



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

2007/08 中期報告
INTERIM REPORT



* 僅供識別

* For identification purposes only

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CORPORATE INFORMATION

公司資料

Board of Directors

Executive director

Mr Lee Wan Keung Patrick (*Chairman*)
Mr Lee Man Chun Raymond (*Chief executive officer*)
Mr Lee Man Bun
Mr Li King Wai Ross

Non-executive director

Professor Poon Chung Kwong

Independent non-executive director

Mr Wong Kai Tung Tony
Mr Heng Kwoo Seng
Ms Law Kar Shui Elizabeth

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 Macau and Hong Kong:

Hang Seng Bank Limited
Standard Chartered Bank
Citibank, N.A.
HSBC

In the PRC:

China Construction Bank
Bank of China

董事會

執行董事

李運強先生 (主席)
李文俊先生 (行政總裁)
李文斌先生
李經緯先生

非執行董事

潘宗光教授

獨立非執行董事

王啟東先生
邢詒春先生
羅嘉穗小姐

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

澳門及香港：

恒生銀行有限公司
渣打銀行
花旗銀行
匯豐銀行

中國：

中國建設銀行
中國銀行

Auditors

Deloitte Touche Tohmatsu
Certified Public Accountants

Principal Share Registrar and Transfer Office

Bank of Butterfield International (Cayman) Ltd.
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
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Website

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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

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香港股份過戶登記分處

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CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合損益表

For the six months ended 30 September 2007 截至二零零七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 2007 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」)截至二零零七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 Income Statement

For the six months ended 30 September 2007

簡明綜合損益表

截至二零零七年九月三十日止六個月

		Notes 附註	2007 二零零七年 (unaudited) (未經審核) HK\$'000 千港元	2006 二零零六年 (unaudited) (未經審核) HK\$'000 千港元
Turnover	營業額	2	3,894,469	2,422,625
Cost of sales	銷售成本		(2,900,799)	(1,819,260)
Gross profit	毛利		993,670	603,365
Other income	其他收入		73,979	36,293
Selling and distribution costs	銷售及分銷成本		(104,806)	(75,674)
Administrative expenses	行政費用		(168,502)	(85,831)
Finance costs	財務成本	3	(33,439)	(55,029)
Profit before taxation	稅前盈利		760,902	423,124
Income tax expense	利得稅支出	4	(43,202)	(12,201)
Profit for the period	期內盈利	5	717,700	410,923
Attributable to:	應佔：			
Equity holders of the Company	本公司權益持有人		718,082	410,700
Minority interests	少數股東權益		(382)	223
			717,700	410,923
Dividends:	股息：	6		
– Final dividend paid	– 已付末期股息		227,316	233,238
– Interim dividend proposed	– 建議中期股息		181,917	155,700
Earnings per share	每股盈利	7		
– Basic	– 基本		63.52 cents 仙	42.27 cents 仙
– Diluted	– 攤薄		63.23 cents 仙	41.84 cents 仙

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

At 30 September 2007 於二零零七年九月三十日

		Notes 附註	30 September 2007 二零零七年 九月三十日 (unaudited) (未經審核) HK\$'000 千港元	31 March 2007 二零零七年 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	7,558,892	5,524,620
Prepaid lease payments – non-current portion	預付租賃款項 – 非流動部份		267,642	316,831
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		898,533	931,536
Interests in associates	於聯營公司之權益	9	34,157	–
Deferred tax assets	遞延稅項資產		29,243	31,707
Retirement benefit assets	退休福利資產		682	682
			8,789,149	6,805,376
CURRENT ASSETS	流動資產			
Inventories	存貨	10	1,653,581	1,379,159
Prepaid lease payments – current portion	預付租賃款項 – 流動部份		3,396	14,982
Trade receivables	應收貿易賬款	11	1,254,062	819,383
Bills receivable	應收票款	11	308,863	261,239
Deposits, prepayments and other receivables	按金、預付款項及其他應收 款項		365,582	293,070
Amounts due from related companies	應收有關連公司款項		190,500	12,743
Derivative financial instruments	衍生財務工具		49,381	42,310
Restricted bank deposits	有限制銀行存款		1,200	1,953
Bank balances and cash	銀行結餘及現金		263,322	214,985
			4,089,887	3,039,824
CURRENT LIABILITIES	流動負債			
Trade and bills payable	應付賬款及票款	12	555,979	510,454
Accruals and other payables	應計費用及其他應付款項		619,344	380,029
Taxation payable	應付稅項		10,526	20,718
Bank borrowings – due within one year	銀行借貸 – 一年內到期		653,456	824,762
Derivative financial instruments	衍生財務工具		24,887	12,104
			1,864,192	1,748,067
NET CURRENT ASSETS	流動資產淨值		2,225,695	1,291,757
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		11,014,844	8,097,133

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

At 30 September 2007 於二零零七年九月三十日

		Notes 附註	30 September 2007 二零零七年 九月三十日 (unaudited) (未經審核) HK\$'000 千港元	31 March 2007 二零零七年 三月三十一日 (audited) (經審核) HK\$'000 千港元
NON-CURRENT LIABILITIES	非流動負債			
Bank borrowings – due after one year	銀行借貸 – 一年後到期		3,486,980	1,255,600
Deferred tax liabilities	遞延稅項負債		68,902	46,932
Convertible bonds	可換股債券		–	205,364
Retirement benefit liabilities	退休福利負債		22,046	18,536
			3,577,928	1,526,432
			7,436,916	6,570,701
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	13	113,698	111,948
Reserves	儲備		7,287,023	6,458,846
Equity attributable to equity holders of the Company	權益歸屬於公司權益持有人		7,400,721	6,570,794
Minority interests	少數股益		36,195	(93)
Total equity	總股益		7,436,916	6,570,701

