



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



ANNUAL REPORT 年報

2018

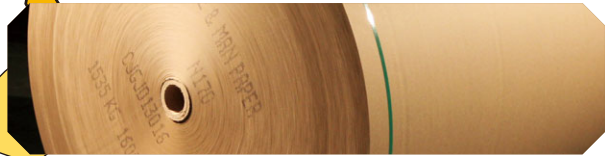
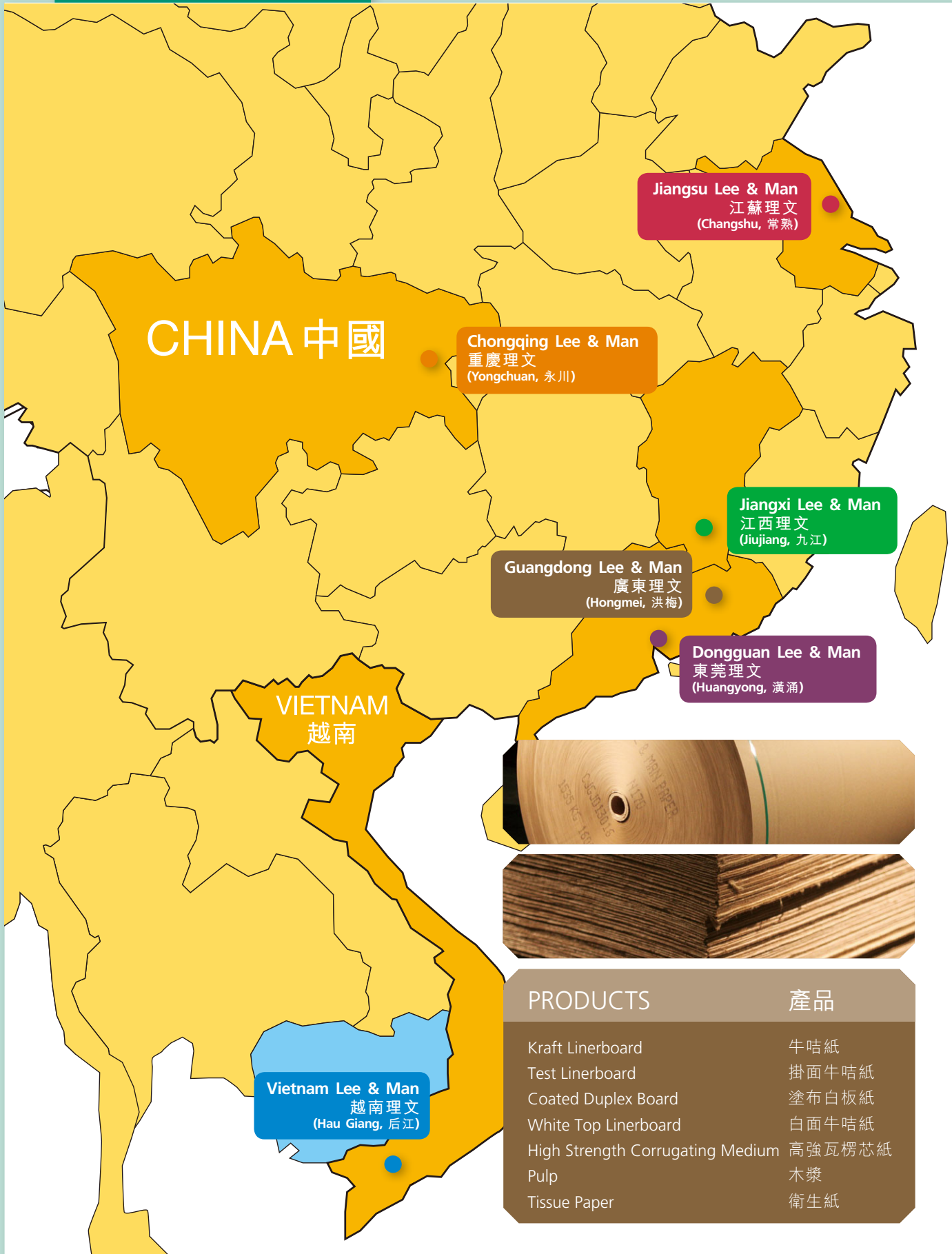
\* 僅供識別

\* For identification purposes only

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ABOUT LEE & MAN PAPER  
關於理文造紙



PRODUCTS

產品

Kraft Linerboard	牛咭紙
Test Linerboard	掛面牛咭紙
Coated Duplex Board	塗布白板紙
White Top Linerboard	白面牛咭紙
High Strength Corrugating Medium	高強瓦楞芯紙
Pulp	木漿
Tissue Paper	衛生紙

## Guangdong Lee & Man

### 廣東理文

Annual production capacity: 2.30 million tons of paper and 110,000 tons of tissue paper  
年產能：230萬噸紙及11萬噸衛生紙



## Jiangsu Lee & Man

### 江蘇理文

Annual production capacity: 1.12 million tons of paper  
年產能：112萬噸紙



## Dongguan Lee & Man

### 東莞理文

Annual production capacity: 590,000 tons of paper  
年產能：59萬噸紙



## Jiangxi Lee & Man

### 江西理文

Annual production capacity: 720,000 tons of paper and 110,000 tons of tissue paper  
年產能：72萬噸紙及11萬噸衛生紙  
Planned capacity: 100,000 tons of tissue paper  
計劃產能：10萬噸衛生紙



## Chongqing Lee & Man

### 重慶理文

Annual production capacity: 900,000 tons of paper, 180,000 tons of pulp and 575,000 tons of tissue paper  
年產能：90萬噸紙、18萬噸木漿及57.5萬噸衛生紙



## Vietnam Lee & Man

### 越南理文

Annual production capacity: 550,000 tons of paper/products  
年產能：55萬噸紙／產品



## BOARD OF DIRECTORS

### Executive directors

Dr. Lee Man Chun Raymond *SBS JP (Chairman)*  
Mr. Lee Man Bun *MH JP (Chief Executive Officer)*  
Mr. Li King Wai Ross

### Non-executive director

Professor Poon Chung Kwong *GBS JP*

### Independent non-executive directors

Mr. Wong Kai Tung Tony  
Mr. Peter A. Davies  
Mr. Chau Shing Yim David

## AUDIT COMMITTEE

Mr. Chau Shing Yim David *(Chairman)*  
Mr. Wong Kai Tung Tony  
Mr. Peter A. Davies

## REMUNERATION COMMITTEE

Mr. Chau Shing Yim David *(Chairman)*  
Mr. Wong Kai Tung Tony  
Mr. Peter A. Davies

## NOMINATION COMMITTEE

Dr. Lee Man Chun Raymond *SBS JP (Chairman)*  
Mr. Chau Shing Yim David  
Mr. Wong Kai Tung Tony  
Mr. Peter A. Davies

## AUTHORISED REPRESENTATIVES

Dr. Lee Man Chun Raymond *SBS JP*  
Mr. Cheung Kwok Keung

## COMPANY SECRETARY

Mr. Cheung Kwok Keung

## 董事會

### 執行董事

李文俊博士 *銀紫荊星章 太平紳士(主席)*  
李文斌先生 *榮譽勳章 太平紳士(首席執行官)*  
李經緯先生

### 非執行董事

潘宗光教授 *金紫荊星章 太平紳士*

### 獨立非執行董事

王啟東先生  
Peter A. Davies先生  
周承炎先生

## 審核委員會

周承炎先生 *(主席)*  
王啟東先生  
Peter A. Davies先生

## 薪酬委員會

周承炎先生 *(主席)*  
王啟東先生  
Peter A. Davies先生

## 提名委員會

李文俊博士 *銀紫荊星章 太平紳士(主席)*  
周承炎先生  
王啟東先生  
Peter A. Davies先生

## 授權代表

李文俊博士 *銀紫荊星章 太平紳士*  
張國強先生

## 公司秘書

張國強先生



## 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 Hong Kong and Macau:

Hang Seng Bank  
Standard Chartered Bank  
Citibank, N.A.  
HSBC  
DBS  
Bank of China (Hong Kong)

### In the PRC:

China Construction Bank  
Bank of China

## AUDITOR

Deloitte Touche Tohmatsu  
*Certified Public Accountants*

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
Level 22 Hopewell Centre  
183 Queen's Road East  
Hong Kong

## WEBSITE

<http://www.leemanpaper.com>

## 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

### 香港及澳門：

恒生銀行  
渣打銀行  
花旗銀行  
滙豐銀行  
星展銀行  
中國銀行(香港)

### 中國：

中國建設銀行  
中國銀行

## 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

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

## 香港股份過戶登記分處

卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心22樓

## 網址

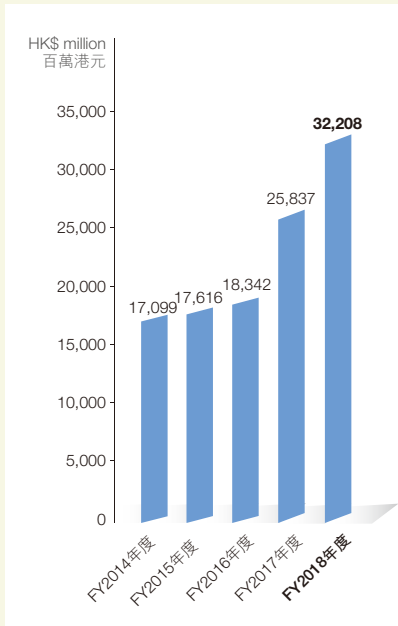
<http://www.leemanpaper.com>



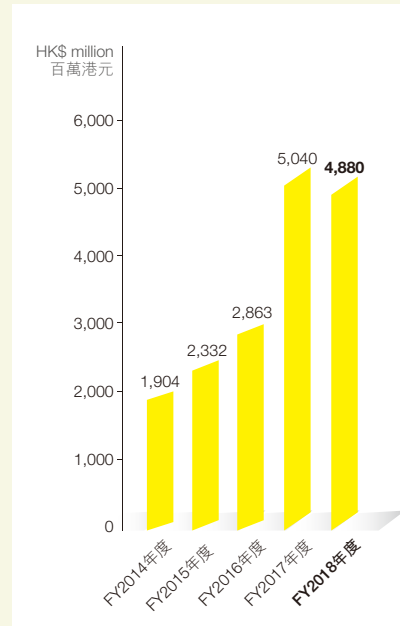
# FINANCIAL HIGHLIGHTS

## 財務摘要

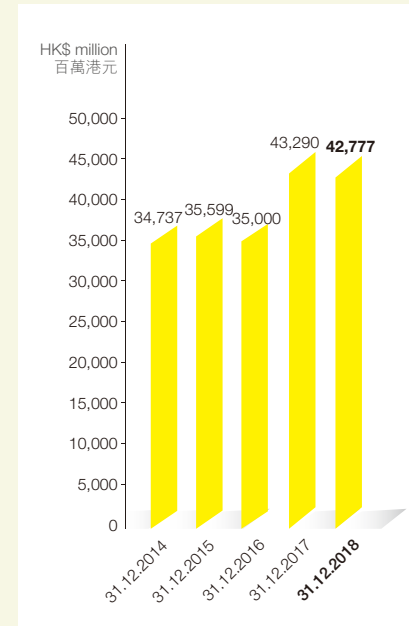
### Revenue 收入



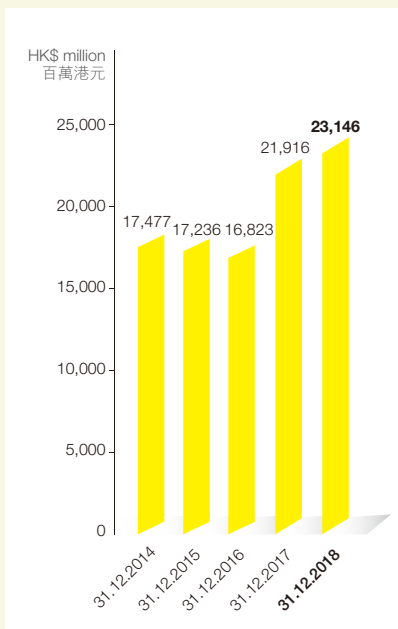
### Profit for the year 年度盈利



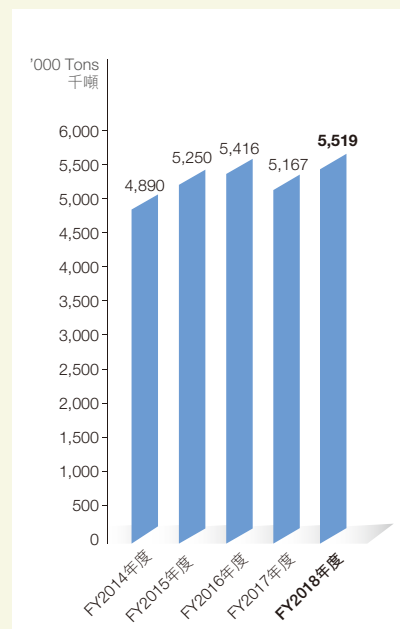
### Total Assets 資產總值



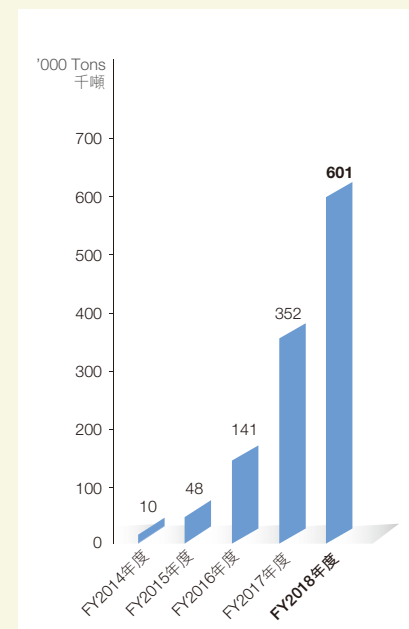
### Total Equity 權益總值



### Sales Volume (Packaging Paper) 銷售量 (包裝紙)



### Sales Volume (Tissue Paper) 銷售量 (衛生紙)



# FINANCIAL SUMMARY

## 財務概要

		Year ended 31 December 截至 12月31日止年度				2018
		2014	2015	2016	2017	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
<b>RESULTS</b>	<b>業績</b>					
Revenue	收入	17,099,134	17,615,641	18,341,677	25,836,884	32,208,082
Profit before tax	除稅前盈利	2,208,930	2,750,162	3,354,017	6,323,175	6,127,332
Income tax expense	利得稅支出	(304,536)	(418,487)	(491,274)	(1,282,883)	(1,247,112)
Profit for the year	年度盈利	1,904,394	2,331,675	2,862,743	5,040,292	4,880,220

		At 31 December 於12月31日				2018
		2014	2015	2016	2017	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
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>					
Total assets	總資產	34,736,820	35,599,063	34,995,978	43,289,793	42,776,828
Total liabilities	總負債	(17,259,836)	(18,362,876)	(18,173,013)	(21,373,675)	(19,630,977)
Net assets	資產淨值	17,476,984	17,236,187	16,822,965	21,916,118	23,145,851





The year 2018 saw sustained improvement in the internal environment of China's paper manufacturing industry. Driven by the supply-side reform, the paper making industry made significant progress in eliminating obsolete production capacity, which resulted in a more balanced supply and demand situation. In the meantime, with the increasingly stringent requirement on all environmental protection and energy conservation and emissions reduction indicators as well as the tougher enforcement actions, paper manufacturing enterprises which discharged a large amount of pollutants were shut down one-by-one, leading to a more concentrated market, with leading enterprises occupying greater market shares and gaining stronger bargaining power. The overall environment proved beneficial to the development of Lee & Man Paper.

In the latter half of 2018, the slackened demand for downstream end paper products dragged down the profit margin of the entire industry. To ensure the supply of raw materials, the Group has been committed to developing a vertical business model covering pulp manufacture and recycling of waste paper through active consolidation of its upstream resources. In the meantime, by expanding scale, controlling costs and strengthening production capacity, the Group's principal business achieved a healthy and stable growth. Expanding scale of development and seizing opportunities remain the key objectives of Lee & Man Paper for the coming years. The Group will make a proactive effort to optimise the industrial chain and diversify the pulp business, while at the same time giving active support to the "Belt & Road" strategic initiative and targeting Southeast Asia for international development riding on the existing production scale.

2018年，中國造紙行業內部環境持續優化。在供給側改革驅動下，造紙行業去產能效果明顯，供需格局進一步改善。同時，政府對各項環保及節能降耗指標要求不斷提高，執法力度不斷加強，污染較高的造紙企業逐步關停，行業集中度得到提升，龍頭企業獲取了更多的市場份額，議價能力也更強。整體形勢，有利於理文造紙。

2018年下半年，下游終端紙製品需求呈現疲軟態勢，造成行業利潤降低。本集團一直致力於通過積極整合上游資源，發展涵蓋製漿及廢紙回收的垂直業務模式，確保了原材料的供應；同時，本集團不斷擴充規模，控制成本，提升產能，使得本集團的主營業務依舊平穩向好的發展。提升發展規模，穩抓機遇依舊是理文造紙未來的主要目標。本集團積極優化產業鏈，拓展紙漿多元化業務，同時，在原有的生產規模的基礎上，積極響應「一帶一路」的步伐，瞄準東南亞，拓展國際產業布局。



Lee & Man Paper has endeavoured to improve the quality of consumer tissue and boost its scale of production. To accommodate the needs of markets and customers, the new tissue production lines at the Jiangxi plant of Lee & Man Paper will commence operation this year. As such, the production volume of tissue in 2019 can be enhanced. The tissue business has become the new growth driver of the Group.

The packaging paper business of the Group is also maintaining steady development, with the annual production volume reaching 6.18 million tons in aggregate. Still, changes in China's waste paper policy and the global waste paper market have had some bearing on the waste paper recycling of the Group. Therefore, the Group will actively seek alternative methods for the import of waste paper.

From the general economic development pattern, there is further room for growth in paper consumption of the Chinese market and the Group remains confident in the future of the paper manufacturing industry. Moving forward, Lee & Man Paper will seize opportunities to expand its market coverage, reinforce the competitiveness of its products and cement the Group's leading position in the industry.

In the future, while enhancing overall economies of scale, the Group will stay focused on developing paper manufacturing techniques that are more environmentally-friendly and energy efficient, with a view to identifying a win-win path of sustainable development as it aims to strike a balance between corporate growth and environmental protection.

理文造紙一直在努力改善提高生活用紙的質量和生產規模，為了迎合市場與客戶的需要，理文造紙江西廠房的新衛生紙生產線將於今年投入生產，2019年衛生紙的生產量得以提升，衛生紙業務已成為本集團新的增長動力。

本集團的包裝紙業務也在平穩發展，包裝紙總年產達618萬噸；而由於中國的廢紙政策及全球廢紙市場的變化，本集團的廢紙回收受到了一定影響。因此，本集團積極尋求其他方法替代廢紙入口。

從整體的經濟形勢發展來看，中國市場的用紙量仍具向上增長空間，本集團對造紙業未來抱有相當信心。理文造紙將抓住機遇，進一步拓展市場，提升產品的競爭力，加強本集團在行業的領先地位。

未來，本集團將在提升企業經濟效益的同時，努力研發更加環保節能的造紙技術，以求在企業發展與良好生態環境之間尋求雙贏的可持續發展的道路。



## RESULTS OF OPERATION

Revenue and net profit attributable to owners of the Company for the year ended 31 December 2018 was HK\$32.21 billion and HK\$4.88 billion respectively, while its net profit per tonne was HK\$797.

The earnings per share for the year was HK109.92 cents when compared with HK111.47 cents for the year ended 31 December 2017.

## DISTRIBUTION AND SELLING EXPENSES

The Group's distribution and selling expenses was HK\$581 million for the year ended 31 December 2018 as compared to HK\$435 million for the year ended 31 December 2017. It represented about 1.8% of the revenue for the year ended 31 December 2018 and was comparable to about 1.7% for the year ended 31 December 2017.

## GENERAL AND ADMINISTRATIVE EXPENSES

The Group's general and administrative expenses was HK\$1,518 million for the year ended 31 December 2018 as compared to HK\$1,292 million for the year ended 31 December 2017. It represented about 4.7% of the revenue for the year ended 31 December 2018 and was decreased as compared to that of 5.0% for the year ended 31 December 2017.

## 經營業績

截至2018年12月31日止年度的收入及本公司擁有人應佔純利分別為322.1億港元及48.8億港元，每噸純利達797港元。

本年度的每股盈利為109.92港仙，截至2017年12月31日止年度則為111.47港仙。

## 分銷及銷售費用

本集團截至2018年12月31日止年度的分銷及銷售費用為5.81億港元，而截至2017年12月31日止年度為4.35億港元。截至2018年12月31日止年度的分銷及銷售費用佔收入約1.8%，與截至2017年12月31日止年度約1.7%相若。

## 日常及行政費用

本集團截至2018年12月31日止年度的日常及行政費用為15.18億港元，而截至2017年12月31日止年度為12.92億港元。截至2018年12月31日止年度的日常及行政費用佔收入約4.7%，較截至2017年12月31日止年度的5.0%下跌。



## FINANCE COSTS

The Group's total finance costs (including the amounts capitalised) was HK\$389 million for the year ended 31 December 2018 as compared to HK\$298 million for the year ended 31 December 2017. The increase was mainly due to the increase in average interest rate on bank borrowings during the year.

## INVENTORIES, DEBTORS' AND CREDITORS' TURNOVER

The inventory turnover of the Group's raw materials and finished products were 61 days and 16 days, respectively, for the year ended 31 December 2018 as compared to 78 days and 18 days, respectively, for the year ended 31 December 2017.

The Group's debtors' turnover days were 35 days for the year ended 31 December 2018 as compared to 44 days for the year ended 31 December 2017. This is in line with the credit terms granted by the Group to its customers.

The Group's creditors' turnover days were 33 days for the year ended 31 December 2018 as compared to 68 days for the year ended 31 December 2017. The Group settled much of the creditors' balances and less purchase near year end, and also more local suppliers with shorter tenor were used during the year.

## 財務成本

截至2018年12月31日止年度，本集團的總財務成本(包括已資本化金額)為3.89億港元，而於截至2017年12月31日止年度則為2.98億港元。成本增加主要由於年內銀行貸款平均利率上升。

## 存貨、應收賬款及應付賬款周轉期

本集團於截至2018年12月31日止年度的原料及製成品存貨周轉期分別為61日及16日，而於截至2017年12月31日止年度則分別為78日及18日。

本集團於截至2018年12月31日止年度的應收賬款周轉期為35日，而截至2017年12月31日止年度則為44日。此符合本集團給予客戶的信貸期。

本集團於截至2018年12月31日止年度的應付賬款周轉期為33日，而截至2017年12月31日止年度則為68日。本集團在接近年結時清付大量應付賬款及減少採購，同時年內採用更多數期較短的本地供應商。



## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The total shareholders' fund of the Group as at 31 December 2018 was HK\$23,146 million (2017: HK\$21,916 million). As at 31 December 2018, the Group had current assets of HK\$13,280 million (2017: HK\$14,063 million) and current liabilities of HK\$10,222 million (2017: HK\$11,040 million). The current ratio was 1.30 as at 31 December 2018 as compared to 1.27 at 31 December 2017.

The Group generally finances its operations with internally generated cash flow and credit facilities provided by its principal bankers in Hong Kong, Macau and the PRC. As at 31 December 2018, the Group had outstanding bank borrowings of HK\$13,790 million (2017: HK\$15,078 million). These bank loans were secured by corporate guarantees provided by certain subsidiaries of the Company. As at 31 December 2018, the Group maintained bank balances and cash of HK\$2,012 million (2017: HK\$2,249 million). The Group's net debt-to-equity ratio (total borrowings net of cash and cash equivalents over shareholders' equity) decreased from 0.59 as at 31 December 2017 to 0.52 as at 31 December 2018 as less capital expenditure was incurred during the year.

The Group possesses sufficient cash and available banking facilities to meet its commitments and working capital requirements.

The Group's transactions and the monetary assets are principally denominated in Hong Kong dollars, Renminbi, United States dollars or Euro. 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 year ended 31 December 2018. The Group has used currency structured instruments, foreign currency borrowings or other means to hedge its foreign currency exposure.

## 流動資金、財務資源及資本結構

於2018年12月31日，本集團的股東資金總額為231.46億港元(2017年：219.16億港元)。於2018年12月31日，本集團的流動資產達132.80億港元(2017年：140.63億港元)，而流動負債則為102.22億港元(2017年：110.40億港元)。於2018年12月31日的流動比率為1.30，而於2017年12月31日則為1.27。

本集團一般以內部產生的現金流量，以及香港、澳門及中國之主要往來銀行提供的信貸備用額作為業務的營運資金。於2018年12月31日，本集團的未償還銀行貸款為137.90億港元(2017年：150.78億港元)。該等銀行貸款由本公司若干附屬公司提供的公司擔保作為抵押。於2018年12月31日，本集團持有銀行結餘及現金20.12億港元(2017年：22.49億港元)。因年內資本開支下降，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2017年12月31日的0.59下降至2018年12月31日的0.52。

本集團具備充裕現金及可供動用的銀行備用額以應付本集團的承擔及營運資金需要。

本集團的交易及貨幣資產主要以港元、人民幣、美元或歐元計值。截至2018年12月31日止年度內，本集團的營運或流動資金未曾因匯率波動而遇到任何重大困難或影響。本集團採用貨幣結構工具、外幣借貸或其他途徑，作外幣風險對沖之用。



## EMPLOYEES

As at 31 December 2018, the Group had a workforce of more than 7,800 people. Salaries of employees are maintained at competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. The Group also provides internal training to staff and provides bonuses based upon staff performance and profits of the Group.

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

## 僱員

於2018年12月31日，本集團員工超過7,800名。僱員薪酬維持於具競爭力水平，並會每年評估，且密切留意有關勞工市場及經濟市況趨勢。本集團亦為僱員提供內部培訓，並按員工表現及本集團盈利發放花紅。

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



## CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance. The Board of the Company believes that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding and maximising shareholders' interests. During the year under review, the Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The objectives of the management structures within the Group, headed by the Board and led by the Chairman, are to deliver sustainable value to Shareholders.

The Chairman provides leadership to and oversees the effective functioning of the Board. With support of the Chief Executive Officer and the Company Secretary, the Chairman approves Board meeting agenda, and ensures Directors have proper briefing, and timely receive adequate and reliable information, on all Board matters.

The role of the Chairman is separate from that of the Chief Executive Officer, and different persons hold the separate offices. Chief Executive Officer heads the management and focuses on the day-to-day operations of the Group.

## AUDIT COMMITTEE

The Audit Committee has reviewed with management, the Group's consolidated financial statements for the year ended 31 December 2018, the accounting principles and practices adopted and discussed auditing, internal controls and financial reporting matters.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as a code of conduct regarding directors' securities transactions in 2004. All the members of the Board have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2018. The Model Code also applies to other specified senior management of the Group.

## 企業管治常規

本公司致力保持高水準之企業管治。本公司董事會相信，對本集團增長及對保障及提高股東權益而言，完善及合理的企業管治常規實在不可或缺。本公司於回顧年內一直遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載之企業管治常規守則（「守則」）。

本集團內管理架構以主席領導的董事會為首，其目標是持續不斷為股東創造價值。

主席負責領導並監督董事會，使其得以有效發揮功能。在首席執行官及公司秘書的支援下，主席批准董事會會議議程，並確保董事獲給予恰當簡報，且及時就一切有關董事會的事宜發放充足可靠的資料。

主席與首席執行官的職務明確劃分，職務由不同人士擔任。首席執行官負責領導管理層，專門負責本集團的日常營運。

## 審核委員會

審核委員會與管理層已審閱本集團截至2018年12月31日止年度之綜合財務報表、所採納之會計原則及慣例，並已討論核數、內部監控及財務報告事宜。

## 董事之證券交易

本公司已於2004年採納上市規則附錄10所載之上市發行人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守則。經本公司向所有董事作出具體查詢後，全體董事皆確認於截至2018年12月31日止整個年度已遵守標準守則所載之規定標準。標準守則亦適用於本集團之其他特定高級管理層。



## BOARD OF DIRECTORS

### Composition and Role

The Board comprises:

Executive directors:

Dr. Lee Man Chun Raymond *SBS JP (Chairman)*

Mr. Lee Man Bun *MH JP*

Mr. Li King Wai Ross

Non-executive director:

Professor Poon Chung Kwong *GBS JP*

Independent non-executive directors:

Mr. Wong Kai Tung Tony

Mr. Peter A. Davies

Mr. Chau Shing Yim David

During the year, the Board comprises of three executive directors (one of whom is the Chairman), one non-executive director and three independent non-executive directors. In addition, three of the independent non-executive directors possess appropriate legal, professional accounting qualifications and financial management expertise.

The principal focus of the Board is on the overall strategic development of the Group. The Board also monitors the financial performance and the internal controls of the Group's business operations.

The independent non-executive directors also serve the important function of ensuring and monitoring the basis for an effective corporate governance framework. The Board considers that each independent non-executive director is independent in character and judgment and that they all meet the specific independence criteria as required by the Listing Rules. The Company has received from each independent non-executive director an annual confirmation or confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The independent non-executive directors are explicitly identified in all of the Company's corporate communications.

## 董事會

### 架構及角色

董事會包括：

執行董事：

李文俊博士 *銀紫荊星章 太平紳士(主席)*

李文斌先生 *榮譽勳章 太平紳士*

李經緯先生

非執行董事：

潘宗光教授 *金紫荊星章 太平紳士*

獨立非執行董事：

王啟東先生

Peter A. Davies先生

周承炎先生

年內，董事會包括三位執行董事(其中一位為主席)、一位非執行董事及三位獨立非執行董事。此外，三位獨立非執行董事分別具適當之法律、專業會計師資格及財務管理經驗。

董事會主要著眼於本集團之整體策略及發展。董事會亦監察本集團經營業務之財務表現及內部監控。

獨立非執行董事亦在確保及監察有效企業管治之架構中擔當非常重要的角色。董事會相信每一位獨立非執行董事均有其獨立性及判斷力，彼等均合乎上市規則規定之特定獨立準則。本公司已接獲各獨立非執行董事根據上市規則第3.13條規定所作出之年度獨立性確認函。而獨立非執行董事均可在本公司所有企業通訊內明確識別。





The Chairman is primarily responsible for drawing up and approving the agenda for each board meeting in consultation with all directors. Notice of at least 14 days have been given to all directors for all regular board meetings and the directors can include matters for discussion in the agenda if necessary. Agenda and accompanying board papers in respect of regular board meetings are sent out in full to all directors within reasonable time before the meeting. Draft minutes of all board meetings are circulated to directors for comment within a reasonable time prior to confirmation.

Minutes of board meetings and meetings of board committees are kept by duly appointed secretaries of the respective meetings and all directors have access to board papers and related materials, and are provided with adequate information on a timely manner, which enable the Board to make an informed decision on matters placed before it.

During the year, full board meetings were held and the individual attendance of each director is set out below:

主席經徵詢全體董事，首要負責草擬及審批每次董事會會議之議程。開會通知最少於常務會議十四天前發送予各董事，如需要，董事可要求在議程內加插討論事項。召開常務會議時，一套完整議程連同開會文件會在開會前之合理時間內發送予各董事。草擬的會議紀錄亦會於合理時間內送交各董事省閱，方予確認。

董事會及董事委員會之會議紀錄由相關會議所委任之秘書保存，所有董事均有權查閱董事會文件及相關資料及適時地獲提供足夠資料，使董事會可於決策事項前作出有根據的判斷。

年內，已召開全體董事會會議，各董事出席情況詳列如下：

Name of director	董事姓名	Number of meetings attended/Total 出席會議／會議總次數
Dr. Lee Man Chun Raymond <i>SBS JP</i>	李文俊博士 銀紫荊星章 太平紳士	7/7
Mr. Lee Man Bun <i>MH JP</i>	李文斌先生 榮譽勳章 太平紳士	7/7
Mr. Li King Wai Ross	李經緯先生	7/7
Professor Poon Chung Kwong <i>GBS JP</i>	潘宗光教授 金紫荊星章 太平紳士	7/7
Mr. Wong Kai Tung Tony	王啟東先生	7/7
Mr. Peter A. Davies	Peter A. Davies先生	7/7
Mr. Chau Shing Yim David	周承炎先生	7/7



Each appointed director receives formal, comprehensive and tailored induction on the first occasion of his appointment to ensure proper understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

每位委任董事均於首次接受委任時獲得正式、全面及專門為其設計之入職培訓，以確保該董事對本公司之業務及運作均有適當之理解，並充分知悉彼於上市規則及相關監管規定下之責任及義務。

The directors acknowledge the need to continue to develop and refresh their knowledge and skills for making contributions to the Company. The participation by individual directors in the continuous professional development programme with appropriate emphasis on the roles, functions and duties of a director of a listed company in 2018 is recorded in the table below.

董事確認要持續發展並更新本身知識及技能方可為本公司作出貢獻。下表概列各董事於2018年就適切着重上市公司董事之角色、職能及職責之持續專業發展計劃之參與記錄。

Name of director	董事姓名	Attending external seminars/ programmes	
		Reading regulatory updates 閱讀監管規定更新資料	participating 參與 外界機構舉辦 研討會/活動
<b>Executive directors</b>	<b>執行董事</b>		
Dr. Lee Man Chun Raymond <i>SBS JP</i>	李文俊博士 銀紫荊星章 太平紳士	✓	✓
Mr. Lee Man Bun <i>MH JP</i>	李文斌先生 榮譽勳章 太平紳士	✓	✓
Mr. Li King Wai Ross	李經緯先生	✓	✓
<b>Non-executive director</b>	<b>非執行董事</b>		
Professor Poon Chung Kwong <i>GBS JP</i>	潘宗光教授 金紫荊星章 太平紳士	✓	✓
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>		
Mr. Wong Kai Tung Tony	王啟東先生	✓	✓
Mr. Peter A. Davies	Peter A. Davies先生	✓	✓
Mr. Chau Shing Yim David	周承炎先生	✓	✓



## AUDIT COMMITTEE

The Audit Committee was established in 2003 and its current members include:

Mr. Chau Shing Yim David (*Chairman*)  
Mr. Wong Kai Tung Tony  
Mr. Peter A. Davies

The Board considers that each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in legal, business and accounting on the Audit Committee. The composition and members of the Audit Committee complies with the requirements under Rule 3.21 of the Listing Rules. To conform to the provisions of the Code and the Listing Rules, the written terms of reference which describe the authority and duties of the Audit Committee were approved and adopted on 28 March 2012, and revised in (i) January 2016 to reflect the additional responsibilities of the Audit Committee arising from the Stock Exchange's proposal on risk management and internal control under the Code applicable to accounting periods beginning on or after 1st January 2016; and (ii) January 2019 to reflect the amendments of the Code with effect from 1st January 2019. A copy of the terms of reference is posted on the Company's website.

The Audit Committee meets regularly to review the Group's financial reporting and other information to shareholders, the system of internal controls, risk management and the effectiveness and objectivity of the audit process. The Audit Committee also provides an important link between the Board and the Company's auditors in matters coming within the scope of its terms of reference and keeps under review the independence and objectivity of the auditors.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the accounts for the year ended 31 December 2018.

## 審核委員會

審核委員會於2003年成立，現時成員包括：

周承炎先生(主席)  
王啟東先生  
Peter A. Davies先生

董事會認為各審核委員會成員均具備廣泛營商經驗，審核委員會當中兼備合適之法律、商業及會計專業。審核委員會之架構及成員符合上市規則第3.21條之規定。為符合守則條文及上市規則，描述審核委員會權限及職責之職權範圍已於2012年3月28日獲批准及採納，並已(i)於2016年1月經修訂，以反映聯交所按於2016年1月1日或之後開始的會計期間適用的守則就風險管理及內部監控提出建議所產生審核委員會額外職責；及(ii)於2019年1月經修訂，以反映自2019年1月1日起生效的守則修訂。職權範圍全文已刊載於本公司網頁內。

審核委員會定期開會以檢討本集團之財務匯報及給予股東之其他資料、內部監控系統、風險管理及審核過程之有效性及效能。審核委員會並為董事會及公司核數師之間之重要橋樑，在其職權範圍內持續檢討核數師之獨立性及效能。

審核委員會已與管理層檢討本集團所採納之會計原則及慣例，並已就內部監控及財務匯報等事項進行討論，其中包括審閱截至2018年12月31日止年度的會計賬目。



During the year, three Audit Committee meetings were held and the individual attendance of each member is set out below:

年內，共召開三次審核委員會會議，個別成員的出席情況詳列如下：

Name of member	成員姓名	Number of attendance	出席次數
Mr. Chau Shing Yim David	周承炎先生		3/3
Mr. Wong Kai Tung Tony	王啟東先生		3/3
Mr. Peter A. Davies	Peter A. Davies先生		3/3

## REMUNERATION COMMITTEE

The Remuneration Committee was established in 2005 and the current members include:

Mr. Chau Shing Yim David (*Chairman*)  
Mr. Wong Kai Tung Tony  
Mr. Peter A. Davies

## 薪酬委員會

薪酬委員會於2005年成立，現時成員包括：

周承炎先生(主席)  
王啟東先生  
Peter A. Davies先生

The Remuneration Committee has adopted the approach under paragraph B.1.2(c)(ii) of the Code and advises and makes recommendations to the Board on the Group's overall policy and structure for the remuneration of directors and senior management. The Remuneration Committee ensures that no director or any of his associate is involved in deciding his own remuneration. The terms of reference of the Remuneration Committee were approved and adopted on 28 March 2012 to conform to the provisions of the Code, a copy of which is posted on the Company's website.

薪酬委員會已採納守則規條之B.1.2(c)(ii)，向董事會就本集團董事及高級管理層之薪酬之整體政策及架構作出建議。薪酬委員會確保概無董事或其任何聯繫人參與釐定其本身之薪酬。為符合守則條文，薪酬委員會的職權範圍已於2012年3月28日獲批准及採納，並已刊載於本公司網頁內。

In determining the emolument payable to directors, the Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and the desirability of performance-based remuneration.

在釐定應付予董事之酬金時，薪酬委員會乃考慮各項因素，包括同業薪金水平，董事所奉獻之時間及其職責，集團內部的僱傭情況及與表現掛鈎之酬金。

The Remuneration Committee meets regularly to determine the policy for the remuneration of directors and assess performance of executive directors and certain senior management. One Remuneration Committee meeting was held during the year and all members have attended in the meeting.

薪酬委員會定期開會以釐定董事之酬金政策及評估執行董事及若干高級管理層之表現。年內召開會議一次，所有成員均有出席會議。



## NOMINATION COMMITTEE

The Nomination Committee was established on 28 March 2012 and the current members include:

Dr. Lee Man Chun Raymond *SBS JP (Chairman)*  
Mr. Chau Shing Yim David  
Mr. Wong Kai Tung Tony  
Mr. Peter A. Davies

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for nomination and appointment of directors, making recommendations to the Board on the appointment and succession planning of directors, and assessing the independence of the independent non-executive directors. The terms of reference of the Nomination Committee were approved and adopted on 28 March 2012 to conform to the provisions of the Code, a copy of which is posted on the Company's website.

The Nomination Committee reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company. One Nomination Committee meeting was held during the year and all members have attended in the meeting.

### Nomination Policy

#### Objectives

The key objectives of the Nomination Policy (the "Nomination Policy") shall inter-alia include the following:

- to set out the criteria and process for the nomination and appointment of directors of the Company;
- to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business; and
- to ensure the Board's continuity and appropriate leadership at the Board level.

## 提名委員會

提名委員會於2012年3月28日成立，現時成員包括：

李文俊博士 *銀紫荊星章太平紳士(主席)*  
周承炎先生  
王啟東先生  
Peter A. Davies先生

提名委員會主要負責考慮及提名合適人選成為董事會成員，並負責定期檢討董事會構成，及制訂提名及委任董事之有關程序，就董事之委任及繼任計劃向董事會提供推薦意見，以及評估獨立非執行董事之獨立性。為符合守則條文，提名委員會的職權範圍已於2012年3月28日獲批准及採納，並已刊載於本公司網頁內。

提名委員會已檢討董事會目前之架構、規模及構成，以保證各董事具有適合本公司業務要求的均衡知識、技能及經驗。年內召開會議一次，所有成員均有出席會議。

### 提名政策

#### 目標

提名政策(「提名政策」)的主要目標應包括(其中包括)以下內容：

- 就提名及委任本公司董事事宜，制定標準及程序；
- 確保董事會具有適用於公司業務需要之相應技能、經驗及多元化觀點的平衡；及
- 確保董事會的連續性及董事會層面的領導質素。



## Appointment and Re-appointment of Director

Nomination Committee shall identify and ascertain the integrity, qualification, expertise and experience of the candidate who is considered for being appointed/re-elected as director and apply due diligence in compliance with all applicable provisions of the laws of the Cayman Islands and the Listing Rules including any amendments thereto from time to time. Also, the Nomination Committee shall consider recommendations for candidates to the Board from shareholders of the Company.

The Nomination Committee shall obtain all applicable declarations and undertakings as provided under the laws of the Cayman Islands and the Listing Rules. In the case of independent non-executive directors, the Nomination Committee shall ensure that the independent non-executive directors meet the criteria of independence as laid down in the Listing Rules.

While recommending any potential new member(s)/re-appointment of existing member(s) to the Board, the Nomination Committee shall consider the following:

- candidate's character, integrity, qualifications including professional qualifications, skills, knowledge and experience and diversity criteria under the Board Diversity Policy of the Company which are relevant to the Company's business and corporate strategy, other commitments and the like;
- any measurable objectives adopted for achieving diversity on the Board;
- requirement for the Board to have independent Directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- the potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence, gender diversity and diversity of perspectives;

## 委任及續聘董事

提名委員會應辨識並確定被委任或重選為董事候選人的誠信、資格、專業知識和經驗，並根據所有適用的開曼群島法例及上市規則，包括其不時作出的任何修訂來進行盡職調查。此外，提名委員會應考慮本公司股東向董事會提出的候選人建議。

提名委員會應根據開曼群島法例和上市規則的規定獲得所有適用的聲明和承諾。就獨立非執行董事而言，提名委員會應確保獨立非執行董事符合上市規則所載的獨立性之標準。

在向董事會推薦任何潛在的新成員／續聘現有成員時，提名委員會應考慮以下事項：

- 候選人的性格、誠信、資歷包括專業資格、技能、知識及經驗及根據公司多元化政策制定與公司戰略及業務相關的多元化標準及其他承諾等；
- 為實現董事會多元化而採取的任何可計量的目標；
- 董事會按上市規則要求設立獨立董事及該候選人是否根據上市規則所載之獨立準則被視為獨立人士；
- 候選人在資歷、技能、經驗、獨立性、多元化性別及多元化觀點方面能為董事會帶來的潛在貢獻；



- willingness and ability to devote sufficient time to discharge duties as a member of the Board and/or Board committee(s);
  - such other criteria which are appropriate to the Company's business and corporate strategy and the Board's succession plan and, where applicable, which may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of Directors and succession planning; and
  - any other factors as the Nomination Committee may deem fit to consider in the best interests of the Company and shareholders of the Company.
- 願意並有能力投入足夠的時間履行董事會和／或董事會委員會成員的職責；
  - 其他適用於公司業務及公司策略及董事會繼任計劃的準則，以及在適當情況下，董事會及／或提名委員會不時採納及／或修訂的準則，以提名董事及／或進行繼任計劃；及
  - 提名委員會認為對本公司及本公司股東最佳利益的任何其他因素。

Once the Nomination Committee determines that an additional or replacement director is required, the Nomination Committee may take such measures that it considers appropriate in connection with its evaluation of a candidate, including inquiry of the person or persons making the recommendation or nomination, engagement of an outside search firm to gather additional information, or reliance on the knowledge of the members of the Nomination Committee, the Board or the management.

當提名委員會確定需要增加或替換董事，提名委員會可以採取其認為合適及相關的措施評估候選人包括對提出推薦或提名的人員進行查詢、聘用外間調查公司收集其他信息、或依賴提名委員會成員、董事會或管理層的認知。

The Nomination Committee may retain the services of other professional third parties to assist in identifying and evaluating potential candidates.

提名委員會可以聘用其他專業第三方提供服務以協助辨識和評估潛在的候選人。

The Nomination Committee and the Board shall ensure that the composition of the Board is in conformity with the laws of the Cayman Islands, the Listing Rules and all other applicable laws and regulations.

提名委員會和董事會應確保董事會的組成符合開曼群島法例、上市規則和所有其他適用法律法規。

In accordance with the Articles of Association and applicable laws and regulations, Mr. Lee Man Bun and Mr. Peter A. Davies, shall retire by rotation and being eligible, offer themselves for re-election at the next forthcoming annual general meeting.

根據章程細則及適用法律法規，李文斌先生及Peter A. Davies先生將於應屆股東週年大會上輪值告退，惟符合資格並願意膺選連任。

The Nomination Committee recommended the re-appointment of the directors standing for re-election at the forthcoming annual general meeting of the Company.

提名委員會建議重新委任願意於本公司應屆股東週年大會上膺選連任之董事。



## BOARD DIVERSITY

The Company has devised a policy on Board diversity (the “Policy”) to ensure adequate diversity in its Board, with effect from 1 January 2019.

### Vision

The Company believes diversity is important to enhance the Board’s effectiveness by encouraging a diversity of perspectives and to maintain high standards of corporate governance. The Company will continue to monitor and develop new objectives for implementing and achieving improved diversity on the Board as and when it considers appropriate with regard to the specific needs of the Company and the market from time to time.

### Policy Statement

The Company recognises and embraces the benefits of having a diversified Board and sees increasing diversity at the Board level as an essential element in maintaining the Company’s competitive advantage.

### Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, which will include but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and the like. The ultimate decision will be based on overall contribution that the selected candidates will bring to the Board and the Company.

### Review of the Policy

The Nomination Committee will monitor the implementation of the Policy and will from time to time review the Policy, as appropriate, to ensure the effectiveness of the Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

## 董事會多元化

本公司已制定董事會成員多元化政策(「政策」)以確保董事會充分多元化，自2019年1月1日生效。

### 願景

本公司深信，多元化政策能夠鼓勵不同觀點百花齊放，對提升董事會效能及維持高水平企業管治至關重要。本公司將繼續因應本公司和市場不時的具體需求，在其認為有需要時監察及訂立新目標，藉以提升董事會的多元性。

### 政策聲明

本公司認可到並接納董事會多元化的成效，並將董事會層面的多元化視為保持本公司競爭優勢的一個重要因素。

### 可計量目標

甄選人選將按一系列多元化範疇為基準，當中將包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識等。最終將按入選候選人可為本公司及董事會帶來的整體貢獻而定。

### 政策檢討

提名委員會將監察該政策的執行，並將不時在適當時候檢討該政策，以確保該政策行之有效。提名委員會將會討論任何或需作出的修訂，供董事會考慮及審批。





During the year, the Company continued to monitor the board composition with regard to its diversity policy which requires board appointments to be made based on merit and candidates to be considered against an objective criteria, including diversity. In order to maintain an appropriate mix and balance of talent, skills, experience and background on the Board, the Nomination Committee developed measurable objectives to implement this policy and monitored progress towards achieving these objectives during the year ended 31 December 2018.

