

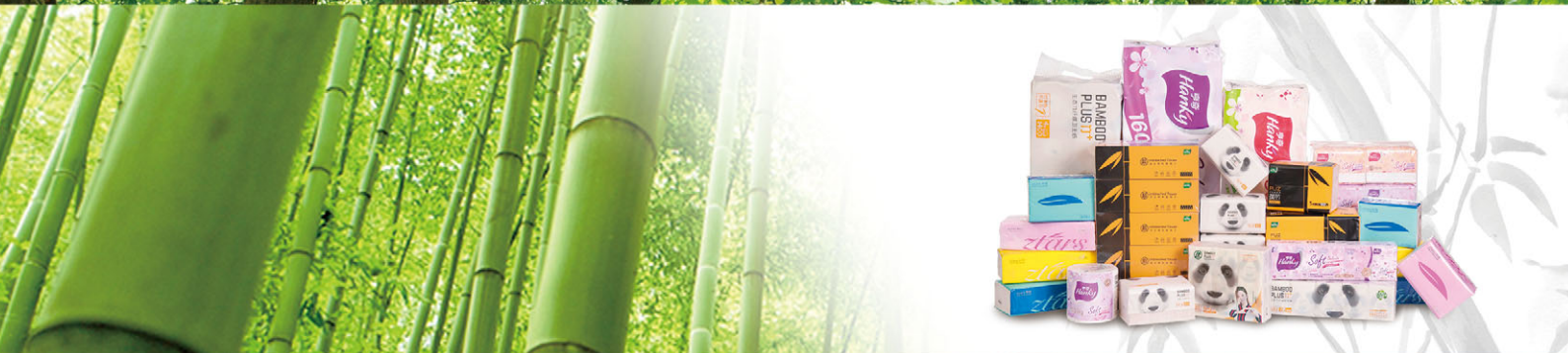


理文造紙有限公司*

Lee & Man Paper Manufacturing Limited

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

(於開曼群島註冊成立之有限公司) 股份代號: 2314



INTERIM REPORT 中期報告

2017



* 僅供識別

* For identification purposes only

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CORPORATE INFORMATION

公司資料

Board of Directors

Executive directors

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

Non-executive director

Professor Poon Chung Kwong *GBS JP*

Independent non-executive directors

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

Audit Committee

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

Remuneration Committee

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

Nomination Committee

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

Authorised Representatives

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

Company Secretary

Mr. Cheung Kwok Keung

Registered Office

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

董事會

執行董事

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

非執行董事

潘宗光教授金紫荊星章 太平紳士

獨立非執行董事

王啟東先生
Peter A. Davies先生
周承炎先生

審核委員會

周承炎先生(主席)
王啟東先生
Peter A. Davies先生

薪酬委員會

周承炎先生(主席)
王啟東先生
Peter A. Davies先生

提名委員會

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

授權代表

李文俊博士銀紫荊星章 太平紳士
張國強先生

公司秘書

張國強先生

註冊辦事處

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

Principal Office

5th Floor, Liven House
61-63 King Yip Street
Kwun Tong
Kowloon
Hong Kong

Principal Bankers

In Hong Kong and Macau:

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

In the PRC:

China Construction Bank
Bank of China
Agricultural Bank of China

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants

Principal Share Registrar And Transfer Office

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

Hong Kong Branch Share Registrar and Transfer Office

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

Website

<http://www.leemanpaper.com>

總辦事處

香港
九龍
觀塘
敬業街61-63號
利維大廈5樓

主要往來銀行

香港及澳門：

恒生銀行
渣打銀行
花旗銀行
滙豐銀行
星展銀行
中國銀行(香港)

中國：

中國建設銀行
中國銀行
中國農業銀行

核數師

德勤•關黃陳方會計師行
執業會計師

主要股份過戶登記處

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

網址

<http://www.leemanpaper.com>

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 2017 截至2017年6月30日止6個月

The board of directors of Lee & Man Paper Manufacturing Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2017 together with the comparative figures as follows:

理文造紙有限公司(「本公司」)董事會欣然公布，本公司及其附屬公司(「本集團」)截至2017年6月30日止6個月未經審核簡明綜合業績，連同比較數字如下：

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2017

簡明綜合損益及其他全面收益表

截至2017年6月30日止6個月

		Six months ended 30 June 截至6月30日止6個月	
		2017 (unaudited) (未經審核) HK\$'000 千港元	2016 (unaudited) (未經審核) HK\$'000 千港元
		Notes 附註	
Revenue	收入	3	11,439,571
Cost of sales	銷售成本		(8,361,053)
Gross profit	毛利		3,078,518
Other income	其他收入	4	361,405
Other gains and losses	其他收益及虧損	5	(17,540)
Distribution and selling expenses	分銷及銷售費用		(205,299)
General and administrative expenses	日常及行政費用		(515,330)
Finance costs	財務成本	6	(81,176)
Profit before tax	除稅前盈利		2,620,578
Income tax expense	利得稅支出	7	(426,947)
Profit for the period	期內盈利	8	2,193,631
Other comprehensive income (expense)	其他全面收益(支出)		
Item that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目：		
Exchange differences arising on translation of foreign operations	換算境外業務產生之匯兌差額		363,115
Total comprehensive income for the period	期內總全面收益		2,556,746
			1,944,387
			285,692
			24,635
			(113,790)
			(408,203)
			(87,417)
			1,645,304
			(214,874)
			1,430,430
			(857,523)
			572,907

		Six months ended 30 June 截至6月30日止6個月	
		2017 (unaudited) (未經審核) HK\$'000 千港元	2016 (unaudited) (未經審核) HK\$'000 千港元
		Notes 附註	
Dividends:	股息：	9	
– Dividend paid	– 已付股息		432,950
– Interim dividend declared	– 宣派中期股息		501,226
			HK cents 港仙
Earnings per share	每股盈利	10	31.36

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30 June 2017 於2017年6月30日

		Notes 附註	30 June 2017 2017年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	31 December 2016 2016年 12月31日 (audited) (經審核) HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	25,969,202	24,312,225
Prepaid lease payments	預付租賃款項		885,326	877,980
Investment properties	投資物業		365,976	371,409
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備所付訂金		93,250	149,685
Interest in a joint venture	合營企業權益	12	–	–
Loan to a joint venture	合營企業貸款	12	118,485	95,953
			27,432,239	25,807,252
Current assets	流動資產			
Inventories	存貨	13	3,439,310	2,914,432
Prepaid lease payments	預付租賃款項		19,975	21,111
Trade and other receivables	應收貿易及其他賬款	14	6,174,993	4,959,863
Amounts due from related companies	應收關連公司款項		20,453	21,730
Derivative financial instruments	衍生金融工具		13,446	231
Margin deposits	保證金存款		–	1,450
Bank balances and cash	銀行結餘及現金		1,000,709	1,274,197
			10,668,886	9,193,014
Current liabilities	流動負債			
Trade and other payables	應付貿易及其他賬款	15	3,963,060	3,549,231
Amounts due to related companies	應付關連公司款項		5,377	4,288
Derivative financial instruments	衍生金融工具		–	11,267
Tax payable	應付稅項		200,091	158,938
Bank borrowings	銀行借貸		5,055,185	4,240,105
			9,223,713	7,963,829
NET CURRENT ASSETS	流動資產淨值		1,445,173	1,229,185
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		28,877,412	27,036,437
NON-CURRENT LIABILITIES	非流動負債			
Bank borrowings	銀行借貸		9,168,291	9,306,737
Deferred tax liabilities	遞延稅項負債		961,042	906,735
			10,129,333	10,213,472
			18,748,079	16,822,965
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	16	112,916	113,642
Reserves	儲備		18,635,163	16,709,323
			18,748,079	16,822,965

