



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

2020

* 僅供識別

* For identification purposes only

CONTENTS

目 錄

2	Corporate Information 公司資料
4	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income 簡明綜合損益及其他全面收益表
6	Condensed Consolidated Statement of Financial Position 簡明綜合財務狀況表
8	Condensed Consolidated Statement of Cash Flows 簡明綜合現金流量表
9	Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表
10	Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註
24	Interim Dividend/Closure of Register of Members 中期股息／暫停辦理股份過戶登記
25	Business Review and Outlook 業務回顧及展望
27	Management Discussion and Analysis 管理層討論及分析
29	Other Information 其他資料

CORPORATE INFORMATION

公司資料

Board of Directors

Executive 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
Bank of China (Hong Kong)

In the PRC:

China Construction Bank
Bank of China

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the
Financial Reporting Council Ordinance

Principal Share Registrar And Transfer Office

SMP Partners (Cayman) Limited
3rd Floor, Royal Bank House
24 Shedden Road, P.O. Box 1586
Grand Cayman, George Town, 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
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
於《財務匯報局條例》下的
註冊公眾利益實體核數師

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, George Town, 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 AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

For the six months ended 30 June 2020 截至2020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 2020 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2020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 AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2020

簡明綜合損益及其他全面收益表

截至2020年6月30日止6個月

		Notes 附註	2020 (unaudited) (未經審核) HK\$'000 千港元	2019 (unaudited) (未經審核) HK\$'000 千港元
Revenue	收入	3	11,070,855	12,946,828
Cost of sales	銷售成本		(8,905,211)	(10,609,684)
Gross profit	毛利		2,165,644	2,337,144
Other income	其他收入	4	343,203	467,597
Impairment losses on trade receivables, net of reversal	應收貿易賬款減值虧損 (扣除回撥)		41	(519)
Other gains and losses	其他收益及虧損	5	23,158	52,121
Distribution and selling expenses	分銷及銷售費用		(307,664)	(272,222)
General and administrative expenses	日常及行政費用		(501,538)	(459,299)
Finance costs	財務成本	6	(81,164)	(153,765)
Profit before tax	除稅前盈利		1,641,680	1,971,057
Income tax expense	利得稅支出	7	(240,807)	(290,975)
Profit for the period	期內盈利	8	1,400,873	1,680,082
Other comprehensive expense <i>Item that may be reclassified subsequently to profit or loss:</i> Exchange differences arising on translation of foreign operations	其他全面支出 其後可能重新分類至 損益之項目： 換算境外業務產生之 匯兌差額		(1,204,796)	(450,493)
Total Comprehensive income for the period	期內總全面收益		196,077	1,229,589

		Notes 附註	2020 (unaudited) (未經審核) HK\$'000 千港元	2019 (unaudited) (未經審核) HK\$'000 千港元
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		1,336,120	1,680,082
Perpetual capital securities holders	永續資本證券持有人		64,749	–
Non-controlling interests	非控股權益		4	–
			1,400,873	1,680,082
Total comprehensive income (expense) attributable to:	以下人士應佔總全面 收益(支出)：			
Owners of the Company	本公司擁有人		131,424	1,229,589
Perpetual capital securities holders	永續資本證券持有人		64,749	–
Non-controlling interests	非控股權益		(96)	–
			196,077	1,229,589
Dividends:	股息：	9		
– Dividend paid	– 已付股息		565,063	657,000
– Interim dividend declared	– 宣派中期股息		521,597	569,400
			HK cents 港仙	HK cents 港仙
Earnings per share	每股盈利	10	30.68	38.35

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30 June 2020 於2020年6月30日

		Notes 附註	30 June 2020 2020年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	31 December 2019 2019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	28,580,451	28,176,728
Right-of-use assets	使用權資產		998,427	1,040,495
Investment properties	投資物業		557,986	584,336
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備 所付訂金		809,680	1,106,741
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
			31,044,887	31,006,643
CURRENT ASSETS				
	流動資產			
Inventories	存貨	12	3,826,901	3,571,075
Loan to a joint venture	合營企業貸款		64,986	61,656
Trade and other receivables	應收貿易及其他賬款	13	5,371,963	5,355,998
Bills receivables discounted with recourse	附追索權之應收票據貼現		247,598	461,824
Amounts due from related companies	應收關連公司款項		149,248	120,749
Bank balances and cash	銀行結餘及現金		2,237,058	2,919,462
			11,897,754	12,490,764
CURRENT LIABILITIES				
	流動負債			
Trade and other payables	應付貿易及其他賬款	14	2,794,352	2,832,628
Advances drawn on bills receivables discounted with recourse	附追索權之應收票據預付款		247,598	461,824
Amounts due to related companies	應付關連公司款項		12,621	15,663
Derivative financial instruments	衍生金融工具		–	3
Tax payable	應付稅項		120,793	189,424
Lease liabilities	租賃負債		3,155	4,867
Contract liabilities	合約負債		76,870	81,395
Bank borrowings	銀行借貸		5,883,511	4,874,429
			9,138,900	8,460,233

