



理文造紙有限公司*

Lee & Man Paper Manufacturing Limited

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

(於開曼群島註冊成立之有限公司) 股份代號: 2314



INTERIM REPORT 中期報告

2016



* 僅供識別

* For identification purposes only

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CORPORATE INFORMATION

公司資料

Board of Directors

Executive director

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

Non-executive director

Professor Poon Chung Kwong *GBS JP*

Independent non-executive director

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(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
HSBC
DBS
Bank of China (Hong Kong)

In the PRC:

China Construction Bank
Bank of China
Agricultural Bank of China

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants

Principal Share Registrar And Transfer Office

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

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

Website

<http://www.leemanpaper.com>

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
中國農業銀行

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

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

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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 2016 截至2016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 2016 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2016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 2016

簡明綜合損益及其他全面收益表

截至2016年6月30日止6個月

		Six months ended 30 June 截至6月30日止6個月	
		2016 (unaudited) (未經審核) HK\$'000 千港元	2015 (unaudited) (未經審核) HK\$'000 千港元
		Notes 附註	
Revenue	收入	3	8,368,758
Cost of sales	銷售成本		(6,424,371)
Gross profit	毛利		1,944,387
Other income	其他收入		300,820
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		9,507
Distribution and selling expenses	分銷及銷售費用		(113,790)
General and administrative expenses	日常及行政費用		(408,203)
Finance costs	財務成本	4	(87,417)
Profit before tax	除稅前盈利		1,645,304
Income tax expense	利得稅支出	5	(214,874)
Profit for the period	期內盈利	6	1,430,430
Other comprehensive expense Item that may be reclassified subsequently to profit or loss:	其他全面開支 其後可能重新分類至損益 之項目：		
Exchange differences arising on translation of foreign operations	換算境外業務產生之 匯兌差額		(857,523)
Total comprehensive income for the period	期內總全面收益		572,907
			1,288,073
			(167,974)
			1,120,099
			(528,340)
			591,759

		Six months ended 30 June 截至6月30日止6個月	
		2016 (unaudited) (未經審核) HK\$'000 千港元	2015 (unaudited) (未經審核) HK\$'000 千港元
		Notes 附註	
Dividends:	股息：	7	
– Dividend paid	– 已付股息		348,750
– Interim dividend declared	– 宣派中期股息		391,527
			HK cents 港仙
Earnings per share	每股盈利	8	24.03

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30 June 2016 於2016年6月30日

		Notes 附註	30 June 2016 2016年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	31 December 2015 2015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	9	24,283,311	23,351,149
Prepaid lease payments	預付租賃款項		707,278	721,498
Deposits paid for acquisition of property, plant and equipment and land use rights	購置物業、廠房及設備及土地使用權所付訂金		257,175	388,860
Interest in a joint venture	合營企業權益	10	–	–
Loan to a joint venture	合營企業貸款	10	95,953	95,953
			25,343,717	24,557,460
Current assets	流動資產			
Inventories	存貨	11	2,838,014	3,092,018
Prepaid lease payments	預付租賃款項		14,850	17,486
Trade and other receivables	應收貿易及其他賬款	12	4,828,301	4,869,211
Amounts due from related companies	應收關連公司款項		23,627	19,879
Tax recoverable	可收回稅項		–	72,430
Derivative financial instruments	衍生金融工具		38	1,532
Margin deposits	保證金存款		7,188	10,391
Bank balances and cash	銀行結餘及現金		1,424,301	2,958,656
			9,136,319	11,041,603
Current liabilities	流動負債			
Trade and other payables	應付貿易及其他賬款	13	2,853,931	3,042,968
Amounts due to related companies	應付關連公司款項		5,434	3,852
Derivative financial instruments	衍生金融工具		3,656	14,824
Tax payable	應付稅項		111,804	136,881
Bank borrowings	銀行借貸		4,312,208	5,250,362
			7,287,033	8,448,887
NET CURRENT ASSETS	流動資產淨值		1,849,286	2,592,716
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		27,193,003	27,150,176
NON-CURRENT LIABILITIES	非流動負債			
Bank borrowings	銀行借貸		8,947,585	9,012,017
Deferred tax liabilities	遞延稅項負債		962,148	901,972
			9,909,733	9,913,989
			17,283,270	17,236,187
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	14	113,915	114,475
Reserves	儲備		17,169,355	17,121,712
			17,283,270	17,236,187

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2016 截至2016年6月30日止6個月

		Six months ended 30 June 截至6月30日止6個月	
		2016 (unaudited) (未經審核) HK\$'000 千港元	2015 (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	1,839,154	1,964,923
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	(1,851,010)	(1,069,728)
Payment for prepaid lease payments	預付租賃款項支出	(10,228)	-
Loan to a joint venture	合營企業貸款	-	(2,325)
Interest received	已收利息	12,159	5,108
Withdrawal of margin deposits	提取保證金存款	3,203	-
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	777	508
		(1,845,099)	(1,066,437)
Net cash used in financing activities	融資活動所用現金淨額		
Net repayment of bank borrowings	償還銀行貸款淨額	(1,002,586)	(1,063,078)
Dividends paid	已付股息	(432,950)	(348,750)
Payment on repurchase of shares	支付購回股份	(92,874)	(125,728)
		(1,528,410)	(1,537,556)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(1,534,355)	(639,070)
Cash and cash equivalents brought forward	現金及現金等價物承前結餘	2,958,656	2,032,567
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	1,424,301	1,393,497

