



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

2009/10 中期報告

INTERIM REPORT



* 僅供識別

* For identification purposes only

CONTENTS 目錄

2	Corporate Information 公司資料
4	Condensed Consolidated Statement of Comprehensive Income 簡明綜合全面收入表
5	Condensed Consolidated Statement of Financial Position 簡明綜合財務狀況表
7	Condensed Consolidated Statement of Cash Flows 簡明綜合現金流量表
8	Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表
9	Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註
23	Business Review and Outlook 業務回顧及展望
24	Management Discussion and Analysis 管理層討論及分析
27	Other Information 其他資料

CORPORATE INFORMATION

公司資料

Board of Directors

Executive director

Mr Lee Wan Keung Patrick (*Chairman*)

Mr Lee Man Chun Raymond *BBS JP* (*Chief Executive Officer*)

Mr Lee Man Bun

Mr Li King Wai Ross

Non-executive director

Professor Poon Chung Kwong *GBS JP*

Independent non-executive director

Mr Wong Kai Tung Tony

Mr Peter A Davies

Mr Chau Shing Yim David

Company Secretary

Mr Cheung Kwok Keung

Registered Office

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:

Hang Seng Bank

Standard Chartered Bank

Citibank, N.A.

HSBC

In the PRC:

China Construction Bank

Bank of China

Agricultural Bank of China

董事會

執行董事

李運強先生 (主席)

李文俊先生 *BBS* 太平紳士 (首席執行官)

李文斌先生

李經緯先生

非執行董事

潘宗光教授 *GBS* 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

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

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：

恒生銀行

渣打銀行

花旗銀行

滙豐銀行

中國：

中國建設銀行

中國銀行

中國農業銀行

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants

Principal Share Registrar and Transfer Office

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
26/F Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Website

<http://www.leemanpaper.com>

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

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
灣仔
皇后大道東28號
金鐘滙中心26樓

網址

<http://www.leemanpaper.com>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收入表

For the six months ended 30 September 2009 截至二零零九年九月三十日止六個月

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 September 2009 together with the comparative figures as follows:

理文造紙有限公司(「本公司」)董事會欣然公佈，本公司及其附屬公司(「本集團」)截至二零零九年九月三十日止六個月未經審核簡明綜合業績，連同比較數字如下：

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2009

簡明綜合全面收入表

截至二零零九年九月三十日止六個月

		Notes 附註	2009 二零零九年 (unaudited) (未經審核) HK\$'000 千港元	2008 二零零八年 (unaudited) (未經審核) HK\$'000 千港元
Revenue	收入	2	5,059,742	5,492,866
Cost of sales	銷售成本		(3,812,769)	(4,476,592)
Gross profit	毛利		1,246,973	1,016,274
Other income	其他收入		92,625	85,989
Net (loss) gain from fair value changes of derivative financial instruments	因衍生財務工具公平值變動 產生的淨(虧損)得益		(24,664)	5,581
Distribution and selling expenses	分銷及銷售費用		(119,965)	(148,104)
Administrative expenses	行政費用		(204,760)	(184,932)
Finance costs	財務成本	3	(96,238)	(79,212)
Profit before tax	除稅前盈利		893,971	695,596
Income tax expense	利得稅支出	4	(77,309)	(27,767)
Profit and total comprehensive income for the period	期內盈利及全面收入	5	816,662	667,829
Attributable to:	應佔:			
Equity holders of the Company	公司股益持有人		816,662	668,213
Minority interests	少數股益		—	(384)
			816,662	667,829
Dividends:	股息:	6		
— Final dividend paid	— 已付末期股息		—	113,738
— Interim dividend proposed	— 建議中期股息		250,224	56,869
			HK cents 港仙	HK cents 港仙
Earnings per share	每股盈利	7		
— Basic	— 基本		71.80	58.75
— Diluted	— 攤薄		71.80	58.74

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30 September 2009 於二零零九年九月三十日

		Notes 附註	30 September 2009 二零零九年 九月三十日 (unaudited) (未經審核) HK\$'000 千港元	31 March 2009 二零零九年 三月三十一日 (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	8	12,226,984	12,222,870
Prepaid lease payments	預付租賃款項		359,369	336,513
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		358,809	314,951
Interests in an associate	聯營公司權益	9	—	—
Deferred tax assets	遞延稅項資產		22,249	55,000
Retirement benefit assets	退休福利資產		202	202
			12,967,613	12,929,536
CURRENT ASSETS				
	流動資產			
Inventories	存貨	10	1,716,703	1,635,918
Prepaid lease payments	預付租賃款項		6,622	14,018
Trade and other receivables	應收貿易及其他賬款	11	2,405,645	2,146,879
Amounts due from an associate	應收聯營公司款項		380,195	253,999
Amounts due from related companies	應收有關連公司款項		13,191	22,129
Derivative financial instruments	衍生財務工具		—	5,064
Tax recoverable	可退回稅項		—	7,664
Restricted bank deposits	有限制銀行存款		1,908	1,908
Bank balances and cash	銀行結餘及現金		507,851	1,659,444
			5,032,115	5,747,023
CURRENT LIABILITIES				
	流動負債			
Derivative financial instruments	衍生財務工具		115,391	97,854
Trade and other payables	應付貿易及其他賬款	12	1,405,458	848,933
Tax payable	應付稅項		8,161	5,259
Bank and other borrowings	銀行及其他借貸		2,407,634	4,738,379
			3,936,644	5,690,425
NET CURRENT ASSETS	流動資產淨值		1,095,471	56,598
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		14,063,084	12,986,134

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30 September 2009 於二零零九年九月三十日

		Notes 附註	30 September 2009 二零零九年 九月三十日 (unaudited) (未經審核) HK\$'000 千港元	31 March 2009 二零零九年 三月三十一日 (audited) (經審核) HK\$'000 千港元
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	13	113,738	113,738
Reserves	儲備		9,211,559	8,353,107
Equity attributable to equity holders of the Company	權益歸屬於公司權益 持有人		9,325,297	8,466,845
Minority interests	少數股東權益		—	—
Total equity	總權益		9,325,297	8,466,845
NON-CURRENT LIABILITIES	非流動負債			
Derivative financial instruments	衍生財務工具		53,292	139,347
Other payables	其他應付賬款	12	146,279	364,042
Bank and other borrowings	銀行及其他借貸		4,284,985	3,803,321
Deferred tax liabilities	遞延稅項負債		253,231	212,579
			4,737,787	4,519,289
TOTAL EQUITY AND LIABILITIES	總權益及負債		14,063,084	12,986,134

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 September 2009 截至二零零九年九月三十日止六個月