		Notes 附註	30 June 2020 2020年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	31 December 2019 2019年 12月31日 (audited) (經審核) HK\$'000 千港元
NET CURRENT ASSETS	流動資產淨值		2,758,854	4,030,531
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		33,803,741	35,037,174
NON-CURRENT LIABILITIES	非流動負債			
Bank borrowings	銀行借貸		6,773,042	7,461,118
Lease liabilities	租賃負債		44,878	48,525
Deferred tax liabilities	遞延稅項負債		1,432,797	1,444,911
			8,250,717	8,954,554
			25,553,024	26,082,620
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	15	108,666	109,170
Reserves	儲備		23,121,321	23,650,317
Equity attributable to owners of the Company	本公司擁有人應佔權益		23,229,987	23,759,487
Perpetual capital securities	永續資本證券	16	2,322,814	2,322,814
Non-Controlling interests	非控股權益		223	319
			25,553,024	26,082,620

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2020 截至2020年6月30日止6個月

		Six months ended 30 June 截至6月30日止6個月	
		2020 (unaudited) (未經審核) HK\$'000 千港元	2019 (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	1,139,816	1,886,291
Net cash used in investing activities	投資業務所用現金淨額		
Purchases and deposit paid for acquisition of property, plant and equipment	購置物業、廠房及設備及所付訂金	(1,431,931)	(1,584,956)
Loan to a joint venture	合營企業貸款	(3,330)	(5,657)
Payments for right-of-use assets	支付使用權資產	–	(12,953)
Addition to investment properties	新增投資物業	–	(5,026)
Interest received	已收利息	22,017	12,470
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	1,248	5,746
		(1,411,996)	(1,590,376)
Net cash (used in) from financing activities	融資活動所(用)得現金淨額		
Net bank borrowings raised	籌集銀行貸款淨額	321,006	270,590
Net proceeds on issue of perpetual capital securities	發行永續資本證券收入淨額	–	2,322,814
Dividends paid	已付股息	(565,063)	(657,000)
Payment on repurchase of shares	支付購回股份	(95,861)	(40,790)
Distribution paid on perpetual capital securities	已付永續資本證券分派	(64,749)	–
Repayments of leases liabilities	償還租賃負債	(5,557)	(1,849)
		(410,224)	1,893,765
Net (decrease) increase in cash and cash equivalents	現金及現金等價物(減少)增加淨額	(682,404)	2,189,680
Cash and cash equivalents brought forward	現金及現金等價物承前結餘	2,919,462	2,011,942
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	2,237,058	4,201,622

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2020 截至2020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 interests	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 2020	於2020年1月1日	109,170	30,858	(1,588,301)	12,552	97	(2,999)	(12,060)	-	25,210,170	23,759,487	319	2,322,814	26,082,620
Profit for the period	期內盈利	-	-	-	-	-	-	-	-	1,336,120	1,336,120	4	64,749	1,400,873
Exchange difference arising on translation of foreign operations	換算境外業務產生之匯兌差額	-	-	(1,204,696)	-	-	-	-	-	-	(1,204,696)	(100)	-	(1,204,796)
Total comprehensive (expense) income for the period	期內總全面(支出)收益	-	-	(1,204,696)	-	-	-	-	-	1,336,120	131,424	(96)	64,749	196,077
Share repurchased and cancelled	股份購回及註銷	(504)	-	-	-	-	-	-	-	(95,357)	(95,861)	-	-	(95,861)
Dividends recognised as distributions	確認為分派之股息	-	-	-	-	-	-	-	-	(565,063)	(565,063)	-	-	(565,063)
Distribution paid on perpetual capital securities	永續資本證券已付分派	-	-	-	-	-	-	-	-	-	-	-	(64,749)	(64,749)
At 30 June 2020	於2020年6月30日	108,666	30,858	(2,792,997)	12,552	97	(2,999)	(12,060)	-	25,885,870	23,229,987	223	2,322,814	25,553,024
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 (expense) income for the period	期內總全面(支出)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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020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 (“HKAS”) 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 certain properties and financial instruments, which are measured at revalued amounts or fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2019.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 1 and HKAS 8
香港會計準則第1號及香港會計準則第8號(修訂本)
Amendments to HKFRS 3
香港財務報告準則第3號(修訂本)
Amendments to HKFRS 9, HKAS 39 and HKFRS 7
香港財務報告準則第9號、香港會計準則第39號
及香港財務報告準則第7號(修訂本)

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(「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，惟按重估金額或公允值(倘適用)計量之若干物業及衍生金融工具除外。