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2016 截至2016年6月30日止6個月

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Translation reserve 匯兌儲備 HK\$'000 千港元	Capital contribution 資金貢獻 HK\$'000 千港元	Legal reserve 法定公積金 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元	Retained profits 留存盈利 HK\$'000 千港元	Total equity 權益總值 HK\$'000 千港元
At 1 January 2016	於2016年1月1日	114,475	3,565,525	1,212,253	12,552	97	(2,999)	(12,060)	12,346,344	17,236,187
Other comprehensive expense for the period	期內其他全面開支	-	-	(857,523)	-	-	-	-	-	(857,523)
Profit for the period	期內盈利	-	-	-	-	-	-	-	1,430,430	1,430,430
Total comprehensive (expense) income for the period	期內總全面(開支) 收益	-	-	(857,523)	-	-	-	-	1,430,430	572,907
Shares repurchased and cancelled	購回及註銷股份	(560)	(92,314)	-	-	-	-	-	-	(92,874)
Dividends recognised as distributions	確認為分派之股息	-	-	-	-	-	-	-	(432,950)	(432,950)
At 30 June 2016	於2016年6月30日	113,915	3,473,211	354,730	12,552	97	(2,999)	(12,060)	13,343,824	17,283,270
At 1 January 2015	於2015年1月1日	116,750	4,364,916	2,634,309	12,552	97	(2,999)	(12,060)	10,363,419	17,476,984
Other comprehensive expense for the period	期內其他全面開支	-	-	(528,340)	-	-	-	-	-	(528,340)
Profit for the period	期內盈利	-	-	-	-	-	-	-	1,120,099	1,120,099
Total comprehensive (expense) income for the period	期內總全面(開支) 收益	-	-	(528,340)	-	-	-	-	1,120,099	591,759
Shares repurchased and cancelled	購回及註銷股份	(761)	(124,967)	-	-	-	-	-	-	(125,728)
Dividends recognised as distributions	確認為分派之股息	-	-	-	-	-	-	-	(348,750)	(348,750)
At 30 June 2015	於2015年6月30日	115,989	4,239,949	2,105,969	12,552	97	(2,999)	(12,060)	11,134,768	17,594,265

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2016 截至2016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 on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

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.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2016 are the same as those followed in the preparation of the Group’s financial statements for the year ended 31 December 2015.

In the current interim period, the Group has applied, for the first time, certain amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and Interpretations issued by the HKICPA that are mandatorily effective for the current interim period.

The application of the amendments to HKFRSs and Interpretations in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

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。

除下文所述外，編製截至2016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2015年12月31日止年度財務報表所採用者一致。

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本中期期間強制生效的香港財務報告準則(「香港財務報告準則」)及詮釋的若干修訂。

於本中期期間應用該等香港財務報告準則及詮釋的修訂對此等簡明綜合財務報表所呈報之金額及／或所載披露資料並無重大影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2016 截至2016年6月30日止6個月

3. Revenue and Segment Information

Segment revenues and results

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

Six months ended 30 June 2016

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2016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	7,825,479	131,145	412,134	8,368,758	-	8,368,758
Inter-segment sales	分部之間銷售	-	142,284	-	142,284	(142,284)	-
		7,825,479	273,429	412,134	8,511,042	(142,284)	8,368,758
SEGMENT PROFIT	分部盈利	1,640,021	10,782	52,204	1,703,007	-	1,703,007
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						9,507
Unallocated income	未分類之收入						48,728
Unallocated expenses	未分類之支出						(28,521)
Finance costs	財務成本						(87,417)
Profit before tax	除稅前盈利						1,645,304

3. Revenue and Segment Information (Continued)

Segment revenues and results (Continued)

Six months ended 30 June 2015

		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	8,264,004	346,022	85,402	8,695,428	-	8,695,428
Inter-segment sales	分部之間銷售	-	82,908	-	82,908	(82,908)	-
		8,264,004	428,930	85,402	8,778,336	(82,908)	8,695,428
SEGMENT PROFIT	分部盈利	1,338,151	36,777	15,716	1,390,644	-	1,390,644
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						25,332
Unallocated income	未分類之收入						5,108
Unallocated expenses	未分類之支出						(61,914)
Finance costs	財務成本						(71,097)
Profit before tax	除稅前盈利						1,288,073

3. 收入及分部資料(續)

分部收入及業績(續)

截至2015年6月30日止6個月

4. Finance Costs

4. 財務成本

Six months ended 30 June

截至6月30日止6個月

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Interest on bank borrowings	銀行借貸利息	159,199	151,630
Less: amounts capitalised to property, plant and equipment	減去：物業、廠房及 設備之資本化金額	(71,782)	(80,533)
		87,417	71,097

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2016 截至2016年6月30日止6個月

5. Income Tax Expense

5. 利得稅支出

		Six months ended 30 June 截至6月30日止6個月	
		2016 HK\$'000 千港元	2015 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」)	153,287	102,245
Under(over)provision in previous year	去年不足(超額)撥備		
– The PRC EIT	– 中國企業所得稅	1,411	(206)
Deferred tax	遞延稅項		
– Charge to profit or loss	– 計入損益	60,176	65,935
		214,874	167,974

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.

