



理文造紙有限公司*

Lee & Man Paper Manufacturing Limited

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

(於開曼群島註冊成立及其成員責任為有限) 股份代號: 2314



INTERIM REPORT 中期報告

2021

* 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
Mr. Lee Jude Ho Chung
Mr. Yip Heong Kan

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
李浩中先生
葉向勤先生

非執行董事

潘宗光教授金紫荊星章 太平紳士

獨立非執行董事

王啟東先生
Peter A. Davies先生
周承炎先生

審核委員會

周承炎先生(主席)
王啟東先生
Peter A. Davies先生

薪酬委員會

周承炎先生(主席)
王啟東先生
Peter A. Davies先生

提名委員會

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

授權代表

李文俊博士銀紫荊星章 太平紳士
張國強先生

公司秘書

張國強先生

註冊辦事處

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

Principal Office

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

Principal Bankers

In Hong Kong and Macau:

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

In the PRC:

China Construction Bank
Bank of China

Auditor

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

Principal Share Registrar And Transfer Office

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3, Building D,
P.O. Box 1586, Gardenia Court, Camana Bay,
Grand Cayman, KY1-1100,
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

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

Website

<http://www.leemanpaper.com>

總辦事處

香港
九龍
觀塘
敬業街61-63號
利維大廈5樓

主要往來銀行

香港及澳門：

恒生銀行
渣打銀行
花旗銀行
滙豐銀行
中國銀行(香港)

中國：

中國建設銀行
中國銀行

核數師

德勤•關黃陳方會計師行
執業會計師
於《財務匯報局條例》下的
註冊公眾利益實體核數師

主要股份過戶登記處

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3, Building D,
P.O. Box 1586, Gardenia Court, Camana Bay,
Grand Cayman, KY1-1100,
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
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網址

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

For the six months ended 30 June 2021 截至2021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 2021 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2021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 2021

簡明綜合損益及其他全面收益表

截至2021年6月30日止6個月

		Notes 附註	2021 (unaudited) (未經審核) HK\$'000 千港元	2020 (unaudited) (未經審核) HK\$'000 千港元
Revenue	收入	3	15,180,233	11,070,855
Cost of sales	銷售成本		(11,842,397)	(8,905,211)
Gross profit	毛利		3,337,836	2,165,644
Other income	其他收入	4	392,801	343,203
Impairment losses on trade receivables, net of reversal	應收貿易賬款減值虧損 (扣除回撥)		(63,345)	41
Other gains and losses	其他收益及虧損	5	(74,516)	23,158
Distribution and selling expenses	分銷及銷售費用		(503,774)	(307,664)
General and administrative expenses	日常及行政費用		(723,644)	(501,538)
Finance costs	財務成本	6	(32,784)	(81,164)
Profit before tax	除稅前盈利		2,332,574	1,641,680
Income tax expense	利得稅支出	7	(332,391)	(240,807)
Profit for the period	期內盈利	8	2,000,183	1,400,873
Other comprehensive income/(expense) Item that may be reclassified subsequently to profit or loss:	其他全面收益/(支出) 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		585,749	(1,204,796)
Total comprehensive income for the period	期內總全面收益		2,585,932	196,077

		Notes 附註	2021 (unaudited) (未經審核) HK\$'000 千港元	2020 (unaudited) (未經審核) HK\$'000 千港元
Profit for the period attributable to:	以下人士應佔期內盈利：			
Owners of the Company	本公司擁有人		1,935,969	1,336,120
Perpetual capital securities holders	永續資本證券持有人	9	64,080	64,749
Non-controlling interests	非控股權益		134	4
			2,000,183	1,400,873
Total comprehensive income/(expense) attributable to:	以下人士應佔總全面 收益/(支出)：			
Owners of the Company	本公司擁有人		2,521,682	131,424
Perpetual capital securities holders	永續資本證券持有人	9	64,080	64,749
Non-controlling interests	非控股權益		170	(96)
			2,585,932	196,077
Dividends:	股息：	9		
– Dividend paid	– 已付股息		782,396	565,063
– Interim dividend declared	– 宣派中期股息		651,996	521,597
			HK cents 港仙	HK cents 港仙
Earnings per share	每股盈利	10	44.54	30.68

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30 June 2021 於2021年6月30日

		Notes 附註	30 June 2021 2021年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	31 December 2020 2020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	32,970,439	31,890,840
Right-of-use assets	使用權資產		1,149,957	1,120,714
Investment properties	投資物業		605,864	596,563
Deposits paid for acquisition of property, plant and equipment and land use rights	購置物業、廠房及設備及土地使用權所付訂金		1,656,845	1,030,661
Interest in a joint venture	合營企業權益		87,771	87,771
Loan to a joint venture	合營企業貸款		74,332	71,376
			36,545,208	34,797,925
CURRENT ASSETS				
	流動資產			
Inventories	存貨	12	5,647,928	4,350,064
Trade and other receivables	應收貿易及其他賬款	13	7,302,009	6,064,257
Bills receivables discounted with recourse	附追索權之應收票據貼現		21,687	303,934
Amounts due from related companies	應收關連公司款項		103,420	99,390
Bank balances and cash	銀行結餘及現金		1,572,211	1,184,921
			14,647,255	12,002,566
CURRENT LIABILITIES				
	流動負債			
Trade and other payables	應付貿易及其他賬款	14	2,915,010	2,630,527
Advances drawn on bills receivables discounted with recourse	附追索權之應收票據預付款		21,687	303,934
Amounts due to related companies	應付關連公司款項		19,017	16,056
Tax payable	應付稅項		177,489	252,605
Lease liabilities	租賃負債		23,146	17,518
Contract liabilities	合約負債		104,935	108,948
Bank borrowings	銀行借貸		9,405,456	5,255,174
			12,666,740	8,584,762

		Notes 附註	30 June 2021 2021年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	31 December 2020 2020年 12月31日 (audited) (經審核) HK\$'000 千港元
NET CURRENT ASSETS	流動資產淨值		1,980,515	3,417,804
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		38,525,723	38,215,729
NON-CURRENT LIABILITIES	非流動負債			
Bank borrowings	銀行借貸		4,584,676	6,071,631
Lease liabilities	租賃負債		58,003	56,383
Deferred tax liabilities	遞延稅項負債		1,393,173	1,337,300
			6,035,852	7,465,314
			32,489,871	30,750,415
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	15	108,666	108,666
Reserves	儲備		30,050,692	23,311,406
Equity attributable to owners of the Company	本公司擁有人應佔權益		30,159,358	28,420,072
Perpetual capital securities	永續資本證券	16	2,322,814	2,322,814
Non-controlling interests	非控股權益		7,699	7,529
			32,489,871	30,750,415