The current board composition was also evaluated by reference to, among other things, the age, gender, cultural and educational background and professional experience of each director, against the Company's business model and specific needs.

## EXTERNAL AUDITOR

For the year ended 31 December 2018, the fee payable to the Company's external auditor in respect of audit and non-audit services provided to the Company and its subsidiaries is set out below:

		HK\$'000 千港元
Audit services	審核服務	7,866
Non-audit services (included tax matters, review and other reporting services)	非審核服務(包括稅務事項、審閱及其他申報服務)	1,082
		<u>8,948</u>

## RISK MANAGEMENT AND INTERNAL CONTROL

The Group's risk management and internal control systems provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations effectively.

年內，本公司繼續監察董事會組成的多元化政策，該政策要求董事會委任以用人唯才為原則，並以多元化等客觀條件考慮董事人選。提名委員會為令董事會保持適當的才能、技能、經驗及背景組合及平衡，已訂立可計量目標以實施上述政策，並於截至2018年12月31日止年度監察達成有關目標的進度。

本公司亦參照每名董事的年齡、性別、文化及教育背景以及專業經驗等方面，因應本公司的業務模式及具體需求評核現任董事會的組成。

## 外聘核數師

於截止2018年12月31日止年度，就本公司及其附屬公司獲提供的審核及非審核服務向本公司外聘核數師應付的費用載列如下：

## 風險管理及內部監控

本集團的風險管理及內部監控系統透過清晰的管治架構、政策及程序以及彙報機制，有效地管理本集團各業務範疇的風險。



The Group has established a risk management framework, which consists of the Board, the Audit Committee and the Risk Management Taskforce (i.e. Senior Management). The Board determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives, and has the overall responsibility for monitoring the design, implementation and the overall effectiveness of risk management and internal control systems.

The Group has formulated and adopted Risk Management Policy in providing direction in identifying, evaluating and managing significant risks. At least on an annual basis, the Risk Management Taskforce identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritises the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established and assigned for those risks considered to be significant.

In addition, the Group has engaged an independent professional advisor to provide internal audit services, which assist the Board and the Audit Committee in ongoing monitoring of the risk management and internal control systems of the Group. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board on a timely basis to ensure prompt remediation actions are taken.

Risk management report and internal control report are submitted to the Audit Committee and the Board at least once a year. The Board had performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review on risk management and internal control systems; result of internal audit work; the extent and frequency of communication with the Board in relation to result of risk and internal control review; significant failures or weaknesses identified and their related implications; and status of compliance with the Listing Rules. The Board considers the Group's risk management and internal control systems are effective.

本集團已設立風險管理組織架構，由董事會、審核委員會及風險管理小組(即高級管理層)組成。董事會負責評估及釐定本集團達成策略目標時所願意接納的風險性質及程度，並全權負責監督風險管理及內部監控系統的設計、實施及監察其整體有效性。

本集團亦已制訂及採納企業風險管理制度，提供有效的識別、評估及管理重大風險的政策。風險管理小組至少每年一次對影響本集團實現業務目標的風險事項進行識別，並通過規範的機制進行評估及排序，對主要風險制定風險緩解計劃及指定風險負責人。

此外，本集團外聘獨立專業機構提供內部審計服務，以協助董事會及審核委員會持續監督本集團的風險管理及內部監控系統，識別內部監控設計及運行中的缺陷並提出適當的改進意見。如發現嚴重的內部監控缺失，會及時向審核委員會及董事會彙報，確保採取及時的補救措施。

風險管理報告和內部審計報告均至少每年提交審核委員會及董事會。董事會已就本集團的風險管理及內部監控系統是否有效進行年度檢討，包括但不限於本集團應付其業務轉變及外在環境轉變的能力、管理層持續監察風險管理及內部監控系統的工作範疇及素質、內部審計工作結果、向董事會傳達風險及內部監控結果的詳盡程度及次數、期內發生的重大監控失誤或發現的重大監控弱項以及有關影響、集團遵守上市規則規定的狀況等，並確認現有的風險管理及內部監控系統的有效性。



The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

## PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group complies with requirements of Securities & Futures Ordinance (“SFO”) and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the Safe Harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

## DIRECTORS’ RESPONSIBILITY STATEMENT

The directors are responsible for the preparation of accounts for each financial period which gives a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31 December 2018, the directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent and reasonable; and prepared the accounts on the going concern basis. The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group.

上述風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險。因此，該等系統只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

## 處理及發放內幕消息的程序和內部監控措施

本集團遵循證券及期貨條例(「證券及期貨條例」)和上市規則的規定，於知悉任何內幕消息後，在合理地切實可行的範圍內，會儘快向公眾披露該消息，除非有關消息屬於證券及期貨條例下任何安全港條文的範圍。本集團在向公眾全面披露有關消息前，會確保該消息絕對保密。若本集團認為無法保持所需的機密性，或該消息可能已外泄，會即時向公眾披露該消息。本集團亦致力確保公告中所載的資料不得在某事關重要的事實方面屬虛假或具誤導性，或因遺漏某事關重要的事實而屬虛假或具誤導性，以清晰及均衡的方式對正面及反面的事實作出同等披露。

## 董事的職責

董事須負責編製各財政期間能真實與公正地反映本集團之財政狀況及該期間之業績及現金流量之賬目。在編製截至2018年12月31日止年度之賬目時，董事已貫徹採用合適之會計政策、採納合適的香港財務報告準則及香港會計準則、作出審慎及合理的調整及評估以及在持續經營基礎上編製。董事並須負責保存適當之會計記錄，以能合理準確地披露本集團任何時候之財務狀況。



## INVESTOR RELATIONS AND COMMUNICATION

The Board is committed to providing clear and full information about the Group's performance to shareholders through the publication of interim results and annual results in a timely manner. In addition to dispatching circulars, notices and financial reports to shareholders, additional information is also available to shareholders on the website of the Company.

The annual general meeting provides a useful forum for shareholders to raise comments and exchange views with the Board. Shareholders are encouraged to attend annual general meetings for which the Company gives at least 21 days' notice. The Chairman and Directors and external auditors are available to answer questions on the Company's businesses at the meeting.

Separate resolutions are proposed at the general meetings on each substantially separate issue, including the election of individual directors. In addition, procedures for demanding a poll are included in the circular to shareholders dispatched together with the annual report.

### Dividend Policy

The Board considers sustainable returns to shareholders to be one of the main objectives of the Company. Stable dividend payment to shareholders is the primary objective of the Company.

Under the applicable laws of the Cayman Islands and the Articles of Association of the Company, all of the shareholders have equal rights to dividends and distributions. The Board determines the interim dividend and recommends the final dividend which requires the approval of shareholders. In addition to cash, dividends may be distributed in the form of shares. Any distribution of shares also requires the approval of shareholders.

## 與投資者交流及溝通

董事會致力透過刊發中期業績及年度業績，適時地將本集團之表現清晰及全面地提供予股東。除發送通函、通告及財務報告予股東，股東亦可透過本公司網頁獲取額外資訊。

股東週年大會提供一個良好的平台讓股東向董事會發表及交流意見。本公司發出不少於21天之通告，以鼓勵股東出席股東週年大會。主席、董事及外聘核數師均會列席會議，以便回答本公司業務上之提問。

各重大獨立事項(包括個別董事之選任)均會於股東週年大會上單獨提呈決議案。此外，載有投票表決程序之通函會與年報一併寄發予股東。

### 股息政策

董事會認為可持續的股東回報是本公司主要目標之一。向股東支付穩定的股息是公司的主要方針。

根據開曼群島的適用法律及本公司的章程細則，所有股東享有股息及分派的平等權利。董事會釐定中期股息及建議末期股息，而末期股息需要股東批准。除現金外，股息可以股份形式分派，任何股份分派亦需要股東批准。



Retained profits can be used to achieve growth in corporate value. The Board has been making effective use of retained profits to strengthen the operating base and the development of businesses. According to the dividend policy adopted by the Company on 1 January 2019, the Board takes into account the following factors when considering the declaration and payment of dividends:

- financial results;
- cash flow situation;
- availability of distributable profits;
- business conditions and strategies;
- future operations and earnings;
- development plans;
- cash requirements;
- capital requirements and expenditure plans;
- interests of shareholders as a whole;
- any restrictions on declaration and/or payment of dividends; and
- any other factors the Board may deem relevant.

In practice, the Company will not declare any dividend(s) where:

- there are reasonable grounds for believing that the Company is or would be, after a dividend payment, unable to pay its liabilities or discharge its obligations as and when they become due;
- pursuant to dividend decision date, the Company is insolvent or bankrupt or where, as a result of paying dividends, the Company would be rendered insolvent or bankrupt; or
- there is any other case set forth by any law.

留存盈利能用於實現企業價值增長。董事會一直有效地運用留存盈利以鞏固營運基礎和發展業務。根據公司於2019年1月1日所採納的股息政策，董事會在考慮宣派及派付股息時，會考慮以下因素：

- 財務業績；
- 現金流情況；
- 可分配盈利的可用情況；
- 業務狀況和策略；
- 未來經營和收益；
- 發展企劃；
- 現金需求；
- 資本需求及開支計劃；
- 股東的整體利益；
- 任何就股息宣派及／或支付的限制；及
- 董事會可能視為相關的任何其他因素。

在實務上，本公司在以下情況下將不會宣派任何股息：

- 有合理理由相信本公司在支付股息後出現或將會出現當到期應付時無法償還其債務或無法履行其責任；
- 根據股息釐定日期，本公司無力償債或破產、或因支付股息而導致本公司無力償債或破產；或
- 任何法律規定之任何其他情況。



## SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at shareholder meetings, including the election of individual directors.

All resolutions put forward at shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each shareholder meeting.

Shareholder(s) holding not less than one-tenth of the paid up capital of the Company can make a written requisition to the Board or the Company Secretary to convene an extraordinary general meeting pursuant to article 58 of the Company's Articles of Association. The written requisition must state the objects of the meeting, and must be signed by the relevant shareholder(s) and deposited at the principal office of the Company, which is presently situated at 5/F., Liven House, 61-63 King Yip Street, Kwun Tong, Kowloon, Hong Kong.

There are no provisions under the Company's Articles of Association or the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands regarding procedures for Shareholders to put forward proposals at general meetings other than a proposal of a person for election as director. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

## 股東權利

為保障股東權益及權利，包括選舉各董事在內之各項重大事宜均會於股東大會上提呈獨立決議案。

股東大會上提呈之所有決議案將根據上市規則投票表決，投票結果將於股東大會結束後於本公司及聯交所網頁公布。

根據本公司章程細則第58條，持有不少於本公司已繳足股本十分之一的股東可提出書面請求予董事會或公司秘書要求召開股東特別大會。該書面請求須列明會議的目的，並由有關股東簽署及遞交至本公司的總辦事處，現時地址為香港九龍觀塘敬業街61-63號利維大廈5字樓。

根據本公司章程細則或開曼群島第22章公司法(1961年第3號法案，綜合及經修訂)，概無條文涉及股東在股東大會提出建議的程序(除提名候選董事的建議)。股東可根據上述程序召開股東特別大會以處理其於書面請求提出的事宜。

股東亦可在本公司之股東大會上向董事會作出查詢。



## ABOUT THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

With growing concerns from the various walks of life on how enterprises have shouldered their social responsibilities, Lee & Man Paper Manufacturing Limited (“Lee & Man Paper”, the “Group” or “We”) has prepared this Environmental, Social and Governance Report (this “Report” or “ESG Report”) for the period between 1 January 2018 and 31 December 2018 (the “Year”) in accordance with the requirements under Appendix 27 Environmental, Social and Governance Reporting Guide of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in order that stakeholders can better understand our performance in respect of environmental protection, social responsibilities and governance (“ESG”) and related information.

## REPORTING STANDARDS AND SCOPE

This Report focuses on the Group’s core paper manufacturing business in Guangdong, Jiangsu and Chongqing and reports on the policies, performance and key performance indicators with significant impacts on ESG issues based on principles of materiality, quantitative, balance and consistency. Information contained in this Report has been identified by the personnel in charge of the Group’s ESG together with our substantial stakeholders, and material ESG issues have been prioritised in accordance with the materiality assessment. Preparation of the Report involved participation of the management and employees from all departments and has been approval by the board of directors (the “Board”) to ensure the truthfulness and accuracy of the Report and create values for all stakeholders.

## 關於環境、社會及管治報告

隨著社會各界對企業社會責任愈趨關注，為了讓各持份者更加瞭解理文造紙有限公司（下稱「理文造紙」、「本集團」或「我們」）於2018年1月1日至2018年12月31日（下稱「本年度」）環境、社會及管治（下稱「ESG」）的表現及相關資料，本集團按照香港聯合交易所有限公司（「聯交所」）主版上市規則附錄二十七《環境、社會及管治報告指引》的要求編製了本環境、社會及管治報告（下稱「本報告」或「ESG報告」）。

## 報告準則及範圍

本報告主要圍繞本集團位於廣東、江蘇及重慶的核心造紙業務，按照重要性、量化、平衡、一致性的原則彙報其對環境、社會及管治有重大影響的政策、措施、績效和關鍵績效指標。本報告的內容由本集團的環境、社會及管治相關負責人員及重要持份者共同識別，並透過重要性評估以排列環境、社會及管治的重要議題。本報告的編製獲得各部門的管理層及員工共同參與，最後由董事會（「董事會」）進行審批，確認內容真實、準確，並能為各持份者創造價值。



## ESG CULTURE AND VISION

*Striving for improvements Embracing people-oriented principle  
Protecting environment and saving energy Contributing back to  
society*

Since our establishment, we have always adhered to a principle that places equal emphasis on production and operation as well as environmental protection. By developing in a scientific manner, the Group strengthened our environmental management to reduce emission and achieved a win-win situation where environmental protection and efficiency enhancement are both emphasised to secure sustainable development. The Group believes that talents are the cornerstone of our success; the market drives our development; and the future gives hope for our development. Through people-oriented management, the Group provides our employees with a relaxed, lively, speedy and highly efficient working atmosphere and environment to promote a clean and green Lee & Man Paper in China and to go global.

## ESG MANAGEMENT AND POLICIES

The Board attaches great importance to the Group's sustainable development and monitors the Group's ESG performance on an ongoing basis. The Board is responsible for laying out the governance direction for the Group's sustainable development, and delegates the senior management of all related departments, including the production department, procurement centre, sales centre, human resources department and administrative department, to formulate ESG policies and to implement relevant measures. All departments

## ESG文化及理念

銳意進取 以人為本 環保節能 回饋社會

理文造紙自創立至今，始終秉承生產經營與環境保護並重的宗旨，堅持科學發展觀，強化環保管理，致力減排，實現環保和增效雙贏，達致可持續發展。同時，本集團深明人才是我們發展的基石；市場是我們發展的動力；未來是我們發展的希望。通過人性化的管理，並營造輕鬆、活潑、快速、高效的工作氛圍與環境，將一個環保和諧的理文造紙推向中國，走向世界。

## ESG管理及政策

董事會高度重視本集團的可持續發展，並持續監督本集團的環境、社會及管治表現。本集團的可持續發展管治方針由董事會所訂立，並指派各相關部門包括生產部、採購中心、銷售中心、人力資源部及行政部等的高級管理層制定ESG政策及實施相關措施。部門亦會因應實際需求，成立專責工作小組負責ESG事宜，包括設有





may, based on the actual needs, set up dedicated working teams, such as the environmental protection team, safety steering team and incidents response team, to take charge of the ESG matters. Such teams comprising officers with relevant environmental and safety management qualifications are responsible for the implementation of ESG policies and reporting to the management on a regular basis, in order to achieve thorough ESG from top to bottom. The Board is responsible for the effectiveness of the risk management and corresponding internal control system in respect of ESG, with a view to minimising the ESG risks exposed by the Group and capturing opportunities, while promoting the Group's sustainable development. The Group's ESG structure is as follows:

環保小組、安全領導小組及事故調查處理小組等，由具相關環保及安全管理資格的專員組成，推動ESG政策落實執行，並定期向該管理層彙報，從上而下達致全面的ESG管治。董事會確保本集團在環境、社會及管治方面的風險管理及相應的內部監控系統之有效性，以減低本集團所面對的ESG風險及把握機遇，促進本集團的可持續發展。本集團的ESG管治架構如下：



## PARTICIPATION OF STAKEHOLDERS

The Group fully understands that participation of stakeholders is essential for sustainable development. The Group strives to establish communication channels to deepen and improve the relationship with our stakeholders and to listen to the expectations and needs from all stakeholders. This will also help the Group to understand the impacts brought to them by our operation, and identify the Group's ESG risks and opportunities. The table below explains the Group's material internal and external stakeholder groups and how they can participate.

## 持份者參與

本集團明白持份者參與為可持續發展不可或缺的一部分。本集團因此努力搭建溝通橋梁，持續深化及完善與持份者的關係，藉以聆聽各界持份者的期望及需求，並瞭解業務對其之影響，從而辨識本集團的環境、社會及管治風險與機遇。下表概述了本集團的重要內部及外部持份者界別及其參與辦法。

Stakeholder groups 持份者界別	How they can participate 持份者參與辦法	
<b>Employees</b> 員工	<ul style="list-style-type: none"> <li>Internal communication channels</li> <li>Intranet and employee newsletters</li> <li>Performance appraisals</li> <li>內部通訊渠道</li> <li>內聯網及員工刊物</li> <li>工作表現評估</li> </ul>	<ul style="list-style-type: none"> <li>Work and regular meetings</li> <li>Employee training and activities</li> <li>工作及定期會議</li> <li>僱員培訓及活動</li> </ul>
<b>Investors and shareholders</b> 投資者及股東	<ul style="list-style-type: none"> <li>Annual general meeting</li> <li>Annual and interim reports</li> <li>股東週年大會</li> <li>年報及中期報告</li> </ul>	<ul style="list-style-type: none"> <li>Circulars and announcements</li> <li>通函及公告</li> </ul>
<b>Customers</b> 客戶	<ul style="list-style-type: none"> <li>The Group's official website</li> <li>Customer satisfaction survey</li> <li>Advertisements and communication</li> <li>本集團官方網站</li> <li>客戶意見調查</li> <li>宣傳及通訊</li> </ul>	<ul style="list-style-type: none"> <li>Service hotline and email</li> <li>Interviews and meetings with customers</li> <li>After-sales feedbacks</li> <li>服務熱綫及電郵</li> <li>客戶面談及會議</li> <li>售後反饋</li> </ul>
<b>Suppliers and business partners</b> 供應商及業務夥伴	<ul style="list-style-type: none"> <li>Business meetings</li> <li>Audit and performance evaluations</li> <li>業務會議</li> <li>審計及表現評估</li> </ul>	<ul style="list-style-type: none"> <li>Site visits</li> <li>Industry forums</li> <li>實地考察</li> <li>業界論壇</li> </ul>
<b>Government and regulatory authorities</b> 政府及監管機關	<ul style="list-style-type: none"> <li>Public consultation</li> <li>公眾諮詢</li> </ul>	<ul style="list-style-type: none"> <li>Seminars and meetings</li> <li>研討會及會議</li> </ul>



Stakeholder groups 持份者界別	How they can participate 持份者參與辦法
<b>Community groups</b> 社區團體	<ul style="list-style-type: none"> <li>• Social services</li> <li>• Charity activities</li> <li>• 社會服務</li> <li>• 慈善活動</li> </ul>
<b>Media</b> 傳媒	<ul style="list-style-type: none"> <li>• Public consultation</li> <li>• Service hotline and email</li> <li>• 公眾諮詢</li> <li>• 服務熱綫及電郵</li> <li>• The Group's website</li> <li>• 本集團網站</li> <li>• Press releases</li> <li>• 新聞稿</li> </ul>

## ESG MATERIALITY ASSESSMENT

In order to determine the ESG matters that are significant to the Group, the Group has conducted an ESG materiality assessment with the representatives of the aforesaid stakeholder groups by way of interview and questionnaire to identify and analyse the most significant ESG issues of the Group. Such ESG issues are determined in accordance with the ESG subject areas as stated in the Appendix 27 Environmental, Social and Governance Reporting Guide of the Main Board Listing Rules of the Stock Exchange and based on other factors which have an impact on the Group's operation and management system, objectives and core value, and risks and opportunities. These issues may include climate change and biodiversity, and the priority of which is determined by internal and external assessments, details of which are as follows:

- Internal assessment is conducted by the Group's senior management based on the influence and materiality of that ESG issues to the Group's continuing operation;
- External assessment is conducted by the representatives of all stakeholder groups based on the influence and materiality of ESG issues to such stakeholders.

The result is presented in the following materiality matrix graph upon which this report is based and by which the contents and key pointed to be disclosed in this Report are determined.

## ESG重要性評估

為確定對本集團重要的環境、社會及管治事宜，本集團以訪問及問卷形式與上述各持份者界別代表共同進行了ESG重要性評估，以識別及分析對本集團而言最為重要的ESG議題，ESG議題根據聯交所主版上市規則附錄二十七《環境、社會及管治報告指引》內所列出的ESG範疇，及其他對本集團的營運管理系統、目標及核心價值、風險及機遇構成影響的因素而釐定，議題包括氣候變化、生物多樣性等。而議題的優先次序則由內部及外部評估結合而成：

- 內部評估由本集團的高級管理層進行，根據該ESG議題對本集團持續經營發展的影響及重要性而作出評分；
- 外部評估由各持份者界別代表進行，根據該ESG議題對該持份者的影響及重要性而作出評分。

我們因而得出了以下重要性矩陣，並以此為本報告依據，決定本報告的彙報內容及披露重點。

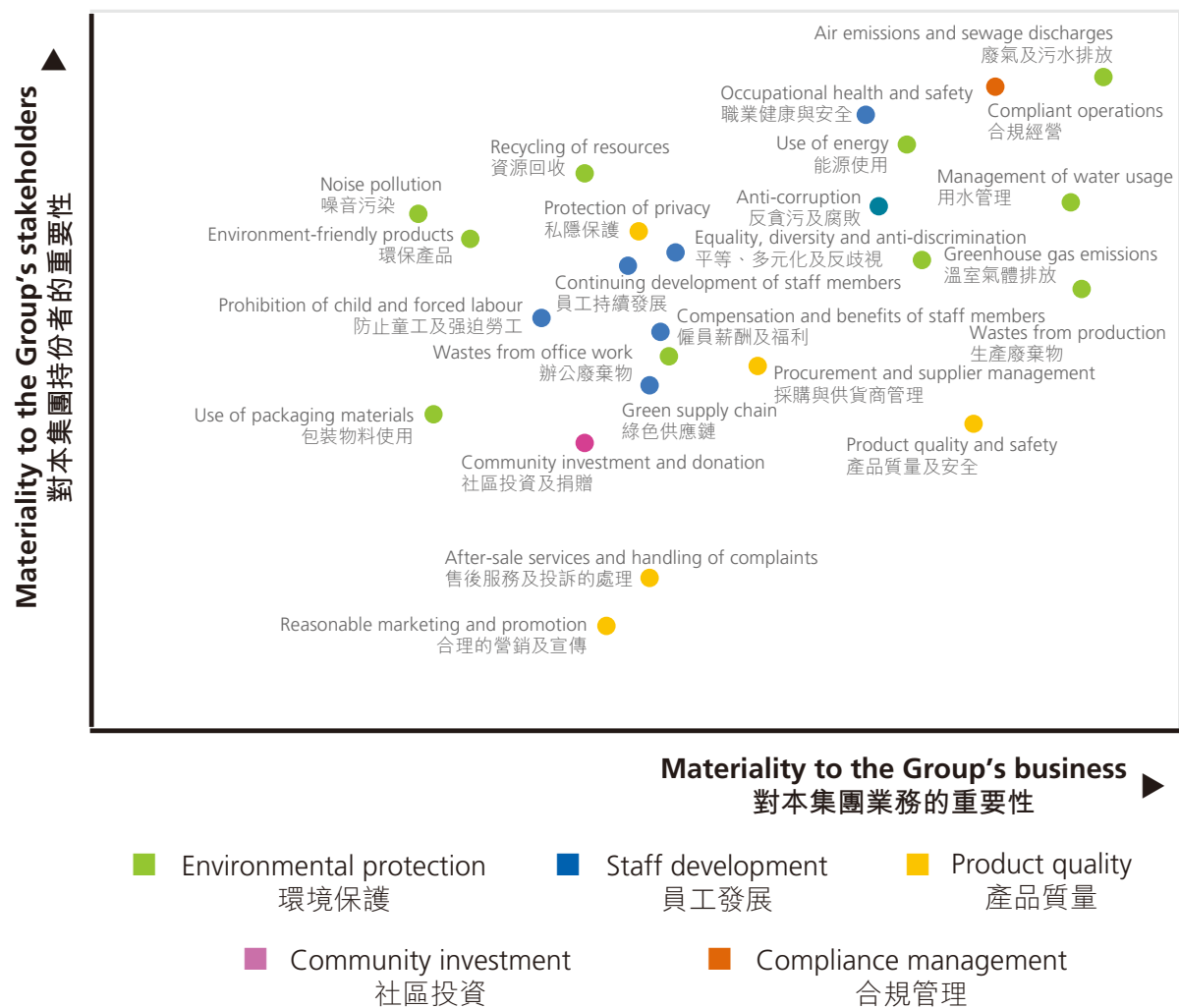


## MATERIALITY ASSESSMENT

The chart below shows the 24 most significant ESG issues to the Group's stakeholders and their own development in order of the materiality. In the future, the Group will continue to pay close attention to the following matters and use our best endeavour to meet the expectations of all parties.

## 重要性矩陣

下表展示了首24個對本集團持份者及自身發展而言最為重要的ESG議題，並按其重要程度排列。未來本集團將會繼續高度關注以下事項及盡力符合各方期望。



## ENVIRONMENTAL PROTECTION AND ENERGY CONSERVATION

### Emissions

The Group is a world-leading manufacturer of containerboard, pulp and tissue paper and is in possession of established plants for paper-making, pulp-making and tissue paper. Therefore, operation of the Group is principally governed by the “Law of the People’s Republic of China on Environmental Protection”, the “Law of the People’s Republic of China on Prevention and Control of Water Pollution”, the “Law of the People’s Republic of China on Prevention and Control of Air Pollution”, and the “Law of the People’s Republic of China on Prevention and Control of Environmental Pollution Due to Solid Wastes” and other regional laws and regulations and emission standards in Mainland China. In accordance with the requirements, environmental protection strategies adopted by enterprises shall follow a principle of “priority to protection, emphasis on prevention, integrated governance, public participation and liability assumption of damages”, in order to prevent and control pollution and harms with compliance measures, to establish an accountability system for environmental protection and to clarify responsibilities of enterprises and related responsible officers. The use of advanced and latest pollutant treatment technologies are also encouraged by China for facilitation of environmentally-responsible development.

## 環保節能

### 排放物

本集團作為一家在全球具領導地位的箱板原紙、木漿及衛生紙生產商，目前於中國擁有具規模的造紙工廠、製漿廠及衛生紙廠，因此本集團在經營業務時主要受到中國內地的《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》、《中華人民共和國大氣污染防治法》和《中華人民共和國固體廢物污染環境防治法》等及其他地區性的法例法規及排放標準所規管。根據要求，企業的環保策略需以保護優先、預防為主、綜合治理、公眾參與、損害擔責為原則，以合規措施防治污染和危害，並建立環境保護責任制度，明確企業及相關負責人員的責任。國家亦鼓勵企業採用先進及最新技術處理污染物，以推動環保發展。



Being well aware that environmental protection is the most important basis for its development, the Group has adopted a number of improvement and monitoring measures to ensure performance of our environmental responsibilities. To provide targets and clear responsibilities and division of labour for environmental protection measures adopted by the Group, the Group has established various environmental protection policies, including regulation for emissions treatment and guidelines for energy-saving. As part of the various efforts to make us one of the companies which best comply with environmental protection principles in the world, our different plants have employed the most efficient technologies to enable us to satisfy the newest emission standards laid down by the government as well as internationally applicable environmental management standards. To ensure effective implementation of the measures, our management has set up an environmental team led by the Chief Executive Officer with members having the relevant expertise, including senior flue gas treatment experts, sewage treatment technicians, environmental monitoring professionals, environmental protection technicians etc. The team has held internal control meetings regularly to review environmental issues in the plants, to update themselves with applicable environmental laws and regulations and to give advice on any necessary improvements. On an ongoing basis, the team engages themselves in environmental protection measures to be taken in production processes, including those employed to lower water consumption, treat sewage water and air emissions more efficiently, save energy and monitoring emissions to ensure continued compliance with high environmental protection standards.

The Group is committed to satisfying all applicable laws and regulations on environmental protection, including the aforementioned laws and regulations and other regional law requirements and emission standards. During the reporting period, the Group did not find anything which constituted a breach of relevant environmental protection laws and regulations.

本集團深明環境保護是公司發展的最重要基礎，並採取多項改進措施及監控方法確保已履行對保護環境的責任。本集團已成立各種環保政策，包括排放物處理辦法及節約能源指引等，為本集團的環保措施提供明確的目標和職責分工。本集團內各廠房均運用最有效的科技以確保滿足政府最新的排放標準，以及國際環境管理標準，並努力成為全球最符合環保原則的公司之一。為保證相關措施有效地執行，管理層成立了由首席執行官親自帶領的環保小組，而小組成員則為合資格專材，包括高級煙氣治理師、污水處理人員、環境監測人員、環境保護專業技術人員等等。小組定期召開內部監控會議，旨在審閱有關廠房內的環保事宜，通知各成員任何環保法律及規定的更新條文及對需要作出改善的地方提供適當建議。環保小組亦持續投放時間完善生產過程中的環保措施，包括減少耗水量、應用更有效的廢水處理技術、節省能源耗用量、採用更好的廢氣處理技術、及排放監控等，確保可持續地達到高環保標準。

本集團致力遵守所有與環境保護有關的法例法規，包括上述所提及的法例法規及其他地區性的法規要求及排放標準。於本報告期間內，本集團並沒有發現任何違反環境保護相關的法例法規的情況。



## Air Emissions

To ensure enough power supply for operating paper-making machines in our production, the plants of the Group have had their own thermal power stations operating coal-fired generators and therefore, there have been gas emissions including nitrogen oxides and sulphur oxides. Different plants of the Group have established energy-saving policies to regulate energy consumption for production activities and offices. Relevant measures also include formulation of energy consumption targets, establishment of an inspection system for energy usage, training programs of and promotion for energy conservation etc.. The Group has made efforts to reduce emissions at the source by always being energy-saving and lowering air emissions by cutting coal consumption. Environmental-friendly circulating fluidised bed boilers used in our thermal power stations can achieve efficient combustion of all kinds of coal. As the combustion temperature in this kind of boilers is lower than that in pulverised coal boilers, less nitrogen oxides would be generated. Moreover, in each coal-fired power station of the Group, the most advanced air emissions treatment facilities have been installed, including the employment of highly efficient bag filters to reduce ashes, SCR/SNCR de-nitration systems to eliminate nitrogen oxides, and limestone-gypsum flue gas desulfurisation system to curb sulphur dioxide gas, to successfully reduce smoke and sulphur by more than 99.9% and 90% respectively. In addition, the plants of the Group have also employed an even more effective wet desulfurisation facility to further reduce sulphur dioxide emissions to less than 400 mg/m<sup>3</sup> as required by the "Emission Standard of Air Pollutants for Thermal Power Plants" (GB13223-2011) in China. The Group has monitored the quality of air emissions emitted on a real-time basis by using online detection equipment to ensure outperforming the relevant national standard.

## 氣體排放

為確保生產過程當中有足夠的電力供應予造紙機器運作，本集團的工廠自設熱電站。熱電站透過燃煤發電機組生產電力，因而產生一定的氣體排放，包括氮氧化物和硫氧化物。本集團各個廠房均已成立節約能源政策以規管生產活動及辦公室所耗用的能源，相關措施亦包括制定耗能目標、建立能源使用巡視檢查制度、進行節能培訓及宣傳等。本集團透過不斷節約能源，減少耗煤量也同時減少廢氣排放，從源頭上達到減排。本集團的熱電站一致採用環保型的循環流化床鍋爐，可以有效焚燒各種煤種，該種鍋爐燃燒溫度低於煤粉爐，產生的氮氧化物較低。此外，本集團的每個燃煤發電廠均配備最先進的廢氣處理設施，包括用高效布袋除塵器去除煙塵；用SCR/SNCR脫硝法去除氮氧化物；用石灰石膏脫硫法去除二氧化硫。目前煙塵去除率能達到99.9%以上，脫硫率達90%以上。本集團的廠房還設有更高效的濕法脫硫設施，進一步把二氧化硫排放量降至遠低於國家GB13223-2011《火電廠大氣污染物排放標準》要求的每立方米400毫克。本集團透過在綫監察設備實時監測排放廢氣的質量，確保優於國家規定的要求。



## Sewage Discharges

As water was consumed in the Group's paper production operations, there was sewage discharge. In order to reduce sewage discharge generated from its production, the Group has introduced the most effective sewage treatment techniques employed by the paper-making industry worldwide, specifically the combined use of physiochemical coagulation-sedimentation pre-treatment, anaerobic digestion and aerobic digestion technologies to achieve deep treatment. The Group has also established a sound "Guidelines for Sewage Treatment", setting out a list of key points for operating and inspecting sewage treatment facilities, procedures for repair and maintenance and duties of the relevant responsible teams, to further improve the performance of facilities and ensure sewage output. With the use of internationally advanced sewage treatment techniques and facilities, we have successfully maintained stability in the volume and quality of sewage discharge, with the CODcr level of major pollutants as well as the levels of NH<sub>3</sub>-N and SS in full compliance with the maximum limits on discharges by pulp and paper-making operations under National Standard "GB3344-2008" (Standard on Discharge of Water Pollutants by the Pulp and Paper-Making Industry). After multiple treatments, sewage discharged by the Group's operations has achieved more than 99.5% of pollutants reduction. The Group also strictly follows the monitoring requirements of the standards for water pollutants to ensure that monitoring data is accurate. Also, the Group has achieved water re-use by the rate of more than 80% in its production and water discharge has been less than 10 m<sup>3</sup> per metric ton of paper produced. Our sewage treatment stations have been equipped with water re-use systems to raise sewage re-use and reduce water consumption. In addition, there have been automatic programmable logic controllers and online surveillance systems in our sewage treatment stations to monitor the discharge of sewage, thus facilitating the integrated management of sewage discharge. Also, we have enabled reasonable re-use of sludge and methane generated in the sewage treatment process. Water content of the sludge was lowered to around 50% with fully automatic recessed plate filters and then the dried sludge was burnt at thermal power stations in order to reduce solid wastes. The methane generated in the anaerobic treatment systems in the sewage stations was also collected and used as part of the fuel for the boilers in the power stations, thus greatly saving the coal required.

## 污水排放

本集團的造紙生產過程中需要用水，並因而產生污水。為減低生產過程中的污水排放，本集團引進全球造紙工業中最有效的污水處理技術，採用混凝沉澱物化預處理、厭氧及好氧三級深度處理的綜合工藝。本集團亦已建立完善的《污水處理指引》，列出污水處理設備的操作及檢查要點、保養維護工序及相關負責團隊的職務，進一步提升設備的運行效能，保障輸出率。本集團的污水處理工藝和設備達到國際先進水平，污水水量及水質排放穩定，其中的主要污染物COD<sub>Cr</sub>、NH<sub>3</sub>-N、SS完全達到GB3544-2008《製漿造紙工業水污染物排放標準》所列明的製漿和造紙企業排放限值要求。經多重處理後，本集團排放的污水中99.5%以上的污染物已被移除。本集團亦嚴格跟隨該標準的水污染物監測要求，確保檢測數據準確。本集團生產用水循環利用率達80%以上，噸紙排水量低於10立方米／噸。污水處理站配置了水回用系統，提高了污水回用率，減少了水資源耗用量。同時，污水處理廠配備了自動化程控邏輯控制器(PLC)系統，並設有網上污水監察系統，有利於進行一體化管理。此外，本集團對廢水處理過程中產生的污泥和沼氣，進行合理開發回收利用，採用全自動隔膜板框壓濾技術使污泥含水率降低到50%左右，壓榨過的乾污泥輸送至熱電站進行焚燒，減少固廢污染。污水站厭氧處理系統產生的沼氣亦被收集並輸送至電站鍋爐摻燒，大大節約了燃煤。





Major emissions resulted from the Group's production activities for the year within the reporting scope are as follows:

本集團於本年度報告範圍內生產活動所產生的主要排放物如下：

Types of Emissions 排放物種類	Unit 單位	Quantity in 2018 2018年數量
Nitrogen Oxides (NOx) <sup>1</sup> 氮氧化物(NOx) <sup>1</sup>	tonnes 噸	1,785.90
Sulphur Dioxides (SO <sub>2</sub> ) <sup>1</sup> 二氧化硫(SO <sub>2</sub> ) <sup>1</sup>	tonnes 噸	718.10
Particulate matter (PM) <sup>1</sup> 顆粒物(PM) <sup>1</sup>	tonnes 噸	210.10
Water used for production 生產用水	tonnes 噸	50,858,912.00

### Greenhouse Gas Emissions

### 溫室氣體排放

Greenhouse Gas from the Group is mainly due to coal-fired power generation. Direct and indirect greenhouse gas resulting from production activities for the year within the reporting scope are as follows:

本集團溫室氣體主要來自燃煤發電。本年度報告範圍內生產活動所產生的直接及間接溫室氣體如下：

Scope of Greenhouse Gas Emissions 溫室氣體排放範圍	Unit 單位	Quantity in 2018 2018年數量	Intensity (production per tonne) 強度(按每噸 產量單位)
Direct and indirect greenhouse gas 直接及間接溫室氣體	tonnes 噸	5,279,785.98	1.31

1 Emissions resulted from the Group's power generation activities that use fossil fuels.

1 排放物由本集團使用化石燃料的發電活動所產生。



## Wastes

No significant hazardous wastes were produced in the Group's production operations. The wastes generated in our operations were mainly non-hazardous ones produced in the course of paper-making, together with a small quantity of wastes due to routine office work.

In order to reduce and dispose of waste produced in the paper-making process, the Group has established the "Guidelines for Waste Management" to classify wastes and clarify the workflow of processing. Policies also provide for guidelines for the storage, transport and disposal of wastes and require them to be recorded to ensure that treatment process is in compliance with rules and is safe. The Group has principally reduced or disposed of wastes generated from its paper-making operations in three ways. First, as the Group used lots of waste paper as a raw material in its paper-making operations, paper-making residue was left behind after extraction of useful fibres for the paper-making process. As the residue contained different impurities, the residue was carried to a washing line where reusable metal wires, aluminium cans and plastics in the residue were collected and sold to recyclers. Also, the plants of the Group have had sewage treatment facilities to filter sewage generated from the paper-making process. The sludge generated in several hundred metric tons per day in the sewage treatment station was then burnt in boilers after treatment and deep drying. The energy generated by burning the waste in a circulating fluidised bed boilers could be re-used in the papermaking process and therefore, not only secondary pollution would be avoided but energy consumption would be saved. Finally, the residue remaining after recovery of reusable materials and other wastes unsuitable for burning were disposed of legally by qualified contractors as landfill.

## 廢棄物

本集團的生產過程中並無明顯的有害廢棄物產生。本集團營運所產生的廢物主要為造紙過程中所產生的無害廢棄物，亦有少量日常行政辦公所產生的廢棄物。

針對造紙過程中所產生的廢棄物的減少和處理，本集團已設立《廢棄物管理指導書》對廢棄物進行分類，明確其處理操作流程。政策亦為廢棄物的存放、運輸及處置提供指引並要求記錄在案，確保處理過程合規及安全。本集團主要透過三種方式處理廢棄物。首先，由於本集團在造紙生產過程中使用大量廢紙作為原料，廢紙經提取有用的造紙纖維後剩下造紙廢渣。這些廢渣含有不同的雜質，因此本集團把造紙廢渣引進洗水線提取有用的鐵絲、鋁罐、塑料等等，並將此等物料出售予回收商進行循環再造。另外，本集團的工廠設置污水處理設施過濾造紙過程中所產生的污水。污水處理站每天會產生幾百噸污泥，污泥經處理及深度脫水後會送到鍋爐焚燒，通過循環流化床鍋爐焚燒的廢物所產生的能量用於造紙生產，不但不造成二次污染，還能節省能源消耗。最後，對於已經提取了有用材料後的廢渣及不適合焚燒的廢物，本集團會交由合資格的回收商合法填埋處理。



Major wastes resulting from the Group's production activities for the year within the reporting scope are as follows:

本集團於本年度報告範圍內生產活動所產生的主要廢棄物如下：

Types of wastes 廢棄物種類	Unit 單位	Quantity in 2018 2018年數量
<b>Non-hazardous wastes</b> 無害廢棄物		
Paper-making residue 造紙廢渣	tonnes 噸	360,246.44
Coal ash, cinder 煤灰、煤渣	tonnes 噸	921,275.13
Impurities contained in waste paper as raw material (Including plastics, aluminium cans, metal wires) 廢紙原料所含雜質(包括塑料、鋁罐、鐵絲等)	tonnes 噸	14,104.31
Sludge 污泥	tonnes 噸	249,429.85
<b>Hazardous wastes<sup>2</sup></b> 有害廢棄物 <sup>2</sup>		
Waste batteries 廢電池	tonnes 噸	8.76
Used oil, waste paint, waste liquid etc 廢機油、廢油漆、廢液等	tonnes 噸	122.92

2 Types of Hazardous wastes are identified with reference to the "Directory of National Hazardous Wastes" issued by the Ministry of Environmental Protection of the People's Republic of China.

2 參考中華人民共和國環境保護部發布的《國家危險廢物名錄》而識別有害廢棄物種類。



## USE OF RESOURCES

As a paper-making enterprise, the Group inevitably required a large amount of water and energy in its daily operations. In order to protect the environment, make rational and scientific use of energy and resources and reduce production costs, the Group has formulated the "Guide for Energy-saving and Control and Management of Resources" to regulate the use of energy and resources in various activities. The policy specifies the responsibilities of and division of labour among departments, whereby departments related to production including the procurement department, the production department and departments using maintenance workshops and facilities are required to control the consumption of energy and resources such as raw materials, equipment, water, electricity, paper, packaging materials and so on. Administrative departments including the human resources department, the administration department, the logistics department and so on should be responsible for carrying out resources-saving education for all employees of the Group, monitoring, recording and comparing the monthly usage of energy and resources. Generally speaking, the Group takes "giving priority to ideological education and supplementing with management and control" as the guideline for resources-saving, and lead employees to implement green production. The Group has also set targets for both coal and water usage for the year and conducted year-end review of the amount of resources usage for the year in order to pursue better environmental performance on an ongoing basis.

## 資源使用

作為一家造紙企業，本集團於日常營運中無可避免地使用大量的水和能源。為保護環境，合理科學地使用能源及資源，並降低生產成本，本集團特制定《節約能源資源控制管理指導書》以規範各活動中能源及資源的使用。該政策統一釐定部門的職責及分工，生產相關部門包括採購部、生產部、維修車間及設備使用部門等均需控制原材料、設備、水、電、紙、包裝物料等能源及資源的耗用，而行政部門包括人事部、行政部、後勤部等則需負責對本集團全員進行節約資源教育、監察、記錄及對比每月能源及資源的使用情況。整體而言，本集團以「思想教育為主、管理監控為副」作為節約資源的指導方針，帶領員工實踐環綠色生產。本集團亦已訂立本年度的用煤用水目標，並於年末檢討本年度的資源使用量，持續追求更環保表現。



The Group has actively adopted measures for energy conservation, striving to curb energy consumption in each of its production processes. For example, the Group has reduced energy consumption by substituting high-performance equipment for older ones and making relevant changes to its electricity facilities, and has also adopted efficiency-enhancing and energy-saving technologies such as the full use of frequency conversion and high voltage compensation devices. Meanwhile, the Group has closely monitored energy input and output as well as energy consumption by production and non-production operations with an effective mechanism for measuring, monitoring, analysing and appraising energy consumption, and the corresponding posts to manage the use of energy. The Group has installed water and electricity meters in various regions of the plants and implemented a system of rewards and punishments. Departments are required to conduct data analysis and comparisons on a monthly basis to effectively promote energy conservation and environmental protection to the whole Group. Apart from ISO50001 energy management certification, the Group has indeed received commendations of the Government Examination Team for Energy-Saving and Emissions Reduction for our promotion and implementation of various measures to save energy, reduce emissions and achieve environmental protection alongside economic growth.

### Energy Consumption

The transportation and production processes in our daily operations have involved the use of great amounts of energy for running the relevant machines. Diesel and coal have been the major energy sources we used. As the various plants of the Group have had their own coal-fired generators to ensure availability of sufficient power necessary for the high power consuming paper-making machines, we have not purchased electricity power from the national power grid.

本集團積極開展節能降耗措施，致力降低生產過程中的能源耗量，並將節能降耗落實到每個生產環節，例如選購高效設備和改造用電設施，減少耗能；以及全面推廣使用變頻控制、高壓補償等節能技改方案，提高效率。同時，有效的能源計量、監測、統計和考核制度及相應的能源管理崗位，幫助本集團對能源進、出廠及生產系統、非生產系統的能源消耗進行嚴格監管，本集團已於廠房的各區域安裝水錶及電錶，並實行獎優罰劣制度，部門需每月對其進行數據統計及對比，有效推動節能環保至本集團的每一個角落。本集團內許多節能降耗措施的推廣與實施，以及實現經濟與環境保護雙贏的舉措，除了獲得ISO50001能源管理系統認證外，也得到了國家節能減排考核小組的表揚。

### 能源耗量

本集團日常營運中的運輸及生產過程都需要用到大量能源供相關機械運作。本集團使用的主要能源分別為柴油和煤。由於本集團各廠房均自設燃煤發電機組以確保足夠電力為高耗電的造紙設備提供電力，所以本集團並沒有向國家電網購買電力。



The Group has used coal as the fuel for our thermal power stations for its highest energy content compared with other kinds of fuel. To ensure coal quality has met standards, the Group adopts strictly measures on management of coal storage and transportation. The Group also conducts regular repair and maintenance on generators to achieve an optimal operation of generators and efficient combustion of coal and in turn improve energy efficiency. In addition, we have also employed co-generation technology to turn residual heat from the power generation process into heat source for use in paper-making, thus considerably raising the efficiency of energy use and reducing the consumption of coal.