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2017 截至2017年6月30日止6個月

		Six months ended 30 June 截至6月30日止6個月	
		2017 (unaudited) (未經審核) HK\$'000 千港元	2016 (unaudited) (未經審核) HK\$'000 千港元
Net cash from operating activities	經營業務所得現金淨額	1,417,740	1,839,154
Net cash used in investing activities	投資業務所用現金淨額		
Purchases of property, plant and equipment	購置物業、廠房及設備	(1,714,280)	(1,851,010)
Loan to a joint venture	合營企業貸款	(22,532)	—
Payment for prepaid lease payments	預付租賃款項支出	(5,537)	(10,228)
Interest received	已收利息	3,894	12,159
Withdrawal of margin deposits	提取保證金存款	1,450	3,203
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	1,078	777
		(1,735,927)	(1,845,099)
Net cash from (used in) financing activities	融資活動所得(用)現金淨額		
Net bank borrowings raised (repaid)	籌集(償還)銀行貸款淨額	676,331	(1,002,586)
Dividends paid	已付股息	(496,830)	(432,950)
Payment on repurchase of shares	支付購回股份	(134,802)	(92,874)
		44,699	(1,528,410)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(273,488)	(1,534,355)
Cash and cash equivalents brought forward	現金及現金等價物承前結餘	1,274,197	2,958,656
Cash and cash equivalents carried forward represented by bank balances and cash	現金及現金等價物結轉銀行結餘及現金	1,000,709	1,424,301

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2017 截至2017年6月30日止6個月

		Share capital	Share premium	Translation reserve	Capital contribution	Legal reserve	Special reserve	Other reserve	Share repurchase Reserve	Retained profits	Total equity
		股本	股份溢價	匯兌儲備	資金貢獻	法定公積金	特別儲備	其他儲備	購回儲備	留存盈利	權益總值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2017	於2017年1月1日	113,642	3,409,183	(930,239)	12,552	97	(2,999)	(12,060)	(42,122)	14,274,911	16,822,965
Profit for the period	期內盈利	-	-	-	-	-	-	-	-	2,193,631	2,193,631
Exchange difference arising on translation of foreign operations	換算境外業務產生之匯兌差額	-	-	363,115	-	-	-	-	-	-	363,115
Total comprehensive income for the period	期內總全面收益	-	-	363,115	-	-	-	-	-	2,193,631	2,556,746
Share repurchased and cancelled	股份購回及註銷	(726)	(176,198)	-	-	-	-	-	42,122	-	(134,802)
Dividends recognised as distributions	確認為分派之股息	-	(496,830)	-	-	-	-	-	-	-	(496,830)
At 30 June 2017	於2017年6月30日	112,916	2,736,155	(567,124)	12,552	97	(2,999)	(12,060)	-	16,468,542	18,748,079
At 1 January 2016	於2016年1月1日	114,475	3,565,525	1,212,253	12,552	97	(2,999)	(12,060)	-	12,346,344	17,236,187
Profit for the period	期內盈利	-	-	-	-	-	-	-	-	1,430,430	1,430,430
Exchange difference arising on translation of foreign operations	換算境外業務產生之匯兌差額	-	-	(857,523)	-	-	-	-	-	-	(857,523)
Total comprehensive (expense) income for the period	期內總全面(支出)收益	-	-	(857,523)	-	-	-	-	-	1,430,430	572,907
Share repurchased and cancelled	股份購回及註銷	(560)	(92,314)	-	-	-	-	-	-	-	(92,874)
Dividends recognised as distributions	確認為分派之股息	-	-	-	-	-	-	-	-	(432,950)	(432,950)
At 30 June 2016	於2016年6月30日	113,915	3,473,211	354,730	12,552	97	(2,999)	(12,060)	-	13,343,824	17,283,270

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至2017年6月30日止6個月

1. Basis of Preparation

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

2. Principal Accounting Policies

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2017 are the same as those followed in the preparation of the Group’s financial statements for the year ended 31 December 2016.

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

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

1. 編製基準

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

2. 主要會計政策

本簡明綜合財務報表按歷史成本法編製，惟按公允值計量之衍生金融工具除外。

除下文所述外，編製截至2017年6月30日止6個月之簡明綜合財務報表所採用的會計政策及計算方法，與本集團截至2016年12月31日止年度財務報表所採用者一致。

於本中期期間，本集團已首次採納由香港會計師公會頒布且已於本中期期間強制生效的香港財務報告準則(「香港財務報告準則」)及詮釋的若干修訂。

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至2017年6月30日止6個月

3. Revenue and Segment Information

Segment revenues and results

Six months ended 30 June 2017

3. 收入及分部資料

分部收入及業績

截至2017年6月30日止6個月

		Packaging paper 包裝紙 HK\$'000 千港元	Pulp 木漿 HK\$'000 千港元	Tissue paper 衛生紙 HK\$'000 千港元	Segment total 分部合計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收入						
External sales	對外銷售	10,321,763	12,013	1,105,795	11,439,571	-	11,439,571
Inter-segment sales	分部之間銷售	-	409,516	-	409,516	(409,516)	-
		10,321,763	421,529	1,105,795	11,849,087	(409,516)	11,439,571
SEGMENT PROFIT	分部盈利	2,508,036	2,371	209,983	2,720,390	-	2,720,390
Net gain from fair value changes of derivative financial instruments	衍生金融工具公允價值 變動淨收益						30,030
Unallocated income	未分類之收入						3,876
Unallocated expenses	未分類之支出						(52,542)
Finance costs	財務成本						(81,176)
Profit before tax	除稅前盈利						2,620,578

3. Revenue and Segment Information (Continued)

Segment revenues and results (Continued)

