港元（二零零八年三月三十一日：57.36億港元），而流動負債則為49.17億港元（二零零八年三月三十一日：43.71億港元）。二零零八年九月三十日的流動比率為1.12，二零零八年三月三十一日則為1.31。

本集團一般以內部產生的現金流量，以及中港澳主要往來銀行提供的信貸備用額作為業務的營運資金。於二零零八年九月三十日，本集團的未償還銀行貸款為75.18億港元（二零零八年三月三十一日：71.01億港元）。該筆銀行借貸由本公司若干附屬公司提供的公司擔保作為抵押。本集團的淨資本負債比率（借貸總額減現金及現金等價物除以股東權益）由二零零八年三月三十一日的0.84下降至二零零八年九月三十日的0.81。

本集團的流動資金狀況保持穩健，且具備充裕的現金及可供動用的銀行備用額以應付集團的承擔及營運資金需要。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group's transactions and the monetary assets are principally denominated in Renminbi, Hong Kong dollars or United States dollars. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the six months ended 30 September 2008.

During the six months ended 30 September 2008, the Group has used currency structured instruments, foreign currency borrowings or other means to hedge its foreign currency exposure. In this regards, the Group considered its currency risk is significantly reduced.

Employees

As at 30 September 2008, the Group had a workforce of more than 7,300 employees. Salaries of employees are maintained at a competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. The Group also provides internal training to staff and provides bonuses based upon staff performance and profits of the Company.

The Group has not experienced any significant problems with its employees or disruption to its operations due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff. The Group maintains a good relationship with its employees.

The Group has a Share Option Scheme whereby employees of the Group are granted options to acquire shares in the Company.

本集團的交易及貨幣資產主要以人民幣、港元或美元計值。截至二零零八年九月三十日止六個月，本集團的營運或流動資金未曾因滙率波動而面臨任何重大困難或影響。

截至二零零八年九月三十日止六個月，本集團採用貨幣結構工具，外幣借貸或其他途徑作外幣對沖方法。就此而言，本集團認為貨幣風險已大幅降低。

僱員

於二零零八年九月三十日，本集團擁有逾7,300名員工。僱員薪酬維持於具競爭力水平，並會每年審閱，且密切留意有關勞工市場及經濟市況趨勢。本集團亦為僱員提供內部培訓，並按員工表現及本公司盈利發放花紅。

本集團並無出現任何重大僱員問題，亦未曾因勞資糾紛令營運中斷，在招聘及挽留經驗豐富的員工時亦不曾出現困難。本集團與僱員的關係良好。

本集團設有購股權計劃，本集團僱員可據此授予購股權，以認購本公司股份。

OTHER INFORMATION

其他資料

Share Options

Particulars of the Company's share option schemes are set out below:

(a) Share options granted on 23 December 2005

The following table discloses details of the Company's options granted on 23 December 2005 under the Scheme held by a director and movement in such holdings during the period:

Category 種類	Date of grant 授出日期	Exercise price 行使價	Number of share options 購股權數目		
			Outstanding at 1 April 2008 於二零零八年 四月一日 尚未行使數目	Exercised during the period 期內 行使數目	Outstanding at 30 September 2008 於二零零八年 九月三十日 尚未行使數目
Director 董事	23 December 2005 二零零五年 十二月二十三日	8.50	600,000	—	600,000

The options granted on 23 December 2005 may be exercised in accordance with the following terms of the Share Option Scheme as to:

- (a) one-third of the options commencing 23 December 2005 to 22 December 2008, the fair value of each option at the date of grant is HK\$1.87;
- (b) one-third of the options commencing 23 December 2006 to 22 December 2008 with vesting period from 23 December 2005 to 22 December 2006, the fair value of each option at the date of grant is HK\$1.97; and
- (c) one-third of the options commencing 23 December 2007 to 22 December 2008 with vesting period from 23 December 2005 to 22 December 2007, the fair value of each option at the date of grant is HK\$2.08.