除應用經修訂香港財務報告準則(「香港財務報告準則」)所產生之附加會計政策及應用與本集團相關之若干會計政策外，截至2020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2019年12月31日止年度財務報表所採用者一致。

應用經修訂香港財務報告準則

於本中期期間，本集團已首次採納由香港會計師公會頒布且已於2020年1月1日或之後開始之年度期間強制生效之香港財務報告準則經修訂概念框架指引及以下之經修訂香港財務報告準則，以編製本集團之簡明綜合財務報表。

Definition of Material
重大的定義
Definition of a Business
業務的定義
Interest Rate Benchmark Reform
利率基準改革

2. Principal Accounting Policies (Continued)

Application of amendments to HKFRSs (Continued)

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

2.1 Impacts of application on Amendments to HKAS 1 and HKAS 8 "Definition of Material"

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current period had no impact on the condensed consolidated financial statements. Changes in presentation and disclosures on the application of the amendments, if any, will be reflected on the consolidated financial statements for the year ending 31 December 2020.

2.2 Impacts and accounting policies on application of Amendments to HKFRS 3 "Definition of a Business"

2.2.1 Accounting policies

Business combinations or asset acquisitions

Optional concentration test

Effective from 1 January 2020, the Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

2. 主要會計政策(續)

應用經修訂香港財務報告準則(續)

除下文所述外，本期間應用香港財務報告準則經修訂概念框架指引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狀況及表現及／或載於簡明綜合財務報表之披露並無重大影響。

2.1 應用香港會計準則第1號及香港會計準則第8號(修訂本)「重大的定義」之影響

修訂本為重大提供新的定義，列明「倘遺漏、錯誤陳述或隱瞞資訊可以合理預期會影響一般用途財務報表的主要用戶基於該等提供有關特定報告實體之財務資訊的財務報表作出之決策，則該資訊屬重大」。

修訂本並釐清在整體財務報表的範圍內，重要性取決於資訊的性質或幅度(單獨或與其他資訊結合使用)。

本期間應用修訂本對簡明綜合財務報表並無影響。應用修訂本之呈報及披露的變更(倘有)，將於截至2020年12月31日止年度之綜合財務報表中反映。

2.2 應用香港財務報告準則第3號(修訂本)「業務的定義」之影響及會計政策

2.2.1 會計政策

業務合併或收購資產

可選集中度測試

自2020年1月1日起生效，本集團可選擇以逐項交易基準應用可選集中度測試，可對所收購之一組活動及資產是否並非一項業務作簡化評估。倘所收購總資產的公允值幾乎全部都集中在單一可識別資產或一組類似可識別資產中，則符合集中度測試。評估之總資產不包括現金及現金等價物、遞延稅項資產、及由遞延稅項負債影響產生之商譽。倘符合集中度測試，該組活動及資產被釐定為並非業務及毋須作進一步評估。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止6個月

2. Principal Accounting Policies (Continued)

Application of amendments to HKFRSs (Continued)

2.2 Impacts and accounting policies on application of Amendments to HKFRS 3 "Definition of a Business" (Continued)

2.2.2 Transition and summary of effects

The amendments had no impact on the condensed consolidated financial statements of the Group.

2. 主要會計政策(續)

應用經修訂香港財務報告準則(續)

2.2 應用香港財務報告準則第3號(修訂本)「業務的定義」之影響及會計政策(續)

2.2.2 過渡及影響之總結

修訂本對本集團之簡明綜合財務報表並無影響。

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 2020

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2020年6月30日止6個月

		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	9,018,096	5,678	2,047,081	11,070,855	-	11,070,855
Inter-segment sales	分部之間銷售	-	365,275	-	365,275	(365,275)	-
		9,018,096	370,953	2,047,081	11,436,130	(365,275)	11,070,855
SEGMENT PROFIT	分部盈利	1,416,199	685	266,981	1,683,865	-	1,683,865
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						4,718
Unallocated income	未分類之收入						41,939
Unallocated expenses	未分類之支出						(7,678)
Finance costs	財務成本						(81,164)
Profit before tax	除稅前盈利						1,641,680

3. Revenue and Segment Information (Continued)

Segment revenue and results (Continued)

Six months ended 30 June 2019

		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	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

3. 收入及分部資料(續)

分部收入及業績(續)

截至2019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

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Value added tax and other tax refund	增值稅退稅及其他退稅	162,640	349,458
Sales of materials and waste paper	物料及廢紙銷售	35,838	40,376
Income from supply of steam and electricity	供應蒸氣及電力收入	24,031	14,549
Interest income from banks	銀行利息收入	22,017	12,470
Income from wharf cargo handling	經營碼頭貨運收入	8,543	5,422
Others	其他	90,134	45,322
		343,203	467,597

