



ZHENGYE
INTERNATIONAL

正業國際控股有限公司

ZHENGYE INTERNATIONAL HOLDINGS COMPANY LIMITED

Incorporated in Bermuda with limited liability
於百慕達註冊成立的有限公司

Stock Code 股份代號 : 3363.HK

www.zhengye-cn.com



2019

INTERIM REPORT
中期報告

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造紙業務

中山

PaPer Business Zhongshan



包裝事業部

中山、珠海、武漢、鄭州、石家莊

Packaging Business Zhongshan, Zhuhai, Wuhan, Zhengzhou, shijiazhuang

Corporate Information

公司資料

Board of Directors

Executive Directors

Mr. Hu Zheng (*chairman*)
Mr. Hu Hancheng (*co-chairman*)
Mr. Hu Hanchao

Non-Executive Director

Mr. Chen Riyue
(appointed on 31 May 2019)
Mr. Hu Hanxiang
(retired on 31 May 2019)

Independent Non-Executive Directors

Mr. Chung Kwok Mo John
Mr. Liew Fui Kiang
(appointed on 31 May 2019)
Mr. Shin Yick Fabian
(appointed on 31 May 2019)
Mr. Wu Youjun
(retired on 31 May 2019)
Prof. Zhu Hongwei
(retired on 31 May 2019)

Chief Executive Officer

Mr. Hu Jianpeng

Company Secretary

Mr. Kersen Chan

Audit Committee

Mr. Chung Kwok Mo John (*chairman*)
Mr. Liew Fui Kiang
(appointed on 31 May 2019)
Mr. Shin Yick Fabian
(appointed on 31 May 2019)
Mr. Wu Youjun
(retired on 31 May 2019)
Prof. Zhu Hongwei
(retired on 31 May 2019)

董事會

執行董事

胡正先生(*董事長*)
胡漢程先生(*聯席董事長*)
胡漢朝先生

非執行董事

陳日月先生
(於二零一九年五月三十一日委任)
胡漢祥先生
(於二零一九年五月三十一日退任)

獨立非執行董事

鍾國武先生
劉懷鏡先生
(於二零一九年五月三十一日委任)
冼易先生
(於二零一九年五月三十一日委任)
吳友俊先生
(於二零一九年五月三十一日退任)
朱宏偉教授
(於二零一九年五月三十一日退任)

行政總裁

胡健鵬先生

公司秘書

陳鉅升先生

審核委員會

鍾國武先生(*主席*)
劉懷鏡先生
(於二零一九年五月三十一日委任)
冼易先生
(於二零一九年五月三十一日委任)
吳友俊先生
(於二零一九年五月三十一日退任)
朱宏偉教授
(於二零一九年五月三十一日退任)

Corporate Information

公司資料

Remuneration Committee

Mr. Shin Yick Fabian (*chairman*)

(appointed on 31 May 2019)

Mr. Chung Kwok Mo John

Mr. Hu Zheng

Mr. Liew Fui Kiang

(appointed on 31 May 2019)

Mr. Wu Youjun

(retired on 31 May 2019)

Prof. Zhu Hongwei

(retired on 31 May 2019)

Nomination Committee

Mr. Hu Zheng (*chairman*)

Mr. Chung Kwok Mo John

Mr. Liew Fui Kiang

(appointed on 31 May 2019)

Mr. Shin Yick Fabian

(appointed on 31 May 2019)

Mr. Wu Youjun

(retired on 31 May 2019)

Prof. Zhu Hongwei

(retired on 31 May 2019)

Risk Management Committee

Mr. Liew Fui Kiang (*chairman*)

(appointed on 31 May 2019)

Mr. Chung Kwok Mo John

Mr. Hu Zheng

Mr. Shin Yick Fabian

(appointed on 31 May 2019)

Mr. Wu Youjun

(retired on 31 May 2019)

Prof. Zhu Hongwei

(retired on 31 May 2019)

薪酬委員會

冼易先生(主席)

(於二零一九年五月三十一日委任)

鍾國武先生

胡正先生

劉懷鏡先生

(於二零一九年五月三十一日委任)

吳友俊先生

(於二零一九年五月三十一日退任)

朱宏偉教授

(於二零一九年五月三十一日退任)

提名委員會

胡正先生(主席)

鍾國武先生

劉懷鏡先生

(於二零一九年五月三十一日委任)

冼易先生

(於二零一九年五月三十一日委任)

吳友俊先生

(於二零一九年五月三十一日退任)

朱宏偉教授

(於二零一九年五月三十一日退任)

風險管理委員會

劉懷鏡先生(主席)

(於二零一九年五月三十一日委任)

鍾國武先生

胡正先生

冼易先生

(於二零一九年五月三十一日委任)

吳友俊先生

(於二零一九年五月三十一日退任)

朱宏偉教授

(於二零一九年五月三十一日退任)

Corporate Information

公司資料

Budget Management Committee

Mr. Hu Hanchao (*chairman*)
Mr. Hu Zheng
Mr. Hu Hancheng

預算管理委員會

胡漢朝先生(主席)
胡正先生
胡漢程先生

Registered Office

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Headquarters and Principal Place of Business in China

20th Floor, Building 2, Ocean Plaza
28 Boai No. 6 Road, Eastern District
Zhongshan City, Guangdong
The People's Republic of China

中國總公司及主要營業地點

中華人民共和國
廣東省中山市
東區博愛六路28號
遠洋廣場2幢20樓

Principal Place of Business in Hong Kong

Suite 1404, 14th Floor
Jubilee Centre
18 Fenwick Street
Wan Chai
Hong Kong

香港主要營業地點

香港
灣仔
分域街18號
捷利中心
14樓1404室

Authorized Representatives

Mr. Hu Zheng
Mr. Kersen Chan

授權代表

胡正先生
陳鉅升先生

Legal Adviser As to Hong Kong

Deacons

法律顧問

香港法律
的近律師行

As to Bermuda law

Conyers Dill & Pearman

百慕達法律

Conyers Dill & Pearman

Corporate Information

公司資料

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants

Principal Share Registrar and Transfer Office in Bermuda

MUFG Fund Services (Bermuda) Limited
4th Floor North Cedar House
41 Cedar Avenue
Hamilton HM 12, Bermuda

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Principal Bankers

Bank of China
Industrial and Commercial Bank of China
Industrial Bank Company Limited

Share Information

Stock code: 3363

Company's Official Website Address

<http://www.zhengye-cn.com>

核數師

德勤·關黃陳方會計師行
執業會計師

百慕達主要股份過戶登記總處

MUFG Fund Services (Bermuda) Limited
4th Floor North Cedar House
41 Cedar Avenue
Hamilton HM 12, Bermuda

香港股份過戶登記分處

卓佳證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心54樓

主要往來銀行

中國銀行
中國工商銀行
興業銀行股份有限公司

股份資料

股份編號：3363

本公司官方網站

<http://www.zhengye-cn.com>

Financial Highlights

財務摘要

For the period ended 30 June

截至六月三十日止期間

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	收入	1,188,875	1,409,130
EBITDA	稅息折舊及攤銷前盈利	143,951	130,679
Profit attributable to the Owner of the Company for the period	本公司擁有人期間應佔全面收益總額	51,382	50,503
Return on Equity Attributable to the Owners of the Company for the period	本公司擁有人期間應佔權益回報率	5.74%	5.67%

Revenue

收入

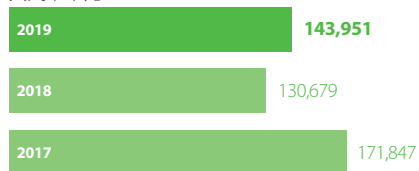
RMB'000
人民幣千元



EBITDA

稅息折舊及攤銷前盈利

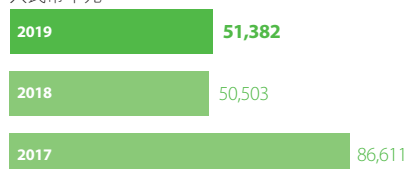
RMB'000
人民幣千元



Profit Attributable to the Owners of the Company for the Period

本公司擁有人期間應佔全面收益總額

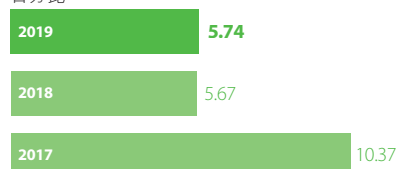
RMB'000
人民幣千元



Return on Equity Attributable to the Owners of the Company for the Period

本公司擁有人期間應佔權益回報率

%
百分比



Chairman's Statement

董事長報告

Dear Shareholders,

On behalf of the board of directors (the **"Board"**), I am pleased to present the interim results of Zhengye International Holdings Company Limited (the **"Company"** or **"Zhengye International"**, together with its subsidiaries, our **"Group"** or the **"Group"**) for the six months ended 30 June 2019 (the **"period"** or the **"period under review"**).

Business Review

In the first half of 2019, it was extremely challenging for Zhengye International: the continuation of the Sino-US trade disputes last year had a big impact on the demand for packaging paper, the price of raw waste paper has been adjusted frequently, and the market for corrugated core paper and cardboard paper has entered a new round of production cycle after experiencing a rapid rise of nearly three years. As the contradiction between supply and demand gradually became prominent, the market wait-and-see sentiment aggravated, which led to an increase in paper price declines, which led to pressure on sales during the period. During the period, the Group successfully completed the employee shareholding, and the employees' interests are closely integrated with the interests of the Group. While mobilizing the enthusiasm of the employees, it is more conducive to the promotion of refined management, and with years of high-quality customer service, in a persistent and unstable market environment, The Group's profitability is still better than industry performance.

致尊敬的股東：

本人謹此代表董事會（「**董事會**」），向各位提呈正業國際控股有限公司（「**本公司**」或「**正業國際**」），連同其附屬公司統稱（「**本集團**」）截至二零一九年六月三十日止六個月（「**期內**」或「**回顧期**」）的中期業績。

業務回顧

二零一九年上半年，對正業國際來說極具挑戰性：延續去年中美貿易爭端加劇對包裝用紙需求形成較大衝擊，原料廢紙價格調整頻繁、瓦楞芯紙及箱板紙市場行情在經歷了接近三年的快速上漲後，進入新一輪產能投放週期。隨著供需矛盾逐漸凸顯，市場觀望情緒加重，從而導致紙價跌勢有所增大，致使本集團期內的銷售承壓。期內本集團順利完成員工持股，員工利益與本集團利益緊密結合，在調動員工積極性同時，更有利於推進精細化管理，且憑藉多年的優質客戶服務，在持續不穩的市場環境中，本集團的盈利能力依然優於行業表現。

Chairman's Statement

董事長報告

I am pleased to announce that the Group's overall turnover amounted to approximately RMB1,188,875,000 for the six months ended 30 June 2019, representing a year-on-year decrease of 15.63% (for the six months ended 30 June 2018: RMB1,409,130,000). The Group's gross profit was RMB247,955,000 and gross profit margin was approximately 20.86%, representing a year-on-year increase 3.93 percentage points. It is mainly due to the internal implementation of various cost and cost controls. Profit and total comprehensive income for the period attributable to owners of the Company was RMB51,382,000, representing a year-on-year increase approximately 1.74%. Basic earnings per share amounted to approximately RMB10 cents.

Outlook and Acknowledgements

Zhengye International pays attention to sustainable development and continuously improves to meet customers' requirements for packaging quality and environmental protection. Developing upstream and downstream supply chain services around the paper and paper packaging industry chains are one of the directions explored by Zhengye International, covering research and development design, raw and auxiliary materials procurement, manufacturing, delivery, sales, customer service, waste paper recycling, etc., in order to provide customers with quality products and service.

本人在此宣佈截至二零一九年六月三十日止六個月，本集團總體營業額約達人民幣1,188,875,000元，同比下降15.63%（二零一八年六月三十日止六個月：人民幣1,409,130,000元）。本集團的毛利為人民幣247,955,000元，毛利率約20.86%，同比上升3.93百分點，這是由於內部加強推動各項成本消耗以及費用控制。本公司擁有人應佔期間溢利及全面收益額為人民幣51,382,000元，較去年同期微升1.74%。每股基本盈利約為人民幣10分。

展望與致謝

正業國際注重永續發展，不斷改進以滿足客戶對包裝品質與環保要求。圍繞紙及紙製品產業鏈上下游發展供應鏈服務是正業國際探索的方向之一，涵蓋研發設計、原輔料採購、生產製造、交付、銷售、客服、廢紙回收等環節，務求為客戶提供優質的產品與服務。

Chairman's Statement 董事長報告

Looking forward to the future, China's environmental protection policy is becoming more and more rigorous. The paper-based packaging industry will benefit from the plastic limit and plastic abandon policy. Because of its recyclable nature, paper-based packaging will replace plastic packaging more widely. On the other hand, with the elimination of backward production capacity, the increase in the concentration of the domestic paper packaging industry will be the general trend. In recent years, the market concentration of paper-based packaging enterprises in China has been significantly improved, but the space for industrial concentration is still broad, and large-scale paper packaging enterprises will highlight the advantages.

In a rapidly adjusting environment, Zhengye International will keep pace with the times, actively grasp the development opportunities of the industry, further build competitive advantages, continuously optimize the industrial chain, enrich product portfolio, and consolidate and enhance market position.

On behalf of Zhengye International, I would like to thank you for your support.