In order to achieve energy-saving and reduce emissions, the Group has made it a requirement that new technologies which could help lower energy consumption should be used for every component of the production line as far as possible. Moreover, the Group has introduced a number of projects which aimed at lowering energy consumption, such as the gradual substitution of highly energy-consuming electricity-powered machines for variable-frequency ones for better energy-saving performance and thus lower production cost. Moreover, methane and certain of the solid wastes which were side products in the sewage treatment process referred in the "Sewage Discharges" and "Wastes" sections above could be burnt in boilers in the thermal power stations, therefore saving fuel for the coal boilers.

The Group has also continued to optimise energy management. We have raised the efficiency of energy use both in the power generation process and in the paper-making process and have therefore successfully lowered the energy consumption per unit year by year. The Group regularly tracks and records energy consumption. In the reporting period, the overall energy consumption per metric ton of paper produced by the Group was less than 0.34 metric ton of standard coal equivalent (reduce more than 18% compared to 5 years ago) and substantially lower than the national average of 0.60 metric ton of standard coal equivalent.

本集團使用煤作為熱電站燃料，因為煤乃能量存量最豐富的燃料。本集團採取嚴格措施管理煤的儲存及運輸過程，確保煤炭質量達標，本集團亦定期為發電機組進行保養及維護工作，使機組在最佳狀態下運行，讓煤充分燃燒，從而提升能源利用率。除此之外，本集團也使用熱電聯產技術，把發電的餘熱作為造紙熱源，大幅提高能源效率，減少煤耗。

為達到節能減排目的，本集團要求在生產線上每個環節都盡量採用節能降耗的新技術，每年均有不少的節能改造項目，例如逐步將大能耗的電動機組改造成變頻控制，增加節能效率並減低生產成本。另外，上述「污水排放」和「廢棄物」部分提到污水處理過程中所產生的甲烷及部分固體廢物可以送到熱電站鍋爐燃燒，幫助燃煤鍋爐節省耗煤量。

本集團不斷優化能源管理，於發電過程以及造紙生產過程同時提高能源效益，令單位能耗每年持續降低。本集團定期追蹤及記錄能源耗量，於本報告期間內，本集團每生產一噸紙的綜合能耗少於0.34噸標準煤，相比五年前已減少超過18%，更比國家每生產一噸紙耗用約0.60噸標準煤的平均數值大幅度為低。



## Water Consumption

As water has been a necessity for our paper-making operations, water used in our production has accounted for a major part of the Group's water consumption. In order to save municipal water supply (which was considered more valuable because of its potable water standard), the Group has upon governmental approval obtained its water supply by directly taking water from rivers and then carrying out purification process to satisfy the industrial water standard. In doing so, we have helped protect the valuable potable water resources. As far as water saving was concerned, the Group has principally adopted the strategy of using water-saving production skills and equipment. The amount of natural water required by the Group has been considerably lowered as a result of our employment of advanced and very efficient sewage treatment techniques for re-using water in its production, the formation of a closed circular system for industrial water and in turn the use of a higher percentage of re-used water in our production process. To prevent leakage from water pipelines and to preserve water resources, the Group also checks water pipes and repairs water tanks, water taps and other water supply facilities regularly.

## Use of Packaging Materials

Some of our paper products required the use of plastic materials for packaging so as to prevent products from contamination or damages. The production department of the Group has drawn up "Guidelines for Packaging Materials Management" governing the classification, labelling, storage and use of packaging materials to reduce wastage. Also, the Group will continue to adopt the principle of simplified packaging to alleviate the impact on the environment.

## 水資源使用

水是造紙過程中必需使用的資源，因此生產用水佔了本集團大部分的耗水量。為免浪費市政水(市政水按飲用水標準，屬較珍貴水源)，本集團經政府批示自行從河上取水，經處理淨化後滿足工業用水標準使用，保護了珍貴的飲用水資源。對於節約用水方面，本集團採取的主要策略為使用能節省用水的生產技巧及設備，通過先進、高效率的污水處理工藝將生產用水循環再用，並建立工業用水的封閉循環系統，於生產過程中提高使用循環水的比例，大大降低天然水的取用。本集團亦定期檢查水管，修理水箱、水龍頭及其他供水設施，做好輸水管道的防滲漏工作，珍惜每一滴水資源。

## 包裝物料使用

本集團的紙類製品部分需使用塑料套料進行包裝，以避免產品受污染或損毀。本集團的生產部門已制定了《包裝物料管理指引》以規範包裝物料的分類、標識、存放及使用，減少物料浪費。本集團亦會繼續採用簡約包裝原則，減少對環境的影響。



Through the above measures, the Group and our employees together achieved the objective of resources conservation. This year, energy and resource consumption in respect of production activities within the reporting scope of the Group were as follows:

通過以上措施，本集團與員工齊心協力實現節約資源的目標。本年度於本集團報告範圍內生產活動的能源及資源用量如下：

Energy and resource consumption 能源及資源用量	Unit 單位	Quantity in 2018 2018年數量	Intensity (production per tonne) 強度(按每噸產量單位)
<b>Types of fuel</b> 燃料種類			
Coal 煤	tonnes 噸	3,022,876.46	0.7478
Diesel 柴油	litres 公升	5,369,729.24	1.3284
Petrol 汽油	litres 公升	185,169.19	0.0458
<b>Water resources</b> 水資源			
Water 水	tonnes 噸	64,939,718.67	16.0655
<b>Packaging materials</b> 包裝物料			
Plastic materials 塑料套料	tonnes 噸	238.12	0.0001





## THE ENVIRONMENT AND NATURAL RESOURCES

The impact of commercial activities on the environment and natural resources has always been a great concern to the Group. As a commitment to reduce the logging of natural timber, we have been using recycled paper as the materials for paper-making, the primary business of the Group. In addition to complying with environmental regulations and international rules on protection for the natural environment, the Group has also incorporated concepts of environmental friendliness into our internal management and daily activities. In our striving to attain environmental sustainability, we have successfully received ISO 14001 Certification for Environmental Management.

With the aim of actively promoting environmental protection and efficient use of resources, we have monitored the potential effect of our business operations on the environment on an ongoing basis and promoted the green office and the green production environment in adherence to four principles, namely, "Reduce", "Re-use", "Recycle" and "Replace", in order to minimise the impact of our operations on the environment.

### Timber Logging

As tree fibre is a necessary raw material for paper-making, the use of pulp as a raw material for paper-making indirectly leads to demand for timber logging. With the use of advanced production machinery, we have been able to use waste paper as a raw material in paper-making in big amounts. It has been a long-term objective of the Group to use more waste paper and less virgin pulp. The Group has been committed to raising the percentage of use of waste paper as raw material and becoming one of the containerboard manufacturers with the highest recycling rate in the world.

Among the packaging paper produced by the Group, 98% were made from recovered paper and only 2% from timber virgin pulp. This was exactly an example of our utmost efforts to protect forests and minimise the impact of our operations on the environment.

## 環境及天然資源

本集團十分著重商業活動對環境及天然資源的影響。本集團的主業務就是把廢紙回收再造，減少對天然樹木的砍伐。除了遵循環境相關法規及國際準則，適切地保護自然環境外，本集團亦將環境保護的概念融入內部管理及日常營運活動當中，並順利通過ISO 14001環境管理認證，致力達成環境永續之目標。

本集團以積極推動環境保護及有效使用資源為宗旨，實時監察業務營運對環境帶來的潛在影響，並通過減少、重用、回收及取代四個基本原則，推廣綠色辦公及生產環境，將本集團營運對環境的影響減至最低。

### 林木砍伐

由於造紙必須使用樹木纖維，所以本集團採購木漿作造紙原材料時會間接造成林木砍伐。本集團的造紙生產機器設計先進，可在造紙生產過程中使用大量廢紙作為原料。本集團長遠目標之一是增加廢紙用量以減少原木漿使用量。本集團致力加大廢紙作為原材料的比例，並成為全球箱板原紙生產商中最高循環再用率的企業之一。

本集團所生產的包裝紙有98%採用回收廢紙箱，只有2%採用林木生產的原木漿，以最大限度的保護林木，把影響降到最低。



## Noises

As our plants have been equipped with large paper-making machinery and coal-fired generators, their operation would cause rather big noises. In view of this, the Group has chosen to use low noise equipment and products as far as possible in the course of building the pulp and paper production lines and the thermal power stations in order that noises could be lowered at the sources. Moreover, as an effort to lower sound pollution to the environment, the Group has installed various sound isolation facilities to contain noises due to running of machines and has added silencers on noisy equipment such as blowers and exhaust fans. For the sake of our employees' health, the Group has built soundproof control rooms at the pulp and paper-making workshops where workers can work in a healthy environment without being influenced by the big noises. Meanwhile, the Group has added more plantation in the factory area to help dampen propagation of noises apart from cleaning of the air.

## Environment-Friendly Products

The Group invested in the research and development of environment-friendly products maximising the utilisation efficiency of wastes and minimising the addition of chemicals such as brightener and fluoescer. The Group currently produces products including unbleached bamboo pulp, recycle corrugated board, recycled grey back coated duplex white board and unbleached tissue paper and pursued to become a leader of green products in the industry with an aim to alleviate the environmental impact caused in the process from producing to using its products and thus offering more environment-friendly choices to its customers.

## Environmental Awards and Certifications

As described in the sections on environmental protection above, the Group has been making great endeavours to keep possible pollutions and negative impacts of our operations on the environment to a minimum. The Group has received recognitions from government authorities, professional bodies and many others in the community including certifications and awards for the investments and efforts we have made in respect of environmental protection. Over the

## 噪音

本集團的廠房設有大型的造紙機械和燃煤發電機。因此，造紙設備和發電機組運作時會產生較大噪音。有見及此，本集團在製漿造紙生產線以及熱電站的搭建過程中盡量選用低噪音的設備和產品，從源頭降低噪音。此外，對於機械運作時產生的噪音，本集團亦安裝了一系列隔聲降噪設施，為風機、排氣等高噪音設備安裝消音器，減少噪音帶來的環境影響。另外，為保障員工健康，本集團於製漿造紙車間設置相應的隔音控制室，讓操作工人在隔音室內工作，減低高噪音環境對員工健康的影響。同時，本集團為廠房增加綠化植被的種植，幫助減弱噪音的傳播，也對空氣淨化起到了很大作用。

## 環保產品

本集團投入於研發環保產品，盡力提升廢料的使用效率及致力減少添加增白劑，熒光劑等化學品。本集團目前生產本色竹漿、環保箱板紙、環保塗布灰底白紙、本色衛生紙等產品，並持續追求成為行業的綠色產品領先者，減低產品在生產至使用過程中對環境的影響，為客戶提供更多的環保選擇。

## 環保獎項及認證

如以上各環境相關部分所述，本集團努力不懈地減低營運時對環境所帶來的污染和負面影響。本集團於環境保護方面所投放的資源和努力得到不同政府部門以及專業機構的肯定，屢次獲得專業機構的認證和政府的環保獎項及獎勵，為社會各界所



years, certifications and accolades won by the Group have included 認同。本集團歷年所得到的認證及認可如  
the following: 下：

<b>The Group/Specific Plants</b> 本集團／廠房	<b>Certifications/Accolades Obtained</b> 認證／獎項
All of our plants in China 中國國內所有廠房	ISO9001 Certification for Quality Management ISO9001質量管理認證
All of our plants in China 中國國內所有廠房	ISO14001 Certification for Environmental Management ISO14001環境管理國際認證
All of our plants in China and Vietnam plant 中國國內所有廠房及越南廠房	Forest Stewardship Council's Chain of Custody (FSC-COC) Certification 森林認證系統產銷監管鏈認證(FSC-COC)
Hongmei, Huangyong, Jiangsu and Jiangxi plants 洪梅、潢涌、江蘇及江西廠房	IECQ QC 080000 Certification for Hazardous Substance Process Management System IECQ QC 080000有害物質流程管理系統認證
Hongmei, Huangyong, Jiangsu and Jiangxi plants 洪梅、潢涌、江蘇及江西廠房	ISO45001 Certificate for Occupational Health and Safety Management System ISO45001職業健康安全系統認證
Hongmei, Huangyong and Jiangsu plants 洪梅、潢涌及江蘇廠房	ISO50001 Certificate for Energy Management System ISO50001能源管理系統認證
Lee & Man Paper 理文造紙	Named a "National Outstanding Enterprise Proactively Fulfilling Social Responsibility" 全國積極履行社會責任突出企業
Lee & Man Paper 理文造紙	Hong Kong-Guangdong Cleaner Production Partner (Manufacturing) 粵港清潔生產夥伴(製造業)
Lee & Man Paper 理文造紙	Named an "Environment-Friendly Enterprise" 環境友好企業榮譽
Hongmei and Huangyong plants 洪梅及潢涌廠房	Named a "Cleaner Production Enterprise in Guangdong" and an "Outstanding Labour Law Compliant Enterprise in Guangdong" 廣東省清潔生產企業及廣東省勞動用工守法優秀企業
Hongmei plant 洪梅廠房	Named an "Advanced Energy Conservation Unit" 節能先進單位榮譽
Chongqing plant 重慶廠房	Named an "Ecological Improvement and Environmental Protection" 環境保護先進單位榮譽



## PEOPLE-ORIENTED

### Employment

Lee & Man Paper regards our employees as foundation of development and recognises that the success of the Group at present is founded on full devotion and contribution of all of our employees. To this end, the Group aims to care our employees with an effort to assist them towards their balanced development, which is consistent with its people-oriented core value. Given that staff in Mainland China represents a majority of the personnel of the Group, the Group fully complied with the requirements of the “Labour Law of the People’s Republic of China”, the “Labour Contract Law of the People’s Republic of China” and other relevant regional employment laws and regulations. In accordance with the requirements, employees are entitled to compensation, holidays and leaves, occupational safety, trainings, insurance and benefits, the right to proposal for the handling of labour disputes and other labour rights. The Group has established a sound regulatory system ensuring the implementation of statutory requirements and hence providing its employees with a work and living environment of higher level of quality, fairness and respect.

### Recruitment, Promotion, Compensation and Benefits

Talents are always in demand and the Group has been eager to recruit those who share the same values and ideas with us so that we can build a diversified and professional team full of passion. By external recruitment and internal promotion channels to recruit and promote staff, as well as the establishment of our internal “Recruitment Management System”, “Termination Management System” and other relevant guidelines to govern administrative works including staff recruitment, appraisal and termination, the Group ensured high efficiency, compliance and transparency throughout the process. The Group also distributed worker’s manuals to staff introducing its culture and core values, admission and appraisal, benefits and holidays, training arrangements etc., ensuring that staff had full understanding of the human resources policy of the Group and the right to protect their own interests.

## 以人為本

### 僱傭

理文造紙視員工為發展基石，亦深明本集團今日所取得之成功全賴於員工竭力虔心的投入與貢獻。本集團因此以關懷員工為目標，致力協助員工均衡發展，貫徹本集團以人為本的核心價值。由於中國內地的員工佔本集團員工的大多數，因此本集團全面遵守中國內地的《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及其他相關的地域性僱傭法例法規要求。根據規定，僱員需享有獲取勞動報酬、休息休假、勞動安全、培訓、保險福利、提請勞動爭議處理等及其他勞工權益。本集團已設立完善的規章制度以確保切實執行法規要求，並為員工提供更優質、平等、尊重的工作及生活環境。

### 招聘、晉升及薪酬福利

本集團求才若渴，希望吸納與我們有著相同價值觀和理念的人材加入，共同建設具多元化、充滿熱誠及專業的工作團隊。本集團透過外部招聘及內部晉升渠道以招攬及提拔員工，並已成立內部的《招聘管理制度》、《離職管理制度》及其他相關指引以規範員工招聘、考勤、離職等行政管理工作，確保過程高效合規並具透明度。本集團亦派發《員工手冊》向員工介紹本集團的文化及核心價值、入職與考勤、福利及假期、培訓安排等等，確保員工充份瞭解本集團的人力資源政策，並能維護自身權益。



To facilitate attraction of high quality people, the Group has been closely monitoring the trends of the labour market and economic conditions and has made annual assessments and necessary revisions in order to maintain competitiveness of our salary levels. We have determined the salary of each employee in accordance with their performance, experience, expertise, job duties, and provided them with internal trainings and career ladder to achieve their success. Besides, our staff also enjoyed benefits including insurance, medical benefits, stock options as well as discretionary bonuses depending on the employees' performance and our business results.

### Employees' Welfare

To facilitate harmonious development of employer-employee relationship, enhance the labour productivity and ultimately achieve the objective of "a win-win situation for both employer and employee as one", the Group satisfied real needs of our employees in various aspects. We have valued two-way communication with our employees. We have kept an open mind to listen to and see the merits of the employees' opinions. The Group have assessed and improved the meals, accommodation, amenities and other services provided to employees from time to time to ensure availability of a comfortable environment to them. The Group has also tried to raise the sense of belonging of the employees and enrich their spare-time life by organising recreational activities for them and their families. We have set up an employees' welfare fund to help them meet emergency needs. If an employee or his family had a need for financial assistance due to an emergency, the Group would allocate a benefit to the employee directly from the fund to help them address the difficulties.

為確保能夠吸引高質素的人材，本集團密切留意有關勞工市場及經濟市況趨勢，維持僱員薪酬於具競爭力的水平，並會每年評估調整。本集團會根據員工表現、經驗、專業、工作等範圍釐定每位員工的薪酬，並提供內部培訓及晉升階梯，協助實現個人成就。另外，員工亦享有福利包括保險、醫療保障、購股權、及按員工表現及本集團盈利發放的花紅。

### 員工關懷

為促進勞資關係的和諧發展，提升勞動生產力，最終達致「勞僱同心、共存雙贏」的目標，本集團從多方面滿足員工的真正需求。本集團著重與員工的相向交流，抱著開明態度聆聽及分析員工的意見。本集團不斷評估和改進為員工提供的膳食、住宿環境、娛樂設施及其他服務，為員工提供舒適的生活環境。本集團亦定期舉辦文娛康樂活動，鼓勵員工及其家屬參與，增加員工歸屬感同時讓他們享受豐富的閒餘生活。另外，本集團設立員工福利基金供員工應急之用。當員工及其家屬遇到危急情況需要財政支援時，本集團會從福利基金直接撥款員工，以給予援助，幫助他們渡過困境。



## Equal Opportunities and Anti-Discrimination

The Group encourages mutual respect, trust and care among our employees, which strives to build a harmonious team. Being an equal opportunities employer, the Group is committed to creating a working environment with fairness, openness and mutual trust for its employees since its establishment. The Group has drawn up its “Management Rules against Discrimination, Harassment and Torture”, ensuring that our employees received equal treatments in our daily operations and in every aspect of our human resources arrangements and would not be subject to discrimination on ground of ethnicity, nationality, religion, political affiliation, sex, marital status and physical disability. The Rules also prohibits all forms of harassment, coercion and misconduct so as to safeguard the well-being of our employees. In the face of unfair treatment or harassment, they can report such events in written form and put it into our “feedback box”. In case of such events, the department of human resources will conduct investigations and follow-up.

The human resources policies of the Group have been in compliance with all local labour requirements including those on recruitment, dismissal, salary and benefits, working hours and holiday entitlements to protect the lawful rights of our employees. During the reporting period, we did not find anything which constituted a breach of the “Labour Law of the People’s Republic of China” and other relevant regional laws and regulations on employment and human resources.

## Health and Safety

Attaching great importance to occupational safety of our employees, the Group has been committed to providing a safe and satisfactory workplace for them and has taken necessary measures to protect their health and safety. The safety work of the Group is primarily governed under the “Law of Production Safety of the People’s Republic of China”, the “Law of the Prevention and Control of Occupational Diseases of the People’s Republic of China” and other relevant safety regulations, standards and systems. The legal framework states that “Safety First, with Emphasis on Prevention and Integrated Governance” (安全第一、預防為主、綜合治理) shall be the core ideas to be enshrined under safety management for an

## 平等機會及反歧視

本集團鼓勵員工互相尊重信任及彼此關懷，務求建立和睦並融的工作團隊。作為平等機會僱主，本集團自成立至今竭力為員工營造公平、公開及互信的工作環境。本集團已成立《反歧視、騷擾、虐待管理規程》確保員工於日常營運以及各人力資源範疇均受到公平對待，不會因為種族、國籍、宗教、政治信仰、性別、婚姻狀況、殘疾等受到不合理的對待。規程亦禁止任何形式的騷擾、威迫或不妥當行為，以保障每一位員工的身心健康。員工可將不公平或騷擾事件以書面形式投入本集團的「意見箱」中，人力資源部將會對事件進行調查及跟進。

本集團的人力資源政策，包括聘用、離職、薪酬福利水平、工時、假期等方面，都遵從當地所有適用的勞工法例執行，令員工的權利得到保障。於本報告期間內，本集團並沒有發現任何重大違反《中華人民共和國勞動法》及其他地區性的僱傭及人力資源相關的法例法規的情況。

## 健康與安全

本集團非常重視員工的職業安全，致力為員工提供理想及安全的工作環境，並採取所有適當措施保障員工的健康及安全。本集團的安全工作主要受到中國內地的《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》及其他相關的安全法規、標準和制度所監管。法規列明生產單位需以「安全第一、預防為主、綜合治理」作為安全管理方針，建立完善的安全生產及職業病防治責任制，並成立安全管理規章制度，有效地經營安全生產工作。本集



entity engaged in production, that a sound system of accountability for production safety and the prevention and control of occupational diseases shall be established, and that regulatory systems in respect of safety management shall be formed, with a view to be effectively engaged in production safety. The Group complies with the requirements under laws and regulations in five ways as follows:

- Formulation of a sound “Regulatory System in respect of Production Safety Management” to provide for stringent standards for occupational safety. Employees shall comply with safety requirements specified in such system including those on hazardous goods handling, fire safety management, warehouse safety management, safety requirements for special operators and so forth. The Group has also issued its worker’s manuals setting forth policies and practices on occupational safety for reference by all of our employees, to facilitate the implementation of its safety policies;
  - Appointment of safety managers to take responsibility for the supervision and monitoring of the safety affairs of the Group and to ensure its efficacy. Safety managers shall, based on national laws and regulations and its objectives of safety management, determine the safety work deployment and investment for a year, and regularly convene safety meetings in all hierarchical levels of staff, to know the progress and efficacy of its safety work and advocate the concepts of production safety to its employees;
  - Establishment of a mechanism of education and training on safety, thereby systematically planning for training programs and providing trainings on policies and regulations, occupational safety and health, case study for accidents and emergency management, in response to employees’ needs for safety trainings; pre-set training hours for a year must be fulfilled by employees to ensure adequate acquisition of safety knowledge by the employees. The Group also regularly organises first aid, fire-fighting, evacuation and fire escape drills to raise the safety awareness of our employees. Different posters and notices are posted in production workshops to remind employees of the importance of occupational safety;
- 團分別從以下五方面貫徹法例法規的要求：
- 制定完善的《安全生產管理規章制度》以提供嚴格的職業安全準則。員工需遵守制度中包括危險物品處理、消防安全管理、倉庫安全管理、對特殊作業人員的安全要求等等。本集團亦於員工手冊中詳細列明職業安全相關的政策及程序供所有員工參考，務求讓安全政策落實執行；
  - 委任安全管理人員對本集團的安全事務承擔監控責任並確保其有效性。安全管理人員需根據國家法律法規及安全管理方針，決定年度的安全工作部署及投入，並定期於各個員工階層中召開安全會議，瞭解安全工作進展及成效，並向員工宣揚安全生產概念；
  - 成立安全教育及培訓機制，有系統地針對不同員工的安全培訓需求而規劃培訓課程，為員工提供政策及法規、職業安全及衛生、事故案例及應急管理等培訓，員工每年需達到既定的培訓學時，以確保其安全素質。本集團亦定期安排急救、滅火、疏散、逃生等演習，以提高員工安全意識。生產車間亦貼有不同的職業安全海報和告示時刻提醒員工；



- A comprehensive management system for safety roster and inspection is in place, pursuant to which the departmental persons-in-charge shall regularly inspect equipment and facilities, warehouses, electricity, meters, repair and maintenance, hygiene, fire safety equipment and fire safety systems and so forth, and immediate rectifications shall be adopted against hidden threats to safety. On a daily basis, production staff members shall inspect specified areas to further ensure production safety; and
- Establishment of a system for the prevention and control of occupational diseases and a mechanism for the management and inspection of accidents, to more effectively safeguard against the occurrence of occupational diseases, and to identify accidents and unsafe factors. The Group has set out guidelines to be applied in case of emergency to ensure that employees respond in a correct and timely manner to minimise the loss arising from and impact of accidents.
- 實施全面的安全值班及檢查管理制度，由部門負責人定期檢查設備設施、存倉、電氣、儀錶、維修成果、衛生情況、防火設備及消防系統等，並即時對安全隱憂進行整改。生產人員更需每天為指定範圍進行檢查，進一步確保生產安全；及
- 建立職業病預防管理制度及事故管理和調查機制，更有效地預防職業病的發生，並識別事故和不安全因素。本集團亦已提供緊急事故應對指引，確保員工能做出正確及時的反應，盡量減少事故造成的損失和影響。

The Group has continued to invest on improving the employees' workplace and has received recognitions for doing so. Our plants in Hongmei, Jiangsu, Huangyong and Jiangxi were granted with ISO45001 certification for occupational health and safety. During the reporting period, the Group did not find anything which constituted material breach of the "Law of Production Safety of the People's Republic of China" and other regional laws and regulations related to occupational health and safety.

本集團不斷投放資源改善員工工作環境，並得到專業肯定。洪梅、江蘇、潢涌及江西廠房已分別得到ISO45001職業健康及安全認證。於本報告期間內，本集團並沒有發現任何重大違反《中華人民共和國安全生產法》及其他地區性的職業健康與安全相關的法例法規的情況。





## Training and Development

The Group strives to pave way for the development of each and every one of its staff members, aiming at developing talents and building a reserve team of high-calibre people from a multitude of perspectives. The Group has devised its “System for the Management of Training” to manage the training of staff members, under which the human resources department has to formulate its yearly training plan based on the objectives and goals of the Company and in response to the training needs of departments. Employees of different divisions are required to attend regular internal and external trainings to enhance their overall quality, with a view to creating favorable environment and conditions for personal advancement and corporate development. In addition to enhancing the working knowledge, skills and experience of its employees, the Group also looks forward to providing exposure to different positions and job duties, to widen their horizons, bring their potentials to full play and let them grow together with the Group in line with our overall strategy.

### Internal Training

The internal training programs offered by the Group could principally be categorised into admission training, production safety training and fire safety training. Admission training, which mainly covered introduction to the firm, rules and procedures, and attendance and salary matters, was aimed at familiarising new joiners with the Group’s background and expectations of the Group on employees. Our production safety training has borrowed the concepts of 7S management practices which were first adopted in Japan and relevant ISO requirements and aimed at improving the quality of the production and working environment. Fire safety training emphasised the raising of employees’ awareness of fire safety and improving their ability to address emergencies.

### 培訓及發展

本集團積極為每一位員工開闢發展道路，致力從多角度培育人材及建立優秀的後備團隊。本集團已訂立《培訓管理制度》管理員工的培訓事項，人力資源部需因應公司的目標和方向，結合部門的培訓需求，訂立年度的培訓計劃。不同組別的僱員需定期接受內部及外部培訓，以增強其綜合素質，為個人進步和企業發展創造良好環境和條件。本集團冀望提高員工的工作知識、技能和經驗之餘，亦提供機會讓員工接觸不同崗位和工作，幫助他們拓闊視野，激發潛能，配合本集團的整體策略一起成長。

### 內部培訓

本集團的內部培訓主要分為三大類：入職培訓、生產安全和消防安全。入職培訓包括企業簡介、規章制度和考勤薪酬，主要讓新入職員工瞭解本集團的背景，本集團對員工工作的期望等。生產安全方面套用了源於日本的7S生產現場管理概念，以及ISO國際標準的要求，讓員工提高生產及工作環境質量。而消防安全則著重提高員工的防火意識以及緊急事故的應變能力。



## External Training

Apart from training provided by the Group internally, we also sponsored employees to receive training offered by third party institutions. The external training programs were generally expertise training which focused on provision of most updated industry information and techniques desirable for raising productivity and competitiveness. We have also arranged external training for selected employees to ensure they attained the relevant knowledge and skills to be competent for the special job duties which they were responsible for. For employees who had the potential and ability to join the management, the Group would arrange comprehensive management training for them to prepare them for promotion.

In addition, for the sake of continuous development of the Group, we have put in place a management trainee program to develop potential successors to different positions. We have also selected trainees to attend a two-year diploma course on paper-making technique offered by the South China University of Technology in Guangzhou every year with the Group's sponsorship. After graduation, those trainees would be assigned job duties at different positions in the Group.

## Labour Standards

### Prohibition of Child and Forced Labour

The Group has only recruited people who have attained the legal working age in strict compliance with the "Labour Law of the People's Republic of China" and other applicable local labour laws and regulations. The Group's "Management Rules for the Use of Minors as Labourers and Prohibition against the Use of Child Labour" (未成年工使用及禁止使用童工管理規定) is in place to prevent the use of child or illegal labour. The Group's recruitment procedures involve checking of personal information of applicants and background investigation. If such investigation of an applicant's background reveals any irregularities, the Group will retain the record and cease the respective application process. The worker's manuals are also in place to encourage whistleblowing against the use of false identity documents, thereby achieving the goal of control from a number of perspectives.

## 外部培訓

除了內部提供的培訓，本集團亦會支持員工外出到第三方培訓機構進行培訓。外部培訓一般為員工進行行業專業培訓，獲取行業最新信息、技術等，協助提高生產力和增強競爭力。本集團亦為特殊崗位員工安排外部培訓，確保他們有足夠知識和技能勝任工作。對於有潛質和有能力升上管理層的員工，本集團會安排綜合管理培訓課程，為給予員工晉升機會作準備。

此外，為了本集團的持續發展，本集團實行了管理見習生計劃培養不同職位的接班人。本集團亦會每年挑選學生到廣州華南理工大學修讀為期兩年的造紙技術文憑課程，所有費用由本集團資助，學生畢業後將安排到本集團擔任不同職位的工作，吸納人材。

## 勞工準則

### 防止童工或強制勞工

本集團嚴格按照《中華人民共和國勞動法》及其他適用的當地勞工法要求，只招聘錄用已達到合法工作年齡要求的人士。本集團已成立《未成年工使用及禁止使用童工管理規定》以防止童工或不法勞工。本集團的招聘流程中會核對應聘者的個人資料並進行背景調查，若應聘者的背景調查結果異常，本集團會保留記錄並終止應徵過程。本集團亦於《員工手冊》中鼓勵員工舉報他人使用虛假身份證明文件，從多方面達致管控目標。



We have recruited our workers in adherence to the principles of fairness, openness and free will. In accordance with the “Labour Contract Law of the People’s Republic of China”, our subsidiaries in China have entered into legal employment contracts with employees without using any forced labour service. In view of the aforesaid internal control measures, during the reporting period, the Group did not find anything which constituted a material breach of any of the abovementioned labour standards or other relevant laws and regulations.

## Anti-corruption

### Anti-bribery and Anti-money Laundering

In adherence to our principles of acting with integrity and fairness, Lee & Man Paper has always observed laws and regulations on prevention of commercial crimes in our daily operations, including but not limited to the “Criminal Law of the People’s Republic of China”, the “Anti-Money Laundering Law of the People’s Republic of China”, the “Anti-Unfair Competition Law of the People’s Republic of China” and so forth. Enterprises are required under laws and regulations to abide by the principles of fairness, equality and integrity, to act in a lawful manner, to adhere to commercial ethics, and not to operate business by means of theft, bribery, deception, compulsion or other improper means. The Group has compiled its “Standards for Commercial Ethics” to eliminate any behaviours of bribery or corruption, in strict adherence to the value of integrity, honesty and truthfulness, to ensure compliance with all policies and standards against corruption in all of its business operations and activities.

We have been in good cooperation with business partners including customers, suppliers and sub-contractors, in joint efforts to maintain corruption-free business relations. The Group cooperates in all supervisory actions against corruption, and also requires each of its business counterparties to sign an “Undertaking to Eliminate Bribery” (杜絕行賄承諾書), to the effect that no bribery will be conducted to the Group, and that it will bear any legal liabilities and consequences in case of violation as such.

本集團按照公平、公開、自願的原則招聘錄用工人。中國各個子公司根據《中華人民共和國勞動合同法》與員工簽訂合法僱傭合同，無強制使用勞工行為。基於以上的內部控制措施，於本報告期間內，本集團並沒有發現任何重大違反與上述所提及的勞工準則及其他相關的法例法規的情況。

## 反貪污

### 防止賄賂及洗黑錢

理文造紙一直秉承廉潔、公正的宗旨，在日常營運中遵守所有防止商業罪案有關的法例法規，包括及不限於《中華人民共和國刑法》、《中華人民共和國反洗錢法》、《中華人民共和國反不正當競爭法》等。法規要求企業需遵循平等、公平、誠信等原則，依法而行，堅守商業道德，不得以盜竊、賄賂、欺詐、脅迫或者以其他不正當手段經營。本集團已編製《商業道德規範》以杜絕一切賄賂及腐敗行為，堅持誠信、正直、真確的價值觀，保障業務來往及活動均符合防止腐敗政策和標準。

本集團與業務夥伴包括客戶、供應商及承包商保持高度合作，共同維護廉潔的商業關係。本集團配合一切關於廉潔行動的監督活動，亦會要求本集團的業務對象簽署《杜絕行賄承諾書》，承諾不向本集團作出任何賄賂行為，並承擔違反而導致的法律責任及後果。



We have published our code of personal and professional conduct in the worker's manuals for their compliance, pursuant to which they are not allowed to actively provide or accept any commercial bribery, and are prohibited from the use of personal influence to enable the grant of special privilege to any specific objects or subjects. The Group has also put in place a whistleblowing mechanism to encourage reporting by employees and stakeholders of any improper acts. Meanwhile, the Group has regularly assessed and reviewed the effectiveness of our internal control system to ensure that potential corruption risks can be effectively prevented and identified.

During the reporting period, the Group did not find anything which constituted a breach of the aforesaid and other regional laws and regulations related to anti-corruption or anti-money laundering.

## STRIVING FOR IMPROVEMENTS

### Supply Chain Management

As we are a production enterprise, supply chain management has always been a critical aspect in our quality control system. We have maintained a stringent supplier assessment mechanism and have established a "System on Procurement and Suppliers Management" (採購與供貨商管理制度) and also a safety management system that targets suppliers and sub-contractors, to carry out selection and assessment of suppliers according to ISO guidelines in order to ensure the suppliers' compliance with the Group's quality and service requirements and their possession of similar environmental, social and governance concepts as the Group, in addition to their compliance with environmental, safety and other relevant laws and regulations.

本集團亦於員工守則中訂立個人及專業操守供員工跟隨，員工並不能主動提供或接受商業賄賂，亦禁止使用個人影響力使特定對象或物件得到特殊待遇。本集團已設立舉報機制鼓勵員工或持份者檢舉不正當行為。此外，本集團會定期審核、檢討內部管理系統的成效，確保內部管理系統能夠有效地防止、發現潛在的貪污風險。

於本報告期間內，本集團並無任何違反上述所提指及其他地區性的與反貪污及洗黑錢相關的法例法規的情況出現。

### 銳意進取

#### 供應鏈管理

作為一家生產企業，供應鏈管理一直為本集團質量控制系統之其中一項關鍵環節。本集團有嚴謹的供貨商審查機制，並已成立了《採購與供貨商管理制度》及針對供應商及承包商的的安全管理制度，按照ISO體系執行挑選及評估程序，確保供貨商除了能符合環保、安全及其他相關法例法規之外，亦能滿足本集團於質量及服務上的要求，擁有與本集團相近的環境、社會及管治理念。



## Procurement of Raw Materials

To preserve natural resources, the Group has primarily used waste paper instead of virgin pulp as a raw material in papermaking. In order to obtain a stable supply of waste paper, the Group has engaged designated agents to source high quality waste paper materials worldwide including in the Netherlands, the United Kingdom and the United States, also as a way to benefit from flexibility of choice. Our sourcing agents collected waste paper materials through various channels including recyclers, supermarkets, local authorities and retailers and then shipped the materials to us through our transport teams. In fact, this has been the most effective and the fastest way to collect and carry the waste paper materials in accordance with relevant regulations.

Besides, the Group has been operating more than 50 waste paper collecting and packing sites in Mainland China and has also been sponsoring a number of other business partners in China to source high quality waste paper locally as a way to develop paper sources as well as to support paper recycling.

## Product Responsibility

### Product Safety

With customers as our first priority, the Group has always stressed the importance of fulfilling their requirements with high-quality products and services. The Group ensures that product information is made available to customers in a transparent, true and accurate manner during its sales process. The paper products of the Group are subject to the “Product Quality Law of the People’s Republic of China” and other laws, regulations and standards related to product safety and quality. Enterprises are required under laws and regulations to shoulder responsibility for product quality and ensure that products comply with quality and safety standards. As such, the Group has established the “Procedures for the Surveillance, Measuring and Control of Products” (產品監視和測量控制程序) to supervise and inspect incoming raw materials, semi-finished products and finished products.

### 原材料採購

為保護天然資源，本集團大量使用廢紙取代原木漿作為生產紙張的原材料。為穩定廢紙的供應，本集團於全球不同地方，例如荷蘭、英國及美國等地有專用的廢紙採購代理，幫助本集團收集高質素的原材料，同時提供彈性選擇。採購代理通過多個途徑，包括廢紙回收商、超級市場、地方政府部門及零售商戶收集廢紙，再經由本集團的貨運團隊運送。此模式確保以最有效、最快捷及符合相關法例的途徑收集及運送廢紙。

另一方面，本集團在中國國內經營逾50個廢紙回收及打包場，及資助一些國內商業夥伴回收當地的廢紙，幫助收集高質素的本地廢紙，開拓紙源及支持廢紙回收再造。

### 產品責任

#### 產品安全

本集團強調以客為尊，以高質素的產品和服務滿足客戶的需求。本集團確保在銷售過程中將透明、真實、準確的產品信息提供予客戶。本集團的紙製品受到《中華人民共和國產品質量法》及其他關於產品安全及品質的法例法規及標準所規管。法規要求企業需承擔產品質量責任，並確保產品符合質量及安全標準。本集團因此建立了《產品監視和測量控制程序》對外購原材料、半成品及成品進行監督及檢測。



For quality assurance at source end, the Group requires suppliers to provide inspection reports on materials, warranty against the use of hazardous substances, MSDS and so forth. The quality department also conducts sample checking and batch inspection in respect of incoming materials to ensure the compliance with quality requirements.

During production process, the Group adopts automated and computer-monitored production processes, while the quality department conducts inspection on semi-finished products and records results on the logbook of inspection during production process, before moving on to the next stage. In case of any shortfall, the relevant production staff members will be notified immediately for rectification.

During the stage of inspection of finished products, the Group conducts inspection of finished products for physical designations and against the inclusion of hazardous substances, in accordance with the "Operation Guidelines on the Inspection of Finished Products" (成品檢驗作業指導書). Regular sample inspection will also be conducted on the finished paper products after sale, while scrap paper and pulp samples are sent to testing agencies for the inspection against hazardous substances.

As we highly value product safety, we have obtained IECQ QC 080000 certification for the hazardous substance process management of our four plants in Hongmei, Jiangsu, Huangyong and Jiangxi. A proof that our paper products are free of banned hazardous substances, the certification can boost customers' confidence in the products of the Group. Meanwhile, the various plants of the Group have also successfully obtained ISO9001 certification for their quality management system. We have also obtained the Forest Stewardship Council's Chain of Custody (FSC-COC) certification, a proof that the Group values its product quality and the sustainability of forest operations. Moreover, the Group has established a risk assessment team to assess product quality and safety risks regularly in order to address issues promptly for protection of the Group's and customers' interests.

於來源把關方面，本集團要求供應商提供物料的檢測報告、不使用有害物質保證書、綠色產品調查表及成份表(MSDS)等資料。而品質部亦會對來料進行抽檢及批量檢驗，確保其質量符合要求。

於生產過程方面，本集團使用自動化電腦監測生產過程，品質部會對半成品進行檢驗，並將結果記錄於生產過程檢驗記錄上，方進行下一階段工序，如發現不合格，則立即通知相關生產人員糾正。

最後於成品檢驗方面，本集團根據《成品檢驗作業指導書》的規定對成品的物理指標和有害物質含量進行檢驗。本集團亦會定期對售後的成品紙進行抽樣檢驗，並將廢紙、木漿板樣本送至有害物質檢測機構測試。

本集團十分重視產品安全，洪梅、江蘇、潢涌及江西四間造紙廠房均取得IECQ QC 080000有害物質過程管理認證。此認證證明工廠所生產的紙制產品並無含有被禁的有害物質，增加客戶對本集團產品的信心。本集團廠房亦取得ISO9001質量管理認證和森林認證系統產銷監管鏈認證(FSC-COC)，證明本集團對於產品質量及維護森林的可持續經營的重視。此外，本集團成立了風險評估小組，定期評估產品質量、安全相關的風險以及早作出應對，保障本集團及客戶利益。



## After-sale Services

The Group has drawn up its “Operation Guidelines on Customer Services” (客戶服務作業指導書) and maintained an after-sale service department to follow up concerns and opinions of customers so as to provide customers with fully satisfactory services. In all sales territories in China, the Group has engaged designated after-sale service personnel to provide technical support to customers, follow up their complaints or opinions and address their difficulties and questions. The Group has also set a time limit within which customers should receive follow-ups and responses from our after-sale service personnel as a guarantee that their concerns can be addressed fast and their requirements can be satisfied to the greatest extent possible.

## Data Privacy

The Group is well aware that personal information is governed under the “General Code on Civil Law of the People’s Republic of China” and other relevant laws and regulations, and requires that enterprises shall maintain the right of use of personal information. In this connection, the Group has taken data protection measures necessary for protecting the interests of all stakeholders. We have ensured that our employees have access to operating data required for performing their duties only. We would not allow disclosure of information unauthorised by the information owner except otherwise required by law.

During the reporting period, the Group did not find anything which constituted a material breach of the aforesaid and other regional laws and regulations related to product and service quality.

## 售後服務

為全方位令客戶滿意本集團的服務，本集團設立了《客戶服務作業指導書》及成立售後服務部門跟進客戶遇到的問題和意見。本集團於國內的所有銷售區均安排專門的售後服務人員為客戶提供技術支援、投訴或意見跟進，解決客戶的困難和疑慮。另外，本集團亦為售後服務訂立時限，確保客戶可於最短時間內得到跟進和答覆，最大程度滿足客戶的要求。

## 資料保密

本集團明白個人資料受到《中華人民共和國民法通則》及其他相關的法例所監管，要求企業必須維護個人資料使用權。本集團因此實行了資料保護措施保障各持份者的利益。本集團確保員工只接觸到工作所需的營運數據，除法例訂明的公示文件外，並不允許任何未經資料擁有者批准的披露。

於本報告期間內，本集團並無任何重大違反上述所指及其他地區性的與產品、服務質量相關的法例法規的情況出現。



## CONTRIBUTING BACK TO SOCIETY

### Community Investment

Lee & Man Paper has always endeavoured to shoulder social responsibilities. We have made contributions in three major respects, namely, community development, environmental protection and support for the under-privileged, with a commitment to help members of the community in need and facilitate social advancement by participating in charitable causes with resources we have won in our commercial operations.

### Community Development

The founders of the Group have spared no effort to support education causes and have sponsored the building of a number of education facilities. The Patrick Lee Wan Keung Science and Engineering Laboratory Building in Hainan University in Hainan Province donated by Dr. Lee Wan Keung Patrick, the Patrick Lee Wan Keung Academic Building in Lingnan University, Hong Kong donated by Mr. Lee Man Bun, and the Lee Keung Study Hall in Jiaji Secondary School, Qionghai City, Hainan Province are among the results of the zeal of our founders for the facilitation of community development. Raymond Lee Charitable Foundation is also in full support of "Hong Kong Youth New Runway Programme" to help young people to step out of Hong Kong and find new opportunities in a new environment.

### 回饋社會

#### 社區投資

理文造紙一直努力不懈肩負社會責任，分別在社區建設、環境保護、弱勢支援三大方面著手帶來貢獻。本集團希望透過商業營運所得的資源回饋社會，幫助有需要的社群，為社會帶來進步。

#### 社區建設

本集團的創辦人對推動教育不遺餘力，斥資興建多所教育設施，包括由李運強博士捐建的海南大學李運強理工實驗大樓、由李文斌先生捐贈助建的香港嶺南大學李運強教學大樓、以及海南瓊海嘉積中學的李運強學苑等，充份顯示本集團各創辦人的熱心。李文俊慈善基金亦全力贊助「香港青年新跑道計劃」，幫助青年走出香港，於新環境中尋找新機遇。





## Environmental Protection

Attaching great importance to environmental protection, the Group actively engages in regional environmental activities in preservation of the nature. The Group took part in the activity of “Environmental Protection by Raising Cultivation and Improving Water Ecosystem” (增殖放流生態環境保護) in Zhutuo Town, Chongqing, in which approximately 90,000 fry of grass carp, bighead carp and silver carp were channeled to help raise the diversity of fishes in the Yangtze River and improve its water quality and waterway ecosystem, for facilitating the sustainable development of fishing resources. The activity caught positive attention from the community and posed positive effect to setting ecological and environmental awareness.

## Support for the Under-privileged

Lee & Man Paper has provided generous support for the victims and also solicited donations through our employees every time an earthquake or other natural disaster occurred and led to serious casualties. Donations received were sent to charitable organisations for the quick relief of victims and rebuilding of their homes. Disasters which we organised donation functions included the earthquakes that occurred in Wenchuan in Sichuan Province, Yushu in Qinghai Province and Yaan also in Sichuan Province.

Going forward, the Group will continue to support charitable deeds and fully discharge our corporate social responsibilities and create a brighter future.

## 環境保護

本集團重視環境保護，積極投入地區的環保活動，守護大自然。本集團參與重慶朱沱鎮「增殖放流生態環境保護」活動，共投放草魚、花鱸、白鱸魚苗約9萬尾，協助提升長江水域魚類的多樣性，改善水質和水域生態環境，促進漁業資源可持續發展。此次活動在社會各界帶來正面迴響，對樹立生態環保理念起到了積極作用。

## 弱勢支援

理文造紙於每一次發生天災造成重大傷亡時都大力支持抗震救災。本集團亦於每次災害發生後都組織員工籌款，籌得款項會交由相關慈善組織幫助災區人民早日度過難關，重建家園。過往本集團曾經發起募捐的災害包括四川汶川地震、青海玉樹地震、四川雅安地震等。

未來，本集團將會繼續支持公益，全力履行企業社會責任，創造美好。



## EXECUTIVE DIRECTORS

**Dr. Lee Man Chun Raymond**, aged 48, CPPCC National Committee, SBS JP, Chairman of the Company is in charge of corporate planning and investment projects. Dr. Lee has over 25 years of operational experience in paper manufacturing and is experienced in professional formula of paper making and product development. Dr. Lee was conferred the Honorary Degree of Doctor of Laws in 2014 and holds a Bachelor's Degree in Applied Science from the University of British Columbia in Canada. Dr. Lee was awarded the "Young Industrialist Award of Hong Kong 2002" and received an award for "2003 Hong Kong Ten Outstanding Young Persons Selection Awardees". Since December 2013, Dr. Lee was appointed as the member of Standing Committee, All-China Federation of Returned Overseas. In 2015, Dr. Lee was appointed as member of Council of City University of Hong Kong. He is currently appointed as President of Centum Charitas Foundation and Hong Kong Federation of Hainan Community Organisations Limited respectively. He is also the Chairman of Raymond Lee Charitable Foundation since 2017. Dr. Lee is currently an Independent Non-executive Director of the listed company, Beijing Enterprises Water Group Limited. Dr. Lee is the brother of Mr. Lee Man Bun, an Executive Director of the Company and Chief Executive Officer of the Group and is the brother-in-law of Mr. Li King Wai Ross, an Executive Director of the Company.

