



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



ANNUAL REPORT 年報

2017

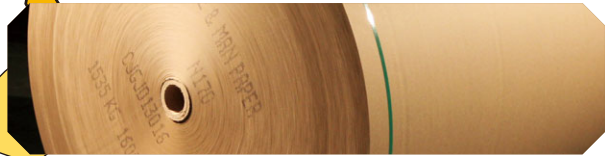
\* 僅供識別

\* For identification purposes only

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ABOUT LEE & MAN PAPER  
關於理文造紙



PRODUCTS

產品

- |                                  |        |
|----------------------------------|--------|
| Kraft Linerboard                 | 牛咭紙    |
| Test Linerboard                  | 掛面牛咭紙  |
| Coated Duplex Board              | 塗布白板紙  |
| White Top Linerboard             | 白面牛咭紙  |
| High Strength Corrugating Medium | 高強瓦楞芯紙 |
| Pulp                             | 漿      |
| Tissue Paper                     | 衛生紙    |



## Guangdong Lee & Man

### 廣東理文

Annual production capacity: 2.30 million tons of paper and 110,000 tons of tissue paper  
年產能：230萬噸紙及11萬噸衛生紙



## Jiangsu Lee & Man

### 江蘇理文

Annual production capacity: 1.12 million tons of paper  
年產能：112萬噸紙



## Dongguan Lee & Man

### 東莞理文

Annual production capacity: 590,000 tons of paper  
年產能：59萬噸紙



## Jiangxi Lee & Man

### 江西理文

Annual production capacity: 720,000 tons of paper and 110,000 tons of tissue paper  
年產能：72萬噸紙及11萬噸衛生紙



## Chongqing Lee & Man

### 重慶理文

Annual production capacity: 900,000 tons of paper, 180,000 tons of pulp and 465,000 tons of tissue paper  
年產能：90萬噸紙、18萬噸漿及46.5萬噸衛生紙



## Vietnam Lee & Man

### 越南理文

Annual production capacity: 400,000 tons of paper  
年產能：40萬噸紙



## BOARD OF DIRECTORS

### Executive directors

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

### Non-executive director

Professor Poon Chung Kwong *GBS JP*

### Independent non-executive directors

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

## AUDIT COMMITTEE

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

## REMUNERATION COMMITTEE

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

## NOMINATION COMMITTEE

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

## AUTHORISED REPRESENTATIVES

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

## COMPANY SECRETARY

Mr. Cheung Kwok Keung

## 董事會

### 執行董事

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

### 非執行董事

潘宗光教授 *金紫荊星章 太平紳士*

### 獨立非執行董事

王啟東先生  
Peter A. Davies先生  
周承炎先生

## 審核委員會

周承炎先生 *(主席)*  
王啟東先生  
Peter A. Davies先生

## 薪酬委員會

周承炎先生 *(主席)*  
王啟東先生  
Peter A. Davies先生

## 提名委員會

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

## 授權代表

李文俊博士 *銀紫荊星章 太平紳士*  
張國強先生

## 公司秘書

張國強先生



## 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 and Macau:

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

### In the PRC:

China Construction Bank  
Bank of China  
Agricultural Bank of China

## AUDITOR

Deloitte Touche Tohmatsu  
*Certified Public Accountants*

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

## WEBSITE

<http://www.leemanpaper.com>

## 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

### 香港及澳門：

恒生銀行  
渣打銀行  
花旗銀行  
滙豐銀行  
星展銀行  
中國銀行(香港)

### 中國：

中國建設銀行  
中國銀行  
中國農業銀行

## 核數師

德勤•關黃陳方會計師行  
執業會計師

## 主要股份過戶登記處

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

## 香港股份過戶登記分處

卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心22樓

## 網址

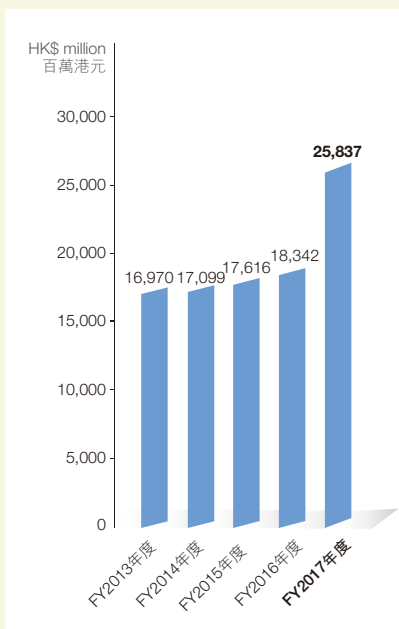
<http://www.leemanpaper.com>



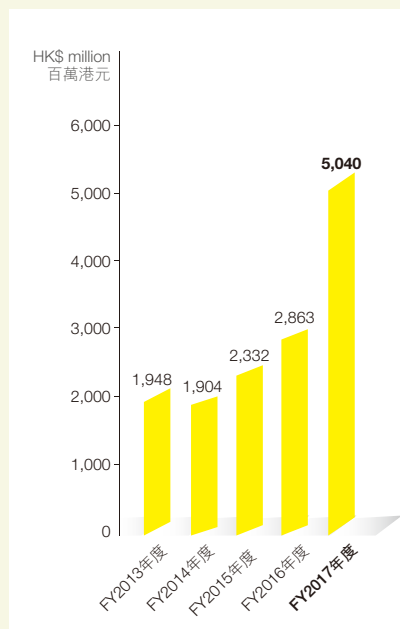
# FINANCIAL HIGHLIGHTS

## 財務摘要

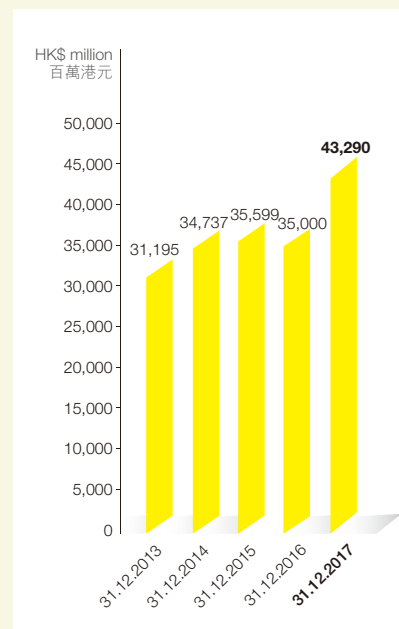
### Revenue 收入



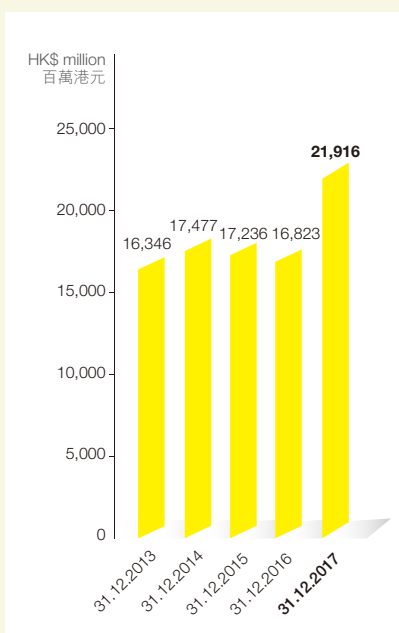
### Profit for the year 年度盈利



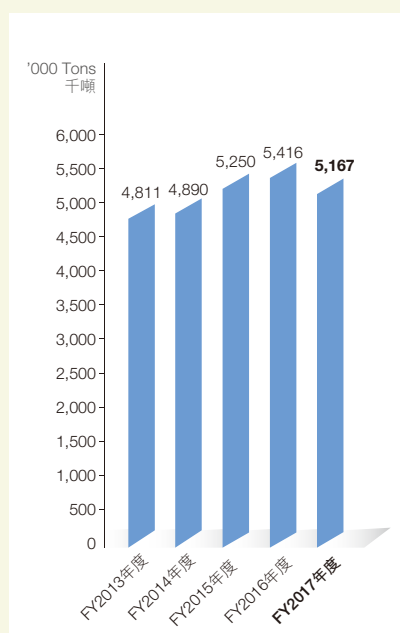
### Total Assets 資產總值



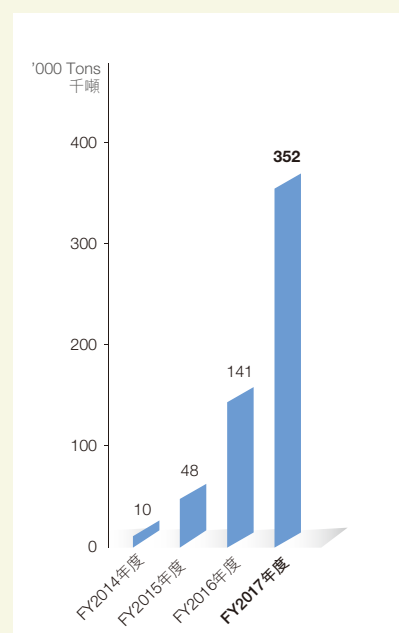
### Total Equity 權益總值



### Sales Volume (Packaging Paper) 銷售量 (包裝紙)



### Sales Volume (Tissue Paper) 銷售量 (衛生紙)



# FINANCIAL SUMMARY

## 財務概要

		Year ended 31 December 截至 12月31日止年度				2017
		2013	2014	2015	2016	2017
		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
<b>RESULTS</b>	<b>業績</b>					
Revenue	收入	16,970,365	17,099,134	17,615,641	18,341,677	25,836,884
Profit before tax	除稅前盈利	2,192,471	2,208,930	2,750,162	3,354,017	6,323,175
Income tax expense	利得稅支出	(244,268)	(304,536)	(418,487)	(491,274)	(1,282,883)
Profit for the year	年度盈利	1,948,203	1,904,394	2,331,675	2,862,743	5,040,292

		At 31 December 於12月31日				2017
		2013	2014	2015	2016	2017
		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
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>					
Total assets	總資產	31,194,706	34,736,820	35,599,063	34,995,978	43,289,793
Total liabilities	總負債	(14,848,220)	(17,259,836)	(18,362,876)	(18,173,013)	(21,373,675)
Net assets	資產淨值	16,346,486	17,476,984	17,236,187	16,822,965	21,916,118





For the year ended 31 December 2017, the Group recorded total revenue of HK\$25.84 billion. Its annual net profit increased significantly by 76% to HK\$5.04 billion as compared with last year, while its net profit per tonne was HK\$913.

The Chinese government's efforts to eliminate obsolete production facilities while embarking on environmentally-friendly policies has gradually reduced overcapacity in the industry. The recovery of demand has also notably improved the demand and supply equilibrium within the industry. The price of paper has increased as a result of the surge in energy, raw materials and transportation costs. The overall increase in sales revenue as well as the value-added tax refund policy enabled the satisfactory growth in the Group's profit margin.

At present, the total annual production volume of the Group's tissue paper business is 685,000 tonnes, which includes ten tissue paper manufacturing machines with a total annual production volume of 465,000 tonnes in Chongqing Industrial Park, the two tissue paper manufacturing machines with a total annual production volume of 110,000 tonnes in Jiangxi Industrial Park and the two tissue paper manufacturing machines with a total annual production volume of 110,000 tonnes located in Dongguan Hongmei Industrial Park, Guangdong. The Group is able to further reduce the production cost of tissue paper through greater economies of scale, leveraging the increase in production volume and by utilising its pulp production facilities in Chongqing. Another two production lines with a combined annual production capacity of 110,000 tonnes located in the Chongqing Industrial Park are to commence production within this year. After all of the production lines ramp up operation, the Group's annual production capacity for tissue paper would reach 795,000 tonnes. The tissue paper business is therefore expected to contribute considerable profit to the Group as it becomes another new growth driver in the future.

本集團截至2017年12月31日止年度之總收入為258.4億港元，全年淨利潤為50.4億港元，較去年大幅上升76%，每噸淨利潤達913港元。

受惠內地政府積極關閉落後產能，以及陸續推出的環保政策，行業過剩產能減少，加上造紙業需求回暖，供需情況改善不少。另外，紙價隨能源、原材料以及運輸成本急升而上漲。整體銷售收入上升，加上增值稅退稅政策優惠，令邊際利潤錄得理想增幅。

現時本集團衛生紙年產量共68.5萬噸，包括重慶工業園10台年產量共46.5萬噸、江西工業園2台年產量共11萬噸、及廣東東莞洪梅廠區2台年產量共11萬噸之衛生紙生產機已全面投入生產銷售。隨著產量提升，本集團正好利用此規模生產優勢及在重慶的木漿生產設備，進一步降低製造衛生紙產品之成本。本集團於重慶工業園新增的2台年產量共11萬噸之衛生紙生產線預計於今年投產。投產後，本集團衛生紙產量將達至79.5萬噸，未來衛生紙業務將為本集團作出顯著貢獻，成為另一主要增長動力。



Apart from the tissue paper business, the Group has also expanded into the overseas packaging paper markets and has invested in the construction of overseas paper factories to keep pace with the expansion of markets in Southeast Asia. Notable here is that the paper manufacturing machine project in Hau Giang, Vietnam, with an annual production capacity of 400,000 tonnes has begun operation. Since the overseas packaging paper market possesses enormous potential, the Group is considering directing more resources to this sector. The PM21 paper manufacturing machine with an annual production volume of 400,000 tonnes at the Jiangxi plant has also begun operation. The annual production capacity of the Group's packaging paper operation now exceeds 6 million tonnes.

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

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

除衛生紙業務外，本集團亦已進軍海外包裝紙市場，於國外投資興建造紙廠以配合拓展東南亞市場，越南后江省之年產能40萬噸造紙機項目已投產。有見海外包裝紙市場龐大，本集團不排除對此項業務投放更多資源。同時，江西廠房年產能約40萬噸之PM21造紙機亦已投產。現時本集團之包裝紙總年產能超過600萬噸。

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

按照本集團貫徹之穩健策略，在合理負債水平情況下，本集團將隨著中國及東南亞的經濟發展步伐繼續提高包裝紙及衛生紙產能，以及拓展在越南的業務。管理層會繼續努力，提升生產效率，嚴控成本及加強資本良好運作，保持本集團在現今造紙行業之市場競爭力。本集團業務將持續由有經驗及能幹的管理團隊帶領，務求更進一步提升本集團之盈利能力。



## RESULTS OF OPERATION

Revenue and net profit attributable to owners of the Company for the year ended 31 December 2017 was HK\$25.84 billion and HK\$5.04 billion respectively, while its net profit per tonne was HK\$913.

The earnings per share for the year was HK111.47 cents when compared with HK62.64 cents for the year ended 31 December 2016.

## DISTRIBUTION AND SELLING EXPENSES

The Group's distribution and selling expenses was HK\$435 million for the year ended 31 December 2017 as compared to HK\$252 million for the year ended 31 December 2016. It represented about 1.7% of the revenue for the year ended 31 December 2017 and was increased as compared to about 1.4% for the year ended 31 December 2016. More customers required delivery of the finished goods by the Group during the year.

## GENERAL AND ADMINISTRATIVE EXPENSES

The Group's general and administrative expenses was HK\$1,292 million for the year ended 31 December 2017 as compared to HK\$875 million for the year ended 31 December 2016. It represented about 5.0% of the revenue for the year ended 31 December 2017 and was increased as compared to that of 4.8% for the year ended 31 December 2016 as a result of the expansion of the Group during the year.

## 經營業績

截至2017年12月31日止年度的收入及本公司擁有人應佔純利分別為258.4億港元及50.4億港元，每噸純利達913港元。

本年度的每股盈利為111.47港仙，截至2016年12月31日止年度則為62.64港仙。

## 分銷及銷售費用

本集團截至2017年12月31日止年度的分銷及銷售費用為4.35億港元，而截至2016年12月31日止年度為2.52億港元。截至2017年12月31日止年度的分銷及銷售費用佔收入約1.7%，較截至2016年12月31日止年度約1.4%增加，主要由於年內有更多客戶要求由本集團運送成品。

## 日常及行政費用

本集團截至2017年12月31日止年度的日常及行政費用為12.92億港元，而截至2016年12月31日止年度為8.75億港元。截至2017年12月31日止年度的日常及行政費用佔收入約5.0%，較截至2016年12月31日止年度的4.8%上升，主要是由於本集團在年內擴充業務。



## FINANCE COSTS

The Group's total finance costs (including the amounts capitalised) was HK\$298 million for the year ended 31 December 2017 as compared to HK\$346 million for the year ended 31 December 2016. The decrease was mainly due to the decrease in average interest rate on bank borrowings during the year.

## INVENTORIES, DEBTORS' AND CREDITORS' TURNOVER

The inventory turnover of the Group's raw materials and finished products were 78 days and 18 days, respectively, for the year ended 31 December 2017 as compared to 85 days and 3 days, respectively, for the year ended 31 December 2016.

The Group's debtors' turnover days were 44 days for the year ended 31 December 2017 as compared to 42 days for the year ended 31 December 2016. This is in line with the credit terms of 45 days to 90 days granted by the Group to its customers.

The Group's creditors' turnover days were 68 days for the year ended 31 December 2017 as compared to 80 days for the year ended 31 December 2016. This is in line with the credit terms granted by the Group's suppliers.

## 財務成本

截至2017年12月31日止年度，本集團的總財務成本(包括已資本化金額)為2.98億港元，而截至2016年12月31日止年度則為3.46億港元。成本減少主要由於年內銀行貸款平均利率下降。

## 存貨、應收賬款及應付賬款周轉期

本集團截至2017年12月31日止年度的原料及製成品存貨周轉期分別為78日及18日，而截至2016年12月31日止年度則分別為85日及3日。

本集團截至2017年12月31日止年度的應收賬款周轉期為44日，而截至2016年12月31日止年度則為42日。此符合本集團給予客戶45日至90日的信貸期。

本集團截至2017年12月31日止年度的應付賬款周轉期為68日，而截至2016年12月31日止年度則為80日。此符合本集團供應商授予的信貸期。



## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The total shareholders' fund of the Group as at 31 December 2017 was HK\$21,916 million (2016: HK\$16,823 million). As at 31 December 2017, the Group had current assets of HK\$14,063 million (2016: HK\$9,189 million) and current liabilities of HK\$11,040 million (2016: HK\$7,960 million). The current ratio was 1.27 as at 31 December 2017 as compared to 1.15 at 31 December 2016.

The Group generally finances its operations with internally generated cash flow and credit facilities provided by its principal bankers in Hong Kong, Macau and the PRC. As at 31 December 2017, the Group had outstanding bank borrowings of HK\$15,078 million (2016: HK\$13,547 million). These bank loans were secured by corporate guarantees provided by certain subsidiaries of the Company. As at 31 December 2017, the Group maintained bank balances and cash of HK\$2,249 million (2016: HK\$1,274 million). The Group's net debt-to-equity ratio (total borrowings net of cash and cash equivalents over shareholders' equity) decreased from 0.73 as at 31 December 2016 to 0.59 as at 31 December 2017. Capital expenditure was comparable to last year but there was an increase in translation reserve as a result of Renminbi appreciation during the year.

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 Hong Kong dollars, Renminbi, United States dollars or Euro. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the year ended 31 December 2017. The Group has used currency structured instruments, foreign currency borrowings or other means to hedge its foreign currency exposure.

## 流動資金、財務資源及資本結構

於2017年12月31日，本集團的股東資金總額為219.16億港元(2016年：168.23億港元)。於2017年12月31日，本集團的流動資產達140.63億港元(2016年：91.89億港元)，而流動負債則為110.40億港元(2016年：79.60億港元)。於2017年12月31日的流動比率為1.27，而於2016年12月31日則為1.15。

本集團一般以內部產生的現金流量，以及香港、澳門及中國之主要往來銀行提供的信貸備用額作為業務的營運資金。於2017年12月31日，本集團的未償還銀行貸款為150.78億港元(2016年：135.47億港元)。該等銀行貸款由本公司若干附屬公司提供的公司擔保作為抵押。於2017年12月31日，本集團持有銀行結餘及現金為22.49億港元(2016年：12.74億港元)。年內資本開支與去年相若，而人民幣升值令匯兌儲備增加，本集團的淨資本負債比率(借貸總額減現金及現金等價物除以股東權益)由2016年12月31日的0.73下降至2017年12月31日的0.59。

本集團具備充裕現金及可供動用的銀行備用額以應付本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港元、人民幣、美元或歐元計值。截至2017年12月31日止年度內，本集團的營運或流動資金未曾因匯率波動而遇到任何重大困難或影響。本集團採用貨幣結構工具、外幣借貸或其他途徑，作外幣風險對沖之用。





## EMPLOYEES

As at 31 December 2017, the Group had a workforce of more than 7,500 people. Salaries of employees are maintained at competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. The Group also provides internal training to staff and provides bonuses based upon staff performance and profits of the Group.

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

## 僱員

於2017年12月31日，本集團員工超過7,500名。僱員薪酬維持於具競爭力水平，並會每年評估，且密切留意有關勞工市場及經濟市況趨勢。本集團亦為僱員提供內部培訓，並按員工表現及本集團盈利發放花紅。

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



## CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance. The Board of the Company believes that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding and maximising shareholders' interests. During the year under review, the Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The objectives of the management structures within the Group, headed by the Board and led by the Chairman, are to deliver sustainable value to Shareholders.

The Chairman provides leadership to and oversees the effective functioning of the Board. With support of the Chief Executive Officer and the Company Secretary, the Chairman approves Board meeting agenda, and ensures Directors have proper briefing, and timely receive adequate and reliable information, on all Board matters.

The role of the Chairman is separate from that of the Chief Executive Officer, and different persons hold the separate offices. Chief Executive Officer heads the management and focuses on the day-to-day operations of the Group.

## AUDIT COMMITTEE

The Audit Committee has reviewed with management, the Group's consolidated financial statements for the year ended 31 December 2017, the accounting principles and practices adopted and discussed auditing, internal controls and financial reporting matters.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as a code of conduct regarding directors' securities transactions in 2004. All the members of the Board have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2017. The Model Code also applies to other specified senior management of the Group.

## 企業管治常規

本公司致力保持高水準之企業管治。本公司董事會相信，對本集團增長及對保障及提高股東權益而言，完善及合理的企業管治常規實在不可或缺。本公司於回顧年內一直遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載之企業管治常規守則（「守則」）。

本集團內管理架構以主席領導的董事會為首，其目標是持續不斷為股東創造價值。

主席負責領導並監督董事會，使其得以有效發揮功能。在首席執行官及公司秘書的支援下，主席批准董事會會議議程，並確保董事獲給予恰當簡報，且及時就一切有關董事會的事宜發放充足可靠的資料。

主席與首席執行官的職務明確劃分，職務由不同人士擔任。首席執行官負責領導管理層，專門負責本集團的日常營運。

## 審核委員會

審核委員會與管理層已審閱本集團截至2017年12月31日止年度之綜合財務報表、所採納之會計原則及慣例，並已討論核數、內部監控及財務報告事宜。

## 董事之證券交易

本公司已於2004年採納上市規則附錄10所載之上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事進行證券交易之行為守則。經本公司向所有董事作出具體查詢後，全體董事皆確認於截至2017年12月31日止整個年度已遵守標準守則所載之規定標準。標準守則亦適用於本集團之其他特定高級管理層。



## BOARD OF DIRECTORS

### Composition and Role

The Board comprises:

Executive directors:

Dr. Lee Man Chun Raymond *SBS JP (Chairman)*

Mr. Lee Man Bun *MH JP*

Mr. Li King Wai Ross

Non-executive director:

Professor Poon Chung Kwong *GBS JP*

Independent non-executive directors:

Mr. Wong Kai Tung Tony

Mr. Peter A. Davies

Mr. Chau Shing Yim David

During the year, the Board comprises of three executive directors (one of whom is the Chairman), one non-executive director and three independent non-executive directors. In addition, three of the independent non-executive directors possess appropriate legal, professional accounting qualifications and financial management expertise.

The principal focus of the Board is on the overall strategic development of the Group. The Board also monitors the financial performance and the internal controls of the Group's business operations.

The independent non-executive directors also serve the important function of ensuring and monitoring the basis for an effective corporate governance framework. The Board considers that each independent non-executive director is independent in character and judgment and that they all meet the specific independence criteria as required by the Listing Rules. The Company has received from each independent non-executive director an annual confirmation or confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The independent non-executive directors are explicitly identified in all of the Company's corporate communications.

## 董事會

### 架構及角色

董事會包括：

執行董事：

李文俊博士 *銀紫荊星章 太平紳士(主席)*

李文斌先生 *榮譽勳章 太平紳士*

李經緯先生

非執行董事：

潘宗光教授 *金紫荊星章 太平紳士*

獨立非執行董事：

王啟東先生

Peter A. Davies先生

周承炎先生

年內，董事會包括三位執行董事(其中一位為主席)、一位非執行董事及三位獨立非執行董事。此外，三位獨立非執行董事分別具適當之法律、專業會計師資格及財務管理經驗。

董事會主要著眼於本集團之整體策略及發展。董事會亦監察本集團經營業務之財務表現及內部監控。

獨立非執行董事亦在確保及監察有效企業管治之架構中擔當非常重要的角色。董事會相信每一位獨立非執行董事均有其獨立性及判斷力，彼等均合乎上市規則規定之特定獨立準則。本公司已接獲各獨立非執行董事根據上市規則第3.13條規定所作出之年度獨立性確認函。而獨立非執行董事均可在本公司所有企業通訊內明確識別。



The Chairman is primarily responsible for drawing up and approving the agenda for each board meeting in consultation with all directors. Notice of at least 14 days have been given to all directors for all regular board meetings and the directors can include matters for discussion in the agenda if necessary. Agenda and accompanying board papers in respect of regular board meetings are sent out in full to all directors within reasonable time before the meeting. Draft minutes of all board meetings are circulated to directors for comment within a reasonable time prior to confirmation.

Minutes of board meetings and meetings of board committees are kept by duly appointed secretaries of the respective meetings and all directors have access to board papers and related materials, and are provided with adequate information on a timely manner, which enable the Board to make an informed decision on matters placed before it.

During the year, full board meetings were held and the individual attendance of each director is set out below:

主席經徵詢全體董事，首要負責草擬及審批每次董事會會議之議程。開會通知最少於常務會議十四天前發送予各董事，如需要，董事可要求在議程內加插討論事項。召開常務會議時，一套完整議程連同開會文件會在開會前之合理時間內發送予各董事。草擬的會議紀錄亦會於合理時間內送交各董事省閱，方予確認。

董事會及董事委員會之會議紀錄由相關會議所委任之秘書保存，所有董事均有權查閱董事會文件及相關資料及適時地獲提供足夠資料，使董事會可於決策事項前作出有根據的判斷。

年內，已召開全體董事會會議，各董事出席情況詳列如下：

Name of director	董事姓名	Number of meetings attended/Total 出席會議／會議總次數
Dr. Lee Man Chun Raymond <i>SBS JP</i>	李文俊博士 銀紫荊星章 太平紳士	5/5
Mr. Lee Man Bun <i>MH JP</i>	李文斌先生 榮譽勳章 太平紳士	5/5
Mr. Li King Wai Ross	李經緯先生	5/5
Professor Poon Chung Kwong <i>GBS JP</i>	潘宗光教授 金紫荊星章 太平紳士	5/5
Mr. Wong Kai Tung Tony	王啟東先生	5/5
Mr. Peter A. Davies	Peter A. Davies先生	5/5
Mr. Chau Shing Yim David	周承炎先生	5/5



Each appointed director receives formal, comprehensive and tailored induction on the first occasion of his appointment to ensure proper understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

每位委任董事均於首次接受委任時獲得正式、全面及專門為其設計之入職培訓，以確保該董事對本公司之業務及運作均有適當之理解，並充分知悉彼於上市規則及相關監管規定下之責任及義務。

The directors acknowledge the need to continue to develop and refresh their knowledge and skills for making contributions to the Company. The participation by individual directors in the continuous professional development programme with appropriate emphasis on the roles, functions and duties of a director of a listed company in 2017 is recorded in the table below.

董事確認要持續發展並更新本身知識及技能方可為本公司作出貢獻。下表概列各董事於2017年就適切着重上市公司董事之角色、職能及職責之持續專業發展計劃之參與記錄。

Name of director	董事姓名	Attending external seminars/ programmes	
		Reading regulatory updates 閱讀監管規定更新資料	participating in external seminars/ programmes 參與 外界機構舉辦 研討會/活動
<b>Executive directors</b>	<b>執行董事</b>		
Dr. Lee Man Chun Raymond <i>SBS JP</i>	李文俊博士 銀紫荊星章 太平紳士	✓	✓
Mr. Lee Man Bun <i>MH JP</i>	李文斌先生 榮譽勳章 太平紳士	✓	✓
Mr. Li King Wai Ross	李經緯先生	✓	✓
<b>Non-executive director</b>	<b>非執行董事</b>		
Professor Poon Chung Kwong <i>GBS JP</i>	潘宗光教授 金紫荊星章 太平紳士	✓	✓
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>		
Mr. Wong Kai Tung Tony	王啟東先生	✓	✓
Mr. Peter A. Davies	Peter A. Davies先生	✓	✓
Mr. Chau Shing Yim David	周承炎先生	✓	✓





## AUDIT COMMITTEE

The Audit Committee was established in 2003 and its current members include:

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

The Board considers that each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in legal, business and accounting on the Audit Committee. The composition and members of the Audit Committee complies with the requirements under Rule 3.21 of the Listing Rules. The written terms of reference which describe the authority and duties of the Audit Committee were approved and adopted on 28 March 2012 to conform to the provisions of the Code and the Listing Rules, a copy of which is posted on the Company's website.

The Audit Committee meets regularly to review the Group's financial reporting and other information to shareholders, the system of internal controls, risk management and the effectiveness and objectivity of the audit process. The Audit Committee also provides an important link between the Board and the Company's auditors in matters coming within the scope of its terms of reference and keeps under review the independence and objectivity of the auditors.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the accounts for the year ended 31 December 2017.