		2009 二零零九年 (unaudited) (未經審核) HK\$'000 千港元	2008 二零零八年 (unaudited) (未經審核) HK\$'000 千港元
Net cash generated from operating activities	經營業務所得現金淨額	1,068,115	485,828
Net cash used in investing activities	投資活動所用現金淨額		
Acquisition of and deposits paid on property, plant and equipment	購置物業、廠房及設備所付訂金	(235,195)	(981,901)
(Advance to) repayment from an associate	(向)聯營公司(墊款)還款	(126,196)	108,647
Interest received	已收利息	10,385	3,678
Other investing activities	其他投資活動	(19,621)	(5,022)
		(370,627)	(874,598)
Net cash (used in) from financing activities	融資活動(所用)所得現金淨額		
Net bank and other borrowings (repaid) raised	(償還)籌集銀行及其他貸款淨額	(1,849,081)	417,232
Dividends paid	已付股息	—	(113,738)
		(1,849,081)	303,494
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(1,151,593)	(85,276)
Cash and cash equivalents brought forward	現金及現金等價物承前結餘	1,659,444	318,188
Cash and cash equivalents carried forward represented by bank balances and cash	現金及現金等價物結轉等於銀行結餘及現金	507,851	232,912

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 September 2009 截至二零零九年九月三十日止六個月

Attributable to equity holders of the Company
本公司權益持有人應佔

		Share									Total	Minority interests	Total equity	
		Share capital	Share premium	options reserve	Translation reserve	Hedging reserve	Capital contribution	Legal reserve	Special reserve	Other reserve				Retained profits
		股本	股份溢價	購股權儲備	匯兌儲備	對沖儲備	資金貢獻	公積金	特別儲備	其他儲備	留存盈利	總結	少數股東權益	總權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2009	二零零九年四月一日	113,738	4,352,945	8,107	881,218	(187,861)	12,552	49	(2,999)	(12,060)	3,301,156	8,466,845	—	8,466,845
Exchange differences arising on translation of foreign operations	海外業務轉移時所產生之匯兌差額	—	—	—	(14,587)	—	—	—	—	—	—	(14,587)	—	(14,587)
Gain on cash flow hedges	現金流量對沖得益	—	—	—	—	44,373	—	—	—	—	—	44,373	—	44,373
Transfer to profit or loss on cash flow hedges	現金流量對沖之盈利或虧損轉移	—	—	—	—	12,004	—	—	—	—	—	12,004	—	12,004
Profit for the period	期內盈利	—	—	—	—	—	—	—	—	—	816,662	816,662	—	816,662
At 30 September 2009	二零零九年九月三十日	113,738	4,352,945	8,107	866,631	(131,484)	12,552	49	(2,999)	(12,060)	4,117,818	9,325,297	—	9,325,297
At 1 April 2008	二零零八年四月一日	113,738	4,352,945	15,908	580,125	(183,067)	12,552	49	(2,999)	—	3,155,360	8,044,611	(10,302)	8,034,309
Exchange differences arising on translation of foreign operations	海外業務轉移時所產生之匯兌差額	—	—	—	370,071	—	—	—	—	—	—	370,071	(1,564)	368,507
Gain on cash flow hedges	現金流量對沖盈利	—	—	—	—	48,752	—	—	—	—	—	48,752	—	48,752
Lapses/Cancellation of share options	購股權失效/註銷	—	3,457	(3,457)	—	—	—	—	—	—	—	—	—	—
Equity-settled share based payments	權益結算股權支付款項	—	—	5,046	—	—	—	—	—	—	—	5,046	—	5,046
Profit for the period	期內盈利	—	—	—	—	—	—	—	—	—	668,213	668,213	(384)	667,829
Dividends paid	派息	—	—	—	—	—	—	—	—	—	(113,738)	(113,738)	—	(113,738)
At 30 September 2008	二零零八年九月三十日	113,738	4,356,402	17,497	950,196	(134,315)	12,552	49	(2,999)	—	3,709,835	9,022,955	(12,250)	9,010,705

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 September 2009 截至二零零九年九月三十日止六個月

1. Basis of Preparation and Principal Accounting Policies

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

The accounting policies used in the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2009.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by HKICPA, which are effective for the Group's financial year beginning on 1 April 2009.

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC)-Int 9 & HKAS 39 (Amendments)	Embedded Derivatives

1. 編製基準及主要會計政策

此未經審核簡明綜合中期財務報表乃按照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及香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」而編製。

編製本簡明綜合中期財務報表所採用的會計政策，與本集團截至二零零九年三月三十一日止全年財務報表所採用者一致。

於期內，本集團已首次採納由香港會計師公會頒佈，並於本集團二零零九年四月一日開始之財政年度生效的下列新訂及經修訂準則、修訂及詮釋(「新訂及經修訂香港財務報告準則」)。

香港會計準則第1號 (二零零七年修訂)	呈列財務報表
香港會計準則第23號 (二零零七年修訂)	借貸成本
香港會計準則第32號及第1號(經修訂)	可沽售財務工具及清盤時產生的責任
香港財務報告準則第1號及香港會計準則第27號 (經修訂)	投資於附屬公司、共同控制實體或聯營公司之成本
香港財務報告準則第2號(經修訂)	歸屬條件及註銷
香港財務報告準則第7號(經修訂)	財務工具披露之改進
香港財務報告準則第8號	營運分部
香港(國際財務報告詮釋委員會) – 詮釋第9號及香港會計準則第39號(經修訂)	內含衍生工具

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 September 2009 截至二零零九年九月三十日止六個月

1. Basis of Preparation and Principal Accounting Policies (Continued)

HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 to that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

The adoption of the new and revised HKFRSs has had no material effect on how the reported results and financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

The Group has not early applied the new or revised standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

1. 編製基準及主要會計政策(續)

香港(國際財務報告 詮釋委員會) — 詮釋第13號	客戶長期 支持計劃
香港(國際財務報告 詮釋委員會) — 詮釋第15號	房地產建築協議
香港(國際財務報告 詮釋委員會) — 詮釋第16號	海外業務投資 淨額對沖
香港財務報告準則 (經修訂)	二零零八年頒佈 之香港財務 報告準則之 改進, 惟香港 財務報告準則 第5號之修訂 於二零零九年 七月一日或 之後起始的 年度期間生效
香港財務報告準則 (經修訂)	二零零九年頒佈 之香港財務 報告準則之 改進, 內容 有關香港會計 準則第39號 第80段之修訂

採納新訂及經修訂香港財務報告準則並無對現行或過往會計期間之本集團業績及財務狀況之編製及呈報方式造成重大影響。因此, 毋須對過往期間作出任何調整。

本集團並無提早應用已頒佈但未生效之新訂或經修訂準則、修訂或詮釋。本公司董事預期, 應用其他新訂及經修訂準則、修訂或詮釋不會對本集團之業績及財務狀況構成重大影響。

2. Segments Information

Business segments

For management purposes, the Group is currently organised into two operating businesses — manufacture and sales of paper, and manufacture and sales of pulp. These businesses are the basis on which the Group reports its segment information.