Hu Zheng

chairman

Hong Kong, 23 August 2019

展望未來，國家環保政策日趨嚴謹，紙製包裝行業受惠於限塑棄塑政策，因其可循環的特性，將會更廣泛的替代塑膠包裝。另一方面，隨著落後產能淘汰，國內紙包裝行業集中度提升將是大勢所趨。近年來，我國紙製包裝企業的市場集中度已經有顯著的提升，但行業集中度提升的空間依然廣闊，規模紙包裝企業將凸顯優勢。

在快速調整的環境中，正業國際將會與時俱進，積極把握行業發展機會，進一步打造競爭優勢，不斷優化產業鏈，豐富產品組合，鞏固和提升市場地位。

本人代表正業國際感謝各位的鼎力支持。

董事長

胡正

香港，二零一九年八月二十三日

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 2019
截至二零一九年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月		
		NOTES 附註	2019 二零一九年 RMB'000 人民幣千元 (unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (unaudited) (未經審核)
Revenue	收入	3	1,188,875	1,409,130
Cost of sales	銷售成本		(940,920)	(1,170,571)
Gross profit	毛利		247,955	238,559
Other income	其他收入	4	4,001	5,314
Other gains and losses	其他收益及虧損	5	(979)	727
Distribution and selling expenses	分銷及銷售費用		(35,822)	(34,490)
Administrative expenses	行政開支		(68,537)	(69,021)
Finance costs	融資成本	6	(20,825)	(23,898)
Research and development expenses	研發支出		(44,324)	(47,256)
Profit before tax	除稅前溢利	7	81,469	69,935
Income tax expense	所得稅開支	8	(16,796)	(12,581)
Profit and total comprehensive income for the period	期間溢利及全面收益總額		64,673	57,354
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:	本公司擁有人應佔期間溢利及全面收益總額：			
Owners of the Company	本公司擁有人		51,382	50,503
Non-controlling interests	非控股權益		13,291	6,851
			64,673	57,354
EARNINGS PER SHARE	每股盈利			
Basic (RMB)	基本(人民幣)	10	0.10	0.10

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2019

於二零一九年六月三十日

			30 June 2019	31 December 2018
			二零一九年 六月三十日	二零一八年 十二月三十一日
		NOTES 附註	RMB'000	RMB'000
			人民幣千元 (unaudited) (未經審核)	人民幣千元 (audited) (經審核)
Non-current Assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	872,275	891,169
Right-of-use-assets	使用權資產		194,737	-
Prepaid lease payments	預付租賃款項		-	153,858
Other intangible assets	其他無形資產	12	137	338
Deferred tax assets	遞延稅項資產	18	5,161	4,070
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備按金		8,375	2,771
			1,080,685	1,052,206
Current Assets	流動資產			
Inventories	存貨		135,053	161,778
Trade and other receivables	貿易及其他應收款項	13	835,215	951,153
Contract assets	合約資產		18,475	19,257
Prepaid lease payments	預付租賃款項		-	4,720
Tax recoverable	可回收稅項		-	818
Pledged bank deposits	已抵押銀行存款		139,873	108,910
Bank balances and cash	銀行結餘及現金	14	232,348	258,981
			1,360,964	1,505,617

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2019

於二零一九年六月三十日

			30 June 2019	31 December 2018
			二零一九年 六月三十日	二零一八年 十二月三十一日
		NOTES 附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
			(unaudited)	(audited)
			(未經審核)	(經審核)
Current Liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	15	272,997	473,686
Tax liabilities	稅項負債		4,952	7,749
Lease liabilities	租賃負債		7,770	-
Bank borrowings	銀行借款	17	923,171	904,345
Other borrowings	其他借款	17	57,953	47,340
Obligations under finance leases	融資租賃應付款項		-	394
Contract liabilities	合約負債		2,198	2,644
Amounts due to directors	應付董事款項	16	481	2,181
			1,269,522	1,438,339
Net Current Assets	流動資產淨值		91,442	67,278
Total Assets Less Current Liabilities	資產總值減 流動負債		1,172,127	1,119,484

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2019

於二零一九年六月三十日

			30 June 2019	31 December 2018
			二零一九年 六月三十日	二零一八年 十二月三十一日
		NOTES 附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
			(unaudited)	(audited)
			(未經審核)	(經審核)
Capital and Reserves	資本及儲備			
Share capital	股本	19	41,655	41,655
Reserves	儲備		853,452	852,070
Equity attributable to owners of the Company	本公司擁有人應佔權益		895,107	893,725
Non-controlling interests	非控制權益		192,945	179,654
Total Equity	權益總額		1,088,052	1,073,379
Non-current Liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	18	4,237	7,525
Deferred income	遞延收入		33,223	25,742
Lease liabilities	租賃負債		33,301	-
Other borrowings	其他借款	17	13,314	5,786
Obligations under finance leases	融資租賃應付款項		-	7,052
			84,075	46,105
			1,172,127	1,119,484

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

		Attributable of owners of the Company							
		本公司擁有人應佔							
		Share capital	Share premium	Statutory reserves	Other reserves	Retained earnings	Non-controlling interest	Total	
		股本	股份溢價	法定儲備	其他儲備	留存溢利	小計	非控制權益	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
At 1 January 2018 (audited)	於二零一八年一月一日 (經審核)	41,655	92,968	121,111	(23,389)	603,236	835,581	158,299	993,880
Opening adjustment under HKFRS 15	根據香港財務報告 準則 15 的期初調整	-	-	-	-	4,668	4,668	-	4,668
Profit and total comprehensive income for the period	期間溢利及全面收益 總額	-	-	-	-	50,503	50,503	6,851	57,354
At 30 June 2018 (unaudited)	於二零一八年六月三十日 (未經審核)	41,655	92,968	121,111	(23,389)	658,407	890,752	165,150	1,055,902
At 1 January 2019 (audited)	於二零一九年一月一日 (經審核)	41,655	92,968	129,481	(23,389)	653,010	893,725	179,654	1,073,379
Profit and total comprehensive income for the period	期間溢利及全面收益 總額	-	-	-	-	51,382	51,382	13,291	64,673
Dividend paid	已付股息	-	-	-	-	(50,000)	(50,000)	-	(50,000)
At 30 June 2019 (unaudited)	於二零一九年六月三十日 (未經審核)	41,655	92,968	129,481	(23,389)	654,392	895,107	192,945	1,088,052

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元 (unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (unaudited) (未經審核)
OPERATING ACTIVITIES	經營業務		
Profit before tax	稅前溢利	81,469	69,935
Adjustments for:	就以下各項作出調整：		
Finance costs	融資成本	20,825	23,898
Interest income	利息收入	(2,161)	(1,417)
Depreciation of property, plant and equipment	物業、工廠及設備折舊	39,096	35,092
Impairment gain recognized on trade and other receivables	已確認貿易及其他應收款項減值收益	(10)	-
Allowance for trade receivables	貿易應收款項呆賬計提	-	1,159
Amortisation of prepaid lease payments	預付租賃款項攤銷	-	1,553
Amortisation of right-of-use asset	使用權資產攤銷	2,360	-
Amortisation of other intangible assets	其他無形資產攤銷	201	201
Gain (loss) on disposal of property, plant and equipment	出售物業、工廠及設備的收益(虧損)	(211)	66
Amortisation of government grant relating to non-current assets	有關非流動資產之政府補貼銷	(1,533)	(5,426)
Operating cash flows before movements in working capital	營運資本變動前經營現金流量	140,036	125,061
Decrease (increase) in inventories	存貨減少(增加)	26,725	(43,502)
Decrease (increase) in trade and other receivables	貿易及其他應收款項減少(增加)	115,948	(71,904)
Increase in right-of-use assets	使用權資產增加	(38,519)	-
Decrease in contract assets	合約資產減少	782	-
Increase in lease liabilities	租賃負債增加	41,071	-
Decrease in trade and other payables	貿易及其他應付款項減少	(200,689)	71,702
Decrease in contract liabilities	合約負債減少	(446)	-
Decrease in amounts due to directors	應付董事款項減少	(1,700)	(840)
Cash generated from operations	經營業務所得現金	83,208	80,517
Income tax paid	已付所得稅	(23,154)	(15,371)
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額	60,054	65,146

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元 (unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (unaudited) (未經審核)
INVESTING ACTIVITIES	投資業務		
Interest received	已收利息	2,161	1,417
Proceeds from disposals of property, plant and equipment	出售收購物業、工廠及設備所得款項	6,133	1,131
Purchase of property, plant and equipment	購買物業、工廠及設備	(23,353)	(32,359)
Deposits paid for acquisition of property, plant and equipment	收購物業、工廠及設備按金	(8,375)	-
Placement of pledged bank deposits	已抵押銀行存款存入	(141,789)	(119,440)
Withdrawal of pledged bank deposits	已抵押銀行存款提取	110,826	109,892
Receipt of government grant relating to non-current assets	收取有關非流動資產之政府補貼	9,014	-
NET CASH USED IN INVESTING ACTIVITIES	投資業務所用現金淨額	(45,383)	(39,359)
FINANCING ACTIVITIES	融資業務		
Interest paid	已付利息	(20,825)	(23,898)
Dividend paid	已付股息	(50,000)	-
Repayment of lease liabilities	償還租賃負債	(7,446)	-
Repayments of obligations under finance leases	償還融資租賃下的責任	-	(372)
New bank and other borrowings raised	新取得銀行及其他借款	291,748	251,014
Repayment of bank and other borrowings	償還銀行及其他借款	(254,781)	(247,404)
NET CASH USED IN FINANCING ACTIVITIES	融資業務所用現金淨額	(41,304)	(20,660)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加(減少)淨額	(26,633)	5,127
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日的現金及現金等價物	258,981	190,268
CASH AND CASH EQUIVALENTS AT 30 JUNE	於六月三十日的現金及現金等價物	232,348	195,395

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

1. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 34) *interim Financial reporting* issued by the Hong Kong Institute of Certified Public Accountants 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 as described below, the accounting policies and method of computations used in the condensed consolidated financial statements for the six months ended 30 June 2019 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2018.

1. 編制基準

簡明綜合財務報表乃根據香港會計師公會頒佈的香港會計準則 34「中期財務報告」以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 的適用披露規定編製。

2. 主要會計政策

簡明綜合財務報表乃根據歷史成本基準編製。

除下文所述外，截至二零一九年六月三十日止六個月之簡明綜合財務報表所採納之會計政策及計算方法與編製本公司及本集團截至二零一八年十二月三十一日止年度之財務報表所採納者一致。

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

2. Principal Accounting Policies

(Continued)

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) that are relevant for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 16	<i>Leases</i>
HK(IFRIC)-Int 23	<i>uncertainty over income Tax Treatment</i>
Amendments to HKFRS 9	<i>Prepayment Features with negative compensation</i>
Amendments to HKAS 19	<i>Plan amendment, curtailment or settlement</i>
Amendments to HKAS 28	<i>Long-term interests in associates and Joint Ventures</i>
Amendments to HKFRSs	<i>annual improvements to HkFRs s 2015–2017 cycle</i>

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

2. 主要會計政策(續)

於本中期期間，本集團已首次應用以下與編製本集團簡明綜合財務報表相關的由香港會計師公會頒佈之香港財務報告準則(「香港財務報告準則」)修訂本。

香港財務報告準則16	租賃
香港(國際財務報告詮釋委員會)一詮釋23	所得稅處理的不確定性
香港財務報告準則9(修訂本)	帶有負補償特性之預付款項
香港會計準則19(修訂本)	計劃修訂、縮減及結算
香港會計準則28(修訂本)	於聯營及合營企業的長期權益
香港財務報告準則(修訂本)	香港財務報告準則年度改善(二零一五年至二零一七年循環)

訂及修訂本香港財務報告準則已根據各有關準則及修訂本的相關過渡性條文應用，而此導致會計政策、所報告金額及/或所作披露出現下述變動。

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

2. Principal Accounting Policies

(Continued)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases

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

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16

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

Definition of a lease

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

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

2. 主要會計政策(續)

2.1 應用香港財務報告準則 16「租賃」的會計政策影響及變動

本集團已於本中期間首次應用香港財務報告準則 16。香港財務報告準則 16 取代香港會計準則 17 租賃(「香港會計準則 17」)及有關詮釋。

2.1.1 應用香港財務報告準則 16 產生的會計政策重大變動

本集團根據香港財務報告準則 16 的過渡條文應用以下會計政策。

租賃的定義

倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約是租賃或包含租賃。

就於首次應用日期或之後訂立或修改的合約而言，本集團根據香港財務報告準則 16 的定義於初始或修改日期評估該合約是否為租賃或包含租賃。除非合約的條款及條件其後出現變動，否則有關合約將不予重新評估。

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

2. Principal Accounting Policies

(Continued)

2.1 Impacts and changes in accounting policies on application of HKFRS

16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16

(Continued)

As a lessee

allocation of consideration to components of a contract

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

short-term leases

The Group applies the short-term lease recognition exemption to leases of factory plant that have a lease term of 12 months or less from the date of initial application of HKFRS 16. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

2. 主要會計政策 (續)

2.1 應用香港財務報告準則 16「租賃」的會計政策影響及變動 (續)

2.1.1 應用香港財務報告準則 16 產生的會計政策重大變動 (續)

作為承租人

將代價分配至合約成分

就含有租賃成分以及一項或多項額外租賃或非租賃成分的合約而言，本集團將合約代價分配至各租賃成分，基準是租賃成分的相對獨立價格及非租賃成分的總獨立價格。

短期租賃

對於租期為自首次應用香港財務報告準則 16 日期起計十二個月或以內的廠房租賃，本集團應用短期租賃確認豁免。短期租賃的租賃付款以直線法於租期內確認為開支。

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

2. Principal Accounting Policies

(Continued)

2.1 Impacts and changes in accounting policies on application of HKFRS

16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16

(Continued)

As a lessee (Continued)

right-of-use assets

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

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;

2. 主要會計政策 (續)

2.1 應用香港財務報告準則 16「租賃」的會計政策影響及變動 (續)

2.1.1 應用香港財務報告準則 16 產生的會計政策重大變動 (續)

作為承租人 (續)

使用權資產

除短期租賃外，本集團於租賃開始日期（即相關資產可供使用的日期）確認使用權資產。使用權資產按成本減去任何累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。

使用權資產的成本包括：

- 租賃負債的初步計量金額；
- 於開始日期或之前作出的任何租賃付款，減任何已收租賃優惠；

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

2. Principal Accounting Policies

(Continued)

2.1 Impacts and changes in accounting policies on application of HKFRS

16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16

(Continued)

As a lessee (Continued)

right-of-use assets (Continued)

- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

2. 主要會計政策(續)

2.1 應用香港財務報告準則 16「租賃」的會計政策影響及變動(續)

2.1.1 應用香港財務報告準則 16 產生的會計政策重大變動(續)

作為承租人(續)

使用權資產(續)

- 本集團產生的任何初始直接成本；及
- 本集團於拆解及搬遷相關資產、復原相關資產所在場地或復原相關資產至租賃的條款及條件所規定的狀況時產生的成本估計。

本集團於租期結束時合理確定獲取相關租賃資產所有權的使用權資產自開始日期起至使用年期結束期間計提折舊。在其他情況下，使用權資產以直線法於其估計使用年期及租期(以較短者為準)內計提折舊。

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

2. Principal Accounting Policies

(Continued)