PRC

The Group's subsidiaries in the PRC are subject to corporate income tax at the rate of 25% except that five (2015: five) of these subsidiaries are entitled to preferential rate of 15% for the Group's financial year ending 31 December 2016.

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%，而其中五間(2015年：五間)附屬公司於本集團截至2016年12月31日止財政年度享有減免企業所得稅稅率15%。

5. Income Tax Expense (Continued)

Hong Kong

During the year ended 31 March 2010, the Hong Kong Inland Revenue Department (“IRD”) commenced a field audit on the Hong Kong tax affairs of certain subsidiaries of the Company, mainly on their source of profits. Since then the IRD has issued protective profits tax assessments against these subsidiaries in the aggregate amount of HK\$374,385,000 for the years of assessment from 2003/2004 to 2008/2009 (i.e. the six financial years ended 31 March 2009). The Group lodged objections with the IRD and the IRD agreed to holdover the tax claimed on the basis that the tax reserve certificates at certain amounts were purchased. As at 31 December 2015, tax reserve certificates of HK\$72,430,000 have been purchased by the Group.

It was the opinion of the directors that those subsidiaries had not conducted any sales or manufacturing activities in Hong Kong and no Hong Kong Profits Tax should therefore be payable. However, having considered the different opinion of the IRD on such controversial issue, and in order to avoid a further protracted exchange of correspondences, which may not be the best interest from the commercial perspective, the directors decided to take a compromised settlement approach to resolve the case.

Against this background and following a series of subsequent negotiations with the IRD, a compromised settlement was reached with the IRD in December 2015 at a sum of HK\$74,600,000 as a full and final settlement of the whole case for the year of assessment 2003/04 to 2014/2015. This sum payable has been charged to the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2015.

After offsetting the tax reserve certificates of HK\$72,430,000 previously purchased, an additional amount of HK\$2,170,000 was paid in January 2016.

5. 利得稅支出(續)

香港

於截至2010年3月31日止年度，香港稅務局(「稅務局」)展開關於本公司若干附屬公司香港稅務事宜的實地審計(主要是其盈利來源)。其後，稅務局就2003/2004至2008/2009之課稅年度(即截至2009年3月31日止六個財政年度)，向該等附屬公司發出保障性利得稅評稅合共金額374,385,000港元。附屬公司向稅務局提出反對及稅務局在附屬公司購買一定金額的儲稅券的基礎上同意緩繳稅項。於2015年12月31日，該等附屬公司已購買72,430,000港元之儲稅券。

董事認為，該等附屬公司未有在香港進行銷售或生產業務，因此並不存在應繳香港利得稅。然而，考慮到稅務局在此爭議問題上持有不同意見，為免進一步拖長書信往來，此並非在商業角度上的最佳利益，董事決定採取妥協性付款了結此案。

在此前提下及隨後與稅務局一連串談判後，於2015年12月與稅務局達成共識，以74,600,000港元數額的妥協性付款作為就2003/2004至2014/2015之課稅年度整個案件之完全及最終結案。此金額已計入截至2015年12月31日止年度之綜合損益及其他全面收益表內。

與之前已購買之72,430,000港元儲稅券相抵後，餘數2,170,000港元已於2016年1月支付。

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For the six months ended 30 June 2016 截至2016年6月30日止6個月

5. 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 maximum rate of 22%. No provision for Vietnam Corporate Income Tax has been made for both periods as the Vietnam subsidiaries incurred losses for both periods.

Other

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

5. 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

越南附屬公司須按不多於22%稅率繳納越南企業所得稅。由於越南附屬公司於兩個期間均錄得虧損，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。

6. Profit for the Period

6. 期內盈利

		Six months ended 30 June 截至6月30日止6個月	
		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Profit for the period has been arrived at after charging:	期內盈利經扣除：		
Directors' emoluments	董事酬金	18,800	18,797
Staff salaries and other benefits, excluding those of directors	員工薪金及其他福利， 不包括董事	429,552	381,878
Contributions to retirement benefit schemes, excluding those of directors	退休福利計劃供款， 不包括董事	23,768	30,800
Total employee benefit expense	僱員福利開支總額	472,120	431,475
Cost of inventories recognised as expense	存貨成本確認為費用	6,424,371	6,901,649
Amortisation of prepaid lease payments	預付租賃款項攤銷	6,874	6,404
Depreciation of property, plant and equipment	物業、廠房及設備折舊	464,596	411,447
Total depreciation and amortisation	折舊及攤銷總額	471,470	417,851
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	21,441	668
Net foreign exchange loss	淨滙兌虧損	-	55,744
Operating lease rentals in respect of land and buildings	土地及樓宇的經營租賃租金	5,850	4,747
and after crediting (in other income):	並已計入(其他收入)：		
Income from supply of steam and electricity	供應蒸氣及電力收入	34,054	34,148
Income from wharf cargo handling	經營碼頭貨運收入	27,453	31,704
Interest income from banks	銀行利息收入	12,159	5,108
Net exchange gain	淨滙兌收益	36,569	-
Value added tax and other tax refund	增值稅退款及其他退稅	157,527	9,015

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簡明綜合財務報表附註

For the six months ended 30 June 2016 截至2016年6月30日止6個月

7. Dividends

A final dividend of HK\$0.095 per share was paid in respect of the year ended 31 December 2015 (2015: a final dividend of HK\$0.075 per share were paid for the year ended 31 December 2014) to shareholders during the current period.