Segment information about these businesses is presented below:

Six months ended 30 September 2009

		Paper 紙張 HK\$'000 千港元	Pulp 木漿 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收入			
External sales	對外銷售	4,881,743	177,999	5,059,742
SEGMENT RESULTS	分類業績	1,052,895	(45,888)	1,007,007
Net loss from fair value changes of derivative financial instruments	因衍生財務工具公平值變動產生的淨虧損			(24,664)
Interest income	利息收入			10,385
Central administration cost	中央行政成本			(2,519)
Finance costs	財務成本			(96,238)
Profit before tax	除稅前盈利			893,971
Income tax expense	利得稅支出			(77,309)
Profit for the period	期內盈利			816,662

2. 分部資料

業務分部

就管理而言，本集團現經營兩個業務：生產及銷售紙張、生產及銷售木漿。該等業務為本集團申報其分類資料之基準。

該等商業分類資料呈報如下：

二零零九年九月三十日止六個月

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 September 2009 截至二零零九年九月三十日止六個月

2. Segments Information (Continued)

Business segments (Continued)

Six months ended 30 September 2008

		Paper 紙張 HK\$'000 千港元	Pulp 木漿 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收入			
External sales	對外銷售	5,200,082	292,784	5,492,866
SEGMENT RESULTS	分類業績	795,208	(27,844)	767,364
Net gain from fair value changes of derivative financial instruments	因衍生財務工具公平值變動產生的淨得益			5,581
Interest income	利息收入			3,678
Central administration cost	中央行政成本			(1,815)
Finance costs	財務成本			(79,212)
Profit before tax	除稅前盈利			695,596
Income tax expense	利得稅支出			(27,767)
Profit for the period	期內盈利			667,829

2. 分部資料(續)

業務分部(續)

二零零八年九月三十日止六個月

3. Finance Costs

3. 財務成本

		Six months ended 30 September 截至九月三十日止六個月	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Interest on bank borrowings wholly repayable within five years	於五年內悉數償還之銀行借貸利息	122,521	145,741
Interest on notes payable	應付票據利息	12,042	23,422
Total borrowing costs	總借貸成本	134,563	169,163
Less: Amounts capitalised in property, plant and equipment	減去：物業、廠房及設備之資本化金額	(38,325)	(89,951)
		96,238	79,212

4. Income Tax Expense

4. 利得稅支出

		Six months ended 30 September 截至九月三十日止六個月	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
The charge comprises:	支出包括：		
Current tax	現有稅項		
— PRC Foreign Enterprise Income Tax	— 中國外商企業所得稅	3,906	13,010
Deferred taxation in respect of:	就以下事項所產生的遞延稅項：		
— Accelerated tax depreciation	— 遞增稅項折舊	40,652	27,123
— tax losses	— 稅項虧損	32,751	(12,366)
		77,309	27,767

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

PRC

The subsidiaries in the PRC are entitled to exemption from PRC Enterprise Income Tax for two years starting from their respective first profit-making year, followed by a 50% relief for the three years thereafter ("Tax Holiday").

All the Group's PRC subsidiaries were within the tax exemption period during the six months period ended 30 September 2009 and were therefore not subject to PRC Enterprise Income Tax for the period, except the following:

The tax exemption period of a subsidiary, Guangdong Lee & Man Paper Manufacturing Limited ("Guangdong Lee & Man") expired on 31 December 2008 and its applicable preferential tax rate is 12.5% for the period from 1 January 2009 to 31 December 2011. Beside, pursuant to approvals granted by the PRC tax authority, Guangdong Lee & Man was granted tax credits that resulted from the purchase of plant and equipment manufactured in the PRC by Guangdong Lee & Man. Current period's tax charge of Guangdong Lee & Man was fully offset by such credits.

集團之利潤乃根據其利潤產生的營運地方繳納稅項。其他管轄地區的稅項則按個別管轄地區之課稅率計算。

中國

位於中國的附屬公司於各自首個獲利年度起，免繳中國企業所得稅兩年，其後三年半免（「稅務優惠」）。

截至二零零九年九月三十日止六個月內，本集團的中國附屬公司均全部處於稅務豁免期，因此毋須繳納中國企業所得稅，除下列例外：

附屬公司廣東理文造紙有限公司（「廣東理文」）之稅項豁免期已於二零零八年十二月三十一日屆滿，而其由二零零九年一月一日至二零一一年十二月三十一日期間之適用優惠稅率為12.5%。此外，根據中國稅務機關之批准，廣東理文因購買中國所製造機器及設備獲授稅項抵免。廣東理文於期內須繳納稅款已藉該等稅項抵免全數抵銷。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 September 2009 截至二零零九年九月三十日止六個月

4. Income Tax Expense (Continued)

PRC (Continued)

The tax exemption period of a subsidiary, Jiangsu Lee & Man Paper Manufacturing Company Limited (“Jiangsu Lee & Man”) expired on 31 December 2006 and it is subject to a reduced tax rate of 9% and 10% for the calendar years of 2008 and 2009 respectively.

The Tax Holiday of a subsidiary, Dongguan Lee & Man Paper Factory Company Limited (“Dongguan Lee & Man”) expired on 31 December 2005 and it is subject to a preferential tax rate of 18% and 20% for the calendar years of 2008 and 2009 respectively. Based on the Guofa [2007] No. 39 released by the State Council of the PRC, Dongguan Lee & Man is entitled to such preferential treatment as its investment exceeds USD30,000,000 with a long position of recovering investment.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the “Tax Law”) by Order No. 63 of the President of the PRC. On 6 December 2007 the State Council of the PRC issued Implementation Regulations of the Tax Law. The Tax Law and Implementation Regulations increase the tax rate for the Group’s PRC subsidiaries to 25% with effect from the expiry of the Tax Holiday and in the case of Jiangsu Lee & Man and Dongguan Lee & Man, they are on a progressive basis over a period of five years.

Malaysia

The subsidiary in Malaysia carries on offshore trading activities in Labuan, with other group companies which are non-residents of Malaysia. As such, it is qualified as an offshore trading company in Labuan and is charged at a fixed annual rate of Malaysian RM20,000.

Macau

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

Vietnam

The Vietnam subsidiaries are subjected to Vietnam Corporate Income Tax at a maximum rate of 25%. No provision for Vietnam Corporate Income Tax has been made for the year as the Vietnam subsidiaries incurred losses for the period.

4. 利得稅支出(續)

中國(續)

附屬公司江蘇理文造紙有限公司(「江蘇理文」)之稅項豁免期已於二零零六年十二月三十一日屆滿，而其於二零零八及二零零九曆年須分別按已減免稅率9%及10%繳稅。

附屬公司東莞理文造紙廠有限公司(「東莞理文」)稅務優惠期已於二零零五年十二月三十一日屆滿，故須就二零零八及二零零九曆年分別按優惠稅率18%及20%繳稅。根據中國國務院所批出國法[2007]第39號，由於東莞理文之投資超過三千萬美元，可收回投資屬長期，故其有權享有該稅務優惠。

於二零零七年三月十六日，中國就中國國家主席第63號命令，頒佈企業所得稅法(「稅法」)。於二零零七年十二月六日，中國國務院頒佈稅法執行規例。稅法及執行規例將統一本集團之中國附屬公司之稅率為25%，於稅務優惠期屆滿後開始，而江蘇理文及東莞理文之稅率將以五年逐漸遞增為基礎。