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

簡明綜合現金流量表

For the six months ended 30 September 2007 截至二零零七年九月三十日止六個月

		2007 二零零七年 (unaudited) (未經審核) HK\$'000 千港元	2006 二零零六年 (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	150,497	435,446
Net cash used in investing activities	投資活動所用現金淨額	(1,975,838)	(809,789)
Net cash generated from financing activities	融資活動所得現金淨額	1,873,678	461,831
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	48,337	87,488
Cash and cash equivalents brought forward	現金及現金等價物承前	214,985	109,813
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	263,322	197,301

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 September 2007 截至二零零七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 capital 股本 (unaudited) (未經審核)	Share premium 股份溢價 (unaudited) (未經審核)	Share options 購股權 儲備 (unaudited) (未經審核)	Translation reserve 匯兌儲備 (unaudited) (未經審核)	Special reserve 特別儲備 (unaudited) (未經審核)	Convertible bonds 可換股債券 權益儲備 (unaudited) (未經審核)	Accumulated profits 累計盈利 (unaudited) (未經審核)	Total 合計 (unaudited) (未經審核)	Minority interests 少數股益 (unaudited) (未經審核)	Total equity 權益總結 (unaudited) (未經審核)
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2007	二零零七年四月一日	111,948	4,123,902	8,424	193,871	(2,999)	12,335	2,123,313	6,570,794	(93)	6,570,701
Exchange differences arising on translation of foreign operations recognized directly in equity	已直接於權益確認之海外業務轉移時所產生之匯兌差額	-	-	-	121,745	-	-	-	121,745	-	121,745
Profit for the period	期內盈利	-	-	-	-	-	-	718,082	718,082	(382)	717,700
Total recognized income and expenses for the period	期內已確認之收入及開支總結	111,948	4,123,902	8,424	315,616	(2,999)	12,335	2,841,395	7,410,621	(475)	7,410,146
Issue of shares on exercise of share options	因購股權獲行使而發行股份	50	6,504	(2,304)	-	-	-	-	4,250	-	4,250
Issue of shares on conversion of convertible bonds	因可換股債券兌換而發行股份	1,700	218,358	-	-	-	(12,335)	-	207,723	-	207,723
Share-based payment	股權支付款項	-	-	5,443	-	-	-	-	5,443	-	5,443
Capital contributions from minority interests	少數股東出資款項	-	-	-	-	-	-	-	-	36,670	36,670
Dividend paid	派息	-	-	-	-	-	-	(227,316)	(227,316)	-	(227,316)
At 30 September 2007	二零零七年九月三十日	113,698	4,348,764	11,563	315,616	(2,999)	-	2,614,079	7,400,721	36,195	7,436,916

		Attributable to equity holders of the Company 本公司權益持有人應佔									
		Share capital 股本 (unaudited) (未經審核)	Share premium 股份溢價 (unaudited) (未經審核)	Share options 購股權 儲備 (unaudited) (未經審核)	Translation reserve 匯兌儲備 (unaudited) (未經審核)	Special reserve 特別儲備 (unaudited) (未經審核)	Convertible bonds 可換股債券 權益儲備 (unaudited) (未經審核)	Accumulated profits 累計盈利 (unaudited) (未經審核)	Total 合計 (unaudited) (未經審核)	Minority interests 少數股益 (unaudited) (未經審核)	Total equity 權益總結 (unaudited) (未經審核)
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2006	二零零六年四月一日	96,761	1,863,819	1,573	48,984	(2,999)	60,256	1,508,650	3,577,044	-	3,577,044
Profit for the period	期內盈利	-	-	-	-	-	-	410,700	410,700	223	410,923
Total recognized income and expenses for the period	期內已確認之收入及開支總結	96,761	1,863,819	1,573	48,984	(2,999)	60,256	1,919,350	3,987,744	223	3,987,967
Issue of shares on exercise of share options	因購股權獲行使而發行股份	551	22,450	-	-	-	-	-	23,001	-	23,001
Share-based payment	股權支付款項	-	-	903	-	-	-	-	903	-	903
Capital contributions from minority interests	少數股東出資款項	-	-	-	-	-	-	-	-	23,774	23,774
Dividend paid	派息	-	-	-	-	-	-	(233,238)	(233,238)	-	(233,238)
At 30 September 2006	二零零六年九月三十日	97,312	1,886,269	2,476	48,984	(2,999)	60,256	1,686,112	3,778,410	23,997	3,802,407

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 September 2007 截至二零零七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.

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 2007.

In the current interim period, the Group has applied, for the first time, a new standard, amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1 January 2007.

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

1. 編製基準及主要會計政策

此未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，與本集團截至二零零七年三月三十一日止全年財務報表所採用者一致。

於期內，本集團第一次採納香港會計師公會頒佈必須於二零零七年一月一日開始生效之財政年度生效之新準則、修訂及詮釋(「新香港財務報告準則」)。

採納此等新香港財務報告準則對本集團現在或過往會計年度之業績或財務狀況不會有重大影響。因此，並無過往期內調整需予確認。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 September 2007 截至二零零七年九月三十日止六個月

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 primary segment information.