During the year, three Audit Committee meetings were held and the individual attendance of each member is set out below:

Name of member	成員姓名	Number of attendance	出席次數
Mr. Chau Shing Yim David	周承炎先生	3/3	3/3
Mr. Wong Kai Tung Tony	王啟東先生	3/3	3/3
Mr. Peter A. Davies	Peter A. Davies先生	3/3	3/3

## 審核委員會

審核委員會於2003年成立，現時成員包括：

周承炎先生(主席)  
 王啟東先生  
 Peter A. Davies先生

董事會認為各審核委員會成員均具備廣泛營商經驗，審核委員會當中兼備合適之法律、商業及會計專業。審核委員會之架構及成員符合上市規則第3.21條之規定。為符合守則條文及上市規則，描述審核委員會權限及職責之職權範圍已於2012年3月28日獲批准及採納，職權範圍全文已刊載於本公司網頁內。

審核委員會定期開會以檢討本集團之財務匯報及給予股東之其他資料、內部監控系統、風險管理及審核過程之有效性及效能。審核委員會並為董事會及公司核數師之間之重要橋樑，在其職權範圍內持續檢討核數師之獨立性及效能。

審核委員會已與管理層檢討本集團所採納之會計原則及慣例，並已就內部監控及財務匯報等事項進行討論，其中包括審閱截至2017年12月31日止年度的會計賬目。

年內，共召開三次審核委員會會議，個別成員的出席情況詳列如下：



## REMUNERATION COMMITTEE

The Remuneration Committee was established in 2005 and the current members include:

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

The Remuneration Committee has adopted the approach under paragraph B.1.2(c)(ii) of the Code and advises and makes recommendations to the Board on the Group's overall policy and structure for the remuneration of directors and senior management. The Remuneration Committee ensures that no director or any of his associate is involved in deciding his own remuneration. The terms of reference of the Remuneration Committee were approved and adopted on 28 March 2012 to conform to the provisions of the Code, a copy of which is posted on the Company's website.

In determining the emolument payable to directors, the Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and the desirability of performance-based remuneration.

The Remuneration Committee meets regularly to determine the policy for the remuneration of directors and assess performance of executive directors and certain senior management. One Remuneration Committee meeting was held during the year and all members have attended in the meeting.

## 薪酬委員會

薪酬委員會於2005年成立，現時成員包括：

周承炎先生(主席)  
王啟東先生  
Peter A. Davies先生

薪酬委員會已採納守則規條之B.1.2(c)(ii)，向董事會就本集團董事及高級管理層之薪酬之整體政策及架構作出建議。薪酬委員會確保概無董事或其任何聯繫人參與釐定其本身之薪酬。為符合守則條文，薪酬委員會的職權範圍已於2012年3月28日獲批准及採納，並已刊載於本公司網頁內。

在釐定應付予董事之酬金時，薪酬委員會乃考慮各項因素，包括同業薪金水平，董事所奉獻之時間及其職責，集團內部的僱傭情況及與表現掛鈎之酬金。

薪酬委員會定期開會以釐定董事之酬金政策及評估執行董事及若干高級管理層之表現。年內召開會議一次，所有成員均有出席會議。



## NOMINATION COMMITTEE

The Nomination Committee was established on 28 March 2012 and the current members include:

Dr. Lee Man Chun Raymond *SBS JP (Chairman)*

Mr. Chau Shing Yim David

Mr. Wong Kai Tung Tony

Mr. Peter A. Davies

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for nomination and appointment of directors, making recommendations to the Board on the appointment and succession planning of directors, and assessing the independence of the independent non-executive directors.

The Nomination Committee reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company. One Nomination Committee meeting was held during the year and all members have attended in the meeting.

### Board diversity

During the year, the Company continued to monitor the board composition with regard to its diversity policy which requires board appointments to be made based on merit and candidates to be considered against an objective criteria, including diversity. In order to maintain an appropriate mix and balance of talent, skills, experience and background on the Board, the Nomination Committee developed measurable objectives to implement this policy and monitored progress towards achieving these objectives during the year ended 31 December 2017.

The current board composition was also evaluated by reference to, among other things, the age, gender, cultural and educational background and professional experience of each director, against the Company's business model and specific needs.

## 提名委員會

提名委員會於2012年3月28日成立，現時成員包括：

李文俊博士 *銀紫荊星章 太平紳士(主席)*

周承炎先生

王啟東先生

Peter A. Davies先生

提名委員會主要負責考慮及提名合適人選成為董事會成員，並負責定期檢討董事會構成，及制訂提名及委任董事之有關程序，就董事之委任及繼任計劃向董事會提供推薦意見，以及評估獨立非執行董事之獨立性。

提名委員會已檢討董事會目前之架構、規模及構成，以保證各董事具有適合本公司業務要求的均衡知識、技能及經驗。年內召開會議一次，所有成員均有出席會議。

### 董事會多元化

年內，本公司繼續監察董事會組成的多元化政策，該政策要求董事會委任以用人唯才為原則，並以多元化等客觀條件考慮董事人選。提名委員會為令董事會保持適當的才能、技能、經驗及背景組合及平衡，已訂立可計量目標以實施上述政策，並於截至2017年12月31日止年度監察達成有關目標的進度。

公司亦參照每名董事的年齡、性別、文化及教育背景以及專業經驗等方面，因應本公司的業務模式及具體需求評核現任董事會的組成。



The Company believes diversity is important to enhance the Board's effectiveness by encouraging a diversity of perspectives and to maintain high standards of corporate governance. The Company will continue to monitor and develop new objectives for implementing and achieving improved diversity on the Board as and when it considers appropriate with regard to the specific needs of the Company and the market from time to time.

In accordance with the Articles of Association, Mr. Li King Wai Ross and Mr. Wong Kai Tung Tony, shall retire by rotation and being eligible, offer themselves for re-election at the next forthcoming annual general meeting.

The Nomination Committee recommended the re-appointment of the directors standing for re-election at the forthcoming annual general meeting of the Company.

## EXTERNAL AUDITOR

For the year ended 31 December 2017, the fee payable to the Company's external auditor in respect of audit and non-audit services provided to the Company and its subsidiaries is set out below:

本公司深信，多元化政策能夠鼓勵不同觀點百花齊放，對提升董事會效能及維持高水平企業管治至關重要。本公司將繼續因應本公司和市場不時的具體需求，在其認為有需要時監察及訂立新目標，藉以提升董事會的多元性。

根據組織章程細則，李經緯先生及王啟東先生將於應屆股東週年大會上輪值告退，惟符合資格並願意膺選連任。

提名委員會建議重新委任願意於本公司應屆股東週年大會上膺選連任之董事。

## 外聘核數師

於截止2017年12月31日止年度，就本公司及其附屬公司獲提供的審核及非審核服務向本公司外聘核數師應付的費用載列如下：

		HK\$'000 千港元
Audit services	審核服務	7,826
Non-audit services (included tax matters, review and other reporting services)	非審核服務(包括稅務事項、審閱及其他申報服務)	863
		<u>8,689</u>



## RISK MANAGEMENT AND INTERNAL CONTROL

The Group's risk management and internal control systems provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations effectively.

The Group has established a risk management framework, which consists of the Board, the Audit Committee and the Risk Management Taskforce (i.e. Senior Management). The Board determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives, and has the overall responsibility for monitoring the design, implementation and the overall effectiveness of risk management and internal control systems.

The Group has formulated and adopted Risk Management Policy in providing direction in identifying, evaluating and managing significant risks. At least on an annual basis, the Risk Management Taskforce identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritises the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established and assigned for those risks considered to be significant.

In addition, the Group has engaged an independent professional advisor to provide internal audit services, which assist the Board and the Audit Committee in ongoing monitoring of the risk management and internal control systems of the Group. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board on a timely basis to ensure prompt remediation actions are taken.

## 風險管理及內部監控

本集團的風險管理及內部監控系統透過清晰的管治架構、政策及程序以及彙報機制，有效地管理本集團各業務範疇的風險。

本集團已設立風險管理組織架構，由董事會、審核委員會及風險管理小組(即高級管理層)組成。董事會負責評估及釐定本集團達成策略目標時所願意接納的風險性質及程度，並全權負責監督風險管理及內部監控系統的設計、實施及監察其整體有效性。

本集團亦已制訂及採納企業風險管理制度，提供有效的識別、評估及管理重大風險的政策。風險管理小組至少每年一次對影響集團實現業務目標的風險事項進行識別，並通過規範的機制進行評估及排序，對主要風險制定風險緩解計劃及指定風險負責人。

此外，本集團外聘獨立專業機構提供內部審計服務，以協助董事會及審核委員會持續監督本集團的風險管理及內部監控系統，識別內部監控設計及運行中的缺陷並提出適當的改進意見。如發現嚴重的內部監控缺失，會及時向審核委員會及董事會彙報，確保採取及時的補救措施。





Risk management report and internal control report are submitted to the Audit Committee and the Board at least once a year. The Board had performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review on risk management and internal control systems; result of internal audit work; the extent and frequency of communication with the Board in relation to result of risk and internal control review; significant failures or weaknesses identified and their related implications; and status of compliance with the Listing Rules. The Board considers the Group's risk management and internal control systems are effective.

The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

## PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group complies with requirements of Securities & Futures Ordinance ("SFO") and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the Safe Harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

風險管理報告和內部審計報告均至少每年提交審核委員會及董事會。董事會已就本集團的風險管理及內部監控系統是否有效進行年度檢討，包括但不限於集團應付其業務轉變及外在環境轉變的能力、管理層持續監察風險管理及內部監控系統的工作範疇及素質、內部審計工作結果、向董事會傳達風險及內部監控結果的詳盡程度及次數、期內發生的重大監控失誤或發現的重大監控弱項以及有關影響、集團遵守上市規則規定的狀況等，並確認現有的風險管理及內部監控系統的有效性。

上述風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險。因此，該等系統只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

## 處理及發放內幕消息的程序和內部監控措施

本集團遵循證券及期貨條例(「證券及期貨條例」)和上市規則的規定，於知悉任何內幕消息後，在合理地切實可行的範圍內，會儘快向公眾披露該消息，除非有關消息屬於證券及期貨條例下任何安全港條文的範圍。本集團在向公眾全面披露有關消息前，會確保該消息絕對保密。若本集團認為無法保持所需的機密性，或該消息可能已外泄，會即時向公眾披露該消息。本集團亦致力確保公告中所載的資料不得在某事關重要的事實方面屬虛假或具誤導性，或因遺漏某事關重要的事實而屬虛假或具誤導性，以清晰及均衡的方式對正面及反面的事實作出同等披露。



## DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation of accounts for each financial period which gives a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31 December 2017, the directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent and reasonable; and have prepared the accounts on the going concern basis. The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group.

## INVESTOR RELATIONS AND COMMUNICATION

The Board is committed to providing clear and full information about the Group's performance to shareholders through the publication of interim results and annual results in a timely manner. In addition to dispatching circulars, notices and financial reports to shareholders, additional information is also available to shareholders on the website of the Company.

The annual general meeting provides a useful forum for shareholders to raise comments and exchange views with the Board. Shareholders are encouraged to attend annual general meetings for which the Company gives at least 21 days' notice. The Chairman and Directors and external auditors are available to answer questions on the Company's businesses at the meeting.

Separate resolutions are proposed at the general meetings on each substantially separate issue, including the election of individual directors. In addition, procedures for demanding a poll are included in the circular to shareholders dispatched together with the annual report.

## 董事的職責

董事須負責編製各財政期間能真實與公正地反映本集團之財政狀況及該期間之業績及現金流量之賬目。在編製截至2017年12月31日止年度之賬目時，董事已貫徹採用合適之會計政策，採納合適的香港財務報告準則及香港會計準則，作出審慎及合理的調整及評估，及在持續經營基礎上編製。董事並須負責保存適當之會計紀錄，以能合理準確地披露本集團任何時候之財務狀況。

## 與投資者交流及溝通

董事會致力透過刊發中期業績及年度業績，適時地將本集團之表現清晰及全面地提供予股東。除發送通函、通告及財務報告予股東，股東亦可透過本公司網頁獲取額外資訊。

股東週年大會提供一個良好的平台讓股東向董事會發表及交流意見。本公司發出不少於21天之通告以鼓勵股東出席股東週年大會。主席、董事及外聘核數師均會列席會議以便回答本公司業務上之提問。

各重大獨立事項(包括個別董事之選任)均會於股東週年大會上單獨提呈決議案。此外，載有投票表決程序之通函會與年報一併寄發予股東。



## SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at shareholder meetings, including the election of individual directors.

All resolutions put forward at shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each shareholder meeting.

Shareholder(s) holding not less than one-tenth of the paid up capital of the Company can make a written requisition to the Board or the Company Secretary to convene an extraordinary general meeting pursuant to article 58 of the Company's Articles of Association. The written requisition must state the objects of the meeting, and must be signed by the relevant shareholder(s) and deposited at the principal office of the Company, which is presently situated at 5/F., Liven House, 61-63 King Yip Street, Kwun Tong, Kowloon, Hong Kong.

There are no provisions under the Company's Articles of Association or the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands regarding procedures for Shareholders to put forward proposals at general meetings other than a proposal of a person for election as director. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

## 股東權利

為保障股東權益及權利，包括選舉各董事在內之各項重大事宜均會於股東大會上提呈獨立決議案。

股東大會上提呈之所有決議案將根據上市規則投票表決，投票結果將於股東大會結束後於本公司及聯交所網頁公布。

根據本公司組織章程細則第58條，持有不少於本公司已繳足股本十分之一的股東可提出書面請求予董事會或公司秘書要求召開股東特別大會。該書面請求須列明會議的目的，並由有關股東簽署及遞交至本公司的總辦事處，現時地址為香港九龍觀塘敬業街61-63號利維大廈5字樓。

根據本公司組織章程細則或開曼群島第22章公司法(1961年第3號法案，綜合及經修訂)，概無條文涉及股東在股東大會提出建議的程序(除提名候選董事的建議)。股東可根據上述程序召開股東特別大會以處理其於書面請求提出的事宜。

股東亦可在本公司之股東大會上向董事會作出查詢。



## FOR FINANCIAL YEAR 2017

With growing concerns from the various walks of life on how enterprises have shouldered their social responsibilities, Lee & Man Paper Manufacturing Limited (“Lee & Man”, the “Group” or “We”) has prepared this Environmental, Social and Governance Report (this “Report”) in accordance with the requirements of *Appendix 27 Environmental, Social and Governance Reporting Guide* of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in order that stakeholders can better understand the policies and measures we have adopted and our performance in respect of environmental protection, social responsibilities and corporate governance.

Our Board of Directors were responsible for supervising the environmental, social and governance strategies, policies and measures adopted by us whilst the management was responsible for their execution to ensure proper risk management and the effectiveness of our internal control system in these areas, which would help to promote our sustainable development.

## 2017財政年度

隨著社會各界對企業社會責任愈趨關注，為了讓各持份者更加瞭解理文造紙有限公司(下稱「理文造紙」、「集團」、「本集團」或「我們」)在環境、社會及管治方面的政策、措施以及績效，本集團按照香港聯合交易所有限公司(「聯交所」)主版上市規則附錄27《環境、社會及管治報告指引》的要求編製了本環境、社會及管治報告(下稱「本報告」)。

本集團之董事會負責監督集團於環境、社會及管治範疇中的策略、政策及措施，管理層則負責執行，確保集團在環境、社會及管治方面的風險管理及相應的內部監控系統之有效性，促進集團的可持續發展。



In order that the contents and disclosures of this Report could meet the expectations of stakeholders, we have engaged the management and employees of our various departments to participate in preparing this Report. We have prepared this Report with the following subject areas after conducting a review of the Group's operations, the related environmental, social and governance issues and an analysis of the importance of such issues to stakeholders:

為使本報告內容及資訊能夠符合各持份者的期望，集團邀請了各部門的管理層及員工參與報告編製。通過檢視集團運作，瞭解環境、社會及管治的相關事宜以及分析該類事宜對持份者的重要性，我們為本報告制訂了以下彙報範疇：

**Subject Areas Required under Stock Exchange's Environmental, Social and Governance Reporting Guide**  
聯交所環境、社會及管治報告指引範疇

**Material Environmental, Social and Governance Aspects of the Group**  
本集團重要的環境、社會及管治範疇

**A. ENVIRONMENTAL**

**A. 環境**

A1. Emissions

A1. 排放物

A2. Use of resources

A2. 資源使用

A3. The environment and natural resources

A3. 環境及天然資源

- Air emissions
- Sewage discharges
- Wastes
- 氣體排放
- 污水排放
- 廢棄物

- Energy consumption
- Water consumption
- 能源耗量
- 水源使用

- Timber logging
- Noises
- 林木砍伐
- 噪音

**B. SOCIAL**

**B. 社會**

B1. Employment

B1. 僱傭

- Recruitment, promotion and compensation
- Employees' welfare
- Equal opportunities
- Other employment practices
- 招聘、晉升及薪酬
- 員工關懷
- 平等機會
- 其他僱傭慣例



<b>Subject Areas Required under Stock Exchange's                      Environmental, Social and Governance Reporting Guide</b> 聯交所環境、社會及管治報告指引範疇	<b>Material Environmental, Social and                      Governance Aspects of the Group</b> 本集團重要的環境、社會及管治範疇
B2. Health and safety B2. 健康與安全	<ul style="list-style-type: none"> <li>• Workplace health and safety</li> <li>• 工作環境安全與健康</li> </ul>
B3. Development and training B3. 發展及培訓	<ul style="list-style-type: none"> <li>• Internal training</li> <li>• External training</li> <li>• 內部培訓</li> <li>• 外部培訓</li> </ul>
B4. Labour standards B4. 勞工準則	<ul style="list-style-type: none"> <li>• Prohibition of child and forced labour</li> <li>• 防止童工及強制勞工</li> </ul>
B5. Supply chain management B5. 供應鏈管理	<ul style="list-style-type: none"> <li>• Procurement of raw materials</li> <li>• 原材料採購</li> </ul>
B6. Product responsibility B6. 產品責任	<ul style="list-style-type: none"> <li>• Product safety</li> <li>• After-sale services</li> <li>• Data Privacy</li> <li>• 產品安全</li> <li>• 售後服務</li> <li>• 資料保密</li> </ul>
B7. Anti-corruption B7. 反貪污	<ul style="list-style-type: none"> <li>• Anti-bribery and anti-money laundering</li> <li>• 防止賄賂及洗黑錢</li> </ul>
B8. Community investment B8. 社區投資	<ul style="list-style-type: none"> <li>• Community development</li> <li>• Environmental protection</li> <li>• Support for the under-privileged</li> <li>• 社區建設</li> <li>• 環境保護</li> <li>• 弱勢支援</li> </ul>





## A) ENVIRONMENTAL

### Emissions

As the Chinese Government has placed high importance on environmental protection in recent years aiming at sustainable development along with economic growth, the standards laid down for emissions have been considerably tightened. Being well aware that environmental protection is the most important basis for our development, the Group has adopted a number of improvement and monitoring measures to ensure performance of our environmental responsibilities. As part of the various efforts to make us one of the companies which best comply environmental protection principles in the world, our different plants have employed the most efficient technologies to enable us to satisfy the newest emission standards laid down by the government as well as internationally applicable environmental management standards. To ensure effective implementation of the measures, our management has set up an environmental team led by the Chief Executive Officer with members having the relevant expertise. The team has held internal control meetings regularly to review environmental issues in the plants, to update themselves with applicable environmental laws and regulations and to give advice on any necessary improvements. Going forward, the team will engage themselves more on environmental protection measures to be taken in production processes, principally including those employed to lower water consumption, treat sewage water and air emissions more efficiently, save energy and monitoring emissions to ensure continued compliance with high environmental protection standards.

The Group is committed to satisfying all applicable laws and regulations on environmental protection, including the “Law of the People’s Republic of China on Environmental Protection”, the “Law of the People’s Republic of China on Prevention and Control of Water Pollution”, the “Law of the People’s Republic of China on Prevention and Control of Air Pollution”, and the “Law of the People’s Republic of China on Prevention and Control of Environmental Pollution Due to Solid Wastes”. During the Reporting Period, the Group did not find anything which constituted a breach of relevant environmental protection laws and regulations.

## A) 環境

### 排放物

近年來中國政府十分重視環保問題，希望經濟發展的同時兼顧到可持續發展，故此，排放指標也因而大幅收緊。本集團深明環境保護是公司發展的最重要基礎，並採取多項改進措施及監控方法確保已履行對保護環境的責任。集團內各廠房均運用最有效的科技以確保滿足政府最新的排放標準，以及國際環境管理標準，並努力成為全球最符合環保原則的公司之一。為保證相關措施有效地執行，管理層成立了由首席執行官親自帶領的環保小組，而小組成員亦為合資格專材。小組定期召開內部監控會議，旨在審閱有關廠房內的環保事宜，通知各成員任何環保法例及規定的更新條文及對需要作出改善的地方提供適當建議。環保小組將投放更多時間在生產過程中的環保措施，包括減少耗水量、應用更有效的廢水處理技術、節省能源耗用量、採用更好的廢氣處理技術、及排放監控等主要範疇，確保可持續達到高環保標準。

本集團致力遵守所有環境保護有關的法例法規，例如《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》、《中華人民共和國大氣污染防治法》和《中華人民共和國固體廢物污染環境防治法》。於報告期間內，集團並沒有發現任何違反環境保護相關的法例法規的情況。



### Air Emissions

To ensure enough power supply for operating paper-making machines in our production, the plants of the Group have had their own thermal power stations operating coal-fired generators and therefore, there have been gas emissions including nitrogen oxides and sulphur oxides. The Group has made efforts to reduce emissions at the source by always being energy-saving and lowering air emissions by cutting coal consumption. Environmental-friendly circulating fluidised bed boilers used in our thermal power stations can achieve efficient combustion of all kinds of coal. As the combustion temperature in this kind of boilers is lower than that in pulverised coal boilers, less nitrogen oxides would be generated. Moreover, in each coal-fired power stations of the Group, the most advanced air emissions treatment facilities have been used, including the employment of highly efficient bag filters to reduce ashes, SCR/SNCR de-nitration systems to eliminate nitrogen oxides, and limestone-gypsum flue gas desulfurisation system to curb sulphur dioxide gas, to successfully reduce smoke and sulphur by more than 99.9% and 90% respectively. In addition, the plants of the Group have also employed an even more effective wet desulfurisation facility to further lower sulphur dioxide emissions to 400 mg/m<sup>3</sup>, an emission quantity much less than the relevant national standard. The Group has monitored the quality of air emissions emitted on a real-time basis to ensure outperforming the relevant national standard by use of online detection equipment.

### 氣體排放

為確保生產過程當中有足夠的電力供應予造紙機器運作，本集團的工廠自設熱電站。熱電站透過燃煤發電機組生產電力，因而產生一定的氣體排放，包括氮氧化物和硫氧化物。集團透過不斷節約能源，減少耗煤量也同時減少廢氣排放，從源頭上達到減排。本集團的熱電站採用的都是環保型循環流化床鍋爐，可以有效焚燒各種煤種，該種鍋爐燃燒溫度低於煤粉爐，產生的氮氧化物較低。此外，集團的每個燃煤發電廠均採用最先進的廢氣處理設施，包括用高效布袋除塵器去除煙塵；用SCR/SNCR脫硝法去除氮氧化物；用石灰石膏脫硫法去除二氧化硫。目前煙塵去除率能達到99.9%以上，脫硫率達90%以上。集團廠房還設有更高效的濕法脫硫設施，進一步把二氧化硫排放量降至遠低於國家標準的每立方米400毫克。集團透過線上監察設備即時監測排放廢氣的品質，確保優於國家規定的要求。



### Sewage Discharges

As water was consumed in the Group's paper production operations, there was sewage discharge. In order to reduce sewage discharge generated from its production, the Group has introduced the most effective sewage treatment techniques employed by the paper-making industry worldwide, specifically the combined use of physiochemical coagulation-sedimentation pre-treatment, anaerobic digestion and aerobic digestion technologies to achieve deep treatment. With the use of internationally advanced sewage treatment techniques and facilities, we have successfully maintained stability in the volume and quality of sewage discharge, with the CODcr level of major pollutants as well as the levels of NH<sub>3</sub>-N and SS in full compliance with the maximum limits on discharges by pulp and paper making operations under National Standard "GB3344-2008" (Standard on Discharge of Water Pollutants by the Pulp and Paper-Making Industry). After multiple treatments, sewage discharged by the Group's operations has achieved more than 99.5% of pollutants reduction. Also, the Group has achieved water re-use by the rate of more than 80% in its production and water discharge has been less than 10 m<sup>3</sup>/mt of paper produced. Our sewage treatment stations have been equipped with water re-use systems to raise sewage re-use and reduce water consumption. In addition, there have been automatic programmable logic controllers and online surveillance systems in our sewage treatment stations to monitor the discharge of sewage, thus facilitating the integrated management of sewage discharge. Also, we have enabled reasonable re-use of sludge and methane generated in the sewage treatment process. Water content of the sludge was lowered to around 50% with fully automatic recessed plate filters and then the dried sludge was burnt at thermal power stations in order to reduce solid wastes. The methane generated in the anaerobic treatment systems in the sewage stations was also collected and used as part of the fuel for the boilers in the power stations, thus greatly saving the coal required.

### 污水排放

本集團的造紙生產過程中需要用水，並因而產生污水。為減低生產過程中的污水排放，集團引進全球造紙工業中最有效的污水處理技術，採用混凝沉澱物化預處理、厭氧及好氧三級深度處理的綜合工藝。本集團的污水處理工藝和設備達到國際先進水準，污水水量及水質排放穩定，其中的主要污染物CODcr、NH<sub>3</sub>-N、SS完全達到GB3344-2008《製漿造紙工業水污染物排放標準》所列明的製漿和造紙企業排放限值要求。經多重處理後，集團排放的污水中99.5%以上的污染物已被移除。本集團生產用水循環利用率達80%以上，噸紙排水量低於10立方米／噸。污水處理站配置了水回用系統，提高了污水回用率，減少了水資源耗用量。同時，污水處理廠配備了自動化程式控制邏輯控制器(PLC)系統，並設有網上監察系統，監察污水排放，有利於進行一體化管理。此外，集團對廢水處理過程中產生的污泥和沼氣，進行合理開發回收利用，採用全自動隔膜板框壓濾技術使污泥含水率降低到50%左右，壓榨過的乾污泥輸送至熱電站進行焚燒，減少固廢污染。污水站厭氧處理系統產生的沼氣亦被收集並輸送至電站鍋爐摻燒，大大節約了燃煤。



### Wastes

No significant hazardous wastes were produced in the Group's production operations. The wastes generated in our operations were mainly non-hazardous ones produced in the course of paper-making, together with a small quantity of wastes due to routine office work.

The Group has principally reduced or disposed of wastes generated from its paper-making operations in three ways. First, as the Group used lots of waste paper as a raw material in its paper-making operations, a big quantity of paper-making residue was left behind after extraction of useful fibres for the paper-making process. As the residue contained different impurities, the residue was carried to a washing line where reusable metal wires, aluminium cans and plastics in the residue were collected and sold to recyclers. Also, the plants of the Group have had sewage treatment facilities to filter sewage generated from the paper-making process. The sludge generated in several hundred metric tons per day in the sewage treatment station was then burnt in boilers after treatment and deep drying. The energy generated by burning the waste in a circulating fluidised bed boilers could be re-used in the paper-making process and therefore, not only secondary pollution would be avoided but energy consumption would be saved. Finally, the residue remaining after recovery of reusable materials and other wastes unsuitable for burning were disposed of legally by qualified contractors as landfill.

### Use of Resources

As a paper-making enterprise, the Group inevitably required a large amount of water and energy in its daily operations.

The Group has actively adopted measures in each aspect of its production processes to curb energy consumption in its operations. For example, the Group has reduced energy consumption by substituting high-performance equipment for older ones and making relevant changes to its electricity facilities, and has also adopted efficiency-enhancing and energy-saving technologies such as the full use of frequency conversion and high voltage compensation devices.

### 廢棄物

本集團的生產過程中並無明顯的有害廢棄物產生。集團營運所產生的廢物主要為造紙過程中所產生的無害廢棄物，亦有少量日常行政辦公所產生的廢棄物。

針對造紙過程中所產生的廢棄物的減少和處理，集團主要透過三種方式處理。首先，由於集團在造紙生產過程中使用大量廢紙作為原料，廢紙經提取有用的造紙纖維後剩下大量的造紙廢渣。這些廢渣含有不同的雜質，因此集團把造紙廢渣引進洗水線提取有用的鐵絲、鋁罐、塑膠等等，並將此等物料出售予回收商進行循環再造。另外，集團的工廠設置有污水處理設施過濾造紙過程中所產生的污水。污水處理站每天會產生幾百噸污泥，污泥經處理及深度脫水後將會送到鍋爐焚燒，通過循環流化床鍋爐焚燒的廢物所產生的能量用於造紙生產，加以循環利用，不但不造成二次污染，還能節省能源消耗。最後，對於已經提取了有用材料後的廢渣及不適合焚燒的廢物，集團會交由合資格的回收商合法填埋處理。

### 資源使用

作為一家造紙企業，本集團於日常營運中無可避免地使用大量的水和能源。

本集團積極開展節能降耗措施，致力降低生產過程中的能源耗量，並將節能降耗落實到每個生產環節，例如合適選購高效設備和改造用電設施，減少耗能；以及全面推廣使用變頻控制、高壓補償等節能技改方案，提高效率。



Meanwhile, the Group has closely monitored energy input and output as well as energy consumption by production and non-production operations with an effective mechanism for measuring, monitoring and analysing energy consumption, and has also created corresponding posts to manage the use of energy. The Group has indeed received commendations of the Government Examination Team for Energy-Saving and Emissions Reduction for our promotion and implementation of various measures to save energy, reduce emissions and achieve environmental protection alongside economic growth.

### Energy Consumption

The transportation and production processes in our daily operations have involved the use of great amounts of energy for running the relevant machines. Diesel and coal have been the major energy sources we used. As the various plants of the Group have had their own coal-fired generators to ensure availability of sufficient power necessary for the high power consuming paper-making machines, we have not purchased electricity power from the national power grid.

The Group has used coal as the fuel for our thermal power stations for its highest energy content compared with other kinds of fuel. We have also employed co-generation technology to turn residual heat from the power generation process into heat source for use in paper-making, thus considerably raising the efficiency of energy use and reducing the consumption of coal.