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2021 截至2021年6月30日止6個月

		Six months ended 30 June 截至6月30日止6個月	
		2021 (unaudited) (未經審核) HK\$'000 千港元	2020 (unaudited) (未經審核) HK\$'000 千港元
		Notes 附註	
Net cash from operating activities	經營業務所得現金淨額		1,139,816
Net cash used in investing activities	投資業務所用現金淨額		
Purchases and deposit paid for acquisition of property, plant and equipment and land use rights	購置物業、廠房及設備及土地使用權所付訂金		(1,431,931)
Payments for right-of-use assets	支付使用權資產		–
Loan to a joint venture	合營企業貸款		(3,330)
Interest received	已收利息		22,017
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項		1,248
			(1,783,030)
Net cash from/(used in) financing activities	融資活動所得/(用)現金淨額		
Net bank borrowings raised	籌集銀行貸款淨額		321,006
Dividends paid	已付股息	9	(565,063)
Distribution paid on perpetual capital securities	已付永續資本證券分派	9	(64,749)
Payment on repurchase of shares	支付購回股份	15	(95,861)
Repayments of leases liabilities	償還租賃負債		(5,557)
			1,816,851
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額		(682,404)
Cash and cash equivalents brought forward	現金及現金等價物承前結餘		2,919,462
Cash and cash equivalents carried forward represented by bank balances and cash	現金及現金等價物結轉銀行結餘及現金		2,237,058

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2021 截至2021年6月30日止6個月

		Share capital	Share premium	Translation reserve	Capital contribution	Legal reserve	Special reserve	Other reserve	Retained profits	Sub-total	Non-controlling interests	Perpetual capital securities	Total equity
		股本	股份溢價	匯兌儲備	資金貢獻	法定公積金	特別儲備	其他儲備	留存盈利	小計	非控股權益	永續資本證券	權益總額
Notes		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
附註		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2021	於2021年1月1日	108,666	30,858	730,983	12,552	97	(2,999)	(12,060)	27,551,975	28,420,072	7,529	2,322,814	30,750,415
Profit for the period	期內盈利	-	-	-	-	-	-	-	1,935,969	1,935,969	134	64,080	2,000,183
Exchange difference arising on translation of foreign operations	換算境外業務產生之匯兌差額	-	-	585,713	-	-	-	-	-	585,713	36	-	585,749
Total comprehensive income for the period	期內總全面收益	-	-	585,713	-	-	-	-	1,935,969	2,521,682	170	64,080	2,585,932
Dividends recognised as distributions	確認為分派之股息	9	-	-	-	-	-	-	(782,396)	(782,396)	-	-	(782,396)
Distribution paid on perpetual capital securities	永續資本證券已付分派	9	-	-	-	-	-	-	-	-	-	(64,080)	(64,080)
At 30 June 2021	於2021年6月30日	108,666	30,858	1,316,696	12,552	97	(2,999)	(12,060)	28,705,548	30,159,358	7,699	2,322,814	32,489,871
At 1 January 2020	於2020年1月1日	109,170	30,858	(1,588,301)	12,552	97	(2,999)	(12,060)	25,210,170	23,759,487	319	2,322,814	26,082,620
Profit for the period	期內盈利	-	-	-	-	-	-	-	1,336,120	1,336,120	4	64,749	1,400,873
Exchange difference arising on translation of foreign operations	換算境外業務產生之匯兌差額	-	-	(1,204,696)	-	-	-	-	-	(1,204,696)	(100)	-	(1,204,796)
Total comprehensive (expense) income for the period	期內總全面(支出)收益	-	-	(1,204,696)	-	-	-	-	1,336,120	131,424	(96)	64,749	196,077
Share repurchased and cancelled	股份贖回及註銷	15	(504)	-	-	-	-	-	(95,357)	(95,861)	-	-	(95,861)
Dividends recognised as distributions	確認為分派之股息	9	-	-	-	-	-	-	(565,063)	(565,063)	-	-	(565,063)
Distribution paid on perpetual capital securities	永續資本證券已付分派	9	-	-	-	-	-	-	-	-	-	(64,749)	(64,749)
At 30 June 2020	於2020年6月30日	108,666	30,858	(2,792,997)	12,552	97	(2,999)	(12,060)	25,885,870	23,229,987	223	2,322,814	25,553,024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2021 截至2021年6月30日止6個月

1. Basis of Preparation

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

2. Principal Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2020.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the Group’s condensed consolidated financial statements:

Amendment to HKFRS 16
香港財務報告準則第16號(修訂本)
Amendments to HKFRS 9, HKAS 39, HKFRS 7,
HKFRS 4 and HKFRS 16
香港財務報告準則第9號、香港會計準則第39號、
香港財務報告準則第7號、香港財務報告準則第4號及
香港財務報告準則第16號(修訂本)

1. 編製基準

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

2. 主要會計政策

本簡明綜合財務報表按歷史成本法編製，惟按重估金額或公允值(倘適用)計量之若干物業及金融工具除外。

除應用經修訂香港財務報告準則(「香港財務報告準則」)所產生之附加會計政策及應用與本集團相關之若干會計政策外，截至2021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2020年12月31日止年度財務報表所採用者一致。

應用經修訂香港財務報告準則

於本中期期間，本集團已首次採納由香港會計師公會頒布且已於2021年1月1日或之後開始之年度期間強制生效之香港財務報告準則經修訂概念框架指引及以下之經修訂香港財務報告準則，以編製本集團之簡明綜合財務報表：

Covid-19-Related Rent Concessions
Covid-19相關租金減免
Interest Rate Benchmark Reform
– Phase 2
利率基準改革—第二階段

2. Principal Accounting Policies (Continued)

Application of amendments to HKFRSs (Continued)

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

2.1 Impacts and accounting policies on application of Amendment to HKFRS 16 "Covid-19-Related Rent Concessions" and early application of Amendment to HKFRS 16 "Covid-19-Related Rent Concessions beyond 30 June 2021"

The application of these amendments has had no material impact on the Group's financial positions and performance in the current and prior periods as the Group opted not to apply the practical expedient, but applied the applicable requirements of HKFRS 16 *Leases* to account for rent concessions provided by certain lessors.

2.2 Impacts and accounting policies on application of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 "Interest Rate Benchmark Reform – Phase 2"

2.2.1 Accounting policies

Financial instruments

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform

For changes in the basis for determining the contractual cash flows of a financial asset or financial liability to which the amortised cost measurement applies as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes by updating the effective interest rate, such change in effective interest rate normally has no significant effect on the carrying amount of the relevant financial asset or financial liability.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if and only if, both these conditions are met:

2. 主要會計政策(續)

應用經修訂香港財務報告準則(續)

除下文所述外，本期間應用香港財務報告準則經修訂概念框架指引及經修訂香港財務報告準則對本集團於本期間及過往期間之財務狀況及表現及／或載於簡明綜合財務報表之披露並無重大影響。

2.1 應用香港財務報告準則第16號(修訂本)「Covid-19相關租金減免」及提前應用香港財務報告準則第16號(修訂本)「2021年6月30日後與Covid-19相關租金減免」之影響

應用該等修訂對本集團本期及過往期間的財務狀況及表現並無重大影響，因為本集團選擇不應用實務權宜方法，而是應用香港財務報告準則第16號租賃的適用規定計算某些出租人提供之租金減免。

2.2 應用香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號(修訂本)「利率基準改革 – 第二階段」之影響及會計政策

2.2.1 會計政策

金融工具

利率基準改革導致合同現金流量的釐定基礎變更

對於採用攤銷成本計量的金融資產或金融負債的合同現金流量的釐定基礎因利率基準改革而導致的變更，本集團採用實務變通方法通過更新實際利率來核算這些變化利率的變動，通常對相關金融資產或金融負債的賬面價值沒有重大影響。

當且僅當滿足以下兩個條件時，利率基準改革要求改變釐定合同現金流量的基礎：

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2. Principal Accounting Policies (Continued)

Application of amendments to HKFRSs (Continued)

2.2 Impacts and accounting policies on application of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 "Interest Rate Benchmark Reform – Phase 2" (Continued)

2.2.1 Accounting policies (Continued)

Financial instruments (Continued)

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform (Continued)

- the change is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately preceding the change).