The directors determined that an interim dividend of HK\$0.110 (2015: HK\$0.085) per share should be paid to the shareholders of the Company whose names appear on the Register of Members on 17 August 2016.

8. Earnings Per Share

The calculation of earnings per share attributable to the owners of the Company is based on the following data:

7. 股息

期內已派發截至2015年12月31日止年度每股0.095港元之末期股息(2015：派發截至2014年12月31日止年度每股0.075港元之末期股息)給予股東。

董事議決派發每股0.110港元(2015：0.085港元)之中期股息給予在2016年8月17日名列於股東名冊內之本公司股東。

8. 每股盈利

本公司擁有人的每股盈利乃以下列數據為基準計算：

		Six months ended 30 June 截至6月30日止6個月	
		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Earnings for the purpose of earnings per share	用以計算每股盈利之盈利	1,430,430	1,120,099
		Number of shares 股份數量	Number of shares 股份數量
Weighted average number of ordinary shares for the purpose of earnings per share	用以計算每股盈利的普通股加權平均數	4,561,052,066	4,661,381,215

9. Additions to Property, Plant and Equipment

During the period, there were additions of HK\$2,037 million (2015: HK\$929 million) to property, plant and equipment to expand its operations.

9. 添置物業、廠房及設備

期內，添置物業、廠房及設備20.37億港元（2015：9.29億港元），以拓展業務。

10. Interest in a Joint Venture

10. 合營企業權益

		30 June 2016 2016年 6月30日 HK\$'000 千港元	31 December 2015 2015年 12月31日 HK\$'000 千港元
Cost of an unlisted investment in a joint venture	於合營企業之未上市投資成本	-	-
Share of profit and other comprehensive income	應佔盈利及其他全面收益	-	-
		-	-
Loan to a joint venture (note ii)	合營企業貸款(附註ii)	95,953	95,953

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簡明綜合財務報表附註

For the six months ended 30 June 2016 截至2016年6月30日止6個月

10. Interest in a Joint Venture (Continued)

notes:

- (i) Details of the Group's joint venture and its subsidiary at 30 June 2016 are as follows:

Name of joint venture and its subsidiary 合營企業及其附屬公司名稱	Form of entity ventures 合營運作個體之形式	Place of incorporation and operations 成立及營運地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本	Proportion of issued and fully paid up capital held by the Group 本集團持有已發行及繳足股本比例		Principal Activity 主要業務
				Directly 直接	Indirectly 間接	
Joint Venture: 合營企業：						
Southern Hill Company Limited 南峰有限公司	Limited incorporated 有限公司成立	Hong Kong 香港	Ordinary shares – HK\$2 普通股 – 2港元	50%	–	Investment holding 投資控股
Its wholly-owned subsidiary: 其全資擁有附屬公司：						
瑞昌理文物流有限公司 (Ruichang Lee & Man Logistics Company Limited)	Limited incorporated 有限公司成立	PRC 中國	Registered capital – US\$12,000,000 註冊資本 – 12,000,000美元	–	50%	Provision of port facilities 提供港口設施

- (ii) The loan is provided to the joint venture in form of a shareholder's loan and it forms part of the net investment in the joint venture. The amount is unsecured, interest-free and no fixed repayment term but the settlement is neither planned nor likely to occur in the foreseeable future.

10. 合營企業權益(續)

附註：

- (i) 於2016年6月30日本集團之合營企業及其附屬公司詳情如下：

- (ii) 合營企業貸款以股東借款形式提供及成為合營企業淨投資的一部分。該數額乃無抵押、免息及無固定還款期，惟其償付是既無計劃，也未必可能在可預見的將來發生。

11. Inventories

11. 存貨

		30 June 2016 2016年 6月30日 HK\$'000 千港元	31 December 2015 2015年 12月31日 HK\$'000 千港元
Raw materials	原料	2,204,785	2,514,337
Finished goods	製成品	633,229	577,681
		2,838,014	3,092,018

12. Trade and Other Receivables

12. 應收貿易及其他賬款

		30 June 2016 2016年 6月30日 HK\$'000 千港元	31 December 2015 2015年 12月31日 HK\$'000 千港元
Trade receivables	應收貿易賬款	2,431,419	2,424,333
Less: allowance for doubtful debt	減：呆壞賬撥備	(5,476)	(5,476)
		2,425,943	2,418,857
Bills receivables	應收票據	932,797	1,104,250
		3,358,740	3,523,107
Prepayments and deposits for purchase of raw materials	購買原料預付款項及訂金	708,529	613,687
Other deposits and prepayments	其他訂金及預付款項	107,894	67,040
Value added tax receivables	應收增值稅款項	347,522	442,930
Other receivables	其他應收款項	305,616	222,447
		4,828,301	4,869,211

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For the six months ended 30 June 2016 截至2016年6月30日止6個月

12. Trade and Other Receivables (Continued)

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, which approximated the respective revenue recognition dates.