購股權

本公司購股權計劃的詳情載列如下：

(a) 於二零零五年十二月二十三日授出的購股權

下表披露於二零零五年十二月二十三日授出之購股權計劃下之董事持有公司購股權詳情及於期內之變動：

於二零零五年十二月二十三日授出之購股權可根據計劃下的條款行使：

- (a) 由二零零五年十二月二十三日至二零零八年十二月二十二日行使三分之一的購股權，購股權在授出日當日之公平值估計為1.87港元；
- (b) 由二零零六年十二月二十三日至二零零八年十二月二十二日行使三分之一的購股權及獲准行使期由二零零五年十二月二十三日至二零零六年十二月二十二日，購股權在授出日當日之公平值估計為1.97港元；及
- (c) 由二零零七年十二月二十三日至二零零八年十二月二十二日行使三分之一的購股權及獲准行使期由二零零五年十二月二十三日至二零零七年十二月二十二日，購股權在授出日當日之公平值估計為2.08港元。

OTHER INFORMATION

其他資料

Share Options (Continued)

(b) Share options granted on 3 October 2006

The following table discloses details of the Company's options granted on 3 October 2006 under the Scheme held by employees (including directors) and movement in such holdings during the period:

Category 種類	Date of grant 授出日期	Exercise price 行使價	Number of share options 購股權數目		
			Outstanding at 1 April 2008 於二零零八年 四月一日 尚未行使數目	Cancelled during the period 期內取消數目	Outstanding at 30 September 2008 於二零零八年 九月三十日 尚未行使數目
Director 董事	3 October 2006 二零零六年十月三日	15.10	1,872,000	(600,000)	1,272,000
Other employees 其他僱員	3 October 2006 二零零六年十月三日	15.10	3,096,000	(180,000)	2,916,000
			4,968,000	(780,000)	4,188,000

The options granted on 3 October 2006 may be exercised in accordance with the following terms of the Share Option Scheme as to:

- (a) 1,676,000 of the options commencing 1 January 2008 to 31 December 2010, with vesting period from 3 October 2006 to 31 December 2007, the fair value of each option at the date of grant is approximately HK\$4.13;
- (b) 1,826,000 of the options commencing 1 January 2009 to 31 December 2010, with vesting period from 3 October 2006 to 31 December 2008, the fair value of each option at the date of grant is approximately HK\$4.47; and
- (c) 1,826,000 of the options commencing 1 January 2010 to 31 December 2010, with vesting period from 3 October 2006 to 31 December 2009, the fair value of each option at the date of grant is approximately HK\$4.69.

Since 3 October 2006, a total of 1,140,000 share options had been cancelled.

購股權(續)

(b) 於二零零六年十月三日授出的購股權

下表披露於二零零六年十月三日授出之購股權計劃下之僱員(包括董事)持有公司購股權詳情及於期內之變動:

於二零零六年十月三日授出之購股權可根據購股權計劃下的條款行使:

- (a) 由二零零八年一月一日至二零一零年十二月三十一日行使1,676,000股的購股權及獲准行使期由二零零六年十月三日至二零零七年十二月三十一日,購股權在授出日當日之公平值估計為4.13港元;
- (b) 由二零零九年一月一日至二零一零年十二月三十一日行使1,826,000股的購股權及獲准行使期由二零零六年十月三日至二零零八年十二月三十一日,購股權在授出日當日之公平值估計為4.47港元;及
- (c) 由二零一零年一月一日至二零一零年十二月三十一日行使1,826,000股的購股權及獲准行使期由二零零六年十月三日至二零零九年十二月三十一日,購股權在授出日當日之公平值估計為4.69港元。

自二零零六年十月三日起,共有1,140,000股購股權被取消。

Share Options (Continued)

(c) Share options granted on 5 September 2008

The following table discloses details of the Company's options granted on 5 September 2008 under the Scheme held by directors and movement in such holdings during the period:

Category 種類	Date of grant 授出日期	Exercise price 行使價	Exercisable period 行使期	Granted on 5 September 2008 and Outstanding at 30 September 2008 於二零零八年 九月五日授出及 於二零零八年 九月三十日 尚未行使數目
Directors 董事	5 September 2008 二零零八年九月五日	7.488	1 September 2009 to 31 August 2013 二零零九年 九月一日至 二零一三年 八月三十一日	50,000,000

The options granted on 5 September 2008 may be exercised in accordance with the following terms of the Share Option Scheme as to:

