



理文造紙有限公司*

Lee & Man Paper Manufacturing Limited

(Incorporated in the Cayman Islands and its members' liability is limited) Stock Code: 2314

(於開曼群島註冊成立及其成員責任為有限) 股份代號: 2314



INTERIM REPORT 中期報告

2019



* 僅供識別

* For identification purposes only

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CORPORATE INFORMATION

公司資料

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

Registered Office

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

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

註冊辦事處

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 54 Hopewell Centre
183 Queen's Road East
Hong Kong

Website

<http://www.leemanpaper.com>

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54樓

網址

<http://www.leemanpaper.com>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

簡明綜合損益表

For the six months ended 30 June 2019 截至2019年6月30日止6個月

The board of directors of Lee & Man Paper Manufacturing Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2019 together with the comparative figures as follows:

理文造紙有限公司(「本公司」)董事會欣然公布，本公司及其附屬公司(「本集團」)截至2019年6月30日止6個月未經審核簡明綜合業績，連同比較數字如下：

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2019

簡明綜合損益表

截至2019年6月30日止6個月

		Notes 附註	2019 (unaudited) (未經審核) HK\$'000 千港元	2018 (unaudited) (未經審核) HK\$'000 千港元
Revenue	收入	3	12,946,828	16,369,363
Cost of sales	銷售成本		(10,609,684)	(12,247,034)
Gross profit	毛利		2,337,144	4,122,329
Other income	其他收入	4	467,597	567,958
Other gains and losses	其他收益及虧損	5	51,602	(43,952)
Distribution and selling expenses	分銷及銷售費用		(272,222)	(268,283)
General and administrative expenses	日常及行政費用		(459,299)	(685,209)
Finance costs	財務成本	6	(153,765)	(114,934)
Profit before tax	除稅前盈利		1,971,057	3,577,909
Income tax expense	利得稅支出	7	(290,975)	(597,529)
Profit for the period	期內盈利	8	1,680,082	2,980,380
Profit for the period attributable to:	以下人士應佔期內盈利：			
Owners of the Company	本公司擁有人		1,680,082	2,980,380
Non-controlling interest	非控股權益		—	—
Perpetual capital securities holders	永續資本證券持有人		—	—
			1,680,082	2,980,380
Dividends:	股息：	9		
– Dividend paid	– 已付股息		657,000	892,153
– Interim dividend declared	– 宣派中期股息		569,400	885,600
			HK cents	HK cents
			港仙	港仙
Earnings per share	每股盈利	10	38.35	66.52

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30 June 2019 於2019年6月30日

		Notes 附註	30 June 2019 2019年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	31 December 2018 2018年 12月31日 (audited) (經審核) HK\$'000 千港元
NON-CURRENT ASSETS				
	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	27,757,781	27,443,999
Right-of-use assets	使用權資產	11	978,527	–
Prepaid lease payments	預付租賃款項		–	937,107
Investment properties	投資物業		589,684	592,003
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備所付訂金		761,127	425,313
Interest in a joint venture	合營企業權益		–	–
Loan to a joint venture	合營企業貸款		98,343	98,343
			30,185,462	29,496,765
CURRENT ASSETS				
	流動資產			
Inventories	存貨	12	4,840,924	4,886,346
Prepaid lease payments	預付租賃款項		–	21,647
Loan to a joint venture	合營企業貸款		61,449	55,792
Trade and other receivables	應收貿易及其他賬款	13	6,000,458	5,956,979
Bills receivables discounted with recourse	附追索權之應收票據貼現		321,093	338,354
Amounts due from related companies	應收關連公司款項		10,795	9,003
Derivative financial instruments	衍生金融工具		108	–
Bank balances and cash	銀行結餘及現金		4,201,622	2,011,942
			15,436,449	13,280,063
CURRENT LIABILITIES				
	流動負債			
Trade and other payables	應付貿易及其他賬款	14	3,516,290	3,670,936
Advances drawn on bills receivables discounted with recourse	附追索權之應收票據預付款		321,093	338,354
Amounts due to related companies	應付關連公司款項		10,403	11,678
Derivative financial instruments	衍生金融工具		845	3,543
Tax payable	應付稅項		149,659	275,494
Contract liabilities	合約負債		81,353	96,107
Lease liabilities	租賃負債		3,130	–
Bank borrowings	銀行借貸		6,049,884	5,825,466
			10,132,657	10,221,578

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30 June 2019 於2019年6月30日

		Notes 附註	30 June 2019 2019年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	31 December 2018 2018年 12月31日 (audited) (經審核) HK\$'000 千港元
NET CURRENT ASSETS	流動資產淨值		5,303,792	3,058,485
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		35,489,254	32,555,250
NON-CURRENT LIABILITIES	非流動負債			
Bank borrowings	銀行借貸		8,011,201	7,965,029
Lease liabilities	租賃負債		6,067	–
Deferred tax liabilities	遞延稅項負債		1,471,522	1,444,370
			9,488,790	9,409,399
			26,000,464	23,145,851
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	15	109,500	109,723
Reserves	儲備		23,565,394	23,033,372
Equity attributable to owners of the Company	本公司擁有人 應佔權益		23,674,894	23,143,095
Non-controlling interest	非控股權益		2,756	2,756
Perpetual capital securities	永續資本證券	16	2,322,814	–
			26,000,464	23,145,851

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2019 截至2019年6月30日止6個月

		Six months ended 30 June 截至6月30日止6個月	
		2019 (unaudited) (未經審核) HK\$'000 千港元	2018 (unaudited) (未經審核) HK\$'000 千港元
Net cash from operating activities	經營業務所得現金淨額	1,886,291	1,274,732
Net cash used in investing activities	投資業務所用現金淨額		
Purchases of property, plant and equipment	購置物業、廠房及設備	(1,584,956)	(1,232,313)
Payments for right-of-use assets/leasehold lands	支付使用權資產／租賃土地	(12,953)	(56,527)
Loan to a joint venture	合營企業貸款	(5,657)	(15,387)
Addition to investment properties	新增投資物業	(5,026)	(4,821)
Interest received	已收利息	12,470	13,766
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	5,746	650
		(1,590,376)	(1,294,632)
Net cash from (used in) financing activities	融資活動所得(用)現金淨額		
Net proceeds on issue of perpetual capital securities	發行永續資本證券收入淨額	2,322,814	–
Net bank borrowings raised	籌集銀行貸款淨額	270,590	851,979
Dividends paid	已付股息	(657,000)	(892,153)
Payment on repurchase of shares	支付購回股份	(40,790)	(667,194)
Repayments of leases liabilities	償還租賃負債	(1,849)	–
		1,893,765	(707,368)
Net increase (decrease) in cash and cash equivalents	現金及現金等價物增加(減少)淨額	2,189,680	(727,268)
Cash and cash equivalents brought forward	現金及現金等價物承前結餘	2,011,942	2,248,641
Cash and cash equivalents carried forward represented by bank balances and cash	現金及現金等價物結轉銀行結餘及現金	4,201,622	1,521,373