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止6個月

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	
		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Net foreign exchange gain	淨滙兌收益	19,922	53,402
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	4,718	3,851
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(1,482)	(5,132)
		23,158	52,121

6. Finance Costs

6. 財務成本

		Six months ended 30 June 截至6月30日止6個月	
		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Interest on lease liabilities	租賃負債利息	1,133	218
Interest on bank borrowings	銀行借貸利息	166,222	189,440
Less: amounts capitalised to property, plant and equipment	減：物業、廠房及設備之資本化金額	(86,191)	(35,893)
		81,164	153,765

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	
		2020 HK\$'000 千港元	2019 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」)	115,874	214,189
– The PRC withholding tax on dividend distribution	– 分派股息之中國預扣稅	68,133	27,866
		184,007	242,055
Under (over) provision in previous year	去年不足(超額)撥備		
– The PRC EIT	– 中國企業所得稅	781	(6,098)
Deferred tax	遞延稅項		
– Charge to profit or loss	– 計入損益	56,019	55,018
		240,807	290,975

7. 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 (2019: six) of these subsidiaries are entitled to preferential rate of 15% for the Group's financial year ending 31 December 2020.

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.

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.

Others

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

7. 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(2019年：六間)附屬公司於本集團截至2020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。

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。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止6個月

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	
		2020 HK\$'000 千港元	2019 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	20,325	19,094
Staff salaries and other benefits, excluding those of directors	員工薪金及其他福利， 不包括董事	542,236	532,541
Contributions to retirement benefit schemes, excluding those of directors	退休福利計劃供款， 不包括董事	29,034	44,847
Total employee benefit expense Capitalised in inventories	僱員福利開支總額 庫存資本化	591,595 (415,902)	596,482 (482,483)
		175,693	113,999
Cost of inventories recognised as expense	存貨成本確認為支出	8,905,211	10,609,684
Depreciation of property, plant and equipment	物業、廠房及設備折舊	610,802	647,221
Depreciation of investment properties	投資物業折舊	11,195	11,238
Depreciation of right-of-use assets	使用權資產折舊	14,709	13,030
Total depreciation Capitalised in inventories	折舊總額 庫存資本化	636,706 (560,641)	671,489 (599,597)
		76,065	71,892
Operating lease rentals in respect of land and buildings	土地及樓宇的經營租賃租金	22,143	23,717
Gross rental income from Investment properties	投資物業之租金總收入	(14,350)	(11,769)
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	186	155
– 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
		(14,164)	(11,331)

9. Dividends

A final dividend of HK\$0.13 per share was paid in respect of the year ended 31 December 2019 (2019: a final dividend of HK\$0.15 per share were paid for the year ended 31 December 2018) to shareholders during the current period.

The directors determined that an interim dividend of HK\$0.12 (2019: HK\$0.13) per share should be paid to the shareholders of the Company whose names appear on the Register of Members on 24 August 2020.

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\$1,336,120,000 (2019: HK\$1,680,082,000) and weighted average number of 4,354,927,802 (2019: 4,381,427,249) 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.

11. Additions to Property, Plant and Equipment

During the period, there were additions of HK\$1,782 million (2019: HK\$1,258 million) to property, plant and equipment to expand its operations.

12. Inventories

9. 股息

期內已派發截至2019年12月31日止年度每股0.13港元之末期股息(2019年：派發截至2018年12月31日止年度每股0.15港元之末期股息)給予股東。

董事議決派發每股0.12港元(2019年：0.13港元)之中期股息給予在2020年8月24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 1,336,120,000 港元 (2019 年：1,680,082,000 港元) 及期內已發行股份加權平均數 4,354,927,802 (2019 年：4,381,427,249) 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。

11. 添置物業、廠房及設備

期內，添置物業、廠房及設備17.82億港元(2019年：12.58億港元)，以拓展業務。

12. 存貨

		30 June 2020 2020年 6月30日 HK\$'000 千港元	31 December 2019 2019年 12月31日 HK\$'000 千港元
Raw materials	原料	2,793,868	2,743,664
Finished goods	製成品	1,033,033	827,411
		3,826,901	3,571,075

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止6個月

13. Trade and Other Receivables

13. 應收貿易及其他賬款

		30 June 2020 2020年 6月30日 HK\$'000 千港元	31 December 2019 2019年 12月31日 HK\$'000 千港元
Trade receivables	應收貿易賬款	3,018,303	3,067,681
Less: allowance for credit losses	減：信貸虧損撥備	(135,883)	(135,924)
		2,882,420	2,931,757
Bills receivables	應收票據	571,022	722,502
		3,453,442	3,654,259
Prepayments and deposits for purchase of raw materials	購買原料預付款項及訂金	724,913	696,219
Value-added tax receivables	應收增值稅款項	447,372	457,045
Other deposits and prepayments	其他訂金及預付款項	327,589	268,576
Other receivables	其他應收款項	418,647	279,899
		5,371,963	5,355,998

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.