**Mr. Lee Man Bun**, aged 38, the member of the Political Consultative Committee of Guangdong Province, MH JP, Chief Executive Officer of the Group, is responsible for production management, sales, daily operation, quality improvement, repair and maintenance of production machines and factory staff management etc.. He holds a Bachelor's Degree of Applied Science in Chemical Engineering from the University of British Columbia in Canada. He is the Member of Commission on Poverty (Youth Education, Employment and Training Task Force) and the Advisory Committee of The Enhancing Self-Reliance Through District Partnership Programme. He is awarded the "Young Industrialist Award of Hong Kong 2015" and is the Founding Chairman of Hong Kong New Youth Energy Think Tank. He was the Committee Member of Social Welfare Advisory Committee from December 2011 to November 2017. Currently, he is the Chairman of Tsuen Wan Central Area Committee from April 2018 and a member of The Independent Police Complaints Council from January 2019. He is the younger brother of Dr. Lee Man Chun Raymond, the Chairman and an Executive Director of the Company and is the brother-in-law of Mr. Li King Wai Ross, an Executive Director of the Company.

## 執行董事

**李文俊博士**，48歲，全國政協委員，銀紫荊星章太平紳士，本公司主席，負責本集團整體策劃及投資項目。李博士在造紙業擁有逾25年營運經驗，對造紙業的專業程式及產品開發擁有豐富經驗。李博士於2014年獲加拿大英屬哥倫比亞大學頒授榮譽法學博士及持有其應用科學學士學位。李博士獲頒「2002年香港青年工業家」及「2003年香港十大傑出青年」。自2013年12月，李博士獲邀出任中華全國歸國華僑聯合會常委。於2015年，李博士獲邀出任香港城市大學校董會成員。彼現為百仁基金會會長及香港海南社團總會署理會長。自2017年，同時也是李文俊慈善基金的主席。彼現為上市公司北控水務集團有限公司之獨立非執行董事。李博士為本公司執行董事兼本集團首席執行官李文斌先生之哥哥，亦為本公司執行董事李經緯先生之內兄。

**李文斌先生**，38歲，廣東省政協委員，榮譽勳章太平紳士，本集團首席執行官，負責生產管理、銷售、日常運作、品質改進、機械維修和工廠員工管理等，彼持有加拿大英屬哥倫比亞大學應用科學化學工程學士學位。彼擔任扶貧委員會(青年教育、就業和培訓專責小組)委員及伙伴倡自強社區協作計劃諮詢委員，彼獲頒「2015年香港青年工業家」，亦是香港新活力青年智庫創會主席。於2011年12月至2017年11月曾擔任社會福利諮詢委員，由2018年4月開始擔任荃灣中分區委員會主席及2019年1月開始擔任監警會委員會成員。彼為本公司主席及執行董事李文俊博士之弟弟，亦為本公司執行董事李經緯先生之內弟。



## EXECUTIVE DIRECTORS (CONTINUED)

**Mr. Li King Wai Ross**, aged 43, an Executive Director of the Company, is responsible for the global procurement of recovered paper, logistics planning and optimisation, as well as external affairs for the Group. He holds a Master's Degree in Science in Electrical Engineering from Stanford University in USA and a Bachelor's Degree in Applied Science in Computer Engineering from University of British Columbia in Canada. He has over 17 years of experience in production management, operations and technological research and development. He is the brother-in-law of Dr. Lee Man Chun Raymond and Mr. Lee Man Bun, both of whom are Executive Directors of the Company.

## NON-EXECUTIVE DIRECTOR

**Professor Poon Chung Kwong**, aged 79, GBS JP, a Non-executive Director of the Company, is the Chairman of Virya Foundation Limited (a registered non-profit charitable organisation), the Emeritus Professor and the President Emeritus of the Hong Kong Polytechnic University. He devoted 40 years of his life to advancing university education in Hong Kong before he retired in January 2009 from his 18-year presidency at the Hong Kong Polytechnic University. Professor Poon obtained a Bachelor of Science (Honours) Degree from the University of Hong Kong, A Doctor of Philosophy Degree and a Higher Doctor of Science Degree from the University of London. He was a Postdoctoral Fellow at the California Institute of Technology and University of Southern California. He also held the Honorary Degree of Doctor of Humanities from the Hong Kong Polytechnic University in 2009. He was appointed a Non-official Justice of the Peace (JP) in 1989, received the OBE in 1991, the Gold Bauhinia Star (GBS) in 2002, "Leader of the Year Awards 2008 (Education)". In addition, Professor Poon was appointed as a member of the Legislative Council (1985-1991) and a member of the National Committee of the Chinese People's Political Consultative Conference (1998-2013). He is also an Independent Non-executive Director of Henderson Land Development Company Limited, The Hong Kong and China Gas Limited and Chevalier International Holdings Limited. All the aforesaid companies are listed on the Hong Kong Stock Exchange.

## 執行董事(續)

**李經緯先生**，43歲，本公司執行董事，負責本集團的全球廢紙採購業務，物流戰略及優化和負責集團對外事務。彼持有美國史丹福大學科學電子工程碩士學位及加拿大英屬哥倫比亞大學應用科學電腦工程學士學位，擁有逾17年生產管理，營運操作及技術研究開發經驗。彼為本公司執行董事李文俊博士之妹夫及李文斌先生之姐夫。

## 非執行董事

**潘宗光教授**，79歲，金紫荊星章太平紳士，本公司非執行董事，精進慈善基金有限公司(註冊非牟利慈善組織)會長、香港理工大學榮休教授及榮休校長。於2009年1月退休前，彼擔任香港理工大學校長之職達18年，在香港一直致力推動大學教育40年。潘教授早年考獲香港大學理學學士，英國倫敦大學哲學博士及高級理學博士，並在美國加州理工學院及南加州大學從事博士後研究。彼亦於2009年獲香港理工大學頒授榮譽人文博士學位。彼於1989年獲委任為非官守太平紳士(JP)、1991年獲頒英國官佐勳章(OBE)勳銜、2002年獲頒授金紫荊星章(GBS)、2008年獲頒「傑出領袖獎(教育)」。此外，潘教授曾被委任為立法局議員(1985-1991)及中國人民政治協商會議全國委員會委員(1998-2013)。彼為恒基兆業地產有限公司、香港中華煤氣有限公司及其士國際集團有限公司之獨立非執行董事。該等公司均於香港聯交所上市。



## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Wong Kai Tung Tony**, aged 76, an Independent Non-executive Director of the Company, has been a practicing lawyer in Hong Kong since 1968 and has also been admitted as a solicitor in England and Wales. He is currently a consultant at Messrs. Hastings & Co., Solicitors and Notaries. He is also an Independent Non-executive Director of the listed company, Lee & Man Chemical Company Limited.

**Mr. Peter A. Davies**, aged 76, an Independent Non-executive Director of the Company, is a retired lawyer. He has over 48 years of experience in the legal field, practising both as a solicitor and a barrister in England and Hong Kong. Over the years, he has been a partner of Messrs. Deacons, Solicitors, and a Directorate Officer and the head of the Insider Dealing Unit with the Department of Justice of Hong Kong. He was appointed to be a notary public in Hong Kong in 1974.

**Mr. Chau Shing Yim David**, aged 55, an Independent Non-executive Director of the Company, has over 20 years of experience in corporate finance and was formerly a partner of one of the big four accounting firms in Greater China, holding the position as their Head of Merger and Acquisition and Corporate Advisory. Mr. Chau is a member of the Institute of Chartered Accountants of England and Wales ("ICAEW"), and was granted the Corporate Finance Qualification of ICAEW. He is also a member of the Hong Kong Institute of Certified Public Accountants ("HKICPA") and was an ex-committee member of the Disciplinary Panel of HKICPA. Mr. Chau is a member as well as director of the Hong Kong Securities Institute and the Chairman of Corporate Outreach Committee. Mr. Chau is a member of Hospital Governing Committee of Pamela Youde Nethersole Eastern Hospital ("PYNEH") and the Trustee of the PYNEH Charitable Trust. He is also a member of Jinan Municipal Committee of the Chinese People's Political Consultation Conference.

Mr. Chau is currently an independent non-executive director of Branding China Group Limited, China Evergrande Group, Evergrande Health Industry Group Limited, HengTen Networks Group Limited, IDG Energy Investment Group Limited and Man Wah Holdings Limited. All the aforesaid companies are listed on the Hong Kong Stock Exchange. Mr. Chau was also an independent non-executive director of Richly Field China Development Limited from February 2012 to September 2018 and Asia Grocery Distribution Limited from March 2017 to August 2018. All the aforesaid companies are listed on the Hong Kong Stock Exchange.

## 獨立非執行董事

**王啟東先生**，76歲，本公司獨立非執行董事，自1968年以來為香港之執業律師，亦為英格蘭及威爾斯執業事務律師。彼現任希士廷律師行之顧問。彼亦為上市公司理文化工有限公司之獨立非執行董事。

**Peter A. Davies先生**，76歲，本公司獨立非執行董事，為退休律師。彼在法律界擁有逾48年經驗，曾於英國及香港任執業律師及大律師。過往曾擔任的近律師行合夥人以及香港律政司首長級職位，並曾出任內幕交易小組主管。彼於1974年獲委任為香港公證人。

**周承炎先生**，55歲，本公司獨立非執行董事，擁有超過20年企業融資經驗及曾為大中華四大會計師事務所其中之一的合夥人，主管合併和收購及企業諮詢組的主管。彼為英國及威爾斯特許公認會計師公會的會員、獲英國及威爾斯特許公認會計師公會賦予企業融資資格。周先生是香港會計師公會會員及曾為香港會計師公會紀律委員會委員。周先生是香港證券專業學會的董事及會員，同時出任該學會的企業外展委員會的主席。周先生也是東區尤德夫人那打素醫院醫院管治委員會成員及東區尤德夫人那打素醫院慈善信託基金成員。周先生同時也是濟南市政協委員會委員。

周先生現為品牌中國集團有限公司、中國恒大集團、恒大健康產業集團有限公司、恒騰網路集團有限公司、IDG能源投資集團有限公司及敏華控股有限公司之獨立非執行董事。所有前述公司均於香港聯交所上市。周先生亦於2012年2月至2018年9月擔任裕田中國發展有限公司、2017年3月至2018年8月擔任亞洲雜貨有限公司之獨立非執行董事。所有前述公司均於香港聯交所上市。



## SENIOR MANAGEMENT

**Mr. Cheung Kwok Keung**, aged 52, is the Chief Financial Officer of the Group and the Company Secretary of the Company, is responsible for the internal supervision, management of the Group's financial matters and investor relationship. Mr. Cheung is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants and has over 30 years of experience in the field of auditing, accounting and financial management. He is an Independent Non-executive Director of China Aoyuan Property Group Limited and DCB Holdings Limited, which are listed on the Main Board and the GEM Board of the Hong Kong Stock Exchange respectively. He joined the Group in August 2002.

**Mr. Yan Jean Goo**, aged 53, is the Deputy General Manager of Chongqing Lee & Man Tissue, is responsible for the overall operation & management of tissue business of the Group. He holds a Bachelor's Degree in Economics from the University of Xiamen and has over 31 years of experience in production and operation management. He joined the Group in November 2006.

**Mr. Yip Heong Kan**, aged 48, is the Deputy General Manager of the Group, is responsible for cost controlling, corporate management and energy saving projects. He holds a Master's Degree in Business Administration from Open University of Hong Kong, is a fellow member of the Association of Chartered Certified Accountants and an associate member of Hong Kong Institute of Certified Public Accountants. He has over 25 years of experience in auditing & accounting and corporate financial management. He joined the Group in June 2008.

## 高級管理層

**張國強先生**，52歲，本集團財務總監兼本公司之公司秘書，負責本集團之內部財政監督、管理及投資者關係。張先生為英國公認會計師公會資深會員及香港會計師公會會員，擁有逾30年核數、會計及財務管理經驗。彼為中國奧園地產集團股份有限公司及DCB控股有限公司之獨立非執行董事，該等公司分別於香港聯交所主板及創業板上市。彼於2002年8月加入本集團。

**顏建國先生**，53歲，重慶理文衛生紙副總經理，負責集團衛生紙業務的整體營運及管理。彼持有中國廈門大學經濟學學士學位，擁有逾31年的生產及營運管理經驗。彼於2006年11月加入本集團。

**葉向勤先生**，48歲，本集團副總經理，負責本集團成本控制、企業管理及節能減排項目。彼持有香港公開大學工商管理碩士學位，彼為英國公認會計師公會資深會員及香港會計師公會會員，擁有逾25年核數及會計、企業財務管理經驗。彼於2008年6月加入本集團。



## SENIOR MANAGEMENT (CONTINUED)

**Mr. Ng Hok She Harry**, aged 43, is the Head of Quality Assurance, responsible for the packaging paper and tissue paper production quality of the Group. Mr. Ng holds a Bachelor's Degree and a Master's Degree in Mechanical Engineering from McMaster University in Canada. He has over 17 years of experience in engineering safety aspects management. He joined the Group in October 2011.

**Mr. Lee Ho Chung Jude**, aged 44, is the Head of Information Technology of the Group responsible for the Information Technology Strategic Planning and Execution. He holds a Bachelor's Degree in Applied Science & Engineering from University of Toronto in Canada and has over 19 years of experience in IT supervision and 11 years of senior management experience from different multinational companies. He joined the Group in October 2011.

**Mr. Chan Chi Ho**, aged 50, is the Senior Production Manager of the Group, responsible for industrial paper production management of the Group. Mr. Chan has over 31 years of experience in overseeing production matters in the paper manufacturing business. Mr. Chan was former production manager of Jiangsu plant and rejoined the Group in February 2009.

**Mr. Chung Wai Fu**, aged 54, is the Administration Manager of Vietnam Lee & Man Paper, responsible for Hau Giang plant operation and management. Mr. Chung holds a Bachelor Degree of Production and Logistics Management and a Master Degree of Business Administration in Human Resources Management from the University of Southern Queensland. He has over 25 years of management experience working in both multinational and local listed companies in China. Mr. Chung joined the Group in November 2008.

**Ms. Li Yuen Ling**, aged 57, is the Senior Finance Manager of the Group, is responsible for the Group's finance activities, as well as maintaining banking relationship for the Group. She joined the Lee & Man group in 1984 and has over 34 years of experience in accounting and finance for manufacturing operations.

## 高級管理層(續)

**伍鶴時先生**，43歲，本集團品質保證部長，負責包裝紙及衛生紙產品質量。彼持有加拿大麥克馬斯特大學機械工程的學士學位和碩士學位。彼擁有超過17年工程安全方面的管理經驗。彼於2011年10月加入本集團。

**李浩中先生**，44歲，本集團資訊科技部部長，負責資訊科技策劃設計。彼持有加拿大多倫多大學應用科學工程學士學位，擁有逾19年跨國企業資訊科技經驗及11年的高級管理經驗。彼於2011年10月加入本集團。

**陳智豪先生**，50歲，本集團高級生產經理，負責工業紙生產管理。陳先生擁有逾31年造紙生產及機械工程經驗。彼曾任本集團江蘇廠房生產經理，於2009年2月再次加入本集團。

**鍾偉富先生**，54歲，越南理文造紙行政經理，負責后江造紙廠整體運作及管理。鍾先生持有南昆士蘭大學生產和物流管理學士學位及人力資源行政管理碩士學位，擁有逾25年管理跨國和中國本地上市公司經驗。鍾先生於2008年11月加入本集團。

**李婉玲女士**，57歲，本集團高級財務經理，負責本集團之財務事務及維繫與本集團往來銀行的關係。彼於1984年加入理文集團並擁有逾34年製造業務之會計及財務經驗。



### SENIOR MANAGEMENT (CONTINUED)

**Mr. Chu Kwok Lung**, aged 56, is the Administration Manager of Guangdong Lee & Man Paper, is responsible for the daily operation and management of Guangdong Lee & Man Paper and has over 34 years of experience in manufacturing. He joined the Group in June 2006.

**Mr. Chan Kong Sang**, aged 59, is the Manager of power stations of the Group, is responsible for the set up and operation of various power plants. He holds a Bachelor's Degree of Science in Engineering from the University of Hong Kong and has over 36 years of experience in operation and managing production and engineering aspects of manufacturing businesses. He joined the Group in January 2001.

### 高級管理層(續)

**朱國龍先生**，56歲，廣東理文造紙行政經理，負責廣東理文造紙日常運作，擁有逾34年製造業經驗。彼於2006年6月加入本集團。

**陳江生先生**，59歲，本集團熱電站部長，負責各熱電站的建設及運行。彼持有香港大學工程理學士學位，擁有逾36年管理製造業業務的生產和工程營運經驗。彼於2001年1月加入本集團。



## ULTIMATE SUPPLIERS AND BUYING AGENTS

Besides purchasing directly from the suppliers, the Group also engages certain independent buying agents to source waste paper from their ultimate suppliers mainly supermarkets, paper packing companies and recycling plants. The Group's buying agents in the United States and Europe, namely Ralison International Inc., Mark Lyndon International B.V. and Mark Lyndon Paper Enterprises (UK) Limited, are ultimately owned by Mr. Albert Chiu Tung-Choi, a distant relative of the Company's controlling shareholders, Dr. Lee Wan Keung Patrick, Dr. Lee Man Chun Raymond and Mr. Lee Man Bun. Dr. Lee Man Chun Raymond and Mr. Lee Man Bun are also executive directors of the Company. These buying agents are not "connected persons" of the Company pursuant to the Listing Rules. They receive a commission for sourcing the raw materials of waste paper and they did not trade and are contractually obliged not to take a position on or otherwise maintain an inventory of waste paper themselves. Their primary role is to coordinate the logistics in order to have the waste paper delivered to the Group, including on-site inspections and customs clearance, and thereby reduces the regulatory risk for the Group. The total prices paid for the waste paper (including the price of waste paper paid to ultimate suppliers and commission paid to the buying agents) were made on an arm's length basis. The Group sourced 19% and 30% of its total raw materials through these buying agents for the year ended 31 December 2018 and 2017 respectively. The commission paid to these buying agents amounted to HK\$81.9 million and HK\$88.3 million for the year ended 31 December 2018 and 2017 respectively.

None of the directors, their associates or any shareholder which owned more than 5% of the Company's issued share capital had any interest in the share capital of the five largest suppliers of the Group.

## 最終供應商及採購代理

除了向供應商直接採購之外，本集團亦委聘若干獨立採購代理，向彼等的最終供應商（主要為超級市場、紙品包裝公司及回收工場）採購廢紙。本集團位於歐美的採購代理 Ralison International Inc.、Mark Lyndon International B.V. 及 Mark Lyndon Paper Enterprises (UK) Limited 由本公司控股股東李運強博士、李文俊博士及李文斌先生（李文俊博士及李文斌先生亦為本公司執行董事）的遠親趙棟材先生最終擁有。根據上市規則，該等採購代理並非本公司「關連人士」。彼等透過採購廢紙原材料收取佣金，且彼等並不進行交易，以及合約上毋須負責或以其他方式保持彼等自身的廢紙存貨量。彼等的首要角色為協調物流，確保廢紙運送至本集團（包括實地檢查及清關），從而減輕本集團的監管風險。已支付的總廢紙價格（包括向最終供應商支付的廢紙價格及支付予採購代理的佣金）乃按公平原則釐定。截至2018年及2017年12月31日止年度，本集團透過採購代理採購佔其原材料總額分別為19%及30%。支付予該等採購代理之佣金於截至2018年及2017年12月31日止年度分別為81.9百萬港元及88.3百萬港元。

概無任何董事、彼等的聯繫人士或任何擁有本公司已發行股本5%以上的股東於本集團五大供應商的股本中擁有任何權益。





The directors present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2018.

## PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries and a joint venture are set out in notes 42 and 21 respectively to the consolidated financial statements.

## RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on page 91.

An interim dividend of HK20 cents per share amounting to HK\$883,951,000 in aggregate was paid to the shareholders during the year. The directors of the Company now recommend the payment of a final dividend of HK15 cents per share for the year ended 31 December 2018 to the shareholders on the register of members on 16 May 2019, amounting to approximately HK\$658 million in aggregate, subject to the approval of the shareholders at the forthcoming annual general meeting.

## DISTRIBUTABLE RESERVES

As at 31 December 2018, the Company's reserves available for distribution to shareholders amounted to HK\$3,094,848,000 (2017: HK\$2,692,988,000), representing the aggregation of the share premium, the contributed surplus and the retained profits and net of the share repurchase reserve.

## FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 7 of the annual report.

董事謹此提呈本公司及其附屬公司(「本集團」)截至2018年12月31日止年度之年報及經審核財務報表。

## 主要業務

本公司是一間投資控股公司，各主要附屬公司及合營企業的主要業務分別載於綜合財務報表附註42及21。

## 業績及分配

本集團截至2018年12月31日止年度的業績載於第91頁的綜合損益及其他全面收益表。

年內已向股東派發中期股息每股20港仙，合共883,951,000港元。本公司董事現建議派發截至2018年12月31日止年度之末期股息每股15港仙，合共約6.58億港元，予於2019年5月16日名列股東名冊之股東。末期股息須待股東於應屆股東週年大會上批准方可作實。

## 可分派儲備

於2018年12月31日，本公司可供分派予股東之儲備為股份溢價、資本公積及留存盈利及扣除購回股份儲備合共3,094,848,000港元(2017年：2,692,988,000港元)。

## 五年財務概要

本集團最近五個財政年度之業績及資產及負債概要載於年報第7頁。



## PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired property, plant and equipment at a cost of approximately HK\$1,978 million (2017: HK\$3,483 million) for the purpose of expanding its business. An amount of HK\$52,926,000 (2017: HK\$179,300,000) was transferred from property, plant and equipment to investment properties for generating rental income. Details of the movements in the property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

## BUSINESS REVIEW AND PERFORMANCE

A review of the business of the Company and a discussion and analysis of the Group's performance during the year and the material factors underlying its results and financial position are provided in the Chairman's Statement and Management Discussion and Analysis, respectively, set out on pages 8 to 9 and pages 10 to 13 of this Annual Report. The outlook of the Company's business is discussed throughout this Annual Report.

## PRINCIPAL RISKS AND UNCERTAINTIES

The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Companies Ordinance (Chapter 622 of the laws of Hong Kong) and are in addition to the matters referred to in the Chairman's Statement and Management Discussion and Analysis.

### 1. Economic climate and individual market performance

The impact of economic conditions of China would affect sales and results of the Group. The Group continues to implement its strategies to develop and strengthen penetration of the relevant markets. The management of the Group will continue to make efforts to strictly control costs and manage the usage of capital fund in order to maintain the Group's competitiveness in the paper industry.

## 物業、廠房及設備

年內，本集團購置物業、廠房及設備之成本約19.78億港元（2017年：34.83億港元），以擴展業務。為數52,926,000港元（2017年：179,300,000港元）金額由物業、廠房及設備轉撥往產生租金收入之投資物業。本集團物業、廠房及設備於年內的變動詳情載於綜合財務報表附註17。

## 業務回顧及表現

於本年度內，本公司業務回顧及本集團表現之討論及分析以及與業績及財務狀況相關之重大因素分別載列於本年報第8頁至第9頁之主席報告及第10頁至第13頁之管理層討論及分析中。本公司的業務展望於本年報不同部分討論。

## 主要風險及不明朗因素

除主席報告及管理層討論及分析提述事宜以外，本公司根據公司條例（香港法例第622章）須予披露所面對的主要風險及不明朗因素如下。

### 1. 經濟氣候及個別市場表現

中國經濟情況的影響會影響本集團的銷售和業績。本集團繼續實施策略，以發展和加強不同地區的市場滲透，本集團管理層將繼續致力嚴控成本及加強資本運用以保持本集團在造紙業的競爭力。



## PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

### 2. Loss of key individuals or the inability to attract and retain talent

Lack of appropriately skilled and experienced resource could result in a delay in achieving the Group's strategic goals. The risk of the loss of key personnel is mitigated by regular reviews of recruitment and retention practices, remuneration packages and succession planning within the management team.

### 3. Customers' credit risk

The maximum exposure to credit risk by the Group which will cause a financial loss due to failure to discharge an obligation by the counterparties is arising from the carrying amounts of the recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group only extends credit to customers based on careful evaluation of the customers' financial conditions and credit history. Credit sales of products are made to customers with an appropriate credit history. In addition, the Group reviews the recoverable amount of debt at the end of the reporting period to ensure that adequate impairment losses are recognised for irrecoverable amounts.

Details of the customers' credit risk are set out in note 35(ii) to the consolidated financial statements.

### 4. Liquidity risk

In management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with the relevant loan covenants.

Details of the liquidity risk are set out in note 35(ii) to the consolidated financial statements.

## 主要風險及不明朗因素(續)

### 2. 關鍵人物流失或無法吸引及挽留人才

缺乏適當技術和富經驗的資源，可能會阻延本集團實現策略目標。經常檢討招聘和挽留人才的做法、薪酬待遇和管理團隊內的繼任計劃降低了關鍵人員流失的風險。

### 3. 客戶的信貸風險

本集團因交易方未能履行責任而導致財務損失所承受之最高信貸風險來自綜合財務狀況表所載列已確認金融資產之賬面值。

為減低信貸風險，本集團管理層已指派一組人員負責釐定信貸限額、信貸審批及其他監控程序，以確保採取跟進行動收回逾期末付債項。本集團僅會在審慎評估客戶之財政狀況及信貸紀錄後增加客戶之信貸額。產品信貸銷售會提供予具有良好信貸紀錄之客戶。此外，本集團會於報告期末檢討債項之可收回數額，以確保就不可收回數額作出足夠之減值虧損。

客戶的信貸風險詳情載列於綜合財務報表附註35(ii)。

### 4. 流動資金風險

管理流動資金風險時，本集團會監察及保持管理層視為足夠水平之現金及現金等價物，以撥付本集團營運所需及減低現金流量波動之影響。管理層會監察銀行借貸之使用情況，確保遵守相關貸款契諾。

流動資金風險詳情載列於綜合財務報表附註35(ii)。



## PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

### 5. Currency risk

The Group has foreign currency transactions and foreign currency borrowings, which expose the Group to foreign currency risk. The Group manages and monitors foreign exchange exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group has entered into certain foreign currency forward contracts to mitigate the risks as deemed appropriate.

Details of the currency risk are set out in note 35(ii)(a) to the consolidated financial statements.

### 6. Interest rate risk

The Group is mainly exposed to cash flow interest rate risk in relation to floating-rate bank balances and bank borrowings and fair value interest rate risk in relation to fixed-rate bank borrowings. The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Details of the interest rate risk are set out in note 35(ii)(b) to the consolidated financial statements.

## GROUP'S ENVIRONMENTAL POLICIES AND PERFORMANCE

Other than financial performance, the Group believes that a high standard of corporate social responsibility is essential for building up a good corporate and social relationship and motivating staff and creating a sustainable return to the Group. We are committed to contributing to the sustainability of the environment and community in which we conduct business and where our stakeholders live.

Particulars of the Company's environmental policies and performance are set out in the Environmental, Social and Governance Report on pages 30 to 64 of this Annual Report.

## 主要風險及不明朗因素 (續)

### 5. 貨幣風險

本集團因有外幣交易及外幣借貸，以致本集團承受外幣折算風險。本集團管理及監察外匯風險，以確保及時及有效地採取適當措施。本集團已適當訂立多項外幣遠期合約以降低有關風險。

貨幣風險詳情載列於綜合財務報表附註35(ii)(a)。

### 6. 利率風險

本集團之現金流量利率風險主要是浮息銀行結餘及銀行借貸以及定息銀行借貸之公允值利率風險。管理層監控利率風險，並將在有需要時考慮對沖重大利率波動。

利率風險詳情載列於綜合財務報表附註35(ii)(b)。

## 本集團的環境政策及表現

除財務表現外，本集團相信高標準之企業社會責任對建立良好企業及社會關係及激勵員工及為本集團創造可持續之回報均至為重要。本公司致力於為本公司業務經營及本公司權益人所在地區的環境及社群之可持續發展作出貢獻。

本公司之環保政策及表現詳情載列於本年報第30頁至第64頁之環境、社會及管治報告。



## STAKEHOLDERS' ENGAGEMENT

We obtain and understand the views of our stakeholders regularly. This communication provides valuable feedback for our business and assists us to understand stakeholders' needs and assess the best way to leverage our resources and expertise to contribute to future business and community development.

Across the supply chain, we have taken steps through the year to ensure that we operate responsibly and in the interests of our customers, workforce, suppliers and other stakeholders.

An account of the Company's relationships with employees is included in the Management Discussion and Analysis from pages 10 to 13.

## SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 33 to the consolidated financial statements.

During the year, the Company repurchased certain of its own ordinary shares through The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), details of which are set out in note 33 to the consolidated financial statements. The directors considered that the repurchases would increase the earnings per share of the Company. None of the Company's subsidiaries repurchased, sold or redeemed any of the Company's shares during the year.

## 權益人參與

我們定期取得及了解權益人的意見。這種溝通為我們的業務提供了寶貴的反饋意見，並協助我們了解權益人的需求並評估充分利用我們的資源和專業知識的最佳方法，有助未來的業務和社區發展。

在整個供應鏈中，我們年內已採取措施確保我們以負責任的態度經營業務，並符合我們的客戶、員工、供應商和其他權益人的利益。

本公司與僱員的關係記述載於第10頁至第13頁之管理層討論及分析。

## 股本

年內本公司股本的變動詳情載於綜合財務報表附註33。

年內，本公司於香港聯合交易所有限公司（「聯交所」）購回若干本公司普通股份，詳情載於綜合財務報表附註33。董事認為，購回股份可提高本公司每股盈利。年內概無本公司附屬公司購回、出售或贖回本公司任何股份。



## DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company during the year and up to the date of this report were:

### Executive directors

Dr. Lee Man Chun Raymond, *SBS JP (Chairman)*  
Mr. Lee Man Bun, *MH JP (Chief Executive Officer)*  
Mr. Li King Wai Ross

### Non-executive director

Professor Poon Chung Kwong, *GBS JP*

### Independent non-executive directors

Mr. Wong Kai Tung Tony  
Mr. Peter A. Davies  
Mr. Chau Shing Yim David

In accordance with the Company's Articles of Association, Mr. Lee Man Bun and Mr. Peter A. Davies retire and, being eligible, offer themselves for re-election.

Each of Dr. Lee Man Chun Raymond, Mr. Lee Man Bun and Mr. Li King Wai Ross has entered into a service agreement with the Company for an initial period of three years commencing 1 April 2017, which will continue thereafter unless and until terminated by either party by three months' prior written notice.

The term of office of the non-executive director and each of the independent non-executive directors is the period up to his retirement as required by the Company's Articles of Association.

## 董事及董事的服務合約

年內及截至本報告刊發日期，本公司的董事如下：

### 執行董事

李文俊博士 *銀紫荊星章 太平紳士(主席)*  
李文斌先生 *榮譽勳章 太平紳士(首席執行官)*  
李經緯先生

### 非執行董事

潘宗光教授 *金紫荊星章 太平紳士*

### 獨立非執行董事

王啟東先生  
Peter A. Davies先生  
周承炎先生

根據本公司章程細則，李文斌先生及 Peter A. Davies先生將退任，惟彼等符合資格並願意膺選連任。

李文俊博士、李文斌先生及李經緯先生各自與本公司訂立服務合約，年期由2017年4月1日起計，初步為期三年，此後一直存續，直至任何一方向另一方發出三個月事前書面通知予以終止為止。

非執行董事及各位獨立非執行董事的任期，直至其須根據本公司章程細則的規定退任為止。



## PERMITTED INDEMNITY PROVISION

During the year, a permitted indemnity provision that meets the requirements specified in section 469(2) of the Companies Ordinance for the benefit of the directors of the Company is in force.

## CONTINUING DISCLOSURE REQUIREMENTS UNDER RULE 13.21 OF THE LISTING RULES

In accordance with the disclosure requirements of Rule 13.21 of the Listing Rules, the following disclosure is included in respect of the Company's loan agreements, which contains covenants requiring performance obligations of the controlling shareholders of the Company as at the date of this Annual Report.

The Group has certain loan facility agreements where it would constitute an event of default if any one or all of Dr. Lee Wan Keung Patrick, Dr. Lee Man Chun Raymond and Mr. Lee Man Bun (together the "Controlling Shareholders"), the Controlling Shareholders of the Company, ceases to legally and beneficially own, directly or indirectly, in aggregate at least 51% of the entire issued share capital of and equity interest in the Company or do not, or cease to, exercise management control over the Company. Upon the occurrence of any of the above events, the outstanding liability under the loan facilities will become immediately due and payable.

## 獲准許彌償條文

年內，基於本公司董事利益並符合公司條例第469(2)部指定要求的獲准許彌償條文已生效。

## 根據上市規則第13.21條規定作出持續披露

根據上市規則第13.21條披露規定，下文披露就本公司於本年報日期包含本公司控股股東須履行指定責任的契諾條款之貸款協議而作出。

本集團有若干貸款融資協議，當中倘本公司控股股東，即李運強博士、李文俊博士及李文斌先生（統稱為「控股股東」）當中任何一人或全部人終止直接或間接法定實益擁有本公司全部已發行股本或股本權益合共最少51%，或未能，或終止對本公司行使控制權，將構成違約。當發生上述任何事件，貸款融資項下未償還負債將即時到期及應付。



## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN EQUITY OR DEBT SECURITIES

As at 31 December 2018, the interests of the directors and the chief executives and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, the Stock Exchange were as follows:

### Long positions

Ordinary shares of HK\$0.025 each of the Company

Name of director 董事姓名	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
Dr. Lee Man Chun Raymond 李文俊博士	Beneficial owner 實益擁有人	1,358,991,040	30.96%
Mr. Lee Man Bun 李文斌先生	Beneficial owner 實益擁有人	1,262,932,960	28.78%
Mr. Li King Wai Ross 李經緯先生	Held by spouse 由配偶持有	4,564,865	0.10%
Professor Poon Chung Kwong 潘宗光教授	Beneficial owner 實益擁有人	100,000	0.002%

Save as disclosed above, none of the directors or 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 31 December 2018.

## 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2018年12月31日，董事及主要行政人員及彼等之聯繫人士在本公司及其相聯法團的股份、相關股份及債券中，擁有本公司根據證券及期貨條例（「證券及期貨條例」）第352條存置之登記冊所記錄之權益，或已知會本公司及根據上市發行人董事進行證券交易的標準守則已知會聯交所的權益如下：

### 好倉

本公司每股0.025港元之普通股

除上文所披露者外，於2018年12月31日，各董事、主要行政人員或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。





## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

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

## SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, at 31 December 2018, other than directors and chief executives, the following shareholders had notified the Company of the relevant interests in the issued share capital of the Company.

### Long positions

Ordinary shares of HK\$0.025 each of the Company

Name of shareholder 股東姓名	Capacity 身份	Number of issued ordinary shares held 持有已發行 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
Ms. Ho Tsz Wan 何芷韻女士	Held by spouse (note i) 由配偶持有 (附註i)	1,262,932,960	28.78%
Dr. Lee Wan Keung Patrick 李運強博士	Beneficial owner 實益擁有人	507,342,000	11.56%
Ms. Lee Wong Wai Kuen 李黃惠娟女士	Held by spouse (note ii) 由配偶持有 (附註ii)	507,342,000	11.56%

notes:

- (i) Under the SFO, Ms. Ho Tsz Wan is deemed to be interested on the 1,262,932,960 ordinary shares as she is the spouse of Mr. Lee Man Bun.
- (ii) Under the SFO, Ms. Lee Wong Wai Kuen is deemed to be interested on the 507,342,000 ordinary shares as she is the spouse of Dr. Lee Wan Keung Patrick.

## 購買股份或債券之安排

本公司、其控股公司、或其任何附屬公司或同系附屬公司於年內任何時間概無參與訂立任何安排，致使本公司董事可藉購入本公司或任何其他法人團體之股份或債券 (包括債權證) 而獲益。

## 主要股東

根據本公司按證券及期貨條例第336條須存置之主要股東登記冊所記錄，於2018年12月31日，下列股東 (董事及主要行政人員除外) 已知會本公司彼等於本公司已發行股本中擁有之相關權益。

### 好倉

本公司每股0.025港元之普通股

附註：

- (i) 根據證券及期貨條例，由於何芷韻女士是李文斌先生的配偶，故被視為擁有該1,262,932,960股普通股的權益。
- (ii) 根據證券及期貨條例，由於李黃惠娟女士是李運強博士的配偶，故被視為擁有該507,342,000股普通股的權益。

Other than as disclosed above, the Company had not been notified of any other relevant interests or short positions in the shares or underlying shares of the Company as at 31 December 2018.

除上述披露者外，本公司概無獲知會於2018年12月31日本公司股份或相關股份之任何其他相關權益或淡倉。



## CORPORATE GOVERNANCE

Particulars of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 14 to 29 of this Annual Report.

## APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing Securities on the Stock Exchange ("Listing Rules"). The Company considers all of the independent non-executive directors are independent.

## CONNECTED TRANSACTIONS

Pursuant to Rule 14A.38 of the Listing Rules, the board of directors engaged the auditor of the Company to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing their findings and conclusions in respect of the continuing connected transactions in accordance with Listing Rules. The independent non-executive directors have reviewed the continuing connected transactions and the unqualified letter from the auditor and have confirmed that the continuing connected transactions have been entered into by the Group in the ordinary and usual course of its business, on normal commercial terms, or on terms no less favourable than terms available to or from independent third parties, in accordance with the terms of the agreement governing such transactions that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and within the relevant cap amounts as agreed by the Stock Exchange.

## 企業管治

本公司企業管治詳情載於本年報第14頁至第29頁之企業管治報告。

## 委任獨立非執行董事

根據聯交所證券上市規則(「上市規則」)第3.13條之指引，每位獨立非執行董事已向本公司確認其年度之獨立性，本公司認為所有獨立非執行董事確屬獨立人士。

## 關連交易

根據上市規則第14A.38條，董事會委聘本公司核數師，按照香港會計師公會頒布的香港鑒證業務準則第3000號下之「非審核或審閱過往財務資料之鑒證工作」規定，並參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」就本集團的持續關連交易作出報告。根據上市規則，核數師已對本集團的持續關連交易所作的審查結果及結論，發出載有其無保留意見的函件。獨立非執行董事已審閱持續關連交易及核數師無保留意見的函件，並已確認本集團所進行持續關連交易乃其日常及一般業務中按正常商業條款進行，或按照不遜於向或自獨立第三方給予之條款進行，且遵照管轄該等交易之協議條款，乃屬公平合理及符合本公司股東整體利益，及不超逾與聯交所協定的相關上限金額。



## CONNECTED TRANSACTIONS (CONTINUED)

Details of the discloseable connected transactions for the year are set out in note 41 to the consolidated financial statements.

Save as disclosed above, there were no other transactions which are required to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

## DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Other than as disclosed under the heading "Connected Transactions", no transactions, arrangements and contracts of significance, to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate purchases attributable to the Group's five largest suppliers and the aggregate sales attributable to the Group's five largest customers were both less than 30% of the Group's total purchases and total sales respectively.

None of the directors, their associates or any shareholder which, to the knowledge of the directors, owned more than 5% of the Company's issued share capital had any interest in the share capital of any of the Group's five largest suppliers.

## SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained a sufficient public float throughout the year ended 31 December 2018.

## 關連交易 (續)

本年度的須予披露之關連交易詳情載於綜合財務報表附註41。

除上文所披露者外，並無任何其他交易須按上市規則的規定須予披露為關連交易。

## 董事於交易、安排及重大合約中之權益

除「關連交易」一節所披露者外，本公司、其控股公司、附屬公司或同系附屬公司概無訂立於年結日或年內任何時間仍然生效，且本公司董事直接或間接在其中擁有重大利益的交易、安排及重大合約。

## 主要客戶及供應商

年內，本集團五大供應商之累計購貨及本集團五大客戶之累計銷售均分別少於集團總購貨及總銷售之30%。

概無董事、彼等的聯繫人士或任何(就董事所知)擁有本公司已發行股本5%以上之股東於本集團五大供應商的股本中擁有任何權益。

## 足夠之公眾持股量

按本公司可以得悉之公開資料所示及就董事所知悉，本公司於截至2018年12月31日止整個年度內皆保持足夠公眾持股量。



## PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's Article of Associations, or the laws of Cayman Islands, which oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

## EMOLUMENT POLICY

The Group remunerates its employees based on their performance, experience and prevailing market rate. Other employee benefits including insurance, medical cover and share options are also provided.

The determination of emoluments of the Company's directors has taken into consideration their expertise and job specifications.

## DONATIONS

During the year, the Group made charitable and other donations of HK\$2,390,000.

## AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

**Lee Man Chun Raymond**

CHAIRMAN

Hong Kong

11 March 2019

## 優先購股權

本公司之章程細則或開曼群島法例均無有關優先購股權之條文，規定本公司須按持股比例向現有股東發售新股份。

## 薪酬政策

本集團根據員工表現、經驗及市場價格釐定其薪酬。另提供其他員工福利包括保險、醫療保障及購股權。

本公司董事之薪酬釐定已考慮其專業及工作範圍。

## 捐款

年內，本公司作出的慈善及其他捐款合共2,390,000港元。

## 核數師

有關續聘德勤•關黃陳方會計師行為本公司核數師之決議案將於股東週年大會上提呈。

代表董事會

**李文俊**

主席

香港

2019年3月11日





德勤

**TO THE MEMBERS OF  
LEE & MAN PAPER MANUFACTURING LIMITED**  
*(incorporated in the Cayman Islands with limited liability)*

致理文造紙有限公司股東  
  
(於開曼群島註冊成立的有限公司)

## OPINION

We have audited the consolidated financial statements of Lee & Man Paper Manufacturing Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 91 to 232, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## 意見

本核數師行已審核列載於第91至第232頁內之理文造紙有限公司(「貴公司」)及其附屬公司(以下合稱為「貴集團」)之綜合財務報表，此綜合財務報表包括於2018年12月31日之綜合財務狀況表，截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

本行認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒布之香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於2018年12月31日的綜合財務狀況及 貴集團於截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥善編製。

## 意見的基礎

本行已根據香港會計師公會頒布的香港審計準則(「香港審計準則」)進行審計。本行在該等準則下承擔的責任在本報告核數師就審計綜合財務報表承擔的責任部分中作進一步闡述。根據香港會計師公會頒布的專業會計師道德守則(「守則」)，本行獨立於 貴集團，並已履行守則中的其他專業道德責任。本行相信，本行所獲得的審計憑證能充足及適當地為本行的審計意見提供基礎。



## KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

### Key audit matter

#### 關鍵審計事項

#### *Impairment loss on trade receivables*

#### 應收貿易賬款之減值虧損

We identified the impairment losses on trade receivables as a key audit matter due to its significance to the consolidated financial statements and the significant degree of management judgment involved in recognising impairment loss on trade receivables.

本行識別應收貿易賬款減值虧損為關鍵審計事項因其於綜合財務報表之重要性及管理層參與判斷應收貿易賬款減值虧損的顯著程度。

The Group recognises a loss allowance for expected credit losses ("ECL") on trade receivables which are subject to impairment upon the adoption of HKFRS 9 in the current year. The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default which involves key estimates from management of the Group. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

當本年度採納香港財務報告準則第9號時，貴集團對受到減值之應收貿易賬款就預期信貸虧損(「預期信貸虧損」)確認虧損撥備。預期信貸虧損計量具備違約可能性，默認損失(即倘有違約時的損失幅度)及貴集團管理層主要估計違約涉及之風險的功能。違約可能性及默認損失的評估乃基於過往數據經前瞻性資料作出調整。

## 關鍵審計事項

關鍵審計事項是指根據本行的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在本行審計整體綜合財務報表及出具意見時進行處理的。本行不會對這些事項提供單獨的意見。

### How our audit addressed the key audit matter

#### 本行如何處理關鍵審計事項

Our procedures in relation to assessing the sufficiency of the impairment loss on trade receivables estimated by management included:

本行就評估管理層估計應收貿易賬款減值虧損是否足夠的步驟包括：

- Understanding how the impairment loss of trade receivables has been estimated by management and the approval procedures for recognising the impairment loss on trade receivables;
- 理解管理層如何估計應收貿易賬款減值虧損及於應收貿易賬款確認減值虧損之審批程序；



## KEY AUDIT MATTER (CONTINUED)

### Key audit matter 關鍵審計事項

#### **Impairment loss on trade receivables** 應收貿易賬款之減值虧損

The carrying amount of trade receivables amounted to approximately HK\$3,059 million, net of loss allowance for ECL amounting to approximately HK\$85 million recognised as at 31 December 2018. Referring to note 4 to the consolidated financial statements, the Group estimates the ECL by using provision matrix which is based on the Group's historical default rates taking into consideration of forward-looking information that is reasonable and supportable available without undue costs or effort.