For other changes made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first applies the practical expedient to the changes required by interest rate benchmark reform by updating the effective interest rate. The Group then applies the applicable requirements in HKFRS 9 *Financial Instrument* on modification of a financial asset or a financial liability to the additional changes to which the practical expedient does not apply.

Hedge accounting

For changes made to the hedged risk, hedged item or hedging instrument required by interest rate benchmark reform, the Group amends the formal designation of a hedging relationship to reflect the changes by the end of the reporting period during which the relevant changes were made. Such an amendment to the formal designation of the hedging relationship constitutes neither the discontinuation of the hedging relationship nor the designation of a new hedging relationship.

2. 主要會計政策(續)

應用經修訂香港財務報告準則(續)

2.2 應用香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號(修訂本)「利率基準改革－第二階段」之影響及會計政策(續)

2.2.1 會計政策(續)

金融工具(續)

利率基準改革導致合同現金流量的釐定基礎變更(續)

- 作為利率基準改革的直接結果，這種改變是必要的；及
- 釐定合同現金流量的新基礎在經濟上等同於先前的基礎(即緊接變更前的基礎)。

除利率基準改革要求的合同現金流量的釐定基礎變更外，對於金融資產或金融負債的其他變化，本集團首先對利率基準改革要求的變更採用實務操作，更新實際利率。然後，本集團將香港財務報告準則第9號金融工具中關於修改金融資產或金融負債的適用規定應用於不適用實務操作的額外變動。

對沖會計

對於利率基準改革要求的被對沖風險、被對沖項目或對沖工具的變動，本集團對對沖關係的正式指定進行了修訂，以於報告期末反映相關變動發生的變化。對對沖關係正式指定的此類修改既不構成終止對沖關係，也不構成指定新的對沖關係。

2. Principal Accounting Policies (Continued)

Application of amendments to HKFRSs (Continued)

2.2 Impacts and accounting policies on application of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 "Interest Rate Benchmark Reform – Phase 2" (Continued)

2.2.1 Accounting policies (Continued)

Financial instruments (Continued)

Hedge accounting (Continued)

Cash flows hedges

When a hedged item in a cash flow hedge is amended to reflect the changes that are required by the interest rate benchmark reform, the amount accumulated in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

Leases

The Group as a lessee

Changes in the basis for determining the future lease payments as a result of interest rate benchmark reform

For changes in the basis for determining the future lease payments as a result of interest rate benchmark reform, the Group applies the practical expedient to remeasure the lease liabilities by discounting the revised lease payments using the unchanged discount rate, unless the change in lease payments results from a change in floating interest rates. In that case, the Group uses the revised discount rate that reflects change in the interest rate and makes a corresponding adjustment to the related right-of-use assets. A lease modification is required by interest rate benchmark reform if, and only if, both of these conditions are met:

- the modification is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the lease payments is economically equivalent to the previous basis (i.e. the basis immediately preceding the modification).

2. 主要會計政策(續)

應用經修訂香港財務報告準則(續)

2.2 應用香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號(修訂本)「利率基準改革－第二階段」之影響及會計政策(續)

2.2.1 會計政策(續)

金融工具(續)

對沖會計(續)

現金流量對沖

當現金流量對沖中的被對沖項目被修改以反映利率基準改革要求的變化時，現金流量對沖儲備中的累計金額會被視為基於被對沖未來現金流的釐定的替代基準利率。

租賃

本集團作為承租人

利率基準改革導致未來租賃付款額的釐定基礎變更

對於利率基準改革導致釐定未來租賃付款額的基礎變更，本集團採用實務權宜方法通過使用不變的折現率對經修訂後的租賃付款額進行折現去重新計量租賃負債，除非浮動利率變動導致租賃付款額變更。在這種情況下，本集團採用反映利率變動的修訂折現率並對相關使用權資產進行相應調整。當且僅當滿足以下兩個條件時，利率基準改革才要求進行租賃修改：

- 作為利率基準改革的直接結果，修改是必要的；及
- 釐定租賃付款額的新基礎在經濟上等同於先前的基礎(即緊接修改前的基礎)。

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2. Principal Accounting Policies (Continued)

Application of amendments to HKFRSs (Continued)

2.2 Impacts and accounting policies on application of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 "Interest Rate Benchmark Reform – Phase 2" (Continued)

2.2.1 Accounting policies (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Changes in the basis for determining the future lease payments as a result of interest rate benchmark reform (Continued)

If lease modifications are made in addition to those lease modifications required by interest rate benchmark reform, the Group applies the applicable requirements in HKFRS 16 to account for all lease modifications made at the same time, including those required by interest rate benchmark reform.

The Group as a lessor

Changes in the basis for determining the future lease payments as a result of interest rate benchmark reform

For changes in the basis for determining the future lease payments as a result of interest rate benchmark reform for a finance lease that is not accounted for as a separate lease, the Group applies the same accounting policies as those applicable to financial instruments.

2.2.2 Transition and summary of effects

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

2. 主要會計政策(續)

應用經修訂香港財務報告準則(續)

2.2 應用香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號(修訂本)「利率基準改革－第二階段」之影響及會計政策(續)

2.2.1 會計政策(續)

租賃(續)

本集團作為承租人(續)

利率基準改革導致未來租賃付款額的釐定基礎變更(續)