馬來西亞

馬來西亞的附屬公司與集團內其他非馬來西亞公司進行離岸貿易業務。所以，該公司為拉布安合資格的離岸貿易公司，需每年繳納20,000馬幣的定額稅。

澳門

澳門附屬公司根據第58/99/M號法令註冊，均可免繳澳門補充稅(澳門所得稅)，前提是不得向澳門本土公司銷售產品。

越南

越南附屬公司須按不多於25%繳納越南企業所得稅。由於越南附屬公司於期內產生虧損，故並無計提越南企業所得稅撥備。

5. Profit for the Period

5. 期內盈利

		Six months ended 30 September 截至九月三十日止六個月	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 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	3,926	6,408
Staff salaries and other benefits, excluding those of directors	員工薪金及其他福利，不包括董事	160,902	219,852
Contributions to retirement benefit schemes, excluding those of directors	退休福利計劃供款，不包括董事	12,798	11,345
Total employee benefit expense	員工成本總額	177,626	237,605
Amortisation of prepaid lease payments	預付租賃款項攤銷	2,998	2,627
Cost of inventories recognised as expenses	存貨成本確認為支出	3,812,769	4,476,592
Depreciation of property, plant and equipment	物業、廠房及設備折舊	234,983	179,198
Loss on disposal of property, plant and equipment	出售物業、廠房及設備產生的虧損	634	390
Operating lease rentals in respect of land and buildings	土地及樓宇的經營租賃租金	1,768	4,549
and after crediting (in other income):	並已計入(其他收入)：		
Interest income	利息收入	10,385	3,678
Income from operating a pier	經營碼頭收入	28,769	18,655
Net foreign exchange gains	淨滙兌得益	16,955	42,753

6. Dividends

No final dividend was paid for the year ended 31 March 2009 (for the year ended 31 March 2008: HK10 cents per share was paid) to shareholders during the current period.

The Directors determined that an interim dividend of HK22 cents per share (2008: HK5 cents per share) should be paid to the shareholders of the Company whose names appear in the Register of Members on 2 December 2009.

6. 股息

期內，並無派發二零零九年三月三十一日止年度(二零零八年三月三十一日止年度：10港仙)之末期股息給予股東。

董事決定派發每股22港仙之中期股息(二零零八年：5港仙)給予在二零零九年十二月二日名列於股東名冊內之本公司股東。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 September 2009 截至二零零九年九月三十日止六個月

7. Earnings Per Share

The calculation of basic and diluted earnings per share attributable to the equity holders of the Company is based on the following data:

7. 每股盈利

公司權益持有人的每股基本及攤薄盈利乃以下列數據為基準計算：

		Six months ended 30 September 截至九月三十日止六個月	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Earnings for the purpose of basic earnings per share	用以計算每股基本盈利的盈利	816,662	668,213
		2009 二零零九年 Number of shares 股份數目	2008 二零零八年 Number of shares 股份數目
Weighted average number of ordinary shares for the purpose of basic earnings per share	用以計算每股基本盈利的普通股加權平均數	1,137,380,412	1,137,380,412
Effect of dilutive potential ordinary shares: — Share options	普通股潛在攤薄影響： — 購股權	—	144,797
Weighted average number of ordinary shares for the purpose of diluted earnings per share	用以計算每股攤薄盈利的普通股加權平均數	1,137,380,412	1,137,525,209

The computation of diluted earnings per share for the six months ended 30 September 2009 does not assume the exercise of the Group's outstanding share options as the exercise prices of certain options are higher than the average market price and also the performance conditions for the exercise of certain options were not met.

截至二零零九年九月三十日止六個月之每股攤薄盈利的計算並無計入本集團尚未行使的購股權，因為若干購股權的行使價高於市場平均價格及行使若干購股權之條件尚未合符要求。

8. Additions to Property, Plant and Equipment

During the period, there were additions of HK\$215 million (six months ended 30 September 2008: HK\$852 million) to property, plant and equipment to expand its operations.

8. 添置物業、廠房及設備

期內，添置物業、廠房及設備2.15億港元（截至二零零八年九月三十日止六個月：8.52億港元），以拓展業務。

9. Interests in an Associate

9. 聯營公司權益

		30 September 2009 二零零九年 九月三十日 HK\$'000 千港元	31 March 2009 二零零九年 三月三十一日 HK\$'000 千港元
Cost of unlisted investment	非上市投資成本	1	1
Share of post-acquisition results	應佔收購後業績	(1)	(1)
		—	—

Details of the Group's associate at 30 September 2009 and 31 March 2009 are as follows:

於二零零九年九月三十日及二零零九年三月三十一日本集團聯營公司詳情如下：

Name of associate 聯營公司名稱	Form of business structure 業務架構形式	Place of Incorporation/ registration and operations 成立/註冊及 營運地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊股本	Effective interest in the issued share capital/ registered capital held 於已發行股本/註冊 資本實際所持權益	Principal Activity 主要活動
Fortune Sight Group Limited ("FSGL")	Incorporated 成立	British Virgin Islands 英屬維爾京群島	Ordinary shares — US\$1,000 普通股 — 1,000美元	19% (note 註)	Investment holding in a PRC subsidiary engaging in producing raw materials for manufacturing of paper and pulp 中國附屬公司的投資控股 公司，主要從事生產用以 製造紙張及木漿的原材料

note: The Group is able to exercise significant influence over FSGL because it has the power to appoint one out of the three directors of that company.

註：本集團在FSGL有相當影響力，因為本集團有權委任該公司三位董事中的一位董事。

10. Inventories

10. 存貨

		30 September 2009 二零零九年 九月三十日 HK\$'000 千港元	31 March 2009 二零零九年 三月三十一日 HK\$'000 千港元
Raw materials	原料	1,381,687	1,156,853
Finished goods	製成品	335,016	479,065
		1,716,703	1,635,918

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 September 2009 截至二零零九年九月三十日止六個月

11. Trade and Other Receivables

11. 應收貿易及其他賬款

		30 September 2009 二零零九年 九月三十日 HK\$'000 千港元	31 March 2009 二零零九年 三月三十一日 HK\$'000 千港元
Trade receivables	應收貿易賬款	1,325,696	1,080,864
Bills receivables	應收票款	320,387	306,648
		1,646,083	1,387,512
Deposits and prepayments	訂金及預付款項	193,234	285,072
Deferred consideration receivables for disposal of subsidiaries	應收出售附屬公司遞延 代價	118,135	118,135
Other receivables	其他應收款項	448,193	356,160
		2,405,645	2,146,879

The Group generally allows an average credit period range from 45 to 60 days to its customers. An ageing analysis of the trade and bills receivables is as follows:

本集團一般給予客戶的信貸期由45日至60日不等。應收貿易賬款及票款的賬齡分析如下：

		30 September 2009 二零零九年 九月三十日 HK\$'000 千港元	31 March 2009 二零零九年 三月三十一日 HK\$'000 千港元
Aged:	賬齡：		
Less than 30 days	少於30日	1,177,930	990,808
31-60 days	31日-60日	336,108	316,046
61-90 days	61日-90日	74,455	54,140
91-120 days	91日-120日	39,835	13,779
Over 120 days	120日以上	17,755	12,739
		1,646,083	1,387,512

12. Trade and Other Payables

12. 應付貿易及其他賬款

		30 September 2009 二零零九年 九月三十日 HK\$'000 千港元	31 March 2009 二零零九年 三月三十一日 HK\$'000 千港元
Current	流動		
Trade and bills payables	應付貿易賬款及票款	797,891	338,221
Accruals	應計費用	128,089	147,927
Other payables	其他應付款項	479,478	362,785
		1,405,458	848,933
Non-current	非流動		
Other payables	其他應付款項	146,279	364,042