Six months ended 30 June 2016

		Packaging paper 包裝紙 HK\$'000 千港元	Pulp 木漿 HK\$'000 千港元	Tissue paper 衛生紙 HK\$'000 千港元	Segment total 分部合計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收入						
External sales	對外銷售	7,825,479	131,145	412,134	8,368,758	-	8,368,758
Inter-segment sales	分部之間銷售	-	142,284	-	142,284	(142,284)	-
		7,825,479	273,429	412,134	8,511,042	(142,284)	8,368,758
SEGMENT PROFIT	分部盈利	1,640,021	10,782	52,204	1,703,007	-	1,703,007
Net gain from fair value changes derivative financial instruments	衍生金融工具公允值 變動淨收益						9,507
Unallocated income	未分類之收入						48,728
Unallocated expenses	未分類之支出						(28,521)
Finance costs	財務成本						(87,417)
Profit before tax	除稅前盈利						1,645,304

3. 收入及分部資料(續)

分部收入及業績(續)

截至2016年6月30日止6個月

4. Other Income

4. 其他收入

Six months ended 30 June

截至6月30日止6個月

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Value added tax and other tax refund	增值稅退稅及其他退稅	214,060	157,527
Income from supply of steam and electricity	供應蒸氣及電力收入	40,143	34,054
Income from wharf cargo handling	經營碼頭貨運收入	25,193	27,453
Sales of materials and waste paper	廢料及廢紙銷售	20,612	16,315
Interest income from banks	銀行利息收入	3,894	12,159
Others	其他	57,503	38,184
		361,405	285,692

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至2017年6月30日止6個月

5. Other Gains or Losses

5. 其他收益及虧損

		Six months ended 30 June 截至6月30日止6個月	
		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Net foreign exchange (loss) gain	淨滙兌(虧損)收益	(46,237)	36,569
Net gain from fair value changes of derivative financial instruments	衍生金融工具公允價值 變動淨收益	30,030	9,507
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損	(1,333)	(21,441)
		(17,540)	24,635

6. Finance Costs

6. 財務成本

		Six months ended 30 June 截至6月30日止6個月	
		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Interest on bank borrowings	銀行借貸利息	133,583	159,199
Less: amounts capitalised to property, plant and equipment	減去：物業、廠房及 設備之資本化金額	(52,407)	(71,782)
		81,176	87,417

7. Income Tax Expense

7. 利得稅支出

		Six months ended 30 June 截至6月30日止6個月	
		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Income tax recognised in profit or loss:	於損益內確認之利得稅：		
Current tax	本期稅項		
– The PRC Enterprise Income Tax (“EIT”)	– 中國企業所得稅 (「企業所得稅」)	372,751	153,287
(Over) under provision in previous year	去年(超額)不足撥備		
– The PRC EIT	– 中國企業所得稅	(111)	1,411
Deferred tax	遞延稅項		
– Charge to profit or loss	– 計入損益	54,307	60,176
		426,947	214,874

The Group's profit is subject to taxation from the place of its operations where its profit is generated and is calculated at the rate prevailing in the relevant jurisdictions.

The PRC

The Group's subsidiaries in the PRC are subject to corporate income tax at the rate of 25% except that five (2016: five) of these subsidiaries are entitled to preferential rate of 15% for the Group's financial year ending 31 December 2017.

Hong Kong

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from Hong Kong.

本集團之盈利須於其盈利賺取的營運地方繳納稅項，稅項按相關司法管轄區適用之稅率計算。

中國

本集團於中國的附屬公司之適用企業所得稅稅率為25%，而其中五間(2016年：五間)附屬公司於本集團截至2017年12月31日止財政年度享有減免企業所得稅稅率15%。

香港

由於本集團之收入並非產自或源自香港，故並無就香港稅項作出撥備。

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簡明綜合財務報表附註

For the six months ended 30 June 2017 截至2017年6月30日止6個月

7. Income Tax Expense (Continued)

Macau

The Macau subsidiaries incorporated under Decree-Law no.58/99/M are exempted from Macau complementary tax (Macau income tax) as long as they comply with the relevant regulations and do not sell their products to a Macau resident.

Vietnam

The Vietnam subsidiaries are subjected to Vietnam Corporate Income Tax at a rate of 10%. No provision for Vietnam Corporate Income Tax has been made for both periods as the Vietnam subsidiaries incurred losses for both periods.

Other

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

7. 利得稅支出(續)

澳門

澳門附屬公司根據第58/99/M號法令註冊成立，均獲豁免繳納澳門補充稅(澳門所得稅)，前提為其須遵守相關法規且不得向澳門本土公司出售產品。

越南

越南附屬公司須按10%稅率繳納越南企業所得稅。由於越南附屬公司於兩個期間均錄得虧損，故並無為兩個期間計提越南企業所得稅撥備。

其他

其他司法管轄區產生的稅項則按相關司法管轄區適用之稅率計算。

8. Profit for the Period

8. 期內盈利

		Six months ended 30 June 截至6月30日止6個月	
		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Profit for the period has been arrived at after charging:	期內盈利經扣除：		
Directors' emoluments	董事酬金	18,863	18,800
Staff salaries and other benefits, excluding those of directors	員工薪金及其他福利，不包括董事	458,824	429,552
Contributions to retirement benefit schemes, excluding those of directors	退休福利計劃供款，不包括董事	27,117	23,768
Total employee benefit expense Capitalised in inventories	僱員福利開支總額 庫存資本化	504,804 (340,223)	472,120 (305,180)
		164,581	166,940
Cost of inventories recognised as expense	存貨成本確認為支出	8,361,053	6,424,371
Amortisation of prepaid lease payments	預付租賃款項攤銷	8,898	6,874
Depreciation of property, plant and equipment	物業、廠房及設備折舊	501,547	464,596
Depreciation of investment properties	投資物業折舊	5,168	-
Total depreciation and amortisation Capitalised in inventories	折舊及攤銷總額 庫存資本化	515,613 (466,528)	471,470 (432,521)
		49,085	38,949
Operating lease rentals in respect of land and buildings	土地及樓宇的經營租賃租金	6,505	5,850

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簡明綜合財務報表附註

For the six months ended 30 June 2017 截至2017年6月30日止6個月

9. Dividends

A final dividend of HK\$0.110 per share was paid in respect of the year ended 31 December 2016 (2016: a final dividend of HK\$0.095 per share were paid for the year ended 31 December 2015) to shareholders during the current period.

The directors determined that an interim dividend of HK\$0.170 (2016: HK\$0.110) per share should be paid to the shareholders of the Company whose names appear on the Register of Members on 15 September 2017.