如果除利率基準改革要求的租賃修改外還進行了租賃修改，本集團應用香港財務報告準則第16號的適用要求對所有租賃修改同時進行處理，包括利率基準改革要求的租賃修改。

本集團作為出租人

利率基準改革導致未來租賃付款額的釐定基礎變更

對於非作為單獨租賃核算的融資租賃，而由於利率基準改革導致未來租賃付款額的釐定基礎變更，本集團採用適用於金融工具之相同會計政策。

2.2.2 過渡及影響之總結

修訂本對本集團之簡明綜合財務報表並無影響。

3. Revenue and Segment Information

Segment revenue and results

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

Six months ended 30 June 2021

3. 收入及分部資料

分部收入及業績

以下為按可報告分部劃分之本集團收入及業績分析：

截至2021年6月30日止6個月

		Packaging paper	Tissue paper	Pulp	Segment total	Eliminations	Consolidated
		包裝紙	衛生紙	木漿	分部合計	對銷	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
REVENUE	收入						
External sales	對外銷售	12,978,844	2,014,964	186,425	15,180,233	-	15,180,233
Inter-segment sales	分部之間銷售	-	-	539,167	539,167	(539,167)	-
		12,978,844	2,014,964	725,592	15,719,400	(539,167)	15,180,233
SEGMENT PROFIT	分部盈利	2,208,266	229,107	2,881	2,440,254	-	2,440,254
Net gain from fair value changes of derivative financial instruments	衍生金融工具公允值變動淨收益						56
Unallocated income	未分類之收入						7,773
Unallocated expenses	未分類之支出						(82,725)
Finance costs	財務成本						(32,784)
Profit before tax	除稅前盈利						2,332,574

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3. Revenue and Segment Information (Continued)

Segment revenue and results (Continued)

Six months ended 30 June 2020

		Packaging paper 包裝紙 HK\$'000 千港元	Tissue paper 衛生紙 HK\$'000 千港元	Pulp 木漿 HK\$'000 千港元	Segment total 分部合計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收入						
External sales	對外銷售	9,018,096	2,047,081	5,678	11,070,855	-	11,070,855
Inter-segment sales	分部之間銷售	-	-	365,275	365,275	(365,275)	-
		9,018,096	2,047,081	370,953	11,436,130	(365,275)	11,070,855
SEGMENT PROFIT	分部盈利	1,416,199	266,981	685	1,683,865	-	1,683,865
Net gain from fair value changes of derivative financial instruments	衍生金融工具公允價值 變動淨收益						4,718
Unallocated income	未分類之收入						41,939
Unallocated expenses	未分類之支出						(7,678)
Finance costs	財務成本						(81,164)
Profit before tax	除稅前盈利						1,641,680

3. 收入及分部資料(續)

分部收入及業績(續)

截至2020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

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Value added tax and other tax refund	增值稅退款及其他退稅	242,746	162,640
Sales of materials and waste paper	物料及廢紙銷售	35,236	35,838
Income from supply of steam and electricity	供應蒸氣及電力收入	22,842	24,031
Income from wharf cargo handling	經營碼頭貨運收入	18,072	8,543
Interest income from banks	銀行利息收入	7,773	22,017
Others	其他	66,132	90,134
		392,801	343,203

5. Other Gains and Losses

5. 其他收益及虧損

		Six months ended 30 June 截至6月30日止6個月	
		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(64,141)	(1,482)
Net foreign exchange differences	淨滙兌差額	(10,431)	19,922
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	56	4,718
		(74,516)	23,158

6. Finance Costs

6. 財務成本

		Six months ended 30 June 截至6月30日止6個月	
		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Interest on bank borrowings	銀行借貸利息	93,283	166,222
Interest on lease liabilities	租賃負債利息	1,609	1,133
Less: amounts capitalised to property, plant and equipment	減：物業、廠房及設備之資本化金額	(62,108)	(86,191)
		32,784	81,164

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	
		2021 HK\$'000 千港元	2020 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」)	276,813	115,874
– The PRC withholding tax on dividend distribution	– 分派股息之中國預扣稅	–	68,133
		276,813	184,007
(Over)/under provision in previous year	去年(超額)/不足撥備		
– The PRC EIT	– 中國企業所得稅	(295)	781
Deferred tax	遞延稅項		
– Charge to profit or loss	– 計入損益	55,873	56,019
		332,391	240,807

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7. Income Tax Expense (Continued)

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

The PRC

The Group's subsidiaries in the PRC are subject to corporate income tax at the rate of 25% except that six (2020: six) of these subsidiaries are entitled to preferential rate of 15% for the Group's financial year ending 31 December 2021.

Hong Kong

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the current period. No assessable profit was noted for the six months ended 30 June 2020.

Vietnam

The Vietnam subsidiaries are subjected to Vietnam Corporate Income Tax at a rate of 10%. They are entitled to a corporate income tax exemption for four years from the first profit-making year and a reduction of 50% for the following nine years. No provision for Vietnam Corporate Income Tax was made for the 6 months ended 30 June 2020 as the Vietnam subsidiaries entitled tax exemption for that period.

Others

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

7. 利得稅支出(續)

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

中國

本集團於中國的附屬公司之適用企業所得稅稅率為25%，而其中六間(2020年：六間)附屬公司於本集團截至2021年12月31日止財政年度享有減免企業所得稅稅率15%。

香港

香港利得稅於本期間按估計應課稅盈利以16.5%計算。截至2020年6月30日止6個月期間則無應課稅盈利。

越南

越南附屬公司須按10%稅率繳納越南企業所得稅，其享有自首個產生盈利年度起計四年獲豁免企業所得稅及隨後九年50%減免。由於越南附屬公司於截至2020年6月30日止6個月期間享有稅務豁免，故並無為該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	
		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Profit for the period has been arrived at after charging/(crediting):	期內盈利經扣除/(計入)：		
Directors' emoluments	董事酬金	21,400	20,325
Staff salaries and other benefits, excluding those of directors	員工薪金及其他福利，不包括董事	739,748	542,236
Contributions to retirement benefit schemes, excluding those of directors	退休福利計劃供款，不包括董事	64,850	29,034
Total employee benefit expense Capitalised in inventories	僱員福利開支總額 庫存資本化	825,998 (623,933)	591,595 (415,902)
		202,065	175,693
Cost of inventories recognised as expense	存貨成本確認為支出	11,842,397	8,905,211
Depreciation of property, plant and equipment	物業、廠房及設備折舊	734,625	610,802
Depreciation of investment properties	投資物業折舊	12,267	11,195
Depreciation of right-of-use assets	使用權資產折舊	20,395	14,709
Total depreciation Capitalised in inventories	折舊總額 庫存資本化	767,287 (679,867)	636,706 (560,641)
		87,420	76,065
Operating lease rentals in respect of land and buildings	土地及樓宇的經營租賃租金	24,443	22,143
Gross rental income from investment properties	投資物業之租金總收入	(17,396)	(14,350)
Less:	減：		
– direct operation expenses incurred for investment properties that generated rental income during the period	– 期內產生租金收入的投資物業之直接營運開支	203	186
		(17,193)	(14,164)

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9. Dividends/Distribution to Perpetual Capital Securities

A final dividend of HK\$0.18 per share was paid in respect of the year ended 31 December 2020 (2020: a final dividend of HK\$0.13 per share was paid for the year ended 31 December 2019) to shareholders during the current period.

The directors determined that an interim dividend of HK\$0.15 (2020: HK\$0.12) per share should be paid to the shareholders of the Company whose names appear on the Register of Members on 24 August 2021.

In addition, the Company has made a distribution on perpetual capital securities of HK\$64,080,000 (2020: HK\$64,749,000) to the securities holders during the six months ended 30 June 2021.