Segment information about these businesses is presented below:

2007

Consolidated income statement

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主要分類資料之基準。

該等商業分類資料呈報如下：

二零零七年

綜合損益表

		Paper 紙張 HK\$'000 千港元	Pulp 木漿 HK\$'000 千港元	Eliminations 刪除 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Turnover-External sales	營業額 – 對外銷售	3,606,017	288,452	-	3,894,469
Inter-segment sales	業務之間銷售	-	194,482	(194,482)	-
		3,606,017	482,934	(194,482)	3,894,469
SEGMENT RESULTS	分類業績	754,546	43,565	-	798,111
Interest income	利息收入				2,970
Net loss arising from change in fair value of derivative financial instruments	因衍生財務工具公平值改變產生的淨虧損				(5,712)
Unallocated corporate expenses	未分類之公司支出				(1,028)
Finance costs	財務成本				(33,439)
Profit before taxation	稅前盈利				760,902
Income tax expense	利得稅開支				(43,202)
Profit for the period	期內盈利				717,700

2. Segments Information (Continued)

Business segments (Continued)

2006

Consolidated income statement

2. 分部資料 (續)

業務分部 (續)

二零零六年

綜合損益表

		Paper 紙張 HK\$'000 千港元	Pulp 木漿 HK\$'000 千港元	Eliminations 刪除 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Turnover – External sales	營業額 – 對外銷售	2,194,988	227,637	–	2,422,625
Inter-segment sales	業務之間銷售	–	150,021	(150,021)	–
		2,194,988	377,658	(150,021)	2,422,625
SEGMENT RESULTS	分類業績	446,896	29,780	–	476,676
Interest income	利息收入				1,477
Finance costs	財務成本				(55,029)
Profit before taxation	稅前盈利				423,124
Income tax expense	利得稅開支				(12,201)
Profit for the period	期內盈利				410,923

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 September 2007 截至二零零七年九月三十日止六個月

2. Segments Information (Continued)

Geographical segments

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods:

2. 分部資料(續)

地域分部

下表是按地區市場劃分本集團銷售的分析，當中並無理會貨品來源地：

		Six months ended 30 September 截至九月三十日止六個月	
		Sales revenue by geographical market 按地區市場 劃分的銷售收入	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
People's Republic of China other than Hong Kong (the "PRC")	中華人民共和國， 香港除外(「中國」)	2,043,208	1,304,543
Export sales delivered in the PRC (Note)	中國國內付運的 出口銷售(附註)	1,066,364	795,364
Asia other than the PRC	亞洲，中國除外	453,465	154,489
Europe	歐洲	217,318	45,230
United States of America	美國	42,049	73,294
Others	其他	72,065	49,705
		3,894,469	2,422,625

Note: These are sales to PRC customers who ultimately export the goods outside the PRC.

附註：此等貨品銷往最終將貨品出口國外的中國客戶。

3. Finance Costs

3. 財務成本

		Six months ended 30 September 截至九月三十日止六個月	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 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	78,730	33,267
Interest on convertible bonds	可換股債券產生之利息	2,157	31,249
Total borrowing costs	總借貸成本	80,887	64,516
Less: Amounts capitalized in construction in progress	減去：在建工程資本化金額	(47,448)	(9,487)
		33,439	55,029

4. Income Tax Expense

4. 利得稅開支

		Six months ended 30 September 截至九月三十日止六個月	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
The charge comprises:	稅項支出包括：		
PRC Foreign Enterprise Income Tax	中國外商企業所得稅	18,768	13,475
Deferred taxation in respect of:	就以下事項所產生的遞延稅項：		
– recognition of income	– 已確認之收入	21,970	5,067
– tax losses	– 稅項虧損	2,464	(6,341)
		43,202	12,201

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簡明財務報表附註

For the six months ended 30 September 2007 截至二零零七年九月三十日止六個月

4. Income Tax Expense (Continued)

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

The subsidiaries in the PRC, other than Dongguan Lee & Man Paper Factory Co., Limited are entitled to exemption from PRC Foreign Enterprise Income Tax for the two years starting from its first profit-making year, followed by a 50% relief for the three years thereafter ("tax holiday").

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

A Macau company incorporated under Decree-Law no. 58/99/M ("58/99/M Company") is exempted from Macau complementary tax (Macau income tax) as long as the 58/99/M Company does not sell its products to a Macau resident.

At 30 September 2007, the Group had deferred tax assets resulted from tax losses carried forward of a subsidiary in the United States of America.