10. Earnings Per Share

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

9. 股息

期內已派發截至2016年12月31日止年度每股0.110港元之末期股息(2016年：派發截至2015年12月31日止年度每股0.095港元之末期股息)給予股東。

董事議決派發每股0.170港元(2016年：0.110港元)之中期股息給予在2017年9月15日名列於股東名冊內之本公司股東。

10. 每股盈利

本公司擁有人的每股盈利乃以下列數據為基準計算：

		Six months ended 30 June 截至6月30日止6個月	
		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Earnings for the purpose of earnings per share	用以計算每股盈利之盈利	2,193,631	1,430,430
		Number of shares 股份數量	Number of shares 股份數量
Weighted average number of ordinary shares for the purpose of earnings per share	用以計算每股盈利的普通股加權平均數	4,530,768,249	4,561,052,066

11. Additions to Property, Plant and Equipment

During the period, there were additions of HK\$1,918 million (2016: HK\$2,037 million) to property, plant and equipment to expand its operations.

11. 添置物業、廠房及設備

期內，添置物業、廠房及設備19.18億港元（2016年：20.37億港元），以拓展業務。

12. Interest in a Joint Venture

12. 合營企業權益

		30 June 2017 2017年 6月30日 HK\$'000 千港元	31 December 2016 2016年 12月31日 HK\$'000 千港元
Cost of an unlisted investment in a joint venture	於合營企業之未上市投資成本	-	-
Share of profit and other comprehensive income	應佔盈利及其他全面收益	-	-
		-	-
Loan to a joint venture (note ii)	合營企業貸款(附註ii)	118,485	95,953

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簡明綜合財務報表附註

For the six months ended 30 June 2017 截至2017年6月30日止6個月

12. Interest in a Joint Venture (Continued)

notes:

- (i) Details of the Group's joint venture and its subsidiary at 30 June 2017 are as follows:

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

- (ii) The loan is provided to the joint venture in form of a shareholder's loan and it forms part of the net investment in the joint venture. Except for an amount of HK\$21,168,000 which bears interest at 3.8% per annum and repayable by 31 December 2018, the remaining amount is unsecured, interest-free and has no fixed repayment term and the settlement is neither planned nor likely to occur in the foreseeable future.

12. 合營企業權益(續)

附註：

- (i) 於2017年6月30日本集團之合營企業及其附屬公司詳情如下：

- (ii) 合營企業貸款以股東借款形式提供及成為合營企業淨投資的一部分。除21,168,000港元之金額以年息3.8%計算及須於2018年12月31日前清還外，餘下之金額乃無抵押、免息及無固定還款期，且其償付是既無計劃，也未必可能在可預見的將來發生。

13. Inventories

13. 存貨

		30 June 2017 2017年 6月30日 HK\$'000 千港元	31 December 2016 2016年 12月31日 HK\$'000 千港元
Raw materials	原料	3,063,394	2,689,543
Finished goods	製成品	375,916	224,889
		3,439,310	2,914,432

14. Trade and Other Receivables

14. 應收貿易及其他賬款

		30 June 2017 2017年 6月30日 HK\$'000 千港元	31 December 2016 2016年 12月31日 HK\$'000 千港元
Trade receivables	應收貿易賬款	3,045,660	2,131,788
Less: allowance for doubtful debt	減：呆壞賬撥備	(25,856)	(30,360)
Bills receivables	應收票據	3,019,804	2,101,428
		1,392,906	1,511,703
Prepayments and deposits for purchase of raw materials	購買原料預付款項及訂金	4,412,710	3,613,131
Other deposits and prepayments	其他訂金及預付款項	818,507	687,653
Value added tax receivables	應收增值稅款項	157,436	50,594
Other receivables	其他應收款項	566,182	398,512
		220,158	209,973
		6,174,993	4,959,863

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簡明綜合財務報表附註

For the six months ended 30 June 2017 截至2017年6月30日止6個月

14. Trade and Other Receivables (Continued)

The Group allows its customers an average credit period of 45 to 90 days. The following is an aged analysis of trade and bills receivables presented based on the invoice date at the end of the reporting period.

14. 應收貿易及其他賬款(續)

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

		30 June 2017 2017年 6月30日 HK\$'000 千港元	31 December 2016 2016年 12月31日 HK\$'000 千港元
Aged:	賬齡：		
Not exceeding 30 days	不超過30日	3,451,975	3,210,017
31-60 days	31-60日	735,995	293,645
61-90 days	61-90日	131,578	57,991
91-120 days	91-120日	34,008	25,873
Over 120 days	120日以上	59,154	25,605
		4,412,710	3,613,131

15. Trade and Other Payables

15. 應付貿易及其他賬款

		30 June 2017 2017年 6月30日 HK\$'000 千港元	31 December 2016 2016年 12月31日 HK\$'000 千港元
Trade and bills payables	應付貿易及票據賬款	2,839,292	2,555,195
Construction fee payable	應付工程款	553,727	463,646
Accruals	應計費用	234,110	167,460
Receipt in advance	預收款項	151,239	122,516
Other payables	其他應付款項	184,692	240,414
		3,963,060	3,549,231

The average credit period taken for trade purchases ranges from 30 to 120 days. The following is an aged analysis of the trade and bills payables presented based on the invoice date at the end of the reporting period.

貿易購貨之平均賒賬期由30至120日不等。下表為於報告期末按發票日期之應付貿易及票據賬款之賬齡分析。

		30 June 2017 2017年 6月30日 HK\$'000 千港元	31 December 2016 2016年 12月31日 HK\$'000 千港元
Aged:	賬齡：		
Not exceeding 30 days	不超過30日	1,212,922	1,213,666
31–60 days	31–60日	615,715	603,054
61–90 days	61–90日	430,896	350,298
91–120 days	91–120日	546,560	370,937
Over 120 days	120日以上	33,199	17,240
		2,839,292	2,555,195

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簡明綜合財務報表附註

For the six months ended 30 June 2017 截至2017年6月30日止6個月

16. Share Capital

16. 股本

		Number of ordinary shares 普通股數目	Amount 金額 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.025 each at 1 January 2016, 31 December 2016 and 30 June 2017	於2016年1月1日， 2016年12月31日及 2017年6月30日 每股0.025港元的普通股	8,000,000,000	200,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.025 each at 1 January 2016	於2016年1月1日每股0.025 港元的普通股	4,579,000,000	114,475
Shares repurchased and cancelled	股份購回及註銷	(33,340,000)	(833)
Ordinary shares of HK\$0.025 each at 31 December 2016	於2016年12月31日每股0.025 港元的普通股	4,545,660,000	113,642
Shares repurchased and cancelled (note)	股份購回及註銷(附註)	(29,020,000)	(726)
Ordinary shares of HK\$0.025 each at 30 June 2017	於2017年6月30日每股0.025 港元的普通股	4,516,640,000	112,916

note:

Including 7,060,000 shares repurchased in December 2016 and cancelled in January 2017.