同時，本集團建立了有效的能源計量、監測、統計和考核制度，設立了相應的能源管理崗位，實行了對能源進、出廠及生產系統、非生產系統的能源消耗的嚴格監管。集團內許多節能降耗措施的推廣與實施，以及實現經濟與環境保護雙贏的舉措，也得到了國家節能減排考核小組的表揚。

### 能源耗量

本集團日常營運中的運輸及生產過程都需用到大量能源供相關機械運作。集團使用的主要能源分別為柴油和煤。由於集團各廠房均自設燃煤發電機組以確保足夠電力為高耗電的造紙設備提供電力，所以集團並沒有向國家電網購買電力。

本集團使用煤作為熱電站燃料，因為煤乃能量存量最豐富的燃料。本集團也使用熱電聯產技術，把發電的餘熱作為造紙熱源，大幅提高能源效率，減少煤耗。



In order to achieve energy-saving and reduce emissions, the Group has made it a requirement that new technologies which could help lower energy consumption should be used for every component of the production line as far as possible. Moreover, the Group has introduced a number of projects which aimed at lowering energy consumption, such as the gradual substitution of highly energy-consuming electricity-powered machines for variable-frequency ones for better energy-saving performance and thus lower production cost. Moreover, methane and certain of the solid wastes which were side products in the sewage treatment process referred in the "Sewage Discharges" and "Wastes" sections above could be burnt in boilers in the thermal power stations, therefore saving fuel for the coal boilers.

The Group has also continued to optimise energy management. We have raised the efficiency of energy use both in the power generation process and in the paper-making process and have therefore successfully lowered the energy consumption per unit year by year. In the Reporting Period, the overall energy consumption per metric ton of paper produced by the Group was less than 0.34 metric ton of standard coal equivalent and substantially lower than the national average of 0.60 metric ton of standard coal equivalent.

### Water Consumption

As water has been a necessity for our paper-making operations, water used in our production has accounted for a major part of the Group's water consumption. In order to save municipal water supply (which was considered more valuable because of its potable water standard), the Group has obtained its water supply by directly taking water from rivers and then carrying out purification process to satisfy the industrial water standard. In doing so, we have helped protect the valuable potable water resources. As far as water saving was concerned, the Group has principally adopted the strategy of re-using water in its production. The amount of natural water required by the Group has been considerably lowered as a result of our employment of advanced and very efficient sewage treatment techniques and the use of a higher percentage of re-used water in our production process.

為達到節能減排目的，集團要求在生產線上每個環節都盡量採用節能降耗的新技術，每年均有不少的節能改造項目，例如逐步將大能耗的電動機組改造成變頻控制，增加節能效率並減低生產成本。另外，上述「污水排放」和「廢棄物」部分提到污水處理過程中所產生的甲烷及部分固體廢物可以送到熱電站鍋爐燃燒，幫助燃煤鍋爐節省耗煤量。

本集團不斷優化能源管理，於發電過程以及造紙生產過程同時提高能源效益，令單位能耗每年持續降低。於報告期間內，集團每生產一噸紙的綜合能耗少於0.34噸標準煤，比國家每生產一噸紙耗用約0.60噸標準煤的平均數值大幅度為低。

### 水源使用

水是造紙過程中必需使用的資源，因此生產用水佔了本集團大部分的耗水量。為免浪費市政水（市政水按飲用水標準，屬較珍貴水源），集團自行從河上取水，經處理淨化後滿足工業用水標準使用，保護了珍貴的飲用水資源。對於節約用水方面，集團採取的主要策略為將生產用水循環再用，通過先進、高效率的污水處理工藝，以及於生產過程中提高使用循環水的比例，大大降低天然水的取用。





## The Environment and Natural Resources

The impact of commercial activities on the environment and natural resources has always been a great concern to the Group. As a commitment to reduce the logging of natural timber, we have been using recycled paper as the materials for paper-making, the primary business of the Group. In addition to complying with environmental regulations and international rules on protection for the natural environment, the Group has also incorporated concepts of environmental friendliness into our internal management and daily activities. In our striving to attain environmental sustainability, we have successfully received ISO 14001 Certification for Environmental Management.

With the aim of actively promoting environmental protection and efficient use of resources, we have monitored the potential effect of our business operations on the environment on an on-going basis and promoted the green office and the green production environment in adherence to four principles, namely, "Reduce", "Re-use", "Recycle" and "Replace", in order to minimise the impact of our operations on the environment.

### Timber Logging

As tree fibre is a necessary raw material for paper-making, the use of pulp as a raw material for paper-making indirectly leads to demand for timber logging. With the use of advanced production machinery, we have been able to use waste paper as a raw material in paper-making in big amounts. It has been a long-term objective of the Group to use more waste paper and less virgin pulp. The Group has been committed to raising the percentage of use of waste paper as raw material and becoming one of the containerboard manufacturers with the highest recycling rate in the world.

Among the paper produced by the Group, 98% were made from recovered paper and only 2% from timber virgin pulp. This was exactly an example of our utmost efforts to protect forests and minimise the impact of our operations on the environment.

## 環境及天然資源

本集團十分著重商業活動對環境及天然資源的影響。本集團的主業務就是把廢紙回收再造，減少對天然樹木的砍伐。除了遵循環境相關法規及國際準則，適切地保護自然環境外，集團亦將環境保護的概念融入內部管理及日常營運活動當中，並順利通過ISO 14001環境管理認證，致力達成環境永續之目標。

本集團以積極推動環境保護及有效使用資源為宗旨，即時監察業務營運對環境帶來的潛在影響，並通過減少、重用、回收及取代四個基本原則，推廣綠色辦公及生產環境，將公司營運對環境的影響減至最低。

### 林木砍伐

由於造紙必須使用樹木纖維，所以集團採購木漿作造紙原材料時會間接造成林木砍伐。本集團的造紙生產機器設計先進，可在造紙生產過程中使用大量廢紙作為原料。本集團長遠目標之一是增加廢紙用量以減少原木漿使用量。集團致力加大廢紙作為原材料的比例，並成為全球箱板原紙生產商中最高循環再用率的企業之一。

本集團所生產的紙有98%採用回收廢紙，只有2%採用林木生產的原木漿，以最大限度的保護林木，把影響降到最低。



### Noises

As our plants have been equipped with large paper-making machinery and coal-fired generators, their operation would cause rather big noises. In view of this, the Group has chosen to use low noise equipment and products as far as possible in the course of building the pulp and paper production lines and the thermal power stations in order that noises could be lowered at the sources. Moreover, as an effort to lower sound pollution to the environment, the Group has installed various sound isolation facilities to contain noises due to running of machines and has added silencers on noisy equipment such as blowers and exhaust fans. For the sake of our employees' health, the Group has built soundproof control rooms at the pulp and paper-making workshops where workers can work in a healthy environment without being influenced by the big noises. Meanwhile, the Group has added more plantation in the factory area to help dampen propagation of noises apart from cleaning of the air.

## B) SOCIAL

### Employment

It has always been Lee & Man's belief that our employees are one of the most important assets of the Group and their productivity has directly contributed to the Group's success. Therefore, care for employees has been an important aspect of our human resources management. We have been dedicated to improving our personnel policies and workplaces to provide a good working and living environment to our employees for their better health, growth and performance.

### Recruitment, Promotion and Compensation

The Group has been eager to recruit talents who share the same values and ideas with us so that we can achieve mutual growth and a win-win situation. To facilitate attraction of high quality people, the Group has been closely monitoring the trends of the labour and economic markets and has made annual assessments and necessary revisions in order to maintain competitiveness of our salary levels.

### 噪音

本集團的廠房設有大型的造紙機械和燃煤發電機。因此，造紙設備和發電機組運作時會產生較大噪音。有見及此，集團在製漿造紙生產線以及熱電站的搭建過程中盡量選用低噪音的設備和產品，從源頭降低噪音。此外，對於機械運作時產生的噪音，集團亦安裝了一系列隔聲降噪設施，為風機、排氣等高噪音設備安裝消音器，減少噪音帶來的環境影響。另外，為保障員工健康，集團於製漿造紙車間設置相應的隔音控制室，讓操作工人在隔音室內工作，減低高噪音環境對員工健康的影響。同時，集團為廠房增加綠化植被的種植，幫助減弱噪音的傳播，也對空氣淨化起到了很大作用。

## B) 社會

### 僱傭

理文造紙一直深信員工乃集團其中一項最重要的資產，他們的生產力直接貢獻於集團今日所得到的成功。因此，關懷員工乃本集團人力資源管理的重要一環。本集團一直致力改善人力資源政策及工作場所設施，務求為員工建立一個優質的工作及生活環境，保障員工的健康、成長及表現。

### 招聘、晉升及薪酬

本集團希望吸納與我們有著相同價值觀和理念的人材加入，並互相支持發展，達致雙贏。為確保能夠吸引高質素的人材，集團會密切留意有關勞工市場及經濟市況趨勢，維持僱員薪酬於具競爭力的水準，並會每年評估調整。



We have determined the salary of each employee in accordance with their performance, experience, expertise, job duties and market salary level. We have also provided other employee benefits including insurance, medical benefits, stock options as well as discretionary bonuses depending on the employees' performance and our business results.

Furthermore, the Group has always attached importance to the career growth of our employees. As we have offered internal training programs and promotion opportunities, our employees could have chances to enhance their working knowledge, skills and experience and to be transferred to different positions and job duties. They could widen their horizons and grow together with the Group in line with our overall strategy.

#### Employees' Welfare

We have valued two-way communication with our employees. We have kept an open mind to listen to and see the merits of the employees' opinions. The Group have assessed and improved the meals, accommodation, amenities and other services provided to employees from time to time to ensure availability of a comfortable environment to them. The Group has also tried to raise the sense of belonging of the employees and enrich their spare-time life by organising recreational activities for them and their families. We have set up an employees' welfare fund to help them meet emergency needs. If an employee or his family had a need for financial assistance due to an emergency, the Group would allocate a benefit to the employee directly from the fund to help them address the difficulties.

#### Equal Opportunities

The Group has been an equal opportunity employer. We have ensured that our employees received equal treatments in our daily operations and in every aspect of our human resources arrangements and would not be subject to discrimination on ground of ethnicity, nationality, religion, political affiliation, sex, marital status and physical disability.

本集團會根據員工表現、經驗、專業、工作範圍及市場價格釐定每位員工的薪酬。另外，集團亦提供其他員工福利包括保險、醫療保障及購股權，並按員工表現及集團盈利發放花紅。

此外，集團重視員工的工作發展前景。通過合適的內部培訓計畫及晉升計畫，集團希望提高員工的工作知識、技能和經驗，並提供機會讓員工接觸不同崗位和工作，幫助他們拓闊視野，配合集團的整體策略一起成長。

#### 員工關懷

本集團著重與員工的雙向交流，抱著開明態度聆聽及分析員工的意見。集團不斷評估和改進為員工提供的膳食、住宿環境、娛樂設施及其他服務，為員工提供舒適的生活環境。集團亦定期舉辦文娛康樂活動，鼓勵員工及其家屬參與，增加員工歸屬感同時讓他們享受豐富的閒餘生活。另外，本集團設立員工福利基金供員工應急之用。當員工及其家屬遇到危急情況需要財政支援時，集團會從福利基金直接撥款員工，以給予援助，幫助他們渡過困境。

#### 平等機會

本集團乃平等機會僱主。集團於日常營運以及各人力資源範疇均確保員工受到公平對待，不會因為種族、國籍、宗教、政治信仰、性別、婚姻狀況、殘疾等受到不合理的對待。



### Other Employment Practices

The human resources policies of the Group have been in compliance with all local labour requirements including those on recruitment, dismissal, salary and benefits, working hours and holiday entitlements to protect the lawful rights of our employees. During the Reporting Period, we did not find anything which constituted a breach of laws and regulations on employment and human resources.

## Health and Safety

### Workplace health and safety

Always attaching importance to the working environment of our employees, the Group has been committed to providing a safe and satisfactory workplace for them and has taken necessary measures to protect their health and safety. The Group has regularly organised first aid, fire-fighting, evacuation and fire escape drills to raise the safety awareness of our employees. Different posters and notices have been posted in the workshops to remind employees of the importance of occupational safety. Meanwhile, the Group has also issued worker's manuals setting forth policies and practices on occupational safety for reference by all of our employees. The Group has also set up a proper accident reporting and investigation mechanism to more effectively identify accident and safety risks.

The Group has continued to make investments to improve the employees' workplace and has received recognitions for doing so. Our plants in Hongmei, Jiangsu, Huangyong and Jiangxi were granted with OHSAS 18001 certification for occupational health and safety. During the Reporting Period, the Group did not find anything which constituted a breach of occupational health and safety laws.

### 其他僱傭慣例

本集團的人力資源政策，包括聘用、離職、薪酬福利水平、工時、假期等方面，都遵從當地所有適用的勞工法例執行，令員工的權利得到保障。於本報告期間內，集團並沒有發現任何違反僱傭及人力資源相關的法例法規的情況。

## 健康與安全

### 工作環境安全與健康

本集團非常重視員工的工作環境，致力為員工提供理想及安全的工作環境，及採取所有適當措施保障員工的健康及安全。本集團定期安排急救、滅火、疏散、逃生等演習，以提高員工安全意識。生產車間貼有不同的職業安全海報和告示時刻提醒員工。集團亦已制訂員工手冊，詳細列明職業安全相關的政策及程式供所有員工參考。此外，集團亦已建立合適的事故通報和調查機制，更有效地識別事故和不安全因素。

本集團不斷投放資源改善員工工作環境，並得到專業肯定。洪梅、江蘇、潢涌及江西廠房已分別得到OHSAS18001職業健康及安全認證。於報告期間內，集團並沒有發現任何違反職業健康與安全相關的法例法規的情況。



## Development and Training

Lee & Man's success has been the result of our employees' efforts. Well aware of the importance of the personal growth and enhancements of the employees, we have set up a proper mechanism of providing internal and external training on new knowledges and skills for employees to help them cope with the development strategies of the Group.

### Internal Training

The internal training programs offered by the Group could principally be categorised into admission training, production safety training and fire safety training. Admission training, which mainly covered introduction to the firm, rules and procedures, and attendance and salary matters, was aimed at familiarising new joiners with the Group's background and expectations of the Group on employees. Our production safety training has borrowed the concepts of 7S management practices which were first adopted in Japan and relevant ISO requirements and aimed at improving the quality of the production and working environment. Fire safety training emphasised the raising of employees' awareness of fire safety and improving their ability to address emergencies.

### External Training

Apart from training provided by the Group internally, we also sponsored employees to receive training offered by third party institutions. The external training programs were generally expertise training which focused on provision of most updated industry information and techniques desirable for raising productivity and competitiveness. We have also arranged external training for selected employees to ensure they attained the relevant knowledge and skills to be competent for the special job duties which they were responsible for. For employees who had the potential and ability to join the management, the Group would arrange comprehensive management training for them to prepare them for promotion.

## 發展及培訓

理文造紙的成功有賴員工的貢獻，因此本集團瞭解員工成長和發展的重要性，並建立了完善的內部及外部培訓機制幫助員工學習新知識和技能配合集團發展策略。

### 內部培訓

集團的內部培訓主要分為三大類：入職培訓、生產安全和消防安全。入職培訓包括企業簡介、規章制度和考勤薪酬，主要讓新入職員工瞭解集團的背景，集團對員工工作的期望等。生產安全套用了源於日本的7S生產現場管理概念，以及ISO國際標準的要求，讓員工提高生產及工作環境品質。而消防安全則著重提高員工的防火意識以及緊急事故的應變能力。

### 外部培訓

除了內部提供的培訓，集團亦會支持員工外出到第三方專業培訓機構進行培訓。外部培訓一般為員工進行行業專業培訓，獲取行業最新資訊、技術等，協助提高生產力和增強競爭力。集團亦為特殊崗位員工安排外部培訓，確保他們有足夠知識和技能勝任工作。對於有潛質和有潛力升上管理層的員工，集團會安排綜合管理培訓課程，為給予員工晉升機會作準備。



In addition, for the sake of continuous development of the Group, we have put in place a management trainee program to develop potential successors to different positions. We have also selected trainees to attend a two-year diploma course on paper-making technique offered by the South China University of Technology in Guangzhou every year with the Group's sponsorship. After graduation, those trainees would be assigned job duties at different positions in the Group.

## Labour Standards

### Prohibition of Child and Forced Labour

The Group has only recruited people who have attained the legal working age in strict compliance with the local labour laws and regulations. There have been sufficient and effective internal controls in our recruitment procedures to avoid the use of illegal labour. We have recruited our workers in adherence with the principles of fairness, openness and free will. Our subsidiaries have entered into legal employment contracts with employees without using any forced labour service. During the Reporting Period, the Group did not find anything which constituted a breach of labour laws and regulations.

## Supply Chain Management

As we are a production enterprise, supply chain management has always been a critical aspect in our quality control system. We have maintained a stringent supplier assessment mechanism to carry out selection of suppliers according to ISO guidelines in order to ensure the suppliers' compliance with relevant quality and service requirements as well as laws and regulations on environmental and social matters.

此外，為了集團的持續發展，集團實行了管理見習生計劃培養不同職位的接班人。集團亦會每年挑選學生到廣州華南理工大學修讀為期兩年的造紙技術文憑課程，所有費用由集團資助，學生畢業後將安排到集團擔任不同職位的工作，吸納人材。

## 勞工準則

### 防止童工或強制勞工

本集團嚴格按照當地勞工法要求，只招聘錄用已達到合法工作年齡要求的人士。集團的招聘程式亦有足夠、有效的內部控制防止不合法的勞工聘用。本集團之公司本著公平、公開、自願的原則招聘錄用工人。各個子公司簽訂合法僱傭合同，無強制使用勞工行為。於本報告期間內，集團並沒有發現任何違反勞工準則相關的法例法規的情況。

## 供應鏈管理

作為一家生產企業，供應鏈管理一直為本公司品質控制系統之其中一項關鍵環節。本集團有嚴謹的供應商審查機制，按照ISO體系執行挑選程序，確保供應商能符合品質及服務相關的要求，並符合環境及社會相關之法規。





### Procurement of Raw Materials

To preserve natural resources, the Group has primarily used waste paper instead of virgin pulp as a raw material in paper-making. In order to obtain a stable supply of waste paper, the Group has engaged designated agents to source high quality waste paper materials worldwide including in the Netherlands, the United Kingdom, the United States and Canada, also as a way to benefit from flexibility of choice. Our sourcing agents collected waste paper materials through various channels including recyclers, supermarkets, local authorities and retailers and then shipped the materials to us through our transport teams. In fact, this has been the most effective and the fastest way to collect and carry the waste paper materials in accordance with relevant regulations.

Besides, the Group has been operating more than 50 waste paper collecting and packing sites in Mainland China and has also been sponsoring a number of other business partners in China to source high quality waste paper locally as a way to develop paper sources as well as to support paper recycling.

### 原材料採購

為保護天然資源，本集團大量使用廢紙取代原木漿作為生產紙張的原材料。為穩定廢紙的供應，集團於全球不同地方，例如荷蘭、英國、美國及加拿大等地有專用的廢紙採購代理，幫助集團收集高質素的廢紙原材料，同時提供彈性選擇。採購代理通過多個途徑，包括廢紙回收商、超級市場、地方政府部門及零售商戶收集廢紙，再經由本集團的貨運團隊運送。此模式確保以最有效、最快捷及符合相關法例的途徑收集及運送廢紙。

另一方面，集團在中國國內經營逾50個廢紙回收及打包場，及資助一些國內商業夥伴回收當地的廢紙，幫助收集高質素的本地廢紙，開拓紙源及支持廢紙回收再造。



## Product Responsibility

### Product Safety

Always with customers as our first priority, the Group has been committed to meeting their requirements with high quality products and services. We have made our product information transparent and have made accurate and updated product information available to customers. As we highly value product safety, we have obtained IECQ QC 080000 certification for the hazardous substance process management of our four plants in Hongmei, Jiangsu, Huangyong and Jiangxi. A proof that our paper products were free of banned hazardous substances, the certification could boost customers' confidence in the products of the Group. Meanwhile, the various plants of the Group have also successfully obtained ISO 9001 certification for their quality management system. We have also obtained the Forest Stewardship Council's Chain of Custody (FSC-COC) certification, a proof that the Group values its product quality and the sustainability of forest operations. Moreover, the Group has established a risk assessment team to assess product quality and safety risks regularly in order to address issues promptly for protection of the Group's and customers' interests.

### After-sale Services

The Group has maintained an after-sale service department to follow up concerns and opinions of customers so as to provide customers with fully satisfactory services. In all sales territories in China, the Group has engaged designated after-sale service personnel to provide technical support to customers and follow up their complaints or questions. The Group has also set a time limit within which customers should receive follow-ups and responses from our after-sale service personnel as a guarantee that their concerns can be addressed fast and their requirements can be satisfied to the greatest extent possible.

## 產品責任

### 產品安全

本集團強調以客為尊，確保以高質素的產品和服務滿足客戶的需求。集團確保產品資訊透明度，將真實、準確的產品資訊提供予客戶。集團十分重視產品安全，洪梅、江蘇、潢涌及江西四間造紙廠房均取得IECQ QC 080000有害物質過程管理認證。此認證證明工廠所生產的紙製產品並無含有被禁的有害物質，增加客戶對本集團產品的信心。集團廠房亦取得ISO9001品質管制認證和森林認證系統產銷監管鏈認證(FSC-COC)，證明集團對於產品品質及維護森林的可持續經營的重視。此外，集團成立了風險評估小組，定期評估產品品質、安全相關的風險以使及早作出應對，保障集團及客戶利益。

### 售後服務

為全方位令客戶滿意本集團的服務，集團設立售後服務部門跟進客戶遇到的問題和意見。集團於國內的所有銷售區均安排專門的售後服務人員為客戶提供技術支援、投訴或意見跟進，解決客戶的困難和疑慮。另外，集團亦為售後服務跟進定立時限，確保客戶可於最短時間內得到跟進和答覆，最大程度滿足客戶的要求。



### Data Privacy

Well aware of the importance of privacy, the Group has taken data protection measures necessary for protecting the interests of all stakeholders. We have ensured that our employees have access to operating data required for performing their duties only. We would not allow disclosure of information unauthorised by the information owner except otherwise required by law.

During the Reporting Period, the Group did not find anything which constituted a breach of relevant laws and regulations on product or service quality.

### Anti-corruption

#### Anti-bribery and Anti-money Laundering

Lee & Man has always observed laws and regulations on prevention of commercial crimes in our daily operations, in adherence to our principles of acting with integrity and fairness. We have published our code of personal and professional conduct in the employees' manuals for their compliance. In addition to anti-bribery and anti-corruption policies which have been substantiated in the employees' rules, the Group has also put in place a whistleblowing mechanism to encourage reporting of improper acts by employees and stakeholders. Meanwhile, the Group has regularly assessed and reviewed the effectiveness of our internal control system to ensure that potential corruption risks can be identified and eliminated.

During the Reporting Period, the Group did not find anything which constituted a breach of laws and regulations on anti-corruption or counter-money laundering.

### 資料保密

集團明白資料保密的重要性，實行了資料保護措施保障各持份者的利益。集團確保員工只接觸到工作所需的營運資料，除法例訂明的公示檔外，並不允許任何未經資料擁有者批准的披露。

於本報告期間內，集團並無任何違反與產品、服務品質相關的法例法規的情況出現。

### 反貪污

#### 防止賄賂及洗黑錢

理文造紙一直秉承廉潔、公正的宗旨，在日常營運中遵守所有防止商業罪案有關的法例法規。集團於員工守則中訂立個人及專業操守供員工跟隨。除員工守則內有關反賄賂及反貪污政策外，本集團亦設立舉報機制鼓勵員工或持份者檢舉不正當行為。此外，集團會定期審核、檢討內部管理系統的成效，確保內部管理系統能夠有效地防止、發現潛在的貪污風險。

於報告期間內，集團並無任何違反與反貪污及洗黑錢相關的法例法規的情況出現。



## Community Investment

Lee & Man Paper has always been committed to shouldering our social responsibilities. We have made contributions in three major respects, namely, community development, environmental protection and support for the under-privileged, with a commitment to help members of the community in need and facilitate social advancement by participating in charitable causes with resources we have won in our commercial operations.

### Community Development

The founders of the Group have spared no effort to support education causes and have sponsored the building of a number of education facilities. The Patrick Lee Wan Keung Science and Engineering Laboratory Building in Hainan University in Hainan Province donated by Mr. Lee Wan Keung Patrick, the Patrick Lee Wan Keung Academic Building in Lingnan University, Hong Kong donated by Mr. Lee Man Bun, and the Lee Keung Study Hall in Jiaji Secondary School, Qionghai City, Hainan Province also donated by Mr. Lee Man Bun are among the results of the zeal of our founders for the facilitation of community development.

### Environmental Protection

As described in the sections on environmental protection above, the Group has been making great endeavours to keep possible pollutions and negative impacts of our operations on the environment to a minimum. The Group has received recognitions from government authorities, professional bodies and many others in the community including certifications and awards for the investments and efforts we have made in respect of environmental protection. Certifications and accolades won by the Group have included the following:

## 社區投資

理文造紙一直肩負起高度社會責任，分別在社區建設、環境保護、弱勢支援三大方面著手帶來貢獻。集團希望透過商業營運所得的資源回饋社會，幫助有需要的社群，為社會帶來進步。

### 社區建設

本集團的創辦人對推動教育不遺餘力，斥資興建多所教育設施，包括由李運強先生捐建的海南大學李運強理工實驗大樓、由李文斌先生捐贈助建的香港嶺南大學李運強教學大樓、以及李文斌先生捐贈的海南瓊海嘉積中學的李強學苑等，充份顯示本集團各創辦人的熱心。

### 環境保護

如以上各環境相關部分所述，本集團努力不懈地減低集團運作對環境所帶來的污染和負面影響。集團於環境保護方面所投放的資源和努力得到不同政府部門以及專業機構的肯定，屢次獲得專業機構的認證和政府的環保獎項及獎勵，得到社會各界的認可。集團廠房所得到的認證如下：



The Group/Specific Plants 集團／廠房	Certifications/Accolades Obtained 認證／獎項
All of our plants in China 中國國內所有廠房	ISO 9001 Certification for Quality Management ISO9001品質管制認證
All of our plants in China 中國國內所有廠房	ISO 14001 Certification for Environmental Management ISO14001環境管理國際認證
All of our plants in China 中國國內所有廠房	Forest Stewardship Council's Chain of Custody (FSC-COC) Certification 森林認證系統產銷監管鏈認證(FSC-COC)
Hongmei and Huangyong plants 洪梅及潢涌廠房	GB/T23331-2012 Certification for Energy Management System GB/T23331-2012 能源管理體系認證
The Group 集團	Hong Kong-Guangdong Cleaner Production Partner (Manufacturing) 粵港清潔生產夥伴(製造業)
The Group 集團	Named an "Environmental-Friendly Enterprise" 環境友好企業榮譽
Hongmei and Huangyong plants 洪梅及潢涌廠房	Named a "Cleaner Production Enterprise in Guangdong" and an "Outstanding Labour Law Compliant Enterprise in Guangdong" 廣東省清潔生產企業及廣東省勞動用工守法優秀企業
Hongmei plant 洪梅廠房	Named an "Advanced Energy Conversation Unit" 節能先進單位榮譽
Chongqing plant 重慶廠房	Named an "Ecological Improvement and Environmental Protection" 環境保護先進單位榮譽



#### Support for the Under-privileged

Lee & Man provided generous support for the victims and also solicited donations through our employees every time an earthquake or other natural disaster occurred and led to serious casualties. Donations received were sent to charitable organisations for the quick relief of victims and rebuilding of their homes. Disasters which we organised donation functions included the earthquakes that occurred in Wenchuan in Sichuan Province, Yushu in Qinghai Province and Yaan also in Sichuan Province.

#### 弱勢支援

理文造紙於每一次發生天災造成重大傷亡時都大力支持抗震救災。集團於每次災害發生後都組織員工籌款，籌得款項會交由相關慈善組織幫助災區人民早日度過難關，重建家園。過往集團曾經發起募捐的災害包括四川汶川地震、青海玉樹地震、四川雅安地震等。





## EXECUTIVE DIRECTORS

**Dr. Lee Man Chun Raymond**, aged 47, CPPCC National Committee, SBS JP, Chairman of the Company is in charge of corporate planning and investment projects. Dr. Lee has over 24 years of operational experience in paper manufacturing and is experienced in professional formula of paper making and product development. Dr. Lee was conferred the Honorary Degree of Doctor of Laws in 2014 and holds a Bachelor's Degree in Applied Science from the University of British Columbia in Canada. He is currently involved in a number of public engagements and has been awarded honorary citizenship of Dongguan and reputational citizenship of Changshu. Dr. Lee was awarded the "Young Industrialist Award of Hong Kong 2002" and received an award for "2003 Hong Kong Ten Outstanding Young Persons Selection Awardees". In 2011, Dr. Lee was appointed as Vice President of China Paper Association. He is currently appointed as President of Centum Charitas Foundation. He is also the Chairman of Raymond Lee Charitable Foundation since 2017. Dr. Lee resigned as an independent non-executive director of the listed company, Bossini International Holdings Limited in November 2017. Dr. Lee is the brother of Mr. Lee Man Bun, an Executive Director of the Company and Chief Executive Officer of the Group and is the brother-in-law of Mr. Li King Wai Ross, an Executive Director of the Company.

**Mr. Lee Man Bun**, aged 37, the member of the Political Consultative Committee of Guangdong Province, MH JP, Chief Executive Officer of the Group, is responsible for production management, sales, daily operation, research & development, repair and maintenance of production machines and factory staff management etc.. Mr. Lee holds a Bachelor's Degree of Applied Science in Chemical Engineering from the University of British Columbia in Canada. He is the Member of Commission on Poverty (Youth Education, Employment and Training Task Force) and the Advisory Committee of The Enhancing Self-Reliance Through District Partnership Programme. Mr. Lee is awarded the "Young Industrialist Award of Hong Kong 2015" and is the Founding Chairman of Hong Kong New Youth Energy Think Tank. He was the Committee Member of Social Welfare Advisory Committee from December 2011 to November 2017. He is the younger brother of Dr. Lee Man Chun Raymond, the Chairman and an Executive Director of the Company and is the brother-in-law of Mr. Li King Wai Ross, an Executive Director of the Company.