10. Earnings Per Share

The calculation of earnings per share is based on the profit for the period attributable to the owners of the Company of HK\$1,935,969,000 (2020: HK\$1,336,120,000) and weighted average number of 4,346,642,000 (2020: 4,354,927,802) shares in issue during the period.

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

11. Additions to Property, Plant and Equipment

During the period, there were additions of HK\$1,161 million (2020: HK\$1,782 million) to property, plant and equipment to expand its operations.

12. Inventories

9. 股息／永續資本證券之分派

期內已派發截至2020年12月31日止年度每股0.18港元之末期股息(2020年：派發截至2019年12月31日止年度每股0.13港元之末期股息)給予股東。

董事議決派發每股0.15港元(2020年：0.12港元)之中期股息給予在2021年8月24日名列於股東名冊內之本公司股東。

此外，於截至2021年6月30日止6個月，本公司就永續資本證券作出分派64,080,000港元(2020年：64,749,000港元)予證券持有人。

10. 每股盈利

每股盈利乃以本公司擁有人應佔期內盈利1,935,969,000港元(2020年：1,336,120,000港元)及期內已發行股份加權平均數4,346,642,000(2020年：4,354,927,802)股為基準計算。

由於兩個期間內並無未行使之潛在普通股，因此並無呈列每股攤薄盈利。

11. 添置物業、廠房及設備

期內，添置物業、廠房及設備11.61億港元(2020年：17.82億港元)，以拓展業務。

12. 存貨

		30 June 2021 2021年 6月30日 HK\$'000 千港元	31 December 2020 2020年 12月31日 HK\$'000 千港元
Raw materials	原料	3,896,349	3,427,090
Finished goods	製成品	1,751,579	922,974
		5,647,928	4,350,064

13. Trade and Other Receivables

13. 應收貿易及其他賬款

		30 June 2021 2021年 6月30日 HK\$'000 千港元	31 December 2020 2020年 12月31日 HK\$'000 千港元
Trade receivables	應收貿易賬款	3,682,011	3,296,960
Less: allowance for credit losses	減：信貸虧損撥備	(87,046)	(71,041)
		3,594,965	3,225,919
Bills receivables	應收票據	1,355,208	963,275
		4,950,173	4,189,194
Prepayments and deposits for purchase of raw materials	購買原料預付款項及訂金	817,420	789,629
Value-added tax receivables	應收增值稅款項	617,661	374,610
Other deposits and prepayments	其他訂金及預付款項	404,948	276,615
Other receivables	其他應收款項	511,807	434,209
		7,302,009	6,064,257

The Group allows its customers an average credit period of 45 to 90 days (2020: 45 to 90 days). The following is an aged analysis of trade and bills receivables presented based on the invoice date at the end of the reporting period.

本集團給予客戶的平均信貸期為45至90日（2020年：45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 2021 2021年 6月30日 HK\$'000 千港元	31 December 2020 2020年 12月31日 HK\$'000 千港元
Aged:	賬齡：		
Not exceeding 30 days	不超過30日	3,767,329	3,258,482
31-60 days	31-60日	880,758	639,587
61-90 days	61-90日	139,060	97,206
91-120 days	91-120日	39,783	58,014
Over 120 days	120日以上	123,243	135,905
		4,950,173	4,189,194

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14. Trade and Other Payables

14. 應付貿易及其他賬款

		30 June 2021 2021年 6月30日 HK\$'000 千港元	31 December 2020 2020年 12月31日 HK\$'000 千港元
Trade and bills payables	應付貿易及票據賬款	1,626,168	1,455,188
Construction fee payable	應付工程款	423,105	483,478
Accruals	應計費用	409,014	472,108
Other payables	其他應付款項	456,723	219,753
		2,915,010	2,630,527

The average credit period taken for trade purchases ranges from 30 to 120 days (2020: 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(2020年：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 2021 2021年 6月30日 HK\$'000 千港元	31 December 2020 2020年 12月31日 HK\$'000 千港元
Aged:	賬齡：		
Not exceeding 30 days	不超過30日	745,936	644,824
31-60 days	31-60日	379,972	290,524
61-90 days	61-90日	267,961	252,961
91-120 days	91-120日	166,301	118,145
Over 120 days	120日以上	65,998	148,734
		1,626,168	1,455,188

15. Share Capital

15. 股本

		Number of ordinary shares 普通股數目	Amount 金額 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.025 each at 1 January 2020, 31 December 2020 and 30 June 2021	於2020年1月1日， 2020年12月31日及 2021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 2020	於2020年1月1日 每股0.025港元的普通股	4,366,808,000	109,170
Shares repurchased and cancelled (note)	股份購回及註銷(附註)	(20,166,000)	(504)
Ordinary shares of HK\$0.025 each at 31 December 2020 and at 30 June 2021	於2020年12月31日及 2021年6月30日 每股0.025港元的普通股	4,346,642,000	108,666

Note:

There was no share repurchase during the current period.

For the year ended 31 December 2020, the Company repurchased its own shares through the Stock Exchange as follows:

2020

附註：

於本期間並無購回股份。

截至2020年12月31日止年度，本公司於聯交所購回自身之股份如下：

2020年

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	Price paid per share 每股支付價格		Aggregate consideration paid (including expenses) 合計已付代價 (含使費) HK\$'000 千港元
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
March 2020	2020年3月	20,166,000	5.09	4.28	95,861

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16. Perpetual Capital Securities

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

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

17. Operating Leases

The Group as lessor

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

		30 June 2021 2021年 6月30日 HK\$'000 千港元	31 December 2020 2020年 12月31日 HK\$'000 千港元
Within one year	1年內	63,231	61,455
In the second year	於第二年	60,829	61,961
In the third year	於第三年	61,013	63,582
In the fourth year	於第四年	60,755	65,060
In the fifth year	於第五年	55,471	64,419
After five years	於五年後	52,777	92,161
		354,076	408,638

16. 永續資本證券

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

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

17. 經營租約

集團作為出租人

於報告期末，租賃之應收最低租賃付款如下：

18. Capital Commitments

		30 June 2021 2021年 6月30日 HK\$'000 千港元	31 December 2020 2020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	3,451,761	2,921,471
– land use rights	– 土地使用權	397,153	124,505
		3,848,914	3,045,976

18. 資本承擔

19. Related and Connected Party Disclosures

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

19. 相關及關連人士披露

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

Name of parties 關連人士名稱	Nature of transactions 交易性質	Six months ended 30 June 截至6月30日止6個月	
		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Lee & Man Chemical Company Limited and its Subsidiaries (“LMC Group”) (note i)	Income from supply of steam and electricity 提供蒸氣及電力之收入	39,743	33,245
理文化工有限公司及其附屬公司(「理文化工集團」)(附註i)	Raw materials purchased by the Group 集團購買原料	76,753	56,860
	Steam and electricity fee paid by the Group 集團已付蒸氣及發電服務費	42,994	35,627
Winfibre Group (note ii) Winfibre 集團(附註ii)	Agent fee paid by the Group 集團已付代理費	21,582	25,874
Group of companies indirectly held by Ms. Lee Man Ching (note iii) 李文禎女士間接控制之公司(附註iii)	Raw materials purchased by the Group 集團購買原材料	238,263	199,504