附註：

包括於2016年12月回購及於2017年1月註銷之7,060,000股股份。

17. Operating Leases

The Group as lessee

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

		30 June 2017 2017年 6月30日 HK\$'000 千港元	31 December 2016 2016年 12月31日 HK\$'000 千港元
Within one year	1年內	8,467	9,123
In the second to fifth year inclusive	第2至第5年內	9,169	7,455
		17,636	16,578

The Group as lessor

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

		30 June 2017 2017年 6月30日 HK\$'000 千港元	31 December 2016 2016年 12月31日 HK\$'000 千港元
Within one year	1年內	24,526	17,119
In the second to fifth year inclusive	第2至第5年內	100,691	87,449
Over five years	超過5年	121,930	118,848
		247,147	223,416

17. 經營租約

集團作為承租人

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

集團作為出租人

於報告期末，本集團已與租戶簽訂於日後應付的最低租金為：

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For the six months ended 30 June 2017 截至2017年6月30日止6個月

18. Capital Commitments

18. 資本承擔

		30 June 2017 2017年 6月30日 HK\$'000 千港元	31 December 2016 2016年 12月31日 HK\$'000 千港元
Capital expenditures contracted for but not provided in the condensed consolidated financial statements in respect of acquisition of:	就已訂約但未於簡明綜合財務報表中撥備有關下列購置的資本開支：		
– property, plant and equipment	– 物業、廠房及設備	1,900,935	2,164,178
– land use rights	– 土地使用權	57,636	137,858
		1,958,571	2,302,036

19. Related and Connected Party Disclosures

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

19. 相關及關連人士披露

期內，本集團與相關人士(若干人士亦同時根據上市規則被視作為關連人士)進行重大交易。期內與該等人士進行的重大交易如下：

		Six months ended 30 June 截至6月30日止6個月	
Name of parties 關連人士名稱	Nature of transactions 交易性質	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Lee & Man Industrial Manufacturing Limited (note i) 理文實業有限公司(附註i)	Finished goods sold by the Group 集團出售製成品	56,527	42,301
	Electricity and steam fee received by the Group 集團已收電力及蒸氣費用	1,172	1,361
	Raw materials and other materials purchased by the Group 集團購買原料及其他材料	1,478	819
Lee & Man Paper Products Company Limited (note i) 理文紙品有限公司(附註i)	Licence fee expenses incurred by the Group 集團許可權費支出	946	997

19. Related and Connected Party Disclosures

(Continued)

19. 相關及關連人士披露(續)

Name of parties 關連人士名稱	Nature of transactions 交易性質	Six months ended 30 June 截至6月30日止6個月	
		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Jiangsu Lee & Man Chemical Limited (note ii) 江蘇理文化工有限公司(附註ii)	Electricity and steam fee received by the Group 集團已收電力及蒸氣費用	33,303	31,741
	Raw materials purchased by the Group 集團購買原料	12,126	7,023
	Rental income of office spaces 辦公室租金收入	852	902
Jiangxi Lee & Man Chemical Limited (note ii) 江西理文化工有限公司(附註ii)	Electricity and steam fee paid by the Group 集團已付發電及蒸氣服務費	18,461	18,183
	Rental fee paid by the Group 集團已付租金	942	659

notes:

- (i) These companies are indirectly wholly owned by the spouse of Mr. Li King Wai Ross (a director of the Company) who is also a daughter of Dr. Lee Wan Keung Patrick, the ultimate controlling shareholder of the Company.
- (ii) These companies are beneficially owned and controlled by Dr. Lee Wan Keung Patrick, the ultimate controlling shareholder of the Company.

附註：

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

20. Review of Interim Accounts

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

20. 審閱中期賬目

本簡明綜合中期財務報表均未經審核，惟經審核委員會審閱。

INTERIM DIVIDEND/CLOSURE OF REGISTER OF MEMBERS

中期股息／暫停辦理股份過戶登記

Interim Dividend

The Board has resolved to declare an interim dividend of HK\$0.170 (2016: HK\$0.110) per share for the six months ended 30 June 2017 to shareholders whose names appear on the Register of Members on 15 September 2017. It is expected that the interim dividend will be paid around 27 September 2017.

Closure of Register of Members

The Register of Members will be closed from 13 September 2017 to 15 September 2017, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the interim dividend, all transfers accomplished by the relevant share certificates must be lodged with the Company's Branch Share Registrars, Tricor Investor Services Limited, at Level 22 Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 pm on 12 September 2017.

中期股息

董事會議決宣派截至2017年6月30日止6個月之中期股息每股0.170港元(2016年：0.110港元)予2017年9月15日名列於股東名冊內之股東。預期中期股息將於2017年9月27日派付予股東。

暫停辦理股份過戶登記

本公司將於2017年9月13日至2017年9月15日(首尾兩天包括在內)暫停辦理股份過戶登記手續。為符合獲派中期股息之資格，所有過戶文件連同有關股票最遲須於2017年9月12日下午4時30分前送達本公司之股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓，以辦理登記手續。

BUSINESS REVIEW AND OUTLOOK

業務回顧及展望

Business Review and Outlook

For the six months ended 30 June 2017, the Group recorded total sales volume of 2.77 million tons and total revenue of HK\$11.44 billion. Its interim net profit increased significantly by 53% to HK\$2.19 billion as compared to last corresponding period, while its net profit per ton was HK\$792.

The Chinese government's efforts to eliminate obsolete production facilities while embarking on environmental-friendly policies has gradually reduced overcapacity in the industry. The demand recovery within the paper industry has also notably improved the demand and supply situation within the industry. The volume and selling prices of products sold by the Group increased and the profit margin also recorded a satisfactory growth.

At present, the total annual production volume of the Group's tissue paper business is 465,000 tons, which includes eight tissue paper manufacturing machines with a total annual production volume of 355,000 tons located in the Chongqing Industrial Park and the tissue paper manufacturing machines with a total annual production volume of 110,000 tons located in Jiangxi Industrial Park. The Group will be able to further reduce the production cost of tissue paper through economies of scale, leveraging the increase in production volume and by utilising its pulp production facilities in Chongqing. Another four production lines with a combined annual production capacity of 220,000 tons located in the Chongqing Industrial Park and Hongmei Guangdong, as well as two newly planned production lines with an annual production capacity of 110,000 tons to be added to Chongqing Industrial Park, will commence production respectively by end of this year and mid next year. After all of the production lines ramp up operation, the Group's annual production capacity for tissue paper will reach 795,000 tons. The tissue paper business is therefore expected to contribute considerable profit to the Group as it becomes another new growth driver in the future.