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2019 截至2019年6月30日止6個月

		Share capital	Share premium	Translation reserve	Capital contribution	Legal reserve	Special reserve	Other reserve	Share repurchase Reserve	Retained profits	Sub-total	Non-controlling interest	Perpetual capital securities	Total equity
		股本	股份溢價	匯兌儲備	資金貢獻	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	永續資本證券	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	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	千港元
At 1 January 2019	於2019年1月1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
Profit for the period	期內盈利	-	-	-	-	-	-	-	-	1,680,082	1,680,082	-	-	1,680,082
Exchange difference arising on translation of foreign operations	換算境外業務產生之匯兌差額	-	-	(450,493)	-	-	-	-	-	-	(450,493)	-	-	(450,493)
Total comprehensive income for the period	期內總全面收益	-	-	(450,493)	-	-	-	-	-	1,680,082	1,229,589	-	-	1,229,589
Share repurchased and cancelled	股份購回及註銷	(223)	-	-	-	-	-	-	17,236	(57,803)	(40,790)	-	-	(40,790)
Dividends recognised as distributions	確認為分派之股息	-	-	-	-	-	-	-	-	(657,000)	(657,000)	-	-	(657,000)
Issue of perpetual capital securities	發行永續資本證券	-	-	-	-	-	-	-	-	-	-	-	2,322,814	2,322,814
At 30 June 2019	於2019年6月30日	109,500	30,858	(739,791)	12,552	97	(2,999)	(12,060)	-	24,276,737	23,674,894	2,756	2,322,814	26,000,464
At 1 January 2018	於2018年1月1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 period	期內盈利	-	-	-	-	-	-	-	-	2,980,380	2,980,380	-	-	2,980,380
Exchange difference arising on translation of foreign operations	換算境外業務產生之匯兌差額	-	-	1,326,341	-	-	-	-	-	-	1,326,341	-	-	1,326,341
Total comprehensive income for the period	期內總全面收益	-	-	1,326,341	-	-	-	-	-	2,980,380	4,306,721	-	-	4,306,721
Share repurchased and cancelled	股份購回及註銷	(1,435)	(504,677)	-	-	-	-	-	-	-	(506,112)	-	-	(506,112)
Share repurchased and yet to be cancelled	股份購回但尚未註銷	-	-	-	-	-	-	-	(161,082)	-	(161,082)	-	-	(161,082)
Dividends recognised as distributions	確認為分派之股息	-	(892,153)	-	-	-	-	-	-	-	(892,153)	-	-	(892,153)
At 30 June 2018	於2018年6月30日	111,200	472,362	1,947,839	12,552	97	(2,999)	(12,060)	(161,082)	22,295,583	24,663,492	-	-	24,663,492

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止6個月

1. Basis of Preparation

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

2. Principal Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments that are measured at fair values.

Other than the application of accounting policy for perpetual capital securities and changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2019 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2018.

Perpetual Capital Securities

Perpetual capital securities issued by the Company are classified as equity instruments and are initially recorded at the proceeds received, net of direct issue costs.

1. 編製基準

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

2. 主要會計政策

本簡明綜合財務報表按歷史成本法編製，惟按公允值計量之衍生金融工具除外。

除就永續資本證券所應用會計政策及應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)所產生之會計政策變動外，截至2019年6月30日止6個月之簡明綜合財務報表所採用的會計政策及計算方法，與本集團截至2018年12月31日止年度財務報表所採用者一致。

永續資本證券

本公司發行之永續資本證券乃分類為權益工具及以所收收入扣除直接發行成本初始入賬。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止6個月

2. Principal Accounting Policies (Continued)

Application for new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs and Interpretations issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2019 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 16
香港財務報告準則第16號
HK(IFRIC)-Int 23
香港(國際財務報告詮釋委員會)－詮釋第23號
Amendments to HKFRS 9
香港財務報告準則第9號(修訂本)
Amendments to HKAS 19
香港會計準則第19號(修訂本)
Amendments to HKAS 28
香港會計準則第28號(修訂本)
Amendments to HKFRSs
香港財務報告準則(修訂本)

Leases
租賃
Uncertainty over Income Tax Treatments
所得稅處理的不確定性
Prepayment Features with Negative Compensation
具不賠償條款的預付款
Plan Amendment, Curtailment or Settlement
計劃修訂、削減或清償
Long-term Interests in Associates and Joint Ventures
於聯營及合營企業的長期權益
Annual Improvements to HKFRSs 2015-2017 Cycle
2015年至2017年週期香港財務報告準則的年度改進

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

Impacts and changes in accounting policies of application on HKFRS 16 Leases ("HKFRS 16")

The Group has applied HKFRS 16 for the first time in the current interim period. HKFRS 16 superseded HKAS 17 Leases ("HKAS 17"), and the related interpretations.

Key changes in accounting policies resulting from application of HKFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of HKFRS 16.

2. 主要會計政策(續)

應用新訂及經修訂香港財務報告準則

於本中期期間，本集團已首次採納由香港會計師公會頒布且已於2019年1月1日或之後開始之年度期間強制生效的以下新訂及經修訂香港財務報告準則及詮釋，以編製本集團之簡明綜合財務報表。

除下文所述，本期間應用新訂及經修訂香港財務報告準則對本集團於本期間及過往期間之財務表現及狀況及／或載於簡明綜合財務報表之披露並無重大影響。

應用香港財務報告準則第16號租賃(「香港財務報告準則第16號」)之影響及會計政策變動

本集團於本中期期間首次應用香港財務報告準則第16號。香港財務報告準則第16號取代香港會計準則第17號租賃(「香港會計準則第17號」)及相關詮釋。

應用香港財務報告準則第16號產生之主要會計政策變動

本集團按照香港財務報告準則第16號的過渡條文應用以下的會計政策。

2. Principal Accounting Policies (Continued)

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of staff quarters and office properties that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straightline basis over the lease term.

2. 主要會計政策(續)

租賃之定義

當合約傳達權利以控制使用一項已識別資產一段期間以換取代價，則該合約乃(或包含)一項租賃。

於初始應用日期或之後訂立或修改之合約，本集團根據香港財務報告準則第16號之定義於初始或修改日期評估一份合約是否(或包含)一項租賃。除非合約之條款及條件其後改變，此合約將不會再被評估。

作為承租人

分配代價往合約的組成部分

就一份合約包含租賃部分及一項或多項額外租賃或非租賃部分，本集團將合約代價按租賃部分的相關獨自價格及非租賃部分的合計獨自價格分配予各自租賃部分。

作為權宜方案，當本集團合理預期於財務報表之影響將不會跟組合內之個別租賃有重大差別時，類似性質的租賃乃按組合基準入賬。

本集團應用權宜方案，並無從租賃部分分開非租賃部分，取而代之就租賃部分及任何連帶之非租賃部分以單一租賃部分入賬。

短期租賃及低值資產租賃

本集團對租約期自開始日期計12個月或更短者且並無包含購買權之員工宿舍及辦公室物業應用短期租賃確認豁免。同時就低值資產租賃也應用確認豁免。短期租賃及低值資產租賃之租賃付款於租約期內按直線法確認為費用。

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2. Principal Accounting Policies (Continued)

As a lessee (Continued)

Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statement of financial position. The right-of-use assets that meet the definition of investment property are presented within "investment properties".

2. 主要會計政策(續)

作為承租人(續)

使用權資產

除短期租賃及低值資產租賃外，本集團於租賃開始日期(即相關資產可供使用日期)確認使用權資產。使用權資產以成本減去累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。

使用權資產成本包括：

- 租賃負債初始計量金額；
- 於開始日期或之前作出之任何租賃付款，減去任何已收租賃補助；
- 本集團涉及之任何初始直接成本；及
- 本集團涉及拆卸及遷移相關資產，恢復相關資產所在地點或恢復相關資產按租賃條款及條件要求之狀況之估計成本。

本集團合理確定於租賃期完結時可獲得相關租賃資產擁有權之使用權資產，從開始日期至可使用年期完結計算折舊。除此之外，使用權資產按其估計可使用年期及租賃年期較短者，以直線法計算折舊。

本集團將不符合投資物業定義之使用權資產於綜合財務狀況表以獨立項目列示。符合投資物業定義之使用權資產則併入「投資物業」列示。

2. Principal Accounting Policies (Continued)

As a lessee (Continued)

Leasehold land and building

For payments of a property interest which includes both leasehold land and building elements, the entire property is presented as property, plant and equipment of the Group when the payments cannot be allocated reliably between the leasehold land and building elements, except for those that are classified and accounted for as investment properties.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 Financial Instruments (“HKFRS 9”) and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

2. 主要會計政策(續)

作為承租人(續)

租賃土地及樓宇

當向一項包括租賃土地及樓宇部分之物業權益付款而該付款不能於租賃土地及樓宇部分之間可靠地分配時，整個物業乃列示為本集團之物業、廠房及設備，惟該等分類及入賬為投資物業的資產則除外。

可退回之租金按金

已付之可退回租金按金根據香港財務報告準則第9號金融工具(「香港財務報告準則第9號」)入賬及以公允值初始計量。就於初始計量之公允值所作之調整乃視為額外租賃付款及包括在使用權資產成本內。