於2018年12月31日，應收貿易賬款經扣除已確認預期信貸虧損撥備合共約8,500萬港元後，賬面值合共約30.59億港元。參考綜合財務報表附註4所述，貴集團根據貴集團過往的違約率並考慮前瞻性資料採用暫繳模式估計預期信貸虧損，乃合理及毋須不必要的成本或費力而可得之理據。

## 關鍵審計事項(續)

### How our audit addressed the key audit matter 本行如何處理關鍵審計事項

- Assessing the reasonableness of the methods and assumptions used in the Group's ECL model based on our understanding on the Group's customer portfolio and discussion with management and the independent qualified professional valuer including:
  - 基於本行對貴集團的客戶組合的理解，及與管理層及獨立合資格專業估值師討論，評估貴集團用作預期信貸虧損模式之方法及假設的合理性包括：
    - the credit quality of the customers, such as any experience in default, delay in payments, aging analysis and historical settlement pattern; and
    - 客戶的信貸質素，例如何任何違約記錄、延期付款、賬齡分析及過往結算模式；及
    - the provision rates, internal credit ratings, historical default rates and forward-looking information.
    - 撥備率、內部信貸評級、過往違約率及前瞻性資料。
- Evaluating the independent qualified professional valuer's competence, capabilities and objectivity.
- 評估獨立合資格專業估價師之才能、能力及客觀性。



## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## 其他資料

貴公司董事須對其他資料負責。其他資料包括刊載於年報內的全部資料，但不包括綜合財務報表及本行的核數師報告。

本行對綜合財務報表的意見並不涵蓋其他資料，本行亦不對該等其他資料發表任何形式的鑒證結論。

結合本行對綜合財務報表的審計，本行的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或本行在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於本行已執行的工作，如果本行認為其他資料存在重大錯誤陳述，本行需要報告該事實。在這方面，本行沒有任何報告。

## 董事及負責管治人員就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的香港財務報告準則及香港公司條例披露規定編製真實而公平的綜合財務報表，以及董事釐為必須的內部監控，以使編製的綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

負責管治人員須履行監督貴集團的財務報告過程的責任。





## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

## 核數師就審計綜合財務報表承擔的責任

本行的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括本行意見的核數師報告，根據協定的聘用條款僅向整體股東報告而非用作其他用途。本行概不就本報告的內容，對任何其他人士承擔任何責任及債務。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審計的過程中，本行運用了專業判斷並保持了專業懷疑態度。本行亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。



## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
  - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
  - 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果本行認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。倘有關披露不足，則本行應當發表非無保留意見。本行的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
  - 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否公平反映相關交易和事項。
  - 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。本行負責貴集團審計的方向、監督和執行。本行為審計意見承擔全部責任。

## 核數師就審計綜合財務報表承擔 的責任(續)



## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine that matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Ip Chiu Yin.

**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong

11 March 2019

## 核數師就審計綜合財務報表承擔 的責任(續)

本行與 貴公司負責管治人員溝通，當中包括計劃的審計範圍、時間安排、重大審計發現等，包括本行在審計中識別出內部控制的任何重大缺陷。

本行還向 貴公司負責管治人員提交聲明，說明本行已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響本行獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與 貴公司負責管治人員溝通的事項中，本行確定哪事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。本行在核數師報告中描述此事項，除非法律法規不允許公開披露此事項，或在極端罕見的情況下，如果合理預期在本行報告中溝通某事項造成的負面後果超過產生的公眾利益，本行決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是葉超然。

**德勤•關黃陳方會計師行**  
執業會計師  
香港

2019年3月11日



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 綜合損益及其他全面收益表

For the year ended 31 December 2018 截至2018年12月31日止年度

		NOTES 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Revenue	收入	5	32,208,082	25,836,884
Cost of sales	銷售成本		(24,699,596)	(18,324,030)
Gross profit	毛利		7,508,486	7,512,854
Other income	其他收入	7	1,015,109	791,671
Impairment losses on trade receivables, net of reversal	應收貿易賬款減值虧損 (扣除回撥)	8	(67,938)	3,160
Other gains and losses	其他收益及虧損	9	90,039	(72,581)
Distribution and selling expenses	分銷及銷售費用		(580,571)	(435,004)
General and administrative expenses	日常及行政費用		(1,518,181)	(1,291,614)
Finance costs	財務成本	10	(319,612)	(185,311)
Profit before tax	除稅前盈利		6,127,332	6,323,175
Income tax expense	利得稅支出	11	(1,247,112)	(1,282,883)
<b>Profit for the year</b>	<b>年度盈利</b>	12	<b>4,880,220</b>	<b>5,040,292</b>
<b>Other comprehensive (expense) income</b> <i>Item that may be reclassified subsequently to profit or loss:</i>	<b>其他全面(支出)收益</b> <i>其後可能重新分類至 損益之項目:</i>			
Exchange differences arising on translation of foreign operations	換算境外業務產生之 匯兌差額		(910,719)	1,551,737
<b>Total comprehensive income for the year</b>	<b>年度總全面收益</b>		<b>3,969,501</b>	<b>6,592,029</b>
Profit for the year attributable to:	以下人士應佔年度盈利:			
Owners of the Company	本公司擁有人		4,880,206	5,040,292
Non-controlling interest	非控股權益		14	—
			<b>4,880,220</b>	<b>5,040,292</b>
Total comprehensive income attributable to:	以下人士應佔總全面收益:			
Owners of the Company	本公司擁有人		3,969,410	6,592,029
Non-controlling interest	非控股權益		91	—
			<b>3,969,501</b>	<b>6,592,029</b>
Earnings per share	每股盈利	16	109.92	111.47



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 December 2018 於2018年12月31日

		NOTES 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	17	27,443,999	27,458,855
Prepaid lease payments	預付租賃款項	18	937,107	936,881
Investment properties	投資物業	19	592,003	581,602
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	20	425,313	152,178
Interest in a joint venture	合營企業權益	21	—	—
Loan to a joint venture	合營企業貸款	21	98,343	97,453
			<b>29,496,765</b>	<b>29,226,969</b>
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	22	4,886,346	4,954,319
Prepaid lease payments	預付租賃款項	18	21,647	21,310
Loan to a joint venture	合營企業貸款	21	55,792	36,890
Trade and other receivables	應收貿易及其他賬款	23	5,956,979	6,775,828
Bills receivables discounted with recourse	附追索權之應收票據貼現	24	338,354	—
Amounts due from related companies	應收關連公司款項	25	9,003	21,709
Derivative financial instruments	衍生金融工具	26	—	4,127
Bank balances and cash	銀行結餘及現金	27	2,011,942	2,248,641
			<b>13,280,063</b>	<b>14,062,824</b>
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and other payables	應付貿易及其他賬款	28	3,670,936	4,672,298
Advances drawn on bills receivables discounted with recourse	附追索權之應收票據預付款	24	338,354	—
Amounts due to related companies	應付關連公司款項	25	11,678	14,742
Derivative financial instruments	衍生金融工具	26	3,543	—
Tax payable	應付稅項		275,494	326,923
Contract liabilities	合約負債	29	96,107	—
Bank borrowings	銀行借貸	30	5,825,466	6,025,745
			<b>10,221,578</b>	<b>11,039,708</b>
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>3,058,485</b>	<b>3,023,116</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總值減流動負債</b>		<b>32,555,250</b>	<b>32,250,085</b>



CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)  
綜合財務狀況表(續)

At 31 December 2018 於2018年12月31日

		NOTES 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Bank borrowings	銀行借貸	30	7,965,029	9,051,959
Deferred tax liabilities	遞延稅項負債	31	1,444,370	1,282,008
			9,409,399	10,333,967
			23,145,851	21,916,118
<b>CAPITAL AND RESERVES</b>	<b>股本及儲備</b>			
Share capital	股本	33	109,723	112,635
Reserves	儲備		23,033,372	21,803,483
Equity attributable to owners of the Company	本公司擁有人 應佔權益		23,143,095	21,916,118
Non-controlling interests	非控股權益		2,756	—
			23,145,851	21,916,118

The consolidated financial statements on pages 91 to 232 were approved and authorised for issue by the Board of Directors on 11 March 2019 and are signed on its behalf by:

第91至第232頁所載的綜合財務報表已於2019年3月11日經董事會批准及授權刊發，並由下列董事代表簽署：

**LEE MAN CHUN RAYMOND 李文俊**  
CHAIRMAN 主席

**LEE MAN BUN 李文斌**  
DIRECTOR 董事



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2018 截至2018年12月31日止年度

		Share capital	Share premium	Translation reserve	Capital contribution reserve	Legal reserve	Special reserve	Other reserve	Share repurchase reserve	Retained profits	Sub-total	Non-controlling interests	Total equity
		股本	股份溢價	匯兌儲備	出資儲備	法定公積金	特別儲備	其他儲備	購回儲備	留存盈利	小計	非控股權益	權益總額
		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
					(note i) (附註i)	(note ii) (附註ii)	(note iii) (附註iii)	(note iv) (附註iv)					
At 1 January 2017	於2017年1月1日	113,642	3,409,183	(930,239)	12,552	97	(2,999)	(12,060)	(42,122)	14,274,911	16,822,965	—	16,822,965
Profit for the year	年度盈利	—	—	—	—	—	—	—	—	5,040,292	5,040,292	—	5,040,292
Exchange differences arising on translation of foreign operations	換算境外業務產生之匯兌差額	—	—	1,551,737	—	—	—	—	—	—	1,551,737	—	1,551,737
Total comprehensive income for the year	年內總全面收益	—	—	1,551,737	—	—	—	—	—	5,040,292	6,592,029	—	6,592,029
Shares repurchased and cancelled	股份購回及註銷	(1,007)	(275,332)	—	—	—	—	—	42,122	—	(234,217)	—	(234,217)
Dividends recognised as distributions (note 15)	確認為分派之股息 (附註15)	—	(1,264,659)	—	—	—	—	—	—	—	(1,264,659)	—	(1,264,659)
At 31 December 2017	於2017年12月31日	112,635	1,869,192	621,498	12,552	97	(2,999)	(12,060)	—	19,315,203	21,916,118	—	21,916,118
Profit for the year	年度盈利	—	—	—	—	—	—	—	—	4,880,206	4,880,206	14	4,880,220
Exchange differences arising on translation of foreign operations	換算境外業務產生之匯兌差額	—	—	(910,796)	—	—	—	—	—	—	(910,796)	77	(910,719)
Total comprehensive income for the year	年內總全面收益	—	—	(910,796)	—	—	—	—	—	4,880,206	3,969,410	91	3,969,501
Shares repurchased and cancelled	股份購回及註銷	(2,912)	(946,181)	—	—	—	—	—	—	—	(949,093)	—	(949,093)
Share repurchased and yet to be cancelled (note v)	股份購回及尚未註銷 (附註v)	—	—	—	—	—	—	—	(17,236)	—	(17,236)	—	(17,236)
Dividends recognised as distributions (note 15)	確認為分派之股息 (附註15)	—	(892,153)	—	—	—	—	—	—	(883,951)	(1,776,104)	—	(1,776,104)
Capital contribution by non-controlling interest	非控股權益出資	—	—	—	—	—	—	—	—	—	—	2,665	2,665
At 31 December 2018	於2018年12月31日	109,723	30,858	(289,298)	12,552	97	(2,999)	(12,060)	(17,236)	23,311,458	23,143,095	2,756	23,145,851



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) 綜合權益變動表（續）

For the year ended 31 December 2018 截至2018年12月31日止年度

notes:

- (i) The capital contribution reserve arose from the disposal of subsidiaries in prior years to a wholly owned subsidiary of the Group's then ultimate holding company.
- (ii) In accordance with the provisions of the Macao Commercial Code, the Company's subsidiaries in Macau are required to transfer a minimum of 25% of the annual net profit to a legal reserve, whenever dividend is declared by the subsidiaries, until the reserve reaches half of the capital of the subsidiaries. The reserve is not distributable to the shareholders.
- (iii) The special reserve represents the difference between the nominal value of the aggregate share capital of the subsidiaries acquired by the Group pursuant to the corporate reorganisation in September 2003, and the nominal value of the Company's shares issued for the acquisition.
- (iv) The other reserve arose from the acquisition of equity interests in subsidiaries from their non-controlling shareholders in prior years.
- (v) During the period from 20 December 2018 to 28 December 2018, 2,638,000 ordinary shares of the company were repurchased at an aggregate cost of HK\$17,236,000. Subsequently, the repurchased shares were cancelled on 29 January 2019, and accordingly, the Company's share capital and share premium were reduced by HK\$66,000 and HK\$17,170,000 respectively.

附註：

- (i) 出資儲備乃較早期間向本集團當時最終控股公司一家全資附屬公司出售附屬公司所得。
- (ii) 根據澳門商法典的條文，本公司位於澳門的附屬公司於分配盈利作股息分派時，應轉撥不少於年度純利25%的金額作為法定公積金，直至公積金達附屬公司股本的一半為止，該等公積金不得分派予股東。
- (iii) 特別儲備指根據本集團於2003年9月為重組收購所得的附屬公司的股本面值總額與本公司就收購事項而發行的股份面值的差額。
- (iv) 其他儲備由過往年度向附屬公司之非控股股東收購其於附屬公司股權權益產生。
- (v) 於2018年12月20日至2018年12月28日期間購回本公司普通股2,638,000股，合共成本17,236,000港元。購回股份隨後於2019年1月29日被註銷，據此，本公司股本及股份溢價分別減少66,000港元及17,170,000港元。





# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2018 截至2018年12月31日止年度

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
<b>OPERATING ACTIVITIES</b>	<b>經營業務</b>		
Profit before tax	除稅前盈利	6,127,332	6,323,175
Adjustments for:	經調整：		
Finance costs	財務成本	319,612	185,311
Depreciation and amortisation	折舊及攤銷	138,745	125,464
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之 虧損	10,777	7,082
Interest income	利息收入	(20,584)	(11,957)
Net gain from fair value changes of derivative financial instruments	衍生金融工具公允價值 變動淨收益	(2,638)	(9,960)
Impairment losses on trade receivables, net of reversal	應收貿易賬款減值虧損 (扣除回撥)	67,938	(3,160)
Operating cash flows before movements in working capital	營運資金變動前的 經營現金流量	6,641,182	6,615,955
Decrease (increase) in inventories	存貨減少(增加)	1,071,814	(844,362)
Decrease (increase) in trade and other receivables	應收貿易及 其他賬款減少(增加)	516,480	(1,503,680)
Decrease (increase) in amounts due from related companies	應收關連公司 款項減少(增加)	12,706	(5,053)
(Decrease) increase in trade and other payables	應付貿易及 其他賬款(減少)增加	(650,349)	807,039
(Decrease) increase in amounts due to related companies	應付關連公司 款項(減少)增加	(3,064)	15,528
Proceeds from (payment to) and settlement of derivative financial instruments	結算衍生金融工具所得(支付) 款項	10,308	(5,203)
Cash generated from operations	經營業務產生的現金	7,599,077	5,080,224
The PRC Enterprise Income Tax ("EIT") paid	已付中國企業所得稅 (「企業所得稅」)	(921,362)	(757,327)
Withholding tax paid	已付預扣稅	(153,820)	—
Interest paid	已付利息	(389,125)	(297,578)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>經營業務所得現金淨額</b>	<b>6,134,770</b>	<b>4,025,319</b>



CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
綜合現金流量表(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>		
Purchase of property, plant and equipment	購置物業、廠房及設備	(1,864,390)	(3,108,116)
Deposit 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	(427,012)	(56,594)
Loan to a joint venture	合營企業貸款	(22,205)	(37,406)
Addition to investment properties	新增投資物業	(4,355)	(21,741)
Purchase of prepaid lease payments	購置預付租賃款項	(691)	(5,369)
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	39,044	72,547
Interest received	已收利息	20,584	11,957
Placement of margin deposits	存放保證金存款	—	(1,488)
Receipt on disposal of prepaid lease payments	出售預付租賃款項所得款項	—	7,097
Withdrawal of margin deposits	提取保證金存款	—	2,966
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>投資活動所用現金淨額</b>	<b>(2,259,025)</b>	<b>(3,136,147)</b>
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>		
Repayment of bank borrowings	償還銀行借貸	(17,318,680)	(16,728,969)
Dividends paid	已付股息	(1,776,104)	(1,264,659)
Payment on repurchase of shares	購回股份付款	(966,329)	(234,217)
New bank borrowings raised	新籌集銀行借貸	16,031,471	18,257,195
Capital contribution by non-controlling interest	非控股權益出資	2,665	—
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>	<b>融資活動(所用)所得現金淨額</b>	<b>(4,026,977)</b>	<b>29,350</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物(減少)增加淨額</b>	<b>(151,232)</b>	<b>918,522</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>年初之現金及現金等價物</b>	<b>2,248,641</b>	<b>1,274,197</b>
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>匯率變動之影響</b>	<b>(85,467)</b>	<b>55,922</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash</b>	<b>年終之現金及現金等價物 — 銀行結餘及現金</b>	<b>2,011,942</b>	<b>2,248,641</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

### 1. GENERAL

The Company is a public limited company incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law (2013 Revision) of the Cayman Islands on 21 May 2003 and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its parent and ultimate holding company was Gold Best Holdings Ltd. (“Gold Best”), a private company incorporated in the British Virgin Islands. The ultimate controlling shareholder of Gold Best is Dr. Lee Wan Keung Patrick. In June 2018, Gold Best transferred all shares of the Company to Dr. Lee Man Chun Raymond, Mr. Lee Man Bun and Dr. Lee Wan Keung Patrick for no consideration. Thereafter, Gold Best ceased to be the ultimate holding company of the Company. Thereafter, Dr. Lee Man Chun Raymond, Mr. Lee Man Bun and Dr. Lee Wan Keung Patrick are the substantial shareholders of the Company. Details of this transfer are set out in the announcement of the Company dated 12 June 2018. The address of the registered office and the principal place of business of the Company is disclosed in the Corporate Information section of the annual report.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries and joint venture are set out in notes 42 and 21, respectively.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

### 1. 一般資料

本公司是上市有限公司，於2003年5月21日根據開曼群島公司法(2013年修訂版)於開曼群島成立及登記為獲豁免有限公司，股份並於香港聯合交易所有限公司(「聯交所」)上市。母公司及最終控股公司過去為 Gold Best Holdings Ltd. (「Gold Best」)，為一間於英屬處女群島註冊成立的私人公司。Gold Best之最終控股股東為李運強博士。於2018年6月，Gold Best以無代價方式將本公司全部股份轉讓予李文俊博士、李文斌先生及李運強博士。此後，Gold Best再非本公司之最終控股公司。而此後，李文俊博士、李文斌先生及李運強博士為本公司主要股東。此轉讓詳情載於本公司日期為2018年6月12日之公布。本公司註冊辦事處及總辦事處之地址於本年報公司資料內披露。

本公司是一間投資控股公司，各主要附屬公司及合營企業的主要業務分別載於財務報表附註42及21。

綜合財務報表以港元(「港元」)列示，並為本公司之功能貨幣。



## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

### New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度強制生效的新訂及經修訂香港財務報告準則

本集團於本年度首次應用以下由香港會計師公會(「香港會計師公會」)頒布之新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	來自客戶合約的收入及相關修訂
香港(國際財務報告詮釋委員會) – 詮釋第22號	外幣交易及預付代價
香港財務報告準則第2號(修訂本)	以股份為基礎付款交易之釐清及計量
香港財務報告準則第4號(修訂本)	採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具
香港會計準則第28號(修訂本)	作為2014年至2016年週期香港財務報告準則的年度改進的一部分
香港會計準則第40號(修訂本)	投資物業的轉撥

除下文所述，本年度應用新訂及經修訂香港財務報告準則對本集團於本年度及過往年度之財務表現及狀況及／或載於綜合財務報表之披露並無重大影響。



## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

### New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

#### HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 Revenue and HKAS 11 Construction Contracts and the related interpretations.

The Group recognises revenue from the following major sources which arise from contracts with customers:

- Sales of packaging paper
- Sales of pulp
- Sales of tissue paper

Information about the Group’s performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in notes 5 and 3 respectively.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 於本年度強制生效的新訂及經修訂香港財務報告準則(續)

#### 香港財務報告準則第15號來自客戶合約的收入

本集團已於本年度首次應用香港財務報告準則第15號。香港財務報告準則第15號取代香港會計準則第18號收益、香港會計準則第11號建築合約及相關詮釋。

本集團已追溯應用香港財務報告準則第15號，而首次應用該準則的累計影響已於2018年1月1日首次應用日期確認。於首次應用日期的任何差額於期初留存盈利(或權益的其他部分(如適用))確認，且並無重列比較資料。此外，根據香港財務報告準則第15號的過渡條文，本集團已選擇僅對於2018年1月1日尚未完成的合約追溯應用該準則。由於比較資料乃根據香港會計準則第18號收入及香港會計準則第11號建築合約以及相關詮釋編製，因此，若干比較資料可能無法用作比較。

本集團確認以下來自客戶合約的主要收入來源：

- 包裝紙銷售
- 木漿銷售
- 衛生紙銷售

有關因採用香港財務報告準則第15號本集團履約責任及會計政策的資料分別於附註5和3披露。



## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

### New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

#### HKFRS 15 Revenue from Contracts with Customers (Continued)

#### Summary of effects arising from initial application of HKFRS 15

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2018. Line items that were not affected by the changes have not been included.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 於本年度強制生效的新訂及經修訂香港財務報告準則(續)

#### 香港財務報告準則第15號來自客戶合約的收入(續)

#### 初始應用香港財務報告準則第15號之影響概要

下列為對於2018年1月1日之綜合財務狀況表中確認之金額所作出的調整。沒有受變動影響的項目並不包括在內。

		Carrying amounts previously reported at 31 December 2017 過往 於2017年 12月31日 呈報的 賬面值 HK\$'000 千港元	Reclassification 重新分類 HK\$'000 千港元	Carrying amounts under HKFRS 15 at 1 January 2018 根據香港 財務報告 準則第15號 於2018年 1月1日的 賬面值 HK\$'000 千港元
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	應付貿易及其他賬款	4,672,298	(127,566)	4,544,732
Contract liabilities	合約負債	—	127,566	127,566
		4,672,298	—	4,672,298

As at 1 January 2018, receipt in advance from customers of HK\$127,566,000 in respect of contracts relating to sales of packaging paper, pulp and tissue paper previously included in trade and other payables were reclassified to contract liabilities.

於2018年1月1日，過往計入應付貿易及其他賬款有關銷售包裝紙、木漿及衛生紙的合約的預收客戶款項127,566,000港元已重新分類至合約負債。



## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

### New and amendments to HKFRSs that are mandatorily effective for the current year

(Continued)

#### HKFRS 9 *Financial Instruments*

In the current year, the Group has applied HKFRS 9 Financial Instruments and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities; 2) expected credit losses (“ECL”) for financial assets; and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

Accounting policies resulting from application of HKFRS 9 are disclosed in note 3.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

#### 香港財務報告準則第9號金融工具

於本年度，本集團已應用香港財務報告準則第9號金融工具及其他香港財務報告準則相關的相應修訂。香港財務報告準則第9號就1)金融資產及金融負債的分類和計量；2)金融資產的預期信貸虧損(「預期信貸虧損」)；及3)一般對沖會計法引入新規定。

本集團已根據香港財務報告準則第9號所載的過渡條文應用香港財務報告準則第9號，即對2018年1月1日(首次應用日期)尚未終止確認的工具追溯應用分類及計量要求(包括預期信貸虧損模式項下的減值)，且並無對已於2018年1月1日終止確認的工具應用相關要求。於2017年12月31日的賬面值與於2018年1月1日的賬面值的差額於期初留存盈利及其他權益部分中確認，且並無重列比較資料。

因此，若干比較資料未必能與根據香港會計準則第39號金融工具：確認及計量所編製之比較資料作出比較。

有關因應用香港財務報告準則第9號對會計政策的影響於附註3披露。



## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

### New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

#### HKFRS 9 *Financial Instruments* (Continued)

#### Summary of effects arising from initial application of HKFRS 9

##### Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. Except for those which had been determined as credit impaired under HKAS 39, trade receivables have been assessed individually with outstanding significant balances, the remaining balances are grouped based on internal credit rating. The Group has therefore estimated the expected loss rates for the trade receivables on the same basis.

Except for those which had been determined as credit impaired under HKAS 39, ECL for other financial assets at amortised cost, including loan to a joint venture, other receivables, bank balances and amounts due from related companies, are assessed on 12-month ECL basis as there had been no significant increase in credit risk since initial recognition.

As at 1 January 2018, no additional credit loss allowance has been recognised against retained profits as the amount involved is insignificant.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 於本年度強制生效的新訂及經修訂香港財務報告準則(續)

#### 香港財務報告準則第9號金融工具 (續)

#### 初始應用香港財務報告準則第9號之 影響概要

##### 預期信貸虧損模式下的減值

本集團應用香港財務報告準則第9號的簡化方式計量預期信貸虧損，就所有應收貿易賬款使用終身預期信貸虧損。除根據香港會計準則第39號被釐定為信貸減值之該等款項外，具有重大未付結餘之應收貿易賬款已被單獨評估，而餘下的款項乃根據內部信貸評級劃分。因此，本集團已按相同基準估計應收貿易賬款的預期虧損率。

除根據香港會計準則第39號被釐定為信貸減值之該等款項外，由於自初始確認以來信貸風險並無顯著增加，按攤銷成本計量之其他金融資產之預期信貸虧損包括合營企業貸款、其他應收賬款、銀行結餘及應收關連公司款項，乃按12個月預期信貸虧損基準評估。

於2018年1月1日，由於所涉金額並不重大，故並無就留存盈利確認額外信貸虧損撥備。





## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

### New and amendments to HKFRSs that are mandatorily effective for the current year

(Continued)

#### HK(IFRIC) – Int 22 *Foreign Currency Transactions and Advance Consideration*

The interpretation specifies that the date of transaction is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the Group is required to determine the date of transaction for each payment or receipt of advance consideration.

On initial application, the Group applied the interpretation prospectively to all foreign currency assets, expenses and income in the scope of the interpretation initially recognised on or after the beginning of the current year, i.e. 1 January 2018.

For foreign currency denominated advance considerations paid by the Group in relation to purchases of inventories amounting to HK\$27,902,000, the Group recorded these advances by applying the spot exchange rate on initial recognition between the functional currency of the relevant group entity and the foreign currency. Accordingly, the application of this interpretation has had no significant impact on the amounts reported and/or disclosures set out in these consolidated financial statements.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

香港(國際財務報告詮釋委員會) – 詮釋第22號外幣交易及預付代價  
該詮釋訂明，交易日期為實體初始確認因支付或收到預付代價而產生的非貨幣資產或非貨幣負債的日期。倘若預先支付或收到多筆款項，本集團須釐定每筆預先支付或收到預付代價款項的交易日期。

於初始應用時，本集團對該詮釋範圍內的所有外幣資產、開支及收入前瞻性應用該詮釋，於本年度開始之時(即2018年1月1日)或之後初始確認。

就外幣計值的採購存貨預付代價27,902,000港元而言，本集團於初始確認時透過採用相關集團實體的功能貨幣與外幣之間的即期匯率將該等預付款項入賬。因此，應用此詮釋概無對該等綜合財務報表所載已呈報金額及／或披露資料造成任何重大影響。



## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

### New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

#### Amendments to HKAS 40 *Transfers of Investment Property*

The amendments clarify that a transfer to, or from, investment property necessitates an assessment of whether a property meets, or has ceased to meet, the definition of investment property, supported by evidence that a change in use has occurred. The amendments further clarify that situations other than the ones listed in HKAS 40 may evidence a change in use, and that a change in use is possible for properties under construction (i.e. a change in use is not limited to completed properties).

At the date of initial application, the Group assessed the classification of certain properties based on conditions existing at that date. There is no impact to the classification at 1 January 2018.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 於本年度強制生效的新訂及經修訂香港財務報告準則(續)

#### 香港會計準則第40號(修訂本)投資物業的轉撥

該等修訂澄清轉至或轉自投資物業需評估物業是否符合或不再符合投資物業之定義，該定義須以證據支持其用途改變。該等修訂進一步澄清香港會計準則第40號所列情況外之情況或可證明用途改變，而該用途改變可能適用於在建物業(即用途改變不限於已完工物業)。

於初始應用日期，本集團按照截至該日的現有狀況評估若干物業的分類，對於2018年1月1日的分類並無影響。



## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

### New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 16	Leases <sup>1</sup>
HKFRS 17	Insurance Contracts <sup>3</sup>
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments <sup>1</sup>
Amendments to HKFRS 3	Definition of a Business <sup>4</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to HKAS 1 and HKAS 8	Definition of Material <sup>5</sup>
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement <sup>1</sup>
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2019.

<sup>2</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>4</sup> Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2020.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒布但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒布但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第16號	租賃 <sup>1</sup>
香港財務報告準則第17號	保險合約 <sup>3</sup>
香港(國際財務報告詮釋委員會)–詮釋第23號	所得稅處理的不確定性 <sup>1</sup>
香港財務報告準則第3號(修訂本)	業務的定義 <sup>4</sup>
香港財務報告準則第9號(修訂本)	具不賠償條款的預付款 <sup>1</sup>
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營或合營企業之間的資產出售或注資 <sup>2</sup>
香港會計準則第1號及香港會計準則第8號(修訂本)	重大的定義 <sup>5</sup>
香港會計準則第19號(修訂本)	計劃修訂、削減或清償 <sup>1</sup>
香港會計準則第28號(修訂本)	於聯營及合營企業的長期權益 <sup>1</sup>
香港財務報告準則(修訂本)	2015年至2017年週期香港財務報告準則的年度改進 <sup>1</sup>

<sup>1</sup> 於2019年1月1日或之後開始之年度期間生效。

<sup>2</sup> 於待定期或之後開始之年度期間生效。

<sup>3</sup> 於2021年1月1日或之後開始之年度期間生效。

<sup>4</sup> 適用於收購日期為2020年1月1日或之後開始的首個年度期間開始當日或之後進行的業務合併及資產收購。

<sup>5</sup> 於2020年1月1日或之後開始之年度期間生效。



## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

### New and amendments to HKFRSs in issue but not yet effective (Continued)

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the Group’s consolidated financial statements in the foreseeable future.

#### HKFRS 16 *Leases*

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 *Leases* and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 已頒布但尚未生效的新訂及經修訂香港財務報告準則(續)

除下文所述之新訂及經修訂香港財務報告準則外，本公司董事預期應用所有其他新訂及經修訂香港財務報告準則於可見未來將不會對本集團綜合財務報表產生重大影響。

#### 香港財務報告準則第16號租賃

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。當香港財務報告準則第16號生效時，將取代香港會計準則第17號租賃及相關詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。此外，香港財務報告準則第16號規定售後租回交易根據香港財務報告準則第15號有關轉讓相關資產是否應作為銷售入賬的規定而釐定。香港財務報告準則第16號亦包括有關分租及租賃修訂的規定。

除短期租賃及低值資產租賃外，經營及融資租賃的差異自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債的模式替代。



## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

### New and revised HKFRSs in issue but not yet effective (Continued)

#### HKFRS 16 Leases (Continued)

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing and operating cash flows respectively by the Group.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 已頒布但尚未生效的新訂及經修訂香港財務報告準則(續)

#### 香港財務報告準則第16號租賃(續)

使用權資產初始按成本計量，隨後以成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債的任何重新計量而作出調整。租賃負債初始按租賃款項(非當日支付)之現值計量。隨後，租賃負債會就(其中包括)利息及租賃款項以及租賃修訂的影響作出調整。就現金流量分類而言，本集團目前將與自用租賃土地及分類為投資物業的租賃土地有關的預付租賃款項呈列為投資現金流量，其他經營租賃款項則呈列為經營現金流量。當應用香港財務報告準則第16號，有關租賃負債的租賃款項將分配至本金及利息部分，本集團將分別以融資及經營現金流量呈列。

除若干亦適用於出租人的要求外，香港財務報告準則第16號大致保留香港會計準則第17號內出租人的會計要求，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號亦要求較廣泛的披露。



## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

### New and revised HKFRSs in issue but not yet effective (Continued)

#### HKFRS 16 Leases (Continued)

As at 31 December 2018, the Group has non-cancellable operating lease commitments of HK\$26,566,000 as disclosed in note 36. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of HK\$3,897,000 and refundable rental deposits received of HK\$10,043,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

Furthermore, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 已頒布但尚未生效的新訂及經修訂香港財務報告準則(續)

#### 香港財務報告準則第16號租賃(續)

於2018年12月31日，本集團有不可撤銷的經營租賃承擔為數26,566,000港元披露於附註36。初步評估顯示該等安排將符合租賃的定義。當應用香港財務報告準則第16號時，本集團將會就所有該等租賃確認使用權資產及對應負債，除非該等租賃符合低值或短期租賃。

此外，本集團現時認為已支付並可退回之租金按金3,897,000港元及已收到並需退回之租金按金10,043,000港元乃應用香港會計準則第17號之租賃項下之權利及責任。根據香港財務報告準則第16號項下租賃款項之定義，此等按金不屬於使用相關資產之權利之付款，據此，此等按金的賬面值可能調整為攤銷成本及此等調整將被視作額外租賃款項。支付可退回租金按金的調整將被視作額外租賃款項並包含在使用權資產的賬面值。收回可退回租金按金的調整將視為租賃款項的預付款。

此外，應用新規定可能導致上文所述的計量、呈列及披露變動。



## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

### New and revised HKFRSs in issue but not yet effective (Continued)

#### Amendments to HKAS 28 *Long-term Interests in Associates and Joint Ventures*

The amendments clarify that an entity applies HKFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied that form part of the net investment in the investee. Furthermore, in applying HKFRS 9 to long-term interests, an entity does not take into account adjustments to their carrying amount required by HKAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with HKAS 28).

Loan to a joint venture is considered as long-term interests that, in substance form part of the Group’s net investments in the relevant joint venture. However, the application is not expected to have impact as the Group’s existing accounting policies are consistent with the requirements clarified by the amendments.

#### Amendments to HKFRSs Annual Improvements to HKFRSs 2015–2017 Cycle

The annual improvement packages amended the following four standards.

##### *HKAS 12 Income Taxes*

The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 已頒布但尚未生效的新訂及經修訂香港財務報告準則(續)

#### 香港會計準則第28號(修訂本)於聯營及合營企業的長期權益

該等修訂釐清實體將香港財務報告準則第9號應用於聯營或合資企業的長期權益的減值規定，其不應用權益法並構成於被投資方的投資淨額。此外，在應用香港財務報告準則第9號至長期權益時，實體並無計及香港會計準則第28號所規定對賬面值的調整(即對產生自根據香港會計準則第28號分配被投資方虧損或減值評估的長期權益賬面值的調整)。

實質上構成本集團於相關合營企業淨投資一部分的合營企業貸款被視為長期權益。然而，預期有關應用將不會構成影響，此乃由於本集團現有會計政策與該等修訂所釐清的規定一致。

#### 香港財務報告準則(修訂本)2015年至2017年週期香港財務報告準則的年度改進

年度改進方案修訂下列四項標準。

##### 香港會計準則第12號所得稅

該等修訂釐清，實體應按照該實體原先確認產生可分派盈利的交易的方式於損益、其他全面收益或權益確認股息的所得稅後果，不論適用於已分派及未分派盈利的稅率是否有所不同。



## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

### New and revised HKFRSs in issue but not yet effective (Continued)

#### Amendments to HKFRSs Annual Improvements to HKFRSs 2015–2017 Cycle (Continued)

##### *HKAS 23 Borrowing Costs*

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

##### *HKFRS 3 Business Combinations*

The amendments clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest in the joint operation at fair value. The previously held interest to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation.

##### *HKFRS 11 Joint Arrangements*

The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not remeasure its previously held interest in the joint operation.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 已頒布但尚未生效的新訂及經修訂香港財務報告準則(續)

香港財務報告準則(修訂本)2015年至2017年週期香港財務報告準則的年度改進(續)

#### *香港會計準則第23號借貸成本*

該等修訂釐清倘在相關資產達到預定用途或銷售狀態後仍有特定借貸尚未償還，則在計算一般借貸的資本化比率時，其成為實體一般借入的借貸一部分。

#### *香港財務報告準則第3號業務合併*

該等修訂澄清當實體取得屬共同經營業務的控制權時，實體應用分階段完成業務合併的規定，包括按公允值重新計量先前於共同經營業務所持有的權益。重新計量的先前權益包括任何與共同經營業務有關的未確認資產、負債及商譽。

#### *香港財務報告準則第11號共同安排*

該等修訂澄清於參與(但並非擁有共同控制權)為一項業務的共同經營的一方隨後取得共同經營業務的共同控制權時，實體先前持有共同經營業務的權益不會重新計量。





### 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristic of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are within the scope of HKAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories, or value in use in HKAS 36 Impairment of Assets.

### 3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒布之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則(「上市規則」)及香港公司條例規定之適用披露資料。

綜合財務報表按歷史成本法編製，惟於每個報告期末按公允值計量之若干金融工具除外，會計政策闡述於下文。

歷史成本一般按照交換貨物所付代價之公允值。

公允值為於計量日期在市場參與者之間進行有序交易就出售資產所收取或轉讓負債所支付的價格，不論該價格是直接可觀察或使用另一種估值方式估計得出。在估計一項資產或負債之公允值時，本集團考慮市場參與者於計量日期為該資產或負債定價時會考慮之特質。就於該等綜合財務報表中計量及／或披露之公允值乃按此基準釐定，惟於香港財務報告準則第2號以股份為基礎付款範疇下的以股份為基礎付款之交易、香港會計準則第17號租賃範疇下的租賃交易及一些類似公允值但非公允值的計量(例如香港會計準則第2號存貨之可變現淨值或香港會計準則第36號資產減值的使用價值)則除外。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition, for financial reporting purpose, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### 3. 主要會計政策(續)

此外，就財務申報而言，公允值計量根據公允值計量輸入數據之可觀察程度及輸入數據對公允值整體計量之重要性被分類為第1、第2或第3級，載述如下：

- 第1級輸入數據為實體於計量日期在活躍市場就相同資產或負債取得之報價(未經調整)；
- 第2級輸入數據為就資產或負債直接或間接可觀察之輸入數據，包括在第一級內之報價除外；及
- 第3級輸入數據為資產或負債的不可觀察輸入數據。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The principal accounting policies are set out below.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

### 3. 主要會計政策(續)

主要會計政策載列如下：

#### 綜合賬目基準

本綜合財務報表包含本公司以及由本公司及其附屬公司控制的實體之財務報表。取得控制權是指本公司：

- 對被投資方行使權力；
- 因參與被投資方之業務而獲得或有權獲得可變回報；及
- 有能力行使其權力而影響其回報。

倘事實及情況顯示上述三項控制因素其中一項或多項改變，則本集團會重新評估其是否仍然控制被投資方。

當本集團取得附屬公司之控制權，便將該附屬公司綜合入賬；當本集團失去附屬公司之控制權，便停止將該附屬公司綜合入賬。具體而言，年內收購或出售之附屬公司之收入及支出會於本集團取得控制權當日起計入綜合損益及其他全面收益表，直至本集團對該附屬公司之控制權終止當日為止。

損益及其他全面收益的各個項目乃歸屬於本公司擁有人及非控股權益。即使會導致非控股權益出現虧絀結餘，附屬公司之總全面收益仍會歸屬於本公司擁有人及非控股權益。

倘需要，附屬公司之財務報表將作出調整，以使其會計政策與本集團之會計政策一致。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Basis of consolidation (Continued)

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

#### Investment in a joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. Changes in net assets of the joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

### 3. 主要會計政策(續)

#### 綜合賬目基準(續)

所有集團內成員間有關資產及負債、權益、收入、支出及現金流量之交易均於綜合賬目時全數對銷。

附屬公司之非控股權益與本集團之權益分開呈列，呈列其現時持有權益當相關附屬公司清盤時可享有其持股比例的資產淨值。

#### 合營企業權益

合營企業是一種共同安排，據此共同控制該安排的各方擁有該安排的淨資產。共同控制為一項合約協定共享控制之安排，僅會於決定相關事項須共享控制的各方一致同意時方會出現。

合營企業之業績及資產與負債乃按權益會計法列入綜合財務報表內。按權益法列賬的合營企業的財務報表乃採用本集團在類似情況就類似交易及事件所採用的劃一會計政策而編製。根據權益法，合營企業權益於綜合財務狀況表初始按成本確認，及其後調整以確認本集團應佔該合營企業之損益及其他全面收益。合營企業淨資產於損益及其他全面收益表以外之變動毋須入賬，除非該變動是由於本集團擁有權權益變動所致。當本集團應佔合營企業之虧損超出其於該合營企業之權益(即包括任何實質上構成本集團於該合營企業之投資淨額之長期權益)，則本集團不再確認其應佔之進一步虧損。僅會於本集團已產生法定或推定責任或替該合營企業支付款項之情況下，方會確認額外虧損。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investment in a joint venture (Continued)

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

### 3. 主要會計政策(續)

#### 合營企業權益(續)

合營企業權益於當被投資方成為合營企業當日採用權益法入賬。收購合營企業權益時，投資成本超出本集團應佔被投資方可識別資產及負債淨公允值之任何數額乃確認為商譽，並包括在該投資的賬面值中。經重估本集團應佔被投資方可識別資產及負債淨公允值超出投資成本之任何數額則立即在收購該投資之期間在損益確認。

本集團會評估是否有客觀證據證明聯營公司或合營企業有可能出現減值。當有任何客觀證據出現時，投資全數賬面值(包括商譽)根據香港會計準則第36號資產減值作為單一資產作減值測試，方法為將賬面值與可收回金額(使用價值及公允值之較高者減出售成本)加以比較。任何已確認之減值虧損構成該投資賬面值的一部分。倘該投資之可收回金額其後增加，則根據香港會計準則第36號確認該減值虧損之撥回。

當集團實體與本集團之合營企業進行交易時，與合營企業交易所產生的損益僅於與本集團無關之合營企業權益，方於本集團之綜合財務報表確認。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2)

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs; or
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

### 3. 主要會計政策(續)

來自客戶合約的收入(如附註2所載應用香港財務報告準則第15號的過渡條文)

根據香港財務報告準則第15號，本集團於完成履約責任時(或就此)確認收入，即於特定履約責任相關的貨品或服務的「控制權」轉移予客戶時。

履約責任指不同的貨品或服務(或一籃子貨品或服務)或一系列不同的貨品或服務其大致上相同。

經參考相關履約責任的完成進度，當達至下面其中一項時，控制權隨時間的推移而轉移及收入隨時間的推移而確認：

- 客戶同時接收及耗用由本集團執行本集團履約所提供的效益；或
- 客戶控制由本集團執行本集團的履約產生及提升的資產；或
- 本集團的履約不會產生對本集團有其他用途的資產及本集團對迄今完成的履約之付款有可執行之權利。

否則，則當客戶取得不同貨品或服務的控制權時按一個時間點確認收入。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) (Continued)

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

The Group recognises revenue under the following accounting policies:

- (i) Revenue from sale of packaging paper, pulp and tissue paper is recognised at a point in time when the customer obtains control of goods;
- (ii) Revenue from supply of steam and electricity is recognised at a point in time upon transition steam and electricity to users; and
- (iii) Revenue from rendering of wharf cargo handling service is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

### 3. 主要會計政策(續)

來自客戶合約的收入(如附註2所載應用香港財務報告準則第15號的過渡條文)(續)

合約資產指本集團有權以本集團尚未成為無條件轉移予客戶的貨品或服務以換取代價。此乃根據香港財務報告準則第9號作評估減值。相反，應收款項指本集團無條件的可收取代價，即到期前只需等待到期支付代價。

合約負債指本集團已從客戶收取代價(或代價金額已到期)而本集團有責任去轉移貨品或服務予客戶。

屬同一合約之合約資產及合約負債按淨額入賬及列示。

本集團按以下會計政策確認收入：

- (i) 來自銷售包裝紙、木漿及衛生紙之收入於客戶取得貨品的控制權時按一個時間點確認；
- (ii) 來自供應蒸氣及電力之收入於傳送蒸氣及電力予用家時按一個時間點確認；及
- (iii) 來自經營碼頭貨運服務之收入隨時間的推移而確認，因客戶同時接收及耗用由本集團執行本集團履約所提供的效益。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue recognition (prior to 1 January 2018)

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances, net of discounts and sales related taxes.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Income from supply of steam and electricity is recognised upon the provision of the steam and electricity.

Income from the rendering of wharf cargo handling services is recognised in the year in which the services are provided.

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

### 3. 主要會計政策(續)

#### 收入確認(在2018年1月1日之前)

收入乃按已收或應收代價之公允價值計算。收入已減去估計客戶退貨、回扣及其他類似撥備，並扣除折扣及銷售相關稅項。

收入乃當收入金額能夠可靠地計量時確認，當將來的經濟效益很可能流入本集團及符合本集團各業務的具體標準時確認，載述如下。

銷售貨品收入於貨品交付及所有權轉移時確認。

金融資產之利息收入於其經濟效益將可能流入本集團而其收入金額能可靠地計量時確認。金融資產之利息收入乃以時間為基準按未償還本金及適用實際利率計提，而實際利率為透過金融資產之預期可用年期將估計日後所收現金實際折現至該資產於初始確認時之賬面淨值之比率。

供應蒸氣及電力之收入於提供蒸氣及電力時確認。

自提供處理碼頭貨物服務之收入於提供該服務之年度確認。

本集團從經營租賃確認收入之會計政策於下文有關租賃之會計政策描述。





### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### The Group as lessee

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term.

#### Leasehold land and buildings

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases, in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis.

### 3. 主要會計政策(續)

#### 租賃

凡租賃之條款規定擁有權所附帶之一切風險及回報實質上轉移至承租者，該租賃即歸類為融資租賃。其他租賃全部列作經營租賃。

#### 集團作為出租人

經營租賃產生之租金收入按直線法於相關租賃期內在損益確認。磋商及安排一項經營租賃涉及的初始直接成本乃加至租賃資產之賬面值及以直線法於租賃期內確認。

#### 集團作為承租人

經營租賃款項(包括購置持有作經營租賃之土地成本)乃按租賃年期以直線法確認為費用。

#### 租賃土地及樓宇

當本集團向一項包括租賃土地及樓宇部分之物業權益付款時，本集團以評估與各部分擁有權有關的一切風險及回報是否已實質上轉移至本集團為基礎，評估如何將各部分分類為融資或經營租賃，除非肯定兩部分均為經營租賃，則於該情況下，整項租賃乃分類為經營租賃。尤其，全數代價(包括任何一次性預付款項)乃按初始確認時土地部分及樓宇部分的租賃權益之相關公允值比例，於租賃土地及樓宇部分之間進行分配。

倘有關款項能夠可靠分配時，則入賬列作經營租賃的租賃土地權益乃於綜合財務狀況表列作「預付租賃款項」，並以直線法於租賃期內攤銷。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of and on the retranslation of monetary items are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

### 3. 主要會計政策(續)

#### 外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用換算匯率確認。於報告期末，以外幣定值之貨幣項目均按結算日之適用匯率重新換算。非貨幣項目按外幣過往成本計量而毋須重新換算。

結算及重新換算貨幣項目所產生之匯兌差額於其產生期間於損益內確認，惟源自其結算並無計劃及不大可能出現的應收或應付境外業務之貨幣項目的匯兌差額(因此構成境外業務淨投資之一部分)除外，該差額初始於其他全面收益表確認及當出售或部分出售本集團之權益時重新由權益分類至損益。

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃採用報告期末當日之匯率換算為本集團之列賬貨幣(即港元)，而收入及支出項目乃按該期間之平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論，於此情況下，則採用於交易當日之匯率。所產生之匯兌差額(如有)乃於其他全面收益確認及於滙兌儲備項下累計權益。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (the "MPF Scheme") and state-managed retirement benefit scheme are recognised as an expense when the employees have rendered services entitling them to the contributions.

#### Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

### 3. 主要會計政策(續)

#### 借貸成本

與購置、建造或生產合資格資產(需一段長時間方可作擬定用途或可供銷售的資產)直接有關之借貸成本均加至該等資產之成本，直至該等資產大致可作其擬定用途或可供銷售為止。

所有其他借貸成本均於產生期間於損益中確認。

#### 退休福利成本

根據強制性公積金計劃(「強積金計劃」)及國家管理的退休福利計劃的付款於僱員提供服務使其可享有供款時確認為費用。

#### 短期僱員福利

短期僱員福利按當僱員提供服務時預期將支付之未折現福利金額確認。所有短期僱員福利確認為費用，除非另一香港財務報告準則規定或准許將福利概括入一項資產的成本中。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interest in joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

### 3. 主要會計政策(續)

#### 稅項

利得稅支出指現時應付稅項及遞延稅項的總和。

現時應付稅項乃按年度應課稅盈利計算。應課稅盈利與綜合損益及其他全面收益表中所報除稅前盈利不同乃源於其他年度應課稅或可扣稅的收入或開支項目及從未課稅及扣稅的項目。本集團之本期稅項乃按報告期末已實行或大致上已實行之稅率計算。

遞延稅項乃根據綜合財務報表之資產及負債賬面值與計算應課稅盈利所採用相應稅基的暫時差額而確認。遞延稅項負債一般就所有應課稅暫時差額予以確認。遞延稅項資產一般就所有可扣稅暫時差額確認，惟僅於可能有應課稅盈利將可以使用該可扣稅暫時差額時確認。倘暫時差額乃由初始確認一項不影響應課稅盈利或會計盈利的交易的其他資產及負債所引起，則有關遞延資產及負債不予確認。

遞延稅項負債一般就與附屬公司之投資及合營企業權益而引致之應課稅暫時差額而確認，惟若本集團可控制暫時差額之撥回及暫時差額有可能不會於可見將來撥回之情況則除外。與該等投資及權益相關的可扣稅暫時差額所產生的遞延稅項資產，僅在可能有足夠應課稅盈利可以使用暫時差額之效益且預計於可見將來可以撥回時確認。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 3. 主要會計政策(續)

#### 稅項(續)

遞延稅項資產之賬面值於各報告期末作檢討，並在沒可能會有足夠應課稅盈利以收回全部或部分資產時加以遞減。

遞延稅項資產及負債按預期負債清償或資產變現期間內應用之稅率，以報告期末已生效或實際上已生效之稅率(及稅法)為基準計量。

遞延稅項負債及資產之計量反映本集團於報告期末所預期對收回或償還其資產及負債之賬面值之方式所產生的稅務後果。

當有法定行使權以本期稅項資產抵銷本期稅項負債，及當該些稅項為同一稅務機關所徵收之所得稅，且本集團有意將其本期稅項資產及負債以淨額結算，遞延稅項資產及負債會被抵銷。

本期及遞延稅項於損益確認，惟倘稅項涉及於其他全面收益或直接於權益確認之項目，在此情況下，本期及遞延稅項亦會分別於其他全面收益或直接於權益內確認。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Property, plant and equipment

Property, plant and equipment, including buildings, held for use in the production of goods or for administrative purposes, other than construction in progress, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets, other than construction in progress, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 3. 主要會計政策(續)

#### 物業、廠房及設備

除在建工程外，物業、廠房及設備(包括持有作貨物生產或行政用途的樓宇)乃按成本減去其後之累計折舊及累計減值虧損(如有)列入綜合財務狀況表。

為生產或行政用途之在建中物業，按成本減任何已確認之減值虧損列賬。成本包括專業費用，及對合資格資產按照本集團的會計政策進行資本化之借貸成本。該等物業完工並可投入擬定用途時，則會分類至合適的物業、廠房及設備類別。該等資產的折舊按其他物業資產之相同基準，在資產可投入擬定用途時開始計提折舊。

物業、廠房及設備(在建工程除外)之折舊乃按其估計可使用年期，於計及其估計剩餘價值後，以直線法撇銷其成本。估計可使用年期、剩餘價值及折舊方法於各報告期末予以檢討，任何估計變動的影響按前瞻基準入賬。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟效益時剔除確認。出售或報廢一項物業、廠房及設備，按其出售所得款項與該資產賬面值間之差額計算盈虧，並計入損益。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

#### Impairment on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

### 3. 主要會計政策(續)

#### 投資物業

投資物業乃持有作賺取租金及／或尋求資本增值之物業。

投資物業初始按成本計量，成本包括任何直接應佔支出。在初始確認後，投資物業按成本減去其後之累計折舊及任何累計減值虧損列示。折舊採用直線法，並計及其估計殘餘值確認，從而在投資物業的估計可使用年內撇銷其成本。

當投資物業出售或永久停止使用及預計不會從該物業出售中獲得未來經濟利益時，則剔除確認投資物業。剔除確認物業產生之收益或虧損(按其出售所得款項淨額與該資產賬面值間之差額計算)於剔除確認該物業之期間計入損益。

#### 有形資產減值

於報告期末，本集團須審閱其有限使用年期之資產的賬面值，以釐定是否有任何跡象顯示該等資產出現減值虧損。倘出現任何有關跡象，則估計相關資產的可收回金額，以釐定減值虧損的幅度(如有)。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Impairment on tangible assets (Continued)

The recoverable amount of tangible assets are estimated individually, when it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 3. 主要會計政策(續)

#### 有形資產減值(續)

有形資產的可收回金額會個別估計，倘不能個別估計資產的可收回金額，則本集團會估計其資產所屬現金產生單位的可收回金額。當可識別分配基準屬合理及貫徹一致時，企業資產亦會被分配到個別的現金產生單位，否則或會被分配到可識別分配基準屬合理及貫徹一致的最小的現金產生單位中。

可收回金額為公允值減出售成本或使用價值之較高者。評估使用價值時，估計未來現金流量乃使用稅前貼現率折現至其貼現值，該貼現率反映目前市場對資金時間值之評估以及估計未來現金流量未經調整之資產(或現金產生單位)的獨立風險。

倘某項資產(或現金產生單位)之可收回金額估計低於其賬面值，則該項資產(或現金產生單位)之賬面值須削減至其可收回金額。減值虧損即時在損益中確認。

倘日後撥回減值虧損，有關資產(或現金產生單位)之賬面值須增加至其經重新估計之可收回金額，惟增加之賬面值不得超出倘有關資產(或現金產生單位)並無於過往年度確認任何減值虧損所應釐定之賬面值。撥回之減值虧損即時在損益中確認。





### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sales.

#### Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### 3. 主要會計政策(續)

#### 存貨

存貨按成本或可變現淨值兩者中之較低者列賬。存貨成本按先入先出基準釐定。可變現淨值指存貨估計售價減估計完成所需之全部成本以及銷售所需之成本。

#### 金融工具

金融資產及金融負債於集團實體成為工具訂約條文之訂約方時確認。

金融資產及金融負債乃按公平值作初始計量，惟來自客戶合約而產生的應收貿易賬款則自2018年1月1日起根據香港財務報告準則第15號作初始計量。因收購或發行金融資產及金融負債(按公允值計入損益之金融資產及金融負債除外)而直接應佔之交易成本於初始確認時，按適用情況加入或扣自該項金融資產或金融負債之公允值。因收購按公允值計入損益之金融資產及金融負債而直接應佔之交易成本即時於損益確認。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產

金融資產的分類及其後計量(如附註2所載應用香港財務報告準則第9號的過渡條文)

金融資產當符合至以下情況時則其後以攤銷成本計量：

- 金融資產由以收取合約現金流量為目的之業務模式持有；及
- 合約條款導致於特定日期僅按未清償本金金額支付本金及利息之現金流量。

金融資產當符合至以下情況時則其後按公允值計入其他全面收益(「公允值計入其他全面收益」)計量：

- 金融資產由同時以收取合約現金流量及出售為目的之業務模式持有；及
- 合約條款導致於特定日期僅按未清償本金金額支付本金及利息之現金流量。

所有其他金融資產其後按公允值計入損益(「按公允值計入損益」)計量，惟於初始應用日期／初始確認一項金融資產時，本集團可能不可撤銷地選擇於其他全面收益呈列權益投資公允值其後變動(倘該權益投資既非持有作買賣亦非於應用香港財務準則第3號業務合併時收購者於業務合併確認之或然代價)則除外。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

金融資產的分類及其後計量(如附註2所載應用香港財務報告準則第9號的過渡條文)(續)

金額資產分類為持有作買賣，倘：

- 原本購入乃以短期出售為目的；或
- 於初始確認時其為本集團共同管理的已識別金融工具組合之一部分並具短期賺取盈利的最近實際模式；或
- 其為並非指定及有效對沖工具之衍生工具。

此外，倘可對銷或顯著減少一項會計錯配，本集團可能不可撤銷地指定一項須按攤銷成本計量或按公允值計入其他全面收益計量的金融資產以按公允值計入損益來計量。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

##### Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

金融資產的分類及其後計量(如附註2所載應用香港財務報告準則第9號的過渡條文)(續)

##### 攤銷成本及利息收入

利息收入就其後按攤銷成本計量之金融資產及其後按公允值計入其他全面收益計量之債務工具／應收款項以實際利率法確認。利息收入對金融資產賬面總值應用實際利率法計算，除非該金融資產其後轉變為信貸減值(見下文)。就金融資產其後轉變為信貸減值，利息收入按該金融資產下一報告期間之攤銷成本應用實際利率法確認。若信貸減值的金融工具之信貸風險改善而該金融資產再毋須信貸減值，利息收入對金融資產於自釐定該資產再毋須信貸減值之報告期間開始對金融資產賬面總值採用實際利率法確認。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### *Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)*

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables, loan to a joint venture, bills receivables discounted with recourse, amounts due from related companies and bank balances.) The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

##### 金融資產減值(如附註2所載應用香港財務報告準則第9號的過渡條文)

本集團於金融資產就預期信貸虧損確認虧損撥備乃視乎香港財務準則第9號項下的減值(包括應收貿易及其他賬款、合營企業貸款、附追索權應收票據貼現、應收關連公司款項及銀行結餘)。預期信貸虧損金額於每個報告日期更新以反映自初始確認以來之信貸風險變動。

終身預期信貸虧損指由所有可能違約事件超出相關工具預期壽命將引致之預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指終身預期信貸虧損預期從可能於報告日期後12個月內的違約事件引致之部分。所作評估基於本集團過往信貸虧損記錄，並調整債務人的特定因素，普遍經濟狀況及同時對於報告日期之現況及預測未來狀況之評估。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### *Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)*

The Group always recognises lifetime ECL for trade receivables. The Group always recognises lifetime ECL for trade receivables without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

##### *金融資產減值(如附註2所載應用香港財務報告準則第9號的過渡條文)(續)*

本集團通常就應收貿易賬款確認終身預期信貸虧損。本集團通常就無顯著財務部分之應收貿易賬款確認終身預期信貸虧損。對此等資產之預期信貸虧損，具重大結餘的應收賬款乃個別評估及／或採用預繳模式對適用組別共同評估。

就所有其他工具，本集團以相等於12個月預期信貸虧損計量虧損撥備，除非自初始確認後信貸風險顯著增加，本集團則確認終身預期信貸虧損。評估是否應確認終身預期信貸虧損乃基於自初始確認後發生違約的可能性或風險是否顯著增加。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

- (i) Significant increase in credit risk
- In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

金融資產減值(如附註2所載應用香港財務報告準則第9號的過渡條文)(續)

- (i) 信貸風險顯著增加
- 於評估自初始確認後信貸風險是否顯著增加時，本集團將於報告日期金融工具發生違約之風險與於初始確認日期金融工具發生違約之風險作比較。作出評估時，本集團同時考慮合理及有理據的定量及定性資料，包括過往經驗及毋須不必要的成本或費力而可得之前瞻性資料。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

(i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

金融資產減值(如附註2所載應用香港財務報告準則第9號的過渡條文)(續)

(i) 信貸風險顯著增加(續)

具體而言，以下為評估信貸風險是否顯著增加所考慮的資料：

- 金融工具之外部(如有)或內部信貸評級實質上或預期顯著惡化；
- 信貸風險的外部市場指標顯著惡化，例如信用利差、債務人信用違約掉期價格顯著增加；
- 現行或預測業務的不利逆轉，財政或經濟狀況預期會導致債務人顯著減低其履行債務責任的能力；
- 債務人經營業績實質上或預期顯著惡化；





### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

- (i) Significant increase in credit risk (Continued)
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

金融資產減值(如附註2所載應用香港財務報告準則第9號的過渡條文)  
(續)

- (i) 信貸風險顯著增加(續)
- 債務人於法規、經濟、或技術環境實質或預期的重大不利逆轉導致債務人顯著減低其履行債務責任的能力。

無論上述評估之結果如何，當合約付款逾期超過30天，本集團即假定信貸風險自初始確認以來顯著增加，除非本集團有合理及有理據的資料另作證明。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)*

(i) Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default; ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

*金融資產減值(如附註2所載應用香港財務報告準則第9號的過渡條文)(續)*

(i) 信貸風險顯著增加(續)

儘管如此，若債務工具於報告日期被釐定為低信貸風險，本集團則假設該債務工具之信貸風險自初始確認以來並無顯著增加。債務工具被釐定為低信貸風險，倘i)其違約風險屬低；ii)借款人具強勁能力於近期履行其合約現金流量責任；及iii)長遠的經濟及業務狀況不利逆轉可能，但不一定，減低借款人履行其合約現金流量責任的能力。當債務工具於內部或外部信貸評級為按全球理解定義的「投資級別」，本集團認為該債務工具屬低風險。

本集團定期監控用作識別是否出現信貸風險顯著增加的標準之有效性及當適用時修訂標準以確保該標準乃於金額逾期前可識別信貸風險的顯著增加。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)*

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

*金融資產減值(如附註2所載應用香港財務報告準則第9號的過渡條文)(續)*

(ii) 違約的定義

就內部信貸風險管理，當內部開發資料或取得外部資料顯示債務人不太可能全數支付其債權人，包括本集團(並未考慮本集團持有任何抵押品)，本集團認為發生違約事件。

不管上述情況如何，當金融資產逾期超過90天，本集團認為已發生違約事件，除非本集團具合理及有理據資料顯示滯後違約標準更為合適。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

金融資產減值(如附註2所載應用香港財務報告準則第9號的過渡條文)  
(續)

(iii) 信貸減值金融資產

當一項及多項違約事件發生令該金融資產估計未來現金流量具不利影響，金融資產則信貸減值。金融資產減值的證據包括以下事件之可觀察數據：

- (a) 發行人或借款人存在嚴重財政困難；
- (b) 違約，即如違約或過期事件；
- (c) 借款人之貸款人，就有關借款人財政困難之經濟或合約原因，給予借款人一般貸款人不會考慮的讓步；



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

- (iii) Credit-impaired financial assets (Continued)
  - (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
  - (e) the disappearance of an active market for that financial asset because of financial difficulties.
- (iv) Write-off policy  
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

金融資產減值(如附註2所載應用香港財務報告準則第9號的過渡條文)(續)

- (iii) 信貸減值金融資產(續)
  - (d) 借款人有可能面臨破產或其他財務重組；或
  - (e) 因財政困難該金融資產已消失於活躍市場。

#### (iv) 撇銷政策

當有資料顯示對手方存在嚴重財政困難及並無實際把握收回款項，例如，當對手方已進行清盤或已進入破產程序，或如為應收貿易賬款，當金額乃逾期超過兩年，以較早者為準，本集團撇銷金融資產。金融資產的撇銷可能仍須根據本集團回收程序的執行方式，當適用時考慮法律建議。撇銷構成剔除確認事項。任何其後回撥於損益確認。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)*

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

*金融資產減值(如附註2所載應用香港財務報告準則第9號的過渡條文)(續)*

(v) 預期信貸虧損的計量及確認

預期信貸虧損計量具違約可能性，默認虧損(即違約的損失幅度)及違約曝光的功能。違約可能性及默認虧損的評估乃基於過往數據經前瞻性資料作調整。預期信貸虧損的估計反映不偏倚及概率加權金額乃按發生違約相關風險的比重來釐定。

一般而言，預期信貸虧損為根據合約所有應欠本集團合約現金流量與本集團於初始確認時預期收到，按實際利率折現的現金流量的差額。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

(v) Measurement and recognition of ECL (Continued)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables, finance lease receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

金融資產減值(如附註2所載應用香港財務報告準則第9號的過渡條文)(續)

(v) 預期信貸虧損的計量及確認(續)

當預期信貸虧損按共同基準計量，或適用於個別工具級別的證據可能尚未提供的情況下，金融工具將按以下基準組合：

- 金融工具的性質(本集團之應收貿易及其他賬款、應收融資租賃及應收客戶欠款均各自按分開的組別評估。貸款予關連方則就預期信貸虧損作個別評估)；
- 逾期狀況；
- 債務人之性質、規模及行業；及
- 當適用時之外部信貸評級。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)*

(v) Measurement and recognition of ECL (Continued)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

*金融資產減值(如附註2所載應用香港財務報告準則第9號的過渡條文)(續)*

(v) 預期信貸虧損的計量及確認(續)

管理層定期審視組別情況以確保每一組別裡面繼續具備類似的信貸風險特徵。

利息收入按金融資產賬面總值計算，而已作信貸減值之金融資產則除外，在此情況下，利息收入則按金融資產之攤銷成本計算。

本集團就所有金融工具經調整其賬面值於損益賬確認減值收益或虧損，而應收貿易賬款則除外，其相關調整乃通過虧損撥備賬確認。





### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss (“FVTPL”), held-to-maturity investments, available-for-sale (“AFS”) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

##### 金融資產的分類及其後計量(於 2018年1月1日應用香港財務報告準 則第9號前)

金融資產分類為以下指定類別：按公允值計入損益(「按公允值計入損益」)之金融資產、持有至期滿之投資、可供出售(「可供出售」)金融資產及貸款及應收賬款。分類視乎金融資產之性質及目的並於初始確認時釐定。所有按常規方法購買或出售之金融資產按交易日期基準確認或剔除確認。常規方法購買或出售指購買或出售之金融資產須於市場規則或慣例規定的時限內交付資產。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Classification and subsequent measurement of financial assets  
(before application of HKFRS 9 on 1 January 2018) (Continued)

(i) Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) held for trading or (ii) it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

金融資產的分類及其後計量(於  
2018年1月1日應用香港財務報告準  
則第9號前)(續)

- (i) 按公允值計入損益之金融資產  
當金融資產乃(i)持有作買賣或  
(ii)其已被釐定為按公允值計入  
損益，金融資產即分類為按公  
允值計入損益。

金融資產分類為持有作買賣，  
倘：

- 原本購入乃以短期出售為  
目的；或
- 於初始確認時其為本集團  
共同管理的已識別金融工  
具組合之一部分並具短期  
賺取盈利的最近實際模  
式；或
- 其為並非指定及有效對沖  
工具之衍生工具。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Classification and subsequent measurement of financial assets  
(before application of HKFRS 9 on 1 January 2018) (Continued)

(i) Financial assets at FVTPL (Continued)

A financial asset other than a financial asset held for trading (or contingent consideration that may be received by an acquirer as part of a business combination) may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

金融資產的分類及其後計量(於  
2018年1月1日應用香港財務報告準  
則第9號前)(續)

(i) 按公允值計入損益之金融資產  
(續)

持有作買賣之金融資產(或收  
購者可能收到作為業務合併一  
部分之或然代價)以外之金融  
資產可於初始確認時指定為按  
公允值計入損益之金融資產，  
倘：

- 此類指定估計或顯著減少  
否則會出現的計量或確認  
的不一致；或



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Classification and subsequent measurement of financial assets  
(before application of HKFRS 9 on 1 January 2018) (Continued)

(i) Financial assets at FVTPL (Continued)

- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 35(iii).

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

金融資產的分類及其後計量(於  
2018年1月1日應用香港財務報告準  
則第9號前)(續)

(i) 按公允值計入損益之金融資產  
(續)

- 金融資產構成集團金融資產或金融負債組別或同時兩者之一部分，則根據本集團制定之風險管理或投資策略，及按該基準內部提供相關組別資料去管理，及其表現按公允值基準評估；或
- 其構成一份包含一項或多項組合衍生工具的合約之一部分，及香港財務報告準則第39號准許所有合併合約(資產或負債)指定為按公允值計入損益。

按公允值計入損益之金融資產以公允值列示，因重新計量而產生的收益或虧損於損益確認。於損益確認之淨收益或虧損已包含在「其他收益及虧損」之項目內。公允值乃按附註35(iii)所描述之方法釐定。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including loan to a joint venture, bills receivables discounted with recourse, amounts due from related companies, trade and other receivables and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

##### Impairment of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

##### 金融資產的分類及其後計量(於 2018年1月1日應用香港財務報告準 則第9號前)(續)

(ii) 貸款及應收賬款

貸款及應收賬款為在活躍市場上並無報價而具有固定或釐定付款之非衍生金融資產。初始確認隨後，貸款及應收賬款(包括合營企業貸款、附追索權之應收票據貼現、應收關連公司款項、應收貿易及其他賬款及銀行結餘及現金)以實際利率法，按攤銷成本減任何減值虧損計量。

利息收入按實際利率基準確認，惟短期應收賬款之利息確認(並不重大)除外。

##### 金融資產減值(於2018年1月1日應 用香港財務報告準則第9號前)

金融資產(按公允值計入損益的除外)於各報告期末評估是否有減值跡象。倘出現客觀證據，於初始確認金融資產後產生之一項或多項事件令該金融資產的估計未來現金流量受到影響，則金融資產會被考慮減值。

就可供出售權益投資而言，證券的公允值大幅或長期低於其成本，則考慮客觀證據減值。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

For loans and receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 45 to 90 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

##### 金融資產減值(於2018年1月1日應用香港財務報告準則第9號前)(續)

就貸款及應收賬款而言，減值之客觀證據可包括：

- 發行人或對手方存在嚴重財政困難；或
- 違約，如未能繳付或延遲償還利息及本金；或
- 借款人有可能面臨破產或財務重組。

應收賬款組合出現減值的客觀證據包括本集團過往收款經驗、逾期還款超過平均信貸期45至90天之數目上升、國家或地區經濟狀況出現明顯變動導致應收賬款違約。

就按攤銷成本列賬之金融資產而言，減值虧損金額乃按資產賬面值與金融資產按原有實際利率折現之估計未來現金流量現值之差額確認。

所有金融資產的減值虧損會直接於金融資產賬面值中作出扣減，惟應收貿易賬款除外，其賬面值會透過撥備賬作出扣減。撥備賬內的賬面值變動會於損益中確認。當應收貿易賬款被視為不可收回時，其將於撥備賬內撇賬。於其後收回先前已撇賬的款項將計入損益。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and reward of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

金融資產減值(於2018年1月1日應用香港財務報告準則第9號前)(續)  
就按攤銷成本計量之金融資產而言，倘於隨後期間減值虧損的數額減少，及此項減少可客觀地與確認減值後的某一事件聯繫，則先前確認的減值虧損於損益中予以撥回，惟於撥回減值當日的投資賬面值不得超逾未確認減值時的攤銷成本。

##### 剔除確認金融資產

倘從資產收取現金流量之合約權利已屆滿，或本集團轉讓金融資產及已將其於資產擁有權之絕大部分風險及回報轉移予另一實體，本集團方會剔除確認金融資產。倘本集團既無轉移亦無保留絕大部分風險及回報及繼續控制已轉移資產，本集團於資產確認其留存權益及就可能須支付金額確認聯營負債。倘本集團保留已轉移資產之絕大部分風險及回報，本集團繼續確認該金融資產並就已收取款項確認抵押借貸。

於剔除確認一項以攤銷成本計量的金融資產時，資產賬面值與已收及應收代價之差額，將於損益中確認。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial liabilities and equity

##### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### *Financial liabilities*

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融負債及權益工具

##### *分類為債務或權益*

債務及權益工具按所訂立之合約安排性質，以及金融負債及權益工具之定義而分類為金融負債或權益。

##### *權益工具*

權益工具為證明一實體經扣除其所有負債後的資產剩餘權益之任何合約。本公司發行的權益工具按收取所得款項減直接發行成本確認。

購回本公司自身權益工具直接於權益中扣減確認。購買、出售、發行及註銷本公司自身權益工具概不會在損益確認。

##### *金融負債*

所有金融負債是其後以實際利率法按攤銷成本或按公允值計入損益計量。





### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial liabilities and equity (Continued)

##### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies; (ii) held for trading; or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融負債及權益工具(續)

##### 按公允值計入損益之金融負債

當金融負債乃(i)應用香港財務報告準則第3號於業務合併的收購者之或然代價；(ii)持有作買賣；或(iii)已釐訂為按公允值計入損益，則分類為按公允值計入損益之金融負債。

金融負債將分類為持有作買賣，倘：

- 原本購入目的乃作近期內回購；或
- 於初始確認時其為本集團共同管理的已識別金融工具的投資組合一部分及具備短期賺取盈利的最近實際模式；或
- 其為衍生工具，除非該衍生工具為財務擔保合同或指定及有效對沖工具。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial liabilities and equity (Continued)

##### Financial liabilities at FVTPL (Continued)

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9/HKAS 39 permits the entire combined contract to be designated as at FVTPL.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融負債及權益工具(續)

##### 按公允值計入損益之金融負債(續)

持有作買賣之金融負債或於業務合併的收購者之或然代價以外之金融負債，可於初始確認時指定為按公允值計入損益之金融負債，倘：

- 此類指定抵消或顯著減少計量或確認的不一致(否則會出現)；或
- 金融負債構成集團金融資產或金融負債組別或同時兩者之一部分，則根據本集團制定之風險管理或投資策略，及按該基準內部提供相關組別資料去管理，及其表現按公允值基準評估；或
- 其構成一份包含一項或多項組合衍生工具的合約之一部分，及香港財務報告準則第9號／香港財務報告準則第39號准許所有合併合約指定為按公允值計入損益。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial liabilities and equity (Continued)

##### Financial liabilities at FVTPL (Continued)

Upon application of HKFRS 9, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融負債及權益工具(續)

##### 按公允值計入損益之金融負債(續)

當應用香港財務報告準則第9號，就指定為按公允值計入損益之金融負債而言，金融負債公允值變動金額乃該金融負債應佔信貸風險之變動，於其他全面收益確認，除非於其他全面收益確認負債之信貸風險變動影響將產生或擴大於損益賬的一項會計錯配。於其他全面收益確認之金融負債信貸風險之應佔公允值變動，其後不會重新分類至損益；取而代之，於剔除確認金融負債時將轉入留存盈利中。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities at FVTPL (Continued)

Prior to application of HKFRS 9 on 1 January 2018, financial liabilities designated at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss. The net gain or loss recognised in profit or loss includes any interest paid on the financial liability and is included in the "other gains and losses" line item.

#### Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 3. 主要會計政策(續)

#### 金融工具(續)

分類為債務或權益(續)

按公允值計入損益之金融負債(續)

於2018年1月1日應用香港財務報告準則第9號前，指定按公允值計入損益之金融負債以公允值列示，因公允值變動而產生的盈虧在損益確認。於損益確認之淨收益或虧損包括金融負債所支付之任何利息及已包含在「其他收益及虧損」之項目內。

#### 衍生金融工具

衍生工具以衍生工具合約簽訂日之公允值作初次確認及其後以報告期間末之公允值重新計量。所產生的收益或虧損於損益內確認。

### 4. 估計不明朗因素之主要來源

於應用本集團之會計政策(載列於附註3)時，本公司董事需對未能透過其他來源直接確定之資產及負債之賬面值作出判斷、估計及假設。該等估計及相關假設乃建基於過往經驗及其他被視為相關之因素。實際業績可能有別於該等估計。

估計及相關假設乃按持續基準被審閱。如對會計估計之修訂僅影響進行修訂之期間，則於該期間確認修訂，或如修訂同時影響目前及未來期間，則於修訂及未來期間確認。



#### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### Provision of ECL for trade receivables

The Group uses provision matrix to calculate ECL for the trade receivables. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration of forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with significant balances and credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in notes 23 and 35(ii).

#### 4. 估計不明朗因素之主要來源 (續)

下文是有關未來期間的主要假設以及報告期末之估計不明朗因素之其他主要來源，該等假設及不明朗因素具有會造成在下一個財政年度對資產以及負債的賬面值作出重大調整的重大風險。

##### 應收貿易賬款預期信貸虧損撥備

本集團就應收貿易賬款採用預繳模式計算預期信貸虧損。撥備率根據具備類似虧損模式的不同債務人組合作內部信貸評級。暫繳模式為本集團根據過往的違約率並考慮前瞻性資料，乃合理及毋須不必要的成本或費力而可得之理據。於每一報告日期，會再次評估過往觀測的違約率並考慮前瞻性資料的變化。此外，具重大結餘及信貸減值的應收貿易賬款會被個別評估預期信貸虧損。

預期信貸虧損撥備對估計的變化相當敏感。有關預期信貸虧損及本集團應收貿易賬款的資料於附註23及35(ii)披露。



#### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

##### Recognition of deferred tax

As at 31 December 2018, a deferred tax asset in relation to unused tax losses of approximately HK\$137,000,000 (2017: HK\$125,000,000) was not recognised in the consolidated statement of financial position due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the expectation for future profit streams changes, a recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a recognition takes place.

As at 31 December 2018, except for certain profits of the group companies in the People's Republic of China ("PRC") and Socialist Republic of Vietnam ("Vietnam") arising from 2017 and 2018, no further deferred tax liabilities have been recognised on the undistributed profits of the group companies in the PRC after 2008 as the Group plans to retain those profits in the respective entities for their daily operations and future developments. In case there is a change in such plan, additional tax liabilities will arise, which will be recognised in the profit or loss for the period in which the management intends to declare such profits in the foreseeable future or the Group's future development plan is amended, whichever is earlier. Details of the above unrecognised liabilities are set out in note 31.

#### 4. 估計不明朗因素之主要來源 (續)

##### 遞延稅項確認

於2018年12月31日，由於無法預計未來盈利流向，有關未動用稅務虧損之遞延稅項資產約137,000,000港元(2017年：約125,000,000港元)並未於綜合財務狀況表確認。遞延稅項資產變現主要視乎將來是否有足夠未來盈利或稅項暫時差額可供動用。倘預期未來盈利流向有變，可能作出遞延稅項資產確認，並於發生此確認之期間在損益中確認。

於2018年12月31日，除於中華人民共和國(「中國」)及越南社會主義共和國(越南)的集團公司自2017年及2018年產生的若干盈利外，並無就於中國之集團公司自2008年後之未分配盈利確認遞延稅項負債，乃由於本集團計劃保留相關公司的盈利以供日常營運及將來發展。倘此計劃有變，將產生額外稅項負債，其將於未來可預見管理層擬宣派該等盈利或本集團之未來發展計劃修訂時(以較早者為準)之期間，於損益中確認。上述未確認負債之詳情載於附註31。



## 5. REVENUE

### A. For the year ended 31 December 2018

- (i) Disaggregation of revenue from contracts with customers

		Packaging Paper	Pulp	Tissue paper	Total
		包裝紙	木漿	衛生紙	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
<b>Types of goods</b>	<b>貨品類別</b>				
Sales of packaging paper (including linerboard and corrugating medium)	銷售包裝紙 (包括牛咭紙及瓦楞芯紙)	27,156,142	—	—	27,156,142
Sales of pulp	銷售木漿	—	3,959	—	3,959
Sales of tissue paper	銷售衛生紙	—	—	5,047,981	5,047,981
		27,156,142	3,959	5,047,981	32,208,082
<b>Timing of revenue recognition</b>	<b>收入確認之時間</b>				
A point in time	一個時間點	27,156,142	3,959	5,047,981	32,208,082

## 5. 收入

### A. 截至2018年12月31日止年度

- (i) 來自客戶合約的收入分析



## 5. REVENUE (CONTINUED)

### A. For the year ended 31 December 2018

(Continued)

- (ii) Performance obligations for contracts with customers

The Group sells packaging paper, pulp and tissue paper directly to customers.

Revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the specific location (delivery) as agreed in the sales contracts. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 45 to 90 days upon delivery.

### B. For the year ended 31 December 2017

An analysis of the Group's revenue from the year is as follows:

## 5. 收入(續)

### A. 截至2018年12月31日止年度 (續)

- (ii) 客戶合約的履約責任

本集團直接向客戶銷售包裝紙、木漿和衛生紙。

當貨物已運送至銷售合同協定的指定地點且貨物控制權已轉移，方確認收入。運送貨物後，客戶已可全權支配分銷及價錢去出售貨物，負責銷售貨物及承擔貨物報廢及損失的風險。一般信貸期為付運後45至90天。

### B. 截至2017年12月31日止年度

本集團於年內之收入分析如下：

		HK\$'000 千港元
Revenue analysed by revenue from:	按收入來源之收入分析：	
Sales of packaging paper (including linerboard and corrugating medium)	銷售包裝紙 (包括牛咭紙及瓦楞芯紙)	23,102,581
Sales of pulp	銷售木漿	15,593
Sales of tissue paper	銷售衛生紙	2,718,710
		25,836,884





## 6. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating and reportable segments under HKFRS 8 Operating Segments, based on information reported to the Company's executive directors, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance, which focuses on types of goods delivered. The Group's operating and reportable segments under HKFRS 8 – Operating Segments are as follows:

- (i) Packaging paper – Kraft linerboard, test linerboard, coated duplex board, white top linerboard and high strength corrugating medium;
- (ii) Pulp; and
- (iii) Tissue paper.

## 6. 分部資料

以下為根據香港財務報告準則第8號經營分部對本集團按經營及可報告分部的收入及業績的分析，向本公司執行董事，即主要經營決策者（「主要經營決策者」）作為資源分配及評估分部表現而呈報之資料，集中於所交付貨物之類別。本集團於香港財務報告準則第8號—經營分部項下之經營及可報告分部載列如下：

- (i) 包裝紙—牛咭紙、掛面牛咭紙、塗布白板紙、白面牛咭紙及高強瓦楞芯紙；
- (ii) 木漿；及
- (iii) 衛生紙。



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For the year ended 31 December 2018 截至2018年12月31日止年度

6. SEGMENT INFORMATION (CONTINUED)

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

Year ended 31 December 2018

6. 分部資料(續)

分部收入及業績

以下為按經營及可報告分部劃分之  
本集團收入及業績分析：

截至2018年12月31日止年度

		Packaging paper 包裝紙 HK\$'000 千港元	Pulp 木漿 HK\$'000 千港元	Tissue paper 衛生紙 HK\$'000 千港元	Segment total 分部合計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>REVENUE</b>	<b>收入</b>						
External sales	對外銷售	27,156,142	3,959	5,047,981	32,208,082	—	32,208,082
Inter-segment sales	分部之間銷售	—	1,189,078	—	1,189,078	(1,189,078)	—
		27,156,142	1,193,037	5,047,981	33,397,160	(1,189,078)	32,208,082
<b>SEGMENT PROFIT</b>	<b>分部盈利</b>	5,455,810	898	840,108	6,296,816	—	6,296,816
Net gain from fair value changes of derivative financial instruments	衍生金融工具 公允價值變動 淨收益						2,638
Unallocated income	未分配之收入						250,802
Unallocated expenses	未分配之支出						(103,312)
Finance costs	財務成本						(319,612)
Profit before tax	除稅前盈利						6,127,332



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

6. SEGMENT INFORMATION (CONTINUED)

Segment revenues and results (Continued)

Year ended 31 December 2017

		Packaging paper 包裝紙 HK\$'000 千港元	Pulp 木漿 HK\$'000 千港元	Tissue paper 衛生紙 HK\$'000 千港元	Segment total 分部合計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>REVENUE</b>	<b>收入</b>						
External sales	對外銷售	23,102,581	15,593	2,718,710	25,836,884	—	25,836,884
Inter-segment sales	分部之間銷售	—	915,936	516	916,452	(916,452)	—
		23,102,581	931,529	2,719,226	26,753,336	(916,452)	25,836,884
<b>SEGMENT PROFIT</b>	<b>分部盈利</b>	6,039,601	3,126	515,002	6,557,729	—	6,557,729
Net gain from fair value changes of derivative financial instruments	衍生金融工具 公允值變動 淨收益						9,960
Unallocated income	未分配之收入						84,071
Unallocated expenses	未分配之支出						(143,274)
Finance costs	財務成本						(185,311)
Profit before tax	除稅前盈利						6,323,175

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of net gain from fair value changes of derivative financial instruments, rental income, interest income, net exchange gain (loss), finance costs and other unallocated administrative expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

6. 分部資料(續)

分部收入及業績(續)

截至2017年12月31日止年度

經營分部之會計政策與附註3所描述之本集團會計政策一致。分部盈利指各分部所賺取盈利，而並無分配來自衍生金融工具公允值變動淨收益、租金收入、利息收入、匯兌淨收益(虧損)、財務成本及其他未分配行政費用。此乃向主要經營決策者作為資源分配及表現評估而呈報之計量方法。

分部之間銷售乃按現行市場價格計算。



## 6. SEGMENT INFORMATION (CONTINUED)

### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

## 6. 分部資料(續)

### 分部資產及負債

以下為按可報告分部劃分之本集團資產及負債分析：

		Packaging paper 包裝紙 HK\$'000 千港元	Pulp 木漿 HK\$'000 千港元	Tissue paper 衛生紙 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>As at 31 December 2018</b>	<b>於2018年12月31日</b>				
Segment assets	分部資產	31,024,497	2,031,539	7,708,849	40,764,885
Unallocated assets	未分配之資產				2,011,943
Consolidated total assets	綜合總資產				42,776,828
Segment liabilities	分部負債	1,654,893	18,316	84,353	1,757,562
Unallocated liabilities	未分配之負債				17,873,415
Consolidated total liabilities	綜合總負債				19,630,977
		Packaging paper 包裝紙 HK\$'000 千港元	Pulp 木漿 HK\$'000 千港元	Tissue paper 衛生紙 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>As at 31 December 2017</b>	<b>於2017年12月31日</b>				
Segment assets	分部資產	32,086,459	1,892,725	6,295,886	40,275,070
Unallocated assets	未分配之資產				3,014,723
Consolidated total assets	綜合總資產				43,289,793
Segment liabilities	分部負債	2,834,924	20,369	288,451	3,143,744
Unallocated liabilities	未分配之負債				18,229,931
Consolidated total liabilities	綜合總負債				21,373,675



## 6. SEGMENT INFORMATION (CONTINUED)

### Segment assets and liabilities (Continued)

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to operating segments other than investment properties, derivative financial instruments, bank balances and cash and other assets used jointly by reportable segments, and all liabilities are allocated to operating segments other than derivative financial instruments, tax payable, bank borrowings, deferred tax liabilities and other liabilities for which reportable segments are jointly liable.

### Other segment information

## 6. 分部資料(續)

### 分部資產及負債(續)

為考核分部表現及於分部間分配資源，所有資產均分配予經營分部(投資物業、衍生金融工具、銀行結餘及現金及由可報告分部共同所用之其他資產除外)以及所有負債均分配予經營分部(衍生金融工具、應付稅項、銀行借貸、遞延稅項負債及可報告分部共同應付之其他負債除外)。

### 其他分部資料

		Packaging paper 包裝紙 HK\$'000 千港元	Pulp 木漿 HK\$'000 千港元	Tissue paper 衛生紙 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>At 31 December 2018</b>	<b>於2018年12月31日</b>				
Amounts included in the measure of segment profit or loss or segment assets:	計量分部損益或分部資產包括以下金額：				
Addition to non-current assets (note)	非流動資產增加(附註)	1,677,541	102,941	564,727	2,345,209
Depreciation of property, plant and equipment	物業、廠房及設備折舊	996,617	78,651	191,735	1,267,003
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	10,731	2	44	10,777
Amortisation of prepaid lease payments	預付租賃款項攤銷	17,359	607	3,726	21,692
Impairment loss recognised (reversed) in profit or loss on trade receivables	於損益確認之應收貿易賬款減值虧損(回撥)	69,000	—	(1,062)	67,938



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6. SEGMENT INFORMATION (CONTINUED)

Other segment information (Continued)

		Packaging paper 包裝紙 HK\$'000 千港元	Pulp 木漿 HK\$'000 千港元	Tissue paper 衛生紙 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>At 31 December 2017</b>	<b>於2017年12月31日</b>				
Amounts included in the measure of segment profit or loss or segment assets:	計量分部損益或 分部資產包括 以下金額：				
Addition to non-current assets (note)	非流動資產增加 (附註)	1,712,218	60,348	1,757,586	3,530,152
Depreciation of property, plant and equipment	物業、廠房及 設備折舊	981,785	21,003	93,116	1,095,904
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損	6,678	—	404	7,082
Amortisation of prepaid lease payments	預付租賃款項 攤銷	17,306	58	1,740	19,104
Impairment loss recognised (reversed) in profit or loss on trade receivables	於損益確認之應收 貿易賬款減值 虧損(回撥)	1,835	—	(4,995)	(3,160)

Note: Amounts included additions to property, plant and equipment, prepaid lease payments and deposits paid for acquisition of property, plant and equipment.

No other amounts are regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets.

6. 分部資料(續)

其他分部資料(續)

附註：金額包括新增物業、廠房及設備，預付租賃款項及購置物業、廠房及設備所付訂金。

概無其他金額乃定期提供予主要經營決策者而並無包括在計量分部損益或分部資產的金額中。



## 6. SEGMENT INFORMATION (CONTINUED)

### Revenue from major products

The following is an analysis of the Group's revenue from its major products:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Packaging paper (including linerboard and corrugating medium)	包裝紙 (包括牛咭紙及瓦楞芯紙)	27,156,142	23,102,581
Pulp	木漿	3,959	15,593
Tissue paper	衛生紙	5,047,981	2,718,710
		<b>32,208,082</b>	<b>25,836,884</b>

### Geographical information

Over 96% (2017: 92%) of the Group's revenue were derived from external customers in the PRC.

Information about the Group's non-current assets is presented based on the geographical location of the assets.

## 6. 分部資料(續)

### 來自主要產品的收入

以下為本集團來自主要產品的收入分析：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Packaging paper (including linerboard and corrugating medium)	包裝紙 (包括牛咭紙及瓦楞芯紙)	27,156,142	23,102,581
Pulp	木漿	3,959	15,593
Tissue paper	衛生紙	5,047,981	2,718,710
		<b>32,208,082</b>	<b>25,836,884</b>

### 地域資料

本集團之收入超過96%(2017年: 92%)來自中國外部客戶。

本集團非流動資產資料乃按資產所在地呈列。

		Non-current assets 非流動資產	
		2018 HK\$'000 千港元	2017 HK\$'000 千港元
The PRC other than Hong Kong	中國，香港除外	27,132,105	27,080,950
Vietnam	越南	2,349,426	2,128,625
Hong Kong	香港	15,234	17,394
		<b>29,496,765</b>	<b>29,226,969</b>



## 6. SEGMENT INFORMATION (CONTINUED)

### Information about major customers

None of the Group's customers contributed over 10% of the Group's total revenue for the current and prior reporting period.

## 7. OTHER INCOME

## 6. 分部資料(續)

### 有關主要客戶之資料

本期或上期報告期內並無本集團客戶佔本集團總收入超過10%。

## 7. 其他收入

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Value added tax and other tax refund	增值稅退款及其他退稅	632,990	479,460
Income from supply of steam and electricity	供應蒸氣及電力收入	30,678	53,721
Income from wharf cargo handling	經營碼頭貨運收入	19,446	54,100
Sales of materials and waste paper	物料及廢紙銷售	65,130	43,518
Interest income from banks	銀行利息收入	20,584	11,957
Others	其他	246,281	148,915
		<b>1,015,109</b>	<b>791,671</b>





8. IMPAIRMENT LOSSES ON TRADE RECEIVABLES, NET OF REVERSAL

8. 應收貿易賬款減值虧損(扣除回撥)

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Impairment losses (recognised)	減值虧損(確認)		
reversed on:	回撥:		
– Trade receivables	– 應收貿易賬款	(67,938)	3,160

Details of impairment assessment for the year ended 31 December 2018 are set out in note 35(ii).

截至2018年12月31日止年度之減值評估詳情載於附註35(ii)。

9. OTHER GAINS AND LOSSES

9. 其他收益及虧損

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Net foreign exchange gain (loss)	淨滙兌收益(虧損)	98,178	(75,459)
Net gain from fair value changes of derivative financial instruments	衍生金融工具公允價值變動淨收益	2,638	9,960
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(10,777)	(7,082)
		90,039	(72,581)



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For the year ended 31 December 2018 截至2018年12月31日止年度

10. FINANCE COSTS

10. 財務成本

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Interest on bank borrowings	銀行借貸利息	389,125	297,578
Less: amounts capitalised to property, plant and equipment	減去：物業、廠房及 設備之資本化金額	(69,513)	(112,267)
		<b>319,612</b>	<b>185,311</b>

Borrowing costs capitalised during the year arose from the general borrowings and are calculated by applying a capitalisation rate ranging from 2.43% to 3.10% (2017: 2.34% to 2.94%) per annum to expenditures on qualifying assets.

年內之資本化借貸成本乃於一般借貸中產生，並以合資格資產開支之資本化年利率由2.43%至3.1%（2017年：由2.34%至2.94%）計算。

11. INCOME TAX EXPENSE

11. 利得稅支出

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Income tax recognised in profit or loss:	於損益內確認之利得稅：		
Current tax	本期稅項		
– The PRC Enterprise Income Tax (“EIT”)	– 中國企業所得稅 （「企業所得稅」）	884,183	913,361
– PRC withholding tax on dividend distribution	– 分派股息之 中國預扣稅	153,820	—
		<b>1,038,003</b>	<b>913,361</b>
Under (over) provision in previous year	去年不足（超額）撥備		
– The PRC EIT	– 中國企業所得稅	732	(910)
Deferred tax (note 31)	遞延稅項（附註31）		
– Charge to profit or loss	– 計入損益	208,377	370,432
		<b>1,247,112</b>	<b>1,282,883</b>
Total income tax recognised in profit or loss	於損益內確認之總利得稅		



## 11. INCOME TAX EXPENSE (CONTINUED)

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

### the PRC

The Group's subsidiaries in the PRC are subject to corporate income tax at the rate of 25% except that six (2017: five) of these subsidiaries are entitled to preferential rate of 15% for the Group's financial year ended 31 December 2018.

### Hong Kong

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

## 11. 利得稅支出(續)

本集團之盈利須於其盈利賺取的營運地方繳納稅項，稅項按個別司法管轄區適用之稅率計算。

### 中國

本集團於中國的附屬公司之適用企業所得稅稅率為25%，而其中六間(2017年：五間)附屬公司於截至2018年12月31日止財政年度享有減免企業所得稅稅率15%。

### 香港

於2018年3月21日，香港立法會通過2017年稅務(修訂)(第7號)條例草案(「條例草案」)，條例草案引入利得稅兩級制稅率。該草案於2018年3月28日簽署成為法律，並於翌日在憲報刊登。根據兩級制利得稅率，合資格集團實體的首兩百萬港元盈利將按8.25%徵稅，超過兩百萬港元的盈利將按16.5%徵稅。不符合利得稅兩級制資格的集團實體之盈利將繼續按16.5%的劃一稅率徵稅。

本公司董事認為實施利得稅兩級制所涉及的金額對綜合財務報表屬微不足道。香港利得稅於兩個年度均按估計應課稅盈利以16.5%計算。



## 11. INCOME TAX EXPENSE (CONTINUED)

### Macau

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.