The average credit period taken for trade purchases range from 30 to 60 days. An ageing analysis of the trade and bills payables is as follows:

貿易購貨之平均除賬期由30至60日不等。應付賬款及票款之賬齡分析如下：

		30 September 2009 二零零九年 九月三十日 HK\$'000 千港元	31 March 2009 二零零九年 三月三十一日 HK\$'000 千港元
Aged:	賬齡：		
Less than 30 days	少於30日	375,061	232,636
31-60 days	31日-60日	175,806	44,888
61-90 days	61日-90日	202,698	15,041
Over 90 days	90日以上	44,326	45,656
		797,891	338,221

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 September 2009 截至二零零九年九月三十日止六個月

13. Share Capital

13. 股本

		Number of ordinary shares 普通股數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元的普通股		
Authorised:	法定：		
At 31 March 2009 and 30 September 2009	二零零九年三月三十一日及 二零零九年九月三十日	2,000,000,000	200,000
Issued and fully paid:	已發行及繳足：		
At 31 March 2008, 31 March 2009 and 30 September 2009	二零零八年三月三十一日、 二零零九年三月三十一日及 二零零九年九月三十日	1,137,380,412	113,738

14. Operating Lease Arrangements

The Group as lessee

At the balance sheet date, 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:

14. 經營租約安排

集團作為承租人

於結算日，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：

		30 September 2009 二零零九年 九月三十日 HK\$'000 千港元	31 March 2009 二零零九年 三月三十一日 HK\$'000 千港元
Within one year	一年內	24,787	20,242
In the second to fifth year inclusive	第二年至第五年內(包括 首尾兩年)	98,334	98,223
After five years	第五年後	496,409	513,685
		619,530	632,150

Operating lease payments represent rentals payable by the Group for lands and certain of its office properties. For lands, leases are negotiated for an average term of twenty years and rentals are negotiated every year. For office properties, leases are negotiated for an average term of one year with fixed rentals.

經營租金指本集團就土地及其若干辦公室物業應付的租金。土地的租期平均二十年，租金則每年商討。辦公室物業的租期平均一年，期內租金不變。

15. Commitments

15. 承擔

		30 September 2009 二零零九年 九月三十日 HK\$'000 千港元	31 March 2009 二零零九年 三月三十一日 HK\$'000 千港元
Capital expenditures contracted for but not provided in the consolidated financial statements in respect of:	就已訂約但未於綜合財務報表中撥備的資本開支：		
— property, plant and equipment	— 購置物業、廠房及設備	1,002,983	900,161
— land use rights	— 土地使用權	4,753	48,351
		1,007,736	948,512

16. Connected and Related Party Transactions

The Group had the following significant transactions with connected and related parties during the period:

16. 關連及相關人士之交易

期內，本集團與關連及相關人士進行下列的重大交易：

Name of party 關連人士名稱	Nature of transactions 交易性質	Six months ended 30 September 截至九月三十日止六個月	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Jiangsu Lee & Man Chemical Limited (note i) 江蘇理文化工有限公司(附註i)	Steam and electricity service fees received by the Group 集團已收蒸氣及發電服務費	34,847	8,059
Lee & Man Industrial Manufacturing Limited (note ii) 理文實業有限公司(附註ii)	Finished goods sold by the Group 集團出售製成品	59,716	107,265
	Steam and electricity sold by the Group 集團出售蒸氣及電力	1,822	780
	Raw material purchased by the Group 集團購買原材料	727	—
Lee & Man Paper Products Limited (note iii) 理文紙品有限公司(附註iii)	Licence fee paid by the Group 集團已付許可權費	506	506

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 September 2009 截至二零零九年九月三十日止六個月

16. Connected and Related Party Transactions

(Continued)

notes:

- (i) The company is beneficially owned by Mr Lee Wan Keung Patrick, a director of the Company.
- (ii) Mr Lee Wan Keung Patrick and Mr Li King Wai Ross, both are directors of the Company, are also directors of the company.
- (iii) Mr Li King Wai Ross, a director of the Company, is also a director of the company.

17. Review of Interim Accounts

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

Interim Dividend

The Board has resolved to declare an interim dividend of HK22 cents (2008: HK5 cents) per share for the six months ended 30 September 2009 to shareholders whose names appear on the Register of Members on 2 December 2009. It is expected that the interim dividend will be paid around 11 December 2009.

Closure of Register of Members

The Register of Members will be closed from 30 November 2009 to 2 December 2009, 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 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4.30 pm on 27 November 2009.

16. 關連及相關人士之交易 (續)

附註：

- (i) 該公司實益擁有人為本公司董事李運強先生。
- (ii) 李運強先生及李經緯先生兩位均為本公司董事，亦為該公司之董事。
- (iii) 李經緯先生為本公司董事，亦為該公司之董事。

17. 審閱中期賬目

簡明中期財務報表均未經審核，惟經審核委員會審閱。

中期股息

董事會議決宣派截至二零零九年九月三十日止六個月之中期股息每股22港仙(二零零八年：5港仙)予二零零九年十二月二日名列於股東名冊內之股東。預期中期股息將於二零零九年十二月十一日派付予股東。

暫停辦理股份過戶登記

本公司將於二零零九年十一月三十日至二零零九年十二月二日(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二零零九年十一月二十七日下午四時三十分前送達本公司之股份過戶登記處卓佳證券登記有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓，以辦理登記手續。

BUSINESS REVIEW AND OUTLOOK

業務回顧及展望

Business Review

For the 1st half of fiscal year 2009/2010, the Group achieved a turnover of HK\$5,060 million and net profit attributable to equity holders of the Company of HK\$817 million, representing a decrease of 7.9% and an increase of 22.3% respectively as compared to the last corresponding period. The Group has maintained a good financial position with improvement on cash flows and we are able to reduce bank debts by HK\$1,800 million. We are targeting to continuously reduce the debts ratio to 50%. During the period, we have also successfully upgraded our paper machines to meet the market changes as well as improving products quality to provide a better sales condition and strengthening our cost control to generate more profits.

Outlook

Although there are continued strong growth of the Chinese domestic market and recovering export-driven demand, newly established paper production lines have resulted in more competition in the market. However, with the Group's experience and well-established foundation, the management is confident of the Group's competitiveness. Therefore, we plan to start the operation of PM15 and PM16 before end of December 2010, which will add 900,000 tons capacity, which will boost up the Group's total capacity to 5.45 million tons of paper and 180,000 tons of pulp. In additions, our Vietnam pulp and paper plant is also under planning to resume construction. In the meantime, the management will continue to focus on cost control, sales network expansion, more value-added services to our customers, products diversification, improvements of cash flows and debt reduction to create better return to our shareholders and potential investors.