租賃負債

於租賃開始日期，本集團以該日未付租賃付款現值確認及計量租賃負債。於計算租賃付款現值時，倘隱含在租約中之利率未能明顯確定，本集團則採用租賃開始日期之漸進借貸率。

租賃付款包括：

- 固定付款(包括實質上固定付款)減去任何應收租賃補助；
- 取決於一項指數或比率之浮動租賃付款；
- 剩餘價值擔保之預期支付金額；
- 本集團合理確定將會行使購買權之行使價；及
- 倘租賃條款影響本集團行使終止權，終止租賃所支付之罰金。

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2. Principal Accounting Policies (Continued)

As a lessee (Continued)

Lease liabilities (Continued)

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

2. 主要會計政策(續)

作為承租人(續)

租賃負債(續)

於開始日期後，租賃負債按利息增長及租賃付款作調整。

每當出現下列情況，本集團重新計量租賃負債(及對相關使用權資產作出對應調整)：

- 租賃條款已變更或行使購買權之計量變更，在此情況下相關租賃負債按於重新計量當日之已修訂折現率將已修訂租賃付款折現來重新計量。
- 租賃付款變更乃由於按照市場租金檢視之市場租金率變更／根據保證剩餘價值之預期付款變更，在此情況下相關租賃負債按初始折現率將已修訂租賃付款折現來重新計量。

稅項

就本集團確認使用權資產及相關租賃負債之租賃交易計量遞延稅項而言，本集團首先釐定稅項扣減乃分配予使用權資產或租賃負債。

就稅項扣減分配予租賃負債之租賃交易，本集團對使用權資產及租賃負債分開應用香港會計準則第12號所得稅之規定。由於應用初始確認豁免，使用權資產及租賃負債相關之暫時差額於初始確認時及租約期內並未確認。

2. Principal Accounting Policies (Continued)

As a lessor

Effective on 1 January 2019, the Group applies HKFRS 15 Revenue from Contracts with Customers to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Transition and summary of effects arising from initial application of HKFRS 16

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standards to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease. The application of new definition of a lease has had no material impact on the Group's financial performance and positions.

2. 主要會計政策(續)

作為出租人

於2019年1月1日生效時，本集團應用香港財務報告準則第15號來自客戶合約的收入去分配合約代價予租賃及非租賃部分。非租賃部分按其相關獨自銷售價格從租賃部分區分出來。

可退回租金按金

收回可退回租金按金根據香港財務報告準則第9號及按公允值初始計量入賬。對初始確認之公允值的調整乃視為承租人之額外租賃付款。

初始應用香港財務報告準則第16號產生之過渡及影響概要

租賃之定義

本集團選用權宜方案，對過往應用香港會計準則第17號及香港(國際財務報告詮釋委員會)詮釋第4號釐定一項安排是否包含租賃所識別為租賃之合約應用香港財務報告準則第16號，而對過往並非識別為包含租賃的合約則不會應用此準則。因此，本集團並無重新評估在初始應用日期之前已經存在之合約。

就於2019年1月1日或之後訂立或修改之合約，本集團應用按照香港財務報告準則第16號所載規定為租賃之定義去評估一項合約是否包含租賃。應用新的租賃定義對本集團之財務表現及狀況並無重大影響。

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2. Principal Accounting Policies (Continued)

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of properties in the People's Republic of China (the "PRC") was determined on a portfolio basis.

On transition, the Group has made the following adjustments upon application of HKFRS 16:

The Group recognised lease liabilities of HK\$10,465,000 and right-of-use assets of HK\$958,754,000 at 1 January 2019.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied is 4.3%.

2. 主要會計政策(續)

作為承租人

本集團已追溯應用香港財務報告準則第16號於初始應用日期，即2019年1月1日確認累計影響。於初始應用日期之任何差額於期初留存盈利確認及比較數字並無重列。

當於過渡期根據香港財務報告準則第16號應用修改追溯方法時，本集團對過往根據香港會計準則第17號分類為經營租約之租賃，以逐項租賃之基礎上，在各自的租賃合約相關範圍內應用以下權宜方案：

- 選擇對租期在初始應用日期12個月內完結之租賃不會確認使用權資產及租賃負債；
- 於初始應用日期計量使用權資產時撇除初始直接成本；
- 就類似剩餘租期之類似經濟環境的類似級別相關資產的租賃組合應用單一折現率。尤其是，就若干位於中華人民共和國(「中國」)之物業租賃折現率乃按組合基準釐定。

於過渡期，本集團當應用香港財務報告準則第16號時作出以下調整：

本集團於2019年1月1日確認租賃負債10,465,000港元及使用權資產958,754,000港元。

當就過往分類為經營租約之租賃確認租賃負債時，本集團應用相關集團實體於初始應用日期之漸進借貸率。應用之承租人加權平均漸進借貸率為4.3%。

2. Principal Accounting Policies (Continued)
As a lessee (Continued)

2. 主要會計政策(續)
作為承租人(續)

		1 January 2019 2019年1月1日 HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018	於2018年12月31日披露之經營租約承擔	26,566
Lease liabilities discounted at relevant incremental borrowing rate	按相關漸進借貸率折現之租賃負債	23,685
Less:	減：	
Recognition exemption – short term leases	確認豁免 – 短期租賃	(13,220)
Lease liabilities as at 1 January 2019	於2019年1月1日之租賃負債	10,465
Analysed as:	分析為：	
Current	流動	2,910
Non-current	非流動	7,555
		10,465

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2. Principal Accounting Policies (Continued)

As a lessee (Continued)

The carrying amount of right-of-use assets as at 1 January 2019 comprises the following:

		Right-of-use assets 使用權資產 HK\$'000 千港元
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	當應用香港財務報告準則第16號確認為經營租約有關之使用權資產	10,465
Reclassified from prepaid lease payments (note)	從預付租賃款項重新分類(備註)	958,754
		969,219
By class:	按級別:	
Leasehold lands	租賃土地	958,754
Land and buildings	土地及樓宇	10,465
		969,219

note: Upfront payments for leasehold lands in the PRC and Vietnam and properties in PRC were classified as prepaid lease payments as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to HK\$21,647,000 and HK\$937,107,000 respectively were reclassified to right-of-use assets.

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

The transition to HKFRS 16 has no material impact on the Group's retained profits as at 1 January 2019.

2. 主要會計政策(續)

作為承租人(續)

於2019年1月1日使用權資產之賬面值包含以下：

		Right-of-use assets 使用權資產 HK\$'000 千港元
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	當應用香港財務報告準則第16號確認為經營租約有關之使用權資產	10,465
Reclassified from prepaid lease payments (note)	從預付租賃款項重新分類(備註)	958,754
		969,219
By class:	按級別:	
Leasehold lands	租賃土地	958,754
Land and buildings	土地及樓宇	10,465
		969,219

備註：中國及越南之租賃土地及中國物業之預付款於2018年12月31日乃分類為預付租賃款項。當應用香港財務報告準則第16號時，預付租賃款項分別為21,647,000港元及937,107,000港元之流動及非流動金額乃重新分類至使用權資產。

作為出租人

按照香港財務報告準則第16號過渡條文，本集團毋須就本集團作為出租人之租賃過渡作出調整，惟須就租賃於初始應用日期按照香港財務報告準則第16號入賬，因此比較數字並無重列。

香港財務報告準則第16號之過渡對本集團於2019年1月1日之留存盈利並無重大影響。

2. Principal Accounting Policies (Continued)

As a lessor (Continued)

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

2. 主要會計政策(續)

作為出租人(續)

以下為對於2019年1月1日之簡明綜合財務狀況表中確認之金額作出之調整。沒有受變動影響之項目並不包括在內。

		Carrying amounts previously reported at 31 December 2018	Adjustments	Carrying amounts under HKFRS 16 at 1 January 2019
		過往於2018年 12月31日 呈報之賬面值 HK\$'000 千港元	調整 HK\$'000 千港元	根據香港 財務報告 準則第16號 於2019年 1月1日的 賬面值 HK\$'000 千港元
Non-current Assets	非流動資產			
Prepaid lease payments	預付租賃款項	937,107	(937,107)	–
Right-of-use assets	使用權資產	–	969,219	969,219
Current Assets	流動資產			
Prepaid lease payments	預付租賃款項	21,647	(21,647)	–
Current Liabilities	流動負債			
Lease Liabilities	租賃負債	–	2,910	2,910
Non-current Liabilities	非流動負債			
Lease Liabilities	租賃負債	–	7,555	7,555

note: For the purpose of reporting cash flows from operating activities under indirect method for the six months ended 30 June 2019, movements in working capital have been computed based on opening statement of financial position as at 1 January 2019 as disclosed above.