## 執行董事

**李文俊博士**，47歲，全國政協委員，銀紫荊星章太平紳士，本公司主席，負責本集團整體策劃及投資項目。李博士在造紙業擁有逾24年營運經驗，對造紙業的專業程式及產品開發擁有豐富經驗。李博士於2014年獲加拿大英屬哥倫比亞大學頒授榮譽法學博士及持有其應用科學學士學位。彼現擔任多項公職，並獲頒授東莞市及常熟市榮譽市民。李博士獲頒「2002年香港青年工業家」及「2003年香港十大傑出青年」。於2011年，李博士獲邀出任中國造紙協會副理事長一職。彼現為百仁基金會會長。自2017年，同時也是李文俊慈善基金的主席。李博士於2017年11月辭任上市公司堡獅龍國際集團有限公司獨立非執行董事。李博士為本公司執行董事兼本集團首席執行官李文斌先生之哥哥，亦為本公司執行董事李經緯先生之內兄。

**李文斌先生**，37歲，廣東省政協委員，榮譽勳章太平紳士，本集團首席執行官，負責生產管理、銷售、日常運作、品質改進、機械維修和工廠員工管理等，彼持有加拿大英屬哥倫比亞大學應用科學化學工程學士學位。彼擔任扶貧委員會（青年教育、就業和培訓專責小組）委員及伙伴倡自強社區協作計劃諮詢委員，李先生獲頒「2015年香港青年工業家」，亦是香港新活力青年智庫創會主席。於2011年12月至2017年11月，曾擔任社會福利諮詢委員。彼為本公司主席及執行董事李文俊博士之弟弟，亦為本公司執行董事李經緯先生之內弟。



## EXECUTIVE DIRECTORS (CONTINUED)

**Mr. Li King Wai Ross**, aged 42, an Executive Director of the Company, is responsible for the global procurement of recovered paper, logistics planning and optimisation, as well as external affairs for the Group. He holds a Master's Degree in Science in Electrical Engineering from Stanford University in USA and a Bachelor's Degree in Applied Science in Computer Engineering from University of British Columbia in Canada. He has over 16 years of experience in production management, operations and technological research and development. He is the brother-in-law of Dr. Lee Man Chun Raymond and Mr. Lee Man Bun, both of whom are Executive Directors of the Company.

## NON-EXECUTIVE DIRECTOR

**Professor Poon Chung Kwong**, aged 78, GBS JP, a Non-executive Director of the Company, is the Chairman of Virya Foundation Limited (a registered non-profit charitable organisation), the Emeritus Professor and the President Emeritus of the Hong Kong Polytechnic University. He devoted 40 years of his life to advancing university education in Hong Kong before he retired in January 2009 from his 18-year presidency at the Hong Kong Polytechnic University. Professor Poon obtained a Bachelor of Science (Honours) Degree from the University of Hong Kong, A Doctor of Philosophy Degree and a Higher Doctor of Science Degree from the University of London. He was a Postdoctoral Fellow at the California Institute of Technology and University of Southern California. He also held the Honorary Degree of Doctor of Humanities from the Hong Kong Polytechnic University in 2009. He was appointed a Non-official Justice of the Peace (JP) in 1989, received the OBE in 1991, the Gold Bauhinia Star (GBS) in 2002, "Leader of the Year Awards 2008 (Education)". In addition, Professor Poon was appointed as a member of the Legislative Council (1985-1991) and a member of the National Committee of the Chinese People's Political Consultative Conference (1998-2013). He is also an Independent Non-executive Director of Henderson Land Development Company Limited, The Hong Kong and China Gas Limited, Hopewell Highway Infrastructure Limited and Chevalier International Holdings Limited. All the aforesaid companies are listed on the Hong Kong Stock Exchange.

## 執行董事(續)

**李經緯先生**，42歲，本公司執行董事，負責本集團的全球廢紙採購業務，物流戰略及優化和負責集團對外事務。彼持有美國史丹福大學科學電子工程碩士學位及加拿大英屬哥倫比亞大學應用科學電腦工程學士學位，擁有逾16年生產管理，營運操作及技術研究開發經驗。彼為本公司執行董事李文俊博士之妹夫及李文斌先生之姐夫。

## 非執行董事

**潘宗光教授**，78歲，金紫荊星章太平紳士，本公司非執行董事，精進慈善基金有限公司(註冊非牟利慈善組織)會長、香港理工大學榮休教授及榮休校長。於2009年1月退休前，彼擔任香港理工大學校長之職達18年，在香港一直致力推動大學教育40年。潘教授早年考獲香港大學理學學士，英國倫敦大學哲學博士及高級理學博士，並在美國加州理工學院及南加州大學從事博士後研究。彼亦於2009年獲香港理工大學頒授榮譽人文博士學位。彼於1989年獲委任為非官守太平紳士(JP)、1991年獲頒英國官佐勳章(OBE)勳銜、2002年獲頒授金紫荊星章(GBS)、2008年獲頒「傑出領袖獎(教育)」。此外，潘教授曾被委任為立法局議員(1985-1991)及中國人民政治協商會議全國委員會委員(1998-2013)。彼為恒基兆業地產有限公司、香港中華煤氣有限公司、合和公路基建有限公司及其士國際集團有限公司之獨立非執行董事。該等公司均於香港聯交所上市。



## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Wong Kai Tung Tony**, aged 75, an Independent Non-executive Director of the Company, has been a practicing lawyer in Hong Kong since 1968 and has also been admitted as a solicitor in England and Wales. He is currently a consultant at Messrs. Hastings & Co., Solicitors and Notaries. He is also an Independent Non-executive Director of the listed company, Lee & Man Chemical Company Limited.

**Mr. Peter A. Davies**, aged 75, an Independent Non-executive Director of the Company, is a retired lawyer. He has over 47 years of experience in the legal field, practising both as a solicitor and a barrister in England and Hong Kong. Over the years, he has been a partner of Messrs. Deacons, Solicitors, and a Directorate Officer and the head of the Insider Dealing Unit with the Department of Justice of Hong Kong. He was appointed to be a notary public in Hong Kong in 1974.

**Mr. Chau Shing Yim, David**, aged 54, he has over 20 years of experience in corporate finance, covering projects ranging from initial public offering transactions and restructuring of PRC enterprises to cross-border and domestic takeover transactions. Mr. Chau was formerly a partner of one of the big four accounting firms in Hong Kong, holding the position as their Head of Merger and Acquisition and Corporate Advisory. He is a director of the Hong Kong Securities Institute, the member of the Institute of Chartered Accountants of England and Wales (“ICAEW”), and was granted the Corporate Finance Qualification of ICAEW. Mr. Chau is also the member of the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and was an ex-committee member of the Disciplinary Panel of HKICPA. Mr. Chau is the member of Jinan Municipal Committee of the CPPCC and Hospital Governing Committee of Pamela Youde Nethersole Eastern Hospital. Mr. Chau is currently an Independent Non-executive Director of Man Wah Holdings Limited, China Evergrande Group, Richly Field China Development Limited, Evergrande Health Industry Group Limited, HengTen Networks Group Limited, IDG Energy Investment Group Limited and Asia Grocery Distribution Limited. All the aforesaid companies are listed on the Hong Kong Stock Exchange.

## 獨立非執行董事

王啟東先生，75歲，本公司獨立非執行董事，自1968年以來為香港之執業律師，亦為英格蘭及威爾斯執業事務律師。彼現任希士廷律師行之顧問。彼亦為上市公司理文化工有限公司之獨立非執行董事。

**Peter A. Davies**先生，75歲，本公司獨立非執行董事，為退休律師。彼在法律界擁有逾47年經驗，曾於英國及香港任執業律師及大律師。過往曾擔任的近律師行合夥人以及香港律政司首長級職位，並曾出任內幕交易小組主管。彼於1974年獲委任為香港公證人。

周承炎先生，54歲，周先生擁有超過20年企業融資經驗，包括首次公開發售新股、中國企業重組及境內外收購合併交易。周先生曾為香港四大會計師事務所之一的合夥人，主管合併和收購及企業諮詢組的主管。彼為香港證券專業學會的董事、英國及威爾斯特許公認會計師公會的會員、獲英國及威爾斯特許公認會計師公會賦予企業融資資格。彼同時是香港會計師公會會員及曾為香港會計師公會紀律委員會委員。周先生是濟南市政協委員會委員及東區尤德夫人那打素醫院醫院管治委員會成員。周先生現為敏華控股有限公司、中國恒大集團、裕田中國發展有限公司、恒大健康產業集團有限公司、恒騰網路集團有限公司、IDG能源投資集團有限公司及亞洲雜貨有限公司之獨立非執行董事。所有前述公司均於香港聯交所上市。



## SENIOR MANAGEMENT

**Mr. Cheung Kwok Keung**, aged 51, is the Chief Financial Officer of the Group and the Company Secretary of the Company, is responsible for the internal supervision, management of the Group's financial matters and investor relationship. Mr. Cheung is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants and has over 29 years of experience in the field of auditing, accounting and financial management. He is an Independent Non-executive Director of China Aoyuan Property Group Limited and DCB Holdings Limited, which are listed on the Main Board and the GEM Board of the Hong Kong Stock Exchange respectively. He joined the Group in August 2002.

**Mr. Yan Jean Goo**, aged 52, is the Deputy General Manager of Chongqing Lee & Man Tissue, is responsible for the overall operation & management of tissue business of the Group. He holds a Bachelor's Degree in Economics from the University of Xiamen and has over 30 years of experience in production and operation management. He joined the Group in November 2006.

**Mr. Yip Heong Kan**, aged 47, is the Deputy General Manager of the Group, is responsible for cost controlling, corporate management and energy saving projects. He holds a Master's Degree in Business Administration from Open University of Hong Kong, is a fellow member of the Association of Chartered Certified Accountants and an associate member of Hong Kong Institute of Certified Public Accountants. He has over 24 years of experience in auditing & accounting and corporate financial management. He joined the Group in June 2008.

## 高級管理層

**張國強先生**，51歲，本集團財務總監兼本公司之公司秘書，負責本集團之內部財政監督、管理及投資者關係。張先生為英國公認會計師公會資深會員及香港會計師公會會員，擁有逾29年核數、會計及財務管理經驗。彼為中國奧園地產集團股份有限公司及DCB控股有限公司之獨立非執行董事，該等公司分別於香港聯交所主板及創業板上市。彼於2002年8月加入本集團。

**顏建國先生**，52歲，重慶理文衛生紙副總經理，負責集團衛生紙業務的整體營運及管理。彼持有中國廈門大學經濟學學士學位，擁有逾30年的生產及營運管理經驗。彼於2006年11月加入本集團。

**葉向勤先生**，47歲，本集團副總經理，負責本集團成本控制、企業管理及節能減排項目。彼持有香港公開大學工商管理碩士學位，彼為英國公認會計師公會資深會員及香港會計師公會會員，擁有逾24年核數及會計、企業財務管理經驗。彼於2008年6月加入本集團。



## SENIOR MANAGEMENT (CONTINUED)

**Mr. Ng Hok She Harry**, aged 42, is the Head of Quality Assurance, responsible for the packaging paper and tissue paper production quality of the Group. Mr. Ng holds a Bachelor's Degree and a Master's Degree in Mechanical Engineering from McMaster University in Canada. He has over 16 years of experience in engineering safety aspects management. He joined the Group in October 2011.

**Mr. Lee Ho Chung Jude**, aged 43, is the Head of Information Technology of the Group responsible for the Information Technology Strategic Planning and Execution. He holds a Bachelor's Degree in Applied Science & Engineering from University of Toronto in Canada and has over 18 years of experience in IT supervision and 10 years of senior management experience from different multinational companies. He joined the Group in October 2011.

**Mr. Chan Chi Ho**, aged 49, is the Senior Production Manager of the Group, responsible for industrial paper production management of the Group. Mr. Chan has over 30 years of experience in overseeing production matters in the paper manufacturing business. Mr. Chan was former production manager of Jiangsu plant and rejoined the Group in February 2009.

**Mr. Chung Wai Fu**, aged 53, is the Administration Manager of Vietnam Lee & Man Paper, responsible for Hau Giang plant operation and management. Mr. Chung holds a Bachelor Degree of Production and Logistics Management and a Master Degree of Business Administration in Human Resources Management from the University of Southern Queensland. He has over 24 years of management experience working in both multinational and local listed companies in China. Mr. Chung joined the Group in November 2008.

## 高級管理層(續)

**伍鶴時先生**，42歲，本集團品質保證部長，負責包裝紙及衛生紙產品質量。彼持有加拿大麥克馬斯特大學機械工程的學士學位和碩士學位。彼擁有超過16年工程安全方面的管理經驗。彼於2011年10月加入本集團。

**李浩中先生**，43歲，本集團資訊科技部部長，負責資訊科技策劃設計。彼持有加拿大多倫多大學應用科學工程學士學位，擁有逾18年跨國企業資訊科技經驗及10年的高級管理經驗。彼於2011年10月加入本集團。

**陳智豪先生**，49歲，本集團高級生產經理，負責工業紙生產管理。陳先生擁有逾30年造紙生產及機械工程經驗。彼曾任本集團江蘇廠房生產經理，於2009年2月再次加入本集團。

**鍾偉富先生**，53歲，越南理文造紙行政經理，負責后江造紙廠整體運作及管理。鍾先生持有南昆士蘭大學生產和物流管理學士學位及人力資源行政管理碩士學位，擁有逾24年管理跨國和中國本地上市公司經驗。鍾先生於2008年11月加入本集團。



## SENIOR MANAGEMENT (CONTINUED)

**Ms. Li Yuen Ling**, aged 56, is the Senior Finance Manager of the Group, is responsible for the Group's finance activities, as well as maintaining banking relationship for the Group. She joined the Lee & Man group in 1984 and has over 33 years of experience in accounting and finance for manufacturing operations.

**Mr. Chu Kwok Lung**, aged 55, is the Administration Manager of Guangdong Lee & Man Paper, is responsible for the daily operation and management of Guangdong Lee & Man Paper and has over 33 years of experience in manufacturing. He joined the Group in June 2006.

**Mr. Chan Kong Sang**, aged 58, is the Manager of power stations of the Group, is responsible for the set up and operation of various power plants. He holds a Bachelor's Degree of Science in Engineering from the University of Hong Kong and has over 35 years of experience in operation and managing production and engineering aspects of manufacturing businesses. He joined the Group in January 2001.

**Mr. Tse Pak Kong**, aged 54, is the Senior Manager of the Group, is responsible for the global procurement of recovered paper businesses. He holds a Bachelor's Degree of Science in Electrical Engineering from the University of Hong Kong and has over 31 years of experience in the management of both multinational and local companies in China. He joined the Group in December 2005.

## 高級管理層(續)

**李婉玲女士**，56歲，本集團高級財務經理，負責本集團之財務事務及維繫與本集團往來銀行的關係。彼於1984年加入理文集團並擁有逾33年製造業務之會計及財務經驗。

**朱國龍先生**，55歲，廣東理文造紙行政經理，負責廣東理文造紙日常運作，擁有逾33年製造業經驗。彼於2006年6月加入本集團。

**陳江生先生**，58歲，本集團熱電站部長，負責各熱電站的建設及運行。彼持有香港大學工程理學士學位，擁有逾35年管理製造業業務的生產和工程營運經驗。彼於2001年1月加入本集團。

**謝柏剛先生**，54歲，本集團高級經理，負責本集團的全球廢紙採購業務。彼持有香港大學電機工程理學士學位，擁有逾31年管理跨國和中國內地公司經驗。彼於2005年12月加入本集團。





## ULTIMATE SUPPLIERS AND BUYING AGENTS

Besides purchasing directly from the suppliers, the Group also engages certain independent buying agents to source waste paper from their ultimate suppliers mainly supermarkets, paper packing companies and recycling plants. The Group's buying agents in the United States and Europe, namely Ralison International Inc., Mark Lyndon International BV and Mark Lyndon Paper Enterprises (UK) Limited, are ultimately owned by Mr. Albert Chiu Tung-Choi, a distant relative of the Company's ultimate controlling shareholder, Mr. Lee Wan Keung Patrick and his sons, Dr. Lee Man Chun Raymond and Mr. Lee Man Bun, both of whom are executive directors of the Company. These buying agents are not "connected persons" of the Company pursuant to the Listing Rules. They receive a commission for sourcing the raw materials of waste paper and they did not trade and are contractually obliged not to take a position on or otherwise maintain an inventory of waste paper themselves. Their primary role is to coordinate the logistics in order to have the waste paper delivered to the Group, including on-site inspections and customs clearance, and thereby reduces the regulatory risk for the Group. The total prices paid for the waste paper (including the price of waste paper paid to ultimate suppliers and commission paid to the buying agents) were made on an arm's length basis. The Group sourced 30% and 41% of its total raw materials through these buying agents for the year ended 31 December 2017 and 2016 respectively. The commission paid to these buying agents amounted to HK\$88.3 million and HK\$84.7 million for the year ended 31 December 2017 and 2016 respectively.

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

## 最終供應商及採購代理

除了向供應商直接採購之外，本集團亦委聘若干獨立採購代理，向彼等的最終供應商（主要為超級市場、紙品包裝公司及回收工場）採購廢紙。本集團位於歐美的採購代理 Ralison International Inc.、Mark Lyndon International BV 及 Mark Lyndon Paper Enterprises (UK) Limited 由本公司最終控股股東李運強先生及其兒子李文俊博士及李文斌先生（兩者均為本公司執行董事）的遠親趙棟材先生最終擁有。根據上市規則，該等採購代理並非本公司「關連人士」。彼等透過採購廢紙原材料收取佣金，且彼等並不進行交易，以及合約上毋須負責或以其他方式保持彼等自身的廢紙存貨量。彼等的首要角色為協調物流，確保廢紙運送至本集團（包括實地檢查及清關），從而減輕本集團的監管風險。已支付的總廢紙價格（包括向最終供應商支付的廢紙價格及支付予採購代理的佣金）乃按公平原則釐定。截至2017年及2016年12月31日止年度，本集團透過採購代理採購佔其原材料總額分別為30%及41%。支付予該等採購代理之佣金於截至2017年及2016年12月31日止年度分別為88.3百萬港元及84.7百萬港元。

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



The directors present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2017.

## PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries and a joint venture are set out in notes 38 and 19 respectively to the consolidated financial statements.

## RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on page 73.

An interim dividend of HK17 cents per share amounting to HK\$767,829,000 in aggregate was paid to the shareholders during the year. The directors of the Company now recommend the payment of a final dividend of HK20 cents per share for the year ended 31 December 2017 to the shareholders on the register of members on 17 May 2018, amounting to approximately HK\$900 million in aggregate, subject to the approval of the shareholders at the forthcoming annual general meeting.

## DISTRIBUTABLE RESERVES

As at 31 December 2017, the Company's reserves available for distribution to shareholders represented the aggregation of the share premium, the contributed surplus and the retained profits and net of the share repurchase reserve of HK\$2,692,988,000 (2016: HK\$4,246,508,000).

## FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 7 of the annual report.

董事謹此提呈本公司及其附屬公司(「本集團」)截至2017年12月31日止年度之年報及經審核財務報表。

## 主要業務

本公司是一間投資控股公司，各主要附屬公司及合營企業的主要業務分別載於綜合財務報表附註38及19。

## 業績及分配

本集團截至2017年12月31日止年度的業績載於第73頁的綜合損益及其他全面收益表。

年內已向股東派發中期股息每股17港仙，合共767,829,000港元。本公司董事現建議派發截至2017年12月31日止年度之末期股息每股20港仙，合共約9.00億港元，予於2018年5月17日名列股東名冊之股東。末期股息須待股東於應屆股東週年大會上批准方可作實。

## 可分派儲備

於2017年12月31日，本公司可供分派予股東之儲備為股份溢價、資本公積及留存盈利及扣除購回股份儲備合共2,692,988,000港元(2016年：4,246,508,000港元)。

## 五年財務概要

本集團最近五個財政年度／期間之業績及資產及負債概要載於年報第7頁。



## PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired property, plant and equipment at a cost of approximately HK\$3,483 million (2016: HK\$3,972 million) for the purpose of expanding its business. An amount of HK\$179,300,000 (2016: HK\$375,665,000) was transferred from property, plant and equipment to investment properties for generating rental income. Details of the movements in the property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

## BUSINESS REVIEW AND PERFORMANCE

A review of the business of the Company and a discussion and analysis of the Group's performance during the year and the material factors underlying its results and financial position are provided in the Chairman's Statement and Management Discussion and Analysis, respectively, set out on pages 8 and 9 and pages 10 to 13 of this Annual Report. The outlook of the Company's business is discussed throughout this Annual Report.

## PRINCIPAL RISKS AND UNCERTAINTIES

The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Companies Ordinance (Chapter 622 of the laws of Hong Kong) and are in addition to the matters referred to in the Chairman's Statement and Management Discussion and Analysis.

### 1. Economic climate and individual market performance

The impact of economic conditions of China would affect sales and results of the Group. The Group continues to implement its strategies to develop and strengthen penetration of the relevant markets. The management of the Group will continue to make efforts to strictly control costs and manage the usage of capital fund in order to maintain the Group's competitiveness in the paper industry.

## 物業、廠房及設備

年內，本集團購置物業、廠房及設備之成本約34.83億港元(2016年：39.72億港元)，以擴展業務。為數179,300,000港元(2016年：375,665,000港元)金額由物業、廠房及設備轉撥往產生租金收入之投資物業。本集團物業、廠房及設備於年內的變動詳情載於綜合財務報表附註15。

## 業務回顧及表現

於本年度內，本公司業務回顧及本集團表現之討論及分析以及與業績及財務狀況相關之重大因素分別載列於本年報第8頁至第9頁之主席報告及第10頁至第13頁之管理層討論及分析中。本公司的業務展望於本年報不同部分討論。

## 主要風險及不明朗因素

除主席報告及管理層討論及分析提述事宜以外，本公司根據公司條例(香港法例第622章)須予披露所面對的主要風險及不明朗因素如下。

### 1. 經濟氣候及個別市場表現

中國經濟情況的影響會影響本集團的銷售和業績。本集團繼續實施策略，以發展和加強不同地區的市場滲透，本集團管理層將繼續致力嚴控成本及加強資本運用以保持本集團在造紙業的競爭力。



## PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

### 2. Loss of key individuals or the inability to attract and retain talent

Lack of appropriately skilled and experienced resource could result in a delay in achieving the Group's strategic goals. The risk of the loss of key personnel is mitigated by regular reviews of recruitment and retention practices, remuneration packages and succession planning within the management team.

### 3. Customers' credit risk

The maximum exposure to credit risk by the Group which will cause a financial loss due to failure to discharge an obligation by the counterparties is arising from the carrying amounts of the recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group only extends credit to customers based on careful evaluation of the customers' financial conditions and credit history. Credit sales of products are made to customers with an appropriate credit history. In addition, the Group reviews the recoverable amount of debt at the end of the reporting period to ensure that adequate impairment losses are recognised for irrecoverable amounts.

Details of the customers' credit risk are set out in note 31(ii) to the consolidated financial statements.

### 4. Liquidity risk

In management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with the relevant loan covenants.

Details of the liquidity risk are set out in note 31(ii) to the consolidated financial statements.

## 主要風險及不明朗因素(續)

### 2. 關鍵人物流失或無法吸引及挽留人才

缺乏適當技術和富經驗的資源，可能會阻延本集團實現策略目標。經常檢討招聘和挽留人才的做法、薪酬待遇和管理團隊內的繼任計劃降低了關鍵人員流失的風險。

### 3. 客戶的信貸風險

本集團因交易方未能履行責任而導致財務損失所承受之最高信貸風險來自綜合財務狀況表所載列已確認金融資產之賬面值。

為減低信貸風險，本集團管理層已指派一組人員負責釐定信貸限額、信貸審批及其他監控程序，以確保採取跟進行動收回逾期末付債項。本集團僅會在審慎評估客戶之財政狀況及信貸紀錄後增加客戶之信貸額。產品信貸銷售會提供予具有良好信貸紀錄之客戶。此外，本集團會於報告期末檢討債項之可收回數額，以確保就不可收回數額作出足夠之減值虧損。

客戶的信貸風險詳情載列於綜合財務報表附註31(ii)。

### 4. 流動資金風險

管理流動資金風險時，本集團會監察及保持管理層視為足夠水平之現金及現金等價物，以撥付本集團營運所需及減低現金流量波動之影響。管理層會監察銀行借貸之使用情況，確保遵守相關貸款契諾。

流動資金風險詳情載列於綜合財務報表附註31(ii)。



## PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

### 5. Currency risk

The Group has foreign currency transactions and foreign currency borrowings, which expose the Group to foreign currency risk. The Group manages and monitors foreign exchange exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group has entered into certain foreign currency forward contracts to mitigate the risks as deemed appropriate.

Details of the currency risk are set out in note 31(ii)(a) to the consolidated financial statements.

### 6. Interest rate risk

The Group is mainly exposed to cash flow interest rate risk in relation to floating-rate bank balances and bank borrowings and fair value interest rate risk in relation to fixed-rate bank borrowings. The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Details of the interest rate risk are set out in note 31(ii)(b) to the consolidated financial statements.

## GROUP'S ENVIRONMENTAL POLICIES AND PERFORMANCE

Other than financial performance, the Group believes that a high standard of corporate social responsibility is essential for building up a good corporate and social relationship and motivating staff and creating a sustainable return to the Group. We are committed to contributing to the sustainability of the environment and community in which we conduct business and where our stakeholders live.

Particulars of the Company's environmental policies and performance are set out in the Environmental, Social and Governance Report on pages 26 to 46 of this Annual Report.

## 主要風險及不明朗因素 (續)

### 5. 貨幣風險

本集團因有外幣交易及外幣借貸，以致本集團承受外幣折算風險。本集團管理及監察外匯風險，以確保及時及有效地採取適當措施。本集團已適當訂立多項外幣遠期合約以降低有關風險。

貨幣風險詳情載列於綜合財務報表附註31(ii)(a)。

### 6. 利率風險

本集團之現金流量利率風險主要是浮息銀行結餘及銀行借貸以及定息銀行借貸之公允值利率風險。管理層監控利率風險，並將在有需要時考慮對沖重大利率波動。

利率風險詳情載列於綜合財務報表附註31(ii)(b)。

## 本集團的環境政策及表現

除財務表現外，本集團相信高標準之企業社會責任對建立良好企業及社會關係及激勵員工及為本集團創造可持續之回報均至為重要。本公司致力於為本公司業務經營及本公司權益人所在地區的環境及社群之可持續發展作出貢獻。

本公司之環保政策及表現詳情載列於本年報第26頁至第46頁之環境、社會及管治報告。



## STAKEHOLDERS' ENGAGEMENT

We obtain and understand the views of our stakeholders regularly. This communication provides valuable feedback for our business and assists us to understand stakeholders' needs and assess the best way to leverage our resources and expertise to contribute to future business and community development.

Across the supply chain, we have taken steps through the year to ensure that we operate responsibly and in the interests of our customers, workforce, suppliers and other stakeholders.

An account of the Company's relationships with employees is included in the Management Discussion and Analysis from pages 10 to 13.

## SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 29 to the consolidated financial statements.

During the year, the Company repurchased certain of its own ordinary shares through The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), details of which are set out in note 29 to the consolidated financial statements. The directors considered that the repurchases would increase the earnings per share of the Company. None of the Company's subsidiaries repurchased, sold or redeemed any of the Company's shares during the year.

## 權益人參與

我們定期取得及了解權益人的意見。這種溝通為我們的業務提供了寶貴的反饋意見，並協助我們了解權益人的需求並評估充分利用我們的資源和專業知識的最佳方法，有助未來的業務和社區發展。

在整個供應鏈中，我們年內已採取措施確保我們以負責任的態度經營業務，並符合我們的客戶、員工、供應商和其他權益人的利益。

本公司與僱員的關係記述載於第10頁至第13頁之管理層討論及分析。

## 股本

年內本公司股本的變動詳情載於綜合財務報表附註29。

年內，本公司於香港聯合交易所有限公司（「聯交所」）購回若干本公司普通股份，詳情載於綜合財務報表附註29。董事認為，購回股份可提高本公司每股盈利。年內概無本公司附屬公司購回、出售或贖回本公司任何股份。





## DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company during the year and up to the date of this report were:

### Executive directors

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

### Non-executive director

Professor Poon Chung Kwong, *GBS JP*

### Independent non-executive directors

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

In accordance with the Company's Articles of Association, Mr. Li King Wai Ross and Mr. Wong Kai Tung Tony retire and, being eligible, offer themselves for re-election.

Each of Dr. Lee Man Chun Raymond, Mr. Lee Man Bun and Mr. Li King Wai Ross has entered into a service agreement with the Company for an initial period of three years commencing 1 April 2017, which will continue thereafter unless and until terminated by either party by three months' prior written notice.

The term of office of the non-executive director and each of the independent non-executive directors is the period up to his retirement as required by the Company's Articles of Association.

## 董事及董事的服務合約

年內及截至本報告刊發日期，本公司的董事如下：

### 執行董事

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

### 非執行董事

潘宗光教授 金紫荊星章 太平紳士

### 獨立非執行董事

王啟東先生  
Peter A. Davies先生  
周承炎先生

根據本公司組織章程細則，李經緯先生及王啟東先生將退任，惟彼等符合資格並願意膺選連任。

李文俊博士、李文斌先生及李經緯先生各自與本公司訂立服務合約，年期由2017年4月1日起計，初步為期三年，此後一直存續，直至任何一方向另一方發出三個月事前書面通知予以終止為止。

非執行董事及各位獨立非執行董事的任期，直至其須根據本公司組織章程細則的規定退任為止。



## PERMITTED INDEMNITY PROVISION

During the year, a permitted indemnity provision that meets the requirements specified in section 469(2) of the Companies Ordinance for the benefit of the directors of the Company is in force.

## CONTINUING DISCLOSURE REQUIREMENTS UNDER RULE 13.21 OF THE LISTING RULES

In accordance with the disclosure requirements of Rule 13.21 of the Rule Governing the Listing Securities on the Stock Exchange ("Listing Rules"), the following disclosure is included in respect of the Company's loan agreements, which contains covenants requiring performance obligations of the controlling shareholders of the Company as at the date of this Annual Report.