2.1 Impacts and changes in accounting policies on application of HKFRS

16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16

(Continued)

As a lessee (Continued)

right-of-use assets (Continued)

The Group presents right-of-use assets as a separate line item on the condensed consolidated statement of financial position.

refundable rental deposits

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

Lease liabilities

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

2. 主要會計政策 (續)

2.1 應用香港財務報告準則 16「租賃」的會計政策影響及變動 (續)

2.1.1 應用香港財務報告準則 16 產生的會計政策重大變動 (續)

作為承租人 (續)

使用權資產 (續)

本集團於簡明綜合財務狀況表內將使用權資產呈列為單獨項目。

可退回租金按金

已付可退回租金按金乃根據香港財務報告準則 9「金融工具」(「香港財務報告準則 9」)入賬且初步按公平值計量。對初步確認時的公平值作出的調整被視為額外租賃付款並計入使用權資產成本。

租賃負債

於租賃開始日期，本集團按該日未付的租賃付款現值確認及計量租賃負債。倘租賃隱含的利率難以釐定，則本集團會使用租賃開始日期的增量借款利率計算租賃付款的現值。

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

2. Principal Accounting Policies

(Continued)

2.1 Impacts and changes in accounting policies on application of HKFRS

16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16

(Continued)

As a lessee (Continued)

Lease liabilities (Continued)

The lease payments include:

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

2. 主要會計政策(續)

2.1 應用香港財務報告準則 16「租賃」的會計政策影響及變動(續)

2.1.1 應用香港財務報告準則 16 產生的會計政策重大變動(續)

作為承租人(續)

租賃負債(續)

租賃付款包括：

- 固定付款(包括實質性的固定付款)減任何應收租賃優惠；
- 視乎指數或比率而定的可變租賃付款；
- 根據剩餘價值擔保預期將支付的金額；
- 本集團合理確定行使購買權的行使價；及
- 於租期反映本集團會行使選擇權終止租賃時，終止租賃的相關罰款。

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

2. Principal Accounting Policies

(Continued)

2.1 Impacts and changes in accounting policies on application of HKFRS

16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16

(Continued)

As a lessee (Continued)

Lease liabilities (Continued)

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period on which the event or condition that triggers the payment occurs.

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

2. 主要會計政策 (續)

2.1 應用香港財務報告準則 16「租賃」的會計政策影響及變動 (續)

2.1.1 應用香港財務報告準則 16 產生的會計政策重大變動 (續)

作為承租人 (續)

租賃負債 (續)

反映市場租金變化的可變租賃付款於開始日期使用市場租金初步計量。並不視乎指數或比率而定的可變租賃付款並不計入租賃負債及使用權資產計量，而於觸發付款的事件或條件發生期間確認為開支。

於開始日期後，租賃負債根據利息增長及租賃付款作出調整。

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

2. Principal Accounting Policies

(Continued)

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

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16

(Continued)

As a lessee (Continued)

Lease liabilities (Continued)

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

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

2. 主要會計政策(續)

2.1 應用香港財務報告準則16「租賃」的會計政策影響及變動(續)

2.1.1 應用香港財務報告準則16產生的會計政策重大變動(續)

作為承租人(續)

租賃負債(續)

倘出現以下情況，本集團會重新計量租賃負債(並對相關使用權資產作出相應調整)：

- 租期有所變動或行使購買選擇權的評估發生變化，在此情況下，相關租賃負債透過使用重新評估日期的經修訂貼現率貼現經修訂租賃付款而重新計量。
- 租賃付款因進行市場租金調查後市場租金變動而出現變動，在此情況下，相關租賃負債透過使用初始貼現率貼現經修訂租賃付款而重新計量。

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簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

2. Principal Accounting Policies

(Continued)

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

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16

(Continued)

As a lessee (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

2. 主要會計政策 (續)

2.1 應用香港財務報告準則 16「租賃」的會計政策影響及變動 (續)

2.1.1 應用香港財務報告準則 16 產生的會計政策重大變動 (續)

作為承租人 (續)

租賃的修改

倘出現以下情況，本集團會將租賃的修改作為一項單獨的租賃入賬：

- 該項修改通過增加使用一項或多項相關資產的權利擴大了租賃範圍；及
- 租賃代價增加，增加的金額相當於範圍擴大對應的單獨價格，加上為反映特定合約的實際情況而對單獨價格進行的任何適當調整。

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簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

2. Principal Accounting Policies

(Continued)

2.1 Impacts and changes in accounting policies on application of HKFRS

16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16

(Continued)

As a lessee (Continued)

Lease modifications (Continued)

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Taxation

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

2. 主要會計政策(續)

2.1 應用香港財務報告準則 16「租賃」的會計政策影響及變動(續)

2.1.1 應用香港財務報告準則 16 產生的會計政策重大變動(續)

作為承租人 (續)

租賃的修改 (續)

就未作為一項單獨租賃入賬的租賃修改而言，本集團基於透過使用修改生效日期的經修訂貼現率貼現經修訂租賃付款的經修改租賃的租期重新計量租賃負債。

稅項

就計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延稅項而言，本集團首先釐定稅項扣除是否歸屬於使用權資產或租賃負債。

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

2. Principal Accounting Policies

(Continued)

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

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

Definition of a lease

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

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

2. 主要會計政策(續)

2.1 應用香港財務報告準則 16「租賃」的會計政策影響及變動(續)

2.1.2 因首次應用香港財務報告準則 16 而進行的過渡及產生的影響概要

租賃的定義

本集團已選擇可行權宜方法，就先前應用香港會計準則 17 及香港（國際財務報告詮釋委員會）— 詮釋 4「釐定安排是否包括租賃」識別為租賃的合約應用香港財務報告準則 16，而並無對先前並未識別為包括租賃的合約應用該準則。因此，本集團並無重新評估於首次應用日期前已存在的合約。

就於二零一九年一月一日或之後訂立或修改的合約而言，本集團於評估合約是否包含租賃時根據香港財務報告準則 16 所載的規定應用租賃的定義。

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簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

2. Principal Accounting Policies

(Continued)

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

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

(Continued)

As a lessee

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

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

- relied on the assessment of whether leases are onerous by applying HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" as an alternative of impairment review;

2. 主要會計政策 (續)

2.1 應用香港財務報告準則 16「租賃」的會計政策影響及變動 (續)

2.1.2 因首次應用香港財務報告準則 16 而進行的過渡及產生的影響概要 (續)

作為承租人

本集團已追溯應用香港財務報告準則第 16，累計影響於首次應用日期（二零一九年一月一日）確認。於首次應用日期的任何差額於期初保留溢利確認且比較資料不予重列。

於過渡時應用香港財務報告準則 16 項下的經修訂追溯方法時，本集團按逐項租賃基準就先前根據香港會計準則第 17 分類為經營租賃且與各租賃合約相關的租賃應用以下可行權宜方法：

- 通過應用香港會計準則 37「撥備、或然負債及或然資產」作為減值審閱的替代方法，評估租賃是否屬有償；

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簡明綜合財務報表附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

2. Principal Accounting Policies

(Continued)

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

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

(Continued)

As a lessee (Continued)

- elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of restaurant premises in Hong Kong was determined on a portfolio basis; and

2. 主要會計政策(續)

2.1 應用香港財務報告準則 16「租賃」的會計政策影響及變動(續)

2.1.2 因首次應用香港財務報告準則 16 而進行的過渡及產生的影響概要(續)

作為承租人(續)

- 選擇不就租期於首次應用日期起計十二個月內結束的租賃確認使用權資產及租賃負債；
- 於首次應用日期計量使用權資產時撇除初始直接成本；
- 就類似經濟環境內相似類別相關資產的類似剩餘租期的租賃組合應用單一貼現率。具體而言，香港若干餐廳物業租賃的貼現率乃按投資組合釐定；及

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簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

2. Principal Accounting Policies

(Continued)

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

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

(Continued)

As a lessee (Continued)

- used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

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

The Group recognised additional lease liabilities of RMB41,071,000 in the related lease liabilities by applying HKFRS 16.C8(b)(ii) transition at 1 January 2019. The Group further reclassified prepaid rent of RMB39,754,000 and prepaid lease payments of RMB158,578,000, to right-of-use assets.

2. 主要會計政策 (續)

2.1 應用香港財務報告準則 16「租賃」的會計政策影響及變動 (續)

2.1.2 因首次應用香港財務報告準則 16 而進行的過渡及產生的影響概要 (續)

作為承租人 (續)

- 根據於首次應用日期的事實及情況於事後釐定本集團帶有續租及終止選擇權的租賃的租期。

於過渡時，本集團已於應用香港財務報告準則 16 後作出以下調整：

本集團通過應用香港財務報告準則 16.C8(b)(ii) 過渡，於二零一九年一月一日，確認額外租賃負債人民幣 41,071,000 元。當中預付租金的人民幣 39,754,000 元及預付租賃款項人民幣 158,578,000 元已重新分類為使用權資產。

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簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

2. Principal Accounting Policies

(Continued)

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

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

(Continued)

As a lessee (Continued)

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied is 5.76%.

2. 主要會計政策(續)

2.1 應用香港財務報告準則 16「租賃」的會計政策影響及變動(續)

2.1.2 因首次應用香港財務報告準則 16 而進行的過渡及產生的影響概要(續)

作為承租人(續)

於就先前分類為經營租賃之租賃確認租賃負債時，本集團已應用相關集團實體於首次應用日期的增量借款利率。所應用的承租人加權平均增量借款利率為5.76%。

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簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

2. Principal Accounting Policies

(Continued)

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

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

(Continued)

As a lessee (Continued)

2. 主要會計政策 (續)

2.1 應用香港財務報告準則 16「租賃」的會計政策影響及變動 (續)

2.1.2 因首次應用香港財務報告準則 16 而進行的過渡及產生的影響概要 (續) 作為承租人 (續)

		At 1 January 2019 於二零一九年 一月一日 RMB'000 人民幣千元
Operating leasing commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日 經營租賃承擔	60,034
Obligation under a finance lease	融資租賃應付款項	7,446
Lease liabilities discounted at relevant incremental borrowing rates	租賃負債按有關增量 借款利率進行貼現	53,491
Less: Recognition exemption — short-term leases	減：確認豁免 — 短期租賃	(12,144)
Lease liabilities as at 1 January 2019	於二零一九年一月一日 租賃負債	41,347
Analysed as:	分析如下：	
Current	流動	7,770
Non-current	非流動	33,577
		41,347

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

2. Principal Accounting Policies

(Continued)

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

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

(Continued)

As a lessee (Continued)

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

2. 主要會計政策 (續)

2.1 應用香港財務報告準則 16「租賃」的會計政策影響及變動 (續)

2.1.2 因首次應用香港財務報告準則 16 而進行的過渡及產生的影響概要 (續)

作為承租人 (續)

二零一九年一月一日的使用權資產賬面值如下：

		Rights-of-use assets 使用權資產 RMB'000 人民幣千元
Right-of-use assets relating to operating leases recognised upon application HKFRS 16	應用香港財務報告準則 16 時確認的與經營租賃有關的使用權資產	39,754
Reclassification from prepaid lease payments and prepaid rent	由預付租賃款項及預付租金重新分配	158,578
		198,332
By class:	按類別：	
Land and buildings	土地及樓宇	184,321
Machinery	設備	14,011
		198,332

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

2. Principal Accounting Policies

(Continued)

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

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

(Continued)

As a lessee (Continued)

note: Upfront payments for leasehold lands in PRC were classified as prepaid lease payments as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to RMB39,754,000 and RMB158,578,000 respectively were reclassified to right-of-use assets.

2.2 Significant changes in significant judgements and key sources of estimation uncertainty

The Group applies judgement to determine the lease term for lease contracts in which it is a lessee that include renewal option. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

2. 主要會計政策(續)

2.1 應用香港財務報告準則 16「租賃」的會計政策影響及變動(續)

2.1.2 因首次應用香港財務報告準則 16 而進行的過渡及產生的影響概要(續)

作為承租人(續)

附註： 於中華人民共和國之租賃土地的首期付款於二零一八年十二月三十一日分類為預付租賃款項。於應用香港財務報告準則 16 後，預付租賃款項之即期及非即期部分分別約為人民幣 39,754,000 元及人民幣 158,578,000 元已重新分類至使用權資產。

2.2 重大判斷的主要變動及估計不明朗因素的主要來源

本集團應用判斷以釐定租賃合約的租條款，其中承租人擁有重續權。本集團是否合理確信行使該等選擇權的評估影響租期條款，這會對已確認的租賃負債及使用權資產的金額產生重大影響。

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

2. Principal Accounting Policies

(Continued)

2.2 Significant changes in significant judgements and key sources of estimation uncertainty (Continued)

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

2. 主要會計政策 (續)

2.2 重大判斷的主要變動及估計不明朗因素的主要來源 (續)

於二零一九年一月一日簡明綜合財務狀況表中確認的金額已作出以下調整。未受有關更改影響的項目並無包括在內。

		Carrying amounts previously reported as 31 December 2018 於二零一八年十二月三十一日曾報告賬面值 RMB'000 人民幣千元	Adjustments 調整 RMB'000 人民幣千元	Carrying amount under HKFRS 16 at 1 January 2019 根據香港財務準則16於二零一九年一月一日賬面值 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	891,169	(4,221)	886,948
Prepaid lease payments	預付租賃款項	153,858	(153,858)	-
Right-of-use assets	使用權資產	-	198,332	198,332
Current assets	流動資產			
Prepaid lease payments	預付租賃款項	4,720	(4,720)	-
Current liabilities	流動負債			
Lease liabilities	租賃負債	-	7,770	7,770
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	-	33,577	33,577

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

附註: 就呈報截至二零一九年六月三十日止六個月按間接法計量的經營活動現金流量而言，營運資金的變動乃根據上文所披露於二零一九年一月一日的期初財務狀況表計算。

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

3. Segment Information

The following is an analysis of the Group's revenue and results by operating segment.