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19. Related and Connected Party Disclosures

(Continued)

Notes:

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

20. Review of Interim Accounts

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

19. 相關及關連人士披露(續)

附註：

- (i) 理文化工集團由本公司董事李文俊博士及李文斌先生之聯繫人士李文恩先生實益擁有及控制。
- (ii) 該等公司由本公司主要股東李運強博士之繼兄弟伍于鴻先生最終控制。
- (iii) 該等公司由本公司董事李文俊博士及李文斌先生之妹妹／姐姐李文禎女士間接控制。

20. 審閱中期賬目

本簡明綜合中期財務報表均未經審核，惟經審核委員會審閱。

INTERIM DIVIDEND/CLOSURE OF REGISTER OF MEMBERS

中期股息／暫停辦理股份過戶登記

Interim Dividend

The Board has resolved to declare an interim dividend of HK\$0.15 (2020: HK\$0.12) per share for the six months ended 30 June 2021 to shareholders whose names appear on the Register of Members on 24 August 2021. It is expected that the interim dividend will be paid around 3 September 2021.

Closure of Register of Members

The Register of Members will be closed from 19 August 2021 to 24 August 2021, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the interim dividend, all transfers accomplished by the relevant share certificates must be lodged with the Company's Branch Share Registrars, Tricor Investor Services Limited, at Level 54 Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 18 August 2021.

中期股息

董事會議決宣派截至2021年6月30日止6個月之中期股息每股0.15港元(2020年: 0.12港元)予2021年8月24日名列於股東名冊內之股東。預期中期股息將於2021年9月3日派付予股東。

暫停辦理股份過戶登記

本公司將於2021年8月19日至2021年8月24日(首尾兩天包括在內)暫停辦理股份過戶登記手續。為符合獲派中期股息之資格,所有過戶文件連同有關股票最遲須於2021年8月18日下午4時30分前送達本公司之股份過戶登記分處卓佳證券登記有限公司,地址為香港皇后大道東183號合和中心54樓,以辦理登記手續。

BUSINESS REVIEW AND OUTLOOK

業務回顧及展望

Business Review and Outlook

In the first half of 2021, the COVID-19 pandemic situation remained volatile. Although various measures were introduced to boost economies around the world, the pace of recovery has been uneven, and rising inflation has increased expectations for interest rate hikes, hindering global economic growth. China's paper manufacturing industry not only faced an uncertain macro environment, but also other challenges such as rising pulp prices, tight supply of waste paper raw materials, and social transformation into a green economy, resulting in increasing pressure on operations.

Followed the recovery of the COVID-19 in China, the Group's total revenue for the six months ended 30 June 2021 increased by 37.1% to HK\$15.2 billion as compared to the same period of last year. Resulted from the economies of scales and cost advantages, the profit for the period increased by 42.8% to HK\$2.0 billion as compared to the same period of last year. Earnings per share for the period were HK44.54 cents (2020: HK30.68 cents).

The board of directors has resolved to declare an interim dividend of HK15 cents per share in 2021 (2020: HK12 cents). The aggregate sales of the Group for the six months ended 30 June 2021 amounted to 3.08 million tons, while net profit per ton was HK\$650.

Industry and Business Review

Following the implementation of China's "waste ban" in January 2021, solid waste, including waste paper, can no longer be imported. The supply of waste paper in the Mainland is limited, hence the prices of raw materials have risen. In addition, international shipping has been restricted due to the pandemic, and transportation costs have skyrocketed, which further suppressed the industrial margin. Meanwhile, the "Plastic Restriction Order" has fueled the "replacement of plastic with paper" trend, and this, along with the recovery of consumer market demand and accelerating industrial production, has caused the demand for paper products to further increase. Under relatively tight supply, the paper manufacturing industry has faced rising prices. In response to changes in the market, the Group has continued to consolidate upstream resources and develop a vertical business model covering pulp-making and waste paper recycling in order to integrate the industrial chain and ensure the supply of raw materials. At the same time, the Group has continued to expand its scale, control costs, and increase production capacity on the basis of its existing business, creating more opportunities to further enhance its performance.

業務回顧及展望

2021年上半年新型冠狀病毒疫情仍然反覆，儘管世界各地相繼提出提振經濟措施，但復甦步伐參差，而且通脹攀升，推高加息預期，全球經濟增長受阻。中國造紙業不但面對不明朗的宏觀環境，也應對紙漿價格上漲、廢紙原材料供應緊絀、社會向綠色經濟轉型等挑戰，營運壓力愈益凸顯。

但隨著中國從新型冠狀病毒疫情中慢慢復甦過來，本集團截至2021年6月30日止6個月之總收入比去年同期上升37.1%至152億港元，憑藉規模效益，發揮成本優勢，期內盈利比去年同期上升42.8%至20億港元。期內每股盈利44.54港仙（2020年：30.68港仙）。

董事會議決宣派2021年派發中期股息每股15港仙（2020年：12港仙）。本集團截至2021年6月30日止6個月之總銷售量為308萬噸，產品平均每噸淨利潤為650港元。

行業及業務回顧

2021年1月起，中國「禁廢令」正式實施，廢紙在內的固體廢物無法進口，內地廢紙供應有限，原材料因而連番上調價格，且疫情下國際航運受限，運輸成本暴漲，行業利潤空間承壓。另一方面，「限塑令」帶動「以紙代塑」潮流，疊加消費市場需求恢復、工業生產加快，紙品需求有增無減。在供需偏緊的情況下，造紙業迎來一股漲價潮。本集團因應市場變化，繼續通過整合上游資源，發展涵蓋製漿及廢紙回收的垂直業務模式，向產業鏈一體化方向發展，確保原材料的供應。同時，本集團在現有業務基礎上，不斷擴充規模，控制成本，提升產能，給本集團帶來更多的業績增長機會。

Business Prospects

China has effectively contained the COVID-19 pandemic and vaccination has been rolled out in an orderly manner. Under the dual circulation and new development landscape, consumption and investment have resumed growth. The macro-economic atmosphere has seen an obvious improvement, with stronger market expectations and greater confidence. The Group is actively optimizing the industrial chain to diversify its paper and pulp business, further enhancing operational stability and strengthening its profit base. The Group has also supported the “Belt and Road” initiative, targeting the Southeast Asian market for international development and ensuring good use of local resources to optimize operational efficiency. The Group introduced new production capacities in countries such as Vietnam, Malaysia and Indonesia. In the future, it will continue to explore business opportunities in countries and cities along the Belt and Road. The Group is confident in the long-term development of the paper manufacturing industry in the region.