4. 利得稅開支(續)

集團之利潤乃根據其利潤產生的營運地方繳納稅項。稅項按個別管轄地區之課稅率計算如下。

位於中國的附屬公司，東莞理文造紙廠有限公司除外，於首個獲利年度起，免繳中國外商企業所得稅兩年，其後三年半免（「稅務優惠」）。

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，附屬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。

一澳門公司根據第58/99/M號法令註冊（稱為「58/99/M公司」），均可免繳澳門補充稅（澳門所得稅），前提是58/99/M公司不得向澳門本土公司銷售產品。

於二零零七年九月三十日，由於因美國附屬公司的稅項虧損結轉，本集團有遞延稅項資產。

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	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 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	3,636	2,785
Other staff costs, excluding those of directors	其他員工成本， 董事除外	175,141	118,687
Contributions to retirement benefits schemes, excluding those of directors	退休福利計劃供款， 董事除外	5,036	1,913
Total staff costs	員工成本總額	183,813	123,385
Amortisation of prepaid lease payments	預付租賃款項攤銷	2,322	1,027
Depreciation of property, plant and equipment	物業、廠房及設備折舊	114,024	58,275
Loss arising from change in fair value of derivative financial instruments	因衍生財務工具 公平值變動 所產生的虧損	12,786	1,363
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備所產生的虧損	-	224
Operating lease rentals in respect of land and buildings	土地及樓宇的 經營租賃租金	1,512	2,897
and after crediting:	並已計入：		
Gain arising from change in fair value of derivative financial instruments	因衍生財務工具 公平值變動 所產生的得益	7,074	11,928
Interest income	利息收入	2,970	1,477
Net foreign exchange gain	淨滙兌得益	25,516	15,275

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For the six months ended 30 September 2007 截至二零零七年九月三十日止六個月

6. Dividends

A final dividend for the year ended 31 March 2007 of HK20 cents (for the year ended 31 March 2006: HK24 cents) per share was paid to shareholders during the current period, and was reflected in the condensed consolidated statement of changes in equity.

The Directors have determined that an interim dividend of HK16 cents per share (2006: HK16 cents) should be paid to the shareholders of the Company whose names appear in the Register of Members on 11 December 2007.

6. 股息

年內，二零零七年三月三十一日止年度之每股20港仙（二零零六年三月三十一日止年度：24港仙）的末期股息已支付給股東，並於簡明綜合權益變動表內反映。

董事決定派發每股16港仙之中期股息（二零零六年：16港仙）給予在二零零七年十二月十一日名列於股東名冊內之本公司股東。

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	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 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	718,082	410,700
Effect of dilutive potential ordinary shares:	普通股潛在的攤薄影響：		
– Interest on convertible bonds	– 可換股債券利息	2,157	31,249
– Loss on change in fair value of derivatives embedded in the convertible bonds	– 可換股債券內含衍生工具公平值變動產生的虧損	(3)	–
Earnings for the purpose of diluted earnings per share	用以計算每股攤薄盈利的盈利	720,236	441,949
		Number of shares 股份數目	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	1,130,512,688	971,502,230
Effect of dilutive potential ordinary shares:	普通股潛在攤薄影響：		
– Share options	– 購股權	2,489,574	1,623,236
– Convertible bonds	– 可換股債券	6,074,829	83,056,478
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	1,139,077,091	1,056,181,944

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For the six months ended 30 September 2007 截至二零零七年九月三十日止六個月

8. Additions to Property, Plant and Equipment

During the period, the Group spent HK\$2,010 million (six months ended 30 September 2006: HK\$635 million) on property, plant and equipment to expand its operations.

9. Interests in Associates

8. 添置物業、廠房及設備

期內，本集團在添置物業、廠房及設備上耗資20.10億港元（截至二零零六年九月三十日止六個月：6.35億港元），以拓展業務。

9. 於聯營公司之權益

		30 September 2007 二零零七年 九月三十日 HK\$'000 千港元	31 March 2007 二零零七年 三月三十一日 HK\$'000 千港元
Share of net liabilities	應佔負債淨值	(2,038)	—
Due from associates	應收聯營公司款項	36,195	—
		34,157	—

The balances with associates are unsecured, interest-free and repayable on demand.

各聯營公司之結餘乃無抵押，免息及於通知時即須償還。

Particulars of the associates as at 30 September 2007 are as follows:

於二零零七年九月三十日各聯營公司之詳情如下：

Name of associate 聯營公司名稱	Place of incorporation or establishment/ operations 註冊成立或成立/ 營運地點	Nominal value of issued and fully paid share capital/registered capital 已發行及繳足股本/ 註冊股本面值	Proportion ownership interest hold by the Company 本公司持有權益 擁有權比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Fortune Sight Group Limited 富望集團有限公司	British Virgin Islands 英屬處女群島	Ordinary shares – US\$1,000 普通股 – 1,000 美元	19%	–	Investment holding 投資控股
Guangxi Lee & Man Forestry Technology Limited 廣西理文林業科技 發展有限公司	PRC 中國	Registered capital – HK\$168,000,000 註冊資本 – 168,000,000 港元	–	19%	Producing raw materials for manufacturing paper 生產用以製造紙張的原材料

10. Inventories

		30 September 2007 二零零七年 九月三十日 HK\$'000 千港元	31 March 2007 二零零七年 三月三十一日 HK\$'000 千港元
Raw materials	原料	1,481,448	1,247,715
Finished goods	製成品	172,133	131,444
		1,653,581	1,379,159

10. 存貨

11. Trade Receivables and Bills Receivable

The Group generally allows an average credit period range from 45 to 60 days.