備註：根據間接方法就呈報截至2019年6月30日止6個月從經營活動所得現金流量，計算營運金變動所用於2019年1月1日之財務狀況表之期初數字已按以上所載數字來計算。

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2. Principal Accounting Policies (Continued)

Impacts and changes in accounting policies of application on Amendments to HKAS 28 Long-term Interests in Associates and Joint Ventures

The amendments clarify that the Group 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, the Group does not take into account adjustments to their carrying amount required by HKAS 28 Long-term Interests in Associates and Joint Ventures ("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).

As at 31 December 2018, amounts due from joint ventures of HK\$154,135,000 are considered as long-term interests that, in substance form part of the Group's net investments in the relevant joint ventures and associates. However, the application has had no impact as the Group's existing accounting policies are consistent with the requirements clarified by the amendments.

2. 主要會計政策(續)

應用香港會計準則第28號修訂本於聯營及合營企業的長期投資對會計政策之影響及變動

該等修訂釐清本集團將香港財務報告準則第9號應用於聯營或合營企業的長期權益，包括減值規定，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，本集團並無計及香港會計準則第28號於聯營及合營企業的長期投資(「香港會計準則第28號」)所規定對賬面值之調整(即按照香港會計準則第28號產生自分配被投資方虧損或減值評估的長期權益賬面值的調整)。

於2018年12月31日，實質上構成本集團於相關合營企業及聯繫人之淨投資一部分的合營企業欠款154,135,000港元被視為長期投資。然而，由於本集團現有會計政策與該修訂所釐清的規定一致，該應用並無構成影響。

3. Revenue and Segment Information

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

Six months ended 30 June 2019 (note)

3. 收入及分部資料

分部收入及業績

以下為按可報告分部劃分之本集團收入及業績分析：

截至2019年6月30日止6個月(附註)

		Packaging paper	Pulp	Tissue paper	Segment total	Eliminations	Consolidated
		包裝紙	木漿	衛生紙	分部合計	對銷	綜合
		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
REVENUE	收入						
External sales	對外銷售	10,595,537	1,693	2,349,598	12,946,828	-	12,946,828
Inter-segment sales	分部之間銷售	-	445,259	-	445,259	(445,259)	-
		10,595,537	446,952	2,349,598	13,392,087	(445,259)	12,946,828
SEGMENT PROFIT	分部盈利	1,773,025	226	289,955	2,063,206	-	2,063,206
Net gain from fair value changes of derivative financial instruments	衍生金融工具公允值變動淨收益						3,851
Unallocated income	未分類之收入						65,873
Unallocated expenses	未分類之支出						(8,108)
Finance costs	財務成本						(153,765)
Profit before tax	除稅前盈利						1,971,057

note: The Group has initially applied HKFRS 16 at 1 January 2019, using the modified retrospective approach, under which comparative information is not restated (see Note 2).

附註：本集團已於2019年1月1日採用修改追溯方法初始應用香港財務報告準則第16號，據此比較資料並無重列(見附註2)。

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For the six months ended 30 June 2019 截至2019年6月30日止6個月

3. Revenue and Segment Information (Continued)

Segment revenue and results (Continued)

Six months ended 30 June 2018

		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
REVENUE	收入						
External sales	對外銷售	14,038,269	2,016	2,329,078	16,369,363	-	16,369,363
Inter-segment sales	分部之間銷售	-	576,424	-	576,424	(576,424)	-
		14,038,269	578,440	2,329,078	16,945,787	(576,424)	16,369,363
SEGMENT PROFIT	分部盈利	3,356,645	645	369,345	3,726,635	-	3,726,635
Net loss from fair value changes of derivative financial instruments	衍生金融工具公允價值變動淨虧損						(6,117)
Unallocated income	未分類之收入						13,766
Unallocated expenses	未分類之支出						(41,441)
Finance costs	財務成本						(114,934)
Profit before tax	除稅前盈利						3,577,909

3. 收入及分部資料(續)

分部收入及業績(續)

截至2018年6月30日止6個月

4. Other Income

4. 其他收入

Six months ended 30 June
截至6月30日止6個月

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Value added tax and other tax refund	增值稅退款及其他退稅	349,458	423,210
Sales of materials and waste paper	物料及廢紙銷售	40,376	28,745
Income from supply of steam and electricity	供應蒸氣及電力收入	14,549	24,134
Interest income from banks	銀行利息收入	12,470	13,766
Income from wharf cargo handling	經營碼頭貨運收入	5,422	15,490
Others	其他	45,322	62,613
		467,597	567,958

5. Other Gains and Losses

5. 其他收益及虧損

		Six months ended 30 June 截至6月30日止6個月	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Net foreign exchange gain (loss)	淨滙兌收益(虧損)	53,402	(32,242)
Net gain (loss) from fair value changes of derivative financial instruments	衍生金融工具公允價值變動淨收益(虧損)	3,851	(6,117)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(5,132)	(6,485)
Impairment loss (recognised) reversed on trade receivables	應收貿易賬款減值虧損(確認)回撥	(519)	892
		51,602	(43,952)

6. Finance Costs

6. 財務成本

		Six months ended 30 June 截至6月30日止6個月	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Interest on bank borrowings	銀行借貸利息	189,440	156,948
Interest on lease liabilities	租賃負債利息	218	–
Less: amounts capitalised to property, plant and equipment	減：物業、廠房及設備之資本化金額	(35,893)	(42,014)
		153,765	114,934

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簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止6個月

7. Income Tax Expense

7. 利得稅支出

		Six months ended 30 June 截至6月30日止6個月	
		2019 HK\$'000 千港元	2018 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」)	242,055	521,775
Over provision in previous year	去年超額撥備		
– The PRC EIT	– 中國企業所得稅	(6,098)	(4,310)
Deferred tax	遞延稅項		
– Charge to profit or loss	– 計入損益	55,018	80,064
		290,975	597,529

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 (2018: six) of these subsidiaries are entitled to preferential rate of 15% for the Group's financial year ending 31 December 2019.

Hong Kong

Hong Kong Profits tax is calculated at 16.5% of the estimated assessable profit for both periods. No assessable profit was noted for both periods.

本集團之盈利須於其盈利賺取的營運地方繳納稅項，稅項按相關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(2018年：六間)附屬公司於本集團截至2019年12月31日止財政年度享有減免企業所得稅稅率15%。

香港

香港利得稅於兩個期間均按估計應課稅盈利以16.5%計算。而兩個期間均無應課稅盈利。

7. 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 periods as the Vietnam subsidiaries entitled tax exemption for both periods.