- (a) up to one-third of the Options (i.e. Options for an aggregate of 16,666,667 Shares) will be exercisable from 1 September 2009 to 31 August 2013 (both dates inclusive) if the net profit for the financial year ending 31 March 2009 equals or exceeds 108% of the net profit for the financial year ended 31 March 2008;

購股權 (續)

(c) 於二零零八年九月五日授出的購股權

下表披露於二零零八年九月五日授出之購股權計劃下之董事持有公司購股權詳情及於期內之變動：

於二零零八年九月五日授出之購股權可根據購股權計劃的下列條款行使：

- (a) 如截至二零零九年三月三十一日止財政年度之純利相等於或超過截至二零零八年三月三十一日止財政年度之純利108%，則最多三分之一的購股權（即累計共16,666,667股購股權）將可於二零零九年九月一日至二零一三年八月三十一日（包括首尾兩天）內行使：

OTHER INFORMATION

其他資料

Share Options (Continued)

(c) Share options granted on 5 September 2008 (Continued)

- (b) up to two-thirds of the Options (i.e. Options for an aggregate of 33,333,333 Shares inclusive of any Options already exercised) will be exercisable from 1 September 2010 to 31 August 2013 (both dates inclusive) if the net profit for the financial year ending 31 March 2010 equals or exceeds 116% of the net profit for the financial year ended 31 March 2008;
- (c) all of the Options (i.e. Options for an aggregate of 50,000,000 Shares) will be exercisable from 1 September 2011 to 31 August 2013 (both dates inclusive) if the net profit for the financial year ending 31 March 2011 equals or exceeds 124% of the net profit for the financial year ended 31 March 2008; and
- (d) to the extent any Options have not become exercisable by 1 September 2012 (i.e. Options for an aggregate of 50,000,000 Shares), they will be exercisable from 1 September 2012 to 31 August 2013 (both dates inclusive) if the net profit for the financial year ending 31 March 2012 equals or exceeds 132% of the net profit for the financial year ending 31 March 2008.

購股權 (續)

(c) 於二零零八年九月五日授出的購股權 (續)

- (b) 如截至二零一零年三月三十一日止財政年度之純利相等於或超過截至二零零八年三月三十一日止財政年度之純利116%，則最多三分之二的購股權(即累計共33,333,333股購股權，包括任何已行使的購股權)將可於二零一零年九月一日至二零一三年八月三十一日(包括首尾兩天)內行使；
- (c) 如截至二零一一年三月三十一日止財政年度之純利相等於或超過截至二零零八年三月三十一日止財政年度之純利124%，則全部購股權(即累計共50,000,000股購股權)將可於二零一一年九月一日至二零一三年八月三十一日(包括首尾兩天)內行使；及
- (d) 倘若任何購股權(即累計共50,000,000股購股權)直至二零一二年九月一日並未能獲得行使權，如截至二零一二年三月三十一日止財政年度之純利相等於或超過截至二零零八年三月三十一日止財政年度之純利132%，則全部購股權將可於二零一二年九月一日至二零一三年八月三十一日(包括首尾兩天)內行使。

Directors' and Chief Executives' Interests and Short Positions in Equity or Debt Securities

As at 30 September 2008, the relevant interests or short positions of the directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or were required pursuant to section 352 of the SFO, to be entered in the register referred to therein or were required, pursuant to the relevant provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") relating to securities transactions by directors to be notified to the Company and the Stock Exchange were as follows:

Long positions

(a) Ordinary shares of HK\$0.10 each of the Company

董事及主要行政人員於股本或債務證券中擁有的權益及淡倉

於二零零八年九月三十日，本公司各董事或主要行政人員在本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第十五部）的股份、相關股份及債券中，擁有並須根據證券及期貨條例第十五部第7及第8分部規定知會本公司及香港聯合交易所有限公司（「聯交所」）的有關權益或淡倉（包括其根據證券及期貨條例的有關條文被視作或當作擁有的權益或淡倉）或根據證券及期貨條例第352條須記錄於該條所指的登記冊內的權益或淡倉或根據聯交所證券上市規則（「上市規則」）有關董事進行證券交易的有關條文須知會本公司及聯交所的權益或淡倉如下：