An aging analysis of the trade receivables and bills receivable is as follows:

11. 應收貿易賬款及應收票款

本集團給予的信貸期一般由45日至60日不等。

應收貿易賬款及應收票款的賬齡分析如下：

		30 September 2007 二零零七年 九月三十日 HK\$'000 千港元	31 March 2007 二零零七年 三月三十一日 HK\$'000 千港元
Trade receivables	應收貿易賬款	1,254,062	819,383
Bills receivable	應收票款	308,863	261,239
		1,562,925	1,080,622
Aged:	賬齡：		
Less than 30 days	少於30日	979,008	769,135
31 – 60 days	31日 – 60日	474,442	217,302
61 – 90 days	61日 – 90日	88,438	72,979
Over 90 days	90日以上	21,037	21,206
		1,562,925	1,080,622

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簡明財務報表附註

For the six months ended 30 September 2007 截至二零零七年九月三十日止六個月

12. Trade and Bills Payable

An aging analysis of the trade and bills payable is as follows:

12. 應付賬款及票款

應付賬款及票款的賬齡分析如下：

		30 September 2007 二零零七年 九月三十日 HK\$'000 千港元	31 March 2007 二零零七年 三月三十一日 HK\$'000 千港元
Aged:	賬齡：		
Less than 30 days	少於30日	414,113	465,392
31 – 60 days	31日 – 60日	98,617	28,592
61 – 90 days	61日 – 90日	17,436	8,849
Over 90 days	90日以上	25,813	7,621
		555,979	510,454

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 2007 and 30 September 2007	二零零七年三月 三十一日及 二零零七年九月三十日	2,000,000,000	200,000
Issued and fully paid:	已發行及繳足：		
At 1 April 2006	二零零六年四月一日	967,608,000	96,761
Exercise of share options	行使購股權	5,816,000	582
Conversion of convertible bonds	兌換可換股債券	66,053,932	6,605
Issue of new shares on placement of shares	因配股而發行的新股	80,000,000	8,000
At 31 March 2007	二零零七年三月三十一日	1,119,477,932	111,948
Exercise of share options	行使購股權	500,000	50
Conversion of convertible bonds	兌換可換股債券	17,002,480	1,700
At 30 September 2007	二零零七年九月三十日	1,136,980,412	113,698

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報表附註

For the six months ended 30 September 2007 截至二零零七年九月三十日止六個月

14. Capital Commitments

		30 September 2007 二零零七年 九月三十日 HK\$'000 千港元	31 March 2007 二零零七年 三月三十一日 HK\$'000 千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment and land use right	就收購物業、廠房及設備及土地使用權已訂約但未於綜合財務報表撥備的資本開支	2,793,968	2,109,652

14. 資本承擔

15. 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:

		30 September 2007 二零零七年 九月三十日 HK\$'000 千港元	31 March 2007 二零零七年 三月三十一日 HK\$'000 千港元
Within one year	一年內	92,384	136,042
In the second to fifth year inclusive	第二年至第五年內 (包括首尾兩年)	354	116,750
After five years	第五年後	-	658,048
		92,738	910,840

15. 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：

15. Operating Lease Arrangements (Continued)

The Group as lessor

At the balance sheet date, the Group had contracted with tenants for the use of the Group's pipelines with following future minimum lease payments:

		30 September 2007 二零零七年 九月三十日 HK\$'000 千港元	31 March 2007 二零零七年 三月三十一日 HK\$'000 千港元
Within one year	一年內	390	390
In the second to fifth year inclusive	第二年至第五年內 (包括首尾兩年)	1,560	1,560
After five years	第五年後	975	1,170
		2,925	3,120

Operating lease payments represent rental payable by tenants for the use of the Group's pipelines. Leases are negotiated for an average term of ten years with fixed rentals.

15. 經營租約安排 (續)

集團作為出租人

於結算日，本集團與租戶為使用導管簽訂日後應付的最低租金如下：

經營租金指租戶為使用本集團的導管應付的租金，租期平均十年，期內租金不變。

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簡明財務報表附註

For the six months ended 30 September 2007 截至二零零七年九月三十日止六個月

16. Connected And Related Party Transactions

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

16. 相關人士關連交易

期內，本集團與關連人士進行下列的重大交易：

		Six months ended 30 September 截至九月三十日止六個月	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Lee & Man Industrial Manufacturing Limited (note) 理文實業有限公司(附註)	Finished goods sold 已售製成品	63,982	42,276
	Waste paper purchased 已購廢紙	-	1,962
	Steam sold 已售蒸汽	780	780
Lee & Man Paper Products Limited (note) 理文紙品有限公司(附註)	Licence fee paid 已付許可權費	457	450

Note:

Lee & Man Industrial Manufacturing Limited and Lee & Man Paper Products Limited are under control of Mr Lee Wan Keung Patrick, a director of the Company.

The directors have confirmed that the above transactions were conducted in the normal course of the Group's business.

附註：

理文實業有限公司及理文紙品有限公司為由本公司董事李運強先生持控。

董事已確認上述交易是本集團的正常業務。

17. Review of Interim Accounts

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

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。

Interim Dividend

The Board has resolved to declare an interim dividend of HK16 cents (2006: HK16 cents) per share for the six months ended 30 September 2007 to shareholders whose names appear on the Register of Members on 11 December 2007. It is expected that the interim dividend will be paid around 20 December 2007.

Closure Of Register Of Members

The Register of Members will be closed from 7 December 2007 to 11 December 2007, 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, Hong Kong for registration no later than 4.00 pm on 6 December 2007.