Other

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

7. 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期間均享有稅務豁免，故並無為兩個期間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相關司法管轄區適用之稅率計算。

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8 Profit for the Period

8. 期內盈利

		Six months ended 30 June 截至6月30日止6個月	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Profit for the period has been arrived at after charging (crediting):	期內盈利經扣除(計入)：		
Directors' emoluments	董事酬金	19,094	19,025
Staff salaries and other benefits, excluding those of directors	員工薪金及其他福利， 不包括董事	532,541	581,783
Contributions to retirement benefit schemes, excluding those of directors	退休福利計劃供款， 不包括董事	44,847	35,326
Total employee benefit expense Capitalised in inventories	僱員福利開支總額 庫存資本化	596,482 (482,483)	636,134 (472,092)
		113,999	164,042
Cost of inventories recognised as expense	存貨成本確認為支出	10,609,684	12,247,034
Amortisation of prepaid lease payments	預付租賃款項攤銷	10,805	10,947
Depreciation of property, plant and equipment	物業、廠房及設備折舊	647,221	627,258
Depreciation of right-of-use assets	使用權資產折舊	2,225	–
Depreciation of investment properties	投資物業折舊	11,238	11,246
Total depreciation and amortisation Capitalised in inventories	折舊及攤銷總額 庫存資本化	671,489 (599,597)	649,451 (579,777)
		71,892	69,674
Operating lease rentals in respect of land and buildings	土地及樓宇的經營租賃租金	23,717	18,650
Gross rental income from Investment properties	投資物業之租金總收入	(11,769)	(14,515)
Less:	減：		
– direct operation expenses incurred for investment properties that generated rental income during the period	– 期內產生租金收入的 投資物業之直接 營運開支	155	5
– direct operation expenses incurred for investment properties that did not generate rental income during the period	– 期內非產生租金收入的 投資物業之直接 營運開支	283	98
		(11,331)	(14,412)

9. Dividends

A final dividend of HK\$0.15 per share was paid in respect of the year ended 31 December 2018 (2018: a final dividend of HK\$0.20 per share were paid for the year ended 31 December 2017) to shareholders during the current period.

The directors determined that an interim dividend of HK\$0.13 (2018: HK\$0.20) per share should be paid to the shareholders of the Company whose names appear on the Register of Members on 2 September 2019.

10. Earnings Per Share

The calculation of earnings per share is based on the profit for the period attributable to the owners of the Company of HK\$1,680,082,000 (2018: HK\$2,980,380,000) and weighted average number of 4,381,427,249 (2018: 4,480,616,641) shares in issue during the period.

No diluted earnings per share in both periods was presented as there were no potential ordinary shares outstanding during both periods.

9. 股息

期內已派發截至2018年12月31日止年度每股0.15港元之末期股息(2018年：派發截至2017年12月31日止年度每股0.20港元之末期股息)給予股東。

董事議決派發每股0.13港元(2018年：0.20港元)之中期股息給予在2019年9月2日名列於股東名冊內之本公司股東。

10. 每股盈利

每股盈利乃以本公司擁有人應佔期內盈利1,680,082,000港元(2018年：2,980,380,000港元)及期內已發行股份加權平均數4,381,427,249(2018年：4,480,616,641)股為基準計算。

由於兩個期間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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11. Property, Plant and Equipment/Right-of-Use Assets

During the period, there were additions of HK\$1,258 million (2018: HK\$1,169 million) to property, plant and equipment to expand its operations.

During the period, the Group entered into new lease agreements for use of warehouses for 2 years. The Group makes fixed payments during the contract period. On lease commencement, the Group recognises HK\$287,000 of right-of-use assets and HK\$287,000 lease liabilities.

12. Inventories

Raw materials	原料
Finished goods	製成品

		3,084,787	3,610,014
		1,756,137	1,276,332
		4,840,924	4,886,346

13. Trade and Other Receivables

Trade receivables	應收貿易賬款	3,010,583	3,143,965
Less: allowance for credit losses	減：信貸虧損撥備	(81,838)	(84,973)
Bills receivables	應收票據	2,928,745	3,058,992
		595,502	1,093,681
Prepayments and deposits for purchase of raw materials	購買原料預付款項及訂金	3,524,247	4,152,673
		1,061,497	551,886
Value-added tax receivables	應收增值稅款項	727,492	595,667
Other deposits and prepayments	其他訂金及預付款項	193,206	193,939
Other receivables	其他應收款項	494,016	462,814
		6,000,458	5,956,979

11. 物業、廠房及設備／使用權資產

期內，添置物業、廠房及設備12.58億港元（2018年：11.69億港元），以拓展業務。

期內，本集團就使用倉庫訂立2年期的新租賃協議。本集團在合約期內作固定付款。於租賃開始時，本集團確認使用權資產287,000港元及租賃負債287,000港元。

12. 存貨

13. 應收貿易及其他賬款

13. Trade and Other Receivables (Continued)

As at 30 June 2019, total bills received amounting to HK\$595,502,000 (31 December 2018: HK\$1,093,681,000) are held by the Group for settlement of trade receivables. The Group continues to recognise their full carrying amounts at the end of the reporting period. All bills received by the Group are with a maturity period of less than one year.

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 at the end of the reporting period.

13. 應收貿易及其他賬款(續)

於2019年6月30日，應收票據金額合共595,502,000港元（2018年12月31日：1,093,681,000港元）由本集團持有以清償應收貿易賬款。本集團於報告期末繼續確認其全額賬面值。所有本集團已收票據之到期日均少於一年。

本集團給予客戶的平均信貸期為45日至90日。以下為報告期末按發票日期呈列之應收貿易及票據賬款的賬齡分析。

		30 June 2019 2019年 6月30日 HK\$'000 千港元	31 December 2018 2018年 12月31日 HK\$'000 千港元
Aged:	賬齡：		
Not exceeding 30 days	不超過30日	2,713,822	3,355,730
31-60 days	31-60日	652,725	683,939
61-90 days	61-90日	96,392	74,183
91-120 days	91-120日	39,970	21,103
Over 120 days	120日以上	21,338	17,718
		3,524,247	4,152,673

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14. Trade and Other Payables

14. 應付貿易及其他賬款

		30 June 2019 2019年 6月30日 HK\$'000 千港元	31 December 2018 2018年 12月31日 HK\$'000 千港元
Trade and bills payables	應付貿易及票據賬款	1,890,933	1,935,034
Accruals	應計費用	733,559	745,179
Construction fee payable	應付工程款	584,027	616,327
Other payables	其他應付款項	307,771	374,396
		3,516,290	3,670,936

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.

貿易購貨之平均除賬期由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。

		30 June 2019 2019年 6月30日 HK\$'000 千港元	31 December 2018 2018年 12月31日 HK\$'000 千港元
Aged:	賬齡：		
Not exceeding 30 days	不超過30日	681,511	776,731
31-60 days	31-60日	549,983	448,024
61-90 days	61-90日	294,369	396,863
91-120 days	91-120日	286,353	287,573
Over 120 days	120日以上	78,717	25,843
		1,890,933	1,935,034

15. Share Capital

15. 股本

		Number of ordinary shares 普通股數目	Amount 金額 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.025 each at 1 January 2018, 31 December 2018 and 30 June 2019	於2018年1月1日， 2018年12月31日及 2019年6月30日 每股0.025港元的普通股	8,000,000,000	200,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.025 each at 1 January 2018	於2018年1月1日每股0.025 港元的普通股	4,505,404,000	112,635
Shares repurchased and cancelled (note)	股份購回及註銷(附註)	(116,496,000)	(2,912)
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	4,388,908,000	109,723
Shares repurchased and cancelled	股份購回及註銷	(8,908,000)	(223)
Ordinary shares of HK\$0.025 each at 30 June 2019	於2019年6月30日每股0.025 港元的普通股	4,380,000,000	109,500

note:

Out of 119,134,000 ordinary shares repurchased, 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.

附註：

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。

16. Perpetual Capital Securities

On 29 May 2019, the Company (the "Issuer") issued USD300 million perpetual capital securities which are listed on the Stock Exchange at an issue price of 100 per cent. Distribution is payable semi-annually in arrears based on a fixed rate, which is 5.5 per cent per annum. Distribution by the Issuer may be deferred at its sole discretion. These perpetual capital securities have no fixed maturity and are redeemable in whole, but not in part, at the Issuer's option on 29 May 2024, or any distribution payment date falling thereafter at their principal amounts together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company will not declare, pay dividends or make distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower rank.

As the perpetual capital securities do not contain any contractual obligation to pay cash or other financial assets, in accordance with HKAS 32 Financial Instruments: Presentation, they are classified as equity for accounting purpose.