**Six months ended 30 June 2019
(unaudited)**

3. 分部資料

本集團按營運分部劃分的收入及業績分析如下。

截至二零一九年六月三十日止六個月(未經審核)

		Corrugated medium paper	Paper-based packaging	Total
		瓦楞芯紙	紙製包裝	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
REVENUE	收入			
External sales	外間銷售	753,118	435,757	1,188,875
Inter-segment sales	分部間銷售	74,756	-	74,756
Segment revenue	分部收入	827,874	435,757	1,263,631
Eliminations	抵銷			(74,756)
Group Revenue	集團收入			1,188,875
Segment Profit	分部溢利	71,744	14,402	86,146
Unallocated corporate income, net	未分配企業收入淨額			(4,677)
Profit before tax	集團稅前溢利			81,469

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

3. Segment Information (Continued)

Six months ended 30 June 2018

(unaudited)

3. 分部資料(續)

截至二零一八年六月三十日

止六個月(未經審核)

		Corrugated medium paper 瓦楞芯紙 RMB'000 人民幣千元	Paper-based packaging 紙製包裝 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
REVENUE	收入			
External sales	外間銷售	882,741	526,389	1,409,130
Inter-segment sales	分部間銷售	92,690	-	92,690
Segment revenue	分部收入	975,431	526,389	1,501,820
Eliminations	抵銷			(92,690)
Group Revenue	集團收入			1,409,130
Segment Profit	分部溢利	32,543	40,164	72,707
Unallocated corporate income, net	未分配企業收入 淨額			(2,772)
Profit before tax	集團稅前溢利			69,935

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represented the profit earned by each segment without allocation of legal and professional fee, bank interest income and other corporate income and expenses.

No reconciliation of reportable segment revenues is provided as the total revenues for reportable segments excluded inter-segment revenue is the same as the Group's revenue.

營運分類之會計政策與本集團會計政策相同。分部業績指各分部賺取的溢利，未扣除法律及專業費用、銀行利息收入以及其他企業收入及開支。

因可申報分部的總收入(剔除分部間收入)與本集團的收入相同，故並無提供可申報分部收入的對賬。

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

4. Other Income

4. 其他收入

		Six months ended 30 June	
		截至六月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Interest income	利息收入	2,161	1,417
Government grant	政府補貼	1,533	2,958
Sundry income	雜項收入	307	939
		4,001	5,314

5. Other Gains and Losses

5. 其他收益及虧損

		Six months ended 30 June	
		截至六月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Exchange loss, net	外匯(虧損)收益淨額	(1,190)	793
Gain on disposals of property, plant and equipment	出售物業、工廠及 設備收益(虧損)	211	(66)
		(979)	727

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

6. Finance Costs

6. 融資成本

		Six months ended 30 June	
		截至六月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Interest on:	以下項目的利息：		
Bank borrowings	銀行借款	18,440	21,180
Other borrowings	其他借款	2,125	2,479
Finance lease	融資租賃	260	239
		20,825	23,898

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

7. Profit for the Period

7. 期間溢利

		Six months ended 30 June	
		截至六月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Profit before tax has been arrived at after charging the following items:	除稅前溢利已扣除下列各項：		
Depreciation of property, plant and equipment	物業、工廠及設備折舊	39,096	35,092
Amortisation of right-of-use assets	使用權資產攤銷	2,360	-
Amortisation of prepaid lease payments	預付租賃款項攤銷	-	1,553
Amortisation of other intangible assets (included in cost of sales)	其他無形資產攤銷 (在銷售成本內)	201	201

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簡明綜合財務報表附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

8. Income Tax Expense

8. 所得稅開支

		Six months ended 30 June	
		截至六月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Current tax:	即期稅項		
PRC Enterprise Income Tax	中國企業所得稅	21,175	16,580
Deferred tax (note 18)	遞延稅項(附註18)		
Current period	當前期間	(4,379)	(3,999)
Income tax expense	所得稅開支	16,796	12,581

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 ("the **"Bill"**") which introduces the two-tiered profit tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profit tax rates regime, the first Hong Kong dollars ("**HK\$**") 2 million of profits of the qualifying group entity will be taxed at 8.25%, and profit above HK\$2 million will be taxed at 16.5%. The profit of the Group entities not qualifying for the two-tiered profit tax rates regime will continue to be taxed at a flat rate of 16.5%.

於二零一八年三月二十一日，香港立法會通過二零一七年稅務(修訂)(第七號)條例草案(「**條例草案**」)，其引入兩級制利得稅率制度。條例草案於二零一八年三月二十八日簽署成為法律並於翌日刊登憲報。根據兩級制利得稅率制度，合資格集團實體的首兩百萬港元溢利將按8.25%的稅率徵稅，而超過兩百萬港元的溢利將按16.5%的稅率徵稅。並不符合兩級制利得稅率制度的集團實體溢利將繼續按16.5%的劃一稅率徵稅。

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簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

8. Income Tax Expense (Continued)

Accordingly, stating from the current year, the Hong Kong profit tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profit above HK\$2 million.

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits for both periods.

Under the Law of The People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards. Certain PRC subsidiaries approved as advanced-technology enterprises by the relevant government authorities are subject to a preferential rate of 15%. During the period, two subsidiaries were renewed its Advanced-technology Enterprise Certificate and is eligible for tax concession of 15% up to year 2021.

9. Dividends

The directors have determined that no interim dividend has been paid for the six months ended 30 June 2019.

8. 所得稅開支(續)

因此，由本年度開始，香港利得稅估計應課稅溢利的首兩百萬港元將按8.25%計算，而超過兩百萬港元的估計應課稅溢利則按16.5%的計算。

本集團於兩年年度均無在香港產生應課稅溢利，故並無就香港利得稅作出撥備。

中華人民共和國企業所得稅法(「企業所得稅法」)及其實施條例規定，中國附屬公司的稅率為25%，自二零零八年一月一日起生效。若干中國附屬公司得到相關政府部門批准為高新技術企業，優惠稅率為15%。期內，兩家附屬公司更新其高新技術企業證書，直到二零二一年有資格享有15%的稅收優惠。

9. 股息

董事會決定不會派付截至二零一九年六月三十日止六個月的股息。

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簡明綜合財務報表附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

10. Earnings per Share

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

10. 每股盈利

本公司擁有人應佔每股基本盈利按以下數據計算：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Earnings	盈利		
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share	用以計算每股基本盈利的本公司擁有人應佔期間溢利	51,382	50,503
Number of shares	股份數目		
Number of ordinary shares for the purpose of basic earnings per share	用於計算每股基本盈利的普通股股數	500,000,000	500,000,000

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簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

11. Property, Plant and Equipment

The movements in property, plant and equipment during the period is summarised as follows:

11. 物業、廠房及設備

期間物業、工廠及設備之變動概述如下：

		RMB'000 人民幣千元
As at 1 January 2018 (audited)	於二零一八年一月一日 (經審核)	892,353
Additions of plant and equipment	添置工廠及設備	35,936
Disposals of plant and equipment	出售工廠及設備	(1,197)
Depreciation for the period	期間折舊	(35,092)
As at 30 June 2018 (unaudited)	於二零一八年六月三十日 (未經審核)	892,000
As at 1 January 2019 (audited)	於二零一九年一月一日 (經審核)	891,169
Transitional adjustments on the initial application of HKFRS 16	首次採用香港財務報告準則 16 之過渡性調整	(4,221)
Adjusted as at 1 January 2019	於二零一九年一月一日 (經調整)	886,948
Additions of plant and equipment	添置工廠及設備	26,124
Disposals of plant and equipment	出售工廠及設備	(1,701)
Depreciation for the period	期間折舊	(39,096)
As at 30 June 2019 (unaudited)	於二零一九年六月三十日 (未經審核)	872,275

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簡明綜合財務報表附註

For the six months ended 30 June 2019
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12. Other Intangible Assets

12. 其他無形資產

		RMB'000 人民幣千元
As at 1 January 2018 (audited)	於二零一八年一月一日(經審核)	706
Charge for the period	期間計提	(201)
As at 30 June 2018 (unaudited)	於二零一八年六月三十日 (未經審核)	505
As at 1 January 2019 (audited)	於二零一九年一月一日(經審核)	338
Charge for the period	期間計提	(201)
As at 30 June 2019 (unaudited)	於二零一九年六月三十日 (未經審核)	137

Development costs are internally generated.

開發成本源自內部。

Such intangible asset are amortised on a straight-line basis over 5 years.

該無形資產按直線法分五年攤銷。

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簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

13. Trade and Other Receivables

13. 貿易及其他應收款項

		30 June	31 December
		2019	2018
		二零一九年	二零一八年
		六月三十日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(audited)
		(未經審核)	(經審核)
Trade receivables	貿易應收款項	419,037	504,144
Less: allowance for credit losses	減：呆賬準備	(1,771)	(1,872)
		417,266	502,272
Trade receivables backed by bank bills	以銀行票據為後盾的貿易應收款項	394,205	423,006
		811,471	925,278
Advances to suppliers	墊付供應商款項	6,181	5,721
Prepayments	預付款項	7,315	6,271
Other receivables	其他應收款項	10,248	13,883
		23,744	25,875
Total trade and other receivables	貿易及其他應收款項總額	835,215	951,153

As at 30 June 2019 and 31 December 2018, gross amount of trade receivables from contracts with customers amounted to RMB813,242,000 and RMB927,150,000 respectively.

於二零一九年六月三十日及二零一八年十二月三十一日，與客戶的合約應收貿易賬款總額分別為人民幣813,242,000元及人民幣927,150,000元。

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簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

13. Trade and Other Receivables

(Continued)

The Group allows an average credit period of 30 to 120 days from the invoice date to its trade customers except for the customers newly accepted of which payment is made when goods are delivered. For customers with good credit quality, the Group also allows them to provide bank bills before the due date of trade receivables. Those bills have maturity ranging from 60 to 180 days guaranteed by bank.

As at 30 June 2019, total bills received amounting to RMB394,205,000 (31 December 2018: RMB423,006,000) are held by the Group for future settlement of trade receivables, of which certain bills were further discounted/endorsed by the Group. The Group continues to recognise their full carrying amounts at the end of the reporting period. All bills received by the Group are with a maturity period of less than one year.

13. 貿易及其他應收款項(續)

本集團由發票開具日期起計算，向貿易客戶提供30天至120天的信用期，惟承接的客戶須於貨品交付時付款。對於信譽良好的客戶，本集團亦允許其於應收貿易賬款到期日前提供銀行票據。這些賬單的到期日為60至180天，由銀行擔保。

於二零一九年六月三十日，本集團持有未來結算貿易應收款項的賬面總額為人民幣394,205,000元(二零一八年十二月三十一日：人民幣423,006,000元)，其中若干票據進一步貼現／認可本集團。本集團於報告期末繼續確認其全部賬面值。本集團收到的所有賬單的到期日均不足一年。

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For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

13. Trade and Other Receivables

(Continued)

The following is an aged analysis of trade receivables not backed by bank bills presented based on dates of delivery of goods, at the end of the reporting period:

13. 貿易及其他應收款項(續)

列載於報告期末按照貨品發送日期為基準呈列的貿易應收款項不受銀行票據支持的賬齡分析：

		30 June	31 December
		2019	2018
		二零一九年	二零一八年
		六月三十日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(audited)
		(未經審核)	(經審核)
0 to 60 days	0至60天	312,342	390,587
61 to 90 days	61至90天	66,184	60,685
91 to 180 days	91至180天	31,518	47,342
Over 180 days	180天以上	7,222	3,658
		417,266	502,272

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簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

13. Trade and Other Receivables

(Continued)

The aged analysis of trade receivables backed by bank bills based on dates of delivery of goods or recognition date of the gross trade receivables, at the end of the reporting period are analysed as follows:

		30 June	31 December
		2019	2018
		二零一九年	二零一八年
		六月三十日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(audited)
		(未經審核)	(經審核)
0 to 60 days	0至60天	149,516	38,190
61 to 90 days	61至90天	76,043	89,297
91 to 180 days	91至180天	167,083	202,622
Over 180 days	180天以上	1,563	92,897
		394,205	423,006

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer.

13. 貿易及其他應收款項(續)

列載於報告期末按照貨品發送日期或貿易應收款項總額確認日期以銀行票據支持呈列的票據應收賬齡分析如下：

在承接任何新客戶前，本集團先評估潛在客戶的信用質量及釐定客戶信用限額。

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簡明綜合財務報表附註

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截至二零一九年六月三十日止六個月

14. Pledged Bank Deposits and Bank Balances and Cash

Bank balances carry interest at market rates within range from 0.01% to 0.35% (31 December 2018: 0.01% to 0.35%) per annum. The pledged deposits carry interest rates which range from 0.36% to 2.10% (31 December 2018: 0.35% to 2.75%) per annum.

Pledged bank deposits represent deposit pledged to banks to secure banking facilities granted to the Group. Deposits amounting to RMB139,873,000 (31 December 2018: RMB108,910,000) have been pledged to secure the short — term bank borrowings and bills payables repayable within three to six months and are therefore classified as current assets. The pledged bank deposits will be released upon the settlement of relevant bank borrowings.

14. 已抵押銀行存款及銀行結餘及現金

銀行結餘附帶市場年利率介乎0.01%至0.35% (二零一八年十二月三十一日：0.01%至0.35%)。已抵押存款附帶年利率介乎0.36%至2.10% (二零一八年十二月三十一日：0.35%至2.75%)。已抵押銀行存款將在償還相關銀行借貸後即可動用。

已抵押銀行存款指抵押予銀行的存款，以擔保向本集團授出銀行融資。為數人民幣139,873,000元 (二零一八年十二月三十一日：人民幣108,910,000元) 的存款為須於三至六個月內償還的銀行借款及應付票據作出抵押，因此分類為流動資產。已抵押銀行存款會在償還相關銀行借款時解除。

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

15. Trade and Other Payables

15. 貿易及其他應付款項

		30 June	31 December
		2019	2018
		二零一九年	二零一八年
		六月三十日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(audited)
		(未經審核)	(經審核)
Trade payables	貿易應付款項	133,659	205,383
Bills payables — secured	應付票據 — 有抵押	58,868	165,928
Other taxes payables	其他應付稅項	54,292	47,052
Payroll and welfare payables	應付薪酬及福利費	20,363	34,170
Construction payables	應付工程款項	-	3,951
Others	其他	5,815	17,202
		272,997	473,686

The following is an aged analysis of trade payables presented based on the dates of receipt of goods at the end of the reporting period.