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 2020 2020年 6月30日 HK\$'000 千港元	31 December 2019 2019年 12月31日 HK\$'000 千港元
Aged:	賬齡：		
Not exceeding 30 days	不超過30日	2,708,546	3,579,848
31-60 days	31-60日	502,558	35,789
61-90 days	61-90日	75,288	4,925
91-120 days	91-120日	48,283	15,811
Over 120 days	120日以上	118,767	17,886
		3,453,442	3,654,259

14. Trade and Other Payables

14. 應付貿易及其他賬款

		30 June 2020 2020年 6月30日 HK\$'000 千港元	31 December 2019 2019年 12月31日 HK\$'000 千港元
Trade and bills payables	應付貿易及票據賬款	1,427,497	1,387,515
Accruals	應計費用	650,752	605,361
Construction fee payable	應付工程款	521,359	554,603
Other payables	其他應付款項	194,744	285,149
		2,794,352	2,832,628

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.

貿易購貨之平均賒賬期由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 2020 2020年 6月30日 HK\$'000 千港元	31 December 2019 2019年 12月31日 HK\$'000 千港元
Aged:	賬齡：		
Not exceeding 30 days	不超過30日	704,442	759,184
31-60 days	31-60日	210,951	189,914
61-90 days	61-90日	227,823	243,733
91-120 days	91-120日	217,996	123,059
Over 120 days	120日以上	66,285	71,625
		1,427,497	1,387,515

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止6個月

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 2019, 31 December 2019 and 30 June 2020	於2019年1月1日， 2019年12月31日及 2020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 2019	於2019年1月1日每股0.025 港元的普通股	4,388,908,000	109,723
Shares repurchased and cancelled (note)	股份購回及註銷(附註)	(22,100,000)	(553)
Ordinary shares of HK\$0.025 each at 31 December 2019	於2019年12月31日每股0.025 港元的普通股	4,366,808,000	109,170
Shares repurchased and cancelled	股份購回及註銷	(20,166,000)	(504)
Ordinary shares of HK\$0.025 each at 30 June 2020	於2020年6月30日每股0.025 港元的普通股	4,346,642,000	108,666

Note:

2,638,000 share were repurchased during the year ended 31 December 2018 and were cancelled in January 2019.

附註：

其中2,638,000股於截至2018年12月31日止年度購回及於2019年1月註銷。

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。

17. Operating Leases

The Group as lessor

At the end of the reporting period, minimum lease payments receivable on leases are as follows:

		30 June 2020 2020年 6月30日 HK\$'000 千港元	31 December 2019 2019年 12月31日 HK\$'000 千港元
Within one year	1年內	59,124	55,889
In the second year	於第二年	58,510	57,425
In the third year	於第三年	59,902	53,294
In the fourth year	於第四年	61,636	54,646
In the fifth year	於第五年	63,198	55,392
After five years	於五年後	120,089	149,630
		422,459	426,276

17. 經營租約

集團作為出租人

於報告期末，租賃之應收最低租賃付款如下：

18. Capital Commitments

18. 資本承擔

		30 June 2020 2020年 6月30日 HK\$'000 千港元	31 December 2019 2019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	2,706,285	3,194,166
– land use rights	– 土地使用權	192,914	135,121
		2,899,199	3,329,287

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止6個月

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	
		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Lee & Man Industrial Manufacturing Limited (note i) 理文實業有限公司(附註i)	Finished goods sold by the Group 集團出售製成品	598	18,799
	Income from supply of steam and electricity 提供蒸氣及電力之收入	401	819
	Raw materials purchased by the Group 集團購買原料	917	1,567
Lee & Man Paper Products Company Limited (note i) 理文紙品有限公司(附註i)	Licence fee expenses incurred by the Group 集團許可權費支出	925	966
Lee & Man Chemical Company Limited and its Subsidiaries ("LMC Group") (note ii) 理文化工有限公司及其附屬公司(「理文化工集團」)(附註ii)	Income from supply of steam and electricity 提供蒸氣及電力之收入	33,245	32,902
	Raw materials purchased by the Group 集團購買原料	56,860	45,342
	Rental income in respect of office spaces 辦公室租金收入	899	940
	Steam and electricity fee paid by the Group 集團已付蒸氣及發電服務費	35,627	34,872
	Rental fee paid by the Group 集團已付租金	1,020	1,112
Winfibre Group (note iii) Winfibre 集團(附註iii)	Agent fee paid by the Group 集團已付代理費	25,874	30,517
On Wah Environmental Protection Technology Company Limited (note iv) 安華環保科技有限公司(附註iv)	Raw materials purchased by the Group 集團購買原材料	199,504	—

19. Related and Connected Party Disclosures

(Continued)

Notes:

- (i) 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.
- (ii) 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.
- (iii) The companies are ultimately controlled by Mr. Ng Yu Hung, a step brother of Dr. Lee Wan Keung Patrick, a substantial shareholder of the Company.
- (iv) The company is indirectly controlled by Ms. Lee Man Ching, a sister of Dr. Lee Man Chun Raymond and Mr. Lee Man Bun, the directors of the Company.