中期股息

董事會議決宣派截至二零零七年九月三十日止六個月之中期股息每股16港仙(二零零六年：16港仙)予二零零七年十二月十一日名列於股東名冊內之股東。預期中期股息將於二零零七年十二月二十日派付予股東。

暫停辦理股份過戶登記

本公司將於二零零七年十二月七日至二零零七年十二月十一日(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二零零七年十二月六日下午四時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

For the first half of fiscal year of 2007/2008, approximately 1.18 million tons of containerboard and 58,000 tons of pulp were sold. The Group achieved a turnover of HK\$3,894 million and has recorded a net profit of HK\$718 million. This represents an increase in turnover of 61% and an increase in net profit of 75% over the same period last year. During this period, the Group started three production lines, PM9, PM10 and PM11. With the increase in capacity, the Group's total containerboard capacity increased from 2.08 million tons to 3.11 million tons.

The Group is fully confident of the market. The Group will install five more world-class paper production lines and two bleached hardwood kraft pulp (BHKP) production lines within the next 18 months. With this expansion, the Group's annual pulp and paper capacity will reach 5,400,000 tons (500,000 tons of pulp and 4,900,000 tons of containerboard), making the Group one of the largest pulp and paper producers in the world. Just as important, we are extending our geographic coverage with two of our paper production lines (PM13 and PM15) and two pulp mills (BHKP1 and BHKP2), which are scheduled to start at our new production sites at Chongqing in 2008 and at Vietnam in 2009, and will make contributions to the Group's profit upon start-ups.

Our challenges are beyond pure financial gains. With increasing social awareness in environmental protection, we are investing in the world's most advanced technology to reduce water and energy consumption and to reduce the quantity of effluents produced. With these investments, we hope to lead the industry to a greener and healthier future, while becoming one of the largest and most important pulp and paper producers in the world.

Going forward, we will continue to expand our containerboard capacity, both inside and outside China. We will also invest into pulp and to further integrate our business and to strengthen our position as a leading player in pulp & paper industry.

2007/2008財政年度上半年，本集團共售出約118萬噸箱板原紙及58,000噸木漿，並錄得營業額38.94億港元及純利7.18億港元，營業額及純利較去年增長61%及75%。期內，集團的第九號、第十號及第十一號造紙生產線已投產，令集團的箱板原紙總年產能由208萬噸增長至311萬噸。

集團對市場充滿信心。未來十八個月，集團將新增五條國際先進的造紙生產線及兩條漂白牛皮漿生產線。產能擴充後，集團的漿紙總年產能將達至540萬噸（漿50萬噸及箱板原紙490萬噸），令集團成為世界最大漿紙生產商之一。重要的是集團生產廠房版圖伸展，第十三號、第十五號造紙機及兩條漂白牛皮漿生產線（BHKP1及BHKP2）將於二零零八年在重慶及二零零九年在越南之兩個新廠房投產，將為集團來年的利潤作出貢獻。

集團的挑戰並不僅限於業務上的增長得益。隨著社會對環境保護的深入關注，集團亦投資世界級的先進技術以減少水及能源消耗，並致力降低污染物的產生。集團希望在繼續保持行業領導地位的同時，可以帶動業界步入更綠色、更健康的未來。

展望將來，集團會繼續在中國境內外擴大箱板原紙產能，並投資紙漿生產以整合業務發展，鞏固集團在漿紙業界的領導地位。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Results of Operation

Turnover and net profit attributable to equity holder of the parent for the six months ended 30 September 2007 was HK\$3,894 million and HK\$718 million respectively, representing an increase of 61% and 75%, as compared to HK\$2,423 million and HK\$411 million, for the corresponding period last year. The earnings per share for the period was HK63.52 cents as compared to HK42.27 cents for the corresponding period last year.

The increase in turnover and net profit were mainly attributable to the significant increase in the Group's sales of containerboard due to the full period commercial operation of PM8 and the commercial operation of PM9, PM10 and PM11 during the period.

Selling and Distribution Costs and Administrative Expenses

The Group's selling and distribution costs and administrative expenses increased by approximately 38% and 96% from HK\$75.7 million and HK\$85.8 million for the six months ended 30 September 2006 to HK\$104.8 million and HK\$168.5 million for the six months ended 30 September 2007 respectively as a result of the expansion in the operation of the Group and the increase in the Group's turnover during this period. The distribution costs and administrative expenses represented about 2.7% and 4.3% of the turnover, respectively, for the six months ended 30 September 2007, and were comparable to the year ended 31 March 2007.

Finance Costs

The Group's finance costs decreased by approximately 39% from HK\$55.0 million for the six months ended 30 September 2006 to HK\$33.4 million for the six months ended 30 September 2007. The decrease was mainly due to the fully conversion of shares by the bondholders of the Convertible Bond during the period.

經營業績

截至二零零七年九月三十日止六個月的營業額及股東應佔純利分別為38.94億港元及7.18億港元，較去年的24.23億港元及4.11億港元，分別增加61%及75%。本年度的每股盈利為63.52港仙，去年則為42.27港仙。

營業額及純利同告上升，主要歸因於本集團第8號造紙機已全期生產及年內已開始投產的第9號、第10號及第11號造紙機，帶動本集團箱板原紙銷量激增所致。

銷售及分銷成本及行政費用

本集團的銷售及分銷成本及行政費用分別由截至二零零七年九月三十日止六個月的75.7百萬港元85.8百萬港元上升至截至二零零七年九月三十日止六個月的104.8百萬港元及168.5百萬港元，升幅約38%及96%，乃由於本集團於此期間擴充業務以及本集團的營業額上升所致。截至二零零七年九月三十日止六個月的銷售及分銷成本及行政費用分別佔營業額約2.7%及4.3%，與二零零七年三月三十一日止年度相約。

財務成本

本集團的財務成本由截至二零零六年九月三十日止六個月的55.0百萬港元下跌至截至二零零七年九月三十日止六個月的33.4百萬港元，跌幅約為39%。利息開支下跌主要由於期內可換股債券持有人已全數換回股票所致。

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 decreased from 120 days and 13 days, respectively, for the year ended 31 March 2007 to 100 days and 11 days, respectively, for the six months ended 30 September 2007. This exhibits continued strong demand from our customers.