12. 應收貿易及其他賬款(續)

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(相若各自的收入確認日期)呈列之應收貿易及票據賬款的賬齡分析。

		30 June 2016 2016年 6月30日 HK\$'000 千港元	31 December 2015 2015年 12月31日 HK\$'000 千港元
Aged:	賬齡：		
Not exceeding 30 days	不超過30日	2,274,615	2,602,159
31-60 days	31-60日	743,585	709,137
61-90 days	61-90日	168,598	148,794
91-120 days	91-120日	29,804	12,497
Over 120 days	120日以上	142,138	50,520
		3,358,740	3,523,107

13. Trade and Other Payables

13. 應付貿易及其他賬款

		30 June 2016 2016年 6月30日 HK\$'000 千港元	31 December 2015 2015年 12月31日 HK\$'000 千港元
Trade and bills payables	應付貿易及票據賬款	2,076,365	2,251,351
Construction fee payable	應付工程款	364,814	382,721
Accruals	應計費用	151,849	125,152
Receipt in advance	預收款項	89,579	99,686
Other payables	其他應付款項	171,324	184,058
		2,853,931	3,042,968

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 2016 2016年 6月30日 HK\$'000 千港元	31 December 2015 2015年 12月31日 HK\$'000 千港元
Aged:	賬齡：		
Not exceeding 30 days	不超過30日	851,331	837,045
31–60 days	31–60日	371,155	512,816
61–90 days	61–90日	409,931	468,990
91–120 days	91–120日	415,500	409,687
Over 120 days	120日以上	28,448	22,813
		2,076,365	2,251,351

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簡明綜合財務報表附註

For the six months ended 30 June 2016 截至2016年6月30日止6個月

14. Share Capital

14. 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 2015, 31 December 2015 and 30 June 2016	於2015年1月1日， 2015年12月31日及 2016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 2015	於2015年1月1日每股0.025 港元的普通股	4,670,000,000	116,750
Shares repurchased and cancelled	股份購回及註銷	(91,000,000)	(2,275)
Ordinary shares of HK\$0.025 each at 31 December 2015	於2015年12月31日每股0.025 港元的普通股	4,579,000,000	114,475
Shares repurchased and cancelled	股份購回及註銷	(22,401,000)	(560)
Ordinary shares of HK\$0.025 each at 30 June 2016	於2016年6月30日每股0.025 港元的普通股	4,556,599,000	113,915

15. Operating Leases

The Group as lessee

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

		30 June 2016 2016年 6月30日 HK\$'000 千港元	31 December 2015 2015年 12月31日 HK\$'000 千港元
Within one year	1年內	9,930	5,658
In the second to fifth year inclusive	第2至第5年內	11,770	5,406
Over five years	超過5年	4	92
		21,704	11,156

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 2016 2016年 6月30日 HK\$'000 千港元	31 December 2015 2015年 12月31日 HK\$'000 千港元
Within one year	1年內	4,883	5,108
In the second to fifth year inclusive	第2至第5年內	3,915	6,624
		8,798	11,732

15. 經營租約

集團作為承租人

於報告期末，本集團根據不可撤銷的土地及樓宇經營租約於日後應付的最低租金如下：

集團作為出租人

於報告期末，本集團已與租戶簽訂於日後應付的最低租金：

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16. Capital Commitments

16. 資本承擔

		30 June 2016 2016年 6月30日 HK\$'000 千港元	31 December 2015 2015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	2,695,000	2,568,754
– land use rights	– 土地使用權	218,340	180,981
		2,913,340	2,749,735

17. 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:

17. 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：

		Six months ended 30 June 截至6月30日止6個月	
Name of parties 關連人士名稱	Nature of transactions 交易性質	2016 HK\$'000 千港元	2015 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	42,301	33,562
	Electricity and steam fee received by the Group 集團已收電力及蒸氣費用	1,361	1,320
	Raw materials and other materials purchased by the Group 集團購買原料及其他材料	819	967
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	997	898

17. Related and Connected Party Disclosures

(Continued)

17. 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	
		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Jiangsu Lee & Man Chemical Limited (note ii) 江蘇理文化工有限公司(附註ii)	Electricity and steam fee received by the Group 集團已收電力及蒸氣費用	31,741	35,682
	Raw materials purchased by the Group 集團購買原料	7,023	6,788
	Rental income 租金收入	902	949
Jiangxi Lee & Man Chemical Limited (note ii) 江西理文化工有限公司(附註ii)	Electricity and steam fee paid by the Group 集團已付發電及蒸氣服務費	18,183	17,931
	Prepaid lease payments disposed of by the Group 集團出售預付租賃款項	–	8,340
	Rental fee paid by the Group 集團已付租金	659	728

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 Mr Lee Wan Keung Patrick, the ultimate controlling shareholder of the Company.
- (ii) These companies are beneficially owned and controlled by Mr Lee Wan Keung Patrick, the ultimate controlling shareholder of the Company.

附註：

- (i) 該等公司為本公司董事李經緯先生之配偶，其亦為本公司最終控股股東李運強先生之女兒間接全資擁有。
- (ii) 該等公司為本公司最終控股股東李運強先生實益擁有及控制。

18. Review of Interim Accounts

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

18. 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\$0.110 (2015: HK\$0.085) per share for the six months ended 30 June 2016 to shareholders whose names appear on the Register of Members on 17 August 2016. It is expected that the interim dividend will be paid around 25 August 2016.