20. Review of Interim Accounts

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

19. 相關及關連人士披露(續)

附註：

- (i) 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。
- (ii) 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。
- (iii) 該等公司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。
- (iv) 該公司由本公司董事李文俊博士及李文斌先生之妹妹／姐姐李文禎女士間接控制。

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\$0.12 (2019: HK\$0.13) per share for the six months ended 30 June 2020 to shareholders whose names appear on the Register of Members on 24 August 2020. It is expected that the interim dividend will be paid around 3 September 2020.

Closure of Register of Members

The Register of Members will be closed from 19 August 2020 to 24 August 2020, 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 p.m. on 18 August 2020.

中期股息

董事會議決宣派截至2020年6月30日止6個月之中期股息每股0.12港元(2019年：0.13港元)予2020年8月24日名列於股東名冊內之股東。預期中期股息將於2020年9月3日派付予股東。

暫停辦理股份過戶登記

本公司將於2020年8月19日至2020年8月24日(首尾兩天包括在內)暫停辦理股份過戶登記手續。為符合獲派中期股息之資格，所有過戶文件連同有關股票最遲須於2020年8月18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 2020, due to the impact of the global novel coronavirus (COVID-19), the ongoing tensions in the US-China relationship exacerbated and other factors, the global economy as well as the paper manufacturing industry have been greatly affected. The Group has recorded decreases in both sales revenue and profit during the first half of 2020, which was within expectations. Meanwhile our strategic goal has remained unchanged. For the six months ended 30 June 2020, the Group recorded a total revenue of HK\$11.07 billion, decreasing by 14.5% as compared with the corresponding period last year and net profit decreased by 16.6% to HK\$1.40 billion, while net profit attributable to owners of the Company for the period was HK\$1.34 billion. The earnings per share for the period were HK30.68 cents (2019: HK38.35 cents).

The board of directors proposed an interim dividend of HK12 cents (2019: HK13 cents) per share for 2020. For the six months ended 30 June 2020, the aggregate sales of the Group amounted to 2.78 million tons, while its net profit per ton was HK\$505.

Industry and Business Review

Since 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, both supply and demand of the industry remained low. In the international arena, the US-China trade dispute began in late August 2018 with a shortage of raw materials supply. At the same time, market demand from the downstream segments remained poor. With the signing of the first phase of the US-China trade agreement at the beginning of the year, uncertainties have been reduced. However, the novel coronavirus (COVID-19) pandemic and the ongoing tensions in the US-China relationship is posing uncertainty for the market. Amidst the impact of the above factors, the profitability of the paper manufacturing industry has declined.

The paper manufacturing industry still faces certain pressure in 2020. In addition, the ongoing US-China trade friction resulted in the increase in the cost of paper production, which has, in turn, affected consumer confidence. We have proactively responded to the changes in the market. The Group has been committed to developing a vertical business model through active consolidation of its upstream resources covering pulp manufacturing and recycling of waste paper so as to achieve an integrated industrial chain to ensure the supply of raw materials. At the same time, by expanding its scale, controlling costs and strengthening production capacity leveraging the existing business foundation, we would have more opportunities for business development.

業務回顧及展望

2020年上半年受全球新型冠狀病毒疫情以及中美緊張關係持續升溫等因素影響，全球經濟以至造紙行業深受影響。2020年上半年本集團銷售收入及利潤均有所下降，但均在預期之內，集團戰略目標保持不變。本集團截至2020年6月30日止6個月之總收入比去年同期下跌14.5%至110.7億港元，純利下跌16.6%至14.0億港元，期內本公司擁有人應佔純利則為13.4億港元。期內每股盈利30.68港仙(2019年：38.35港仙)。

董事會建議2020年派發中期股息每股12港仙(2019年：13港仙)。本集團截至2020年6月30日止6個月之總銷售量為278萬噸，產品平均每噸淨利潤為505港元。

行業及業務回顧

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，2018年8月底，中美貿易戰開始展開，原料供給受限，同時下游需求不振。隨著年初中美貿易首階段協議的簽署降低了不確定性，但同時亦受新型冠狀病毒疫情及中美緊張關係影響。在以上一系列的因​​素影響下，造紙行業利潤有所下滑。

2020年造紙行業依然面對一定壓力。加之，中美貿易摩擦仍在持續，造紙成本攀升，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 REVIEW AND OUTLOOK

業務回顧及展望

Business Prospects

The novel coronavirus (COVID-19) epidemic in China is under control at present. Following gradual resumption of production and normalized economic activities, the market is demonstrating a recovery in demand. We will make a proactive effort to optimize the industrial chain for achieving diversification of its paper and pulp businesses. In the meantime, leveraging the foundation of its existing business, the Group will support the “Belt & Road” initiatives, targeting the Southeast Asia market for international development and an increase in new production capacity. In the future, we will continue to seek business opportunities in countries and cities along the Belt & Road and are confident in the long-term development of the region.