好倉

(a) 本公司每股面值0.10港元的普通股

Name of director 董事姓名	Capacity 身份	Number of ordinary shares 普通股數目	Number of ordinary shares subject to options granted under the Share Option Scheme 購股權計劃授出 的購股權所涉及 的普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Lee Wan Keung Patrick 李運強	Held by controlled corporation (Note) 由受控制法團持有 (附註)	716,847,200	—	63.03%
Lee Man Chun Raymond 李文俊	Beneficial owner 實益擁有人	—	30,492,000	2.68%
Lee Man Bun 李文斌	Beneficial owner 實益擁有人	—	20,300,000	1.78%
Li King Wai Ross 李經緯	Beneficial owner 實益擁有人	—	600,000	0.05%
Poon Chung Kwong 潘宗光	Beneficial owner 實益擁有人	150,000	480,000	0.06%
Wong Kai Tung Tony 王啟東	Beneficial owner 實益擁有人	400,000	—	0.04%

Note: These shares were held by Gold Best Holdings Ltd. ("Gold Best").

附註：該等股份由Gold Best Holdings Ltd.（「Gold Best」）持有。

OTHER INFORMATION

其他資料

Directors' and Chief Executives' Interests and Short Positions in Equity or Debt Securities

(Continued)

Long positions (Continued)

(b) Ordinary shares of the associated corporations of the Company

董事及主要行政人員於股本或債務證券中擁有的權益及淡倉(續)

好倉(續)

(b) 本公司相聯法團的普通股

Name of director 董事姓名	Capacity 身份	Number of associated corporation 相聯法團名稱	Number of ordinary shares 普通股數目	Percentage of the issued share capital of the associated corporation 佔相聯法團已發行股本百分比
Lee Wan Keung Patrick 李運強	Beneficial owner 實益擁有人	Gold Best	51	51%
Lee Man Chun Raymond 李文俊	Beneficial owner 實益擁有人	Gold Best	29	29%
Lee Man Bun 李文斌	Beneficial owner 實益擁有人	Gold Best	20	20%

Note: As Gold Best owns more than 50% interest of the Company, Gold Best is an associated corporation of the Company under the SFO. Gold Best is a controlled corporation of Mr Lee Wan Keung Patrick under the SFO. The entire issued share capital of Gold Best is owned by Mr Lee Wan Keung Patrick, Mr Lee Man Chun Raymond and Mr Lee Man Bun (all of them are directors of the Company). Mr Lee Wan Keung Patrick and Mr Lee Man Chun Raymond, both of whom are directors of the Company, are directors of Gold Best.

附註：由於Gold Best擁有本公司50%以上權益，根據證券及期貨條例，Gold Best為本公司的相聯法團。根據證券及期貨條例，Gold Best為李運強先生之受控制法團。Gold Best的全部已發行股本由李運強先生、李文俊先生及李文斌先生(全部均為本公司董事)持有。李運強先生及李文俊先生(二人均為本公司董事)為Gold Best之董事。

Save as disclosed above and other than certain nominee shares in subsidiaries held by certain directors in trust for the Company, none of the directors or the chief executives or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 September 2008.

除上文所披露者外及除了若干董事作為提名人以信託形式代本公司持有若干附屬公司的若干股份外，於二零零八年九月三十日，各董事、主要行政人員及彼等的聯繫人士概無在本公司或其任何相聯法團的股份、相關股份或債券中，擁有任何權益或淡倉。

Substantial Shareholders

As at 30 September 2008, the following persons (other than directors or chief executives of the Company) had interests or short positions in the ordinary shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Long positions

Ordinary shares of HK\$0.10 each of the Company

Name of shareholder 股東姓名	Capacity 身份	Number of ordinary shares 普通股數目	Percentage of the issued share capital of the Company 佔本公司已 發行股本百分比
Gold Best	Beneficial owner 實益擁有人	716,847,200	63.03%
Lee Wong Wai Kuen 李黃惠娟	Held by spouse (Note) 由配偶持有(附註)	716,847,200	63.03%

Note: Under the SFO, Lee Wong Wai Kuen is deemed to be interested in these 716,847,200 ordinary shares as she is the spouse of Lee Wan Keung Patrick, a director of the Company.