### Vietnam

The Vietnam subsidiaries are subjected to Vietnam Corporate Income Tax at a rate of 10%. They are entitled to a corporate income tax exemption for four years from the first profit-making year and a reduction of 50% for the following nine years. No provision for Vietnam Corporate Income Tax has been made for both years as the Vietnam subsidiaries entitled tax exemption for both years.

### Others

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

## 11. 利得稅支出(續)

### 澳門

澳門附屬公司根據第58/99/M號法令註冊成立，均獲豁免繳納澳門補充稅(澳門所得稅)，前提為其須遵守相關法規且不得向澳門本土公司出售產品。

### 越南

越南附屬公司須按10%稅率繳納越南企業所得稅，其享有自首個產生盈利年度起計四年獲豁免企業所得稅及隨後九年50%減免。由於越南附屬公司於兩個年度均享有稅務豁免，故並無為兩個年度計提越南企業所得稅撥備。

### 其他

其他司法管轄區產生的稅項則按個別司法管轄區適用之稅率計算。



## 11. INCOME TAX EXPENSE (CONTINUED)

The tax charge for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

## 11. 利得稅支出(續)

年內稅務開支與根據綜合損益及其他全面收益表的盈利對賬如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Profit before tax	除稅前盈利	6,127,332	6,323,175
Tax at the applicable tax rate of 25% (2017: 25%) (note)	應用稅率25% (2017年：25%)(附註)	1,531,833	1,580,794
Tax effect of expenses not deductible for tax purpose	不可扣稅的支出的稅務影響	163,134	97,456
Tax effect of income not taxable for tax purpose	毋須課稅的收入的稅務影響	(25,314)	(6,652)
Tax effect of tax losses not recognised	未確認稅務虧損的稅務影響	17,969	2,498
Effect of tax exemption granted to Macau and Vietnam subsidiaries	澳門及越南附屬公司獲豁免繳稅的影響	(101,366)	(60,267)
Effect of concessionary rates granted to the PRC subsidiaries	中國附屬公司獲優惠稅率的影響	(308,148)	(364,100)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區營運的附屬公司的不同稅率的影響	(31,728)	34,064
Under (over) provision in previous years	過往年度不足(超額)撥備	732	(910)
<b>Tax charge for the year</b>	<b>年內稅務開支</b>	<b>1,247,112</b>	<b>1,282,883</b>

Note: This represents the domestic income tax rate in the jurisdiction where a substantial portion of the Group's operation is based.

附註：此代表本集團絕大部分業務營運所在之司法權區之當地所得稅率。



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For the year ended 31 December 2018 截至2018年12月31日止年度

12. PROFIT FOR THE YEAR

12. 年度盈利

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Profit for the year has been arrived at after charging (crediting):	年度盈利經扣除(計入):		
Directors' emoluments (note 13)	董事酬金(附註13)	38,050	37,894
Staff salaries and other benefits, excluding those of directors	員工薪金及其他福利, 不包括董事	1,183,240	1,158,979
Contributions to retirement benefit schemes, excluding those of directors	退休福利計劃供款, 不包括董事	82,120	58,545
Total employee benefit expense Capitalised in inventories	僱員福利開支總額 庫存資本化	1,303,410 (915,230)	1,255,418 (722,162)
		388,180	533,256
Auditors' remuneration	核數師酬金		
– Audit services	– 核數服務	7,866	7,826
– Non-audit services	– 非核數服務	1,082	863
Cost of inventories recognised as expense	存貨成本確認為支出	24,699,596	18,324,030
Amortisation of prepaid lease payments	預付租賃款項攤銷	21,692	19,104
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,267,003	1,095,904
Depreciation of investment properties	投資物業折舊	22,314	13,467
Total depreciation and amortisation Capitalised in inventories	折舊及攤銷總額 庫存資本化	1,311,009 (1,172,264)	1,128,475 (1,003,011)
		138,745	125,464
Operating lease rentals in respect of land and buildings	土地及樓宇的 經營租賃租金	35,076	14,763



12. PROFIT FOR THE YEAR (CONTINUED)

12. 年度盈利(續)

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Gross rental income from investment properties	投資物業之租金總收入	(28,097)	(21,828)
Less:	減：		
– direct operating expenses incurred for investment properties that generated rental income during the year	一年內產生租金收入的投資物業之直接營運開支	246	211
– direct operating expenses incurred for investment properties that did not generate rental income during the year	一年內非產生租金收入的投資物業之直接營運開支	174	454
		<b>(27,677)</b>	<b>(21,163)</b>



### 13. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS

Directors' and Chief Executive Officer's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Companies Ordinance, were as follows:

### 13. 董事及首席執行官酬金

年內董事及首席執行官的酬金根據適用上市規則及公司條例披露如下：

		Other emoluments			Total
		其他酬金			
		Fees	Salaries and other benefits	Contributions to retirement benefit schemes	
		袍金	薪金及其他福利	退休福利計劃供款	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
<b>2018</b>	<b>2018年</b>				
<i>Executive directors</i>	<i>執行董事</i>				
Dr. Lee Man Chun Raymond	李文俊博士	16,500	—	—	16,500
Mr. Lee Man Bun (Chief Executive Officer)	李文斌先生 (首席執行官)	14,988	1,512	—	16,500
Mr. Li King Wai Ross	李經緯先生	2,983	717	—	3,700
<i>Non-executive director</i>	<i>非執行董事</i>				
Professor Poon Chung Kwong	潘宗光教授	—	—	—	—
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>				
Mr. Wong Kai Tung Tony	王啟東先生	450	—	—	450
Mr. Peter A. Davies	Peter A. Davies先生	450	—	—	450
Mr. Chau Shing Yim David	周承炎先生	450	—	—	450
		35,821	2,229	—	38,050





13. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS (CONTINUED)

13. 董事及首席執行官酬金(續)

		Other emoluments 其他酬金			
		Fees 袍金	Salaries and other benefits 薪金及 其他福利	Contributions to retirement benefit schemes 退休福利 計劃供款	Total 合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2017	2017年				
<i>Executive directors</i> 執行董事					
Dr. Lee Man Chun Raymond	李文俊博士	16,500	—	—	16,500
Mr. Lee Man Bun (Chief Executive Officer)	李文斌先生 (首席執行官)	14,988	1,512	—	16,500
Mr. Li King Wai Ross	李經緯先生	2,983	717	—	3,700
<i>Non-executive director</i> 非執行董事					
Professor Poon Chung Kwong	潘宗光教授	—	—	—	—
<i>Independent non-executive directors</i> 獨立非執行董事					
Mr. Wong Kai Tung Tony	王啟東先生	398	—	—	398
Mr. Peter A. Davies	Peter A. Davies先生	398	—	—	398
Mr. Chau Shing Yim David	周承炎先生	398	—	—	398
		35,665	2,229	—	37,894

The executive directors', non-executive directors' and independent non-executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group and for their services as directors of the Company respectively.

上述執行董事、非執行董事及獨立非執行董事之酬金主要結合了他們分別為本公司及本集團管理事務及作為本公司董事的服務之酬金。



### 13. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS (CONTINUED)

Dr. Lee Man Chun Raymond is also the Chairman of the Company and his emoluments disclosed above include those for services rendered by him as the Chairman.

For the years ended 31 December 2018 and 2017, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as a compensation for loss of office. No directors waived any emoluments during these periods.

### 14. FIVE HIGHEST PAID INDIVIDUALS

Of the five individuals with the highest emoluments in the Group, three (2017: three) were directors of the Company whose emoluments are included in the disclosures in note 13. The aggregate emoluments of the five highest paid individuals, including directors, were as follows:

### 13. 董事及首席執行官酬金(續)

李文俊博士亦為本公司主席，上述披露之酬金包括其作為主席所提供的服務之酬金。

截至2018年及2017年12月31日止年度，本集團並無支付任何酬金予董事作為誘使其加入或加入本集團後或失去其辦公室之補償。該等期間並無任何董事放棄酬金。

### 14. 五位最高酬金人士

本集團最高酬金之五位人士，其中三位(2017年：三位)為本公司董事而其酬金已於附註13披露。五位最高酬金人員(包括董事)之合計酬金如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	41,695	41,117
Contributions to retirement benefit schemes	退休福利計劃供款	18	18
		<b>41,713</b>	<b>41,135</b>

The emoluments were within the following bands:

酬金介乎下列組別：

		2018 No. of employee 員工人數	2017 No. of employee 員工人數
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	—	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	—
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	1	1
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	1	1
HK\$16,000,001 to HK\$16,500,000	16,000,001港元至16,500,000港元	2	2
		<b>5</b>	<b>5</b>



## 15. DIVIDENDS

## 15. 股息

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Dividends recognised as distribution:	確認為分派之股息：		
Final dividend of HK\$0.20 in respect of the year ended 31 December 2017 (2017: final dividend of HK\$0.11 in respect of the year ended 31 December 2016) per share	截至2017年12月31日止年度之末期股息每股0.20港元(2017年：截至2016年12月31日止年度之末期股息每股0.11港元)	892,153	496,830
Interim dividend of HK\$0.20 in respect of the year ended 31 December 2018 (2017: interim dividend of HK\$0.17 in respect of the year ended 31 December 2017) per share	截至2018年12月31日止年度之中期股息每股0.20港元(2017年：截至2017年12月31日止年度之中期股息每股0.17港元)	883,951	767,829
		<b>1,776,104</b>	1,264,659

A final dividend of HK\$0.15 per share in respect of the year ended 31 December 2018 (2017: final dividend of HK\$0.20 per share in respect of the year ended 31 December 2017) has been proposed by the directors and is subject to approval by shareholders at the forthcoming annual general meeting.

董事建議派發截至2018年12月31日止年度末期股息每股0.15港元(2017年：截至2017年12月31日止年度末期股息每股0.20港元)，惟須待股東在應屆股東大會批准。

## 16. EARNINGS PER SHARE

The calculation of the earnings per share is based on the profit for the year attributable to owners of the Company of HK\$4,880,206,000 (2017: HK\$5,040,292,000) and weighted average number of 4,439,977,907 (2017: 4,521,700,282) shares in issue during the year.

No diluted earnings per share in both years was presented as there were no potential ordinary shares outstanding during both years.

## 16. 每股盈利

每股盈利乃以本公司擁有人應佔本年度盈利4,880,206,000港元(2017年：5,040,292,000港元)及年內已發行股份加權平均數4,439,977,907股(2017年：4,521,700,282)為基準計算。

由於兩個年度內並無未行使之潛在普通股，因此並無呈列每股攤薄盈利。



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17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Buildings 樓宇 HK\$'000 千港元	Computer system 電腦系統 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、固定 裝置及設備 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Motor vehicles and yacht 汽車及遊艇 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 合計 HK\$'000 千港元
<b>COST</b>	<b>成本</b>								
At 1 January 2017	2017年1月1日	5,178,229	46,565	904,257	499,364	128,678	18,105,535	5,503,406	30,366,034
Exchange realignment	匯兌重新組合	253,191	2,164	38,959	23,313	3,493	893,835	144,482	1,359,437
Additions	添置	83,098	1,235	6,741	697	546	139,422	3,251,260	3,482,999
Transfers	轉撥	1,223,658	2,514	92,282	4,589	14,356	2,805,041	(4,142,440)	—
Transfer to investment properties (Note 19)	轉撥至投資物業 (附註19)	(33,373)	—	—	—	—	—	(145,927)	(179,300)
Transfer to prepaid lease payments	轉撥至預付租賃 款項	—	—	—	—	—	—	(39,291)	(39,291)
Disposals/written off	出售/撇賬	(38,704)	(137)	(1,739)	(1,433)	(7,410)	(15,213)	(47,517)	(112,153)
At 31 December 2017	2017年12月31日	6,666,099	52,341	1,040,500	526,530	139,663	21,928,620	4,523,973	34,877,726
Exchange realignment	匯兌重新組合	(278,269)	(2,413)	(31,971)	(21,885)	(2,983)	(572,437)	(38,456)	(948,414)
Additions	添置	49,705	589	11,185	4,723	2,971	286,504	1,622,646	1,978,323
Transfers	轉撥	603,277	9,481	21,949	24,679	8,616	2,565,948	(3,233,950)	—
Transfer to investment properties (Note 19)	轉撥至投資物業 (附註19)	—	—	—	—	—	—	(52,926)	(52,926)
Transfer to prepaid lease payments	轉撥至預付租 賃付款	—	—	—	—	—	—	(5,799)	(5,799)
Disposals/written off	出售/撇賬	—	—	(6,359)	(2,078)	(15,239)	(55,780)	—	(79,456)
At 31 December 2018	2018年12月31日	7,040,812	59,998	1,035,304	531,969	133,028	24,152,855	2,815,488	35,769,454
<b>DEPRECIATION</b>	<b>折舊</b>								
At 1 January 2017	2017年1月1日	1,461,106	36,128	408,750	227,361	46,824	3,873,640	—	6,053,809
Exchange realignment	匯兌重新組合	73,834	743	20,525	11,090	1,883	193,607	—	301,682
Provided for the year	年內撥備	272,683	6,848	84,663	25,878	13,575	692,257	—	1,095,904
Eliminated on disposals/ written off	出售/撇賬時 對銷	(15,643)	—	(1,339)	(722)	(6,167)	(8,653)	—	(32,524)
At 31 December 2017	2017年12月31日	1,791,980	43,719	512,599	263,607	56,115	4,750,851	—	7,418,871
Exchange realignment	匯兌重新組合	(81,031)	(996)	(19,212)	(11,375)	(1,802)	(216,368)	—	(330,784)
Provided for the year	年內撥備	323,556	6,324	21,066	27,431	8,389	880,237	—	1,267,003
Eliminated on disposals/ written off	出售/撇賬時 對銷	—	—	(5,774)	(2,069)	(3,407)	(18,385)	—	(29,635)
At 31 December 2018	2018年12月31日	2,034,505	49,047	508,679	277,594	59,295	5,396,335	—	8,325,455
<b>CARRYING VALUE</b>	<b>賬面值</b>								
At 31 December 2018	2018年12月31日	5,006,307	10,951	526,625	254,375	73,733	18,756,520	2,815,488	27,443,999
At 31 December 2017	2017年12月31日	4,874,119	8,622	527,901	262,923	83,548	17,177,769	4,523,973	27,458,855



## 17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

notes:

- (i) The above buildings of the Group represent buildings on land under medium-term lease in the PRC.
- (ii) Certain buildings of the Group are erected on land in the PRC with respect to which the Group has not been granted formal title of ownership. At 31 December 2018, the carrying value of such buildings was HK\$1,985,043,000 (2017: HK\$1,356,794,000). In the opinion of directors, the absence of formal title to these buildings does not impair the value of the relevant buildings to the Group as the Group has paid substantially the full purchase consideration of these land use rights and the probability of being evicted on the ground of an absence of formal title is remote. The directors also believe that formal title of these buildings will be granted to the Group in due course.
- (iii) As disclosed in notes 36 and 41, certain portions of the buildings have been leased to a related party. These buildings were not reclassified as investment properties as the leased portions are insignificant.
- (iv) Depreciation is provided to write off the cost of property, plant and equipment other than construction in progress over their estimated useful lives and after taking into account of their estimated residual values, using the straight-line method, at the following rates per annum:

Buildings	Over the shorter of the term of lease, or 20 to 50 years
Computer system	10%
Furniture, fixtures and equipment	20%
Leasehold improvements	5% – 15%
Motor vehicles and yacht	5% – 20%
Plant and machinery	3 $\frac{1}{3}$ % – 20%

## 17. 物業、廠房及設備(續)

附註：

- (i) 上述之本集團樓宇乃於中國中期租賃土地上之樓宇。
- (ii) 集團有若干樓宇建於仍未授予集團正式擁有權之中國土地上。於2018年12月31日，該等樓宇之賬面值為1,985,043,000港元(2017年：1,356,794,000港元)。董事認為欠缺該等樓宇正式擁有權並不會損害集團相應樓宇價值，因為本集團已支付大部分購買該等土地使用權之代價及以欠缺正式擁有權的理由而收回土地的機是微乎其微。董事亦相信在不久將來集團會獲授予該等樓宇之正式擁有權。
- (iii) 如附註36及41所述，樓宇當中若干部分已租予一關連人士。由於租賃部分微不足道，該等樓宇並未分類為投資物業。
- (iv) 除在建工程外，物業、廠房及設備在計及其預計剩餘價值後，於預計可用年期以直線法計提折舊以撇銷成本，年率如下：

樓宇	租賃期較短者，或20至50年
電腦系統	10%
傢俬、固定裝置及設備	20%
租賃物業裝修	5%–15%
汽車及遊艇	5%–20%
廠房及機器	3 $\frac{1}{3}$ %–20%



## 18. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments comprise leasehold land held under medium-term leases located in:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
The PRC	中國	908,880	906,207
Vietnam	越南	49,874	51,984
		<b>958,754</b>	<b>958,191</b>
Analysed for reporting purposes as:			
Non-current asset		937,107	936,881
Current asset		21,647	21,310
		<b>958,754</b>	<b>958,191</b>

As at 31 December 2018, the carrying value of land use rights in respect of which the Group had not been granted formal title of ownership was HK\$66,172,000 (2017: HK\$179,615,000). In the opinion of the directors, the absence of formal title to these land use rights does not impair the value of the relevant properties to the Group as the Group has paid substantially the full purchase consideration of these land use rights and the probability of being evicted on the ground of an absence of formal title is remote. The directors also believe that formal title to these land use rights will be granted to the Group in due course.

## 18. 預付租賃款項

本集團預付租賃款項包括中期租賃項下之租賃土地位於：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
The PRC	中國	908,880	906,207
Vietnam	越南	49,874	51,984
		<b>958,754</b>	<b>958,191</b>
Analysed for reporting purposes as:			
Non-current asset		937,107	936,881
Current asset		21,647	21,310
		<b>958,754</b>	<b>958,191</b>

於2018年12月31日，集團未獲授予正式擁有權之土地使用權之賬面值為66,172,000港元(2017年：179,615,000港元)。董事認為欠缺此等土地使用權正式擁有權並不會損害集團相應物業價值，因為本集團已支付大部分購買該等土地使用權之代價及以欠缺正式擁有權的理由而收回土地的機會是微乎其微。董事亦相信在不久將來集團會獲授予該等土地使用權正式擁有權。



## 19. INVESTMENT PROPERTIES

## 19. 投資物業

		HK\$'000 千港元
<b>COST</b>		
	<b>成本</b>	
At 1 January 2017	於2017年1月1日	373,907
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	179,300
Additions	添置	21,741
Exchange realignment	匯兌重新組合	23,106
<hr/>		
At 31 December 2017	於2017年12月31日	598,054
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	52,926
Additions	添置	4,355
Exchange realignment	匯兌重新組合	(26,215)
<hr/>		
At 31 December 2018	於2018年12月31日	629,120
<hr/>		
<b>DEPRECIATION</b>		
	<b>折舊</b>	
At 1 January 2017	於2017年1月1日	2,498
Provided for the year	年內撥備	13,467
Exchange realignment	匯兌重新組合	487
<hr/>		
At 31 December 2017	於2017年12月31日	16,452
Provided for the year	年內撥備	22,314
Exchange realignment	匯兌重新組合	(1,649)
<hr/>		
At 31 December 2018	於2018年12月31日	37,117
<hr/>		
<b>CARRYING VALUE</b>		
	<b>賬面值</b>	
At 31 December 2018	於2018年12月31日	592,003
<hr/>		
At 31 December 2017	於2017年12月31日	581,602

During the year ended 31 December 2018, certain property, plant and equipment situated in PRC with carrying amounts of HK\$52,926,000 (2017: HK\$179,300,000) was transferred to investment properties as the management had changed the use of the properties.

於截至2018年12月31日止年度，由於管理層已改變物業用途，賬面值為數52,926,000港元(2017年：179,300,000港元)之若干位於中國之物業、廠房及設備已轉撥往投資物業。



## 19. INVESTMENT PROPERTIES (CONTINUED)

The fair value of the Group's commercial properties at 31 December 2018 was HK\$142,298,000 (31 December 2017: HK\$147,700,000). The fair value of the commercial properties has been arrived at based on a valuation carried out by 重慶啟利房地產土地資產評估有限公司 (2017: 重慶啟利房地產土地資產評估有限公司), an independent qualified professional valuer not connected with the Group using the market comparable approach, with reference to recent market prices for similar properties in similar locations and conditions, where appropriate.

The fair value of the Group's industrial properties at 31 December 2018 was HK\$475,926,000 (31 December 2017: HK\$465,746,000). The fair value of the industrial properties has been arrived at based on a valuation carried out by 重慶啟利房地產土地資產評估有限公司 (2017: 重慶啟利房地產土地資產評估有限公司), an independent qualified professional valuer not connected with the Group using the income capitalisation approach by reference to the market rentals of all lettable properties and capitalisation rate observed by the valuer for the similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the respective properties.

In estimating the fair value of the investment properties, the highest and best use of the properties is their current use.

## 19. 投資物業(續)

本集團的商業物業於2018年12月31日之公允值為142,298,000港元(2017年12月31日: 147,700,000港元)。商業物業之公允值根據與本集團無關連之獨立合資格專業估價師重慶啟利房地產土地資產評估有限公司(2017年: 重慶啟利房地產土地資產評估有限公司), 按市場比較法參考就同類物業於近似位置及狀況(倘適用)之近期市場價格作出之估值得出。

本集團的工業物業於2018年12月31日之公允值為475,926,000港元(2017年12月31日: 465,746,000港元)。工業物業之公允值根據與本集團無關連之獨立合資格專業估價師重慶啟利房地產土地資產評估有限公司(2017年: 重慶啟利房地產土地資產評估有限公司), 按收益法參考附近同類物業所有可出租物業的市場租金及估價師參考所知的資本化率並根據估價師對相關物業具體情況的瞭解作出調整後作出的估值得出。

於估計投資物業之公允值時, 有關物業之最高及最佳用途為其目前用途。





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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19. INVESTMENT PROPERTIES (CONTINUED)

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2018 and 2017 are as follows:

19. 投資物業(續)

於2018年及2017年12月31日，本集團投資物業詳情及公允價值級別之有關資料載述如下：

Category 類別	Fair value hierarchy 公允價值級別	Fair value 公允價值		Carrying value 賬面值		Valuation Technique 估值方式	Key unobservable inputs 主要不可觀察依據	Relationship of unobservable inputs to fair value 不可觀察依據對公允價值之關係
		2018 HK\$'000 千港元	2017 HK\$'000 千港元	2018 HK\$'000 千港元	2017 HK\$'000 千港元			
Commercial properties 商業物業	Level 3 第3級	142,298	147,700	141,116	146,927	Market comparable approach 市場比較法	Transaction prices for similar properties after accounting for floor areas and floor level – Renminbi ("RMB") 65,000 per square meter 同類物業經計及樓面面積及樓 層之交易價格—每平方米人 民幣(「人民幣」)65,000元	An increase/decrease in the market transaction prices for similar properties would result in an increase/decrease in fair value and vice versa. 同類物業市場交易價格增加/ 減少會相應引致公允價值增加 /減少，反之亦然
Industrial properties 工業物業	Level 3 第3級	475,926	465,746	450,887	434,675	Income capitalisation approach 收益法	Capitalisation rate of 3% to 5% 資本化率為3%至5%  Monthly rent of RMB3.30 to RMB12.00 per square meter per month 每月租金為每平方米人民幣 3.30元至12.00元	The fair values of the Group's industrial properties are inversely related to capitalisation rates which were determined by prevailing market transactions, conditions and expectations. 本集團工業物業公允價值與資本 化率成反比，資本化率則取 決於現行市場交易、狀況及 預期  In addition, increase in fair value of industrial properties is also attributable to the increase in market rental during the year. 此外，工業物業公允價值的增加 亦歸因於年內市場租金的增 加

There were no transfers into or out of Level 3 during the year.

年內並無公允價值轉入或轉出第3級。



## 19. INVESTMENT PROPERTIES (CONTINUED)

## 19. 投資物業(續)

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
The Group's investment properties	本集團投資物業包括：		
comprise:			
Investment properties located in:	投資物業位於：		
The PRC	中國	592,003	581,602

The above investment properties are depreciated on a straight-line basis at the following rates per annum:

上述投資物業按直線基準計提折舊，年率如下：

Buildings Over the shorter of the term of lease of 10 years, or 20–50 years

樓宇 租賃期較短者，10年或20至50年

## 20. DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT AND LAND USE RIGHTS

## 20. 購置物業、廠房及設備及土地使用權所付訂金

The deposits were paid by the Group in connection with the acquisition of property, plant and equipment and land use rights for new production facilities. The related commitments for acquisition of property, plant and equipment are disclosed in note 37.

所付訂金是本集團為了新生產設施而購置的物業、廠房及設備及土地使用權的訂金。購置物業、廠房及設備的有關承擔於附註37披露。



21. INTEREST IN A JOINT VENTURE

21. 合營企業權益

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Cost of an unlisted investment in joint venture	於合營企業之未上市投資成本	—	—
Exchange realignment	匯兌重新組合	—	—
Share of profit and other comprehensive income	應佔盈利及其他全面收益	—	—
		—	—
Loan to a joint venture (note ii)	合營企業貸款(附註ii)		
– current	– 流動	55,792	36,890
– non-current	– 非流動	98,343	97,453
		<b>154,135</b>	<b>134,343</b>



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21. INTEREST IN A JOINT VENTURE (CONTINUED)

notes:

- (i) Details of the Group's joint venture and its subsidiary at the end of the reporting periods are as follows:

Name of joint venture and its subsidiary 合營企業及 其附屬公司名稱	Form of entity 實體形式	Place of incorporation and operations 成立及營運地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本	Proportion of issued and fully paid up capital held by the Group 本集團持有已發行及 繳足股本比例				Principal activity 主要業務
				Directly 直接		Indirectly 間接		
				2018	2017	2018	2017	
				%	%	%	%	
Joint venture: 合營企業:								
Southern Hill Company Limited 南峰有限公司	Limited incorporated 有限公司成立	Hong Kong 香港	Ordinary shares — HK\$2 普通股 — 2港元	50	50	—	—	Investment holding 投資控股
Its wholly-owned subsidiary: 其全資擁有附屬公司:								
瑞昌理文物流有限公司 (Ruichang Lee & Man Logistics Company Limited)	Limited incorporated 有限公司成立	The PRC 中國	Registered capital — US\$12,000,000 註冊資本 — 12,000,000美元	—	—	50	50	Provision of port facilities 提供港口設施

- (ii) The amounts are unsecured, interest-free and have no fixed term of repayment and provided to a joint venture in the form of a shareholder's loan and forms part of the net investment in the joint venture, except for an amount of RMB49,376,000 (equivalent to approximately HK\$55,792,000) which carries interest at the fixed rate of 3.8% per annum, and was repayable on 31 December 2018. Pursuant a subsequent supplemental agreement, the maturity date of the aforesaid interest bearing loan has been extended to 31 December 2020.

21. 合營企業權益(續)

附註:

- (i) 於報告期末本集團之合營企業及其附屬公司詳情如下:

- (ii) 除為數人民幣49,376,000元(相等於約55,792,000港元)乃按固定年利率3.8%計息及須於2018年12月31日還款外,該貸款乃無抵押、免息及無固定還款期,並以股東借款形式提供及成為合營企業淨投資的一部分。根據其後的補充協議,前述帶息借款之到期日已延後至2020年12月31日。



## 22. INVENTORIES

## 22. 存貨

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Raw materials	原料	3,610,014	3,602,795
Finished goods	製成品	1,276,332	1,351,524
		<b>4,886,346</b>	<b>4,954,319</b>

## 23. TRADE AND OTHER RECEIVABLES

## 23. 應收貿易及其他賬款

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Trade receivables	應收貿易賬款	3,143,965	3,130,522
Less: allowance for credit losses	減：信貸虧損撥備	(84,973)	(17,034)
		<b>3,058,992</b>	<b>3,113,488</b>
Bills receivables	應收票據	1,093,681	1,542,662
		<b>4,152,673</b>	<b>4,656,150</b>
Prepayments and deposits for purchase of raw materials	購買原料預付款項及訂金	551,886	845,540
Other deposits and prepayments	其他訂金及預付款項	193,939	152,023
Value-added tax receivables	應收增值稅款項	595,667	838,616
Other receivables	應收其他賬款	462,814	283,499
		<b>5,956,979</b>	<b>6,775,828</b>

As at 31 December 2018 and 1 January 2018, trade receivables from contracts with customers amounted to HK\$3,058,992,000 and HK\$3,113,488,000, respectively.

於2018年12月31日及2018年1月1日，來自客戶合約的應收貿易賬款分別為3,058,992,000港元及3,113,488,000港元。



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綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

23. TRADE AND OTHER RECEIVABLES (CONTINUED)

notes:

- (i) Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits. Credit sales are made to customers with a satisfactory and trustworthy credit history. Credit limits attributed to customers are reviewed regularly. The Group allows its customers an average credit period of 45 to 90 days. The following is an aged analysis of trade and bills receivables presented based on the invoice date.

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Aged:	賬齡:		
Not exceeding 30 days	不超過30日	3,355,730	3,821,859
31-60 days	31-60日	683,939	645,979
61-90 days	61-90日	74,183	125,958
91-120 days	91-120日	21,103	31,758
Over 120 days	120日以上	17,718	30,596
		4,152,673	4,656,150

As at 31 December 2018, included in the Group's trade receivables balance are debtors with an aggregate carrying amount of HK\$44,592,000 which are past due as at the reporting date. Out of the past due balances, HK\$17,667,000 has been past due 90 days or more and is not considered as in default as the Group considered such balances could be recovered based on repayment history, the financial conditions and the current credit worthiness of each customers. Other than bills received, the Group does not hold any collateral over these balances.

As at 31 December 2017, trade receivables of HK\$4,584,221,000 that are neither past due nor impaired have good credit quality with reference to the track record of these customers under internal assessment by the Group.

As at 31 December 2018, the trade receivables of an aggregate carrying amount of HK\$733,280,000 (2017: HK\$722,973,000) was secured by customers' property interests and machinery being held as collateral.

- (ii) As at 31 December 2017, included in the Group's trade receivable balances are debtors with an aggregate carrying amount of HK\$71,929,000 which were past due at the reporting date but for which the Group has not provided for impairment loss as the Group considered such balances could be recovered based on the repayment history, the financial conditions and the current credit worthiness of each customer, if any. The directors consider all trade receivables (other than those for which impairment losses have been recognised) at the end of the reporting date are likely to be collectable under internal assessment by the Group.

23. 應收貿易及其他賬款(續)

附註:

- (i) 本集團於接納任何新客戶前，會評估該潛在客戶的信貨質量及界定其信貸限額。信貸銷售將會給予信貸記錄良好的客戶，客戶信貸限額定期予以檢討。本集團給予客戶的平均信貸期為45日至90日。以下為按發票日期呈列之應收貿易及票據賬款的賬齡分析。

於2018年12月31日，本集團應收貿易賬款結餘中包括賬面值合共44,592,000港元之應收貿易賬款於報告期末已告逾期。在該逾期結餘當中，為數17,667,000港元已逾期90天或以上及未被視為違約，因本集團根據每一客戶之過往還款記錄、財務狀況及現行信譽狀況，認為此等結餘可予以收回。除已收票據外，本集團並未就此等結餘持有任何抵押品。

於2017年12月31日，為數4,584,221,000港元之應收貿易賬款乃並未逾期且未作減值，在本集團根據往績記錄作出的內部評估，該等客戶具備良好信譽。

於2018年12月31日，賬面值合共733,280,000港元(2017年：722,973,000港元)之應收貿易賬款，持有客戶之物業權益及機器抵押品作為擔保。

- (ii) 於2017年12月31日，本集團應收貿易賬款結餘中包括賬面值合共71,929,000港元的應收貿易賬款於報告期末已告逾期，惟本集團認為根據每一客戶之過往還款記錄、財務狀況及現行信譽狀況(如有)，此等結餘應可予以收回，故並無計提減值虧損撥備。根據本集團作出的內部評估，董事認為在報告期末所有應收貿易賬款(該等已確認減值虧損的除外)應可予以收回。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

23. TRADE AND OTHER RECEIVABLES (CONTINUED)

23. 應收貿易及其他賬款(續)

notes: (Continued)

附註：(續)

(ii) (Continued)

(ii) (續)

Ageing of trade receivables which were past due but not impaired

逾期但尚未減值的應收貿易賬款的賬齡

		2017 HK\$'000 千港元
Not exceeding 30 days	不超過30日	23,961
31-60 days	31-60日	12,666
61-90 days	61-90日	8,561
91-120 days	91-120日	5,506
Over 120 days	120日以上	21,235
		71,929

Movement in the allowance for doubtful debts

呆壞賬撥備變動

		2017 HK\$'000 千港元
At 1 January	於1月1日	30,360
Impairment loss recognised on trade receivables	應收貿易賬款減值虧損確認	2,434
Reversal of impairment losses on trade receivables	應收貿易賬款減值虧損回撥	(5,594)
Amounts written off as uncollectible	不可收回之撇帳金額	(10,166)
At 31 December	於12月31日	17,034

The above allowance for doubtful debts are for individually impaired trade receivables which have either been placed under liquidation or are in severe financial difficulties.

上述呆壞賬撥備乃向個別已進行清盤或存在嚴重財政困難的應收貿易賬款作出減值。

(iii) Trade and other receivables that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

(iii) 並非以有關集團實體功能貨幣計值的應收貿易及其他賬款如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
HK\$	港元	73,729	113,185
US\$	美元	75,083	80,652

(iv) Details of impairment assessment of trade and other receivables for the year ended 31 December 2018 are set out in note 35(ii).

(iv) 截至2018年12月31日止年度，應收貿易及其他賬項之減值評估詳情載於附註35(ii)。



## 24. TRANSFERS OF FINANCIAL ASSETS

The following were the Group's financial assets as at 31 December 2018 that were transferred to banks by discounting/endorsing these receivables on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as a collateralised borrowing. These financial assets are carried at amortised cost in the Group's consolidated statement of financial position.

**As at 31 December 2018**

## 24. 金融資產轉讓

以下為本集團於2018年12月31日以全額追索權模式貼現／背書轉讓予銀行之金融資產。由於本集團並未將此等應收賬款相關之絕大部分風險及回報轉移，故其繼續確認應收賬款之全部賬面值，並將轉讓所收取現金確認為抵押貸款。此等金融資產於本集團之綜合財務狀況表以攤銷成本列賬。

**截至2018年12月31日止年度**

		Bills receivables discounted to banks with full recourse 銀行附 追索權之 應收票據 貼現 HK\$'000 千港元
Carrying amount of transferred assets	轉讓資產的賬面金額	338,354
Carrying amount of transferred liabilities	轉讓負債的賬面金額	(338,354)
Net position	淨額狀況	—





## 25. AMOUNTS DUE FROM (TO) RELATED COMPANIES

Amounts due from related companies disclosed pursuant to the Hong Kong Companies Ordinance Cap 622G are as follows:

## 25. 應收(付)關連公司款項

根據香港公司法條例第622G予以披露之應收關連公司款項如下：

Name of related company 關連公司名稱	Terms 條款	Balance at 31 December 2018 於2018年 12月31日結餘 HK\$'000 千港元	Balance at 1 January 2018 於2018年 1月1日結餘 HK\$'000 千港元	Maximum amount outstanding during 年內未付最高金額	
				2018 HK\$'000 千港元	2017 HK\$'000 千港元
Lee & Man Industrial Manufacturing Limited ("LMIML")(note) 理文實業有限公司(「理文實業」) (附註)	Unsecured and non-interest bearing 無抵押及免息	9,003	21,709	23,246	34,871



## 25. AMOUNTS DUE FROM (TO) RELATED COMPANIES (CONTINUED)

The amounts due from related companies represent trade balance due from LMIML. The amounts are unsecured, interest-free with credit period of 45 days and are aged less than 45 days.

Note: The company is indirectly wholly owned by the spouse of Mr. Li King Wai Ross, who is also a daughter of Dr. Lee Wan Keung Patrick, a substantial shareholder of the Company. Mr. Li King Wai Ross is a director of the Company.

The amounts due from related companies that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Amounts due from related companies	應收關連公司款項		
– HK\$	– 港元	1,567	2,457

The amounts due to related companies represent trade balances due to Lee & Man Chemical Company Limited and its subsidiaries (“LMC Group”). LMC Group is beneficially owned and controlled by Mr. Lee Man Yan, an associate of Dr. Lee Man Chun Raymond, and Mr. Lee Man Bun, the directors of the Company. The amounts are unsecured, interest-free, with average credit period of 30 days and are aged less than 30 days.

## 25. 應收(付)關連公司款項(續)

應收關連公司款項乃應收理文實業的貿易結餘。該等數額乃無抵押、免息、附帶信貸期45日及賬齡少於45日。

附註：該公司為李經緯先生之配偶，亦為本公司主要股東李連強博士之女兒間接全資擁有。李經緯先生為本公司董事。

並非以有關集團實體功能貨幣計值的應收關連公司款項載列如下：

應付關連公司款項乃應付理文化工有限公司及其附屬公司(「理文化工集團」)的貿易結餘。理文化工集團由本公司董事李文俊博士及李文斌先生之聯繫人士李文恩先生實益擁有及控制。該等數額乃無抵押、免息，平均信貸期30日及賬齡少於30日。



## 26. DERIVATIVE FINANCIAL INSTRUMENTS

## 26. 衍生金融工具

		31.12.2018 HK\$'000 千港元	1.1.2018 HK\$'000 千港元
<b>Derivative financial assets</b>	<b>衍生金融資產</b>		
<b>– net settlement</b>	<b>– 淨額交收</b>		
Foreign currency forward contracts (note)	外幣遠期合約 (附註)	—	4,127
<b>Derivative financial liabilities</b>	<b>衍生金融負債</b>		
<b>– net settlement</b>	<b>– 淨額交收</b>		
Foreign currency forward contracts (note)	外幣遠期合約 (附註)	3,543	—

note:

### Foreign currency forward contracts

Major terms of the foreign currency forward contracts outstanding as at 31 December 2018 are as follows:

#### Notional amount

##### 概念金額

4 contracts to buy EUR18,396,000 in total  
4份合約共買18,396,000歐元

Major terms of the foreign currency forward contracts outstanding as at 31 December 2017 are as follows:

#### Notional amount

##### 概念金額

7 contracts to buy EUR29,519,498 in total  
7份合約共買29,519,498歐元

The above contracts will mature within twelve months (2017: twelve months) after the end of the reporting period.

The fair values of the above derivative financial instruments were calculated using discounted cash flow analysis based on the applicable forward foreign exchange rates.

附註：

### 外幣遠期合約

於2018年12月31日未完結外幣遠期合約之主要條款如下：

#### Currency conversion

##### 貨幣轉換

EUR 1 to HK\$9.1380–9.2866  
1歐元兌9.1380–9.2866港元

於2017年12月31日未完結外幣遠期合約之主要條款如下：

#### Currency conversion

##### 貨幣轉換

EUR1 to HK\$9.1143–9.3440  
1歐元兌9.1143–9.3440港元

上述合約將於報告期末後12個月(2017年：12個月)內到期。

上述衍生金融工具之公允值乃根據適用遠期外幣匯率分析之折現現金流量計算。



## 27. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short term bank deposits with an original maturity of three months or less.

Bank balances and cash that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
HK\$	港元	25,350	24,189
US\$	美元	353,337	22,619
Euro ("EUR")	歐元(「歐元」)	25,869	88

## 27. 銀行結餘及現金

銀行結餘及現金包括本集團持有的現金及原到期日為3個月或以內的短期銀行存款。

並非以有關集團實體功能貨幣計值的銀行結餘及現金載列如下：

## 28. TRADE AND OTHER PAYABLES

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Trade and bills payables	應付貿易及票據賬款	1,935,034	3,129,001
Construction fee payable	應付工程款	616,327	665,117
Accruals	應計費用	745,179	346,378
Receipt in advance	預收款項	—	127,566
Other payables	其他應付款項	374,396	404,236
		<b>3,670,936</b>	<b>4,672,298</b>

## 28. 應付貿易及其他賬款



## 28. TRADE AND OTHER PAYABLES (CONTINUED)

notes:

- (i) The average credit period taken for trade purchases ranges from 30 to 120 days. The following is an aged analysis of the trade and bills payables presented based on the invoice date at the end of the reporting period.

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Aged:	賬齡:		
Not exceeding 30 days	不超過30日	776,731	1,227,564
31-60 days	31-60日	448,024	642,141
61-90 days	61-90日	396,863	537,183
91-120 days	91-120日	287,573	690,208
Over 120 days	120日以上	25,843	31,905
		<b>1,935,034</b>	<b>3,129,001</b>

- (ii) Trade and other payables that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
HK\$	港元	466	—
EUR	歐元	230,832	288,205
US\$	美元	1,300,535	2,037,063

## 28. 應付貿易及其他賬款(續)

附註:

- (i) 貿易購貨之平均賬期由30至120日不等。下表為於報告期末按發票日期之應付貿易及票據賬款之賬齡分析。

- (ii) 並非以有關集團實體功能貨幣計值的應付貿易及其他賬款如下:



## 29. CONTRACT LIABILITIES

## 29. 合約負債

	31.12.2018 HK\$'000 千港元	1.1.2018 HK\$'000 千港元
Receipts in advance from customers 來自客戶之預收款	96,107	—

Contract liabilities represent receipts in advance from customers for unsatisfied performance obligations and are recognised as revenue when the Group performs its obligations under the contracts. At contract inception, performance obligation is expected to be satisfied within one year.

合約負債指來自客戶對未完成履約責任之預收款，並當本集團完成合約的履約責任時確認為收入。在合約開始時，履約責任預期在一年內完成。

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

下表列示於本年度之收入確認中，有多少屬合約負債結轉及有多少屬過往期間已完成之履約責任。

	2018 HK\$'000 千港元
Revenue recognised that was included in the contract liability balance at the beginning of the year 包括在合約負債年初結餘之收入確認	(128,260)



### 30. BANK BORROWINGS

The Group's bank borrowings, all of which are unsecured, comprised:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Bank loans	銀行貸款	13,395,908	13,703,459
Bank import loans	銀行進口貸款	394,587	1,374,245
		<b>13,790,495</b>	<b>15,077,704</b>
The bank borrowings are repayable as follows: 銀行借貸的還款期如下:			
Within one year	一年內	5,825,466	6,025,745
More than one year, but not exceeding two years	超過一年但少於兩年	3,979,408	887,293
More than two years, but not exceeding five years	超過兩年但少於五年	3,985,621	8,164,666
		<b>13,790,495</b>	<b>15,077,704</b>
Less: Amount due within one year shown under current liabilities	減: 列示為流動負債的一年內到期款項	<b>(5,825,466)</b>	<b>(6,025,745)</b>
Amount due after one year	一年後到期款項	<b>7,965,029</b>	<b>9,051,959</b>

notes:

- (i) All bank borrowings as at 31 December 2018 and 2017 carry variable interest rates ranging from Hong Kong Interbanks Offered Rate ("HIBOR") plus 0.90% to HIBOR plus 1.40% (2017: ranging from HIBOR 0.90% to HIBOR 1.50% or London Interbanks Offered Rate ("LIBOR") plus 0.90% to LIBOR plus 1.25%) per annum.

### 30. 銀行借貸

本集團之銀行借貸(全部均為無抵押)包括:

	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Bank loans	13,395,908	13,703,459
Bank import loans	394,587	1,374,245
	<b>13,790,495</b>	<b>15,077,704</b>
The bank borrowings are repayable as follows: 銀行借貸的還款期如下:		
Within one year	5,825,466	6,025,745
More than one year, but not exceeding two years	3,979,408	887,293
More than two years, but not exceeding five years	3,985,621	8,164,666
	<b>13,790,495</b>	<b>15,077,704</b>
Less: Amount due within one year shown under current liabilities	<b>(5,825,466)</b>	<b>(6,025,745)</b>
Amount due after one year	<b>7,965,029</b>	<b>9,051,959</b>

附註:

- (i) 於2018年及2017年12月31日之所有銀行借貸為浮息，年息率由香港銀行同業拆息(「香港銀行同業拆息」)加0.90%至1.40%(2017年:香港銀行同業拆息加0.90%至1.50%或倫敦銀行同業拆息(「倫敦銀行同業拆息」)加0.90%至1.25%)。



### 30. BANK BORROWINGS (CONTINUED)

notes: (Continued)

(i) (Continued)

The weighted average effective interest rate of the Group's bank borrowings are as follows:

		2018	2017
Variable-rate borrowings	浮息借貸	3.34%	2.46%

(ii) HK\$5,206,987,000 (2017: HK\$5,250,745,000) in bank borrowings of HK\$5,825,466,000 (2017: HK\$6,025,745,000) which are repayable within one year contain repayable on demand clauses.

### 30. 銀行借貸(續)

附註：(續)

(i) (續)

本集團銀行借貸之實際利率加權平均數如下：

		2018	2017
Variable-rate borrowings	浮息借貸	3.34%	2.46%

(ii) 一年內到期銀行借貸5,825,466,000港元(2017年：6,025,745,000港元)當中，5,206,987,000港元(2017年：5,250,745,000港元)含應要求還款之條款。





### 31. DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities recognised and movement thereon during the current and prior year:

### 31. 遞延稅項負債

下表為主要已確認遞延稅項負債於本年度及上年度之變動。

		<b>Accelerated tax depreciation 加速稅項 折舊 HK\$'000 千港元</b>	<b>Undistributed earnings of the PRC subsidiaries 中國附屬 公司之 未分配盈利 HK\$'000 千港元</b>	<b>Total 合計 HK\$'000 千港元</b>
At 1 January 2017	於2017年1月1日	902,590	4,145	906,735
Charge to profit or loss	計入損益	107,606	262,826	370,432
Exchange differences	匯兌差額	4,841	—	4,841
At 31 December 2017	於2017年12月31日	1,015,037	266,971	1,282,008
Charge to profit or loss	計入損益	107,263	101,114	208,377
Exchange differences	匯兌差額	(46,015)	—	(46,015)
At 31 December 2018	於2018年12月31日	1,076,285	368,085	1,444,370

notes:

- (i) As at 31 December 2018, the Group had unused tax losses of approximately HK\$137,000,000 (2017: HK\$125,000,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses for both years due to unpredictability of future profit streams. As at 31 December 2018, tax losses of approximately HK\$37,000,000 (2017: HK\$25,000,000) attributable to the PRC subsidiaries and approximately HK\$84,000,000 (2017: HK\$84,000,000) attributable to the Vietnam subsidiaries will expire at various dates up to and including 2022 (2017: 2022). As at 31 December 2018, tax losses of approximately HK\$16,000,000 (2017: HK\$16,000,000) attributable to the Hong Kong subsidiaries may be carried forward indefinitely.