業務回顧

2009/2010財政年度上半年，本集團錄得營業額50.60億港元，較去年同期下跌7.9%，股東應佔純利8.17億港元，較去年同期上升22.2%。財政運作良好，改善現金流，負債減少18.0億港元，我們會繼續努力減債達到理想負債水準50%。期內，集團成功改造生產線，配合市場需求，同時努力改善產品質量為銷售提供更好條件，加大力度控制成本令盈利增加。

展望

現時中國內需市場持續增長及出口市場需求將會慢慢恢復，但新建立的造紙生產線相應增加令市場競爭激烈。本集團擁有多年經驗和良好的基礎，對前景競爭充滿信心。因此年產90萬噸牛咭紙的第15號及第16號紙機恢復安裝，希望在二零一零年十二月前投產。本集團牛咭紙總產能將達到545萬噸和18萬噸木漿，同時越南漿廠和紙生產線亦在啟動中。在此期間，管理層工作重點將以減低營運成本、拓展銷售網絡、完善增值服務體系及開發新產品為主，並繼續致力改善集團現金流量及降低負債，將為股東及潛在投資者帶來更高的回報。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Results of Operation

Revenue and net profit attributable to equity holder of the Company for the six months ended 30 September 2009 was HK\$5,060 million and HK\$817 million respectively, representing a decrease of 7.9% and an increase of 22.3%, as compared to HK\$5,493 million and HK\$668 million, for the corresponding period last year. The earnings per share for the period was HK71.80 cents as compared to HK58.75 cents for the corresponding period last year.

The Group's containerboard capacities was increased as a result of the full period commercial operation of PM12 and PM13 during the period. The decrease in revenue was mainly attributable to the decrease in the Group's average selling price of containerboard while the Group's sales volume recorded an increase of about 25%.

The increase in net profit for the period was mainly due to the increase in sales volume as a result of the machine optimization to increase production capacities and the commercial operation of PM12 and PM13, and the successful cost control through the improvements of cash flow and debt reduction.

Distribution and Selling Expenses and Administrative Expenses

The Group's distribution and selling expenses decreased by approximately 19.0% from HK\$148.1 million for the six months ended 30 September 2008 to HK\$120.0 million for the six months ended 30 September 2009.

The Group's administrative expenses increased by approximately 10.7% from HK\$184.9 million for the six months ended 30 September 2008 to HK\$204.8 million for the six months ended 30 September 2009 as a result of the expansion in the operation of the Group during this period. The distribution and selling expenses and administrative expenses represented about 2.4% and 4.0% of the revenue, respectively, for the six months ended 30 September 2009, and were comparable to the year ended 31 March 2009.

經營業績

截至二零零九年九月三十日止六個月的收入及股東應佔純利分別為50.60億港元及8.17億港元，較去年同期的54.93億港元及6.68億港元，分別下跌7.9%及上升22.3%。期內，每股盈利為71.80港仙，去年同期則為58.75港仙。

期內，第12號及第13號造紙機已全期生產，令集團箱板原紙產能增加。集團收入減少主要由於集團箱板原紙平均銷售價格下跌所致，但集團銷售量錄得約25%增長。

期內純利上升，主要由於優化造紙機令產能增加、第12號及第13號造紙機全期生產及透過改善現金流量及減低債務而成功控制成本所致。

分銷及銷售費用及行政費用

本集團的分銷及銷售費用減少約19.0%，由截至二零零八年九月三十日止六個月的148.1百萬港元下跌至截至二零零九年九月三十日止六個月的120百萬港元。

本集團的行政費用由截至二零零八年九月三十日止六個月的184.9百萬港元上升至截至二零零九年九月三十日止六個月的204.8百萬港元，升幅約10.7%，乃由於本集團於期內擴充業務所致。截至二零零九年九月三十日止六個月的分銷及銷售費用及行政費用分別佔收入約2.4%及4.0%，與二零零九年三月三十一日止年度相若。

Finance Costs

The Group's total borrowing costs (including the amounts capitalized) decreased by approximately 20.5% from HK\$169.2 million for the six months ended 30 September 2008 to HK\$134.6 million for the six months ended 30 September 2009. The decrease was mainly due to the decrease in average amount of outstanding bank and other borrowings during the period.

Inventories, Debtors' and Creditors' Turnover

The inventory turnover of the Group's raw materials and finished products were 75 days and 16 days, respectively, for the year ended 30 September 2009 as compared to 66 days and 20 days, respectively, for the six months ended 31 March 2009.

The Group's debtors' turnover days were 48 days for the six months ended 30 September 2009 as compared to 41 days for the year ended 31 March 2009. This is in line with the credit terms of 45 days to 60 days granted by the Group to its customers.

The Group's creditors' turnover days were 44 days for the six months ended 30 September 2009 as compared to 19 days for the year ended 31 March 2009 and is in line with the credit terms granted by the Group's suppliers to the Group.

Liquidity, Financial Resources and Capital Structure

The total shareholders' fund of the Group as at 30 September 2009 was HK\$9,325 million (31 March 2009: HK\$8,467 million). As at 30 September 2009, the Group had current assets of HK\$5,032 million (31 March 2009: HK\$5,747 million) and current liabilities of HK\$3,937 million (31 March 2009: HK\$5,690 million). The current ratio was 1.28 as at 30 September 2009 as compared to 1.01 at 31 March 2009.

財務成本

本集團的總借貸成本(包括資本化金額)由截至二零零八年九月三十日止六個月的169.2百萬港元減少至截至二零零九年九月三十日止六個月的134.6百萬港元，減幅約為20.5%。成本下跌主要由於期內平均未償還銀行及其他貸款減少所致。

存貨、應收賬款及應付賬款周轉期

本集團截至二零零九年九月三十日止六個月的原料及製成品的存貨周轉期分別為75天及16天，相比截至二零零九年三月三十一日止年度則分別為66天及20天。

本集團截至二零零九年九月三十日止六個月的應收賬款周轉期為48天，相比截至二零零九年三月三十一日止年度則為41天。上述應收賬款周轉期與本集團授予客戶介乎45天至60天不等的信貸期相符。

本集團的應付賬款周轉期截至二零零九年九月三十日止六個月為44天，相比截至二零零九年三月三十一日止年度則為19天。上述應付賬款周轉期與供應商給予本集團的信貸期相符。

流動資金、財務資源及資本結構

於二零零九年九月三十日，本集團的股東資金總額為93.25億港元(二零零九年三月三十一日：84.67億港元)。於二零零九年九月三十日，本集團的流動資產達50.32億港元(二零零九年三月三十一日：57.47億港元)，而流動負債則為39.37億港元(二零零九年三月三十一日：56.90億港元)。二零零九年九月三十日的流動比率為1.28，二零零九年三月三十一日則為1.01。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group generally finances its operations with internally generated cashflow and credit facilities provided by its principal bankers in Macau, Hong Kong and the PRC. As at 30 September 2009, the Group had outstanding bank and other borrowings of HK\$6,693 million (31 March 2009: HK\$8,542 million). These bank loans were secured by corporate guarantees provided by certain subsidiaries of the Company. The Group's net debt-to-equity ratio (total borrowings net of cash and cash equivalents over shareholders' equity) decreased from 0.81 as at 31 March 2009 to 0.66 as at 30 September 2009.

The Group's liquidity position continuously improved and the Group possesses sufficient cash and available banking facilities to meet its commitments and working capital requirements.

The Group's transactions and the monetary assets are principally denominated in Renminbi, Hong Kong dollars or 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 September 2009.

During the six months ended 30 September 2009, the Group has used currency structured instruments, foreign currency borrowings or other means to hedge its foreign currency exposure.