As for the tissue paper business, it is a major focus of the Group and we have forged an integrated 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 consumption requirements. The tissue business has maintained steady growth as a whole and our existing capacity reached up to 900,000 tons annually. The Group is focusing on the requirements of consumers and continues to adopt effective strategies for developing the tissue business.

Packaging paper still remains as the core business of the Group. Since the outbreak of the US-China trade war in 2018, the packaging paper business in Mainland China has been relatively weakened. In addition, Mainland China has embarked on an import restriction policy for waste paper starting from 2017. The policy has limited the supply of raw materials and has had some bearing on the domestic paper manufacturing industry, in turn impacting the waste paper recycling of the Group. The Group is actively seeking alternative methods for the import of waste paper.

We will stay steadfastly committed to offering quality products to the public, adhere to our principle that places equal emphasis on production and operation as well as environmental protection, strengthen its environmental management, step up efforts in reducing sewage, and implement energy conservation and emissions reduction measures. In the long run, we believe there is still substantial room for growth in the paper manufacturing industry. Thus, the Group will seize opportunities to expand its market coverage and maintain its 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 intends to further enhance its profitability and maximise the return to shareholders.

業務前景

新型冠狀病毒疫情在中國已受控，隨著企業逐漸復工且經濟活動開始回歸正常，市場最近亦反應出需求有所復甦。本集團積極優化產業鏈，以實現紙張和紙漿業務的多元化。同時，在原有生產規模的基礎上，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，本集團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，現時總年產能已達90萬噸。本集團會以客戶的需求為導向，將繼續採取有效的策略來發展衛生紙業務。

包裝紙業務是本集團的主要核心業務。自2018年中美貿易戰展開，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

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 for the six months ended 30 June 2020 was HK\$11,071 million and HK\$1,401 million respectively and that for the corresponding period last year was HK\$12,947 million and HK\$1,680 million respectively. Net profit attributable to owners of the Company for the period was HK\$1,336 million as compared to HK\$1,680 million for the corresponding period last year. The earnings per share for the period was HK30.68 cents as compared to HK38.35 cents for the corresponding period last year.

Both sales revenue and profit during the six months ended 30 June 2020 decreased as expected mainly due to the impact of the COVID-19 and the ongoing tensions in the US-China relationship.

Distribution and Selling Expenses

The Group's distribution and selling expenses was HK\$308 million for the six months ended 30 June 2020 as compared to HK\$272 million for the corresponding period last year. It represented about 2.8% of the revenue for the six months ended 30 June 2020 and was increased as compared to that of 2.1% for the corresponding period last year due to the expansion in coverage in Southeast Asia market.

General and Administrative Expenses

The Group's general and administrative expenses was HK\$502 million for the six months ended 30 June 2020 as compared to HK\$459 million for the corresponding period last year. It represented about 4.5% of the revenue for the six months ended 30 June 2020 and was increased as compared to that of 3.5% for the corresponding period last year due to the expansion in coverage in Southeast Asia market.

Finance Costs

The Group's total finance costs (including the interest on lease liabilities and amount capitalised) was HK\$167 million for the six months ended 30 June 2020 as compared to HK\$190 million for the corresponding period last year. The decrease was mainly due to the decrease in average interest rate on bank borrowings during the period.

Inventories, Debtors' and Creditors' Turnover

The inventory turnover of the Group's raw materials and finished products were 66 days and 16 days, respectively, for the six months ended 30 June 2020 as compared to 54 days and 10 days, respectively, for the year ended 31 December 2019.

The Group's debtors' turnover days were 47 days for the six months ended 30 June 2020 as compared to 39 days for the year ended 31 December 2019. This is in line with the credit terms granted by the Group to its customers.

The Group's creditors' turnover days were 34 days for the six months ended 30 June 2020 as compared to 27 days for the year ended 31 December 2019.