業務回顧及展望

本集團截至2017年6月30日止6個月之總銷售量為277萬噸，總收入為114.4億港元，半年淨利潤較去年同期大幅上升53%至21.9億港元，每噸淨利潤達792港元。

受惠內地政府積極關閉產能，以及陸續推出的環保政策，行業過剩產能減少，加上造紙業需求回暖，供需情況改善不少。本集團的產品銷售量和價格均告上升，而邊際利潤也錄得理想增幅。

現時本集團衛生紙年產量共46.5萬噸，包括重慶工業園8台年產量共35.5萬噸及江西工業園2台年產量共11萬噸之衛生紙生產線。隨著產量提升，以及集團在重慶擁有木漿生產設備，正好利用此效益進一步降低製造衛生紙產品之成本。重慶工業園及廣東洪梅廠區合共4台年產量共22萬噸，以及重慶工業園再計劃新建之2台年產量共11萬噸之衛生紙生產線，預計分別於今年年底前及明年年中前投產。投產後，本集團衛生紙年產量將達至79.5萬噸，未來衛生紙業務將為集團作出顯著貢獻，成為另一新增長亮點。

BUSINESS REVIEW AND OUTLOOK

業務回顧及展望

Apart from the tissue paper business, the Group also expanded into the overseas packaging paper markets and invested in the construction of overseas paper factories to keep pace with the expansion of the South East Asian markets. The paper manufacturing machine project in Hau Giang, Vietnam, with an annual production capacity of 400,000 tons began operation during the period. Since the overseas packaging paper market possesses enormous potential, the Group will consider directing more resources to this sector. The PM21 paper manufacturing machine with an annual production volume of 400,000 tons at the Jiangxi plant is also under construction and will begin operation in September this year. Once the machine is fully operational, the annual production capacity of the Group's packaging paper operation will exceed 6 million tons.

In order to address overcapacity and environmental issues in the paper industry, obsolete production facilities have steadily been eliminated in China as approval standards for new production capacities have become more stringent in recent years. Local government authorities intend to impose more stringent environmental monitoring policies and stricter requirements on environmental protection, which will lead to the shutdown of even more obsolete production facilities that fail to meet environmental standards. Despite the slowdown in economic growth in China, local demand for packaging paper is expected to grow steadily in the long run. In addition, the rapid development of e-commerce and online shopping has led to fundamental changes in the consumption and logistics models, benefitting the packaging paper industry which is currently undergoing consolidation. Looking ahead, overall paper consumption still possesses considerable room for growth, thus the Group is optimistic about the outlook of both the packaging paper segment and the paper industry as a whole.

Adhering to its long-held prudent strategies and with debts maintained at a reasonable level, the Group will monitor the pace of economic development in China and across South East Asia, while it continues to bolster the production capacity of packaging and tissue paper, as well as strengthen its presence in Vietnam. The management will also proceed with efforts to enhance production efficiency, strictly control costs and strengthen capital operation in order to maintain the Group's competitiveness in the paper industry. Furthermore, the experienced and capable management team will continue to lead the development of the Group's businesses and exert efforts to enhance profitability.

除衛生紙業務外，集團亦已進軍海外包裝紙市場，於國外投資興建造紙廠以配合拓展東南亞市場，越南后江省之造紙機項目，即相當於40萬噸年產能已於期內投產。有見海外包裝紙市場龐大，集團不排除對此項業務投放更多資源。同時，江西廠房年產能約40萬噸之PM21造紙機亦正在建造中，預備於今年九月投產。全面投產後，本集團之包裝紙年產能將超過600萬噸。

為解決造紙業產能過剩及環保問題，國家於過去幾年一直致力淘汰落後產能，同時提升新產能的審批門檻。未來，地方政府將實施更嚴謹的環保監控，並提升對環保的要求，將環保不達標之落後產能陸續淘汰關閉。雖然內地經濟增長速度溫和放緩，但長遠而言，中國對包裝用紙需求仍會保持穩定增長，特別是電子商務和網購平台仍然繼續快速發展，將帶動消費和物流的模式轉變，這有助正處於整合階段的包裝紙行業。展望未來，中國市場的用紙量仍具向上增長空間，集團對造紙業未來抱有相當信心。

按照集團貫徹之穩健策略，在合理負債水平情況下，集團將會隨著經濟發展步伐而提高包裝紙及衛生紙產能以及拓展越南工業園。管理層會繼續努力，提升生產效率，嚴控成本及加強資本良好運作，保持集團在現今造紙行業之市場競爭力。集團業務將持續由有經驗及能幹的管理團隊帶領，務求更進一步提升集團之盈利能力。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Results of Operation

Revenue and net profit attributable to owners of the Company for the six months ended 30 June 2017 was HK\$11,440 million and HK\$2,194 million respectively and that for the corresponding period last year was HK\$8,369 million and HK\$1,430 million respectively. The earnings per share for the period was HK48.42 cents as compared to HK31.36 cents for the corresponding period last year.

The Chinese government's efforts to eliminate obsolete production facilities while embarking on environmental-friendly policies has gradually reduced overcapacity in the industry. The demand recovery within the paper industry has also notably improved the demand and supply situation within the industry. The volume and selling prices of products sold by the Group increased and the profit margin also recorded a satisfactory growth.

Distribution and Selling Expenses

The Group's distribution and selling expenses was HK\$205 million for the six months ended 30 June 2017 as compared to HK\$114 million for the corresponding period last year. It represented about 1.8% of the revenue for the six months ended 30 June 2017 and was increased as compared to that of 1.4% for the corresponding period last year. More customers required delivery of the finished goods by the Group during the period.

General and Administrative Expenses

The Group's general and administrative expenses was HK\$515 million for the six months ended 30 June 2017 as compared to HK\$408 million for the corresponding period last year. It represented about 4.5% of the revenue for the six months ended 30 June 2017 and was comparable to the corresponding period last year.

Finance Costs

The Group's total finance costs (including the amounts capitalised) was HK\$134 million for the six months ended 30 June 2017 as compared to HK\$159 million for the corresponding period last year. The decrease was mainly due to the decrease in average interest rate on bank borrowings during the period.

經營業績

截至2017年6月30日止6個月的收入及本公司擁有人應佔純利分別為114.4億港元及21.94億港元，而去年同期則分別為83.69億港元及14.30億港元。期內，每股盈利為48.42港仙，而去年同期為31.36港仙。

受惠內地政府積極關閉產能，以及陸續推出的環保政策，行業過剩產能減少，加上造紙業需求回暖，供需情況改善不少。本集團的產品銷售量和價格均告上升，而邊際利潤也錄得理想增幅。

分銷及銷售費用

本集團截至2017年6月30日止6個月的分銷及銷售費用為2.05億港元，而去年同期為1.14億港元。截至2017年6月30日止6個月的分銷及銷售費用佔收入約1.8%，較去年同期的1.4%增加，主要由於期內有更多客戶要求由本集團運送成品。

日常及行政費用

本集團截至2017年6月30日止6個月的日常及行政費用為5.15億港元，而去年同期為4.08億港元。截至2017年6月30日止6個月的日常及行政費用佔收入約4.5%，與去年同期相若。

財務成本

本集團截至2017年6月30日止6個月的總借貸成本(包括資本化金額)為1.34億港元，而去年同期為1.59億港元。成本減少主要由於期內銀行貸款平均利率下降。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Inventories, Debtors' and Creditors' Turnover

The inventory turnover of the Group's raw materials and finished products were 75 days and 6 days, respectively, for the six months ended 30 June 2017 as compared to 85 days and 3 days, respectively, for the year ended 31 December 2016. This exhibits continued strong demand from our customers.