載列於報告期末按照貨品收取日期呈列的貿易應付款項賬齡分析：

		30 June	31 December
		2019	2018
		二零一九年	二零一八年
		六月三十日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(audited)
		(未經審核)	(經審核)
0 to 60 days	0至60天	125,731	140,238
61 to 90 days	61至90天	2,555	17,670
91 to 180 days	91至180天	1,832	35,279
Over 180 days	180天以上	3,541	12,196
		133,659	205,383

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

15. Trade and Other Payables (Continued)

The aged analysis of bills payables based on the dates of receipt of goods at the end of the reporting period are analysed as follows:

15. 貿易及其他應付款項(續)

列載於報告期末按照貨品收取日期呈列的票據應付賬齡分析如下：

		30 June	31 December
		2019	2018
		二零一九年	二零一八年
		六月三十日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(audited)
		(未經審核)	(經審核)
0 to 60 days	0至60天	9,316	40,597
61 to 90 days	61至90天	13,059	20,064
91 to 180 days	91至180天	36,493	17,167
Over 180 days	180天以上	-	88,100
		58,868	165,928

The credit period on purchase of material is 30 to 120 days. The Group has financial risk management policies in place to monitor the settlement.

購買材料的平均信用期介乎30至120天。本集團設有財務風險管理政策以監控償還情況。

16. Amounts Due to Directors

The amounts due to directors are unsecured, interest free and repayable on demand.

16. 應付董事款項

款項為非貿易相關、無抵押、免息及應要求償還。

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

17. Bank and Other Borrowings

17. 銀行及其他借款

		30 June	31 December
		2019	2018
		二零一九年	二零一八年
		六月三十日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(audited)
		(未經審核)	(經審核)
Bank borrowings, secured	銀行借款，有抵押	896,701	881,202
Bank borrowings, unsecured	銀行借款，無抵押	26,470	23,143
Sub-total	小計	923,171	904,345
Other borrowings, secured	其他借款，有抵押	44,447	26,306
Other borrowings, unsecured	其他借款，無抵押	26,820	26,820
Sub-total	小計	71,267	53,126
Total	總計	994,438	957,471
Carrying amount repayable:	於以下期間償還的		
	賬面值：		
Within one year	一年內	981,124	951,685
More than one year but not	一年以上但不超過		
more than two years	兩年	13,314	5,786
		994,438	957,471
Less: Amounts due within	減：流動負債項		
one year shown under	一年內之		
current liabilities	償還款項	(981,124)	(951,685)
Amounts shown under	非流動負債項下之		
non-current liabilities	償還款項	13,314	5,786

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簡明綜合財務報表附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

17. Bank and Other Borrowings

(Continued)

Bank borrowings and other borrowings as at period end were secured by the pledged of assets set out in note 20.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

17. 銀行及其他借款(續)

誠如附註20所載，期間銀行借款及其他借款以資產抵押作抵押。

本集團借貸的實際利率(該亦相等於已訂約利率)的幅度如下：

	30 June 2019 二零一九年六月三十日	31 December 2018 二零一八年十二月三十一日
Effective interest rate: 實際利率：		
Fixed rate borrowings 定息借款	3.60% to 5.22% per annum 年利率3.60%至5.22%	3.50% to 6.31% per annum 年利率3.50%至6.31%
Variable rate borrowings 浮息借款	2.80% to 6.90% per annum 年利率2.80%至6.90%	4.35% to 6.18% per annum 年利率4.35%至6.18%

Benchmark interest rate is quoted by the Peoples' Bank of China.

基準利率由中國人民銀行提供。

As at 30 June 2019, secured bank borrowings include the discounting of bills receivables from external trade customers amounting to RMB268,483,000 (31 December 2018: RMB353,728,000).

於二零一九年六月三十日，已向銀行追索基準貼現的有抵押銀行借貸包括外間貿易客戶應收票據金額為人民幣268,483,000元(二零一八年十二月三十一日：人民幣353,728,000元)。

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簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

18. Deferred Taxation

For the purpose of presentation in the condensed consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

18. 遞延稅項

為作呈列之用，若干遞延稅項資產及負債已於簡明綜合財務狀況表內對銷。為作財務呈報之用，遞延稅項結餘分析如下：

		30 June	31 December
		2019	2018
		二零一九年	二零一八年
		六月三十日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(audited)
		(未經審核)	(經審核)
Deferred tax assets	遞延稅項資產	(5,161)	(4,070)
Deferred tax liabilities	遞延稅項負債	4,237	7,525
		(924)	3,455

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

18. Deferred Taxation (Continued)

The following are the major deferred taxation liabilities recognised and movement thereon during the current and preceding interim period:

18. 遞延稅項(續)

以下為於當前及過往期間主要已確認遞延稅項負債及其變動：

		Contract assets	Provision for inventory	Deferred Income	Impairment of receivables	Depreciation Differences	Undistributable profit of subsidiaries	Total
		合約資產	存貨撥備	遞延收入	應收款項 減值	折舊差額	附屬公司 不可分派 溢利	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018 (audited)	於二零一八年一月一日 (經審核)	-	-	(3,853)	(198)	1,741	8,326	6,016
Reversal of deferred tax liabilities upon distribution of profits	分派溢利之遞延稅項 負債回撥	-	-	-	-	-	(4,019)	(4,019)
Charge (credit) for the period	期間計提(回撥)	-	-	20	-	-	-	20
At 30 June 2018 (unaudited)	於二零一八年六月三十日 (未經審核)	-	-	(3,833)	(198)	1,741	4,307	2,017
At 1 January 2019 (audited)	於二零一九年一月一日 (經審核)	664	(1,924)	(3,862)	(281)	1,574	7,284	3,455
Reversal of deferred tax liabilities upon distribution of profits	分派溢利之遞延稅項 負債回撥	-	-	(467)	-	-	(3,288)	(3,755)
Charge (credit) for the period	期間計提(回撥)	-	-	-	(624)	-	-	(624)
At 30 June 2019 (unaudited)	於二零一九年六月三十日 (未經審核)	664	(1,924)	(4,329)	(905)	1,574	3,996	(924)

Under the EIT Law of PRC, withholding tax is imposed on 10% of dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. As at the end of the current interim period, the aggregate amount of taxable temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised amounted to RMB510,860,000 (31 December 2018: RMB510,860,000).

中國企業所得稅法規定，就中國附屬公司所賺取溢利中宣派的股息徵收百分之十的預扣稅，自二零零八年一月一日起生效。截至本期間，尚未確認遞延稅項負債的附屬公司未分派盈利相關暫時差額，合共人民幣510,860,000元(二零一八年十二月三十一日：人民幣510,860,000元)。

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

18. Deferred Taxation (Continued)

No deferred tax liability has been recognised in respect of these differences because the Group's is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

18. 遞延稅項(續)

由於本集團能控制暫時差額的回撥時間，且該等差額在可見將來可能不會回撥，故並無就該等差額確認遞延稅項負債。

19. Share Capital

19. 股本

		Number of share 股份數目	Share Capital 股本 HK\$ 港元
Ordinary shares of HK\$0.10 each Authorised:	每股面值0.10港元的 普通股 法定：		
At 1 January 2018, 30 June 2018, 1 January 2019 and 30 June 2019	於二零一八年一月一日、 二零一八年六月三十日、 二零一九年一月一日及 二零一九年六月三十日	1,000,000,000	100,000,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2018, 30 June 2018, 1 January 2019 and 30 June 2019	於二零一八年一月一日、 二零一八年六月三十日、 二零一九年一月一日及 二零一九年六月三十日	500,000,000	50,000,000
			RMB'000 人民幣千元
Presented as: (At 31 December 2018 and 30 June 2019)	呈列為： (於二零一八年十二月 三十一日及二零一九年 六月三十日)		41,655

Notes to Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

20. Pledge of Assets

The following assets were pledged to secure certain banking and other facilities (including properties, plant and equipment under a finance lease) granted to the Group at the end of the reporting period:

20. 資產抵押

以下為於報告期末本集團已抵押資產，作為授予本集團若干銀行及其他融資的擔保(包括融資下的物業、廠房及設備)：

		30 June	31 December
		2019	2018
		二零一九年	二零一八年
		六月三十日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(audited)
		(未經審核)	(經審核)
Buildings and construction in progress	樓宇及在建工程	86,859	68,197
Plant and machinery	工廠及機器	129,813	132,018
Land use right — prepaid lease payment	土地使用權 — 預付租賃款項	109,058	154,554
Trade receivables	貿易應收款項	80,000	80,000
Bills receivables	應收票據	268,483	353,728
Pledge bank deposits	已抵押銀行存款	139,873	108,910
Inventories	存貨	20,000	38,970
		834,086	936,377

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簡明綜合財務報表附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

21. Operating Leases The Group as lessee

At the end of the reporting period, the Group had future minimum lease payments under non-cancellable operating leases in respect of leased properties are as follows:

21. 經營租賃 本集團作為承租人

於報告期末，本集團租賃物業根據不可撤銷經營租賃的未來最低租金款項如下：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(audited)
		(未經審核)	(經審核)
Within one year	一年內	9,256	9,191
On the second to fifth year inclusive	第二年至第五年(首尾 兩年包括在內)	20,013	24,054
After five years	五年後	18,621	4,641
		47,890	37,886

Operating lease payments represent rentals payable by the Group for certain of its office premises and plant and equipment. Leases are negotiated for a term of one to five years. Rentals are fixed at the date of signing of lease agreements.

經營租賃付款指本集團就若干辦公室物業、工廠及設備應付租金。議定的租賃平均為期一至五年。租金於簽訂租賃協議日期釐定。

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簡明綜合財務報表附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

22. Capital Commitments

22. 資本承諾

	30 June	31 December
	2019	2018
	二零一九年	二零一八年
	六月三十日	十二月三十一日
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	(unaudited)	(audited)
	(未經審核)	(經審核)
Capital expenditure in respect of acquisition of property, plant and equipment and leasehold land contracted for but not provided in the consolidated financial statements	7,002	12,855
新物業、工廠及設備收購以及租賃土地已訂約但未於綜合財務報表撥備的資本開支		

23. Related Parties Transactions and Balances

23. 關連人士交易及結餘

(a) Name and relationship

(a) 名稱及關係

Name 名稱	Relationship 關係
Zhongshan City Zheng Ye Leasing Company Limited (“Zheng Ye Leasing”) 中山市正業租賃有限公司(「正業租賃」)	Controlled by the controlling shareholders of the Company 由本公司控股股東控制

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簡明綜合財務報表附註

For the six months ended 30 June 2019

截至二零一九年六月三十日止六個月

23. Related Parties Transactions and Balances (Continued)

(b) Related parties transactions

		Six months ended 30 June	
		截至六月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Rental and management expenses of the property	物業租金及管理費開支		
— Zheng Ye Leasing (VAT inclusive) (note)	— 正業租賃(包含增值稅)(附註)	3,572	3,402

Note:

Rental deposit of RMB450,000 paid to Zheng Ye Leasing has been included in trade and other receivables on the Condensed Consolidated Statement of Financial Position at 30 June 2019.

附註：

已付正業租賃的人民幣450,000元租賃按金已載入於二零一九年六月三十日簡明綜合財務狀況表中的貿易及其他應收款項。

(c) Related parties balances

Amount due from a related party, amounts due to directors and amounts due to related parties are separately disclosed on the Condensed Consolidated Statement of Financial Position.

(c) 關連人士結餘

應收一名關連人士款項、應付董事款項及應付關連人士款項在簡明綜合財務狀況表分別披露。

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簡明綜合財務報表附註

For the six months ended 30 June 2019

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23. Related Parties Transactions and Balances (Continued)

(d) Compensation of key management

The remuneration of directors of the Company and other members of key management during the period were as follows:

23. 關連人士交易及結餘 (續)

(d) 主要管理人員的薪酬

以下是本公司董事及主要管理層其他成員於期間的酬金：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Salaries and other benefits	薪酬及其他福利	8,118	7,412
Retirement benefits scheme contributions	退休福利計劃供款	122	107
		8,240	7,519

Management Discussion and Analysis

管理層討論與分析

Business Review

The Group is principally engaged in the production and sale of corrugated medium paper products using recycled waste paper as raw materials, as well as supporting paper-based packaging products for domestic and foreign well-known household air conditioners, food seasonings, small household electronic products and other manufacturers, including design the comprehensive services such as printing, logistics and other customer services provide customers with integrated packaging solutions. The Group is committed to becoming the leading environmental friendly paper packaging company in China.

The Group's products mainly include corrugated medium paper and paper-based packaging products (including watermarked cartons, colour printing cartons and honeycomb paper-based products).

Zhengye International currently has six subsidiaries and one holding subsidiary in different regions of China to conduct business and provide quality services to customers.

The low-weight and high-strength corrugated medium paper products produced by the Group are favoured by customers in the market segment with stable quality and leading service.

The Group's paper-based packaging products have been deeply cultivated for many years in air-conditioning packaging, condiment packaging and small household electronic product packaging. They have been trusted by many well-known brands at home and abroad, and have a group of customers who have established stable relationships for more than ten years.

業務回顧

本集團主要從事利用回收廢紙為原料生產瓦楞芯紙產品並銷售，以及為國內外知名家用空調、食品調味料、小型家用電子產品等製造商提供配套的紙製包裝產品，並同時提供包括設計、印刷、物流等客戶服務在內的全面服務，為客戶提供一體化的包裝解決方案。本集團致力成為中國領先環保紙類包裝企業。

本集團的產品主要包括瓦楞芯紙及紙製包裝產品(包括浮水印紙箱、彩印紙箱及蜂窩紙製品)。

本集團現於中國不同地區共有六家附屬公司、一家附屬控股公司開展經營業務並為客戶提供優質服務。

本集團生產的低克重高強度瓦楞芯紙產品在細分市場以品質穩定、領先服務贏得客戶青睞。

本集團紙製包裝產品在空調包裝、調味品包裝以及小型家用電子產品包裝等細分領域深耕多年，得到多個國內外知名品牌信任，擁有一批建立了長達十年以上穩定關係的客戶群。

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For the six months ended 30 June 2019:

- The Group achieved operating revenue of RMB1,188,875,000, a decrease of 15.63% compared with the same period of last year;
- The profit for the period attributable to owners of the Company was RMB51,382,000, representing an increase of 1.74% as compared with the same period last year; and
- The basic earnings per share of the Company was RMB10 cents approximately.