The Group has certain loan facility agreements where it would constitute an event of default if any one or all of Mr. Lee Wan Keung Patrick, Dr. Lee Man Chun Raymond and Mr. Lee Man Bun (together the "Controlling Shareholders"), the Controlling Shareholders of the Company, ceases to legally and beneficially own, directly or indirectly, in aggregate at least 51% of the entire issued share capital of and equity interest in the Company or do not, or cease to, exercise management control over the Company. Upon the occurrence of any of the above events, the outstanding liability under the loan facilities will become immediately due and payable.

## 獲准許彌償條文

年內，基於本公司董事利益並符合公司條例第469(2)部指定要求的獲准許彌償條文已生效。

## 根據上市規則第13.21條規定作出持續披露

根據上市規則第13.21條披露規定，下文披露就本公司於本年報日期包含本公司控股股東須履行指定責任的契諾條款之貸款協議而作出。

本集團有若干貸款融資協議，當中倘本公司控股股東，即李運強先生、李文俊博士及李文斌先生(統稱為「控股股東」)當中任何一人或全部人終止直接或間接法定實益擁有本公司全部已發行股本或股本權益合共最少51%，或未能，或終止對本公司行使控制權，將構成違約。當發生上述任何事件，貸款融資項下未償還負債將即時到期及應付。



## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN EQUITY OR DEBT SECURITIES

As at 31 December 2017, the interests of the directors and the chief executives and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, the Stock Exchange were as follows:

### Long positions

Ordinary shares of HK\$0.025 each of the Company

Name of director 董事姓名	Capacity 身份	Percentage of the issued share capital of the Company	
		Number of ordinary shares 普通股數目	佔本公司已發行 股本百分比
Dr. Lee Man Chun Raymond 李文俊博士	Beneficial owner 實益擁有人	283,426,000	6.29%
Mr. Lee Man Bun 李文斌先生	Beneficial owner 實益擁有人	309,130,000	6.86%
Mr. Li King Wai Ross 李經緯先生	Held by spouse 由配偶持有	4,564,865	0.10%
Professor Poon Chung Kwong 潘宗光教授	Beneficial owner 實益擁有人	100,000	0.002%

Save as disclosed above, none of the directors or chief executives or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31 December 2017.

## 董事及主要行政人員於股本或債務證券中擁有的權益及淡倉

於2017年12月31日，董事及主要行政人員及彼等之聯繫人士在本公司及其相聯法團的股份、相關股份及債券中，擁有本公司根據證券及期貨條例（「證券及期貨條例」）第352條存置之登記冊所記錄之權益，或已知會本公司及根據上市發行人董事進行證券交易的標準守則已知會聯交所的權益如下：

### 好倉

本公司每股0.025港元之普通股

除上文所披露者外，於2017年12月31日，各董事、主要行政人員或彼等的聯繫人士概無在本公司或其任何相聯法團的股份、相關股份或債券中，擁有任何權益或淡倉。



## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debts securities (including debentures) of, the Company or any other body corporate.

## SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, at 31 December 2017, other than directors and chief executives, the following shareholders had notified the Company of the relevant interests in the issued share capital of the Company.

### Long positions

Ordinary shares of HK\$0.025 each of the Company

Name of shareholder 股東姓名	Capacity 身份	Number of issued ordinary shares held 持有已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Gold Best Holdings Ltd.	Beneficial owner 實益擁有人	2,536,710,000	56.30%
Mr. Lee Wan Keung Patrick 李運強先生	Held by controlled corporation (note i) 由受控制法團持有(附註i)	2,536,710,000	56.30%
Ms. Lee Wong Wai Kuen 李黃惠娟女士	Held by spouse (note ii) 由配偶持有(附註ii)	2,536,710,000	56.30%

notes:

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

## 購買股份或債券之安排

本公司、其控股公司、或其任何附屬公司或同系附屬公司於年內任何時間概無參與訂立任何安排，致使本公司董事可藉購入本公司或任何其他法人團體之股份或債券(包括債權證)而獲益。

## 主要股東

根據本公司按證券及期貨條例第336條須存置之主要股東登記冊所記錄，於2017年12月31日，下列股東(董事及主要行政人員除外)已知會本公司彼等於本公司已發行股本中擁有之相關權益。

### 好倉

本公司每股0.025港元之普通股

附註：

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

Other than as disclosed above, the Company had not been notified of any other relevant interests or short positions in the shares or underlying shares of the Company as at 31 December 2017.

除上述披露者外，本公司概無獲知會於2017年12月31日本公司股份或相關股份之任何其他相關權益或淡倉。



## CORPORATE GOVERNANCE

Particulars of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 14 to 25 of this Annual Report.

## APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

## CONNECTED TRANSACTIONS

Pursuant to Rule 14A.38 of the Listing Rules, the board of directors engaged the auditor of the Company to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing their findings and conclusions in respect of the continuing connected transactions in accordance with Listing Rules. The independent non-executive directors have reviewed the continuing connected transactions and the unqualified letter from the auditor and have confirmed that the continuing connected transactions have been entered into by the Group in the ordinary and usual course of its business, on normal commercial terms, or on terms no less favourable than terms available to or from independent third parties, in accordance with the terms of the agreement governing such transactions that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and within the relevant cap amounts as agreed by the Stock Exchange.

## 企業管治

本公司企業管治詳情載於本年報第14頁至第25頁之企業管治報告。

## 委任獨立非執行董事

根據上市規則第3.13條之指引，每位獨立非執行董事已向本公司確認其年度之獨立性，本公司認為所有獨立非執行董事確屬獨立人士。

## 關連交易

根據上市規則第14A.38條，董事會委聘本公司核數師，按照香港會計師公會頒布的香港鑒證業務準則第3000號下之「非審核或審閱過往財務資料之鑒證工作」規定，並參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」就本集團的持續關連交易作出報告。根據上市規則，核數師已對本集團的持續關連交易所作的審查結果及結論，發出載有其無保留意見的函件。獨立非執行董事已審閱持續關連交易及核數師無保留意見的函件，並已確認本集團所進行持續關連交易乃其日常及一般業務中按正常商業條款進行，或按照不遜於向或自獨立第三方給予之條款進行，且遵照管轄該等交易之協議條款，乃屬公平合理及符合本公司股東整體利益，及不超逾與聯交所協定的相關上限金額。



## CONNECTED TRANSACTIONS (CONTINUED)

Details of the discloseable connected transactions for the year are set out in note 37 to the consolidated financial statements.

Save as disclosed above, there were no other transactions which are required to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

## DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Other than as disclosed under the heading "Connected Transactions", no transactions, arrangements and contracts of significance, to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate purchases attributable to the Group's five largest suppliers comprised of 31.5% of the Group's total purchases and the aggregate sales attributable to the Group's five largest customers were less than 30% of the Group's total sales. In 2017, our largest supplier accounted for 11.1% of the Group's purchase of raw materials (2016: 9.6%).

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

## SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained a sufficient public float throughout the year ended 31 December 2017.

## 關連交易 (續)

本年度的須予披露之關連交易詳情載於綜合財務報表附註37。

除上文所披露者外，並無任何其他交易須按上市規則的規定須予披露為關連交易。

## 董事於交易、安排及重大合約中之權益

除「關連交易」一節所披露者外，本公司、其控股公司、附屬公司或同系附屬公司概無訂立於年結日或年內任何時間仍然生效，且本公司董事直接或間接在其中擁有重大利益的交易、安排及重大合約。

## 主要客戶及供應商

年內，本集團五大供應商之累計購貨少於集團總購貨之31.5%及本集團五大客戶之累計銷售少於集團總銷售之30%。於2017年，最大供應商佔本集團採購原料之11.1% (2016年：9.6%)。

概無董事、彼等的聯繫人士或任何(就董事所知)擁有本公司已發行股本5%以上之股東於本集團五大供應商的股本中擁有任何權益。

## 足夠之公眾持股量

按本公司可以得悉之公開資料所示及就董事所知悉，本公司於截至2017年12月31日止整個年度內皆保持足夠公眾持股量。





## PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's Article of Associations, or the laws of Cayman Islands, which oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

## EMOLUMENT POLICY

The Group remunerates its employees based on their performance, experience and prevailing market rate. Other employee benefits including insurance, medical cover and share options are also provided.

The determination of emoluments of the Company's directors has taken into consideration their expertise and job specifications.

## DONATIONS

During the year, the Group made charitable and other donations of HK\$4,109,000.

## AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

**Lee Man Chun Raymond**

CHAIRMAN

Hong Kong

28 February 2018

## 優先購股權

本公司之組織章程細則或開曼群島法例均無有關優先購股權之條文，規定本公司須按持股比例向現有股東發售新股份。

## 薪酬政策

本集團根據員工表現、經驗及市場價格釐定其薪酬。另提供其他員工福利包括保險、醫療保障及購股權。

本公司董事之薪酬釐定已考慮其專業及工作範圍。

## 捐款

年內，本公司作出的慈善及其他捐款合共4,109,000港元。

## 核數師

有關續聘德勤•關黃陳方會計師行為本公司核數師之決議案將於股東週年大會上提呈。

代表董事會

**李文俊**

主席

香港

2018年2月28日





**TO THE MEMBERS OF  
LEE & MAN PAPER MANUFACTURING LIMITED**

*(incorporated in the Cayman Islands with limited liability)*

## OPINION

We have audited the consolidated financial statements of Lee and Man Paper Manufacturing Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 73 to 180, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**致理文造紙有限公司股東**

*(於開曼群島註冊成立的有限公司)*

## 意見

本核數師行已審核列載於第73至第180頁內之理文造紙有限公司(「貴公司」)及其附屬公司(以下合稱為「貴集團」)之綜合財務報表，此綜合財務報表包括於2017年12月31日之綜合財務狀況表，截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

本行認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒布之香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於2017年12月31日的綜合財務狀況及 貴集團於截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥善編製。

## 意見的基礎

本行已根據香港會計師公會頒布的香港審計準則(「香港審計準則」)進行審計。本行在該等準則下承擔的責任在本報告核數師就審計綜合財務報表承擔的責任部分中作進一步闡述。根據香港會計師公會頒布的專業會計師道德守則(「守則」)，本行獨立於 貴集團，並已履行守則中的其他專業道德責任。本行相信，本行所獲得的審計憑證能充足及適當地為本行的審計意見提供基礎。



## KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

### Key audit matter

#### 關鍵審計事項

#### *Impairment loss on trade receivables*

#### 應收貿易賬款之減值虧損

We identified the impairment loss on trade receivables as a key audit matter due to its significance to the consolidated financial statements and the significant degree of management judgement involved in recognising impairment loss on trade receivables.

本行識別應收貿易賬款減值虧損為關鍵審計事項因其於綜合財務報表之重要性及管理層參與判斷應收貿易賬款減值虧損的顯著程度。

The carrying amount of trade receivables amounted to approximately HK\$3,113 million, net of impairment loss amounting to approximately HK\$17 million recognised as at 31 December 2017. Referring to note 4 to the consolidated financial statements, management estimates impairment loss on trade receivables based on management's assessment of the ultimate realisation of these receivables by considering the ageing of the trade receivables balances, the repayment history, the financial conditions and current creditworthiness of each customer.

於2017年12月31日，應收貿易賬款經扣除已確認減值虧損合共約1,700萬港元後，賬面值合共約31.13億港元。參考綜合財務報表附註4所述，管理層估計應收貿易賬款之減值虧損基於管理層經考慮每一客戶的應收貿易賬款結餘之賬齡、還款往績、財務情況及現行信譽狀況去評估此等應收賬款之最終可收回性。

## 關鍵審計事項

關鍵審計事項是指根據本行的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在本行審計整體綜合財務報表及出具意見時進行處理的。本行不會對這些事項提供單獨的意見。

### How our audit addressed the key audit matter

#### 本行如何處理關鍵審計事項

Our procedures in relation to assessing the sufficiency of the impairment loss on trade receivables estimated by management included:

本行就評估管理層估計應收貿易賬款減值虧損是否足夠的步驟包括：

- Understanding how the impairment loss of trade receivables has been estimated by the management and the approval procedures for recognising the impairment loss on trade receivables;
- 理解管理層如何估計應收貿易賬款減值虧損及確認應收貿易賬款減值虧損之審批程序；
- Testing the accuracy of the aged analysis of trade receivables and tracing the subsequent settlements to source documents, on a sample basis;
- 測試應收貿易賬款賬齡的準確性及以抽查文件追蹤隨後清付情況；



## KEY AUDIT MATTER (CONTINUED)

## 關鍵審計事項(續)

### Key audit matter

#### 關鍵審計事項

### How our audit addressed the key audit matter

#### 本行如何處理關鍵審計事項

#### *Impairment loss on trade receivables*

#### 應收貿易賬款之減值虧損

- For the trade receivables without subsequent settlement, assessing the reasonableness of management's assessment on the impairment loss of trade receivables with reference to the ageing of the trade receivable balances, the repayment history, the financial conditions and current creditworthiness of each customer; and
- 就隨後尚未清付之應收貿易賬款，評估管理層參考每一客戶之應收貿易賬款結餘賬齡、還款往績、財務情況及現行信譽狀況對應收貿易賬款減值虧損作出的評估的合理性；及
- Evaluating the historical accuracy of the management estimates on the impairment loss on trade receivables made in prior years by comparing the historical impairment loss recognised to the actual settlement and actual loss incurred, and tracing the actual settlement to the source documents, on a sample basis.
- 通過比較過往已確認減值虧損，相對涉及之實際清付及實際虧損，及抽查文件追蹤實際清付情況，去評估管理層於過往年度估計及作出應收貿易賬款減值虧損的往績之準確性。



## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## 其他資料

貴公司董事須對其他資料負責。其他資料包括刊載於年報內的全部資料，但不包括綜合財務報表及本行的核數師報告。

本行對綜合財務報表的意見並不涵蓋其他資料，本行亦不對該等其他資料發表任何形式的鑒證結論。

結合本行對綜合財務報表的審計，本行的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或本行在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於本行已執行的工作，如果本行認為其他資料存在重大錯誤陳述，本行需要報告該事實。在這方面，本行沒有任何報告。

## 董事及負責管治人員就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的香港財務報告準則及香港公司條例披露規定編製真實而公平的綜合財務報表，以及董事釐為必須的內部監控，以使編製的綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

負責管治人員須履行監督貴集團的財務報告過程的責任。



## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

## 核數師就審計綜合財務報表承擔的責任

本行的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括本行意見的核數師報告，根據協定的聘用條款僅向整體股東報告而非用作其他用途。本行概不就本報告的內容，對任何其他人士承擔任何責任及債務。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審計的過程中，本行運用了專業判斷並保持了專業懷疑態度。本行亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。





## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
  - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
  - 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果本行認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。倘有關披露不足，則本行應當發表非無保留意見。本行的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
  - 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否公平反映交易和事項。
  - 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。本行負責貴集團審計的方向、監督和執行。本行為審計意見承擔全部責任。

## 核數師就審計綜合財務報表承擔 的責任(續)



## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine that matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Ip Chiu Yin.

**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong

28 February 2018

## 核數師就審計綜合財務報表承擔的責任(續)

本行與 貴公司負責管治人員溝通，當中包括計劃的審計範圍、時間安排、重大審計發現等，包括本行在審計中識別出內部控制的任何重大缺陷。

本行還向 貴公司負責管治人員提交聲明，說明本行已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響本行獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與 貴公司負責管治人員溝通的事項中，本行確定哪事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。本行在核數師報告中描述此事項，除非法律法規不允許公開披露此事項，或在極端罕見的情況下，如果合理預期在本行報告中溝通某事項造成的負面後果超過產生的公眾利益，本行決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是葉超然。

**德勤•關黃陳方會計師行**  
執業會計師  
香港

2018年2月28日



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 綜合損益及其他全面收益表

For the year ended 31 December 2017 截至2017年12月31日止年度

		NOTES 附註	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Revenue	收入	5	25,836,884	18,341,677
Cost of sales	銷售成本		(18,324,030)	(14,261,143)
Gross profit	毛利		7,512,854	4,080,534
Other income	其他收入	6	791,671	545,701
Other gains and losses	其他收益及虧損	7	(69,421)	22,250
Distribution and selling expenses	分銷及銷售費用		(435,004)	(251,943)
General and administrative expenses	日常及行政費用		(1,291,614)	(875,307)
Finance costs	財務成本	8	(185,311)	(167,218)
Profit before tax	除稅前盈利		6,323,175	3,354,017
Income tax expense	利得稅支出	9	(1,282,883)	(491,274)
<b>Profit for the year</b>	<b>年度盈利</b>	10	<b>5,040,292</b>	<b>2,862,743</b>
<b>Other comprehensive income (expense) 其他全面收益(支出)</b>				
<i>Item that may be reclassified subsequently to profit or loss:</i> 其後可能重新分類至損益之項目				
Exchange differences arising on translation of foreign operations	換算境外業務產生之匯兌差額		1,551,737	(2,142,492)
<b>Total comprehensive income for the year</b>	<b>年度總全面收益</b>		<b>6,592,029</b>	<b>720,251</b>
			HK cents 港仙	HK cents 港仙
Earnings per share	每股盈利	14	111.47	62.64



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 December 2017 於2017年12月31日

		NOTES	2017	2016
		附註	HK\$'000	HK\$'000
			千港元	千港元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	15	27,458,855	24,312,225
Prepaid lease payments	預付租賃款項	16	936,881	877,980
Investment properties	投資物業	17	581,602	371,409
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	18	152,178	149,685
Interest in a joint venture	合營企業權益	19	–	–
Loan to a joint venture	合營企業貸款	19	97,453	95,953
			<b>29,226,969</b>	<b>25,807,252</b>
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	20	4,954,319	2,914,432
Prepaid lease payments	預付租賃款項	16	21,310	21,111
Loan to a joint venture	合營企業貸款	19	36,890	–
Trade and other receivables	應收貿易及其他賬款	21	6,775,828	4,959,863
Amounts due from related companies	應收關連公司款項	22	21,709	17,442
Derivative financial instruments	衍生金融工具	23	4,127	231
Margin deposits	保證金存款	24	–	1,450
Bank balances and cash	銀行結餘及現金	24	2,248,641	1,274,197
			<b>14,062,824</b>	<b>9,188,726</b>
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and other payables	應付貿易及其他賬款	25	4,672,298	3,549,231
Amounts due to related companies	應付關連公司款項	22	14,742	–
Derivative financial instruments	衍生金融工具	23	–	11,267
Tax payable	應付稅項		326,923	158,938
Bank borrowings	銀行借貸	26	6,025,745	4,240,105
			<b>11,039,708</b>	<b>7,959,541</b>
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>3,023,116</b>	<b>1,229,185</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總值減流動負債</b>		<b>32,250,085</b>	<b>27,036,437</b>



CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)  
綜合財務狀況表(續)

At 31 December 2017 於2017年12月31日

		NOTES 附註	2017 HK\$'000 千港元	2016 HK\$'000 千港元
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Bank borrowings	銀行借貸	26	9,051,959	9,306,737
Deferred tax liabilities	遞延稅項負債	27	1,282,008	906,735
			10,333,967	10,213,472
			21,916,118	16,822,965
<b>CAPITAL AND RESERVES</b>	<b>股本及儲備</b>			
Share capital	股本	29	112,635	113,642
Reserves	儲備		21,803,483	16,709,323
			21,916,118	16,822,965

The consolidated financial statements on pages 73 to 180 were approved and authorised for issue by the Board of Directors on 28 February 2018 and are signed on its behalf by:

第73至第180頁所載的綜合財務報表已於2018年2月28日經董事會批准及授權刊發，並由下列董事代表簽署：

**LEE MAN CHUN RAYMOND 李文俊**  
CHAIRMAN 主席

**LEE MAN BUN 李文斌**  
DIRECTOR 董事



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2017 截至2017年12月31日止年度

		Share capital	Share premium	Translation reserve	Capital contribution	Legal reserve	Special reserve	Other reserve	Share repurchase reserve	Retained profits	Total equity
		股本	股份溢價	匯兌儲備	資金貢獻	法定公積金	特別儲備	其他儲備	購回儲備	留存盈利	權益總額
		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
					(note i) (附註i)	(note ii) (附註ii)	(note iii) (附註iii)	(note iv) (附註iv)			
At 1 January 2016	於2016年1月1日	114,475	3,565,525	1,212,253	12,552	97	(2,999)	(12,060)	-	12,346,344	17,236,187
Profit for the year	年度盈利	-	-	-	-	-	-	-	-	2,862,743	2,862,743
Exchange differences arising on translation of foreign operations	換算境外業務產生之匯兌差額	-	-	(2,142,492)	-	-	-	-	-	-	(2,142,492)
Total comprehensive (expense) income for the year	年內總全面(支出)收益	-	-	(2,142,492)	-	-	-	-	-	2,862,743	720,251
Shares repurchased and cancelled	股份購回及註銷	(833)	(156,342)	-	-	-	-	-	-	-	(157,175)
Shares repurchased and yet to be cancelled (note v)	股份購回但尚未註銷(附註v)	-	-	-	-	-	-	-	(42,122)	-	(42,122)
Dividends recognised as distributions (note 13)	確認為分派之股息(附註13)	-	-	-	-	-	-	-	-	(934,176)	(934,176)
At 31 December 2016	於2016年12月31日	113,642	3,409,183	(930,239)	12,552	97	(2,999)	(12,060)	(42,122)	14,274,911	16,822,965
Profit for the year	年度盈利	-	-	-	-	-	-	-	-	5,040,292	5,040,292
Exchange differences arising on translation of foreign operations	換算境外業務產生之匯兌差額	-	-	1,551,737	-	-	-	-	-	-	1,551,737
Total comprehensive income for the year	年內總全面收益	-	-	1,551,737	-	-	-	-	-	5,040,292	6,592,029
Shares repurchased and cancelled	股份購回及註銷	(1,007)	(275,332)	-	-	-	-	-	42,122	-	(234,217)
Dividends recognised as distributions (note 13)	確認為分派之股息(附註13)	-	(1,264,659)	-	-	-	-	-	-	-	(1,264,659)
At 31 December 2017	於2017年12月31日	112,635	1,869,192	621,498	12,552	97	(2,999)	(12,060)	-	19,315,203	21,916,118





## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) 綜合權益變動表(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

### notes:

- (i) The capital contribution arose from the disposal of subsidiaries in prior years to a wholly owned subsidiary of the Group's ultimate holding company.
- (ii) In accordance with the provisions of the Macao Commercial Code, the Company's subsidiaries in Macau are required to transfer a minimum of 25% of the annual net profit to a legal reserve, whenever dividend is declared by the subsidiaries, until the reserve reaches half of the capital of the subsidiaries. The reserve is not distributable to the shareholders.
- (iii) The special reserve represents the difference between the nominal value of the aggregate share capital of the subsidiaries acquired by the Group pursuant to the corporate reorganisation in September 2003, and the nominal value of the Company's shares issued for the acquisition.
- (iv) The other reserve arose from the acquisition of equity interests in subsidiaries from their non-controlling shareholders in prior years.
- (v) During the period from 23 December 2016 to 30 December 2016, 7,060,000 ordinary shares of the Company were repurchased at an aggregate cost of HK\$42,122,000. Subsequently, the repurchased shares were cancelled on 24 January 2017, and accordingly, the Company's share capital and share premium were reduced by HK\$177,000 and HK\$41,945,000 respectively.

### 附註：

- (i) 資金貢獻乃較早期間向本集團最終控股公司一家全資附屬公司出售附屬公司所得。
- (ii) 根據澳門商法典的條文，本公司位於澳門的附屬公司於分配盈利作股息分派時，應轉撥不少於年度純利25%的金額作為法定公積金，直至公積金達附屬公司股本的一半為止，該等公積金不得分派予股東。
- (iii) 特別儲備指根據本集團於2003年9月為重組收購所得的附屬公司的股本面值總額與本公司就收購事項而發行的股份面值的差額。
- (iv) 其他儲備由過往年度向附屬公司之非控股股東收購其於附屬公司股權股產生。
- (v) 於2016年12月23日至2016年12月30日期間購回本公司普通股7,060,000股，合共成本42,122,000港元。購回股份隨後於2017年1月24日被註銷，據此，本公司股本及股份溢價分別減少177,000港元及41,945,000港元。



# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2017 截至2017年12月31日止年度

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
<b>OPERATING ACTIVITIES</b>	<b>經營業務</b>		
Profit before tax	除稅前盈利	6,323,175	3,354,017
Adjustments for:	經調整：		
Finance costs	財務成本	185,311	167,218
Depreciation and amortisation	折舊及攤銷	125,464	78,954
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損	7,082	48,775
Interest income	利息收入	(11,957)	(18,005)
Net gain from fair value changes of derivative financial instruments	衍生金融工具公允價值 變動淨收益	(9,960)	(7,412)
Impairment losses (reversed) recognised on trade receivables	應收貿易賬款減值虧損 (回撥) 確認	(3,160)	24,884
Write-off of trade receivables	應收貿易賬款撇銷	-	9,502
Operating cash flows before movements in working capital	營運資金變動前的 經營現金流量	6,615,955	3,657,933
(Increase) decrease in inventories	存貨(增加)減少	(844,362)	787,642
Increase in trade and other receivables	應收貿易及其他賬款增加	(1,503,680)	(529,094)
Increase in amounts due from related companies	應收關連公司款項增加	(5,053)	(1,851)
Increase in trade and other payables	應付貿易及其他賬款增加	807,039	612,694
Increase in amounts due to related companies	應付關連公司款項增加	15,528	436
Proceeds from and settlement of derivative financial instruments	結算衍生金融工具所得 款項	(5,203)	5,156
Cash generated from operations	經營業務產生的現金	5,080,224	4,532,916
The PRC Enterprise Income Tax ("EIT") paid	已付中國企業所得稅 (「企業所得稅」)	(757,327)	(262,502)
Hong Kong Profits Tax Paid	已付香港利得稅	-	(2,530)
Interest paid	已付利息	(297,578)	(346,337)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>經營業務所得現金淨額</b>	<b>4,025,319</b>	<b>3,921,547</b>



CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
綜合現金流量表(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>		
Purchase of property, plant and equipment	購置物業、廠房及設備	(3,108,116)	(3,501,434)
Deposit paid for acquisition of property, plant and equipment and land use rights	購置物業、廠房及設備及土地使用權所付訂金	(56,594)	-
Loan to a joint venture	合營企業貸款	(37,406)	-
Addition to investment properties	新增投資物業	(21,741)	(2,995)
Purchase of prepaid lease payments	購置預付租賃款項	(5,369)	(236,405)
Placement of margin deposits	存放保證金存款	(1,488)	(68,934)
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	72,547	6,027
Interest received	已收利息	11,957	18,005
Receipt on disposal of prepaid lease payments	出售預付租賃款項所得款項	7,097	-
Withdrawal of margin deposits	提取保證金存款	2,966	77,449
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>投資活動所用現金淨額</b>	<b>(3,136,147)</b>	<b>(3,708,287)</b>
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>		
New bank borrowings raised	新籌集銀行借貸	18,257,195	18,158,216
Repayment of bank borrowings	償還銀行借貸	(16,728,969)	(18,776,749)
Dividends paid	已付股息	(1,264,659)	(934,176)
Payment on repurchase of shares	購回股份付款	(234,217)	(199,297)
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>	<b>融資活動所得(所用)現金淨額</b>	<b>29,350</b>	<b>(1,752,006)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>現金及現金等價物增加(減少)淨額</b>	<b>918,522</b>	<b>(1,538,746)</b>
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>年初之現金及現金等價物</b>	<b>1,274,197</b>	<b>2,958,656</b>
	<b>滙率變動之影響</b>	<b>55,922</b>	<b>(145,713)</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash</b>	<b>年終之現金及現金等價物</b> 銀行結餘及現金	<b>2,248,641</b>	<b>1,274,197</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

### 1. GENERAL

The Company is a public limited company incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law (2013 Revision) of the Cayman Islands on 21 May 2003 and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its parent and ultimate holding company is Gold Best Holdings Ltd. (“Gold Best”), a private company incorporated in the British Virgin Islands. The ultimate controlling shareholder of Gold Best is Mr. Lee Wan Keung, Patrick. The address of the registered office and the principal place of business of the Company is disclosed in the Corporate Information section of the annual report.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries and joint venture are set out in notes 38 and 19, respectively.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

### 1. 一般資料

本公司是上市有限公司，於2003年5月21日根據開曼群島公司法(2013年修訂版)於開曼群島成立及登記為獲豁免有限公司，股份並於香港聯合交易所有限公司(「聯交所」)上市。母公司及最終控股公司是Gold Best Holdings Ltd.(「Gold Best」)，為一間於英屬處女群島註冊成立的私人公司。Gold Best之最終控股股東為李運強先生。本公司註冊辦事處及總辦事處之地址於本年報公司資料內披露。

本公司是一間投資控股公司，各主要附屬公司及合營企業的主要業務分別載於財務報表附註38及19。

綜合財務報表以港元(「港元」)列示，為本公司之功能貨幣。



## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

### Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度強制生效的經修訂香港財務報告準則

本集團於本年度首次應用以下由香港會計師公會(「香港會計師公會」)頒布之經修訂香港財務報告準則：

香港會計準則 第7號(修訂本)	披露主動性
香港會計準則 第12號(修訂本)	就未變現虧損確認 遞延稅項資產
香港財務報告 準則第12號 (修訂本)	作為2014年至 2016年週期香港 財務報告準則的 年度改進的一部分

除下文所述，本年度應用經修訂香港財務報告準則對本集團於本年度及過往年度之財務表現及狀況及／或載於綜合財務報表之披露並無重大影響。



## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

### Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

#### Amendments to HKAS 7 Disclosure Initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

A reconciliation between the opening and closing balances of these items is provided in note 34. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 34, the application of these amendments has had no impact on the Group’s consolidated financial statements.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 於本年度強制生效的經修訂香港財務報告準則(續)

#### 香港會計準則第7號(修訂本)披露主動性

本集團本年度首次應用此等修訂本。修訂本規定實體披露能讓財務報表使用者評估融資活動產生的負債之變動，包括現金及非現金之變動。此外，倘從金融資產產生現金流，或將來現金流，修訂本也規定在融資活動所得現金流量披露該等金融資產之變動。

尤其是，修訂本規定披露以下各項：(i)來自融資現金流量的變動；(ii)來自取得或失去附屬公司或其他業務的控制權的變動；(iii)外幣匯率變動的影響；(iv)公允值變動；及(v)其他變動。

此等項目期初與期末結餘之間的核對於附註34提供。與修訂本的過度性條文一致，本集團並無披露過往年度之比較資料。除於附註34之額外披露外，應用此等修訂本對本集團綜合財務報表並無影響。





## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

### New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments <sup>1</sup>
HKFRS 15	Revenue from Contracts with Customers and the related Amendments <sup>1</sup>
HKFRS 16	Leases <sup>2</sup>
HKFRS 17	Insurance Contracts <sup>4</sup>
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration <sup>1</sup>
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments <sup>2</sup>
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts <sup>1</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures <sup>2</sup>
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle <sup>1</sup>
Amendments to HKAS 40	Transfers of Investment Property <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle <sup>2</sup>

- 1 Effective for annual periods beginning on or after 1 January 2018
- 2 Effective for annual periods beginning on or after 1 January 2019
- 3 Effective for annual periods beginning on or after a date to be determined
- 4 Effective for annual periods beginning on or after 1 January 2021

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 已頒布但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒布但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具 <sup>1</sup>
香港財務報告準則第15號	來自客戶合約的收入及相關修訂 <sup>1</sup>
香港財務報告準則第16號	租賃 <sup>2</sup>
香港財務報告準則第17號	保險合約 <sup>4</sup>
香港(國際財務報告詮釋委員會)–詮釋第22號	外幣交易及預付代價 <sup>1</sup>
香港(國際財務報告詮釋委員會)–詮釋第23號	所得稅處理的不確定性 <sup>2</sup>
香港財務報告準則第2號(修訂本)	以股份為基礎付款交易之釐清及計量 <sup>1</sup>
香港財務報告準則第4號(修訂本)	採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具 <sup>1</sup>
香港財務報告準則第9號(修訂本)	具不賠償條款的預付款 <sup>2</sup>
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營或合營企業之間的資產出售或注資 <sup>3</sup>
香港會計準則第28號(修訂本)	於聯營及合營企業的長期權益 <sup>2</sup>
香港會計準則第28號(修訂本)	作為2014年至2016年週期香港財務報告準則的年度改進的一部分 <sup>1</sup>
香港會計準則第40號(修訂本)	投資物業的轉撥 <sup>1</sup>
香港財務報告準則(修訂本)	2015年至2017年週期香港財務報告準則的年度改進 <sup>2</sup>

- 1 於2018年1月1日或之後開始之年度期間生效。
- 2 於2019年1月1日或之後開始之年度期間生效。
- 3 於待定日期或之後開始之年度期間生效。
- 4 於2021年1月1日或之後開始之年度期間生效。



## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

### New and revised HKFRSs in issue but not yet effective (Continued)

Except for the new and amendments to HKFRSs and Interpretations mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs and interpretations will have no material impact on the Group’s consolidated financial statements in the foreseeable future.

#### HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 that are relevant to the Group are:

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

In general, the directors of the Company anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of HKFRS 9 by the Group.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒布但尚未生效的新訂及經修訂香港財務報告準則(續)

除下文提及之新訂及經修訂香港財務報告準則及詮釋外，本公司董事預期應用所有其他新訂及經修訂香港財務報告準則及詮釋對本集團的綜合財務報表在可見將來並無重大影響。

#### 香港財務報告準則第9號金融工具

香港財務報告準則第9號引入就金融資產、金融負債、一般對沖會計法及金融資產減值要求之分類及計量的新規定。

與本集團有關之香港財務報告準則第9號之主要規定載列如下：

- 關於金融資產減值，香港財務報告準則第9號規定按一項預期信用損失模式，而非根據香港會計準則第39號按一項已發生的信用損失模式。該預期信用損失模式規定一個實體須就其預期信用損失及該等預期信用損失之變動在每個報告日期入賬，以反映自初始確認時信貸風險之變動。換句話說，現已不再需要對之前發生的信用事件確認信用損失。

一般來說，本公司董事預期應用香港財務報告準則第9號預期信用損失模式將導致本集團以攤銷成本計量的金融資產尚未發生之信用損失提早撥備，及當本集團應用香港財務報告準則第9號時其他項目須作出減值虧損撥備。



## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

### HKFRS 9 Financial Instruments (Continued)

Based on the assessment by the directors of the Company, if the expected credit loss model were to be applied by the Group, the accumulated amount of impairment loss to be recognised by Group as at 1 January 2018 would not be significantly different as compared to the accumulated amount recognised under HKAS 39.

### HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 香港財務報告準則第9號金融工具(續)

根據本公司董事評估，倘本集團應用預期信用損失模式，本集團於2018年1月1日將確認之累計減值虧損金額，相對在香港會計準則第39號項下確認之累計減值虧損金額不會有重大差異。

### 香港財務報告準則第15號來自客戶合約的收入

香港財務報告準則第15號已頒布並制定一個單一全面模式，供實體用以確認自客戶合約產生的收入入賬。當香港財務報告準則第15號生效時，將取代現時沿用的收入確認指引包括香港會計準則第18號收入，香港會計準則第11號建築合約及相關的詮釋。

香港財務報告準則第15號的核心原則為實體所確認描述向客戶轉讓承諾貨品或服務的金額，應為能反映該實體預期就交換該等貨品或服務有權獲得的代價。具體而言，該準則引入確認收入的五個步驟：

- 第1步：識別與客戶的合約
- 第2步：識別合約內的履約責任
- 第3步：釐定交易價
- 第4步：將交易價分配至合約中的履約責任
- 第5步：當實體符合履約責任時(或就此)確認收入



## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

### HKFRS 15 Revenue from Contracts with Customers (Continued)

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 香港財務報告準則第15號來自客戶合約的收入(續)

根據香港財務報告準則第15號，實體於完成履約責任時(或就此)確認收入，即於特定履約責任相關的貨品或服務的「控制權」轉讓予客戶時。香港財務報告準則第15號已就特別情況的處理方法加入更明確的指引。此外，香港財務報告準則第15號亦要求較詳盡的披露資料。

於2016年，香港會計師公會發表香港財務報告準則第15號之澄清，內容有關履約責任的識別、主事人與代理人代價以及牌照申請指引。

本公司董事預期將來應用香港財務報告準則第15號可能導致更廣泛的披露。然而，本公司董事預期應用香港財務報告準則第15號對相關報告期間確認收入的時間及金額並無重大影響。



## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

### HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing and operating cash flows respectively by the Group.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 香港財務報告準則第16號租賃

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。當香港財務報告準則第16號生效時，將取代香港會計準則第17號租賃及相關詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。除短期租賃及低值資產租賃外，經營及融資租賃的差異自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債的模式替代。

使用權資產初步按成本計量，隨後以成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債的任何重新計量而作出調整。租賃負債初步按租賃款項(非當日支付)之現值計量。隨後，租賃負債會就(其中包括)利息及租賃款項以及租賃修訂的影響作出調整。就現金流量分類而言，本集團目前將預付租賃款項呈列為與自用租賃土地及分類為投資物業的租賃土地有關的投資現金流量，其他經營租賃款項則呈列為經營現金流量。當應用香港財務報告準則第16號，有關租賃負債的租賃款項將分配至本金及利息部分，本集團將分別以融資及經營現金流量呈列。



## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

### HKFRS 16 Leases (Continued)

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2017, the Group has non-cancellable operating lease commitments of HK\$25,210,000 as disclosed in note 32. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of HK\$1,863,000 and refundable rental deposits received of HK\$6,097,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

Furthermore, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 香港財務報告準則第16號租賃(續)

與承租人會計處理方法相反，香港財務報告準則第16號大致保留香港會計準則第17號內出租人的會計要求，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號亦要求較廣泛的披露。

於2017年12月31日，本集團有不可撤銷的經營租賃承擔為數25,210,000港元(載於附註32)。初步評估顯示該等安排將符合租賃的定義。當應用香港財務報告準則第16號時，本集團將會就所有該等租賃確認使用權資產及對應負債，除非該等租賃符合低值或短期租賃。

此外，本集團現時認為已支付並可退回之租金按金1,863,000港元及已收到並需退回之租金按金6,097,000港元乃應用香港會計準則第17號之租賃項下之權利及責任。根據香港財務報告準則第16號項下租賃款項之定義，該些按金不屬於使用相關資產的權利之付款，據此，該些按金的賬面值可能調整為攤銷成本及該些按金將視作額外租賃款項。支付可退回租金按金的調整將包含在使用權資產的賬面值。收回可退回租金按金的調整將視為租賃款項的預付款。

此外，應用新規定可能導致上文所述的計量、呈列及披露變動。





### 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristic of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are within the scope of HKAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories, or value in use in HKAS 36 Impairment of Assets.

### 3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒布之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則(「上市規則」)及香港公司條例規定之適用披露資料。

綜合財務報表按歷史成本法編製，惟於每個報告期末按公允值計量之衍生金融工具除外，會計政策闡述於下文。

歷史成本一般按照交換貨物所付代價之公允值。

公允值為於計量日期在市場參與者之間進行有序交易就出售資產所收取或轉讓負債所支付的價格，不論該價格是直接可觀察或使用另一種估值方式估計得出。在估計一項資產或負債之公允值時，本集團考慮市場參與者於計量日期為該資產或負債定價時會考慮之特質。就於該等綜合財務報表中計量及／或披露之公允值乃按此基準釐定，惟於香港財務報告準則第2號以股份為基礎付款範疇下的以股份為基礎付款之交易、香港會計準則第17號租賃範疇下的租賃交易及一些類似公允值但非公允值的計量(例如香港會計準則第2號存貨之可變現淨值或香港會計準則第36號資產減值的使用價值)則除外。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition, for financial reporting purpose, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### 3. 主要會計政策(續)

此外，就財務申報而言，公允值計量根據公允值計量輸入數據之可觀察程度及輸入數據對公允值整體計量之重要性被分類為第1、第2或第3級，載述如下：

- 第1級輸入數據為實體於計量日期在活躍市場就相同資產或負債取得之報價(未經調整)；
- 第2級輸入數據為就資產或負債直接或間接可觀察之輸入數據，包括在第一級內之報價除外；及
- 第3級輸入數據為資產或負債的不可觀察輸入數據。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The principal accounting policies are set out below.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

### 3. 主要會計政策(續)

主要會計政策載列如下：

#### 綜合賬目基準

本綜合財務報表包含本公司以及由本公司及其附屬公司控制的實體之財務報表。取得控制權是指本公司：

- 對被投資方行使權力；
- 因參與被投資方之業務而獲得或有權獲得可變回報；及
- 有能力行使其權力而影響其回報。

倘事實及情況顯示上述三項控制因素其中一項或多項改變，則本集團會重新評估其是否仍然控制被投資方。

當本集團取得附屬公司之控制權，便將該附屬公司綜合入賬；當本集團失去附屬公司之控制權，便停止將該附屬公司綜合入賬。具體而言，年內收購或出售之附屬公司之收入及支出會於本集團取得控制權當日起計入綜合損益及其他全面收益表，直至本集團對該附屬公司之控制權終止當日為止。

損益及其他全面收益的各個項目乃歸屬於本公司擁有人及非控股權益。即使會導致非控股權益出現虧絀結餘，附屬公司之總全面收益仍會歸屬於本公司擁有人及非控股權益。

倘需要，附屬公司之財務報表將作出調整，以使其會計政策與本集團之會計政策一致。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Basis of consolidation (Continued)

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### Investment in a joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. Changes in net assets of the joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

### 3. 主要會計政策(續)

#### 綜合賬目基準(續)

所有集團內成員間有關資產及負債、權益、收入、支出及現金流量之交易均於綜合賬目時全數對銷。

#### 合營企業權益

合營企業是一種共同安排，據此共同控制該安排的各方擁有該安排的淨資產。共同控制為一項合約協定共享控制之安排，僅會於決定相關事項須共享控制的各方一致同意時方會出現。

合營企業之業績及資產與負債乃按權益會計法列入綜合財務報表內。按權益法列賬的合營企業的財務報表乃採用本集團在類似情況就類似交易及事件所採用的劃一會計政策而編製。根據權益法，合營企業權益於綜合財務狀況表初步按成本確認，及其後調整以確認本集團應佔該合營企業之損益及其他全面收益。合營企業淨資產於損益及其他全面收益表以外之變動毋須入賬，除非該變動是由於本集團擁有權益變動所致。當本集團應佔合營企業之虧損超出其於該合營企業之權益(即包括任何實質上構成本集團於該合營企業之投資淨額之長期權益)，則本集團不再確認其應佔之進一步虧損。僅會於本集團已產生法定或推定責任或替該合營企業支付款項之情況下，方會確認額外虧損。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investment in a joint venture (Continued)

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances, net of discounts and sales related taxes.

### 3. 主要會計政策(續)

#### 合營企業權益(續)

合營企業權益於當被投資方成為合營企業當日採用權益法入賬。收購合營企業權益時，投資成本超出本集團應佔被投資方可識別資產及負債淨公允值之任何數額乃確認為商譽，並包括在該投資的賬面值中。經重估本集團應佔被投資方可識別資產及負債淨公允值超出投資成本之任何數額則立即在收購該投資之期間在損益確認。

應用香港會計準則第39號的規定，以釐定是否需要就本集團合營企業權益確認任何減值虧損。如需要，投資全數賬面值(包括商譽)根據香港會計準則第36號*資產減值*作為單一資產作減值測試，方法為將賬面值與可收回金額(使用價值及公允值之較高者減出售成本)加以比較。任何已確認之減值虧損構成該投資賬面值的一部分。倘該投資之可收回金額其後增加，則根據香港會計準則第36號確認該減值虧損之撥回。

當集團實體與本集團之合營企業進行交易時，與合營企業交易所產生的損益僅於與本集團無關之合營企業權益，方於本集團之綜合財務報表確認。

#### 收入確認

收入乃按已收或應收代價之公允值計算。收入已減去估計客戶退貨、回扣及其他類似撥備，並扣除折扣及銷售相關稅項。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue recognition (Continued)

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Income from supply of steam and electricity is recognised upon the provision of the steam and electricity.

Income from the rendering of wharf cargo handling services is recognised in the year in which the services are provided.

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

### 3. 主要會計政策(續)

#### 收入確認(續)

收入乃當收入金額能夠可靠地計量時確認，當將來的經濟利益很可能流入本集團及符合本集團各業務的具體標準時確認，載述如下。

銷售貨品收入於貨品交付及所有權轉移時確認。

金融資產之利息收入於其經濟效益將可能流入本集團而其收入金額能可靠地計量時確認。金融資產之利息收入乃以時間為基準按未償還本金及適用實際利率計提，而實際利率為透過金融資產之預期可用年期將估計日後所收現金實際折讓至該資產於初始確認時之賬面淨值之比率。

供應蒸氣及電力之收入於提供蒸氣及電力時確認。

自提供處理碼頭貨物服務之收入於提供該服務之年度確認。

本集團從經營租賃確認收入之會計政策於下文有關租賃之會計政策描述。





### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### The Group as lessee

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### Leasehold land and buildings

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases, in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

### 3. 主要會計政策(續)

#### 租賃

凡租賃之條款規定擁有權所附帶之一切風險及回報實質上轉移至承租者，該租賃即歸類為融資租賃。其他租賃全部列作經營租賃。

#### 集團作為出租人

經營租賃產生之租金收入按直線法於相關租賃期內在損益確認。磋商及安排一項經營租賃涉及的初始直接成本乃加至租賃資產之賬面值及以直線法於租賃期內確認。

#### 集團作為承租人

經營租賃款項(包括購置持有作經營租賃之土地成本)乃按租賃年期以直線法確認為費用，除有其他系統化基準更能反映租賃資產所產生的經濟利益則除外。

#### 租賃土地及樓宇

當本集團向一項包括租賃土地及樓宇部分之物業權益付款時，本集團以評估與各部分擁有權有關的絕大部分風險及回報是否已轉移至本集團為基礎，評估如何將各部分分類為融資或經營租賃，除非肯定兩部分均為經營租賃，則於該情況下，整項租賃乃分類為經營租賃。尤其，全數代價(包括任何一次性預付款項)乃按初始確認時土地部分及樓宇部分的租賃權益之相關公允值比例，於租賃土地及樓宇部分之間進行分配。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Leasing (Continued)

##### Leasehold land and buildings (Continued)

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis.

#### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of and on the retranslation of monetary items are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group’s interests.

### 3. 主要會計政策(續)

#### 租賃(續)

##### 租賃土地及樓宇(續)

倘有關款項能夠可靠分配時，則入賬列作經營租賃的租賃土地權益乃於綜合財務狀況表列作「預付租賃款項」，並以直線法於租賃期內攤銷。

#### 外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用換算匯率確認。於報告期末，以外幣定值之貨幣項目均按結算日之適用匯率重新換算。非貨幣項目按外幣過往成本計量而毋須重新換算。

結算及重新換算貨幣項目所產生之匯兌差額於其產生期間於損益內確認，惟源自其結算並無計劃及不大可能出現的應收或應付境外業務之貨幣項目的匯兌差額(因此組成境外業務淨投資之一部分)除外，該差額初步於其他全面收益表確認及當出售或部分出售本集團之權益時重新由權益分類至損益。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (the "MPF Scheme") and state-managed retirement benefit scheme are recognised as an expense when the employees have rendered services entitling them to the contributions.

### 3. 主要會計政策(續)

#### 外幣(續)

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃採用報告期末當日之匯率換算為本集團之列賬貨幣(即港元)，而收入及支出項目乃按該期間之平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論，於此情況下，則採用於交易當日之匯率。所產生之匯兌差額(如有)乃於其他全面收益確認及於滙兌儲備項下累計權益。

#### 借貸成本

與購置、建造或生產合資格資產(需一段長時間方可作擬定用途或可供銷售的資產)直接有關之借貸成本均加至該等資產之成本，直至該等資產大致可作其擬定用途或可供銷售為止。

所有其他借貸成本均於產生期間於損益中確認。

#### 退休福利成本

根據強制性公積金計劃(「強積金計劃」)及國家管理的退休福利計劃的付款於僱員提供服務使其可享有供款時確認為費用。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

### 3. 主要會計政策(續)

#### 稅項

利得稅支出指現時應付稅項及遞延稅項的總和。

現時應付稅項乃按年度應課稅盈利計算。應課稅盈利與綜合損益及其他全面收益表中所報除稅前盈利不同乃源於其他年度應課稅或可扣稅的收入或開支項目及從未課稅及扣稅的項目。本集團之本期稅項乃按報告期末已實行或大致上已實行之稅率計算。

遞延稅項乃根據綜合財務報表之資產及負債賬面值與計算應課稅盈利所採用相應稅基的暫時差額而確認。遞延稅項負債一般就所有應課稅暫時差額予以確認。遞延稅項資產一般就所有可扣稅暫時差額確認，惟僅於可能有應課稅盈利將可以使用該可扣稅暫時差額時確認。倘暫時差額乃由初次確認一項不影響應課稅盈利或會計盈利的交易的其他資產及負債所引起，則有關遞延資產及負債不予確認。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interest in joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 3. 主要會計政策(續)

#### 稅項(續)

遞延稅項負債一般就與附屬公司之投資及合營企業權益而引致之應課稅暫時差額而確認，惟若本集團可控制暫時差額之撥回及暫時差額有可能不會於可見將來撥回之情況則除外。與該等投資及權益相關的可扣稅暫時差額所產生的遞延稅項資產，僅在可能有足夠應課稅盈利可以使用暫時差額之效益且預計於可見將來可以撥回時確認。

遞延稅項資產之賬面值於各報告期末作檢討，並在沒可能會有足夠應課稅盈利以收回全部或部分資產時加以遞減。

遞延稅項資產及負債按預期負債清償或資產變現期間內應用之稅率，以報告期末已生效或實際上已生效之稅率(及稅法)為基準計量。

遞延稅項負債及資產之計量反映本集團於報告期末所預期對收回或償還其資產及負債之賬面值之方式所產生的稅務後果。

本期及遞延稅項於損益確認，惟倘稅項涉及於其他全面收益或直接於權益確認之項目，在此情況下，本期及遞延稅項亦會分別於其他全面收益或直接於權益內確認。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Property, plant and equipment

Property, plant and equipment, including buildings, held for use in the production of goods or for administrative purposes, other than construction in progress, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets, other than construction in progress, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 3. 主要會計政策(續)

#### 物業、廠房及設備

除在建工程外，物業、廠房及設備(包括持有作貨物生產或行政用途的樓宇)乃按成本減去其後之累計折舊及累計減值虧損(如有)列入綜合財務狀況表。

為生產或行政用途之在建中物業，按成本減任何已確認之減值虧損列賬。成本包括專業費用，及對合資格資產按照本集團的會計政策進行資本化之借貸成本。該等物業完工並可投入擬定用途時，則會分類至合適的物業、廠房及設備類別。該等資產的折舊按其他物業資產之相同基準，在資產可投入擬定用途時開始計提折舊。

物業、廠房及設備(在建工程除外)之折舊乃按其估計可使用年期，於計及其估計剩餘價值後，以直線法撇銷其成本。估計可使用年期、剩餘價值及折舊方法於各報告期末予以檢討，任何估計變動的影響按前瞻基準入賬。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟效益時剔除確認。出售或報廢一項物業、廠房及設備，按其出售所得款項與該資產賬面值間之差額計算盈虧，並計入損益。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

#### Impairment on assets

At the end of the reporting period, the Group reviews the carrying amounts of its assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

### 3. 主要會計政策(續)

#### 投資物業

投資物業乃持有作賺取租金及／或尋求資本增值之物業。

投資物業初步按成本計量，成本包括任何直接應佔支出。在初步確認後，投資物業按成本減去其後之累計折舊及任何累計減值虧損列示。折舊採用直線法，並計及其估計殘餘值確認，從而在投資物業的估計可使用年期內撇銷其成本。

當投資物業出售或永久停止使用及預計不會從該物業出售中獲得未來經濟利益時，則剔除確認投資物業。剔除確認物業產生之收益或虧損(按其出售所得款項淨額與該資產賬面值間之差額計算)於剔除確認該物業之期間計入損益。

#### 資產減值

於報告期末，本集團須審閱其有限使用年期之資產的賬面值，以確定是否有任何跡象顯示該等資產出現減值虧損。倘出現任何有關跡象，則估計相關資產的可收回金額，以釐定減值虧損的幅度(如有)。





### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Impairment on assets (Continued)

When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 3. 主要會計政策(續)

#### 資產減值(續)

倘不能個別估計資產的可收回金額，則本集團會估計其資產所屬現金產生單位的可收回金額。當可識別分配基準屬合理及貫徹一致時，企業資產亦會被分配到個別的現金產生單位，否則或會被分配到可識別分配基準屬合理及貫徹一致的最小的現金產生單位中。

可收回金額為公允值減銷售成本或使用價值之較高者。評估使用價值時，估計未來現金流量乃使用稅前貼現率折現至其貼現值，該貼現率反映目前市場對資金時間值之評估以及估計未來現金流量未經調整之資產(或現金產生單位)的獨立風險。

倘某項資產(或現金產生單位)之可收回金額估計低於其賬面值，則該項資產(或現金產生單位)之賬面值須削減至其可收回金額。減值虧損即時在損益中確認。

倘日後撥回減值虧損，有關資產(或現金產生單位)之賬面值須增加至其經重新估計之可收回金額，惟增加之賬面值不得超出倘有關資產(或現金產生單位)並無於過往年度確認任何減值虧損所應釐定之賬面值。撥回之減值虧損即時在損益中確認。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sales.

#### Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### Financial assets

The Group's financial assets are classified into one of the following specified two categories: loans and receivables and financial assets at fair value through profit or loss. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

### 3. 主要會計政策(續)

#### 存貨

存貨按成本或可變現淨值兩者中之較低者列賬。存貨成本按先入先出基準釐定。可變現淨值指存貨估計售價減估計完成所需之全部成本以及銷售所需之成本。

#### 金融工具

金融資產及金融負債於集團實體成為工具訂約條文之訂約方時確認。

金融資產及金融負債初步按公允值計量。因收購或發行金融資產及金融負債(按公允值計入損益之金融資產及金融負債除外)而直接應佔之交易成本於初步確認時，按適用情況加入或扣自該項金融資產或金融負債之公允值。因收購按公允值計入損益之金融資產及金融負債而直接應佔之交易成本即時於損益確認。

#### 金融資產

本集團之金融資產分為以下兩個具體類別其中之一：貸款及應收賬款和按公允值列賬及計入損益之金融資產。分類視乎金融資產性質及目的而定，在初始確定時釐定。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt investment, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

##### Financial assets at fair value through profit or loss

The Group's financial assets classified as financial assets at fair value through profit or loss are derivatives that are not designated as hedging instruments.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial assets and is included in the 'other gains or losses' line item. Fair value is determined in the manner described in note 31(iii).

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including loan to a joint venture, trade and other receivables, amounts due from related companies, margin deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment of loans and receivables below).

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

##### 實際利率法

實際利率法是一種計算債務工具攤銷成本與分派利息收入到相關期間之方法。實際利率是以精確將債務投資預測可使用年期或(如適用)更短期間估計未來現金收入(包括所有已付或已收並構成實際利率整體之費用、交易成本及其他溢價或折讓)折現至初始確認時之賬面淨值之比率。

債務工具之利息收入按實際利率基準確認。

##### 按公允值計入損益之金融資產

本集團分類為按公允值計入損益之金融資產為一種並不能作為指定對沖工具之衍生工具。

按公允值計入損益之金融資產以公允值列示，因重新計量而產生的公允值變動在損益確認。於損益確認之淨收益或虧損包括金融資產所賺取之任何股息或利息及已包含在「其他收益及虧損」之項目內。公允值乃按附註31(iii)所描述之方法釐定。

##### 貸款及應收賬款

貸款及應收賬款為在活躍市場上並無報價而具有固定或釐定付款之非衍生金融資產。初始確認隨後，貸款及應收賬款(包括合營企業貸款、應收貿易及其他賬款、應收關連公司款項、保證金存款及銀行結餘及現金)以實際利率法，按攤銷成本減任何減值虧損(請參閱下文有關貸款及應收款項減值虧損之會計政策)計量。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For loans and receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments past the credit period ranged 45 to 90 days and observable changes in national or local economic conditions that correlate with default on receivables.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

##### 金融資產減值

金融資產(按公允值計入損益的除外)於各報告期末評估是否有減值跡象。倘出現客觀證據，於初步確認金融資產後產生之一項或多項事件令該金融資產的估計未來現金流量受到影響，則金融資產會被考慮減值。

就貸款及應收賬款而言，減值之客觀證據可包括：

- 發行人或對手方存在嚴重財政困難；或
- 違約，如未能繳付或延遲償還利息及本金；或
- 借款人有可能面臨破產或財務重組。

應收賬款出現減值的客觀證據包括本集團過往收款經驗、逾期還款超過信貸期45至90天之數目上升、國家或地區經濟狀況出現明顯變動導致拖欠應收賬款。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Impairment of financial assets (Continued)

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all loans and receivables with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

##### 金融資產減值(續)

就按攤銷成本列賬之金融資產而言，減值虧損金額乃按資產賬面值與金融資產按原有實際利率貼現之估計未來現金流量現值之差額確認。

所有貸款及應收賬款的減值虧損會直接於金融資產賬面值中作出扣減，惟貿易應收賬款除外，其賬面值會透過撥備賬作出扣減。撥備賬內的賬面值變動會於損益中確認。當貿易應收賬款被視為不可收回時，其將於撥備賬內撇賬。於其後收回先前已撇賬的款項將計入損益。

就按攤銷成本計量之金融資產而言，倘於隨後期間減值虧損的數額減少，及此項減少可客觀地與確認減值後的某一事件聯繫，則先前確認的減值虧損於損益中予以撥回，惟於撥回減值當日的投資賬面值不得超逾未確認減值時的攤銷成本。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### Financial liabilities at fair value through profit or loss

The Group's financial liabilities classified as at fair value through profit or loss are derivatives that are not designated as hedging instruments.

Financial liabilities at fair value through profit or loss are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities and included in the 'other gains or losses' line item. Fair value is determined in the manner described in note 31(iii).

##### Other financial liabilities

Other financial liabilities including trade and other payables, amounts due to related companies and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融負債及權益工具

集團實體發行之債務及權益工具按所訂立之合約安排性質，以及金融負債及權益工具之定義而分類為金融負債或權益。

##### 權益工具

權益工具為證明本集團經扣除其所有負債後的資產剩餘權益之任何合約。本公司發行的權益工具按收取所得款項減直接發行成本確認。

購回本公司自身權益工具直接於權益中扣減確認。購買、出售、發行及註銷本公司自身權益工具概不會在損益確認。

##### 按公允值計入損益之金融負債

本集團分類為按公允值計入損益之金融負債，為一種並不能作為指定對沖工具之衍生工具。

按公允值計入損益之金融負債以公允值計量，因重新計量而產生的公允值變動盈虧在損益確認。於損益確認之淨收益或虧損包括金融負債所支付之任何利息及已包含在「其他收益或虧損」之項目內。公允值乃按附註31(iii)所描述之方法釐定。

##### 其他金融負債

其他金融負債包括其後以實際利率法按攤銷成本計量之應付貿易及其他賬款、應付關連公司款項及銀行借貸。



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial liabilities and equity instruments (Continued)

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis.

##### Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

##### Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融負債及權益工具(續)

##### 實際利率法

實際利率法是一種計算金融負債攤銷成本與分派利息支出到相關期間之方法。實際利率是以精確將金融負債預測可使用年期或(如適用)更短期間估計日後現金支出(包括所有已付或已收構成實際利率之費用、交易成本及其他溢價或折讓)折現至初始確認時的賬面淨值之比率。利息支出乃按實際利率基準確認。

##### 衍生金融工具

衍生工具以衍生工具合約簽訂日之公允值作初次確認及其後以報告期間末之公允值重新計量。所產生的收益或虧損將即時於損益內確認。

##### 剔除確認

倘從資產收取現金流量之合約權利已屆滿，或本集團轉讓金融資產及已將其於資產擁有權之絕大部分風險及回報轉移予另一實體，本集團方會剔除確認金融資產。

於剔除確認一項金融資產時，資產賬面值與已收及應收代價之差額，將於損益中確認。

僅於本集團之責任獲解除、註銷或屆滿時，本集團方會剔除確認金融負債。剔除確認之金融負債賬面值與已付及應付代價之差額於損益中確認。





#### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### Impairment loss on trade receivables

The assessment of the impairment loss on trade receivables of the Group is based on the evaluation of collectability based on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the ageing of the trade receivables balances, the repayment history, the financial conditions and the current creditworthiness of each customer. Impairment is made based on the estimation of the future cash flow expected to be received. As at 31 December 2017, an impairment loss amounting to HK\$17,034,000 (2016: HK\$30,360,000) was recognised on trade receivables.