16. 永續資本證券

於2019年5月29日，本公司(「發行人」)發行了3.00億美元永續資本證券，以100%的發行價在聯交所上市。應付分派乃每半年按每年5.5%的固定比率分派。發行人可自行決定將分派遞延。此等永續資本證券並無固定到期日及可按發行人的選擇於2024年5月29日或隨後任何分派付款日期以本金金額連同所有應計、未付或遞延分派將永續資本證券全數(並非部分)贖回。當任何分派乃未付或遞延，本公司將不可宣派、派發股息或作出分派或就分派類似的定期付款，或購回、贖回或購入任何較低級別的證券。

由於永續資本證券並無包含任何合約責任以支付現金或其他金融資產，根據香港會計準則第32號金融工具：呈示，就會計入賬其分類為權益。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止6個月

17. Operating Leases

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		30 June 2019 2019年 6月30日 HK\$'000 千港元	31 December 2018 2018年 12月31日 HK\$'000 千港元
Within one year	1年內	56,248	54,549
In the second to fifth year inclusive	第2至第5年內	223,469	217,468
Over five years	超過5年	173,934	190,531
		453,651	462,548

17. 經營租約

集團作為出租人

於報告期末，本集團已與租戶簽訂合約的日後最低租金為：

18. Capital Commitments

18. 資本承擔

		30 June 2019 2019年 6月30日 HK\$'000 千港元	31 December 2018 2018年 12月31日 HK\$'000 千港元
Capital expenditures contracted for but not provided in the condensed consolidated financial statements in respect of acquisition of:	就已訂約但未於簡明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	2,987,108	2,358,009
– land use rights	– 土地使用權	274,304	241,021
		3,261,412	2,599,030

19. Related and Connected Party Disclosures

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

19. 相關及關連人士披露

期內，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。期內與該等人士進行的重大交易如下：

Name of parties 關連人士名稱	Nature of transactions 交易性質	Six months ended 30 June 截至6月30日止6個月	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Lee & Man Chemical Company Limited (note i) 理文化工有限公司(附註i)	Raw materials purchased by the Group 集團購買原料	45,342	54,534
Lee & Man Industrial Manufacturing Limited (note ii) 理文實業有限公司(附註ii)	Finished goods sold by the Group 集團出售製成品	18,799	53,519
	Electricity and steam fee received by the Group 集團已收電力及蒸氣費用	819	1,247
	Raw materials purchased by the Group 集團購買原料	1,567	1,458
Lee & Man Paper Products Company Limited (note ii) 理文紙品有限公司(附註ii)	Licence fee expenses incurred by the Group 集團許可權費支出	966	1,024
Jiangsu Lee & Man Chemical Limited (note i) 江蘇理文化工有限公司(附註i)	Electricity and steam fee received by the Group 集團已收電力及蒸氣費用	32,902	33,767
	Rental income of office spaces 辦公室租金收入	940	989

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2019 截至2019年6月30日止6個月

19. Related and Connected Party Disclosures

(Continued)

19. 相關及關連人士披露(續)

Name of parties 關連人士名稱	Nature of transactions 交易性質	Six months ended 30 June 截至6月30日止6個月	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Jiangxi Lee & Man Chemical Limited (note i) 江西理文化工有限公司(附註i)	Electricity and steam fee paid by the Group 集團已付發電及蒸氣服務費	34,872	34,251
	Rental fee paid by the Group 集團已付租金	1,112	1,308
Winfibre B.V., Winfibre U.K. Company Limited and Winfibre US Incorporated (note iii) (附註iii)	Raw materials purchased by the Group 集團購買原料	894,117	–

notes:

- (i) These companies are 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.
- (ii) These companies are indirectly wholly owned by the spouse of Mr. Li King Wai Ross (a director of the Company) who is also a daughter of Dr. Lee Wan Keung Patrick, a substantial shareholder of the Company.
- (iii) These companies are beneficially owned and controlled by Mr. Ng Yu Hung, an associate of Dr. Lee Wan Keung Patrick, a substantial shareholder of the Company and Dr. Lee Man Chun Raymond and Mr. Lee Man Bun, the directors of the Company.

附註：

- (i) 該等公司由本公司董事李文俊博士及李文斌先生之聯繫人仕李文恩先生實益擁有及控制。
- (ii) 該等公司為本公司董事李經緯先生之配偶，彼亦為本公司主要股東李運強博士之女兒間接全資擁有。
- (iii) 該等公司由本公司主要股東李運強博士、本公司董事李文俊博士及李文斌先生之聯繫人仕伍于鴻先生實益擁有及控制。

20. Review of Interim Accounts

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

20. 審閱中期賬目

本簡明綜合中期財務報表均未經審核，惟經審核委員會審閱。

INTERIM DIVIDEND/CLOSURE OF REGISTER OF MEMBERS

中期股息／暫停辦理股份過戶登記

Interim Dividend

The Board has resolved to declare an interim dividend of HK\$0.13 (2018: HK\$0.20) per share for the six months ended 30 June 2019 to shareholders whose names appear on the Register of Members on 2 September 2019. It is expected that the interim dividend will be paid around 12 September 2019.

Closure of Register of Members

The Register of Members will be closed from 28 August 2019 to 2 September 2019, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the interim dividend, all transfers accomplished by the relevant share certificates must be lodged with the Company's Branch Share Registrars, Tricor Investor Services Limited, at Level 54 Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 pm on 27 August 2019.

中期股息

董事會議決宣派截至2019年6月30日止6個月之中期股息每股0.13港元(2018年：0.20港元)予2019年9月2日名列於股東名冊內之股東。預期中期股息將於2019年9月12日派付予股東。

暫停辦理股份過戶登記

本公司將於2019年8月28日至2019年9月2日(首尾兩天包括在內)暫停辦理股份過戶登記手續。為符合獲派中期股息之資格，所有過戶文件連同有關股票最遲須於2019年8月27日下午4時30分前送達本公司之股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓，以辦理登記手續。

BUSINESS REVIEW AND OUTLOOK

業務回顧及展望

Business Review and Outlook

In the first half of 2019, under the impact of supply-side reform, trade frictions and other factors, the paper manufacturing industry has been encountering challenges and adjustments. Lee & Man Paper has shown a situation of slowdown amidst stability, recording decreases in both sales volume and profit, which was within the expectation of the Group. The strategic goal of the Group remained unchanged. For the six months ended 30 June 2019, the Group recorded total revenue of HK\$12,947 million, which decreased by 20.9% as compared to corresponding period last year and net profit decreased by 43.6% to HK\$1,680 million. The earnings per share for the period was HK38.35 cents (2018: HK66.52 cents).

The board of directors determined an interim dividend of HK13 cents (2018: HK20 cents) per share for 2019. For the six months ended 30 June 2019, the aggregate sales of the Group amounted to 2.81 million tons, while its net profit per ton was of HK\$597.

Industry and Business Review

According to the monitoring data from ASKCI Consulting Co. LTD, over the four years from 2014 to 2017, the operating income of the paper manufacturing industry in China continued to grow and the profitability also tended to be stable. However, from the second half of 2018, with the promotion of supply-side reform in Mainland China as well as the restriction of new capacity investment owing to the tightening of environmental policy, the supply and demand of the industry has presented a low level. In the international arena, the US has embarked a trade war with China starting from late August last year for imposing additional 25% tariffs. High tariff resulted in the shortage and restriction of the supply of raw materials while the downstream presented a poor demand. Amidst the impact of a series of factors, the profit of the paper manufacturing industry has declined.

The paper manufacturing industry still faces certain pressure in 2019. In addition, the ongoing US-China trade friction in the first half of 2019 resulted in the substantial increase in the cost of paper production, which has affected the consumer confidence. The Group has proactively responded to the changes in market. The Group has been committed to developing a vertical business mode covering pulp manufacturing and recycling of waste paper through active consolidation of its upstream resources so as to achieve the integrated development of industrial chain and ensure the supply of raw materials. In the meantime, by expanding scale, controlling costs and strengthening production capacity on basis of the existing business foundation, the Group will have more opportunities for business development.