The Group's debtors' turnover days were 59 days for the six months ended 30 September 2007 as compared to 58 days for the year ended 31 March 2007. 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 35 days for the six months ended 30 September 2007 as compared to 49 days for the year ended 31 March 2007 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 2007 was HK\$7,437 million (31 March 2007: HK\$6,571 million). As at 30 September 2007, the Group had current assets of HK\$4,090 million (31 March 2007: HK\$3,040 million) and current liabilities of HK\$1,864 million (31 March 2007: HK\$1,748 million). The current ratio was 2.19 as at 30 September 2007 as compared to 1.74 at 31 March 2007.

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 2007, the Group had outstanding bank borrowings of HK\$4,140 million (31 March 2007: HK\$2,080 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) increased from 0.32 as at 31 March 2007 to 0.52 as at 30 September 2007 as a result of the capital expenditure spent on PM8, PM9, PM10 and PM11 during the period.

存貨、應收賬款及應付賬款周轉期

本集團的原料及製成品的存貨周轉期，截至二零零七年三月三十一日止六個月的120天及13天，分別下跌至截至二零零七年九月三十日止六個月的100天及11天。由此可見，本集團客戶需求的增長勢頭持續強勁。

本集團截至二零零七年九月三十日止六個月的應收賬款周轉期為59天，相比截至二零零七年三月三十一日止年度則為58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二零零七年九月三十日止六個月為35天，相比截至二零零七年三月三十一日止年度則為49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

於二零零七年九月三十日，本集團的股東資金總額為74.37億港元（二零零七年三月三十一日：65.71億港元）。於二零零七年九月三十日，本集團的流動資產達40.90億港元（二零零七年三月三十一日：30.40億港元），而流動負債則為18.64億港元（二零零七年三月三十一日：17.48億港元）。二零零七年九月三十日的流動比率為2.19，二零零七年三月三十一日則為1.74。

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。於二零零七年九月三十日，本集團的未償還銀行貸款為41.40億港元（二零零七年三月三十一日：20.80億港元）。該筆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。因八號、九號、十號及十一號造紙機令資本開支於期內增加，本集團的淨資本負債比率（借貸總額減現金及現金等價物除以股東權益）由二零零七年三月三十一日的0.32上升至二零零七年九月三十日的0.52。

The Group's liquidity position remains strong and the Group possesses sufficient cash and available banking facilities to meet its commitments, working capital requirements and future investments for expansion.

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 2007.

During the six months ended 30 September 2007, the Group has used currency structured instruments, foreign currency borrowings or other means to hedge its foreign currency exposure. In this regards, the Group considered its currency risk is significantly reduced.

Employees

As at 30 September 2007, the Group had a workforce of more than 6,500 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.

本集團的流動資金狀況保持穩健，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、營運資金需要，並作為日後投資以擴充業務所需。

本集團的交易及貨幣資產主要以人民幣、港元或美元計值。截至二零零七年九月三十日止六個月，本集團的營運或流動資金未曾因率波動而面臨任何重大困難或影響。

截至二零零七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。就此而言，本集團認為貨幣風險已大幅降低。

僱員

於二零零七年九月三十日，本集團擁有逾6,500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 23 December 2005

The following table discloses details of the Company's options granted on 23 December 2005 under the Scheme held by employees (including a director) and movement in such holdings during the period:

Category 種類	Date of grant 授予期	Exercise price 行使價	Number of share options 購股權數目		
			Outstanding at 1.4.2007 於二零零七年 四月一日 尚未行使數目	Exercised during the period 期內 行使數目	Outstanding at 30.9.2007 於二零零七年 九月三十日 尚未行使數目
Director 董事	23 December 2005 二零零五年 十二月二十三日	8.50	600,000	-	600,000
Employees 僱員	23 December 2005 二零零五年 十二月二十三日	8.50	900,000	(500,000)	400,000
			1,500,000	(500,000)	1,000,000

The options granted on 23 December 2005 may be exercised in accordance with the following terms of the Share Option Scheme as to:

- (a) one-third of the options commencing 23 December 2005 to 22 December 2008, the fair value of each option at the date of grant is HK\$1.87;
- (b) one-third of the options commencing 23 December 2006 to 22 December 2008 with vesting period from 23 December 2005 to 22 December 2006, the fair value of each option at the date of grant is HK\$1.97; and

購股權

本公司購股權計劃的詳情載如下：

(a) 於二零零五年十二月二十三日授出的購股權

下表披露於二零零五年十二月二十三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：

於二零零五年十二月二十三日授出之購股權可根據計劃下的條款行使：

- (a) 由二零零五年十二月二十三日至二零零八年十二月二十二日行使三分之一的購股權，購股權在授出日當日之公平值估計為1.87港元；
- (b) 由二零零六年十二月二十三日至二零零八年十二月二十二日行使三分之一的購股權及獲准行使期由二零零五年十二月二十三日至二零零六年十二月二十二日，購股權在授出日當日之公平值估計為1.97港元；及

Share Options (Continued)

(a) Share options granted on 23 December 2005

(Continued)

- (c) one-third of the options commencing 23 December 2007 to 22 December 2008 with vesting period from 23 December 2005 to 22 December 2007, the fair value of of each option at the date of grant is HK\$2.08.