Regarding the tissue paper business, the Group considers it a major focus and therefore has established an integrated product chain. The Group has endeavored to improve the quality of consumer tissue paper and has boosted its scale of production. The Group produces natural bamboo unbleached tissue in order to satisfy the need for health and environmental protection of the society as well as consumption requirements. The Group’s tissue paper business has maintained steady growth and can put out about 900,000 tons of tissue paper annually. The Group will focus on the needs of the market and the customer demand and continue to adopt effective strategies to further develop the tissue paper business.

The packaging paper business is the core business of the Group. With the increasing prevalence of online consumption in China and overseas, there is growing demand for quality packaging paper in the market. This, coupled with the implementation of the plastic restriction order in China, has created favorable conditions for the Group’s packaging paper business. The Group will actively expand the recycled pulp business in Southeast Asia to replace imported waste paper and strengthen the allocation of raw materials in order to ensure its production cost advantage. The second paper-making machine in the Malaysian plant was put into production in April this year, with an annual production capacity of 350,000 tons. The Group also invested in Cambodia during the period to expand the local paper-making business.

業務前景

中國有效控制新冠病毒疫情，疫苗接種工作有序展開，在雙循環、新發展格局的背景下，消費和投資實現恢復性增長；宏觀經濟景氣程度顯著回升，市場預期和信心明顯改善。本集團積極優化產業鏈，以實現紙張和紙漿業務的多元化，進一步提升營運穩定性和加強盈利基礎；本集團亦響應「一帶一路」戰略，瞄準東南亞市場，拓展國際產業布局，善用當地資源，優化營運效益。本集團已分別在越南、馬來西亞、印尼等國家增加新產能，未來將繼續在一帶一路國家以及城市發掘商機，本集團對於一帶一路造紙業的長遠發展抱有信心。

衛生紙業務方面，本集團高度重視生活用紙業務，已經實現全產品鏈打造。理文造紙一直致力於提高生活用紙的質量和生產規模，所生產之天然竹纖維原色衛生紙，能滿足消費者對健康和環保的要求，以及消費需求。本集團衛生紙業務總體發展平穩，現時總年產能已達90萬噸，將以市場及客戶需求為導向，繼續採取有效的策略來發展衛生紙業務。

包裝紙業務是本集團的主要核心業務。隨著內地和海外的網購越來越盛行，市場對高質量包裝紙需求亦日益增加，加上限塑令，有利本集團包裝紙業務，本集團將積極在東南亞地區拓展再生紙漿業務以替代進口廢紙，增強原材料配置，確保生產成本優勢。馬來西亞廠房的第二台造紙機已於本年4月份投入生產，年產能35萬噸。本集團亦於期內完成收購一間柬埔寨企業，進一步拓展當地製漿造紙業務。

BUSINESS REVIEW AND OUTLOOK

業務回顧及展望

As well as providing quality products at reasonable prices to maintain its competitiveness, the Group is also committed to fulfilling its corporate social responsibilities in reducing pollution and carbon emissions through waste paper recycling and advanced production technologies, so as to bring more eco-friendly products to customers. The paper-making industry still has tremendous room for development in the long run. Going forward, the Group will seize new opportunities to expand its market scale and maintain its competitiveness in the paper manufacturing industry.

Conclusion

The Group would like to express its sincere gratitude to all of its employees and shareholders for their continued support. Leveraging its leading position in the paper manufacturing industry and its consistently solid development advantages, the Group intends to further enhance its profitability and maximise returns to shareholders.

本集團致力以優質產品及合理價格取勝，同時亦盡力履行企業社會責任，透過廢紙回收及先進生產技術減低污染和碳排放，為客戶帶來更多具環保元素的產品。長遠而言，造紙行業仍然有比較大的發展空間。本集團將抓住機遇，拓展市場規模，保持本集團在造紙行業的市場競爭力。

結語

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Results of Operation

Revenue, the profit for the period and the profit for the period attributable to owners of the Company for the six months ended 30 June 2021 were HK\$15,180 million, HK\$2,000 million and HK\$1,936 million, respectively and that for the corresponding period last year were HK\$11,071 million, HK\$1,401 million and HK\$1,336 million, respectively. The earnings per share for the period was HK44.54 cents as compared to HK30.68 cents for the corresponding period last year.

Both sales revenue and profit during the six months ended 30 June 2021 increased as expected mainly due to the slight economic recovery from the COVID-19.

Distribution and Selling Expenses

The Group's distribution and selling expenses was HK\$504 million for the six months ended 30 June 2021 as compared to HK\$308 million for the corresponding period last year. It represented about 3.3% of the revenue for the six months ended 30 June 2021 and was increased as compared to that of 2.8% for the corresponding period last year due to the expansion in coverage in Southeast Asia market.

General and Administrative Expenses

The Group's general and administrative expenses was HK\$724 million for the six months ended 30 June 2021 as compared to HK\$502 million for the corresponding period last year. It represented about 4.8% of the revenue for the six months ended 30 June 2021 and was increased as compared to that of 4.5% for the corresponding period last year due to the expansion in coverage in Southeast Asia market.

Finance Costs

The Group's total finance costs (including the interest on lease liabilities and amount capitalised) was HK\$95 million for the six months ended 30 June 2021 as compared to HK\$167 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2021年6月30日止6個月的收入、期內盈利及期內本公司擁有人應佔盈利分別為151.80億港元、20.00億港元及19.36億港元，而去年同期則分別為110.71億港元、14.01億港元及13.36億港元。期內，每股盈利為44.54港仙，而去年同期為30.68港仙。

截至2021年6月30日止6個月的銷售收入及盈利均上升乃預期之內，主要是由於經濟從新型冠狀病毒疫情中慢慢復甦。

分銷及銷售費用

本集團截至2021年6月30日止6個月的分銷及銷售費用為5.04億港元，而去年同期為3.08億港元。截至2021年6月30日止6個月的分銷及銷售費用佔收入約3.3%，較去年同期的2.8%上升，乃因拓展東南亞市場所致。

日常及行政費用

本集團截至2021年6月30日止6個月的日常及行政費用為7.24億港元，而去年同期為5.02億港元。截至2021年6月30日止6個月的日常及行政費用佔收入約4.8%，較去年同期的4.5%上升，乃因拓展東南亞市場所致。

財務成本

本集團截至2021年6月30日止6個月的總借貸成本(包括租賃負債利息及資本化金額)為0.95億港元，而去年同期為1.67億港元。成本下跌主要由於期內平均借貸利率下跌所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Inventories, Debtors' and Creditors' Turnover

The inventory turnover of the Group's raw materials and finished products were 66 days and 17 days, respectively, for the six months ended 30 June 2021 as compared to 71 days and 10 days, respectively, for the year ended 31 December 2020.

The Group's debtors' turnover days were 43 days for the six months ended 30 June 2021 as compared to 46 days for the year ended 31 December 2020. This is in line with the credit terms granted by the Group to its customers.

The Group's creditors' turnover days were 27 days for the six months ended 30 June 2021 as compared to 30 days for the year ended 31 December 2020.