業務回顧及展望

2019年上半年，受供給側改革以及貿易摩擦等因素影響，造紙行業面臨著一定的挑戰和調整，理文造紙穩中有緩，上半年銷售量及利潤均有所下降，但均在集團預期之內，集團戰略目標保持不變。截至2019年6月30日止6個月，總收入比去年同期下跌20.9%至129.47億港元，淨利潤下跌43.6%至16.80億港元。期內每股盈利38.35港仙(2018年：66.52港仙)。

董事會建議2019年派發中期股息每股13港仙(2018年：20港仙)。本集團截至2019年6月30日止6個月之總銷售量為281萬噸，產品平均每噸淨利潤為597港元。

行業及業務回顧

根據中商產業研究院監測資料顯示，自2014-2017年近四年來，中國造紙行業營業收入保持穩步上漲，盈利能力也趨於穩定。但從2018年下半年開始，隨著內地供給側改革的推進，加之趨嚴的環保政策限制新增產能投放，使得行業供需狀態開始偏緊。國際上，去年8月底，中美貿易戰開始展開，加徵25%關稅，高關稅使得原材料供應持續緊張，原料供給受限，同時下游需求不振。在一系列的要素影響下，造紙企業利潤有所下滑。

2019年造紙行業依然面對一定壓力。加之，今年上半年中美貿易摩擦仍在持續，造紙成本大幅攀升，影響消費者的消費信心。本集團因應市場變化，積極應對。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，向產業鏈一體化方向發展，確保原材料的供應；同時，集團在現有業務基礎上，不斷擴充規模，控制成本，提升產能，給集團帶來更多的業績增長機會。

Business Prospect

The Group will make a proactive effort to optimize the industrial chain for achieving diversification of the paper and pulp businesses. The Group will give support to the “Belt & Road” Initiatives, targeting Southeast Asia market for international development and new production capacity increase. In the future, the Group will continue to seek business opportunities in countries and cities along the Belt & Road and is confident in the long term development of the Belt & Road.

As for tissue paper, the Company attaches great importance to consumer tissue business and has achieved the formation of a full-product chain. Lee & Man Paper has endeavored to improve the quality of consumer tissue and boost its scale of production in order to satisfy people’s needs for health and environmental protection as well as consumer requirements. The tissue business has maintained a steady growth as a whole and has become the growth driver of the Group in the medium and long term. The Group will focus on the requirements of the consumers and continue to adopt effective strategies for developing the tissue business.

Packaging paper is the major core business of the Company and has maintained a steady development in the first half of 2019. Since the outbreak of the US-China trade war in 2018, the packaging paper business in Mainland China has relatively shrunk. In addition, Mainland China embarked on waste paper import restriction policy starting from 2017. The relevant restriction policy restricted the supply of raw materials and had have some bearing on the domestic paper manufacturing industry and the waste paper recycling of the Group. Therefore, the Group will actively seek alternative methods for the import of waste paper.

The Group will stay committed to offering quality products to the public, adhere to a principle that places equal emphasis on production and operation as well as environmental protection, strengthen environmental management, step up the efforts in reducing sewage, and implement energy conservation and emission reduction measures. In the long run, there still exists comparatively extensive room for growth in the paper manufacturing industry. The Group will seize opportunities to expand its market coverage and maintain the Group’s competitiveness in the prevailing paper manufacturing industry.

Conclusion

The Group would like to express its sincere gratitude to employees and shareholders for their strong support. Leveraging its leading position in the paper manufacturing industry and its consistently solid development advantage, the Group would further enhance its profitability and maximize the return to shareholders.

業務前景

本集團積極優化產業鏈，以實現紙張和紙漿業務的多元化。集團響應「一帶一路」戰略，瞄準東南亞市場，拓展國際產業布局，增加新產能，未來將繼續在一帶一路國家以及城市發掘商機，集團對於一帶一路長遠發展抱有信心。

衛生紙業務方面，公司高度重視生活用紙業務，已經實現全產品鏈打造。理文造紙一直致力於努力改善提高生活用紙的質量和生產規模，以滿足人們對健康和環保的要求，以及消費需求。衛生紙業務總體發展平穩，是公司的中長期增長動力，集團會以客戶的需求為導向，未來集團將繼續採取有效的策略來發展衛生紙業務。

包裝紙業務是公司的主要核心業務，上半年包裝紙業務也在平穩發展。自2018年中美貿易戰開啟，內地包裝紙業務相對有所萎縮，加之從2017年開始，中國內地陸續推出了關於限制廢紙進口的政策。相關限制政策的出台一定程度上限制了原材料的供應，對國內造紙行業產生一定衝擊，集團的廢紙回收受到了一定影響。因此，集團積極尋求其他方法替代廢紙入口。

本集團致力為大眾提供高品質的產品，並秉承生產經營與環境保護並重的宗旨，強化環保管理，加大減排力度，做到節能減耗。長遠而言，造紙行業仍然有比較大的發展空間。集團將抓住機遇，拓展市場規模，保持集團在現今造紙行業的市場競爭力。

結語

在此，本集團衷心感謝一直以來全體員工及股東的大力支持，憑藉集團於造紙業的龍頭地位以及貫徹始終的穩健發展優勢，進一步提升集團盈利能力，為股東帶來最大的利益。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Results of Operation

Revenue and net profit attributable to owners of the Company for the six months ended 30 June 2019 was HK\$12,947 million and HK\$1,680 million respectively and that for the corresponding period last year was HK\$16,369 million and HK\$2,980 million respectively. The earnings per share for the period was HK38.35 cents as compared to HK66.52 cents for the corresponding period last year.

Distribution and Selling Expenses

The Group's distribution and selling expenses was HK\$272 million for the six months ended 30 June 2019 as compared to HK\$268 million for the corresponding period last year. It represented about 2.1% of the revenue for the six months ended 30 June 2019 and was increased as compared to that of 1.6% for the corresponding period last year.

General and Administrative Expenses

The Group's general and administrative expenses was HK\$459 million for the six months ended 30 June 2019 as compared to HK\$685 million for the corresponding period last year. It represented about 3.5% of the revenue for the six months ended 30 June 2019 and was decreased as compared to that of 4.2% for the corresponding period last year.

Finance Costs

The Group's total finance costs (including the interest on lease liabilities and amounts capitalised) was HK\$190 million for the six months ended 30 June 2019 as compared to HK\$157 million for the corresponding period last year. The increase was mainly due to the increase in average interest rate on bank borrowings and the increase in interest paid for discounted bills during the period.

Inventories, Debtors' and Creditors' Turnover

The inventory turnover of the Group's raw materials and finished products were 58 days and 26 days, respectively, for the six months ended 30 June 2019 as compared to 61 days and 16 days, respectively, for the year ended 31 December 2018.

The Group's debtors' turnover days were 41 days for the six months ended 30 June 2019 as compared to 35 days for the year ended 31 December 2018. This is in line with the credit terms of 45 days to 90 days granted by the Group to its customers.

The Group's creditors' turnover days were 36 days for the six months ended 30 June 2019 as compared to 33 days for the year ended 31 December 2018.

經營業績

截至2019年6月30日止6個月的收入及本公司擁有人應佔純利分別為129.47億港元及16.80億港元，而去年同期則分別為163.69億港元及29.80億港元。期內，每股盈利為38.35港仙，而去年同期為66.52港仙。

分銷及銷售費用

本集團截至2019年6月30日止6個月的分銷及銷售費用為2.72億港元，而去年同期為2.68億港元。截至2019年6月30日止6個月的分銷及銷售費用佔收入約2.1%，較去年同期的1.6%上升。

日常及行政費用

本集團截至2019年6月30日止6個月的日常及行政費用為4.59億港元，而去年同期為6.85億元。截至2019年6月30日止6個月的日常及行政費用佔收入約3.5%，較去年同期的4.2%減少。

財務成本

本集團截至2019年6月30日止6個月的總借貸成本(包括租賃負債利息及資本化金額)為1.90億港元，而去年同期為1.57億港元。成本增加主要由於期內平均借貸利率上升及支付票據貼現利息增加所致。

存貨、應收賬款及應付賬款周轉期

本集團於截至2019年6月30日止6個月的原料及製成品存貨周轉期分別為58日及26日，相比截至2018年12月31日止年度則分別為61日及16日。

本集團於截至2019年6月30日止6個月的應收賬款周轉期為41日，相比截至2018年12月31日止年度則為35日。此符合本集團給予客戶45日至90日的信貸期。

本集團於截至2019年6月30日止6個月的應付賬款周轉期為36日，相比截至2018年12月31日止年度則為33日。

Liquidity, Financial Resources and Capital Structure

The total shareholders' fund of the Group as at 30 June 2019 was HK\$26,000 million (31 December 2018: HK\$23,146 million). As at 30 June 2019, the Group had current assets of HK\$15,436 million (31 December 2018: HK\$13,280 million) and current liabilities of HK\$10,133 million (31 December 2018: HK\$10,222 million). The current ratio was 1.52 as at 30 June 2019 as compared to 1.30 at 31 December 2018.