Closure of Register of Members

The Register of Members will be closed from 15 August 2016 to 17 August 2016, 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 22 Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 pm on 12 August 2016.

中期股息

董事會議決宣派截至2016年6月30日止6個月之中期股息每股0.110港元(2015: 0.085港元)予2016年8月17日名列於股東名冊內之股東。預期中期股息將於2016年8月25日派付予股東。

暫停辦理股份過戶登記

本公司將於2016年8月15日至2016年8月17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2016年8月12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22樓,以辦理登記手續。

BUSINESS REVIEW AND OUTLOOK

業務回顧及展望

Business Review and Outlook

To expand the scope of its business, the Group has entered the tissue paper market and is producing and selling in the market its own “Hanky” brand tissue paper. Currently, the Group has in full operation four tissue paper production lines of output volume totaling 135,000 tons in Chongqing. Another four new production lines that afford a total production capacity of 220,000 tons also in Chongqing and four other production lines – two in Jiangxi and two in Guangdong – capable of 220,000 tons of output will commence production in the second half of this year and before the end of 2017 respectively. After all the production lines are in operation, the Group’s annual production capacity for tissue paper will reach 575,000 tons and will be able to claim its place among the top five tissue paper manufacturers in mainland China. Tissue paper business is expected to contribute more profit to the Group and become a new growth driver of the Group.

Apart from starting to produce tissue paper, the Group will also venture into the overseas packaging paper market and invest in building paper factories overseas to match its plan to extend business coverage to Southeast Asian markets. The paper production project in Hau Giang, Vietnam – with an annual production capacity of 400,000 tons – is expected to begin operation in the fourth quarter of 2016. Furthermore, the Group may add packaging paper production capacity of about 400,000 tons in China in the future.

業務回顧及展望

本集團為了拓展業務範疇，已進軍衛生紙市場，生產及推出自家品牌亨奇衛生紙。現時本集團於重慶設有4台共13.5萬噸之衛生紙生產線已全面投產，另外於重慶新增的4台共22萬噸產能生產線，以及於江西和廣東兩地各2台共22萬噸產能生產線也將於今年下半年及2017年底前相繼投產。投產後，本集團衛生紙產量將達57.5萬噸，晉身為內地衛生紙行業五大生產商之一。預期未來衛生紙業務將為本集團作進一步貢獻，成為新的增長亮點。

除衛生紙業務外，本集團將進軍海外包裝紙市場，於國外投資興建造紙廠以配合拓展東南亞市場，越南后江省年產能40萬噸之造紙機項目預計將於2016年第四季投產。此外，本集團未來可能在中國再增加約40萬噸產能之包裝紙生產線。

BUSINESS REVIEW AND OUTLOOK

業務回顧及展望

To address the overcapacity problem and environmental issues of the paper industry, the PRC Government has stepped up ousting obsolete production capacities to gradually correct the excessive supply situation, and that has boosted the bargaining power of industry players. Although paper consumption per capita in China has been increasing year after year, it is still way behind that of developed countries. Hence, it is obvious that the market still has plenty of room to develop in the future. Latest trends like e-commerce and online shopping have not only completely changed the market and consumption mode, but have also brought boundless business opportunities to the packaging industry. With the demand for packaging paper in China expected to grow steadily in the long run, the Group is confident about the outlook of the paper industry.

Adhering to its long-held prudent strategies and with debts maintained at a reasonable level, the Group will, heeding the pace of economic development, continue to bolster the output capacity of its existing industrial parks and develop new industrial parks. The management will continue to strictly control costs and strengthen capital operation so as to maintain the Group's competitiveness in the paper industry. The experienced and outstanding management team of the Group will continue to lead the Group and exert its best in raising the Group's profitability.

為解決造紙業產能過剩及環保問題，中國政府正採取更積極的手段淘汰落後產能，令造紙業供過於求的情況逐步改善，業界議價能力大大提升。儘管中國的人均用紙量連年增加，但與發達國家仍然有頗大的距離，因此可以預見，未來市場的發展空間仍然龐大。電子商務和網購的新趨勢，不但徹底顛覆市場消費模式，也為包裝行業帶來無限商機。長遠而言，中國對包裝用紙的需求仍會保持增長。本集團對造紙業未來抱有信心。

按照本集團貫徹之穩健策略，在合理負債水平情況下，本集團會隨著經濟發展步伐在現有工業園增加產能以及開拓新工業園。管理層會繼續努力，嚴控成本及加強資本良好運作，保持本集團在現今造紙行業之市場競爭力。本集團業務將繼續由經驗豐富及能力出眾的管理團隊帶領，務求將本集團之盈利能力更進一步提升。

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 2016 was HK\$8,369 million and HK\$1,430 million respectively and that for the corresponding period last year was HK\$8,695 million and HK\$1,120 million respectively. The earnings per share for the period was HK31.36 cents as compared to HK24.03 cents for the corresponding period last year.