Employees

As at 30 September 2009, the Group had a workforce of more than 7,000 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 Company.

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.

The Group has a Share Option Scheme whereby employees of the Group are granted options to acquire shares in the Company.

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。於二零零九年九月三十日，本集團的未償還銀行及其他貸款為66.93億港元（二零零九年三月三十一日：85.42億港元）。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。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）由二零零九年三月三十一日的0.81下降至二零零九年九月三十日的0.66。

本集團的流動資金狀況持續改善，且具備充裕的現金及可供動用的銀行備用額以應付集團的承擔及營運資金需要。

本集團的交易及貨幣資產主要以人民幣、港元或美元計值。截至二零零九年九月三十日止六個月，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。

截至二零零九年九月三十日止六個月，本集團採用貨幣結構工具，外幣借貸或其他途徑作外幣對沖方法。

僱員

於二零零九年九月三十日，本集團擁有逾7,000名員工。僱員薪酬維持於具競爭力水平，並會每年審閱，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，並按員工表現及本公司盈利發放花紅。

本集團並無出現任何重大僱員問題，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時亦不曾出現困難。本集團與僱員的關係良好。

本集團設有購股權計劃，本集團僱員可據此授予購股權，以認購本公司股份。

OTHER INFORMATION

其他資料

Share Options

Particulars of the Company's share option schemes are set out below:

(a) Share options granted on 3 October 2006

The following table discloses details of the Company's options granted on 3 October 2006 under the Scheme held by employees (including directors) and movement in such holdings during the period:

Category 種類	Date of grant 授出日期	Exercise price 行使價	Number of share options 購股權數目	
			Outstanding at 1 April 2009 and 30 September 2009 於二零零九年四月一日 及二零零九年九月三十日 尚未行使數目	
Directors 董事	3 October 2006 二零零六年十月三日	15.10		1,272,000
Other employees 其他僱員	3 October 2006 二零零六年十月三日	15.10		720,000
				1,992,000

The options granted on 3 October 2006 may be exercised in accordance with the following terms of the Scheme as to:

- (i) 1,676,000 of the options commencing 1 January 2008 to 31 December 2010, with vesting period from 3 October 2006 to 31 December 2007, the fair value of each option at the date of grant is approximately HK\$4.13;
- (ii) 1,826,000 of the options commencing 1 January 2009 to 31 December 2010, with vesting period from 3 October 2006 to 31 December 2008, the fair value of each option at the date of grant is approximately HK\$4.47; and
- (iii) 1,826,000 of the options commencing 1 January 2010 to 31 December 2010, with vesting period from 3 October 2006 to 31 December 2009, the fair value of each option at the date of grant is approximately HK\$4.69.

購股權

本公司購股權計劃的詳情載如下：

(a) 於二零零六年十月三日授出的購股權

下表披露於二零零六年十月三日授出之購股權計劃下之僱員(包括董事)持有公司購股權詳情及於期內之變動：

Number of share options
購股權數目
Outstanding at 1 April 2009
and 30 September 2009
於二零零九年四月一日
及二零零九年九月三十日
尚未行使數目

於二零零六年十月三日授出之購股權可根據計劃下的條款行使：

- (i) 由二零零八年一月一日至二零一零年十二月三十一日行使1,676,000股的購股權及獲准行使期由二零零六年十月三日至二零零七年十二月三十一日，購股權在授出日當日之公平值估計為4.13港元；
- (ii) 由二零零九年一月一日至二零一零年十二月三十一日行使1,826,000股的購股權及獲准行使期由二零零六年十月三日至二零零八年十二月三十一日，購股權在授出日當日之公平值估計為4.47港元；及
- (iii) 由二零一零年一月一日至二零一零年十二月三十一日行使1,826,000股的購股權及獲准行使期由二零零六年十月三日至二零零九年十二月三十一日，購股權在授出日當日之公平值估計為4.69港元。

OTHER INFORMATION

其他資料

Share Options (Continued)

(b) Share options granted on 5 September 2008

The following table discloses details of the Company's options granted on 5 September 2008 under the Scheme held by directors and movement in such holdings during the period:

Category 種類	Date of grant 授出日期	Exercise price 行使價	Number of share options 購股權數目
			Outstanding at 1 April 2009 and 30 September 2009 於二零零九年四月一日 及二零零九年九月三十日 尚未行使數目
Directors 董事	5 September 2008 二零零八年九月五日	7.488	50,000,000

The options granted on 5 September 2008 may be exercised in accordance with the following terms of the Scheme as to:

- (i) 16,666,667 of the options commencing 1 September 2009 to 31 August 2013, with vesting period from 5 September 2008 to 31 August 2009, the fair value of each option at the date of grant is approximately HK\$1.63;
- (ii) 16,666,666 of the options commencing 1 September 2010 to 31 August 2013, with vesting period from 5 September 2008 to 31 August 2010, the fair value of each option at the date of grant is approximately HK\$1.92;
- (iii) 16,666,667 of the options commencing 1 September 2011 to 31 August 2013, with vesting period from 5 September 2008 to 31 August 2011, the fair value of each option at the date of grant is approximately HK\$2.13.

The exercise of the options during the exercise periods described above, commencing from 1 September 2009 to 31 August 2013, are subject to meeting the pre-determined and specific profit targets for the Group for each of the years ending 31 March 2009, 2010, 2011 and 2012.

購股權(續)

(b) 於二零零八年九月五日授出的購股權

下表披露於二零零八年九月五日授出之購股權計劃下之董事持有公司購股權詳情及於期內之變動：

Number of share options
購股權數目
Outstanding at 1 April 2009
and 30 September 2009
於二零零九年四月一日
及二零零九年九月三十日
尚未行使數目

於二零零八年九月五日授出之購股權可根據計劃下的條款行使：

- (i) 由二零零九年九月一日至二零一三年八月三十一日行使16,666,667股的購股權及獲准行使期由二零零八年九月五日至二零零九年八月三十一日，購股權在授出日當日之公平值估計為1.63港元；
- (ii) 由二零一零年九月一日至二零一三年八月三十一日行使16,666,666股的購股權及獲准行使期由二零零八年九月五日至二零一零年八月三十一日，購股權在授出日當日之公平值估計為1.92港元；
- (iii) 由二零一一年九月一日至二零一三年八月三十一日行使16,666,667股的購股權及獲准行使期由二零零八年九月五日至二零一一年八月三十一日，購股權在授出日當日之公平值估計為2.13港元；

自二零零九年九月一日起至二零一三年八月三十一日止於上述行使期內行使購股權時，須達致本集團就截至二零零九年、二零一零年、二零一一年及二零一二年三月三十一日止年度各年之預定及特定溢利目標。

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

As at 30 September 2009, the relevant interests or short positions of the directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provisions of the SFO) or were required pursuant to section 352 of the SFO, to be entered in the register referred to therein or were required, pursuant to the relevant provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") relating to securities transactions by directors to be notified to the Company and the Stock Exchange were as follows:

Long positions

(a) Ordinary shares of HK\$0.10 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