#### 4. 估計不明朗因素之主要來源

於應用本集團之會計政策(載列於附註3)時,本公司董事需對未能透過其他來源直接確定之資產及負債之賬面值作出判斷、估計及假設。該等估計及相關假設乃建基於過往經驗及其他被視為相關之因素。實際業績可能有別於該等估計。

估計及相關假設乃按持續基準被審閱。如對會計估計之修訂僅影響進行修訂之期間,則於該期間確認修訂,或如修訂同時影響目前及未來期間,則於修訂及未來期間確認。

下文是有關未來期間的主要假設以及報告期末之估計不明朗因素之其他主要來源,該等假設及不明朗因素具有會造成在下一個財政年度對資產以及負債的賬面值作出重大調整的重大風險。

##### 應收貿易賬款減值虧損

本集團評定應收貿易賬款之減值虧損乃基於管理層的判斷去評估其可收回性。在評定該等應收賬款之最終變現,需作出大量的判斷,包括每一客戶的應收貿易賬款結餘之賬齡、還款記錄、財務狀況及現行信譽狀況。減值乃基於對預期收到的未來現金流量的估計作出。於2017年12月31日,於應收貿易賬款已確認減值虧損總額17,034,000港元(2016年:30,360,000港元)。



#### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

##### Recognition of deferred tax

As at 31 December 2017, a deferred tax asset in relation to unused tax losses of approximately HK\$125,000,000 (2016: approximately HK\$107,000,000) was not recognised in the consolidated statement of financial position due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the expectation for future profit streams changes, a recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a recognition takes place.

As at 31 December 2017, except for certain profits of the group companies in the People's Republic of China ("PRC") arising from 2016 and 2017, no further deferred tax liabilities have been recognised on the undistributed profits of the group companies in the PRC after 2008 as the Group plans to retain those profits in the respective entities for their daily operations and future developments. In case there is a change in such plan, additional tax liabilities will arise, which will be recognised in the profit or loss for the period in which the management intends to declare such profits in the foreseeable future or the Group's future development plan is amended, whichever is earlier. Details of the above unrecognised liabilities are set out in note 27.

#### 4. 估計不明朗因素之主要來源 (續)

##### 遞延稅項確認

於2017年12月31日，由於無法預計未來盈利流向，有關未動用稅務虧損之遞延稅項資產約125,000,000港元(2016年：約107,000,000港元)並未於綜合財務狀況表確認。遞延稅項資產變現主要視乎將來是否有足夠未來盈利或稅項暫時差額可供動用。倘預期未來盈利流向有變，可能作出遞延稅項資產確認，並於發生此確認之期間在損益中確認。

於2017年12月31日，除於中華人民共和國(「中國」)的集團公司自2016年及2017年產生的若干盈利外，並無就於中國之集團公司自2008年後之未分配盈利確認遞延稅項負債，乃由於本集團計劃保留相關公司的盈利以供日常營運及將來發展。倘此計劃有變，將產生額外稅項負債，其將於未來可預見管理層擬宣派該等盈利或本集團之未來發展計劃修訂時(以較早者為準)之期間，於損益中確認。上述未確認負債之詳情載於附註27。



## 5. REVENUE AND SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating and reportable segments under HKFRS 8 *Operating Segments*, based on information reported to the Company's executive directors, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance, which focuses on types of goods delivered. The Group's operating and reportable segments under HKFRS 8 – *Operating Segments* are as follows:

- (i) Packaging paper – Kraft linerboard, test linerboard, coated duplex board, white top linerboard and high strength corrugating medium;
- (ii) Pulp; and
- (iii) Tissue paper.

## 5. 收入及分部資料

以下為根據香港財務報告準則第8號經營分部對本集團按經營及可報告分部的收入及業績的分析，向本公司執行董事，即主要經營決策者（「主要經營決策者」）作為資源分配及評估分部表現而呈報之資料，集中於所交付貨物之類別。本集團於香港財務報告準則第8號—經營分部項下之經營及可報告分部載列如下：

- (i) 包裝紙—牛咭紙、掛面牛咭紙、塗布白板紙、白面牛咭紙及高強瓦楞芯紙；
- (ii) 漿；及
- (iii) 衛生紙。



5. REVENUE AND SEGMENT INFORMATION  
(CONTINUED)

Segment revenues and results

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

Year ended 31 December 2017

5. 收入及分部資料(續)

分部收入及業績

以下為按經營及可報告分部劃分之  
本集團收入及業績分析：

截至2017年12月31日止年度

		Packaging paper 包裝紙 HK\$'000 千港元	Pulp 漿 HK\$'000 千港元	Tissue paper 衛生紙 HK\$'000 千港元	Segment total 分部合計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>REVENUE</b>	<b>收入</b>						
External sales	對外銷售	23,102,581	15,593	2,718,710	25,836,884	—	25,836,884
Inter-segment sales	分部之間銷售	—	915,936	516	916,452	(916,452)	—
		<b>23,102,581</b>	<b>931,529</b>	<b>2,719,226</b>	<b>26,753,336</b>	<b>(916,452)</b>	<b>25,836,884</b>
<b>SEGMENT PROFIT</b>	<b>分部盈利</b>	<b>6,039,601</b>	<b>3,126</b>	<b>515,002</b>	<b>6,557,729</b>	<b>—</b>	<b>6,557,729</b>
Net gain from fair value changes of derivative financial instruments	衍生金融工具 公允值變動 淨收益						9,960
Unallocated income	未分類之收入						84,071
Unallocated expenses	未分類之支出						(143,274)
Finance costs	財務成本						(185,311)
Profit before tax	除稅前盈利						<b>6,323,175</b>



## 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Segment revenues and results (Continued)

Year ended 31 December 2016

		Packaging paper 包裝紙	Pulp 漿	Tissue paper 衛生紙	Segment total 分部合計	Eliminations 對銷	Consolidated 綜合
		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
<b>REVENUE</b>	<b>收入</b>						
External sales	對外銷售	17,034,048	303,086	1,004,543	18,341,677	—	18,341,677
Inter-segment sales	分部之間銷售	—	369,230	—	369,230	(369,230)	—
		17,034,048	672,316	1,004,543	18,710,907	(369,230)	18,341,677
<b>SEGMENT PROFIT</b>	<b>分部盈利</b>	3,293,194	23,454	86,003	3,402,651	—	3,402,651
Net gain from fair value changes of derivative financial instruments	衍生金融工具 公允價值變動 淨收益						7,412
Unallocated income	未分類之收入						123,509
Unallocated expenses	未分類之支出						(12,337)
Finance costs	財務成本						(167,218)
Profit before tax	除稅前盈利						3,354,017

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of net gain from fair value changes of derivative financial instruments, rental income, interest income, net exchange gain (loss), finance costs and other unallocated administrative expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

## 5. 收入及分部資料(續)

### 分部收入及業績(續)

截至2016年12月31日止年度

經營分部之會計政策與附註3所描述之本集團會計政策一致。分部盈利指各分部所賺取盈利，而並無分配來自衍生金融工具公允價值變動淨收益、租金收入、利息收入、匯兌淨收益(虧損)、財務成本及其他未分配行政費用。此乃向主要經營決策者作為資源分配及表現評估而呈報之計量方法。

分部之間銷售乃按現行市場價格計算。



5. REVENUE AND SEGMENT INFORMATION  
(CONTINUED)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

5. 收入及分部資料(續)

分部資產及負債

以下為按可報告分部劃分之本集團資產及負債分析：

		Packaging paper 包裝紙 HK\$'000 千港元	Pulp 漿 HK\$'000 千港元	Tissue paper 衛生紙 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>As at 31 December 2017</b>	<b>於2017年12月31日</b>				
Segment assets	分部資產	32,086,459	1,892,725	6,295,886	40,275,070
Unallocated assets	未分類之資產				3,014,723
Consolidated total assets	綜合總資產				43,289,793
Segment liabilities	分部負債	2,834,924	20,369	288,451	3,143,744
Unallocated liabilities	未分類之負債				18,229,931
Consolidated total liabilities	綜合總負債				21,373,675
<b>As at 31 December 2016</b>	<b>於2016年12月31日</b>				
Segment assets	分部資產	27,675,990	1,673,196	3,832,763	33,181,949
Unallocated assets	未分類之資產				1,814,029
Consolidated total assets	綜合總資產				34,995,978
Segment liabilities	分部負債	2,425,549	13,363	116,283	2,555,195
Unallocated liabilities	未分類之負債				15,617,818
Consolidated total liabilities	綜合總負債				18,173,013



## 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Segment assets and liabilities (Continued)

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to operating segments other than investment properties, derivative financial instruments, margin deposits, bank balances and cash and other assets used jointly by reportable segments, and all liabilities are allocated to operating segments other than derivative financial instruments, tax payable, bank borrowings, deferred tax liabilities and other liabilities for which reportable segments are jointly liable.

## 5. 收入及分部資料(續)

### 分部資產及負債(續)

為考核分部表現及於分部間分配資源，所有資產均分配予經營分部(投資物業、衍生金融工具、保證金存款、銀行結餘及現金及由可報告分部共同所用之其他資產除外)以及所有負債均分配予經營分部(衍生金融工具、應付稅項、銀行借貸、遞延稅項負債及可報告分部共同應付之其他負債除外)。





For the year ended 31 December 2017 截至2017年12月31日止年度

5. REVENUE AND SEGMENT INFORMATION  
(CONTINUED)

5. 收入及分部資料(續)

Other segment information

其他分部資料

		Packaging paper 包裝紙 HK\$'000 千港元	Pulp 漿 HK\$'000 千港元	Tissue paper 衛生紙 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>At 31 December 2017</b>	<b>於2017年12月13日</b>				
Amounts included in the measure of segment profit or loss or segment assets:	計量分部損益或分部資產包括以下金額：				
Addition to non-current assets (note)	非流動資產增加(附註)	1,712,218	60,348	1,757,586	3,530,152
Depreciation of property, plant and equipment	物業、廠房及設備折舊	981,785	21,003	93,116	1,095,904
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	6,678	—	404	7,082
Amortisation of prepaid lease payments	預付租賃款項攤銷	17,306	58	1,740	19,104
Impairment loss recognised (reversed) on trade receivables	應收貿易賬款減值虧損確認(回撥)	1,835	—	(4,995)	(3,160)
<b>At 31 December 2016</b>	<b>於2016年12月31日</b>				
Amounts included in the measure of segment profit or loss or segment assets:	計量分部損益或分部資產包括以下金額：				
Addition to non-current assets (note)	非流動資產增加(附註)	1,938,221	88,853	1,942,879	3,969,953
Depreciation of property, plant and equipment	物業、廠房及設備折舊	823,487	91,495	11,774	926,756
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	48,495	280	—	48,775
Amortisation of prepaid lease payments	預付租賃款項攤銷	12,625	928	388	13,941
Impairment loss recognised on trade receivables	應收貿易賬項減值虧損確認	16,370	—	8,514	24,884
Write-off of trade receivables	應收貿易賬款撇銷	9,502	—	—	9,502

note: Amounts included additions to property, plant and equipment, prepaid lease payments and deposits paid for acquisition of property, plant and equipment.

附註：金額包括新增物業、廠房及設備，預付租賃款項及購置物業、廠房及設備所付訂金。

No other amounts are regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets.

概無其他金額乃定期提供予主要經營決策者而並無包括在計量分部損益或分部資產的金額中。



## 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Revenue from major products

The following is an analysis of the Group's revenue from its major products:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Packaging paper (including linerboard and corrugating medium)	包裝紙(包括牛咭紙及瓦楞芯紙)	23,102,581	17,034,048
Pulp	漿	15,593	303,086
Tissue paper	衛生紙	2,718,710	1,004,543
		<b>25,836,884</b>	<b>18,341,677</b>

### Geographical information

Over 92% (2016: 95%) of the Group's revenue were derived from external customers in the PRC.

Information about the Group's non-current assets is presented based on the geographical location of the assets.

## 5. 收入及分部資料(續)

來自主要產品的收入

以下為本集團來自主要產品的收入分析：

### 地域資料

本集團之收入超過92%(2016年：95%)來自中國外部客戶。

本集團非流動資產資料乃按資產所在地呈列。

		Non-current assets 非流動資產	
		2017 HK\$'000 千港元	2016 HK\$'000 千港元
The PRC other than Hong Kong	中國，香港除外	27,080,950	23,769,900
Socialist Republic of Vietnam ("Vietnam")	越南社會主義共和國(「越南」)	2,128,625	2,019,507
Hong Kong	香港	17,394	17,845
		<b>29,226,969</b>	<b>25,807,252</b>



## 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Information about major customers

None of the Group's customers contributed over 10% of the Group's total revenue for the current and prior reporting period.

## 5. 收入及分部資料(續)

### 有關主要客戶之資料

本期或上期報告期內並無本集團客戶佔本集團總收入超過10%。

## 6. OTHER INCOME

## 6. 其他收入

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Value added tax and other tax refund	增值稅退款及其他退稅	479,460	283,187
Income from supply of steam and electricity	供應蒸氣及電力收入	53,721	74,606
Income from wharf cargo handling	經營碼頭貨運收入	54,100	53,876
Sales of scrap materials and waste paper	廢料及廢紙銷售	43,518	45,597
Interest income from banks	銀行利息收入	11,957	18,005
Others	其他	148,915	70,430
		<b>791,671</b>	<b>545,701</b>

## 7. OTHER GAINS AND LOSSES

## 7. 其他收益及虧損

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Net foreign exchange (loss) gain	淨滙兌(虧損)收益	(75,459)	97,999
Net gain from fair value changes of derivative financial instruments	衍生金融工具公允值變動淨收益	9,960	7,412
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(7,082)	(48,775)
Impairment loss reversed (recognised) on trade receivables	應收貿易賬款減值虧損回撥(確認)	3,160	(24,884)
Write-off of trade receivables	應收貿易賬款撇銷	—	(9,502)
		<b>(69,421)</b>	<b>22,250</b>



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8. FINANCE COSTS

8. 財務成本

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Interest on bank borrowings	銀行借貸利息	297,578	346,337
Less: amounts capitalised to property, plant and equipment	減去：物業、廠房及設備之 資本化金額	(112,267)	(179,119)
		185,311	167,218

Borrowing costs capitalised during the year arose from the general borrowings and are calculated by applying a capitalisation rate ranging from 2.34% to 2.94% (2016: 3.30%) per annum to expenditures on qualifying assets.

年內之資本化借貸成本乃於一般借貸中產生，並以合資格資產開支之資本化年利率由2.34%至2.94% (2016年：3.3%)計算。

9. INCOME TAX EXPENSE

9. 利得稅支出

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Income tax recognised in profit or loss:	於損益內確認之利得稅：		
Current tax	本期稅項		
– The PRC EIT	– 中國企業所得稅	913,361	373,132
(Over) underprovision in previous year	去年(超額)不足撥備		
– The PRC EIT	– 中國企業所得稅	(910)	(2,135)
– Hong Kong	– 香港	—	361
Deferred tax (note 27)	遞延稅項(附註27)		
– Charge to profit or loss	– 計入損益	370,432	119,916
Total income tax recognised in profit or loss	於損益內確認之總利得稅	1,282,883	491,274



## 9. INCOME TAX EXPENSE (CONTINUED)

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

### The PRC

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

### Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No assessable profit was noted for both years.

### Macau

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

### Vietnam

The Vietnam subsidiaries are subjected to Vietnam Corporate Income Tax at a rate of 10%. They are entitled to a corporate income tax exemption for four years from the first profit-making year and a reduction of 50% for the following nine years. No provision for Vietnam Corporate Income Tax has been made for both years as the Vietnam subsidiaries incurred losses for both years.

## 9. 利得稅支出(續)

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

### 中國

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

### 香港

香港利得稅於兩個年度均按估計應課稅盈利以16.5%計算。而兩個年度均無應課稅盈利。

### 澳門

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

### 越南

越南附屬公司須按10%稅率繳納越南企業所得稅，其享有自產生盈利年度起計四年獲豁免企業所得稅及隨後九年50%減免。由於越南附屬公司於兩個年度均錄得虧損，故並無為兩個年度計提越南企業所得稅撥備。



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9. INCOME TAX EXPENSE (CONTINUED)

Others

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

The tax charge for the year can be reconciled to the profit per the consolidated statement of profit or loss and other comprehensive income as follows:

9. 利得稅支出(續)

其他

其他司法管轄區產生的稅項則按個別司法管轄區適用之稅率計算。

年內稅務開支與根據綜合損益及其他全面收益表的盈利對賬如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Profit before tax	除稅前盈利	6,323,175	3,354,017
Tax at the applicable tax rate of 25% (2016: 25%) (note)	應用稅率25% (2016年：25%)(附註)	1,580,794	838,504
Tax effect of expenses not deductible for tax purpose	不可扣稅的支出的稅務影響	94,998	67,744
Tax effect of income not taxable for tax purpose	毋須課稅的收入的稅務影響	(6,652)	(31,446)
Tax effect of tax losses not recognised	未確認稅務虧損的稅務影響	2,498	9,206
Effect of tax exemption granted to Macau subsidiaries	澳門附屬公司獲豁免繳稅的影響	(60,267)	(51,257)
Effect of concessionary rates granted to the PRC subsidiaries	中國附屬公司獲優惠稅率的影響	(364,100)	(360,998)
Effect of tax exemption granted to Vietnam subsidiaries	越南附屬公司獲豁免繳稅的影響	2,458	—
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區營運的附屬公司的不同稅率的影響	34,064	21,295
Overprovision in previous years	過往年度超額撥備	(910)	(1,774)
Tax charge for the year	年內稅務開支	1,282,883	491,274

note: This represents the domestic income tax rate in the jurisdiction where a substantial portion of the Group's operation is based.

附註：此代表本集團絕大部分業務營運所在之司法權區之當地所得稅率。



## 10. PROFIT FOR THE YEAR

## 10. 年度盈利

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Profit for the year has been arrived at after charging (crediting):	年度盈利經扣除(計入):		
Directors' emoluments (note 11)	董事酬金(附註11)	37,894	37,600
Staff salaries and other benefits, excluding those of directors	員工薪金及其他福利, 不包括董事	1,158,979	903,038
Contributions to retirement benefit schemes, excluding those of directors	退休福利計劃供款, 不包括董事	58,545	48,718
Total employee benefit expense Capitalised in inventories	僱員福利開支總額 庫存資本化	1,255,418 (722,162)	989,356 (640,520)
		533,256	348,836
Auditors' remuneration	核數師酬金		
– Audit services	– 核數服務	7,826	6,486
– Non-audit services	– 非核數服務	863	1,595
Cost of inventories recognised as expense	存貨成本確認為支出	18,324,030	14,261,143
Amortisation of prepaid lease payments	預付租賃款項攤銷	19,104	13,941
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,095,904	926,756
Depreciation of investment properties	投資物業折舊	13,467	2,599
Total depreciation and amortisation Capitalised in inventories	折舊及攤銷總額 庫存資本化	1,128,475 (1,003,011)	943,296 (864,342)
		125,464	78,954
Operating lease rentals in respect of land and buildings	土地及樓宇的經營租賃租金	14,763	10,825





10. PROFIT FOR THE YEAR (CONTINUED)

10. 年度盈利(續)

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Gross rental income from investment properties	投資物業之租金總收入		
Less:	減：	(21,828)	(3,737)
– direct operating expenses incurred for investment properties that generated rental income during the year	一年內產生租金收入的投資物業之直接營運開支	211	—
– direct operating expenses incurred for investment properties that did not generate rental income during the year	一年內非產生租金收入的投資物業之直接營運開支	454	661
		<b>(21,163)</b>	<b>(3,076)</b>



## 11. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS

Directors' and Chief Executive Officer's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Companies Ordinance, were as follows:

## 11. 董事及首席執行官酬金

年內董事及首席執行官的酬金根據適用上市規則及公司條例披露如下：

		Other emoluments 其他酬金			
		Fees 袍金	Salaries and other benefits 薪金及其他福利	Contributions to retirement benefit schemes 退休福利計劃供款	Total 合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>2017</b>	<b>2017年</b>				
<i>Executive directors</i>		<i>執行董事</i>			
Dr. Lee Man Chun Raymond	李文俊博士	16,500	—	—	16,500
Mr. Lee Man Bun (Chief Executive Officer)	李文斌先生(首席執行官)	14,988	1,512	—	16,500
Mr. Li King Wai Ross	李經緯先生	2,983	717	—	3,700
<i>Non-executive director</i>		<i>非執行董事</i>			
Professor Poon Chung Kwong	潘宗光教授	—	—	—	—
<i>Independent non-executive directors</i>		<i>獨立非執行董事</i>			
Mr. Wong Kai Tung Tony	王啟東先生	398	—	—	398
Mr. Peter A. Davies	Peter A. Davies先生	398	—	—	398
Mr. Chau Shing Yim David	周承炎先生	398	—	—	398
		35,665	2,229	—	37,894



11. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS (CONTINUED)

11. 董事及首席執行官酬金(續)

		Other emoluments 其他酬金			
		Fees 袍金	Salaries and other benefits 薪金及 其他福利	Contributions to retirement benefit schemes 退休福利 計劃供款	Total 合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2016	2016年				
<i>Executive directors</i> 執行董事					
Dr. Lee Man Chun Raymond	李文俊博士	16,500	—	—	16,500
Mr. Lee Man Bun (Chief Executive Officer)	李文斌先生(首席執行官)	14,988	1,512	—	16,500
Mr. Li King Wai Ross	李經緯先生	2,983	717	—	3,700
<i>Non-executive director</i> 非執行董事					
Professor Poon Chung Kwong	潘宗光教授	—	—	—	—
<i>Independent non-executive directors</i> 獨立非執行董事					
Mr. Wong Kai Tung Tony	王啟東先生	300	—	—	300
Mr. Peter A. Davies	Peter A. Davies先生	300	—	—	300
Mr. Chau Shing Yim David	周承炎先生	300	—	—	300
		35,371	2,229	—	37,600

The executive directors', non-executive directors' and independent non-executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group and for their services as directors of the Company respectively.

上述執行董事、非執行董事及獨立非執行董事之酬金主要結合了他們分別為本公司及本集團管理事務及作為本公司董事的服務之酬金。



## 11. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS (CONTINUED)

Dr. Lee Man Chun Raymond is also the Chairman of the Company and his emoluments disclosed above include those for services rendered by him as the Chairman.

For the year ended 31 December 2017 and 2016, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as a compensation for loss of office. No directors waived any emoluments during these periods.

## 12. FIVE HIGHEST PAID INDIVIDUALS

Of the five individuals with the highest emoluments in the Group, three (2016: three) were directors of the Company whose emoluments are included in the disclosures in note 11. The aggregate emoluments of the five highest paid individuals, including directors, were as follows:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	41,117	40,855
Contributions to retirement benefit schemes	退休福利計劃供款	18	36
		<b>41,135</b>	<b>40,891</b>

The emoluments were within the following bands:

HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	—	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	—
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	1	1
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	1	1
HK\$16,000,001 to HK\$16,500,000	16,000,001港元至16,500,000港元	2	2
		<b>5</b>	<b>5</b>

## 11. 董事及首席執行官酬金(續)

李文俊博士亦為本公司主席，上述披露之酬金包括其作為主席所提供的服務之酬金。

截至2017年及2016年12月31日止年度，本集團並無支付任何酬金予董事作為誘使其加入或加入本集團後或失去其辦公室之補償。該等期間並無任何董事放棄酬金。

## 12. 五位最高酬金人士

本集團最高酬金之五位人士，其中三位(2016年：三位)為本公司董事而其酬金已於附註11披露。五位最高酬金人員(包括董事)之合計酬金如下：

酬金介乎下列組別：



### 13. DIVIDENDS

### 13. 股息

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Dividends recognised as distribution:	確認為分派之股息：		
Final dividend of HK\$0.110 in respect of the year ended 31 December 2016 (2016: final dividend of HK\$0.095 in respect of the year ended 31 December 2015) per share	截至2016年12月31日止年度之末期股息每股0.110港元(2016年：截至2015年12月31日止年度之末期股息每股0.095港元)	496,830	432,950
Interim dividend of HK\$0.170 in respect of the year ended 31 December 2017 (2016: interim dividend of HK\$0.110 in respect of the year ended 31 December 2016) per share	截至2017年12月31日止年度之中期股息每股0.170港元(2016年：截至2016年12月31日止年度之中期股息每股0.110港元)	767,829	501,226
		<b>1,264,659</b>	934,176

A final dividend of HK\$0.20 per share in respect of the year ended 31 December 2017 (2016: final dividend of HK\$0.11 per share in respect of the year ended 31 December 2016) has been proposed by the directors and is subject to approval by shareholders at the forthcoming annual general meeting.

董事建議派發截至2017年12月31日止年度末期股息每股0.20港元(2016年：截至2016年12月31日止年度末期股息每股0.11港元)，惟須待股東在應屆股東大會批准。

### 14. EARNINGS PER SHARE

The calculation of the earnings per share is based on the profit for the year of HK\$5,040,292,000 (2016: HK\$2,862,743,000) and weighted average number of 4,521,700,282 (2016: 4,569,900,468) shares in issue during the year.

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

### 14. 每股盈利

每股盈利乃以本年度盈利5,040,292,000港元(2016年：2,862,743,000港元)及年內已發行股份加權平均數4,521,700,282股(2016年：4,569,900,468股)為基準計算。

由於兩個年度內並無未行使之潛在普通股，因此並無計算每股攤薄盈利。



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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Buildings	Computer system	Furniture, fixtures and equipment	Leasehold improvements	Motor vehicles and yacht	Plant and machinery	Construction in progress	Total
		樓宇	電腦系統	傢俬、固定裝置及設備	租賃物業裝修	汽車及遊艇	廠房及機器	在建工程	總計
		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
<b>COST</b>	<b>成本</b>								
At 1 January 2016	2016年1月1日	5,316,345	44,169	833,372	525,320	58,409	18,228,115	3,947,216	28,952,946
Exchange realignment	匯兌重新組合	(401,448)	(3,248)	(57,841)	(38,407)	(5,374)	(1,373,849)	(201,769)	(2,081,936)
Additions	添置	71,523	545	44,369	3,861	70,550	186,030	3,595,375	3,972,253
Transfers	轉撥	570,238	5,431	85,848	9,365	11,607	1,154,762	(1,837,251)	—
Transfer to investment properties (note 17)	轉撥至投資物業(附註17)	(378,429)	—	—	—	—	—	—	(378,429)
Disposals/written off	出售/撇賬	—	(332)	(1,491)	(775)	(6,514)	(89,523)	(165)	(98,800)
At 31 December 2016	2016年12月31日	5,178,229	46,565	904,257	499,364	128,678	18,105,535	5,503,406	30,366,034
Exchange realignment	匯兌重新組合	253,191	2,164	38,959	23,313	3,493	893,835	144,482	1,359,437
Additions	添置	83,098	1,235	6,741	697	546	139,422	3,251,260	3,482,999
Transfers	轉撥	1,223,658	2,514	92,282	4,589	14,356	2,805,041	(4,142,440)	—
Transfer to investment properties (note 17)	轉撥至投資物業(附註17)	(33,373)	—	—	—	—	—	(145,927)	(179,300)
Transfer to prepaid lease payments	轉撥至預付租賃款項	—	—	—	—	—	—	(39,291)	(39,291)
Disposals/written off	出售/撇賬	(38,704)	(137)	(1,739)	(1,433)	(7,410)	(15,213)	(47,517)	(112,153)
At 31 December 2017	2017年12月31日	6,666,099	52,341	1,040,500	526,530	139,663	21,928,620	4,523,973	34,877,726
<b>DEPRECIATION</b>	<b>折舊</b>								
At 1 January 2016	2016年1月1日	1,343,618	31,125	357,469	218,382	44,578	3,606,625	—	5,601,797
Exchange realignment	匯兌重新組合	(102,213)	(825)	(27,987)	(16,521)	(2,848)	(277,588)	—	(427,982)
Provided for the year	年內撥備	222,465	6,118	80,626	25,795	10,617	581,135	—	926,756
Transfer to investment properties (note 17)	轉撥至投資物業(附註17)	(2,764)	—	—	—	—	—	—	(2,764)
Eliminated on disposals/written off	出售/撇賬時對銷	—	(290)	(1,358)	(295)	(5,523)	(36,532)	—	(43,998)
At 31 December 2016	2016年12月31日	1,461,106	36,128	408,750	227,361	46,824	3,873,640	—	6,053,809
Exchange realignment	匯兌重新組合	73,834	743	20,525	11,090	1,883	193,607	—	301,682
Provided for the year	年內撥備	272,683	6,848	84,663	25,878	13,575	692,257	—	1,095,904
Eliminated on disposals/written off	出售/撇賬時對銷	(15,643)	—	(1,339)	(722)	(6,167)	(8,653)	—	(32,524)
At 31 December 2017	2017年12月31日	1,791,980	43,719	512,599	263,607	56,115	4,750,851	—	7,418,871
<b>CARRYING VALUE</b>	<b>賬面值</b>								
At 31 December 2017	2017年12月31日	4,874,119	8,622	527,901	262,923	83,548	17,177,769	4,523,973	27,458,855
At 31 December 2016	2016年12月31日	3,717,123	10,437	495,507	272,003	81,854	14,231,895	5,503,406	24,312,225



## 15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

notes:

- (i) The above buildings of the Group represent buildings on land under medium-term lease in the PRC.
- (ii) Certain buildings of the Group are erected on land in the PRC with respect to which the Group has not been granted formal title of ownership. At 31 December 2017, the carrying value of such buildings was HK\$1,356,794,000 (2016: HK\$1,172,652,000). In the opinion of directors, the absence of formal title to these buildings does not impair the value of the relevant buildings to the Group as the Group has paid substantially the full purchase consideration of these land use rights and the probability of being evicted on the ground of an absence of formal title is remote. The directors also believe that formal title of these buildings will be granted to the Group in due course.
- (iii) As disclosed in notes 32 and 37, certain portions of the buildings have been leased to a related party. These buildings were not reclassified as investment properties as the leased portions are insignificant.
- (iv) Depreciation is provided to write off the cost of property, plant and equipment other than construction in progress over their estimated useful lives and after taking into account of their estimated residual values, using the straight-line method, at the following rates per annum:

Buildings	Over the shorter of the term of lease, or 20 to 50 years
Computer system	10%
Furniture, fixtures and equipment	20%
Leasehold improvements	5% – 15%
Motor vehicles and yacht	5% – 20%
Plant and machinery	3 $\frac{1}{3}$ % – 20%

## 15. 物業、廠房及設備(續)

附註：

- (i) 上述之本集團樓宇乃於中國中期租賃土地上之樓宇。
- (ii) 集團有若干樓宇建於仍未授予集團正式擁有權之中國土地上。於2017年12月31日，該等樓宇之賬面值為1,356,794,000港元(2016年：1,172,652,000港元)。董事認為欠缺該等樓宇正式擁有權並不會損害集團相應樓宇價值，因為本集團已支付大部分購買該等土地使用權之代價及以欠缺正式擁有權的理由而收回土地的機是微乎其微。董事亦相信在不久將來集團會獲授予該等樓宇之正式擁有權。
- (iii) 如附註32及37所述，樓宇當中若干部分已租予一關連人士。由於租賃部分微不足道，該等樓宇並未分類為投資物業。
- (iv) 除在建工程外，物業、廠房及設備在計及其預計剩餘價值後，於預計可用年期以直線法計提折舊以撇銷成本，年率如下：

樓宇	租賃期較短者，或20至50年
電腦系統	10%
傢俬、固定裝置及設備	20%
租賃物業裝修	5%–15%
汽車及遊艇	5%–20%
廠房及機器	3 $\frac{1}{3}$ %–20%





## 16. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments comprise leasehold land held under medium-term leases located in:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
The PRC	中國	906,207	846,861
Vietnam	越南	51,984	52,230
		<b>958,191</b>	899,091
Analysed for reporting purposes as:			
Non-current asset		936,881	877,980
Current asset		21,310	21,111
		<b>958,191</b>	899,091

As at 31 December 2017, the carrying value of land use rights in respect of which the Group had not been granted formal title of ownership was HK\$179,615,000 (2016: HK\$245,732,000). In the opinion of the directors, the absence of formal title to these land use rights does not impair the value of the relevant properties to the Group as the Group has paid substantially the full purchase consideration of these land use rights and the probability of being evicted on the ground of an absence of formal title is remote. The directors also believe that formal title to these land use rights will be granted to the Group in due course.