Benefitting from factories being shutdown in Dongguan, which reduced overcapacity, falling fuel and raw material prices, and refund policies for value-added taxes, the Group achieving a notable increase in overall profitability for the six months ended 30 June 2016.

Distribution and Selling Expenses

The Group's distribution and selling expenses was HK\$114 million for the six months ended 30 June 2016 as compared to HK\$166 million for the six months ended 30 June 2015. It represented about 1.4% of the revenue for the six months ended 30 June 2016, and was decreased as compared to that of 1.9% for the corresponding period last year. This was mainly due to more customers were to pick up the finished goods by themselves instead of delivery by the Group.

General and Administrative Expenses

The Group's general and administrative expenses was HK\$408 million for the six months ended 30 June 2016 as compared to HK\$417 million for the six months ended 30 June 2015. It represented about 4.9 % of the revenue for the six months ended 30 June 2016, and was comparable to the corresponding period last year.

Finance Costs

The Group's total borrowing costs (including the amounts capitalised) increased by approximately 5.0% from HK\$152 million for the six months ended 30 June 2015 to HK\$159 million for the six months ended 30 June 2016. The increase was mainly due to the increase in average amount of outstanding bank borrowings during the period.

經營業績

截至2016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83.69億港元及14.30億港元，而去年同期則分別為86.95億港元及11.20億港元。期內，每股盈利為31.36港仙，而去年同期為24.03港仙。

受惠於東莞工廠關閉減低了產能過剩、燃煤及原材料價格下跌、以及增值稅退稅政策，本集團在截至2016年6月30日止6個月整體盈利錄得顯著增長。

分銷及銷售費用

本集團截至2016年6月30日止6個月的分銷及銷售費用為1.14億港元，而截至2015年6月30日止6個月為1.66億港元。截至2016年6月30日止6個月的分銷及銷售費用佔收入約1.4%，較去年同期的1.9%減少，主要是由於增加了客戶以自提成品取代了由本集團送貨。

日常及行政費用

本集團截至2016年6月30日止6個月的日常及行政費用為4.08億港元，而截至2015年6月30日止6個月為4.17億港元。截至2016年6月30日止6個月的行政費用佔收入約4.9%，與去年同期相若。

財務成本

本集團的總借貸成本(包括資本化金額)由截至2015年6月30日止6個月的1.52億港元上升約5.0%至2016年6月30日止6個月的1.59億港元。成本增加主要由於期內平均未償還銀行貸款增加所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Inventories, Debtors' and Creditors' Turnover

The inventory turnover of the Group's raw materials and finished products were 72 days and 11 days, respectively, for the six months ended 30 June 2016 as compared to 78 days and 12 days, respectively, for the year ended 31 December 2015. The improved inventory turnover days was due to the reduced raw material costs and the reduction of stock up period.

The Group's debtors' turnover days were 53 days for the six months ended 30 June 2016 as compared to 50 days for the year ended 31 December 2015. 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 70 days for both six months ended 30 June 2016 and for the year ended 31 December 2015 and is in line with the credit terms granted by the Group's suppliers.

Liquidity, Financial Resources and Capital Structure

The total shareholders' fund of the Group as at 30 June 2016 was HK\$17,283 million (31 December 2015: HK\$17,236 million). As at 30 June 2016, the Group had current assets of HK\$9,136 million (31 December 2015: HK\$11,042 million) and current liabilities of HK\$7,287 million (31 December 2015: HK\$8,449 million). The current ratio was 1.25 as at 30 June 2016 as compared to 1.31 at 31 December 2015.

The Group generally finances its operations with internally generated cashflow and credit facilities provided by its principal bankers in Hong Kong, Macau and the PRC. As at 30 June 2016, the Group had outstanding bank borrowings of HK\$13,260 million (31 December 2015: HK\$14,262 million). These bank loans were secured by corporate guarantees provided by certain subsidiaries of the Company. As at 30 June 2016, the Group maintained bank balances and cash of HK\$1,424 million (31 December 2015: HK\$2,959 million). The Group's net debt-to-equity ratio (total borrowings net of cash and cash equivalents over shareholders' equity) increased from 0.66 as at 31 December 2015 to 0.68 as at 30 June 2016. If excluded the decrease of translation reserve of HK\$858 million as a result of Renminbi depreciation, the net debt-to-equity ratio should have been 0.65.

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

存貨、應收賬款及應付賬款周轉期

本集團於截至2016年6月30日止6個月的原料及製成品存貨周轉期分別為72日及11日，相比截至2015年12月31日止年度則分別為78日及12日。存貨周轉期改善主要由於原材料成本及存倉期下降。

本集團於截至2016年6月30日止6個月的應收賬款周轉期為53日，相比截至2015年12月31日止年度則為50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2016年6月30日止6個月及截至2015年12月31日止年度的應付賬款周轉期均為70日。此符合供應商給予本集團的信貸期。

流動資金、財務資源及資本結構

於2016年6月30日，本集團的股東資金總額為172.83億港元(2015年12月31日：172.36億港元)。於2016年6月30日，本集團的流動資產達91.36億港元(2015年12月31日：110.42億港元)，而流動負債則為72.87億港元(2015年12月31日：84.49億港元)。於2016年6月30日的流動比率為1.25，而於2015年12月31日則為1.31。

本集團一般以內部產生的現金流量，以及中港澳主要往來銀行提供的信貸備用額作為業務的營運資金。於2016年6月30日，本集團的未償還銀行貸款為132.60億港元(2015年12月31日：142.62億港元)。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2016年6月30日，本集團持有銀行結餘及現金14.24億港元(2015年12月31日：29.59億港元)。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2015年12月31日的0.66上升至2016年6月30日的0.68。若撇除因人民幣貶值產生之匯兌儲備減少8.58億港元，淨資本負債比率則為0.65。

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。

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 2016. The Group has used currency structured instruments, foreign currency borrowings or other means to hedge its foreign currency exposure.