The closing prices of the Company's shares immediately before the date which the options were exercised were as follows:

Number of share options exercised

於購股權獲行使時股份數目

100,000

400,000

購股權 (續)

(a) 於二零零五年十二月二十三日授出的購股權 (續)

- (c) 由二零零七年十二月二十三日至二零零八年十二月二十二日行使三分之一的購股權及獲准行使期由二零零五年十二月二十三日至二零零七年十二月二十二日，購股權在授出日當日之公平值估計為2.08港元。

本公司股份於購股權行使日的前一天之收市價如下：

Closing price before the date of exercise

行使明期前收市價

HK\$

港元

24.10

31.85

(b) 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:

(b) 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

Category 種類	Date of grant 授予期	Exercise price 行使價	Outstanding at 1.4.2007 於二零零七年 四月一日 尚未行使數目	Cancelled during the period 期內取消數目	Outstanding at 30.9.2007 於二零零七年 九月三十日 尚未行使數目
Director 董事	3 October 2006 二零零六年十月三日	15.10	1,872,000	-	1,872,000
Employees 僱員	3 October 2006 二零零六年十月三日	15.10	3,456,000	(300,000)	3,156,000
			5,328,000	(300,000)	5,028,000

OTHER INFORMATION

其他資料

Share Options (Continued)

(b) Share options granted on 3 October 2006 (Continued)

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

- (a) 1,576,000 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;
- (b) 1,726,000 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
- (c) 1,726,000 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 (續)

(b) 於二零零六年十月三日授出的購股權 (續)

於二零零六年十月三日授出之購股權可根據購股權計劃下的條款行使：

- (a) 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1,576,000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；
- (b) 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1,726,000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
- (c) 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1,726,000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。

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

As at 30 September 2007, 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 are taken or deemed to have 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

於二零零七年九月三十日，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 under the Share Option Scheme 購股權計劃授出的 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）	721,860,000	–	–	63.49%
Lee Man Chun Raymond 李文俊	Beneficial owner 實益擁有人	–	492,000	–	0.04%
Lee Man Bun 李文斌	Beneficial owner 實益擁有人	–	300,000	–	0.03%
Li King Wai Ross 李經緯	Beneficial owner 實益擁有人	–	600,000	–	0.05%
Poon Chung Kwong 潘宗光	Beneficial owner 實益擁有人	50,000	480,000	–	0.05%
Wong Kai Tung Tony 王啟東	Beneficial owner 實益擁有人	400,000	–	–	0.04%
Heng Kwoo Seng 邢詒春	Beneficial owner 實益擁有人	900,000	–	–	0.08%

Note: These shares were held by Gold Best Holdings Ltd. ("Gold Best").

附註：該等股份由Gold Best Holdings Ltd.（「Gold Best」）持有。

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	51	51%
Lee Man Chun Raymond 李文俊	Beneficial owner 實益擁有人	Gold Best	29	29%
Lee Man Bun 李文斌	Beneficial owner 實益擁有人	Gold Best	20	20%

Note: As Gold Best owns more than 50% interest of the Company, Gold Best is an associated corporation of the Company under the SFO. 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：由於Gold Best擁有本公司50%以上權益，根據證券及期貨條例，Gold Best為本公司的相聯法團。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。

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 2007.

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，於二零零七年九月三十日，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 2007, 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	721,860,000	63.49%
Lee Wong Wai Kuen 李黃惠娟	Held by spouse (Note) 由配偶持有(附註)	721,860,000	63.49%

Note: Under the SFO, Lee Wong Wai Kuen is deemed to be interested in these 721,860,000 ordinary shares as she is the spouse of Lee Wan Keung Patrick, a director of the Company.

主要股東

於二零零七年九月三十日，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(本公司董事)的配偶，故被視為擁有該721,860,000股普通股的權益。

Save as disclosed above, as at 30 September 2007, 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.

除上文所披露者外，於二零零七年九月三十日，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。

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.

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 2007. 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 2007.

Audit Committee

The Audit Committee of the Company comprised of three independent non-executive directors namely, Mr Heng Kwo Seng, Mr Wong Kai Tung Tony and Ms Law Kar Shui Elizabeth.

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 2007.

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 members of the remuneration committee comprises Mr Heng Kwo Seng, Mr Wong Kai Tung Tony and Ms Law Kar Shui Elizabeth. All members of the remuneration committee are independent non-executive directors.

On behalf of the Board

Lee Wan Keung Patrick
Chairman

Hong Kong, 21 November 2007

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二零零七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，本公司已於截至二零零七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邢詒春先生、王啟東先生及羅嘉穗女士組成。

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二零零七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。薪酬委員會成員包括邢詒春先生、王啟東先生及羅嘉穗小姐。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，二零零七年十一月二十一日

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理文造紙有限公司

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