The Group generally finances its operations with internal generated cash flow and credit facilities provided by its principal bankers in Hong Kong, Macau and the PRC. As at 30 June 2019, the Group had outstanding bank borrowings of HK\$14,061 million (31 December 2018: HK\$13,790 million). These bank loans were secured by corporate guarantees provided by certain subsidiaries of the Company. As at 30 June 2019, the Group maintained bank balances and cash of HK\$4,202 million (31 December 2018: HK\$2,012 million). During the period, the Company issued USD300 million perpetual capital securities and the Group's net debt-to-equity ratio (total borrowings net of cash and cash equivalents over shareholders' equity) further decreased from 0.51 as at 31 December 2018 to 0.38 as at 30 June 2019.

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 six months ended 30 June 2019. The Group has used currency structured instruments, foreign currency borrowings or other means to hedge its foreign currency exposure.

Employees

As at 30 June 2019, the Group had a workforce of more than 7,800 employees. Salaries of employees are maintained at a competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. The Group also provides internal training to staff and provides bonuses based upon staff performance and profits of the 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.

流動資金、財務資源及資本結構

於2019年6月30日，本集團的股東資金總額為260.00億港元（2018年12月31日：231.46億港元）。於2019年6月30日，本集團的流動資產達154.36億港元（2018年12月31日：132.80億港元），而流動負債則為101.33億港元（2018年12月31日：102.22億港元）。於2019年6月30日的流動比率為1.52，而於2018年12月31日則為1.30。

本集團一般以內部產生的現金流量，以及中港澳主要往來銀行提供的信貸備用額作為業務的營運資金。於2019年6月30日，本集團的未償還銀行貸款為140.61億港元（2018年12月31日：137.90億港元）。該等銀行借貸由本公司若干附屬公司提供的公司擔保作為抵押。於2019年6月30日，本集團持有銀行結餘及現金42.02億港元（2018年12月31日：20.12億港元）。期內，本公司發行了3.00億美元永續資本證券，使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2018年12月31日的0.51進一步下降至2019年6月30日的0.38。

本集團具備充裕的現金及可供動用的銀行備用額以應付集團的承擔及營運資金需要。

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2019年6月30日止6個月，本集團的營運或流動資金未曾因匯率波動而面臨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。

僱員

於2019年6月30日，本集團擁有逾7,800名員工。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。

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其他資料

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 BV and Mark Lyndon Paper Enterprises (UK) Limited, are ultimately owned by Mr. Albert Chiu Tung-Choi, a distant relative of the Company's substantial shareholder, Dr. Lee Wan Keung Patrick and his sons, Dr. Lee Man Chun Raymond and Mr. Lee Man Bun, both of whom are 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 4% and 19% of its total raw materials through these buying agents for the six months ended 30 June 2019 and 2018, respectively. The commission paid to these buying agents amounted to HK\$9.6 million and HK\$42.2 million for the six months ended 30 June 2019 and 2018, 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 BV及Mark Lyndon Paper Enterprises (UK) Limited由本公司主要股東李運強博士以及其兒子李文俊博士及李文斌先生（兩者均為本公司執行董事）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2019年及2018年6月30日止6個月，本集團透過採購代理採購佔其原材料總額分別為4%及19%。支付予該等採購代理之佣金於截至2019年及2018年6月30日止6個月分別為9.6百萬港元及42.2百萬港元。

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。

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

As at 30 June 2019, 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 ("Model Code"), the Stock Exchange were as follows:

Long positions

Ordinary shares of HK\$0.025 each of the Company

董事及主要行政人員於股本或債務證券中擁有的權益及淡倉

於2019年6月30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（「標準守則」）已知會聯交所的權益如下：

好倉

本公司每股0.025港元的普通股

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	31.03%
Mr. Lee Man Bun 李文斌先生	Beneficial owner 實益擁有人	1,262,932,960	28.83%
Mr. Li King Wai Ross 李經緯先生	Held by spouse 由配偶持有	4,564,865	0.10%
Professional Poon Chung Kwong 潘宗光先生	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 30 June 2019.

除上文所披露外，於2019年6月30日，各董事、主要行政人員及彼等的聯繫人士概無在本公司或其任何相聯法團的股份、相關股份或債券中，擁有任何權益或淡倉。

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其他資料

Substantial Shareholders

The register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, at 30 June 2019, 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

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2019年6月30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港元的普通股

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	28.83%
Dr. Lee Wan Keung Patrick 李運強博士	Beneficial owner 實益擁有人	507,342,000	11.58%
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	11.58%

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.

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 30 June 2019.

除上文所披露外，本公司概無獲知會於2019年6月30日本公司股份或相關股份之任何其他相關權益或短倉。

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

During the six months ended 30 June 2019, the Company repurchased a total of 6,270,000 shares of HK\$0.025 per share through the Stock Exchange at an aggregate consideration of approximately HK\$40,790,000 (including transaction costs). All of the shares repurchased were cancelled during the period. Details of shares repurchased during the period are set out as follows:

Month of repurchases 購回月份	No. of ordinary shares of HK\$0.025 each 每股0.025港元 之普通股數目	Price paid per share 每股支付價格		Aggregate consideration paid (including expense) 累計已付代價 (含使費) HK\$'000 千港元
		Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
January 2019 2019年1月	6,270,000	6.54	6.40	40,790

The directors believe that repurchases of shares are in the best interests of the Company and its shareholders and that such repurchases of shares would lead to an enhancement of the earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2019.

買賣或贖回本公司上市證券

於截至2019年6月30日止6個月，本公司於聯交所購回合共6,270,000股每股0.025港元之普通股，總代價約為40,790,000港元(含交易成本)。所有購回股份已於期內被註銷。於期內購回股份之詳情如下：

董事相信，購回股份乃符合本公司及其股東之最佳利益，並可提高本公司每股盈利。

除上文所披露外，本公司或其任何附屬公司在截至2019年6月30日止6個月內概無購買、出售或贖回本公司任何上市證券。

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Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as a code of conduct regarding directors' securities transactions. All the members of the board have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2019. The Model code also applies to other specified senior management of the Group.

Code on Corporate Governance Practices

In the opinion of the directors, the Company has complied with the code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2019.

Audit Committee

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

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control procedures and financial reporting matters including the review of the Group's unaudited interim financial statements for the six months ended 30 June 2019.

On behalf of the Board

Lee Man Chun Raymond

Chairman

Hong Kong, 13 August 2019

證券交易之標準守則

本公司已採納上市規則附錄10所載之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2019年6月30日止6個月內均遵守標準守則所載之規定準則。標準守則亦適用於本集團之其他特定高級管理層。

企業管治常規守則

董事認為，本公司已於截至2019年6月30日止6個月內一直遵守上市規則附錄14所載之企業管治常規守則。

審核委員會

本公司之審核委員會由三位獨立非執行董事周承炎先生、王啟東先生及Peter A. Davies先生組成。

審核委員會與管理層已審閱本集團所採納之會計原則及慣例，並已討論內部監控程序及財務報告事宜，其中包括審閱本集團截至2019年6月30日止6個月的未經審核中期財務報表。

代表董事會

李文俊

主席

香港，2019年8月13日

Lee & Man Paper Manufacturing Limited

5th Floor, Liven House, 61-63 King Yip Street
Kwun Tong, Kowloon, Hong Kong
Tel: 2319 9889 Fax: 2319 9393

理文造紙有限公司

香港九龍觀塘敬業街61-63號利維大廈5字樓
電話: 2319 9889 傳真: 2319 9393