Macro Environment

In the first half of 2019, the impact of Sino-US trade friction has turned to the actual level, and the substantial impact has increased significantly. It has been reflected in exports, industrial transfer, investment, etc. At the same time, with the slowdown in national economic growth, it slowed down in consumption growth. As a result, the consumption structure changed significantly, service consumption exceeded commodity consumption, and household consumption showed a step-down. Against the background of increasing external environmental uncertainty factors, China adheres to the supply-side structural reform as the main line and actively responds to internal and external challenges. The first half of the year has continued the overall stable development. However, due to the long-term solution to the structural institutional conflicts, the economic operation will face further downward pressure. China also proposes to continue to maintain the strategic strength and resistance dealing with the complicated situation. We will pay close attention to the major changes in the international and domestic economic situation, increase the resilience of economic development, and continue to enhance the quality of economic development in China.

截至二零一九年六月三十日止六個月：

- 本集團實現營業收入人民幣1,188,875,000元，較去年同期下降15.63%；
- 本公司期內股東應佔之溢利約為人民幣51,382,000元，較去年同期上升1.74%；及
- 本公司之基本每股盈利約為人民幣10分。

宏觀環境

二零一九年上半年，中美貿易摩擦的影響已轉向實際層面，實質性衝擊明顯加大，在出口、產業轉移、投資等方面都有體現，同時，隨著國家經濟增長放緩，我國消費增速放緩，消費結構發生重大變化，服務類消費超過了商品類消費，居民消費呈現台階式放緩。在外部環境不確定性因素增多的背景下，中國堅持以供給側結構性改革為主線，積極應對內外部挑戰，上半年延續了總體平穩發展的態勢，但由於長期存在的結構性體制性矛盾的解決需要較長時間，經濟運行也面臨進一步下行壓力，國家亦提出要繼續保持應對複雜局面的戰略定力和耐力，密切關注國際國內經濟形勢的主要變化，增加經濟發展的韌性，持續提升中國經濟發展質量。

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Products Review

Corrugated medium paper

Since 2019, the downstream of packaging enterprises in the paper industry have continued to weaken their orders due to the slowdown in domestic consumption and the downward trend of exports, which caused the price of raw paper products has been under pressure. The Group's paper-making business continued to strive to expand its customer base and stabilize product quality during the period. Intensified research and development of new products and the introduction of products adapted to market demand. It achieved the operating turnover of RMB753,118,000 during the first half of 2019, representing a decrease of 14.68% compared with the same period of last year, it was mainly due to the decrease in product prices approximately 13% over the same period last year. The gross profit margin in the first half of 2019 was 19.45%, compared with 14.22% in the same period last year, it rose by 5.23 percentage points, it is mainly due to the internal implementation of various cost and cost controls. However, the market price of raw paper has continued to decline since May 2019 due to market demand, while the cost of purchasing waste paper has remained unchanged. It is expected that the competition for paper-making business will further intensify in the second half of 2019.

Paper-based packaging products

During the period under review, the Group's paper-based packaging business was affected by the macro environment. The downstream customers' orders decreased about 5% and the order price dropped around 12%. The Group's paper packaging business achieved operating turnover of RMB435,757,000 during the period, a decrease of 17.22% compared with the same period of last year. The operating income of floating watermark

產品回顧

瓦楞芯紙

二零一九年以來，造紙行業的下游包裝企業在國內消費放緩以及出口下行影響下訂單持續減弱，導致原紙產品價格受壓。本集團造紙業務於期內繼續努力拓展客戶群，穩定產品品質；加大對新產品研發，推出適應市場需求的產品。在二零一九年上半年期內實現營業收入人民幣753,118,000元，較去年同期下降14.68%，主要是由於期內產品售價較去年同期下降約13%所致。二零一九年上半年造紙業務毛利率19.45%，較去年同期14.22%上升5.23百分點，這是由於內部加強推動各項成本消耗以及費用控制。但自二零一九年五月以來，原紙價格受市場需求影響繼續下行，而廢紙採購成本則基本維持，預期二零一九年下半年造紙業務競爭將進一步加劇。

紙製包裝產品

於回顧期內，本集團紙製包裝業務受宏觀環境影響，下游客戶訂單減少約5%、訂單價格回落約12%。集團紙製包裝業務於期內實現營業收入人民幣435,757,000元，較去年同期下降17.22%，其中浮水印紙箱、彩印紙箱、蜂窩紙製品各實現營業收入分別為人民幣274,456,000元、人民幣67,523,000

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cartons, colour printing cartons and honeycomb paper-based products was RMB274,456,000, RMB67,523,000 and RMB93,778,000 respectively. (The six months ended June 30, 2018 were RMB328,063,000, RMB81,941,000 and RMB116,385,000 respectively). The gross profit margin for the period was 20.17%, represented a decrease of 1.31 percentage points of 21.48% for the same period last year. The Group relied on its many years of business strength to stabilize existing customer orders and improve product quality, and intensified efforts to expand e-commerce during the period. Customers of paper packaging products such as consumer goods, food and beverage, etc., are expected to increase their consumption levels as the domestic consumption environment improves. This part of the customer orders will grow, bringing new profit growth direction to the group.

Financial Review

The Group's revenue for the six months ended 30 June 2019 was approximately RMB1,188,875,000, representing a decrease of approximately RMB220,255,000 or 15.63% from RMB1,409,130,000 for the same period in 2018, of which the turnover of paper-making segment products decreased to RMB129,623,000 compared with last year. The turnover of the packaging segment decreased by RMB90,632,000, it was mainly due to the decline in product prices during the two major business segments, both exceeds around 12% during the period. The Group's gross profit margin for the six-month period ended 30 June 2019 was 20.86%, compared with 16.93% for the six months ended June 30 2018, representing an increase of 3.93 percentage points over the same period last year.

元及人民幣93,778,000元(二零一八年六月三十日止六個月分別為人民幣328,063,000元、人民幣81,941,000元及人民幣116,385,000元)。期內毛利率為20.17%，較去年同期的21.48%下降1.31百分點。集團憑藉多年業務實力穩定現有客戶訂單、提高產品品質，並於期內加大力度拓展電子商務、日用消費類、食品飲料等紙製包裝產品客戶，預期隨著國內消費環境改善，居民消費水準不斷提升，該部分客戶訂單得以增長，為集團帶來新的盈利增長方向。

財務回顧

截至二零一九年六月三十日止六個月，本集團的收入約人民幣1,188,875,000元，較二零一八年同期的人民幣1,409,130,000元，減少約人民幣220,255,000元或15.63%，其中造紙板塊產品銷售收入較去年下降人民幣129,623,000元。包裝板塊的銷售收入下降人民幣90,632,000元，主要是由於兩大業務板塊於回顧期內產品價格下跌均超過12%所致。二零一九年六月三十日止六個月期間的集團毛利率為20.86%，二零一八年六月三十日止六個月為16.93%，較去年同期上升3.93百分點。

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The profit for the period attributable to the owners of the Company was approximately RMB51,382,000, representing an increase of RMB879,000, or 1.74%, compared with RMB50,503,000 for the same period last year for the six months ended 30 June 2019.

Group's Profit

For the six months ended 30 June 2019, the Group's profit before income tax was approximately RMB81,469,000, representing an increase of RMB11,534,000 or 16.49% as compared with RMB69,935,000 for the same period last year.

During the period under review, the financial expenses were approximately RMB20,825,000, representing a slight decrease from RMB23,898,000 for the same period last year, it was mainly due to the financing cost was lower about 10% compared with the same period last year.

During the period under review, the income tax expense was approximately RMB16,796,000, representing an increase of RMB4,215,000 from RMB12,581,000 for the same period last year. In the first half of 2019, income tax expense accounted for 20.62% of the Group's revenue before income tax, a slight increase of 2.61 percentage points compared with 17.99% in the same period last year.

截至二零一九年六月三十日止六個月，本集團股本擁有人應佔期間溢利約人民幣51,382,000元，較去年同期的人民幣50,503,000元，上升人民幣879,000元，或1.74%。

集團盈利

截至二零一九年六月三十日止六個月，本集團所得稅前利潤約為人民幣81,469,000元，較去年同期的人民幣69,935,000元增加人民幣11,534,000元或16.49%。

於回顧期內，財務費用約為人民幣20,825,000元，較去年同期的人民幣23,898,000元略有下降，主要由於期內融資成本較去年同期有約10%左右降幅。

於回顧期內，所得稅項開支約人民幣16,796,000元，較去年同期的人民幣12,581,000元上升人民幣4,215,000元。二零一九年上半年所得稅開支佔集團所得稅前利潤比為20.62%較去年同期17.99%略有增長2.61百分點。

Management Discussion and Analysis

管理層討論與分析

Prospect

In 2019, China's economy is expected to maintain steady growth, Sino-US trade negotiations will be restarted, and the Chinese government will continue to use innovative ideas and measures to boost the domestic market and improve the domestic consumption environment, thereby expanding domestic demand and attracting investment to achieve the overall goal of steady growth. From the perspective of the industry, the current national environmental protection policy is becoming more and stricter. The domestic waste paper prices of the raw materials in the packaging raw paper industry are fluctuating at a high level. The market-oriented competition faced by the midstream paper industry is becoming increasingly fierce. The downstream paper packaging industry is affected by the consumption, and the industry is booming. Still affected by multiple uncertainties, the industry has entered a stage of slowing growth and continuous optimization of the capacity structure of the stock.

The Group also faces major opportunities and challenges. In this market structure, it insists on product innovation, quality innovation and technological innovation as the driving force for development. On the basis of stabilizing existing customers and orders, it strives to develop more high-quality new customers and a richer product line. More high-quality products to meet the needs of different customers which continue to play the Group's courage to reform and innovation, and constantly strengthen the competitive advantages of the integration of upstream and downstream industrial chain, enhance the company's competitiveness, and lay a solid foundation for Company's turning challenges into opportunities.

展望

二零一九年，中國經濟預計保持平穩增長，中美貿易談判將重啟，中國政府將會繼續以創新思路及措施提振國內市場，改善國內消費環境，從而達到擴大內需、加大吸引投資，總體上穩增長的目標。從行業來看，目前國家環保政策日趨嚴格，包裝原紙行業上游原材料國內廢紙價格高位波動，中下游造紙行業面臨的市場化競爭日趨激烈，下游紙包裝產業受消費影響訂單減少，下半年行業景氣度依舊受多重不明朗因素影響，行業進入增速放緩、存量產能結構持續優化的階段。

本集團亦面臨重大機遇與挑戰，在此市場格局中堅持以產品創新、品質創新、技術創新為發展動力，在穩定現有客戶、訂單基礎上爭取開發更多優質新客戶，以更豐富的產品線、更優質的產品滿足不同客戶需求，繼續發揮本集團勇於改革創新、不斷加強上、下游產業鏈一體化的競爭優勢，提升公司競爭力，為公司化挑戰為機遇奠定堅實基礎。

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The Group will continue to improve internal management, enhance operational efficiency, increase the optimization and upgrading of machinery and equipment and environmental protection facilities, maintain a reasonable capital structure, maintain ample cash flow, continuously optimize the talent structure, and introduce industry high-end talent management experience and concepts. To enhance the technical strength, in order to cope with the complex and volatile market environment, and strive to achieve profitable growth and create more wealth for shareholders as the economy stabilizes and continues to improve.

本集團仍將繼續改善內部管理，提高經營效率，加大對機器設備及環保設施的優化升級，保持合理的資本結構，保持充裕的現金流，不斷優化人才結構，引入行業高端人才管理經驗與理念，增強技術實力，以應對複雜多變的市場環境，力爭在經濟趨於平穩並不斷向好的大形勢下努力實現盈利增長，為股東創造更多財富。

Current Assets, Liquidity, Financial Resources And Capital Structure

In 30 June 2019, the Group's main sources of funding were cash generated from operating activities and bank loans.

流動資產、流動資金、財政資源及資本結構

於二零一九年六月三十日，本集團的資金來源主要為經營活動所產生的現金及銀行貸款。

		30 June 2019	31 December 2018
		二零一九年 六月三十日	二零一八年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Net assets	資產淨額	1,088,052	1,073,379
Bank and cash balances (including pledged bank deposits)	銀行及現金總額(包括已抵押銀行存款)	372,221	367,891
Total borrowings [#]	借款總額 [#]	994,438	957,471
Equity attributable to the Owners of the Company	本公司擁有人應佔權益	895,107	893,725
Current ratios	流動比率	1.07	1.05
Net gearing ratio*	淨資產負債比率*	69.51%	65.97%

[#] As at 30 June 2019, secured bank borrowings include the discounting of bills receivables from external trade customers amounting to RMB268,483,000 (31 December 2018: RMB353,728,000).

[#] 於二零一九年六月三十日，已向銀行追索基準貼現的有抵押銀行借貸包括外間貿易客戶應收票據金額為人民幣268,483,000元(二零一八年十二月三十一日：人民幣353,728,000元)。

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* The net gearing ratio is calculated as net borrowings divided by equity attributable to the Owners of the Company, in which the net borrowings are calculated as total borrowings less bank and cash balances.

* 淨資產負債比率乃按借款淨額除以本公司擁有人應佔權益計算，其中借款淨額按借款總額減去銀行及現金總額計算。

Cash flow

As at 30 June 2019, the net amount of the Group's cash flow was RMB232,348,000. The amount arising from operating activity was RMB60,054,000, while the cash outflows of investing and financing activities recorded RMB45,383,000 and RMB41,304,000 during the period under review respectively.

The net amount of the cash outflow generated from investing activities for the purchase of property, plant and equipment in amount of RMB23,353,000.

現金流量

於二零一九年六月三十日，本集團現金淨額為人民幣232,348,000元。經營活動產生所得款項錄得人民幣60,054,000元，而期間就投資活動及融資業務分別錄得現金流出為人民幣45,383,000元及人民幣41,304,000元。

投資活動所用的現金淨額主要為購入物業、廠房及設備，金額為人民幣23,353,000元。

Capital Expenditure, Commitments and Contingent Liabilities

Capital expenditures

For the six months ended 30 June 2019, the Group's capital expenditure was approximately RMB25,386,000, which was as follows:

資本開支、承諾及或然負債

資本開支

截至二零一九年六月三十日止六個月，本集團資本性開支約為人民幣25,386,000元，資本開支分別如下：

		RMB'000	Percentage of capital expenditure
		人民幣千元	佔資本開支百分比
Paper-making projects	造紙項目	18,138	71.45%
Packaging projects	包裝項目	7,248	28.55%
Total	合計	25,386	100.00%

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Capital commitments

As at 30 June 2019, the Group had the following capital commitments:

資本承諾

於二零一九年六月三十日，本集團之資本承諾如下：

	30 June	31 December
	2019	2018
	二零一九年	二零一八年
	六月三十日	十二月三十一日
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Capital expenditure in respect of acquisition of property, plant and equipment and leasehold land contracted for but not provided in the consolidated financial statements	7,002	12,855

Contingent liabilities

The Group had no significant contingent liabilities or litigation or arbitration of material importance as at 30 June 2019.