The Group's debtors' turnover days were 48 days for the six months ended 30 June 2017 as compared to 42 days for the year ended 31 December 2016. This is in line with the credit terms of 45 days to 90 days granted by the Group to its customers.

The Group's creditors' turnover days were 69 days for the six months ended 30 June 2017 as compared to 80 days for the year ended 31 December 2016. This is in line with the credit terms granted by the Group's suppliers.

Liquidity, Financial Resources and Capital Structure

The total shareholders' fund of the Group as at 30 June 2017 was HK\$18,748 million (31 December 2016: HK\$16,823 million). As at 30 June 2017, the Group had current assets of HK\$10,669 million (31 December 2016: HK\$9,193 million) and current liabilities of HK\$9,224 million (31 December 2016: HK\$7,964 million). The current ratio was 1.16 as at 30 June 2017 as compared to 1.15 at 31 December 2016.

The Group generally finances its operations with internal generated cash flow and credit facilities provided by its principal bankers in Hong Kong, Macau and the PRC. As at 30 June 2017, the Group had outstanding bank borrowings of HK\$14,223 million (31 December 2016: HK\$13,547 million). These bank loans were secured by corporate guarantees provided by certain subsidiaries of the Company. As at 30 June 2017, the Group maintained bank balances and cash of HK\$1,001 million (31 December 2016: HK\$1,274 million). The Group's net debt-to-equity ratio (total borrowings net of cash and cash equivalents over shareholders' equity) decreased from 0.73 as at 31 December 2016 to 0.71 as at 30 June 2017. Capital expenditure were comparable to last period but there was an increase in translation reserve as a result of Renminbi appreciation during the period.

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

存貨、應收賬款及應付賬款周轉期

本集團於截至2017年6月30日止6個月的原料及製成品存貨周轉期分別為75日及6日，相比截至2016年12月31日止年度則分別為85日及3日。由此可見，本集團客戶需求的增長勢頭依然強勁。

本集團於截至2017年6月30日止6個月的應收賬款周轉期為48日，相比截至2016年12月31日止年度則為42日。此符合本集團給予客戶45日至90日的信貸期。

本集團於截至2017年6月30日止6個月的應付賬款周轉期為69日，相比截至2016年12月31日止年度則為80日。此符合供應商給予本集團的信貸期。

流動資金、財務資源及資本結構

於2017年6月30日，本集團的股東資金總額為187.48億港元(2016年12月31日：168.23億港元)。於2017年6月30日，本集團的流動資產達106.69億港元(2016年12月31日：91.93億港元)，而流動負債則為92.24億港元(2016年12月31日：79.64億港元)。於2017年6月30日的流動比率為1.16，而於2016年12月31日則為1.15。

本集團一般以內部產生的現金流量，以及中港澳主要往來銀行提供的信貸備用額作為業務的營運資金。於2017年6月30日，本集團的未償還銀行貸款為142.23億港元(2016年12月31日：135.47億港元)。該等銀行借貸由本公司若干附屬公司提供的公司擔保作為抵押。於2017年6月30日，本集團持有銀行結餘及現金10.01億港元(2016年12月31日：12.74億港元)。期內資本開支與上期相若，而人民幣升值令匯兌儲備增加，本集團的淨資本負債比率(借貸總額減現金及現金等價物除以股東權益)由2016年12月31日的0.73下降至2017年6月30日的0.71。

本集團具備充裕的現金及可供動用的銀行備用額以應付集團的承擔及營運資金需要。

The Group's transactions and the monetary assets are principally denominated in Hong Kong dollars, Renminbi, United States dollars or Euro. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the six months ended 30 June 2017. The Group has used currency structured instruments, foreign currency borrowings or other means to hedge its foreign currency exposure.

Employees

As at 30 June 2017, the Group had a workforce of more than 7,200 employees. Salaries of employees are maintained at a competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. The Group also provides internal training to staff and provides bonuses based upon staff performance and profits of the Group.

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

本集團的交易及貨幣資產主要以港元、人民幣、美元或歐元計值。截至2017年6月30日止6個月，本集團的營運或流動資金未曾因匯率波動而面臨任何重大困難或影響。本集團採用貨幣結構工具，外幣借貸或其他途徑作外幣風險對沖之用。

僱員

於2017年6月30日，本集團擁有逾7,200名員工。僱員薪酬維持於具競爭力水平，並會每年評估，且密切留意有關勞工市場及經濟市況趨勢。本集團亦為僱員提供內部培訓，並按員工表現及本集團盈利發放花紅。

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

OTHER INFORMATION

其他資料

Ultimate Suppliers and Buying Agents

Besides purchasing directly from the suppliers, the Group also engages certain independent buying agents to source waste paper from their ultimate suppliers mainly supermarkets, paper packing companies and recycling plants. The Group's buying agents in the United States and Europe, namely Ralison International Inc., Mark Lyndon International BV and Mark Lyndon Paper Enterprises (UK) Limited, are ultimately owned by Mr. Albert Chiu Tung-Choi, a distant relative of the Company's ultimate controlling shareholder, Dr. Lee Wan Keung Patrick and his sons, Dr. Lee Man Chun Raymond and Mr. Lee Man Bun, both of whom are executive directors of the Company. These buying agents are not "connected persons" of the Company pursuant to the Listing Rules. They receive a commission for sourcing the raw materials of waste paper and they did not trade and are contractually obliged not to take a position on or otherwise maintain an inventory of waste paper themselves. Their primary role is to coordinate the logistics in order to have the waste paper delivered to the Group, including on-site inspections and customs clearance, and thereby reduces the regulatory risk for the Group. The total prices paid for the waste paper (including the price of waste paper paid to ultimate suppliers and commission paid to the buying agents) were made on an arm's length basis. The Group sourced 35% and 43% of its total raw materials through these buying agents for the six months ended 30 June 2017 and 2016, respectively. The commission paid to these buying agents amounted to HK\$39.1 million and HK\$39.9 million for the six months ended 30 June 2017 and 2016, respectively.