Employees

As at 30 June 2016, the Group had a workforce of more than 6,300 employees. Salaries of employees are maintained at a competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. The Group also provides internal training to staff and provides bonuses based upon staff performance and profits of the 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.

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2016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2016年6月30日，本集團擁有逾6,300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

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 ultimate controlling shareholder, Mr 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 43% of its total raw materials through these buying agents for the first six months ended 30 June 2016 (42% for corresponding period in 2015). The commission paid to these buying agents amounted to HK\$89.7 million and HK\$39.9 million for the full year ended 31 December 2015 and the six months ended 30 June 2016 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由本公司最終控股股東李運強先生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2016年6月30日止首6個月，本集團透過採購代理採購佔其原材料總額的43%（2015年同期為42%）。支付予該等採購代理之佣金於截至2015年12月31日止全年及截至2016年6月30日止6個月分別為89.7百萬港元及39.9百萬港元。

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 2016, 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 of Hong Kong Limited (the "Stock Exchange") were as follows:

Long positions

(a) Ordinary shares of HK\$0.025 each of the Company

Name of director 董事姓名	Capacity 身份	Number of ordinary shares 普通股數目	Percentage of the issued share capital of the Company 佔本公司已 發行股本百分比
Lee Man Chun Raymond 李文俊	Beneficial owner 實益擁有人	280,000,000	6.14%
Lee Man Bun 李文斌	Beneficial owner 實益擁有人	296,150,000	6.50%
	Held by controlled corporation (note) 由受控制法團持有(附註)	11,000,000	0.24%
Li King Wai Ross 李經緯	Held by spouse 由配偶持有	2,867,477	0.06%
Poon Chung Kwong 潘宗光	Beneficial owner 實益擁有人	286,000	0.01%

note:

These shares were held by Sure Expert Investments Limited ("Sure Expert"). Sure Expert is a controlled corporation of Mr Lee Man Bun under the SFO. The entire issued share capital of Sure Expert is owned by Mr Lee Man Bun, who is also a director of Sure Expert.

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 2016.

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2016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」)已知會香港聯合交易所有限公司(「聯交所」)的權益如下：

好倉

(a) 本公司每股0.025港元的普通股

附註：

該等股份由 Sure Expert Investments Limited (「Sure Expert」)持有。根據證券及期貨條例，Sure Expert 為李文斌先生之受控制法團。Sure Expert 的全部已發行股本由李文斌先生持有。李文斌先生亦為 Sure Expert 之董事。

除上文所披露外，於2016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 2016, 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2016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
Gold Best Holdings Ltd	Beneficial owner 實益擁有人	2,536,710,000	55.67%
Lee Wan Keung Patrick 李運強	Held by controlled corporation (note i) 由受控制法團持有(附註i)	2,536,710,000	55.67%
Lee Wong Wai Kuen 李黃惠娟	Held by spouse (note ii) 由配偶持有(附註ii)	2,536,710,000	55.67%
Sure Expert	Beneficial owner 實益擁有人	11,000,000	0.24%

notes:

- (i) Gold Best Holdings Ltd ("Gold Best") is wholly owned by Mr Lee Wan Keung Patrick.
- (ii) Under the SFO, Lee Wong Wai Kuen is deemed to be interested in these 2,536,710,000 ordinary shares as she is the spouse of Lee Wan Keung Patrick, the beneficial owner of Gold Best.

附註：

- (i) Gold Best Holdings Ltd(「Gold Best」)由李運強先生全資擁有。
- (ii) 根據證券及期貨條例，由於李黃惠娟是李運強(Gold Best實益擁有人)的配偶，故被視為擁有該2,536,710,000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 2016.

除上文所披露外，本公司概無獲知會於2016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 2016, the Company repurchased a total of 22,401,000 shares of HK\$0.025 per share through the Stock Exchange at an aggregate consideration of approximately HK\$92,874,000 (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 expenses) 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 2016 2016年1月	20,951,000	4.20	3.92	85,618
March 2016 2016年3月	680,000	5.00	4.97	3,399
May 2016 2016年5月	770,000	5.00	4.97	3,857
	22,401,000			92,874

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 2016.

買賣或贖回本公司上市證券

於截至2016年6月30日止6個月，本公司於聯交所回購合共22,401,000股每股0.025港元之普通股，總代價約為92,874,000港元(含交易成本)。所有回購股份已在期內被註銷。於期內購回股份之詳情如下：

董事相信，回購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2016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 2016. 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 2016

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 2016.

On behalf of the Board

Lee Man Chun Raymond

Chairman

Hong Kong, 1 August 2016

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2016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2016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2016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，2016年8月1日