於二零零九年九月三十日，本公司各董事或主要行政人員在本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第十五部）的股份、相關股份及債券中，擁有並須根據證券及期貨條例第十五部第7及第8分部規定知會本公司及香港聯合交易所有限公司（「聯交所」）的有關權益或淡倉（包括其根據證券及期貨條例的有關條文被視作或當作擁有的權益或淡倉）或根據證券及期貨條例第352條須記錄於該條所指的登記冊內的權益或淡倉或根據聯交所證券上市規則（「上市規則」）有關董事進行證券交易的有關條文須知會本公司及聯交所的權益或淡倉如下：

好倉

(a) 本公司每股面值0.10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	Number of ordinary shares subject to options granted 授出的購股權 所涉及的 普通股數目	Percentage of the issued share capital of the Company 佔本公司已 發行股本百分比
Lee Wan Keung Patrick 李運強	Held by controlled corporation (Note) 由受控制法團持有（附註）	716,847,200	—	63.03%
Lee Man Chun Raymond 李文俊	Beneficial owner 實益擁有人	—	30,492,000	2.68%
Lee Man Bun 李文斌	Beneficial owner 實益擁有人	—	20,300,000	1.78%
Poon Chung Kwong 潘宗光	Beneficial owner 實益擁有人	150,000	480,000	0.06%
Wong Kai Tung Tony 王啟東	Beneficial owner 實益擁有人	300,000	—	0.03%

Note: These shares were held by Gold Best Holdings Ltd. ("Gold Best"). Gold Best is a controlled corporation of Mr Lee Wan Keung Patrick under the SFO. The entire issued share capital of Gold Best is owned by Mr Lee Wan Keung Patrick, Mr Lee Man Chun Raymond and Mr Lee Man Bun (all of them are directors of the Company). Mr Lee Wan Keung Patrick and Mr Lee Man Chun Raymond, both of whom are directors of the Company, are directors of Gold Best.

附註：該等股份由Gold Best Holdings Ltd.（「Gold Best」）持有。根據證券及期貨條例，Gold Best為李運強先生之受控制法團。Gold Best的全部已發行股本由李運強先生、李文俊先生及李文斌先生（全部均為本公司董事）持有。李運強先生及李文俊先生（二人均為本公司董事）為Gold Best之董事。

OTHER INFORMATION

其他資料

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

(Continued)

Long positions (Continued)

(b) Ordinary shares of the associated corporations 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(續)

好倉(續)

(b) 本公司相聯法團的普通股

Name of director 董事姓名	Capacity 身份	Number of associated corporation 相聯法團名稱	Number of ordinary shares 普通股數目	Percentage of the issued share capital of the associated corporation 佔相聯法團已發行股本百分比
Lee Wan Keung Patrick 李運強	Beneficial owner 實益擁有人	Gold Best (Note) (附註)	51	51%
Lee Man Chun Raymond 李文俊	Beneficial owner 實益擁有人	Gold Best (Note) (附註)	29	29%
Lee Man Bun 李文斌	Beneficial owner 實益擁有人	Gold Best (Note) (附註)	20	20%

Note: Gold Best is an associated corporation of Mr Lee Wan Keung Patrick under the SFO. The entire issued share capital of Gold Best is owned by Mr Lee Wan Keung Patrick, Mr Lee Man Chun Raymond and Mr Lee Man Bun (all of them are directors of the Company). Mr Lee Wan Keung Patrick and Mr Lee Man Chun Raymond, both of whom are directors of the Company, are directors of Gold Best.

附註：根據證券及期貨條例，Gold Best為李運強先生的相聯法團。Gold Best的全部已發行股本由李運強先生、李文俊先生及李文斌先生（全部均為本公司董事）持有。李運強先生及李文俊先生（二人均為本公司董事）為Gold Best之董事。

Save as disclosed above and other than certain nominee shares in subsidiaries held by certain directors in trust for the Company, none of the directors or the 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 September 2009.

除上文所披露者外及除了若干董事作為提名人以信託形式代本公司持有若干附屬公司的若干股份外，於二零零九年九月三十日，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。

Substantial Shareholders

As at 30 September 2009, the following persons (other than directors or chief executives of the Company) had interests or short positions in the ordinary shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Long positions

Ordinary shares of HK\$0.10 each of the Company

Name of shareholder 股東姓名	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
Gold Best	Beneficial owner 實益擁有人	716,847,200	63.03%
Lee Wong Wai Kuen 李黃惠娟	Held by spouse (Note) 由配偶持有(附註)	716,847,200	63.03%

Note: Under the SFO, Lee Wong Wai Kuen is deemed to be interested in these 716,847,200 ordinary shares as she is the spouse of Lee Wan Keung Patrick, a beneficial owner of the Company.

主要股東

於二零零九年九月三十日，下列人士(本公司董事或主要行政人員除外)在本公司的普通股中擁有根據證券及期貨條例第十五部第2及第3分部的規定須向本公司披露的權益或淡倉，或根據證券及期貨條例第336條的規定已記錄於本公司按該條存置的登記冊內的權益或淡倉：

好倉

本公司每股面值0.10港元的普通股

附註：根據證券及期貨條例，由於李黃惠娟是李運強(本公司實益擁有人)的配偶，故被視為擁有該716,847,200股普通股的權益。

Save as disclosed above, as at 30 September 2009, the Company had not been notified by any persons (other than directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of the Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

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

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

除上文所披露者外，於二零零九年九月三十日，概無任何人士(本公司董事或主要行政人員除外)知會本公司，彼等在本公司的股份或相關股份中擁有根據證券及期貨條例第十五部第2及第3分部的規定須向本公司披露的權益或淡倉，或根據證券及期貨條例第336條的規定已記錄於本公司按該條存置的登記冊內的權益或淡倉。

買賣或贖回本公司上市證券

期內，本公司或其任何附屬公司概無買賣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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to 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 standards set out in the Model Code throughout the six months ended 30 September 2009. 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 provisions listed in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2009.

Audit Committee

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

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 September 2009.

Remuneration Committee

To comply with the Code, a remuneration committee was established on 28 September 2005 with specific written terms of reference which deal clearly with its authority and duties. The current members of the remuneration committee comprises Mr Wong Kai Tung Tony, Mr Peter A Davies and Mr Chau Shing Yim David. All members of the remuneration committee are independent non-executive directors.

On behalf of the Board

Lee Wan Keung Patrick
Chairman

Hong Kong, 9 November 2009

證券交易之標準守則

本公司已採納上市規則附錄10所載上市公司董事進行證券交易的標準守則(「標準守則」)作為董事進行證券交易之行為準則。本公司經向所有董事作出具體查詢後，全體董事皆確認於截至二零零九年九月三十日止之六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，本公司已於截至二零零九年九月三十日止六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(「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王啟東先生、Peter A Davies先生及周承炎先生組成。

審核委員會已與管理層檢討本集團所採納的會計原則及慣例，並已討論內部監控程序及財務申報等事宜，其中包括審閱本集團截至二零零九年九月三十日止六個月的未經審核中期財務報表。

薪酬委員會

為符合守則，本公司於二零零五年九月二十八日成立薪酬委員會，清楚說明委員會的權限及職責。現時薪酬委員會成員包括王啟東先生、Peter A Davies先生及周承炎先生。薪酬委員會之成員均為獨立非執行董事。

代表董事會

李運強
主席

香港，二零零九年十一月九日

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