附註：

- (i) 於2018年12月31日，本集團尚未動用但可用作抵扣未來盈利之稅項虧損約為137,000,000港元(2017年：125,000,000港元)。由於無法預計未來盈利流向，兩個年度並未就該等虧損確認為遞延稅項資產。於2018年12月31日，稅項虧損約37,000,000港元(2017年：25,000,000港元)來自中國附屬公司及約84,000,000港元(2017年：84,000,000港元)來自越南附屬公司，將於直至並包括2022年(2017年：2022年)之多個不同日期到期。於2018年12月31日，稅項虧損約16,000,000港元(2017年：16,000,000港元)來自香港附屬公司，將可無限期中結轉。



## 32. RETIREMENT BENEFITS PLANS

### Defined contribution scheme

The Group operates a MPF Scheme for all qualifying employees in Hong Kong. The assets of the MPF scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes monthly the lower of HK\$1,500 or 5% of the relevant monthly payroll costs to the MPF Scheme, which contribution is matched by employees.

The only obligation of the Group with respect of MPF Scheme is to make the required contribution payable on the future years.

The employees employed in the PRC subsidiaries are members of the state-managed retirement benefit scheme operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The total expense recognised in profit or loss of HK\$82,120,000 (2017: HK\$58,545,000) represents contributions payable to these plans by the Group at rates specified in the rules of the schemes. As at 31 December 2018, contributions of HK\$58,340 (2017: HK\$21,000) due in respect of the year ended 31 December 2018 had not been paid to the plans. The amounts were paid subsequently to the end of the reporting period.

## 32. 退休福利計劃

### 界定供款計劃

本集團在香港為所有合資格僱員設立一項強積金計劃。強積金計劃的資產與本集團的資產分開持有，以及撥入信託人管理的基金。本集團按1,500港元或有關月薪成本的5%，以較低者為準，向強積金計劃供款，與僱員之供款一致。

本集團對強積金計劃的唯一責任就是在未來年度作出所需應付供款。

中國附屬公司聘用的僱員均參與中國政府營辦的國家管理退休福利計劃。中國附屬公司須按僱員薪金的若干百分比，向退休福利計劃供款，作為福利之用。本集團對退休福利計劃的唯一責任就是作出指定供款。

於損益中確認之總支出82,120,000港元(2017年：58,545,000港元)為本集團按計劃規定之指定比率就該等計劃之應付供款。於2018年12月31日，就截至2018年12月31日止年度尚有未付計劃供款58,340港元(2017年：21,000港元)。該等款項已在報告期末隨後支付。



### 33. SHARE CAPITAL

### 33. 股本

		Number of ordinary shares 普通股數目	Amount 金額 HK\$'000 千港元
	Note 附註		
Authorised:	法定：		
Ordinary shares of HK\$0.025 each at 1 January 2017, 31 December 2017 and 31 December 2018	於2017年1月1日、 2017年12月31日及 2018年12月31日 每股0.025港元的普通股	<b>8,000,000,000</b>	<b>200,000</b>
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.025 each at 1 January 2017	於2017年1月1日 每股0.025港元的普通股	<b>4,545,660,000</b>	<b>113,642</b>
Shares repurchased and cancelled	股份購回及註銷 (i)	<b>(40,256,000)</b>	<b>(1,007)</b>
Ordinary shares of HK\$0.025 each at 31 December 2017	於2017年12月31日 每股0.025港元的普通股	<b>4,505,404,000</b>	<b>112,635</b>
Share repurchased and cancelled	股份購回及註銷 (i)	<b>(116,496,000)</b>	<b>(2,912)</b>
Ordinary shares of HK\$0.025 each at 31 December 2018	於2018年12月31日 每股0.025港元的普通股	<b>4,388,908,000</b>	<b>109,723</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

33. SHARE CAPITAL (CONTINUED)

Note:

- (i) The Company repurchased its own shares through the Stock Exchange as follows:

2018

Month of repurchases	購回月份	No. of ordinary shares of HK\$0.025 each 每股0.025港元之普通股	Price paid per share 每股支付價格		Aggregate consideration paid (including expenses) 合計已付代價(含使費) HK\$'000 千港元
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
January 2018	2018年1月	5,404,000	9.21	8.96	49,149
March 2018	2018年3月	39,236,000	9.00	8.21	344,724
June 2018	2018年6月	32,764,000	8.90	7.83	273,321
August 2018	2018年8月	16,209,000	8.18	7.02	124,020
September 2018	2018年9月	4,163,000	7.19	7.07	29,901
October 2018	2018年10月	14,059,000	7.14	6.61	97,716
December 2018	2018年12月	7,299,000	6.57	6.34	47,498
		119,134,000			966,329

33. 股本(續)

附註：

- (i) 本公司於聯交所購回自身之股份如下：

2018年

2017

Month of repurchases	購回月份	No. of ordinary shares of HK\$0.025 each 每股0.025港元之普通股	Price paid per share 每股支付價格		Aggregate consideration paid (including expenses) 合計已付代價(含使費) HK\$'000 千港元
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
March 2017	2017年3月	11,213,000	6.29	5.87	69,927
April 2017	2017年4月	2,792,000	5.90	5.86	16,525
May 2017	2017年5月	7,955,000	6.10	6.01	48,350
November 2017	2017年11月	7,480,000	8.84	8.57	65,789
December 2017	2017年12月	3,756,000	8.99	8.84	33,626
		33,196,000			234,217

Out of 119,134,000 ordinary shares repurchased during 2018, 116,496,000 shares were cancelled during the year ended 31 December 2018 while the remaining 2,638,000 ordinary shares were cancelled in January 2019.

於截至2018年12月31日止年度119,134,000股購回普通股當中，116,496,000股股份已於年內被註銷，而餘下之2,638,000股普通股隨後在2019年1月被註銷。



### 34. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which include the bank borrowings, and equity attributable to equity holders of the Company, comprising issued share capital and various reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

### 35. FINANCIAL INSTRUMENTS

#### (i) Categories of financial instruments

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
<b>Financial assets</b>	<b>金融資產</b>		
Fair value through profit or loss – derivative financial instruments	按公允值計入損益 – 衍生金融工具	—	4,127
Financial assets at amortised cost	按攤銷成本的金融資產	7,128,921	—
Loans and receivables (including cash and cash equivalents)	貸款及應收賬款 (包括現金及現金等價物)	—	7,344,342
<b>Financial liabilities</b>	<b>金融負債</b>		
Fair value through profit or loss – derivative financial instruments	按公允值計入損益 – 衍生金融工具	3,543	—
Amortised cost	攤銷成本	17,066,283	19,290,800

### 34. 資本風險管理

本集團管理其資本以確保本集團的實體可持續經營業務，並透過最佳債務及權益比例為權益持有人提供最高回報。本集團的整體政策維持與去年一致。

本集團的資本結構包括債務，當中包括銀行借貸以及本公司權益持有人應佔權益(包括已發行股本及多項儲備)。

本公司董事不時檢討資本結構。作為檢討的一部分，董事考慮資本成本以及與各類資本有關的風險。根據董事的建議，本集團將通過派付股息、發行新股及購回股份以及發行新債或贖回現債平衡其整體資本結構。

### 35. 金融工具

#### (i) 金融工具類別



### 35. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies

The Group's major financial instruments include loan to a joint venture, trade and other receivables, bills receivables discounted with recourse, amounts due from (to) related companies, derivative financial instruments, bank balances and cash, trade and other payables, advances drawn on bills receivable discounted with recourse and bank borrowings. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### Market risk

##### (a) Currency risk

The Group has foreign currency transactions, which expose the Group to market risk arising from changes in foreign exchange rates. In order to mitigate the foreign currency risk, foreign currency forward contracts are entered into by the Group for certain material foreign currency transactions. Management monitors other foreign currency exposure closely and will consider the use of hedging instruments when the need arises.

### 35. 金融工具(續)

#### (ii) 財務風險管理目的及政策

本集團的主要金融工具包括合營企業貸款、應收貿易及其他賬款、附追索權之應收票據貼現、應收(付)關連公司款項、衍生金融工具、銀行結餘及現金、應付貿易及其他賬款、附追索權之應收票據預付款及銀行借貸。金融工具的詳情於相關附註披露。與該等金融工具有關的風險包括市場風險(貨幣風險、利率風險及商品價格風險)、信貸風險及流動資金風險。如何緩和該等風險的政策載列於下文。管理層管理及監控該等風險，以確保及時有效地採用適當的措施。

##### 市場風險

##### (a) 貨幣風險

本集團存在外幣交易，令本集團須承受外幣匯率變動引起的市場風險。為了降低外幣風險，本集團就若干重大外幣交易訂立外幣遠期合同。管理層將密切監察其他外幣風險，並考慮於必要時運用對沖工具。



### 35. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### (a) Currency risk (Continued)

The carrying amounts of the Group's significant monetary assets and monetary liabilities, excluding intercompany balances and derivative financial instruments, that are denominated in currencies other than the functional currency of the relevant group entities at the reporting dates are as follows:

Monetary assets (note):

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
HK\$	港元	100,647	139,831
US\$	美元	428,420	103,271
EUR	歐元	25,869	88

Monetary liabilities (note):

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
HK\$	港元	466	51
US\$	美元	1,301,297	2,037,063
EUR	歐元	233,878	288,205

note: The above amounts exclude HK\$/US\$ amounts where the functional currency of the relevant group entities is US\$/HK\$ because HK\$ is pegged to the US\$, as a result of which the exchange exposure is not significant.

### 35. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

##### 市場風險(續)

##### (a) 貨幣風險(續)

本集團於報告日並非以相關集團實體功能貨幣計值之主要貨幣資產及貨幣負債(內部公司往來及衍生金融工具除外)的賬面值如下:

貨幣資產(附註):

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
HK\$	港元	100,647	139,831
US\$	美元	428,420	103,271
EUR	歐元	25,869	88

貨幣負債(附註):

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
HK\$	港元	466	51
US\$	美元	1,301,297	2,037,063
EUR	歐元	233,878	288,205

附註: 上述金額未包括相關集團實體功能貨幣為美元/港元的港元/美元金額, 由於港元與美元掛鈎, 因此並無重大滙兌風險。



### 35. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

Market risk (Continued)

##### (a) Currency risk (Continued)

In addition, intercompany balances denominated in foreign currencies are as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
<b>Assets</b>	<b>資產</b>		
US\$	美元	445,639	715,824
HK\$	港元	221,007	438,514
RMB	人民幣	335,593	349,412
EUR	歐元	67,148	58,166
<b>Liabilities</b>	<b>負債</b>		
US\$	美元	777,962	715,824
HK\$	港元	654,449	589,884
RMB	人民幣	1,391,529	1,391,529
EUR	歐元	67,148	58,166

Sensitivity analysis

The Group is primarily exposed to the fluctuation of EUR against HK\$, and HK\$ and US\$ against RMB.

### 35. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

市場風險(續)

##### (a) 貨幣風險(續)

此外，以外幣計值之內部公司往來結餘如下：

敏感度分析

本集團主要面對歐元兌港元、和港元及美元兌人民幣的波動影響。





### 35. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### (a) Currency risk (Continued)

##### Sensitivity analysis (Continued)

The following tables detail the Group's sensitivity to a 5% (2017: 5%) increase and decrease in the functional currency of the relevant group entities against the relevant foreign currencies to the extent that the exposures have not been hedged. 5% (2017: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items (including intercompany balances denominated in foreign currencies) and adjusts their translation at the year end for a 5% change in foreign currency rates. On this basis, there will be an increase/decrease in post-tax profit and equity where the functional currency of the relevant group entities strengthens against the foreign currencies by 5%, and vice versa.

### 35. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

##### 市場風險(續)

##### (a) 貨幣風險(續)

##### 敏感度分析(續)

下表詳述本集團在並無對沖風險的情況下，相關集團實體之功能貨幣兌其相關外幣上升及下降5% (2017年：5%) 的敏感度。5% (2017年：5%) 為對內向主要管理人員匯報外幣風險時採用的敏感度比率，為管理層就外幣匯率的合理可能變動作出的評估。敏感度分析只包括以外幣計值的未償付貨幣項目(包括以外幣定值之內部公司往來)，並於年終調整其換算，以反映外幣匯率的5%變動。在此基準下，當相關集團實體之功能貨幣兌外幣升值5%，稅後盈利及權益將增加/減少，反之亦然。

		(Decrease) increase in post-tax profit 稅後盈利(減少)增加		Increase in equity 權益增加	
		2018 HK\$'000 千港元	2017 HK\$'000 千港元	2018 HK\$'000 千港元	2017 HK\$'000 千港元
HK\$	港元	(3,212)	(19,953)	18,197	20,483
US\$	美元	67,601	100,936	10,992	23
RMB	人民幣	2,360	1,413	44,085	43,508
EUR	歐元	10,183	14,240	45	48



### 35. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### (a) Currency risk (Continued)

##### Sensitivity analysis (Continued)

All foreign currency forward contracts in note 26 are to hedge the rise of EUR against HK\$(2017: the rise of EUR against HK\$).

The following tables detail the Group's sensitivity to a 5% (2017: 5%) strengthening or weakening on the foreign currencies and all other variables were held constant.

		2018		2017	
		Strengthening by 5% leading to increase in post-tax profit 升值5%導致 稅後盈利增加 HK\$'000 千港元	Weakening by 5% leading to decrease in post-tax profit 貶值5%導致 稅後盈利減少 HK\$'000 千港元	Strengthening by 5% leading to increase in post-tax profit 升值5%導致 稅後盈利增加 HK\$'000 千港元	Weakening by 5% leading to decrease in post-tax profit 貶值5%導致 稅後盈利減少 HK\$'000 千港元
EUR	歐元	8,267	8,267	13,834	13,834

### 35. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

##### 市場風險(續)

##### (a) 貨幣風險(續)

##### 敏感度分析(續)

載於附註26之所有外幣遠期合約乃對沖歐元兌港元上升(2017年: 歐元兌港元上升)。

下表詳述本集團對外幣升值及貶值5%(2017年: 5%)的敏感度, 並假設所有其他變數保持不變。



## 35. FINANCIAL INSTRUMENTS (CONTINUED)

### (ii) Financial risk management objectives and policies (Continued)

#### Market risk (Continued)

#### (b) Interest rate risk

The Group's bank balances carry floating-rate of interests and have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rates. However, the Group considers that the bank balances are within short maturity period, and the fluctuation in interest rate and the cash flow interest rate risk arising from bank balances are insignificant.

The Group's fair value and cash flow interest risks mainly relate to fixed and variable rates borrowings respectively. The Group has not entered into any interest rate hedging contracts, but considers that the interest rate of bank borrowings is relatively stable and so no interest rate swap was used to hedge the exposure to interest rate risk in current year. The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

#### Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For variable-rate bank borrowings, to the extent that they were not hedged by effective instruments, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points increase or decrease in interest rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

## 35. 金融工具(續)

### (ii) 財務風險管理目的及政策(續)

#### 市場風險(續)

#### (b) 利率風險

本集團銀行結餘乃浮息，由於現行市場利率波動，銀行結餘承受現金流量利率風險。然而，本集團認為該銀行結餘乃短期內到期，且從銀行結餘引伸的利率波動及現金流量利率風險微不足道。

本集團之公允值及現金流量利率風險主要分別與定息及浮息借貸有關。本集團並無訂立任何利率對沖合約，惟認為銀行借貸的利率相對穩定，所以在本年度未有以利率掉期對沖利率風險。管理層監控利率風險程度及當有需時會考慮對沖重大的利率風險。

#### 敏感度分析

下列的敏感度分析根據於報告期末非衍生工具的利率風險釐定。就浮息銀行借貸，當該等借貸並非由有效工具對沖，分析乃假設於報告期末未償付負債於全年均為未償付而編製。利率增加或減少50基點為對內向主要管理人員匯報利率風險時採用的敏感度比率，為管理層就利率的合理可能變動的評估。



### 35. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### (b) Interest rate risk (Continued)

##### Sensitivity analysis (Continued)

For bank borrowings at variable-rate of HK\$13,790,495,000 (2017: HK\$15,077,704,000), if interest rate had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2018 after taking into account the capitalisation of borrowing costs using the capitalisation rate ranging from 2.43% to 3.10% (2017: 2.34% to 2.94%) would decrease/increase by HK\$44,495,000 (2017: decrease/increase by HK\$43,857,000).

##### (c) Commodity price risk

At 31 December 2017, the Group was exposed to commodity price risk through agricultural commodity future contracts. There was no commodity price risk at 31 December 2018 as the agricultural commodity future contracts were settled during the year ended 31 December 2018.

##### Sensitivity analysis

The Group is exposed to the fluctuation of commodity price risk of agricultural commodity future contracts at the end of reporting period. If the commodity price risk of agricultural commodity future contracts had been 5% higher/lower, the Group's post-tax profit for the year would increase/decrease by HK\$629,000 in 2017.

### 35. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

##### 市場風險(續)

##### (b) 利率風險(續)

##### 敏感度分析(續)

就為數 13,790,495,000 港元 ( 2017 年 : 15,077,704,000 港元 ) 之浮息銀行借貸而言，倘利率上升／下跌 50 基點，而所有其他變數維持不變，本集團截至 2018 年 12 月 31 日止年度的稅後盈利經計及以資本化利率由 2.43% 至 3.10% (2017 年 : 2.34% 至 2.94%) 計算之資本化借貸成本後，將減少／增加 44,495,000 港元 (2017 年 : 減少／增加 43,857,000 港元)。

##### (c) 商品價格風險

於 2017 年 12 月 31 日，本集團透過農業商品期貨合約承受商品價格風險。由於農業商品期貨合約已於截至 2018 年 12 月 31 日止年度內結算，故於 2018 年 12 月 31 日並無商品價格風險。

##### 敏感度分析

於報告期末，本集團承受農業商品期貨合約之商品價格波動風險。假設農業商品期貨合約之商品價格上升／下跌 5%，本集團於 2017 年度之稅後盈利將增加／減少 629,000 港元。



### 35. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

##### Credit risk and impairment assessment

As at 31 December 2018, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model under application of HKFRS 9 (2017: incurred loss model) on trade balances individually or based on provision matrix. In this regard, the directors consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with good reputation.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Accordingly, the Group's concentration of credit risk is considered minimal.

### 35. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

##### 信貸風險及減值評估

於2018年12月31日，本集團因對手方未能履行責任而導致財務虧損的最高信貸風險來自綜合財務狀況表載列的各項已確認金融資產的賬面值。

為盡量減低信貸風險，本集團管理層已委任一組人員釐定信貸限額、信貸審批以及其他監控程序，確保就收回逾期債項採取跟進行動。此外，本集團在應用香港財務報告準則第9號根據預期信貸虧損模式(2017年：已發生虧損模式)對應收貿易賬款個別地或按預繳模式進行減值評估。就此，董事認為本集團之信貸風險已大大減少。

由於交易方均為信譽評級良好之銀行，故流動資金及衍生金融工具之信貸風險有限。

本集團的應收貿易賬款包括大量客戶，涵蓋多個行業及地理區域。因此，本集團集中信貸風險極低。



### 35. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

##### Credit risk and impairment assessment (Continued)

In addition to the credit risk on trade debts, the Group is also exposed to concentration on credit risk on its loan to a joint venture. Because the Group's involvement in the management of joint venture, the Group is in a position to monitor their financial performance and would take timely actions to safeguard its assets and/or to minimise its losses. Accordingly, management believes that the Group's exposure to the credit risk associated with loan to joint venture is low.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating 內部信貸評級	Description 摘要	Trade receivables/ contract assets 應收貿易賬款/合約資產	Other financial assets/other items 其他金融資產/其他項目
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 對手方違約風險較低且並未出現逾期金額	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 非信貸減值	12-month ECL 12個月預期信貸虧損
Watch list 監測風險	Debtor frequently repays after due dates but usually settle after due date 債務人頻繁地逾期還款但通常逾期後會清償	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 非信貸減值	12-month ECL 12個月預期信貸虧損
Doubtful 可疑	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 通過內部開發資料或外部資料顯示自初始確認以來信貸風險顯著增加	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 非信貸減值	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 非信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據指出該資產乃信貸減值	Lifetime ECL – credit-impaired 終身預期信貸虧損 – 信貸減值	Lifetime ECL – credit-impaired 終身預期信貸虧損 – 信貸減值
Write-off 撇賬	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據指出債務人正面對嚴重財政困難且本集團並無實際把握收回款項	Amount is written off 款項撇賬	Amount is written off 款項撇賬

### 35. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

##### 信貸風險及減值評估(續)

除了貿易債務的信貸風險外，本集團於合營企業貸款上存在集中信貸風險。因為本集團參與合營企業的管理，本集團身處監控其財務表現的位置並可採取及時行動以保護其資產及/或減低虧損。因此，管理層相信本集團在給予合營企業貸款引發的信貸風險屬低。

本集團之內部信貸風險級別評估包括以下類別：





### 35. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)  
Financial assets at amortised costs (Continued)

Notes:

- For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

		Not past due /No fixed repayment terms 非過期/無固定 還款條款 HK\$'000 千港元
Bill receivables	應收票據	1,093,681
Amounts due from related companies	應收關連公司款項	9,003
Loan to a joint venture	合營企業貸款	154,135
Other receivables	應收其他賬款	462,814

- For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balance or credit-impaired, the Group determines the expected credit losses on these items by using a provision matrix, grouped by internal credit rating.

### 35. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

信貸風險及減值評估(續)  
按攤銷成本入賬的金融資產(續)

附註：

- 本集團以逾期資料去評估自初始確認以來信貸風險是否大幅增加作為內部信貸風險管理。

- 就應收貿易賬款，本集團應用香港財務報告準則第9號的簡化方法以終身預期信貸虧損去評估虧損撥備。除具重大未付結餘或信貸減值之應收賬款外，本集團對此等項目採用預繳模式按內部信貸評級組別去釐定信貸虧損。





### 35. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

##### Liquidity risk

In management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as significant source of liquidity. As at 31 December 2018, the Group has available unutilised banking facilities of approximately HK\$15,134,144,000 (2017: HK\$9,908,498,000). Details of bank borrowings are set out in note 30.

The following tables detail the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. For non-derivative financial liabilities, the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

### 35. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

##### 流動資金風險

就管理流動資金風險而言，本集團監察及保持其視為足以為本集團營運提供資金，以及減輕現金流量波動影響之現金及現金等價物水平。管理層監察銀行借貸之情況並確保遵守貸款契諾。

本集團有賴於銀行借貸為重要流動資金來源，於2018年12月31日，本集團未動用之銀行授信額度約為15,134,144,000港元(2017年：9,908,498,000港元)，銀行借貸詳情載於附註30。

下表詳述依據經協定還款條款本集團金融負債的餘下合約到期日。就非衍生金融負債而言，下表乃根據本集團須還款最早日期當日之金融負債未折現現金流量作出。具體而言，附帶應要求還款條款之銀行借貸，被包括在最早時限之內，不論銀行是否選擇行使其權利。其他非衍生金融負債之到期日根據議定的還款日期計算。下表已包括利息及本金現金流量。在某種程度上，利息流是浮動利率，未折現金額來自報告期末的利率曲線。



### 35. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

##### Liquidity risk (Continued)

In addition, the following tables detail the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash flows on derivative instruments that settle on a net basis. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual maturities as the management consider that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

##### Liquidity tables

		Weighted average effective interest rate	Repayable on demand or less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total undiscounted cash flows	Carrying amount at 31 December 2018
		實際利率 加權平均數 %	應要求還款 或少於1個月 HK\$'000 千港元	1至3個月 HK\$'000 千港元	3個月至1年 HK\$'000 千港元	1至5年 HK\$'000 千港元	未折現 現金流量合計 HK\$'000 千港元	2018年 12月31日 之賬面值 HK\$'000 千港元
<b>31 December 2018</b>	<b>2018年12月31日</b>							
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>							
Trade and other payables	應付貿易及其他賬款	—	1,767,455	844,886	313,416	—	2,925,757	2,925,757
Advance drawn on bills receivables discounted with recourse	附追索權應收票據貼現預付款	—	338,354	—	—	—	338,354	338,354
Amounts due to related companies	應付關連公司款項	—	11,677	—	—	—	11,677	11,677
Bank borrowings – variable-rate	銀行借貸 – 浮息	3.34	5,213,694	199,715	427,071	8,506,982	14,347,462	13,790,495
			7,331,180	1,044,601	740,487	8,506,982	17,623,250	17,066,283

### 35. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

##### 流動資金風險(續)

另外，下表詳述本集團衍生金融工具之流動性分析。該表乃根據按淨額結算的衍生工具以未折現金約淨現金流量列示。倘應付款項不固定，則所披露款項乃參照於報告期末現行利率收益曲線所示預測利率釐定。本集團根據合約到期日編製衍生金融工具的流動性分析，因管理層認為合約到期日乃了解衍生工具現金流之時間的重要因素。

##### 流動資金表

35. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

35. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

流動資金風險(續)

流動資金表(續)

		Weighted average effective interest rate	Repayable on demand or less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total undiscounted cash flows	Carrying amount at 31 December 2017
		實際利率 加權平均數 %	應要求還款 或少於1個月 HK\$'000	1至3個月 HK\$'000	3個月至1年 HK\$'000	1至5年 HK\$'000	未折現 現金流量合計 HK\$'000	2017年 12月31日 之賬面值 HK\$'000
		百分比	千港元	千港元	千港元	千港元	千港元	千港元
<b>31 December 2017</b>	<b>2017年12月31日</b>							
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>							
Trade and other payables	應付貿易及其他賬款	—	2,310,061	1,166,180	722,113	—	4,198,354	4,198,354
Amounts due to related companies	應付關連公司款項	—	14,742	—	—	—	14,742	14,742
Bank borrowings – variable-rate	銀行借貸 — 浮息	2.46	5,756,669	—	278,301	9,586,169	15,621,139	15,077,704
			8,081,472	1,166,180	1,000,414	9,586,169	19,834,235	19,290,800



### 35. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

Bank borrowings with a repayment on demand clause are included in the “repayable on demand or less than 1 month” time band in the above maturity analysis. As at 31 December 2018 and 2017, the aggregate undiscounted principal amounts of these bank loans amounted to HK\$5,206,441,000 and HK\$5,250,745,000 respectively. Taking into account the Group’s financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans will be repaid after the reporting date in accordance with the following scheduled repayment dates set out in the loan agreements:

Bank borrowings subject to repayment on demand clause based on scheduled repayments:

		Weighted average effective interest rate 實際利率 加權平均數 %	Less than 1 month 少於1個月 HK\$'000 千港元	1-3 months 1至3個月 HK\$'000 千港元	3 months to 1 year 3個月至1年 HK\$'000 千港元	Total undiscounted cash flows 未折現 現金流量合計 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 31 December 2018	於2018年12月31日	3.34	4,905,124	284,593	27,517	5,217,234	5,206,441
As at 31 December 2017	於2017年12月31日	2.46	4,451,710	730,661	83,518	5,265,889	5,250,745

### 35. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

流動資金風險(續)

流動資金表(續)

附帶應要求還款條款之銀行借貸按上述到期日分析計入「應要求還款或少於1個月」之期間。於2018年及2017年12月31日，該等銀行貸款之未折現本金總額分別為5,206,441,000港元及5,250,745,000港元。考慮到本集團之財務狀況，董事相信，銀行不大可能行使酌情權，要求本集團即時還款。董事相信，該等銀行借貸將於本報告日期之後根據貸款協議所載之既定還款日期償還如下：

附帶應要求還款條款之銀行借貸按其既定還款期：



### 35. FINANCIAL INSTRUMENTS (CONTINUED)

#### (iii) Fair value

Fair value measurements recognised in the statement of financial position

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ Financial liabilities 金融資產／金融負債	Fair value as at 31 December 2018 於2018年12月31日 之公允值	Fair value hierarchy 公允值級別	Valuation techniques and key inputs 估值方式及主要依據
Foreign currency forward contracts classified as derivative financial instruments in the consolidated statement of financial position 外幣遠期合約於綜合財務狀況表分類為衍生金融工具	Liabilities – HK\$3,543,000 負債 – 3,543,000港元	Level 2 第2級	Future discounted cash flows are estimated based on the applicable forward foreign exchange rates 未來折現現金流量乃基於適用外幣遠期匯價估算
Financial assets/ Financial liabilities 金融資產／金融負債	Fair value as at 31 December 2017 於2017年12月31日 之公允值	Fair value hierarchy 公允值級別	Valuation techniques and key inputs 估值方式及主要依據
Foreign currency forward contracts classified as derivative financial instruments in the consolidated statement of financial position 外幣遠期合約於綜合財務狀況表分類為衍生金融工具	Assets – HK\$4,127,000 資產 – 4,127,000港元	Level 2 第2級	Future discounted cash flows are estimated based on the applicable forward foreign exchange rates 未來折現現金流量乃基於適用外幣遠期匯價估算

The directors consider the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

### 35. 金融工具(續)

#### (iii) 公允值

於財務狀況表確認之公允值計量

本附註提供本集團如何釐定不同金融資產及金融負債公允值之資料。

本集團某些金融資產及金融負債於各報告期末按公允值計量。下表提供如何釐定該等金融資產及金融負債公允值的資料(尤其估計方式及所使用之依據)。

董事認為於綜合財務報表金融資產及金融負債按攤銷成本呈報之賬面值相若其公允值。



### 35. FINANCIAL INSTRUMENTS (CONTINUED)

#### (iv) Financial assets and financial liabilities subject to offsetting, enforceable master netting agreements and similar agreements

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the Group's consolidated statement of financial position.

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements

As at 31 December 2018

### 35. 金融工具(續)

#### (iv) 待對銷、可執行總淨額結算安排及類似協議項下之金融資產及金融負債

下表披露包括於可執行總淨額結算安排或類似協議項下之金融資產及金融負債，並已涵蓋類似金融工具，不論其是否已於本集團綜合財務狀況表對銷。

待對銷、可執行總淨額結算安排及類似協議項下之金融資產

於2018年12月31日

Description	摘要	Gross amount	Net amounts	Related amounts not set off			
		of recognised financial liabilities set off in the consolidated statement of financial position	of financial assets presented in the consolidated statement of financial position	in the consolidated statement of financial position			
		於綜合財務狀況表對銷之已確認資產總額	於綜合財務狀況表呈示之金融資產淨額	Financial instruments	Cash collateral received	Net amount	
		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	
Bank balances	銀行結餘	519,047	—	519,047	—	—	519,047



### 35. FINANCIAL INSTRUMENTS (CONTINUED)

(iv) Financial assets and financial liabilities subject to offsetting, enforceable master netting agreements and similar agreements (Continued)

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

As at 31 December 2018

### 35. 金融工具(續)

(iv) 待對銷、可執行總淨額結算安排及類似協議項下之金融資產及金融負債(續)

待對銷、可執行總淨額結算安排及類似協議項下之金融負債

於2018年12月31日

Description	摘要	Gross amounts of recognised financial assets set off in the consolidated statement of financial position		Net amounts of financial liabilities presented in the consolidated statement of financial position		Related amounts not set off in the consolidated statement of financial position		Cash collateral pledged	Net amount
		已確認金融負債總額	對銷之已確認金融資產總額	呈示之金融負債淨額	待對銷之金融負債總額	並無於綜合財務狀況表對銷之相關金額			
		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
Derivative financial liabilities	衍生金融負債								
- Foreign currency forward contracts	- 外幣遠期合約	(3,543)	—	(3,543)	—	—	—	—	(3,543)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

35. FINANCIAL INSTRUMENTS (CONTINUED)

(iv) Financial assets and financial liabilities subject to offsetting, enforceable master netting agreements and similar agreements (Continued)

As at 31 December 2017

35. 金融工具(續)

(iv) 待對銷、可執行總淨額結算安排及類似協議項下之金融資產及金融負債(續)

於2017年12月31日

Description	摘要	Gross amount of recognised financial assets 已確認金融資產總額 HK\$'000 千港元	financial liabilities set off in the consolidated statement of financial position 對銷之已確認金融負債總額 HK\$'000 千港元	Net amounts of financial assets presented in the consolidated statement of financial position 金融資產淨額 HK\$'000 千港元	Related amounts not set off in the consolidated statement of financial position 並無於綜合財務狀況表對銷之相關金額 Financial instruments 衍生金融工具 HK\$'000 千港元	Cash collateral received 已收現金抵押品 HK\$'000 千港元	Net amount 淨額 HK\$'000 千港元
Bank balances	銀行結餘	407	—	407	—	—	407
Derivative financial assets	衍生金融資產						
– Foreign currency forward contracts	– 外幣遠期合約	4,127	—	4,127	—	—	4,127





### 36. OPERATING LEASES

#### The Group as lessee

At the end of the reporting period, 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:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Within one year	一年內	15,827	12,758
In the second to fifth year inclusive	第二至第五年內	7,987	8,545
Over five years	超過五年	2,752	3,907
		<b>26,566</b>	<b>25,210</b>

Operating lease payments represent rentals payable by the Group for staff quarters and certain of its office properties. For staff quarters and office properties, leases are negotiated for terms ranged from 1 year to 10 years with fixed rentals.

#### The Group as lessor

During the year ended 31 December 2018, rental income in respect of industrial properties, office spaces, certain shops and staff quarters and plant and machinery in the PRC was HK\$62,350,000 (2017: HK\$26,359,000), net of negligible outgoings. Leases are within one to ten years.

### 36. 經營租約

#### 集團作為承租人

於報告期末，本集團根據不可撤銷的土地及樓宇經營租約於日後承擔的最低租金如下：

經營租賃款項指本集團就員工宿舍及其若干辦公室物業應付的租金。員工宿舍及辦公室物業經磋商租期由一年至十年，期內租金不變。

#### 集團作為出租人

於截至2018年12月31日止年度，有關中國的工業物業、辦公室、若干商舖和員工宿舍及廠房及機器的租金收入(經扣除微不足道之開支)為62,350,000港元(2017年：26,359,000港元)，租約為期一至十年內。



### 36. OPERATING LEASES (CONTINUED)

#### The Group as lessor (Continued)

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Within one year	一年內	54,549	40,209
In the second to fifth year inclusive	第二至第五年內	217,468	166,808
After five years	超過五年	190,531	192,534
		<b>462,548</b>	<b>399,551</b>

### 36. 經營租約(續)

#### 集團作為出租人(續)

在本報告期末，本集團已與租戶簽訂合約的日後最低租金為：

### 37. CAPITAL COMMITMENTS

### 37. 資本承擔

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Capital expenditures contracted for but not provided in the consolidated financial statements in respect of acquisition of:	就已訂約但未於綜合財務報表中撥備有關下列購置的資本開支：		
– property, plant and equipment	– 物業、廠房及設備	2,358,009	1,704,364
– land use rights	– 土地使用權	241,021	32,612
		<b>2,599,030</b>	<b>1,736,976</b>



### 38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

		Bank borrowings 銀行借貸 HK\$'000 千港元	Dividend payable 應付股息 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2018	於2018年1月1日	15,077,704	—	15,077,704
Financing cash flows	融資現金流量	(1,287,209)	(1,776,104)	(3,063,313)
Declaration of dividend	宣派股息	—	1,776,104	1,776,104
At 31 December 2018	於2018年12月31日	13,790,495	—	13,790,495

### 39. NON-CASH TRANSACTIONS

For the year ended 31 December 2018, the Group's acquisition of property, plant and equipment and prepaid lease payments were settled through transfer of deposits paid in the prior years to the extent of HK\$93,210,000 (2017: HK\$61,145,000) and HK\$54,649,000 (2017: nil) respectively.

### 38. 核對融資活動產生的負債

下表詳細列出本集團由融資活動產生的負債變動，包括現金及非現金變動。融資活動產生的負債是指現金流量或未來現金流量被分類在本集團之綜合現金流量表內融資活動所得之現金流量。

### 39. 非現金交易

截至2018年12月31日止年度，本集團購置物業、廠房及設備以及預付租賃款項，分別為93,210,000港元(2017年：61,145,000港元)及54,649,000港元(2017年：無)，乃從過往年度的已付訂金轉撥。



#### 40. INFORMATION OF FINANCIAL POSITION OF THE COMPANY

A summarised statement of financial position of the Company as at 31 December 2018 and 2017 is as follows:

#### 40. 本公司財務狀況資料

本公司於2018年及2017年12月31日之財務狀況表概述如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
<b>Non-current asset</b>	<b>非流動資產</b>		
Investments in subsidiaries	附屬公司投資	637,977	637,977
<b>Current assets</b>	<b>流動資產</b>		
Amounts due from subsidiaries	應收附屬公司款項	12,315,476	9,972,863
Other receivables	應收其他賬款	10	—
Bank balances	銀行結餘	2,567	204
		<b>12,318,053</b>	9,973,067
<b>Current liabilities</b>	<b>流動資產</b>		
Other payables	應付其他賬款	4,759	4,821
Amount due to a subsidiary	應付附屬公司款項	9,746,700	7,800,600
		<b>9,751,459</b>	7,805,421
<b>Net current assets</b>	<b>流動資產淨值</b>	<b>2,566,594</b>	2,167,646
		<b>3,204,571</b>	2,805,623
<b>Share capital</b>	<b>股本</b>	<b>109,723</b>	112,635
Reserves	儲備	<b>3,094,848</b>	2,692,988
Total equity	總權益	<b>3,204,571</b>	2,805,623



40. INFORMATION OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

40. 本公司財務狀況資料(續)

Note:

(i) Movements in reserves

附註：

(i) 儲備變動

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Share repurchase reserve 股份購回儲備 HK\$'000 千港元	Retained profits 留存盈利 HK\$'000 千港元	Total reserve 總儲備 HK\$'000 千港元
At 1 January 2017	於2017年1月1日	3,409,183	634,977	(42,122)	244,470	4,246,508
Shares repurchased and cancelled	股份購回及註銷	(275,332)	—	42,122	—	(233,210)
Profit for the year	年度盈利	—	—	—	(55,651)	(55,651)
Dividends recognised as distributions	確認為分派之股息	(1,264,659)	—	—	—	(1,264,659)
At 31 December 2017	於2017年12月31日	1,869,192	634,977	—	188,819	2,692,988
Shares repurchased and cancelled	股份購回及註銷	(946,181)	—	(17,236)	—	(963,417)
Profit for the year	年度盈利	—	—	—	3,141,381	3,141,381
Dividends recognised as distributions	確認為分派之股息	(892,153)	—	—	(883,951)	(1,776,104)
At 31 December 2018	於2018年12月31日	30,858	634,977	(17,236)	2,446,249	3,094,848

The contributed surplus of the Company represents the difference between the aggregate net tangible assets of the subsidiaries acquired by the Company pursuant to a group reorganisation in September 2003 and the nominal value of the Company's shares issued for the acquisition.

本公司之實繳盈餘乃本公司透過2003年9月之集團重組所收購之附屬公司之有形資產淨值總額與本公司就該收購而發行之股本面值之差額。



#### 41. RELATED AND CONNECTED PARTY DISCLOSURES

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

##### (i) Related and connected party transactions

#### 41. 相關及關連人士披露

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

##### (i) 相關及關連人士交易

Name of party 關連人士名稱	Nature of transactions 交易性質	2018 HK\$'000 千港元	2017 HK\$'000 千港元
LMIML (as defined in note 25) 理文實業(定義見附註25)	Finished goods sold by the Group 集團出售製成品	84,079	133,560
	Income from supply of steam and electricity 提供蒸氣及電力之收入	2,249	2,575
	Raw materials purchased by the Group 集團購買原料	3,035	2,874
Lee & Man Paper Products Company Limited (note) 理文紙品有限公司(附註)	Licence fee expenses incurred by the Group 集團許可權費支出	1,987	1,924
LMC Group (as defined in note 25) 理文化工集團(定義見附註25)	Income from supply of steam and electricity 提供蒸氣及電力之收入	74,600	72,464
	Raw materials purchased by the Group 集團購買原料	108,375	56,401
	Rental income in respect of office spaces 辦公室租金收入	1,928	1,734
	Steam and electricity fee paid by the Group 集團已付蒸氣及發電服務費	72,030	47,745
	Rental fee paid by the Group 集團已付租金	2,509	2,076



#### 41. RELATED AND CONNECTED PARTY DISCLOSURES (CONTINUED)

##### (i) Related and connected party transactions (Continued)

note:

The Company is indirectly wholly owned by the spouse of Mr. Li King Wai Ross, who is also a daughter of Dr. Lee Wan Keung Patrick, a substantial shareholder of the Company. Mr. Li King Wai Ross is a director of the Company.

During the year ended 31 December 2018, the Group entered into agreements with Winfibre B.V., Winfibre (U.K.) Company Limited and Winfibre (U.S.) Incorporated (collectively known as the "Buying Agents") which are ultimately controlled by Mr. Ng Yu Hung, a step brother of Dr. Lee Wan Keung Patrick, a substantial shareholder of the Company. Pursuant to these agreements, the Buying Agents will act as the buying agents of the Group for sourcing recovered paper in the United States, the United Kingdom and Europe with effect from 1 January 2019 to 31 December 2021.

##### (ii) Related and connected party balances

Details of the Group's outstanding balances with related parties who are also the connected parties are set out in the consolidated statement of financial position and note 25.

##### (iii) Compensation of key management personnel

The remunerations of the directors and other members of key management during the year were as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Short-term benefits	短期福利	41,695	41,117
Post-employment benefits	退休福利	18	18
		<b>41,713</b>	41,135

#### 41. 相關及關連人士披露(續)

##### (i) 相關及關連人士交易(續)

附註：

該公司為李經緯先生之配偶彼亦為本公司主要股東李運強博士之女兒間接全資擁有。李經緯先生為本公司董事。

於截至2018年12月31日止年度內，本集團與 Winfibre B.V., Winfibre (U.K.) Company Limited 及 Winfibre (U.S.) Incorporated (統稱「採購代理」)訂立協議，採購代理由本公司主要股東李運強博士之繼兄弟伍于鴻先生最終控制。根據該等協議，採購代理將擔任本集團自2019年1月1日至2021年12月31日期間在美國、英國及歐洲採購廢紙之採購代理。

##### (ii) 相關及關連人士結餘

本集團與相關人士同時亦為關連人士之未償還結餘詳情載於綜合財務狀況表及附註25。

##### (iii) 主要管理層成員薪酬

董事及其他主要管理層成員於年內之酬金如下：



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

For the year ended 31 December 2018 截至2018年12月31日止年度

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

42. 本公司主要附屬公司詳情

Details of the Company's principal subsidiaries at 31 December 2018 and 2017 are as follows:

本公司主要附屬公司於2018年及2017年12月31日的詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/registration and operations 註冊成立/設立/ 登記及營運地點	Nominal value of issued and fully paid share capital/ registered capital 已發行及繳足股本面值/ 註冊資本	Proportion ownership interest held by the Company 本公司所持擁有權比例				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2018	2017	2018	2017	
Able Advance International Limited	British Virgin Islands (note i) 英屬處女群島(附註i)	Ordinary shares – US\$4 普通股 – 4美元	100%	100%	—	—	Investment holding 投資控股
Lee & Man Industries Company Limited	British Virgin Islands (note i) 英屬處女群島(附註i)	Ordinary share – US\$1 普通股 – 1美元	—	—	100%	100%	Investment holding 投資控股
Vantage Dragon Limited 利龍有限公司	Hong Kong 香港	Ordinary shares – HK\$2 普通股 – 2港元	—	—	100%	100%	Investment holding 投資控股
Lee Kwok (Macao Commercial Offshore) Trading Limited 利國(澳門離岸商業服務)貿易 有限公司	Macau 澳門	MOP100,000 澳門幣100,000元	—	—	100%	100%	Procurement of raw materials 採購原料
Wang Kei (Macao Commercial Offshore) Trading Limited 宏基(澳門離岸商業服務)貿易 有限公司	Macau 澳門	MOP100,000 澳門幣100,000元	—	—	100%	100%	Procurement of raw materials 採購原料
(Dongguan Lee & Man Paper Factory Co. Ltd.) 東莞理文造紙廠有限公司	The PRC (note ii) 中國(附註ii)	Registered capital – US\$156,480,000 註冊資本 – 156,480,000美元	—	—	100%	100%	Manufacturing and trading of paper 原紙生產及貿易
(Guangdong Lee & Man Paper Manufacturing Limited) 廣東理文造紙有限公司	The PRC (note ii) 中國(附註ii)	Registered capital – US\$680,000,000 註冊資本 – 680,000,000美元	—	—	100%	100%	Manufacturing and trading of paper 原紙生產及貿易
(Jiangsu Lee & Man Paper Manufacturing Company Limited) 江蘇理文造紙有限公司	The PRC (note ii) 中國(附註ii)	Registered capital – US\$393,000,000 註冊資本 – 393,000,000美元	—	—	100%	100%	Manufacturing and trading of paper 原紙生產及貿易
(Chongqing Lee & Man Paper Manufacturing Limited) 重慶理文造紙有限公司	The PRC (note ii) 中國(附註ii)	Registered capital – US\$322,430,000 註冊資本 – 322,430,000美元	—	—	100%	100%	Manufacturing and trading of paper 原紙生產及貿易
(Chongqing Lee & Man Pulp Manufacturing Limited) 重慶理文制漿有限公司	The PRC (note ii) 中國(附註ii)	Registered capital – US\$172,830,000 註冊資本 – 172,830,000美元	—	—	100%	100%	Manufacturing and trading of pulp 製漿生產及貿易
(Jiangxi Lee & Man Paper Manufacturing Limited) 江西理文造紙有限公司	The PRC (note ii) 中國(附註ii)	Registered capital – US\$100,000,000 註冊資本 – 100,000,000美元	—	—	100%	100%	Manufacturing and trading of paper 原紙生產及貿易
(Chongqing Lee & Man Tissue Manufacturing Limited) 重慶理文衛生用紙製造有限公司	The PRC (note ii) 中國(附註ii)	Registered capital – US\$425,000,000 註冊資本 – 425,000,000美元	—	—	100%	100%	Manufacturing and trading of tissue products 衛生紙產品生產及貿易
Vietnam Lee & Man Paper Manufacturing Limited	Vietnam 越南	Registered capital – US\$300,000,000 註冊資本 – 300,000,000美元	—	—	100%	100%	Manufacturing and trading of paper 原紙生產及貿易





## 42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

notes:

- (i) These companies operate in Hong Kong.
- (ii) These companies are foreign investment enterprises established in the PRC.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding at the end of the year, or at any time during the year.

## 42. 本公司主要附屬公司詳情(續)

附註：

- (i) 該等公司在香港運作。
- (ii) 該等公司為在中國成立之外商投資企業。

上表列出據董事認為主要影響本集團業績或資產與負債的本公司附屬公司。董事認為，列出其他附屬公司的詳情會使本附註過於冗長。

於年末或年內任何時間，各附屬公司概無任何未償還的債務證券。



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