Liquidity, Financial Resources and Capital Structure

The total shareholders' fund of the Group as at 30 June 2021 was HK\$32,490 million (31 December 2020: HK\$30,750 million). As at 30 June 2021, the Group had current assets of HK\$14,647 million (31 December 2020: HK\$12,003 million) and current liabilities of HK\$12,667 million (31 December 2020: HK\$8,585 million). The current ratio was 1.16 as at 30 June 2021 as compared to 1.40 at 31 December 2020.

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 2021, the Group had outstanding bank borrowings of HK\$13,990 million (31 December 2020: HK\$11,327 million). These bank loans were secured by corporate guarantees provided by certain subsidiaries of the Company. As at 30 June 2021, the Group maintained bank balances and cash of HK\$1,572 million (31 December 2020: HK\$1,185 million). The Group's net debt-to-equity ratio (total borrowings net of cash and cash equivalents over shareholders' equity) increased from 0.33 as at 31 December 2020 to 0.38 as at 30 June 2021 as the result of the expansion in Southeast Asia.

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

存貨、應收賬款及應付賬款周轉期

本集團於截至2021年6月30日止6個月的原料及製成品存貨周轉期分別為66日及17日，相比截至2020年12月31日止年度則分別為71日及10日。

本集團於截至2021年6月30日止6個月的應收賬款周轉期為43日，相比截至2020年12月31日止年度則為46日。此符合本集團給予客戶的信貸期。

本集團於截至2021年6月30日止6個月的應付賬款周轉期為27日，相比截至2020年12月31日止年度則為30日。

流動資金、財務資源及資本結構

於2021年6月30日，本集團的股東資金總額為324.90億港元(2020年12月31日：307.50億港元)。於2021年6月30日，本集團的流動資產達146.47億港元(2020年12月31日：120.03億港元)，而流動負債則為126.67億港元(2020年12月31日：85.85億港元)。於2021年6月30日的流動比率為1.16，而於2020年12月31日則為1.40。

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2021年6月30日，本集團的未償還銀行貸款為139.90億港元(2020年12月31日：113.27億港元)。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2021年6月30日，本集團持有銀行結餘及現金15.72億港元(2020年12月31日：11.85億港元)。由於擴充東南亞業務，本集團的淨資本負債比率(借貸總額減現金及現金等價物除以股東權益)由2020年12月31日的0.33上升至2021年6月30日的0.38。

本集團具備充裕的現金及可供動用的銀行備用額以應付集團的承擔及營運資金需要。

The Group's transactions and the monetary assets are principally denominated in Hong Kong dollars, Renminbi and United States dollars. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the six months ended 30 June 2021. The Group has used currency structured instruments, foreign currency borrowings or other means to hedge its foreign currency exposure.

Employees

As at 30 June 2021, the Group had a workforce of more than 9,800 employees. Salaries of employees are maintained at a competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. The Group also provides internal training to staff and provides bonuses based upon staff performance and profits of the Group.

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

本集團的交易及貨幣資產主要以港元、人民幣及美元計值。截至2021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2021年6月30日，本集團擁有逾9,800名員工。僱員薪酬維持於具競爭力水平，並會每年評估，且密切留意有關勞工市場及經濟市況趨勢。本集團亦為僱員提供內部培訓，並按員工表現及本集團盈利發放花紅。

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

OTHER INFORMATION

其他資料

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

As at 30 June 2021, the interests of the directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register required to be kept by the Company under section 352 of the Securities and Futures Ordinance ("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 ("Mode Code"), were as follows:

Long positions

Ordinary shares of HK\$0.025 each of the Company

董事及主要行政人員於股本或債務證券中擁有的權益及淡倉

於2021年6月30日，本公司之董事及主要行政人員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條須備存之登記冊所記錄之權益，或已知會本公司及聯交所根據上市發行人董事進行證券交易的標準守則（「標準守則」）的權益如下：

好倉

本公司每股0.025港元的普通股

Name of director 董事姓名	Capacity 身份	Number of ordinary shares 普通股數目	Percentage of the issued share capital of the Company 佔本公司已 發行股本百分比
Dr. Lee Man Chun Raymond 李文俊博士	Beneficial owner 實益擁有人	1,358,991,040	31.27%
Mr. Lee Man Bun 李文斌先生	Beneficial owner 實益擁有人	1,358,991,040	31.27%
Mr. Li King Wai Ross 李經緯先生	Held by spouse 由配偶持有	4,564,865	0.11%
Professor Poon Chung Kwong 潘宗光教授	Beneficial owner 實益擁有人	100,000	0.002%

Debenture of the Company

本公司債券

Name of director 董事姓名	Capacity 身份	Type of debenture 債券種類	Principal amount held 持有本金金額
Dr. Lee Man Chun Raymond 李文俊博士	Beneficial owner 實益擁有人	US\$300 million 5.50% senior perpetual capital securities 300百萬美元5.50%之 優先永續資本證券	US\$2,000,000 2,000,000美元

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 2021.

除上文所披露外，於2021年6月30日，本公司各董事、主要行政人員或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。

Substantial Shareholders

The register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, at 30 June 2021, 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2021年6月30日，下列股東(董事及主要行政人員除外)已知會本公司彼等於本公司已發行股本中擁有之相關權益。

好倉

本公司每股0.025港元的普通股

Name of shareholder 股東姓名	Capacity 身份	Number of issued ordinary shares held 持有已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司已 發行股本百分比
Ms. Ho Tsz Wan 何芷韻女士	Held by spouse (note i) 由配偶持有(附註i)	1,358,991,040	31.27%
Dr. Lee Wan Keung Patrick 李運強博士	Beneficial owner 實益擁有人	411,283,920	9.46%
Ms. Lee Wong Wai Kuen 李黃惠娟女士	Held by spouse (note ii) 由配偶持有(附註ii)	411,283,920	9.46%

Notes:

- (i) Under the SFO, Ms. Ho Tsz Wan is deemed to be interested on the 1,358,991,040 ordinary shares as she is the spouse of Mr. Lee Man Bun.
- (ii) Under the SFO, Ms. Lee Wong Wai Kuen is deemed to be interested on the 411,283,920 ordinary shares as she is the spouse of Dr. Lee Wan Keung Patrick.

附註：

- (i) 根據證券及期貨條例，由於何芷韻女士是李文斌先生的配偶，故被視為擁有該1,358,991,040股普通股的權益。
- (ii) 根據證券及期貨條例，由於李黃惠娟女士是李運強博士的配偶，故被視為擁有該411,283,920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 2021.

除上文所披露外，本公司概無獲知會於2021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。

OTHER INFORMATION

其他資料

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

During the six months ended 30 June 2021, there were no purchases, sales or redemptions by the Company, or any of its subsidiaries, of the Company's listed securities.

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 2021. 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 2021.

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 2021.

On behalf of the Board

Lee Man Chun Raymond

Chairman

Hong Kong, 4 August 2021

買賣或贖回本公司上市證券

於截至2021年6月30日止6個月內，本公司或其任何附屬公司概無購買、出售或贖回本公司之上市證券。

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2021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2021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2021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，2021年8月4日

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