或然負債

於二零一九年六月三十日，本集團並無重大或然負債或重大訴訟或仲裁。

Foreign currency exposure

The Group collects most of its revenue and incurs most of the expenditures in RMB. Although the Group undertakes certain transactions denominated in foreign currencies, mainly the currency of United States and the currency of Hong Kong, the exposures to exchange rate fluctuations is minimal. The Group currently does not have a foreign currency hedging policy. The Directors, however, will monitor foreign exchange rate closely and consider entering into foreign currency hedging arrangement should the need arise.

匯率風險

本集團大部份收入及產生的支出以人民幣計算。本集團進行若干以外幣計值的交易，主要是美元及港元，其承受匯率波動風險較低。本集團現時並無外幣對沖政策。然而，董事會緊密地監督外匯匯率及有必要時考慮安排進行外幣對策之需要。

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Human Resources Management

The Group had 2,822 employees as at 30 June 2019 (as at 30 June 2018: 2,991 employees), in which approximately 425 were engineers and technical staff or employees with higher education backgrounds. The table below shows the number of employees of the Group by function as at 30 June 2019:

Function		Number of employees	Percentage of total Number of employees
職能		僱員數目	佔僱員總數的百分比
Management and Administration	管理及行政	395	14.00%
Sales and Marketing	銷售及營銷	73	2.59%
Research and Development in Technology and Engineering	研發技術及工程	330	11.69%
Production and Quality Control	生產及質量控制	2,024	71.72%
Total	合計	2,822	100.00%

Our remuneration is determined by reference to the employees' experience, qualification and overall market situation, while the bonus is related to the financial performance of the Group and the individual performance. The Group also undertakes to provide proper trainings and sustainable professional development opportunities for the employees if needed.

The Company has also adopted a share option scheme (the "Share Option Scheme") and share award scheme (the "Share Award Scheme") with a primary purpose of motivating our employees and other eligible persons entitled under the Share Option Scheme and the Share Award Scheme to optimize their contributions to the Group and to reward them for their contribution to the Group.

人力資源

於二零一九年六月三十日，本集團僱用2,822名員工（於二零一八年六月三十日：2,991名員工），當中約425名為工程師及技術人員或具有高等教育背景的僱員。下表載列於二零一九年六月三十日本集團按職能劃分的僱員數目：

本集團的薪酬待遇乃參考個別員工的經驗及資質及整體市況而定。花紅與本集團的財務業績及個別表現掛鈎。本集團亦保證會根據所有僱員的需求向彼等提供適當的培訓及持續專業發展機會。

本公司同時已採納購股權計劃（「購股權計劃」）及股權獎勵計劃（「股權獎勵計劃」），主要目的是透過購股權計劃及股權獎勵計劃激勵員工及其他合資格人士，提升其對本集團的貢獻，及就彼等過去的貢獻給予獎勵。

Corporate Governance and Other Information

企業管治及其他資料

Directors' and Chief Executives' Interests in the Securities of the Company or its Associated Corporations

As at 30 June 2019, the interests and short positions of the directors and chief executive(s) of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed issuers contained in the Listing Rules were as follows:

董事及主要行政人員於本公司或其相聯法團的證券中的權益

於二零一九年六月三十日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見《證券及期貨條例》（「證券及期貨條例」）第XV部）的股份、相關股份及債券證擁有的權益及淡倉而須根據證券及期貨條例第352條記錄於本公司所存置登記冊內，或須根據上市規則所載的上市發行人董事進行證券交易的標準守則規定知會本公司及香港聯合交易所有限公司（「聯交所」）者如下：

Name of Directors	Name of Group member/ associated corporation	Capacity/ Nature of interest	Number and class of securities (Note 1)	Approximate percentage of shareholding
董事姓名	本集團成員公司/ 相關法團名稱	身份/ 權益性質	證券數目及類別(附註1)	股權概約 百分比
Mr. Hu Zheng	The Company	Interest of controlled corporation (Note 2)	191,250,000 ordinary shares of HK\$0.10 each	38.25%
胡正先生	本公司	受控制法團權益 (附註2)	191,250,000股每股面值0.10港元的普通股	
	Gorgeous Rich Development Limited ("Gorgeous Rich")	Beneficial owner	1 ordinary share of US\$1.00	100%
	Gorgeous Rich Development Limited ("Gorgeous Rich")	實益擁有人	1股面值1.00美元的普通股	

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Name of Directors	Name of Group member/ associated corporation	Capacity/ Nature of interest	Number and class of securities (Note 1)	Approximate percentage of shareholding
董事姓名	本集團成員公司/ 相關法團名稱	身份/權益性質	證券數目及類別(附註1)	股權概約 百分比
Mr. Hu Hancheng	The Company	Interest of controlled corporation (Note 3)	93,750,000 ordinary shares of HK\$0.10 each	18.75%
胡漢程先生	本公司	受控制法團權益 (附註3)	93,750,000股每股面值 0.10港元的普通股	
	Golden Century Assets Limited ("Golden Century")	Beneficial owner	1 ordinary share of US\$1.00	100%
	Golden Century Assets Limited ("Golden Century")	實益擁有人	1股面值1.00美元的普通股	
Mr. Hu Hanchao	The Company	Interest of controlled corporation (Note 4)	75,000,000 ordinary shares of HK\$0.10 each	15%
胡漢朝先生	本公司	受控制法團權益 (附註4)	75,000,000股每股面值 0.10港元的普通股	
	Leading Innovation Worldwide Corporation ("Leading Innovation")	Beneficial owner	1 ordinary share of US\$1.00	100%
	Leading Innovation Worldwide Corporation ("Leading Innovation")	實益擁有人	1股面值1.00美元的普通股	100%

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Notes:

1. All the interests stated above represent long positions. The percentage shown was the number of shares the relevant directors or chief executive was interested in expressed as a percentage of the number of issued shares as at 30 June 2019.
2. These shares were held by Gorgeous Rich, which was wholly owned by Mr. Hu Zheng. By virtue of the SFO, Mr. Hu Zheng was deemed to be interested in the shares held by Gorgeous Rich.
3. These shares were held by Golden Century, which was wholly owned by Mr. Hu Hancheng. By virtue of the SFO, Mr. Hu Hancheng was deemed to be interested in the shares held by Golden Century.
4. These shares were held by Leading Innovation, which was wholly owned by Mr. Hu Hanchao. By virtue of the SFO, Mr. Hu Hanchao was deemed to be interested in the shares held by Leading Innovation.

Share Options to subscribe for the ordinary shares of HK\$0.10 each in the Company were granted to, among others, certain Directors pursuant to the Share Option Scheme adopted by the Company on 3 June 2011. Information in relation to these Share Options was shown in the following section under the heading “Share Option Scheme”.

Save as disclosed above and in the paragraph headed “Share Option Scheme” below, no other interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations were recorded in the register required to be kept by the Company under Section 352 of the SFO.

附註：

1. 上述所有權益均為好倉。所示百分比為相關董事或主要行政人員擁有權益的股份數目，以佔二零一九年六月三十日已發行股份數目百分比表示。
2. Gorgeous Rich 持有該等股份，而胡正先生全資擁有 Gorgeous Rich。根據證券及期貨條例，胡正先生被視為於 Gorgeous Rich 所持有的股份擁有權益。
3. Golden Century 持有該等股份，而胡漢程先生全資擁有 Golden Century。根據證券及期貨條例，胡漢程先生被視為於 Golden Century 所持有的股份擁有權益。
4. Leading Innovation 持有該等股份，而胡漢朝先生全資擁有 Leading Innovation。根據證券及期貨條例，胡漢朝先生被視為於 Leading Innovation 所持有的股份擁有權益。

根據本公司於二零一一年六月三日採納的購股權計劃，若干本公司董事獲授予認股權，以認購本公司每股面值 0.10 港元的普通股股份。有關此等認股權的資料，見於下列「購股權計劃」項下。

除以上所述及於「購股權計劃」一節所披露外，本公司概無於本公司或其相關法團之股份、相關股份或債券，並記錄於本公司登記冊中。

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Substantial shareholders' interests in the securities of the Company

As at 30 June 2019, so far as are known to any directors or chief executive(s) of the Company, the following parties (other than directors or chief executive(s) of the Company) were recorded in the register kept by the Company under section 336 of the SFO, or as otherwise notified to the Company, as being directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company.

主要股東於本公司證券的權益

於二零一九年六月三十日，就任何董事或本公司主要行政人員所知，下列人士（非董事及本公司主要行政人員）須根據證券及期貨條例第336條記錄於本公司所存置登記冊內，或因其他原因知會本公司其直接或間接擁有或被視為擁有本公司已發行股本5%或以上的權益。

Name of Shareholder 股東名稱	Capacity/ Nature of interest 身份／權益性質	Number and class of shares held in the Company percentage (Note 1) 所持本公司股份 數目及類別（附註1）	Approximate shareholding percentage 股權概約 百分比
Gorgeous Rich (Note 2)	Beneficial owner	191,250,000 ordinary shares of HK\$0.10 each	38.25%
Gorgeous Rich (附註2)	實益擁有人	191,250,000 股每股面值 0.10 港元的普通股	38.25%
Ms. Li Lifan (Note 2)	Interest of spouse	191,250,000 ordinary shares of HK\$0.10 each	38.25%
李麗芬女士(附註2)	配偶權益	191,250,000 股每股面值 0.10 港元的普通股	38.25%
Golden Century (Note 3)	Beneficial owner	93,750,000 ordinary shares of HK\$0.10 each	18.75%
Golden Century (附註3)	實益擁有人	93,750,000 股每股面值 0.10 港元的普通股	18.75%
Ms. Li Siyuan (Note 3)	Interest of spouse	93,750,000 ordinary shares of HK\$0.10 each	18.75%
李思媛(附註3)	配偶權益	93,750,000 股每股面值 0.10 港元的普通股	18.75%

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Name of Shareholder	Capacity/ Nature of interest	Number and class of shares held in the Company percentage (Note 1)	Approximate shareholding percentage
股東名稱	身份／權益性質	所持本公司股份 數目及類別 (附註 1)	股權概約 百分比
Leading Innovation (Note 4)	Beneficial owner	75,000,000 ordinary shares of HK\$0.10 each	15.00%
Leading Innovation (附註 4)	實益擁有人	75,000,000 股每股面值 0.10 港元的普通股	15.00%
Ms. He Lijuan (Note 4)	Interest of spouse	75,000,000 ordinary shares of HK\$0.10 each	15.00%
何麗娟女士 (附註 4)	配偶權益	75,000,000 股每股面值 0.10 港元的普通股	15.00%
RAYS Capital Partners Limited (Note 5)	Investment manager/ Beneficial owner/ Interest of controlled corporation	49,718,000 ordinary shares of HK\$0.10 each	9.94%
RAYS Capital Partners Limited (附註 5)	投資經理／ 實益擁有人／ 受控制法團權益	49,718,000 股每股面值 0.10 港元的普通股	9.94%
Mr. Ruan David Ching-chi (Note 6)	Interest of controlled corporation	49,718,000 ordinary shares of HK\$0.10 each	9.94%
Ruan David Ching-chi 先生 (附註 6)	受控制法團權益	49,718,000 股每股面值 0.10 港元的普通股	9.94%
Asian Equity Special Opportunities Portfolio Master Fund Limited (Note 5)	Beneficial owner	46,516,000 ordinary shares of HK\$0.10 each	9.30%
Asian Equity Special Opportunities Portfolio Master Fund Limited (附註 5)	實益擁有人	46,516,000 股每股面值 0.10 港元的普通股	9.30%

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Notes:

1. All the interests stated above represent long positions. The percentage shown was the number of shares in the Company that the relevant director of chief executive was interested in expressed as a percentage of the number of issued shares in the Company as at 30 June 2019.
2. Gorgeous Rich is wholly-owned by Mr. Hu Zheng. By virtue of the SFO, Mr. Hu Zheng was deemed to be interested in the shares held by Gorgeous Rich. Ms. Li Lifen is the spouse of Mr. Hu Zheng. Under the SFO, Ms. Li Lifen was taken to be interested in the same number of shares in which Mr. Hu Zheng was interested.
3. Golden Century is wholly-owned by Mr. Hu Hancheng. By virtue of the SFO, Mr. Hu Hancheng was deemed to be interested in the shares held by Golden Century. Ms. Li Si Yuan is the spouse of Mr. Hu Hancheng. Under the SFO, Ms. Li Si Yuan was taken to be interested in the same number of shares in which Mr. Hu Hancheng was interested.
4. Leading Innovation is wholly-owned by Mr. Hu Hanchao. By virtue of the SFO, Mr. Hu Hanchao was deemed to be interested in the shares held by Leading Innovation. Ms. He Lijuan is the spouse of Mr. Hu Hanchao. Under the SFO, Ms. He Lijuan was taken to be interested in the same number of shares in which Mr. Hu Hanchao was interested.
5. Asian Equity Special Opportunities Portfolio Master Fund Limited ("**Asian Equity**") is wholly-owned by RAYS Capital Partners Limited. Therefore, RAYS Capital Partners Limited is deemed to be interested in all the Shares held by Asian Equity.
6. The shares in RAYS Capital Partners Limited is held by Ruan David Ching-chi. Therefore, he is deemed interested in all the Shares held by RAYS Capital Partners Limited.

Save as disclosed above, no other interest or short position in the shares or underlying shares in the Company were recorded in the Register.