經營業績

截至2020年6月30日止6個月的收入及純利分別為110.71億港元及14.01億港元，而去年同期則分別為129.47億港元及16.80億港元。期內本公司擁有人應佔純利為13.36億港元，去年同期為16.80億港元。期內，每股盈利為30.68港仙，而去年同期為38.35港仙。

截至2020年6月30日止6個月的銷售收入及利潤均下跌乃預期之內，主要是受新型冠狀病毒疫情及中美緊張關係影響。

分銷及銷售費用

本集團截至2020年6月30日止6個月的分銷及銷售費用為3.08億港元，而去年同期為2.72億港元。截至2020年6月30日止6個月的分銷及銷售費用佔收入約2.8%，較去年同期的2.1%上升，乃因拓展東南亞市場所致。

日常及行政費用

本集團截至2020年6月30日止6個月的日常及行政費用為5.02億港元，而去年同期為4.59億港元。截至2020年6月30日止6個月的日常及行政費用佔收入約4.5%，較去年同期的3.5%上升，乃因拓展東南亞市場所致。

財務成本

本集團截至2020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1.67億港元，而去年同期為1.90億港元。成本下跌主要由於期內平均借貸利率下跌。

存貨、應收賬款及應付賬款周轉期

本集團於截至2020年6月30日止6個月的原料及製成品存貨周轉期分別為66日及16日，相比截至2019年12月31日止年度則分別為54日及10日。

本集團於截至2020年6月30日止6個月的應收賬款周轉期為47日，相比截至2019年12月31日止年度則為39日。此符合本集團給予客戶的信貸期。

本集團於截至2020年6月30日止6個月的應付賬款周轉期為34日，相比截至2019年12月31日止年度則為27日。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Liquidity, Financial Resources and Capital Structure

The total shareholders' fund of the Group as at 30 June 2020 was HK\$25,553 million (31 December 2019: HK\$26,083 million). As at 30 June 2020, the Group had current assets of HK\$11,898 million (31 December 2019: HK\$12,491 million) and current liabilities of HK\$9,139 million (31 December 2019: HK\$8,460 million). The current ratio was 1.30 as at 30 June 2020 as compared to 1.48 at 31 December 2019.

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 2020, the Group had outstanding bank borrowings of HK\$12,657 million (31 December 2019: HK\$12,336 million). These bank loans were secured by corporate guarantees provided by certain subsidiaries of the Company. As at 30 June 2020, the Group maintained bank balances and cash of HK\$2,237 million (31 December 2019: HK\$2,919 million). The Group's net debt-to-equity ratio (total borrowings net of cash and cash equivalents over shareholders' equity) increased from 0.36 as at 31 December 2019 to 0.41 as at 30 June 2020 as the result of the expansion in Southeast Asia.

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 and United States dollars. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the six months ended 30 June 2020. The Group has used currency structured instruments, foreign currency borrowings or other means to hedge its foreign currency exposure.

Employees

As at 30 June 2020, the Group had a workforce of more than 8,500 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2020年6月30日，本集團的股東資金總額為255.53億港元（2019年12月31日：260.83億港元）。於2020年6月30日，本集團的流動資產達118.98億港元（2019年12月31日：124.91億港元），而流動負債則為91.39億港元（2019年12月31日：84.60億港元）。於2020年6月30日的流動比率為1.30，而於2019年12月31日則為1.48。

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2020年6月30日，本集團的未償還銀行貸款為126.57億港元（2019年12月31日：123.36億港元）。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2020年6月30日，本集團持有銀行結餘及現金22.37億港元（2019年12月31日：29.19億港元）。由於擴充東南亞業務，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2019年12月31日的0.36上升至2020年6月30日的0.41。

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、人民幣及美元計值。截至2020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2020年6月30日，本集團擁有逾8,500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。

OTHER INFORMATION

其他資料

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

As at 30 June 2020, 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2020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	31.27%
Mr. Lee Man Bun 李文斌先生	Beneficial owner 實益擁有人	1,262,932,960	29.06%
Mr. Li King Wai Ross 李經緯先生	Held by spouse 由配偶持有	4,564,865	0.11%
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 2020.

除上文所披露外，於2020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。

OTHER INFORMATION

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 2020, 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2020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	29.06%
Dr. Lee Wan Keung Patrick 李運強博士	Beneficial owner 實益擁有人	507,342,000	11.67%
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	11.67%

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 2020.

除上文所披露外，本公司概無獲知會於2020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 2020, the Company repurchased a total of 20,166,000 shares of HK\$0.025 per share through the Stock Exchange at an aggregate consideration of approximately HK\$95,861,000 (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	
March 2020 2020年3月	20,166,000	5.09	4.28	95,861

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 2020.

買賣或贖回本公司上市證券

於截至2020年6月30日止6個月，本公司於聯交所購回合共20,166,000股每股0.025港元之普通股，總代價約為95,861,000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2020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。

OTHER INFORMATION

其他資料

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 2020. 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 2020.

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 2020.

On behalf of the Board

Lee Man Chun Raymond

Chairman

Hong Kong, 4 August 2020

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2020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2020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2020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，2020年8月4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