Save as disclosed above, as at 30 September 2008, the Company had not been notified by any persons (other than directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of the Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

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

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

主要股東

於二零零八年九月三十日，下列人士(本公司董事或主要行政人員除外)在本公司的普通股中擁有根據證券及期貨條例第十五部第2及第3分部的規定須向本公司披露的權益或淡倉，或根據證券及期貨條例第336條的規定已記錄於本公司按該條存置的登記冊內的權益或淡倉：

好倉

本公司每股面值0.10港元的普通股

Name of shareholder 股東姓名	Capacity 身份	Number of ordinary shares 普通股數目	Percentage of the issued share capital of the Company 佔本公司已 發行股本百分比
Gold Best	Beneficial owner 實益擁有人	716,847,200	63.03%
Lee Wong Wai Kuen 李黃惠娟	Held by spouse (Note) 由配偶持有(附註)	716,847,200	63.03%

附註：根據證券及期貨條例，由於李黃惠娟是李運強(本公司董事)的配偶，故被視為擁有該716,847,200股普通股的權益。

除上文所披露者外，於二零零八年九月三十日，概無任何人士(本公司董事或主要行政人員除外)知會本公司，彼等在本公司的股份或相關股份中擁有根據證券及期貨條例第十五部第2及第3分部的規定須向本公司披露的權益或淡倉，或根據證券及期貨條例第336條的規定已記錄於本公司按該條存置的登記冊內的權益或淡倉。

買賣或贖回本公司上市證券

期內，本公司或其任何附屬公司概無買賣或贖回本公司任何上市證券。

OTHER INFORMATION

其他資料

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as a code of conduct regarding directors' securities transactions. All the members of the Board have confirmed, following specific enquiry by the Company that they have complied with the required standards set out in the Model Code throughout the six months ended 30 September 2008. The Model Code also applies to other specified senior management of the Group.

Code on Corporate Governance Practices

In the opinion of the directors, the Company has complied with the code provisions listed in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2008.

Audit Committee

The Audit Committee of the Company comprised of four independent non-executive directors namely, Mr Wong Kai Tung Tony, Ms Law Kar Shui Elizabeth, Mr Peter A Davies and Mr Chau Shing Yim David.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control procedures and financial reporting matters including the review of the Group's unaudited interim financial statements for the six months ended 30 September 2008.

Remuneration Committee

To comply with the Code, a remuneration committee was established on 28 September 2005 with specific written terms of reference which deal clearly with its authority and duties. The members of the remuneration committee comprises Mr Wong Kai Tung Tony, Ms Law Kar Shui Elizabeth, Mr Peter A Davies and Mr Chau Shing Yim David. All members of the remuneration committee are independent non-executive directors.

On behalf of the Board

Lee Wan Keung Patrick
Chairman

Hong Kong, 15 December 2008

證券交易之標準守則

本公司已採納上市規則附錄10所載上市公司董事進行證券交易的標準守則(「標準守則」)作為董事進行證券交易之行為準則。本公司經向所有董事作出具體查詢後，全體董事皆確認於截至二零零八年九月三十日止之六個月內均遵守標準守則所載之規定準則。標準守則亦適用於本集團之特定高級管理層。

企業管治常規守則

董事認為，本公司已於截至二零零八年九月三十日止六個月內一直遵守上市規則附錄14所載之企業管治常規守則(「守則」)。

審核委員會

本公司之審核委員會由四位獨立非執行董事王啟東先生、羅嘉穗女士、Peter A Davies先生及周承炎先生組成。

審核委員會已與管理層檢討本集團所採納的會計原則及慣例，並已討論內部監控程序及財務申報等事宜，其中包括審閱本集團截至二零零八年九月三十日止六個月的未經審核中期財務報表。

薪酬委員會

為符合守則，本公司於二零零五年九月二十八日成立薪酬委員會，清楚說明委員會的權限及職責。薪酬委員會成員包括王啟東先生、羅嘉穗女士、Peter A Davies先生及周承炎先生。薪酬委員會之成員均為獨立非執行董事。

代表董事會

李運強
主席

香港，二零零八年十二月十五日

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理文造紙有限公司

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