附註：

1. 上述所有權益均為好倉。所示百分比為相關股東擁有權益的本公司股份數目，以佔二零一九年六月三十日本公司已發行股份數目百分比表示。
2. 胡正先生全資擁 Gorgeous Rich。根據證券及期貨條例，胡正先生被視為於 Gorgeous Rich 所持有的股份擁有權益。李麗芬女士為胡正先生的配偶。根據證券及期貨條例，李麗芬女士被當作於胡正先生擁有權益的相同數目股份中擁有權益。
3. 胡漢程先生全資擁有 Golden Century。根據證券及期貨條例，胡漢程先生被視為於 Golden Century 所持有的股份擁有權益。李思媛女士為胡漢程先生的配偶。根據證券及期貨條例，李思媛女士被當作於胡漢程先生擁有權益的相同數目股份中擁有權益。
4. 胡漢朝先生全資擁有 Leading Innovation。根據證券及期貨條例，胡漢朝先生被視為於 Leading Innovation 所持有的股份擁有權益。何麗娟女士為胡漢朝先生的配偶。根據證券及期貨條例，何麗娟女士被當作於胡漢朝先生擁有權益的相同數目股份中擁有權益。
5. Asian Equity Special Opportunities Portfolio Master Fund Limited ("**Asian Equity**") 由 RAYS Capital Partners Limited 全資擁有。因此，RAYS Capital Partners Limited 視為擁有 Asian Equity 所持股份的全部權益。
6. Ruan David Ching-chi 先生持有 RAYS Capital Partners Limited 股份。因此，彼等視為擁有 RAYS Capital Partners Limited 所持股份的全部權益。

除上述披露外，概無其他公司或其任何相聯法團的部份、相關股份或債權證的權益或淡倉載於該登記冊內。

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Share Option Scheme

The Company operates a share option scheme (the **“Share Option Scheme”**), which was adopted on 3 June 2011 (the **“Adoption Date”**). Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for 10 years from the Adoption Date. The major terms of the Share Option Scheme are summarized as follows:

The purpose of the Share Option Scheme is to provide incentives or rewards to selected eligible participants for their contribution to the Group. Under the share Option Scheme, the Directors of the Company may grant options to any Directors, employees, suppliers, customers, service providers, shareholder, advisors of any member of the Group or any entity in which any member of the Group, and any other person who the Directors considers, in its discretion, have contributed to the Group.

The total number of share which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 10% of the share in issue as at the date of listing, unless shareholders approved has been obtained, and which must not in aggregate exceed 30% of the share of the company in issue from time to time. The total number of share issued and to be issued upon the exercise of the options granted to or to be granted to each participate under the Share Option Scheme in any 12-month period shall not exceed 1% of the share of the Company in issue.

購股權計劃

本公司設有一項購股權計劃(「**購股權計劃**」)，該計劃於二零一一年六月三日(「**採納日期**」)採納。除非另行取消或修訂，否則購股權計劃將由採納日期起一直有效，為期十年。購股權計劃的主要條款概述如下：

購股權計劃旨在向經甄選合資格參與者提供獎勵或獎賞，以表揚彼等對本集團作出的貢獻。根據購股權計劃，本公司董事可將購股權授予本集團任何成員公司或本集團任何成員公司持有任何權益的任何實體的任何董事、僱員、供應商、客戶、服務提供者、股東、顧問以及董事酌情認為已對本集團作出貢獻的任何其他人士。

因行使根據購股權計劃將予授出的所有購股權而可能發行的股份總數，合共不得超過於上市日期已發行股份的10% (除非股東批准)，且合共不得超過本公司不時已發行股份的30%。於任何十二個月期間，因行使根據購股權計劃向各參與者授出或將授出的購股權而已發行及將予發行的股份總數，不得超過本公司不時已發行股份的1%。

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The exercise price for the shares under the Share Option Scheme shall be such price as the Board may in its absolute discretion determine at the time of grant of the option but the subscription price shall not be less than the highest of the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets on the date of the Board approving the grant of an option, which must be a business day ("**Offer Date**"); the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Offer Date; and the nominal value of the Company's shares. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence from the date of the offer for the grant of options is made, but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer for the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

根據購股權計劃，股份的行使價應為董事會於授出購股權時可全權酌情決定的價格，惟認購價不得少於以下的最高者：於董事會批准授出購股權日期（必須為營業日（「授出日期」）），本公司股份在聯交所每日報價表所報的收市價；於緊接授出日期前五個營業日，本公司股份在聯交所每日報價表所報的平均收市價；以及本公司股份的面值。並須於接納授出之購股權時支付1港元之象徵式代價。

購股權可根據購股權計劃之條款在董事決定及知會各承授人之期間內隨時行使。此期間可自要約授出購股權當日開始，但於任何情況下不得遲於授出購股權當日起計10年結束，惟須遵守提前終止該等購股權之規定。除非董事另行決定及在向承授人提呈授出購股權要約時表明，否則購股權計劃並無規定在行使前所需持有購股權之最短期限。

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Share Award Scheme

The Company operates a share award scheme (the **"Share Award Scheme"**), which was adopted on 23 April 2019 (the **"Adoption Date"**). Unless otherwise cancelled or amended, the Share Award Scheme will remain in force for 10 years from the Adoption Date.

The Board may, from time to time and at its sole discretion, select any eligible person to participate in the Share Award Scheme and determine the number of Shares to be awarded and the terms and conditions of the awards. Awards shall be satisfied by Shares acquired in the market at the prevailing market price and no new Shares will be allotted and issued under the Share Award Scheme. The trustee of the Share Award Scheme (the **"Trustee"**) shall hold the awarded shares on trust for the award holders until the awarded Shares are vested in the relevant award holders according to the Share Award Scheme rules. Upon vesting, the Trustee shall either transfer the vested awarded Shares at no cost to such award holders or sell the vested awarded Shares at the then prevailing market price by way of market order and remit the net proceeds to the award holders in accordance with the direction given by such award holders.

The Trustee had purchased an aggregate of 4,214,000 Shares on the market during the period to hold on trust for the selected participants pursuant to the terms and conditions of the rules of the Share Award Scheme and the trust deed.

The Board had granted 4,214,000 Awarded Shares to 101 selected participants during the period. Please refer to the Company's announcement dated 26 June 2019 for details.

股份獎勵計劃

本公司設有一項股份獎勵計劃(「**股份獎勵計劃**」)，該計劃於二零一九年四月二十三日(「**採納日期**」)採納。除非另行取消或修訂，否則股份獎勵計劃將由採納日期起一直有效，為期十年。

董事會可不時按其全權酌情決定選擇任何合資格人士參與股份獎勵計劃及釐定將授予的股份數目以及獎勵的條款及條件。獎勵將以按當時市價於市場上購買的股份撥付而概不會根據股份獎勵計劃配發及發行任何新股份。股份獎勵計劃的受託人(「**受託人**」)應以信託方式為獎勵持有人持有獎勵股份，直至獎勵股份根據股份獎勵計劃規則歸屬予有關獎勵持有人為止。於歸屬後，受託人須按照該等獎勵持有人作出的指示，將已歸屬之獎勵股份免費轉讓予該等獎勵持有人，或於市場上按當時現行之市價盤出售已歸屬之獎勵股份並將所得款項淨額匯付予獎勵持有人。

於回顧期內，受託人已根據股份獎勵計劃規則及信託契約的條款及條件，於市場上購買合共4,214,000股股份，並以信託方式為選定參與者持有該等股份。

於回顧期間內，董事會已向101名選定參與者授出4,214,000股獎勵股份。詳情請參閱本公司日期為二零一九年六月二十六日的公告。

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The Board will constantly review and determine at its absolute discretion such number of Awarded Shares to be awarded to the selected persons under the Share Award Plan with such vesting conditions as the Board may deem appropriate

Model Code for Securities Transactions by Directors

The Company has adopted the code of conduct regarding securities transactions by directors as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix 10 to the Listing Rules. All the Directors of the Company have confirmed that they have complied with the required standards as set out in the Model Code throughout the period under review.

Purchase, Sale or Redemption of Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed the Company’s listed securities, except that the trustee of the Share Award Scheme purchased on the Stock Exchange a total of 4,214,000 shares of the Company at a total consideration of about HK\$5,791,000 pursuant to the terms of the rules and trust deed of the Share Award Scheme during the period under review.

Corporate Governance

The Company had adopted and complied with the code provisions (the “**Code Provisions**”) of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Listing Rules and certain recommended best practices set out in the CG Code throughout the period under review.

董事會將不斷檢討及全權酌情釐定根據股份獎勵計劃按董事會可能視為合適的有關歸屬條件將向獲選人授出的有關獎勵股份數目。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「**標準守則**」）作為董事進行證券交易的操守守則。經本公司向全體董事作出具體查詢後，彼等均確認於回顧期一直遵守標準守則所載的規定準則。

購回、出售或贖回證券

於回顧期內，除股份獎勵計劃受託人根據股份獎勵計劃之規則和信託契約條款，以總額約5,791,000港元在聯交所購入合共4,214,000股本公司股份外，本公司或其任何附屬公司並無購回、出售或贖回本公司之上市證券。

企業管治

本公司於本回顧期一直採納並遵守上市規則附錄十四所載之企業管治守則（「**企業管治守則**」）的原則，並遵守企業管治守則所載之守則的條文及若干建議最佳常規。

Corporate Governance and Other Information

企業管治及其他資料

Updates on Directors' Information

At the annual general meeting ("AGM") of the Company held on 31 May 2019, ordinary resolutions were passed to appointment Mr. Chen Riyue as non-executive Director; and Mr. Liew Fui Kiang and Mr. Shin Yick Fabian as independent non-executive Directors. Please refer to Appendix II to the Company's circulars dated 26 April 2019 for the biographies of the above Directors appointed at the AGM.

Save for those disclosed above, there is no other information in respect of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Audit Committee

The Company established the Audit Committee with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Audit Committee are to make recommendation to the Board on the appointment of the external auditors, review and supervise the financial reporting process and the internal control procedures of our Group. The Audit Committee consists of three independent non-executive Directors, namely Mr. Chung Kwok Mo John, Mr. Liew Fui Kiang and Mr. Shin Yick Fabian. Mr. Chung Kwok Mo John is the chairman of the Audit Committee.

更新董事資料

本公司於二零一九年五月三十一日舉行之股東週年大會（「股東週年大會」）上，普通決議案已獲通過委任陳日月先生為非執行董事；及劉懷鏡先生及冼易先生為獨立非執行董事。有關上述於股東週年大會獲委任之董事之履歷，請參閱本公司日期為二零一九年四月二十六日之通函附錄二。

除上文披露者外，概無董事的其他資料根據《上市規則》第13.51B(1)條須予披露。

審核委員會

本公司按上市規則附錄十四企業管治守則的規定，成立有書面職權範圍的審核委員會。審核委員會的主要職責包括就委任外部核數師向董事會提出推薦意見、檢討及監察本集團財務申報程序及內部監控系統。審核委員會由三名獨立非執行董事鍾國武先生、劉懷鏡先生及冼易先生組成。審核委員會主席為鍾國武先生。

Corporate Governance and Other Information

企業管治及其他資料

Risk Management Committee

The Company established the Risk Management Committee with written terms of reference. The primary duties of the Risk Management Committee are to assist the Board on deciding the risk level and risk appetite of the Group and considering the Group's risk management strategies. The Risk Management Committee has eight members, including four directors namely Mr. Liew Fui Kiang, Mr. Chung Kwok Mo John, Mr. Shin Yick Fabian and Mr. Hu Zheng; and four senior managements, namely Ms. Chen Wei, Ms. Hou Lusi, Ms. Cai Yan and Mr. Ye Ningfei. Mr. Liew Fui Kiang is the chairman of the Risk Management Committee.

Remuneration Committee

The Company established the Remuneration Committee with written terms of reference. The primary duties of the Remuneration Committee are to make recommendations to the Board on the remuneration of our Directors and senior management and determine on behalf of the Board specific remuneration packages and conditions of employment for the Directors and senior management. The Remuneration Committee has four members, namely Mr. Chung Kwok Mo John, Mr. Liew Fui Kiang, Mr. Shin Yick Fabian and Mr. Hu Zheng. Mr. Shin Yick Fabian is the chairman of the Remuneration Committee.

風險管理委員會

本公司已成立有書面職權範圍的風險管理委員會。風險管理委員會的主要職責是協助董事會決定本集團的風險水平及可承受風險程度及考慮本公司的風險管理策略。風險管理委員會有八名成員，包括四名董事即劉懷鏡先生、鍾國武先生、冼易先生及胡正先生；以及四名高層管理人員，分別為陳威女士、侯鶯絲女士、蔡琰女士及葉寧飛先生。風險管理委員會主席為劉懷鏡先生。

薪酬委員會

本公司已成立有書面職權範圍的薪酬委員會。薪酬委員會的主要職責包括向董事會就董事及高級管理層薪酬提出推薦意見，以及代表董事會釐定董事及高級管理層的指定薪酬待遇及僱傭條件。薪酬委員會有四名成員，包括鍾國武先生、劉懷鏡先生、冼易先生及胡正先生。薪酬委員會主席為冼易先生。

Corporate Governance and Other Information

企業管治及其他資料

Nomination Committee

The Company established the Nomination Committee with written terms of reference. The primary duty of Nomination Committee is to make recommendation to the Board regarding candidates to fill vacancies on the Board and senior management. The Nomination Committee consists of four members, namely Mr. Chung Kwok Mo John, Mr. Liew Fui Kiang, Mr. Shin Yick Fabian and Mr. Hu Zheng. Mr. Hu Zheng is the chairman of the Nomination Committee.

Audit Committee Review

The condensed consolidated financial statements of the Group for the six months ended 30 June 2019 have not been audited but have been reviewed by the audit committee of the Company (comprised all the independent non-executive directors of the Company).

Events After the Reporting Period

As at the date of approval of this interim condensed financial information, the Group has no event after the reporting period that need to be disclosed.

提名委員會

本公司已成立有書面職權範圍的提名委員會。提名委員會的主要職責為向董事會就填補董事會及高級管理層的臨時空缺提出推薦意見。提名委員會有四名成員，包括為鍾國武先生、劉懷鏡先生、冼易先生及胡正先生。提名委員會主席為胡正先生。

審核委員會審閱

本集團截至二零一九年六月三十日止六個月的簡明綜合財務報表未經審核；但經本公司的審核委員會（由全體獨立非執行董事組成）所審閱。

報告期間後事件

於本中期簡明財務資料批准日期，本集團並無須披露的報告期間後事件。



ZHENGYE
INTERNATIONAL

正業國際控股有限公司
ZHENGYE INTERNATIONAL HOLDINGS COMPANY LIMITED