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

最終供應商及採購代理

除了向供應商直接採購之外，本集團亦委聘若干獨立採購代理，向彼等的最終供應商（主要為超級市場、紙品包裝公司及回收工場）採購廢紙。本集團位於歐美的採購代理Ralison International Inc.、Mark Lyndon International BV及Mark Lyndon Paper Enterprises (UK) Limited由本公司最終控股股東李運強博士以及其兒子李文俊博士及李文斌先生（兩者均為本公司執行董事）的遠親趙棟材先生最終擁有。根據上市規則，該等採購代理並非本公司「關連人士」。彼等透過採購廢紙原材料收取佣金，且彼等並不進行交易，以及合約上毋須負責或以其他方式保持彼等自身的廢紙存貨量。彼等的首要角色為協調物流，確保廢紙運送至本集團（包括實地檢查及清關），從而減輕本集團的監管風險。已支付的總廢紙價格（包括向最終供應商支付的廢紙價格及支付予採購代理的佣金）乃按公平原則釐定。截至2017年及2016年6月30日止6個月，本集團透過採購代理採購佔其原材料總額分別為35%及43%。支付予該等採購代理之佣金於截至2017年及2016年6月30日止6個月分別為39.1百萬港元及39.9百萬港元。

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

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

As at 30 June 2017, the interests of the directors and the chief executives and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"), The Stock Exchange of Hong Kong Limited (the "Stock Exchange") were as follows:

Long positions

Ordinary shares of HK\$0.025 each of the Company

Name of director 董事姓名	Capacity 身份	Number of ordinary shares 普通股數目	Percentage of the issued share capital of the Company 佔本公司已 發行股本百分比
Dr. Lee Man Chun Raymond 李文俊博士	Beneficial owner 實益擁有人	282,000,000	6.24%
Mr. Lee Man Bun 李文斌先生	Beneficial owner 實益擁有人	309,040,000	6.84%
Mr. Li King Wai Ross 李經緯先生	Held by spouse 由配偶持有	2,867,477	0.06%
Professional Poon Chung Kwong 潘宗光先生	Beneficial owner 實益擁有人	100,000	0.002%

note:

Save as disclosed above, none of the directors or chief executives or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 June 2017.

董事及主要行政人員於股本或債務證券中擁有的權益及淡倉

於2017年6月30日，董事及主要行政人員及彼等之聯繫人士在本公司及其相聯法團的股份、相關股份及債券中，擁有本公司根據證券及期貨條例(「證券及期貨條例」)第352條存置之登記冊所記錄之權益，或已知會本公司及根據上市發行人董事進行證券交易的標準守則(「標準守則」)已知會香港聯合交易所有限公司(「聯交所」)的權益如下：

好倉

本公司每股0.025港元的普通股

附註：

除上文所披露外，於2017年6月30日，各董事、主要行政人員及彼等的聯繫人士概無在本公司或其任何相聯法團的股份、相關股份或債券中，擁有任何權益或淡倉。

OTHER INFORMATION

其他資料

Substantial Shareholders

The register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, at 30 June 2017, other than directors and chief executives, the following shareholders had notified the Company of the relevant interests in the issued share capital of the Company.

Long positions

Ordinary shares of HK\$0.025 each of the Company

主要股東

根據本公司按證券及期貨條例第336條須存置之主要股東登記冊所記錄，於2017年6月30日，下列股東(董事及主要行政人員除外)已知會本公司彼等於本公司已發行股本中擁有之相關權益。

好倉

本公司每股0.025港元的普通股

Name of shareholder 股東姓名	Capacity 身份	Number of issued ordinary shares held 持有已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Gold Best Holdings Ltd.	Beneficial owner 實益擁有人	2,536,710,000	56.16%
Dr. Lee Wan Keung Patrick 李運強博士	Held by controlled corporation (note i) 由受控制法團持有(附註i)	2,536,710,000	56.16%
Ms. Lee Wong Wai Kuen 李黃惠娟女士	Held by spouse (note ii) 由配偶持有(附註ii)	2,536,710,000	56.16%

notes:

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

附註：

- (i) Gold Best Holdings Ltd. (「Gold Best」)由李運強博士全資擁有。
- (ii) 根據證券及期貨條例，由於李黃惠娟女士是李運強博士(Gold Best實益擁有人)的配偶，故被視為擁有該2,536,710,000股普通股的權益。

Other than as disclosed above, the Company had not been notified of any other relevant interests or short positions in the shares or underlying shares of the Company as at 30 June 2017.

除上文所披露外，本公司概無獲知會於2017年6月30日本公司股份或相關股份之任何其他相關權益或短倉。

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

During the six months ended 30 June 2017, the Company repurchased a total of 21,960,000 ordinary shares of HK\$0.025 per share through the Stock Exchange at an aggregate consideration of approximately HK\$134,802,000 (including transaction costs). All of the shares repurchased were cancelled during the period. Details of shares repurchased during the period are set out as follows:

Month of repurchases 購回月份	No. of ordinary shares of HK\$0.025 each 每股0.025港元 之普通股數目	Price paid per share 每股支付價格		Aggregate consideration paid (including expenses) 累計已付代價 (含使費) HK\$'000 千港元
		Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
March 2017 2017年3月	11,213,000	6.29	5.87	69,927
April 2017 2017年4月	2,792,000	5.90	5.86	16,525
May 2017 2017年5月	7,955,000	6.10	6.01	48,350
	21,960,000			134,802

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

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2017.

買賣或贖回本公司上市證券

於截至2017年6月30日止6個月，本公司於聯交所回購合共21,960,000股每股0.025港元之普通股，總代價約為134,802,000港元(含交易成本)。所有回購股份已在期內被註銷。於期內購回股份之詳情如下：

董事相信，回購股份乃符合本公司及其股東之最佳利益，並可提高本公司每股盈利。

除上文所披露外，本公司或其任何附屬公司在截至2017年6月30日止6個月內概無購買、出售或贖回本公司任何上市證券。

OTHER INFORMATION

其他資料

Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as a code of conduct regarding directors' securities transactions. All the members of the board have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2017. The Model code also applies to other specified senior management of the Group.

Code on Corporate Governance Practices

In the opinion of the directors, the Company has complied with the code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2017.

Audit Committee

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

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control procedures and financial reporting matters including the review of the Group's unaudited interim financial statements for the six months ended 30 June 2017.

On behalf of the Board

Lee Man Chun Raymond

Chairman

Hong Kong, 21 August 2017

證券交易之標準守則

本公司已採納上市規則附錄10所載之標準守則作為董事進行證券交易之行為守則。經本公司向所有董事作出具體查詢後，全體董事皆確認於截至2017年6月30日止6個月內均遵守標準守則所載之規定準則。標準守則亦適用於本集團之其他特定高級管理層。

企業管治常規守則

董事認為，本公司已於截至2017年6月30日止6個月內一直遵守上市規則附錄14所載之企業管治常規守則。

審核委員會

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

審核委員會與管理層已審閱本集團所採納之會計原則及慣例，並已討論內部監控程序及財務報告事宜，其中包括審閱本集團截至2017年6月30日止6個月的未經審核中期財務報表。

代表董事會

李文俊

主席

香港，2017年8月21日

Lee & Man Paper Manufacturing Limited

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

理文造紙有限公司

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