## 16. 預付租賃款項

本集團預付租賃款項包括中期租賃項下之租賃土地位於：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
The PRC	中國	906,207	846,861
Vietnam	越南	51,984	52,230
		<b>958,191</b>	899,091
Analysed for reporting purposes as:			
Non-current asset		936,881	877,980
Current asset		21,310	21,111
		<b>958,191</b>	899,091

於2017年12月31日，集團未獲授予正式擁有權之土地使用權之賬面值為179,615,000港元(2016年：245,732,000港元)。董事認為欠缺此等土地使用權正式擁有權並不會損害集團相應物業價值，因為本集團已支付大部分購買該等土地使用權之代價及以欠缺正式擁有權的理由而收回土地的機會是微乎其微。董事亦相信在不久將來集團會獲授予該等土地使用權正式擁有權。



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17. INVESTMENT PROPERTIES

17. 投資物業

		HK\$'000 千港元
<b>COST</b>		
<b>成本</b>		
At 1 January 2016	於2016年1月1日	—
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	375,665
Additions	添置	2,995
Exchange realignment	匯兌重新組合	(4,753)
At 31 December 2016	於2016年12月31日	373,907
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	179,300
Additions	添置	21,741
Exchange realignment	匯兌重新組合	23,106
At 31 December 2017	於2017年12月31日	598,054
<b>DEPRECIATION</b>		
<b>折舊</b>		
At 1 January 2016	於2016年1月1日	—
Provided for the year	年內撥備	2,599
Exchange realignment	匯兌重新組合	(101)
At 31 December 2016	於2016年12月31日	2,498
Provided for the year	年內撥備	13,467
Exchange realignment	匯兌重新組合	487
At 31 December 2017	於2017年12月31日	16,452
<b>CARRYING VALUE</b>		
<b>賬面值</b>		
At 31 December 2017	於2017年12月31日	581,602
At 31 December 2016	於2016年12月31日	371,409

During the year ended 31 December 2017, certain property, plant and equipment situated in PRC with carrying amounts of HK\$179,300,000 (31 December 2016: HK\$375,665,000) was transferred to investment properties as the management had changed the use of the properties.

於截至2017年12月31日止年度，由於管理層已改變物業用途，賬面值為數179,300,000港元(2016年12月31日：375,665,000港元)之若干位於中國之物業、廠房及設備已轉撥往投資物業。



## 17. INVESTMENT PROPERTIES (CONTINUED)

The fair value of the Group's commercial properties at 31 December 2017 was HK\$147,700,000 (31 December 2016: HK\$145,939,000). The fair value of the commercial properties has been arrived at based on a valuation carried out by 重慶啟利房地產土地資產評估有限公司 (2016: 廣州署華資產評估有限公司), an independent qualified professional valuer not connected with the Group using the market comparable approach, with reference to recent market prices for similar properties in similar locations and conditions, where appropriate.

The fair value of the Group's industrial properties at 31 December 2017 was HK\$465,746,000 (31 December 2016: HK\$244,576,000). The fair value of the industrial properties has been arrived at based on a valuation carried out by 重慶啟利房地產土地資產評估有限公司 (2016: 深圳德興資產評估事務所(普通合伙)), an independent qualified professional valuer not connected with the Group using the income capitalisation approach by reference to the market rentals of all lettable properties and capitalisation rate observed by the valuer for the similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the respective properties.

In estimating the fair value of the investment properties, the highest and best use of the properties is their current use.

## 17. 投資物業(續)

本集團的商業物業於2017年12月31日之公允值為147,700,000港元(2016年12月31日: 145,939,000港元)。商業物業之公允值根據與本集團無關連之獨立合資格專業估價師重慶啟利房地產土地資產評估有限公司(2016年: 廣州署華資產評估有限公司), 按市場比較法參考就類似物業於類似位置及條件(倘適用)之近期市場價格作出之估值得出。

本集團的工業物業於2017年12月31日之公允值為465,746,000港元(2016年12月31日: 244,576,000港元)。工業物業之公允值根據與本集團無關連之獨立合資格專業估價師重慶啟利房地產土地資產評估有限公司(2016年: 深圳德興資產評估事務所(普通合伙)), 按收益法參考附近同類物業所有可出租物業的市場租金及估價師參考所知的資本化率並根據估價師對相關物業具體情況的瞭解作出調整後作出的估值得出。

於估計投資物業之公允值時, 有關物業之最高及最佳用途為其目前用途。



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17. INVESTMENT PROPERTIES (CONTINUED)

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2017 and 2016 are as follows:

Category 類別	Fair value hierarchy 公允價值級別	Fair value 公允價值		Carrying value 賬面值		Valuation Technique 估值方式	Key unobservable inputs 主要不可觀察依據	Relationship of unobservable inputs to fair value 不可觀察依據對公允價值之關係
		2017	2016	2017	2016			
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元			
Commercial properties 商業物業	Level 3 第3級	147,700	145,939	146,927	140,323	Market comparable approach 市場比較法	Transaction prices for similar properties after accounting for floor areas and floor level — Renminbi ("RMB") 63,833 per square meter 類似物業經計及樓面面積及樓層 之交易價格—每平方米人民幣 (「人民幣」)63,833元	An increase/decrease in the market transaction prices for similar properties would result in an increase/decrease in fair value and vice versa. 類似物業市場交易價格增加/減 少會相應引致公允價值增加/ 減少，反之亦然
Industrial properties 工業物業	Level 3 第3級	465,746	244,576	434,675	231,086	Income capitalisation approach 收益法	Capitalisation rate of 3% to 5% 資本化率為3%至5%  Monthly rent of RMB4.90 per square meter per month 每月租金為每平方米人民幣 4.90元	The fair values of the Group's industrial properties are inversely related to capitalisation rates which were determined by prevailing market transactions, conditions and expectations. 本集團工業物業公允價值與資本化 率成反比，資本化率則取決 於現行市場交易、狀況及期 望  In addition, increase in fair value of industrial properties is also attributable to the increase in market rental during the year. 此外，工業物業公允價值的增加亦 歸因於年內市場租金的增加

There were no transfers into or out of Level 3 during the year.

於2017年及2016年12月31日，本集團投資物業詳情及公允價值級別之有關資料載述如下：

年內並無公允價值轉入或轉出第3級。



## 17. INVESTMENT PROPERTIES (CONTINUED)

## 17. 投資物業(續)

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
The Group's investment properties	本集團投資物業包括：		
comprise:			
Investment properties located in:	投資物業位於：		
The PRC	中國	581,602	371,409

The above investment properties are depreciated on a straight-line basis at the following rates per annum:

上述投資物業按直線基準計提折舊，年率如下：

Buildings Over the shorter of the term of lease, or 20–50 years

樓宇 租賃期較短者，或20至50年

## 18. DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT AND LAND USE RIGHTS

## 18. 購置物業、廠房及設備及土地使用權所付訂金

The deposits were paid by the Group in connection with the acquisition of property, plant and equipment and land use rights for new production facilities. The related commitments for acquisition of property, plant and equipment are disclosed in note 33.

所付訂金是本集團為了新生產設施而購置的物業、廠房及設備及土地使用權的訂金。購置物業、廠房及設備的有關承擔於附註33披露。



19. INTEREST IN A JOINT VENTURE

19. 合營企業權益

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Cost of an unlisted investment in joint venture	於合營企業之未上市投資成本	—	—
Exchange realignment	匯兌重新組合	—	—
Share of profit and other comprehensive income	應佔盈利及其他全面收益	—	—
		—	—
Loan to a joint venture (note ii)	合營企業貸款(附註ii)		
– current	– 流動	36,890	—
– non-current	– 非流動	97,453	95,953
		<b>134,343</b>	95,953



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19. INTEREST IN A JOINT VENTURE (CONTINUED)

notes:

- (i) Details of the Group's joint venture and its subsidiary at the end of the reporting periods are as follows:

Name of joint venture and its subsidiary 合營企業及其附屬公司名稱	Form of entity 實體形式	Place of incorporation and operations 成立及營運地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本	Proportion of issued and fully paid up capital held by the Group 本集團持有已發行及繳足股本比例				Principal activity 主要業務
				Directly 直接		Indirectly 間接		
				2017	2016	2017	2016	
				%	%	%	%	
Joint venture: 合營企業:								
Southern Hill Company Limited 南峰有限公司	Limited incorporated 有限公司成立	Hong Kong 香港	Ordinary shares — HK\$2 普通股 — 2港元	50	50	—	—	Investment holding 投資控股
Its wholly-owned subsidiary: 其全資擁有附屬公司:								
瑞昌理文物流有限公司 (Ruichang Lee & Man Logistics Company Limited)	Limited incorporated 有限公司成立	The PRC 中國	Registered capital — US\$12,000,000 註冊資本 — 12,000,000美元	—	—	50	50	Provision of port facilities 提供港口設施

- (ii) The amounts are unsecured, interest-free and have no fixed term of repayment and provided to a joint venture in the form of a shareholder's loan and forms part of the net investment in the joint venture, except for an amount of RMB31,357,000 (equivalent to approximately HK\$36,890,000) which carries interest at the fixed rate of 3.8% per annum, and is repayable on 31 December 2018.

19. 合營企業權益(續)

附註:

- (i) 於報告期末本集團之合營企業及其附屬公司詳情如下:

- (ii) 除為數人民幣31,357,000元(相等於約36,890,000港元)乃按固定年利率3.8%計息及須於2018年12月31日還款外,該貸款乃無抵押、免息及無固定還款期,並以股東借款形式提供及成為合營企業淨投資的一部分。





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20. INVENTORIES

20. 存貨

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Raw materials	原料	3,602,795	2,689,543
Finished goods	製成品	1,351,524	224,889
		<b>4,954,319</b>	<b>2,914,432</b>

21. TRADE AND OTHER RECEIVABLES

21. 應收貿易及其他賬款

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Trade receivables	應收貿易賬款	3,130,522	2,131,788
Less: allowance for doubtful debt	減：呆壞賬撥備	(17,034)	(30,360)
		<b>3,113,488</b>	<b>2,101,428</b>
Bills receivables	應收票據	1,542,662	1,511,703
		<b>4,656,150</b>	<b>3,613,131</b>
Prepayments and deposits for purchase of raw materials	購買原料預付款項及訂金	845,540	687,653
Other deposits and prepayments	其他訂金及預付款項	152,023	50,594
Value-added tax receivables	應收增值稅款項	838,616	398,512
Other receivables	應收其他賬款	283,499	209,973
		<b>6,775,828</b>	<b>4,959,863</b>



## 21. TRADE AND OTHER RECEIVABLES (CONTINUED)

notes:

- (i) Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits. Credit sales are made to customers with a satisfactory and trustworthy credit history. Credit limits attributed to customers are reviewed regularly. The Group allows its customers an average credit period of 45 to 90 days. The following is an aged analysis of trade and bills receivables presented based on the invoice date.

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Aged:	賬齡:		
Not exceeding 30 days	不超過30日	3,821,859	3,210,017
31-60 days	31-60日	645,979	293,645
61-90 days	61-90日	125,958	57,991
91-120 days	91-120日	31,758	25,873
Over 120 days	120日以上	30,596	25,605
		<b>4,656,150</b>	<b>3,613,131</b>

Trade receivables of HK\$4,584,221,000 (2016: HK\$3,553,164,000) that are neither past due nor impaired have good credit quality with reference to the track record of these customers under internal assessment by the Group.

As at 31 December 2017, the trade receivables of an aggregate carrying amount of HK\$722,973,000 (2016: HK\$326,323,000) was secured by customers' properties interests and machinery being held as collateral.

- (ii) Included in the Group's trade receivable balances are debtors with an aggregate carrying amount of HK\$71,929,000 (2016: HK\$59,967,000) which were past due at the reporting date but for which the Group has not provided for impairment loss as the Group considered such balances could be recovered based on the repayment history, the financial conditions and the current credit worthiness of each customer, if any. The directors consider all trade receivables (other than those for which impairment losses have been recognised) at the end of the reporting date are likely to be collectable under internal assessment by the Group.

## 21. 應收貿易及其他賬款(續)

附註:

- (i) 本集團於接納任何新客戶前，會評估該潛在客戶的信貨質量及界定其信貸限額。信貸銷售將會給予信貸記錄良好的客戶，客戶信貸限額定期予以檢討。本集團給予客戶的平均信貸期為45日至90日。以下為按發票日期呈列之應收貿易及票據賬款的賬齡分析。

為數4,584,221,000港元(2016年: 3,553,164,000港元)之應收貿易賬款乃並未逾期且未作減值，在本集團根據往績記錄作出的內部評估，該等客戶具備良好信譽。

於2017年12月31日，應收貿易賬款包括賬面值合共722,973,000港元(2016年: 326,323,000港元)由客戶持有之物業權益及機器為抵押品作出擔保。

- (ii) 本集團應收貿易賬款結餘中包括賬面值合共71,929,000港元(2016年: 59,967,000港元)的應收貿易賬款於報告期末已告逾期，惟本集團認為根據每一客戶之過往還款記錄、財務狀況及現行信譽狀況(如有)，該等結餘應可予以收回，故並無計提減值虧損撥備。根據本集團作出的內部評估，董事認為在報告期末所有應收貿易賬款(該等已確認減值虧損的除外)應可予以收回。



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21. TRADE AND OTHER RECEIVABLES (CONTINUED)

notes: (Continued)  
(ii) (Continued)

Ageing of trade receivables which were past due but not impaired

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Not exceeding 30 days	不超過30日	23,961	27,858
31-60 days	31-60日	12,666	14,817
61-90 days	61-90日	8,561	4,806
91-120 days	91-120日	5,506	3,149
Over 120 days	120日以上	21,235	9,337
		71,929	59,967

21. 應收貿易及其他賬款(續)

附註：(續)  
(ii) (續)

逾期但尚未減值的應收貿易賬款的賬齡

Movement in the allowance for doubtful debts

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
At 1 January	於1月1日	30,360	5,476
Impairment loss recognised on trade receivables	應收貿易賬款減值虧損確認	2,434	28,155
Reversal of impairment losses on trade receivables	應收貿易賬款減值虧損回撥	(5,594)	(3,271)
Amounts written off as uncollectible	不可收回之撇帳金額	(10,166)	-
At 31 December	於12月31日	17,034	30,360

呆壞賬撥備變動

The above allowance for doubtful debts are for individually impaired trade receivables which have either been placed under liquidation or are in severe financial difficulties.

上述呆壞賬撥備乃向個別面臨清盤或嚴重財政困難的應收貿易賬款作出減值。

(iii) Trade and other receivables that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

(iii) 並非以有關集團實體功能貨幣計值的應收貿易及其他賬款如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
HK\$	港元	113,185	171,408
US\$	美元	80,652	44,057



## 22. AMOUNTS DUE FROM (TO) RELATED COMPANIES

Amounts due from related companies disclosed pursuant to the Hong Kong Companies Ordinance Cap 622G are as follows:

## 22. 應收(付)關連公司款項

根據香港公司法條例第622G予以披露之應收關連公司款項如下：

Name of related company 關連公司名稱	Terms 條款	Balance at 31 December 2017 於2017年 12月31日結餘 HK\$'000 千港元	Balance at 1 January 2017 於2017年 1月1日結餘 HK\$'000 千港元	Maximum amount outstanding during 年內未付最高金額	
				2017 HK\$'000 千港元	2016 HK\$'000 千港元
Lee & Man Chemical Company Limited ("Lee & Man Chemical")(note i) 理文化工有限公司(「理文化工」) (附註i)	Unsecured and non-interest bearing 無抵押及免息	-	2,571	14,107	11,903
Lee & Man Industrial Manufacturing Limited("LMIML")(note ii) 理文實業有限公司(「理文實業」) (附註ii)	Unsecured and non-interest bearing 無抵押及免息	21,709	14,871	34,871	15,127
		21,709	17,442		



## 22. AMOUNTS DUE FROM (TO) RELATED COMPANIES (CONTINUED)

The amounts due from related companies represent trade balance due from Lee & Man Chemical and LMIML. The amounts are unsecured, interest-free with credit period of 45 days and are aged less than 45 days.

notes:

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

The amounts due to related companies represent trade balance due to Lee & Man Chemical. The amounts are unsecured, interest-free, with average credit period of 30 days and are aged less than 30 days.

The amounts due from related companies that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Amounts due from related companies	應收關連公司款項		
– HK\$	– 港元	2,457	1,599

## 22. 應收(付)關連公司款項(續)

應收關連公司款項乃應收理文化工及理文實業的貿易結餘。該等數額乃無抵押、免息、附帶信貸期45日及賬齡少於45日。

附註：

- (i) 該公司由本公司最終控股股東李運強先生實益擁有及控制。
- (ii) 該公司為李經緯先生之配偶彼亦為李運強先生之女兒間接全資擁有。李經緯先生為本公司董事。

應付關連公司款項乃應付理文化工的貿易結餘。該等數額乃無抵押、免息，平均信貸期30日及賬齡少於30日。

並非以有關集團實體功能貨幣計值的應收關連公司款項載列如下：



23. DERIVATIVE FINANCIAL INSTRUMENTS

23. 衍生金融工具

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
<b>Derivative financial assets</b>	<b>衍生金融資產－淨額交收</b>		
<b>– net settlement</b>			
Foreign currency forward contracts (note i)	外幣遠期合約(附註i)	4,127	231
<b>Derivative financial liabilities</b>	<b>衍生金融負債－淨額交收</b>		
<b>– net settlement</b>			
Foreign currency forward contracts (note i)	外幣遠期合約(附註i)	–	11,152
Agricultural commodity future contracts (note ii)	農業商品期貨合約(附註ii)	–	115
		–	11,267



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23. DERIVATIVE FINANCIAL INSTRUMENTS  
(CONTINUED)

notes:

(i) Foreign currency forward contracts

Major terms of the foreign currency forward contracts outstanding as at 31 December 2017 are as follows:

**Notional amount**

概念金額

7 contracts to buy EUR29,519,498 in total  
7份合約共買29,519,498歐元

Major terms of the foreign currency forward contracts outstanding as at 31 December 2016 are as follows:

**Notional amount**

概念金額

6 contracts to buy EUR2,660,000 in total  
6份合約共買2,660,000歐元  
3 contracts to buy EUR11,200,000 in total  
3份合約共買11,200,000歐元  
14 contracts to buy US\$47,359,000 in total  
14份合約共買47,359,000美元

The above contracts will mature within six months (2016: six months) after the end of the reporting period.

The fair values of the above derivative financial instruments were calculated using discounted cash flow analysis based on the applicable forward foreign exchange rates.

(ii) Agricultural commodity future contracts (net settlement)

As at 31 December 2016, the Group entered into corn starch future contracts in order to manage its exposure to the price risk of corn starch inventories. These contracts are actively traded in an active market and are measured at fair values based on unadjusted quoted price at the end of the reporting period, with gain or loss recognised directly in profit or loss.

Major terms of the agricultural commodity future contracts outstanding at the end of the reporting period are set out below:

31 December 2016

**Contract price**  
合約價格

**Standard trading unit**  
標準交易單位

**Total unit**  
總單位

**Maturity date**  
到期日

Corn starch future contracts:  
玉米澱粉期貨合約：

Buying at prices ranging from  
RMB1,798 to RMB1,812 per ton  
買入價格每噸人民幣1,798元至人民幣1,812元

10 tonnes  
10噸

800  
2017年5月17日

23. 衍生金融工具(續)

附註：

(i) 外幣遠期合約

於2017年12月31日未完結外幣遠期合約之主要條款如下：

**Currency conversion**

貨幣轉換

EUR1 to HK\$9.1143-9.3440  
1歐元兌9.1143-9.3440港元

於2016年12月31日未完結外幣遠期合約之主要條款如下：

**Currency conversion**

貨幣轉換

EUR1 to HK\$8.5350-8.6389  
1歐元兌8.5350-8.6389港元  
EUR1 to US\$1.0610-1.0644  
1歐元兌1.0610-1.0644美元  
US\$1 to HK\$7.7474-7.7513  
1美元兌7.7474-7.7513港元

上述合約將於報告期末後六個月(2016年：六個月)內到期。

上述衍生金融工具之公允值乃根據適用遠期外幣匯率分析之折現現金流量計算。

(ii) 農業商品期貨合約(淨額交收)

於2016年12月31日，本集團訂立玉米澱粉期貨合約以管理玉米澱粉存貨之價格風險。此等合約乃於活躍市場頻繁交易及按報告期末未經調整之報價之公允值計量，盈虧於損益直接確認。

報告期末未完結農業商品期貨合約之主要條款如下：

於2016年12月31日





## 24. MARGIN DEPOSITS/BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short term bank deposits with an original maturity of three months or less.

Margin deposits represent deposits placed with financial institutions to secure the Group's margin accounts with these financial institutions for trading commodity future contracts. The margin deposits are non-interest bearing.

Margin deposits and bank balances and cash that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

## 24. 保證金存款／銀行結餘及現金

銀行結餘及現金包括本集團持有的現金及原到期日為3個月或以內的短期銀行存款。

保證金存款乃存放於金融機構之存款，以確保本集團於此等金融機構之保證金賬戶可進行商品期貨交易。保證金存款並無利息。

並非以有關集團實體功能貨幣計值的保證金存款及銀行結餘及現金載列如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
HK\$	港元	24,189	28,616
US\$	美元	22,619	42,806
Euro ("EUR")	歐元(「歐元」)	88	130



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25. TRADE AND OTHER PAYABLES

25. 應付貿易及其他賬款

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Trade and bills payables	應付貿易及票據賬款	3,129,001	2,555,195
Construction fee payable	應付工程款	665,117	463,646
Accruals	應計費用	346,378	167,460
Receipt in advance	預收款項	127,566	122,516
Other payables	其他應付款項	404,236	240,414
		<b>4,672,298</b>	<b>3,549,231</b>

notes:

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

附註：

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

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Aged:	賬齡：		
Not exceeding 30 days	不超過30日	1,227,564	1,213,666
31-60 days	31-60日	642,141	603,054
61-90 days	61-90日	537,183	350,298
91-120 days	91-120日	690,208	370,937
Over 120 days	120日以上	31,905	17,240
		<b>3,129,001</b>	<b>2,555,195</b>

- (ii) Trade and other payables that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

- (ii) 並非以有關集團實體功能貨幣計值的應付貿易及其他賬款如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
EUR	歐元	288,205	318,119
US\$	美元	2,037,063	1,737,267



## 26. BANK BORROWINGS

The Group's bank borrowings, all of which are unsecured, comprised:

## 26. 銀行借貸

本集團之銀行借貸(全部均為無抵押)包括:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Bank loans	銀行貸款	13,703,459	12,566,561
Bank import loans	銀行進口貸款	1,374,245	980,281
		<b>15,077,704</b>	<b>13,546,842</b>
The bank borrowings are repayable as follows: 銀行借貸的還款期如下:			
Within one year	一年內	6,025,745	4,240,105
More than one year, but not exceeding two years	超過一年但少於兩年	887,293	866,445
More than two years, but not exceeding five years	超過兩年但少於五年	8,164,666	8,440,292
		<b>15,077,704</b>	<b>13,546,842</b>
Less: Amount due within one year shown under current liabilities	減: 列示為流動負債的一年內到期款項	<b>(6,025,745)</b>	<b>(4,240,105)</b>
Amount due after one year	一年後到期款項	<b>9,051,959</b>	<b>9,306,737</b>

notes:

- (i) All bank borrowings as at 31 December 2017 (2016: HK\$13,412,011,000) carry variable interest rates ranging from Hong Kong Interbanks Offered Rate ("HIBOR") plus 0.90% to HIBOR plus 1.50% or London Interbanks Offered Rate ("LIBOR") plus 0.90% to LIBOR plus 1.25% (2016: ranging from HIBOR plus 1.10% to HIBOR plus 2.29% or LIBOR plus 1.10% to LIBOR plus 1.25%) per annum.

附註:

- (i) 於2017年12月31日所有銀行借貸(2016年: 13,412,011,000港元)為浮息, 年息率由香港銀行同業拆息(「香港銀行同業拆息」)加0.90%至1.50%或倫敦銀行同業拆息(「倫敦銀行同業拆息」)加0.90%至1.25%(2016年: 香港銀行同業拆息加1.10%至2.29%; 或倫敦銀行同業拆息加1.10%至1.25%)。



## 26. BANK BORROWINGS (CONTINUED)

notes: (Continued)

(i) (Continued)

All other bank borrowings as at 31 December 2016 are fixed-rate bank borrowings which carry interest at rates ranging from 3.48% to 4.35% per annum.

The weighted average effective interest rate of the Group's bank borrowings are as follows:

		2017	2016
Fixed-rate borrowings	定息借貸	N/A不適用	3.73%
Variable-rate borrowings	浮息借貸	2.46%	2.33%

(ii) HK\$5,250,745,000 (2016: HK\$4,036,081,000) in bank borrowings of HK\$6,025,745,000 (2016: HK\$4,240,105,000) which are repayable within one year contain repayable on demand clauses.

## 26. 銀行借貸(續)

附註：(續)

(i) (續)

於2016年12月31日所有其他銀行借貸為定息，年息率由3.48%至4.35%。

本集團銀行借貸之實際利率加權平均數如下：

	2017	2016
Fixed-rate borrowings	N/A不適用	3.73%
Variable-rate borrowings	2.46%	2.33%

(ii) 一年內到期銀行借貸6,025,745,000港元(2016年：4,240,105,000港元)當中，5,250,745,000港元(2016年：4,036,081,000港元)含應要求還款之條款。



## 27. DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities recognised and movement thereon during the current and prior year:

		<b>Accelerated tax depreciation 加速稅項 折舊 HK\$'000 千港元</b>	<b>Undistributed earnings of the PRC subsidiaries 中國附屬 公司之 未分配盈利 HK\$'000 千港元</b>	<b>Total 合計 HK\$'000 千港元</b>
At 1 January 2016	於2016年12月1日	897,827	4,145	901,972
Charge to profit or loss	計入損益	119,916	—	119,916
Exchange differences	匯兌差額	(115,153)	—	(115,153)
At 31 December 2016	於2016年12月31日	902,590	4,145	906,735
Charge to profit or loss	計入損益	107,606	262,826	370,432
Exchange differences	匯兌差額	4,841	—	4,841
At 31 December 2017	於2017年12月31日	1,015,037	266,971	1,282,008

notes:

(i) As at 31 December 2017, the Group had unused tax losses of approximately HK\$125,000,000 (2016: HK\$107,000,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses for both years due to unpredictability of future profit streams. As at 31 December 2017, tax losses of approximately HK\$25,000,000 (2016: HK\$21,000,000) attributable to the PRC subsidiaries and approximately HK\$84,000,000 (2016: HK\$71,000,000) attributable to the Vietnam subsidiaries will expire at various dates up to and including 2022 (2016: 2021). As at 31 December 2017, tax losses of approximately HK\$16,000,000 (2016: 15,000,000) attributable to the Hong Kong subsidiaries may be carried forward indefinitely.

(ii) According to the EIT Law, dividend paid to foreign investors out of profit earned by entities established in the PRC from 1 January 2008 onwards is subject to withholding tax at 10%. For investors incorporated in Hong Kong and holding at least 25% of equity interest in a PRC company, a preferential rate of 5% can be applied. The Group has not recognised deferred tax liability in respect of the certain undistributed profits of some of its PRC subsidiaries because the directors believe that the Company is able to control the timing of the distribution by its subsidiaries such that no withholding tax will be payable in the foreseeable future. As at the end of the reporting period, the deferred tax liabilities in relation to the undistributed profits of the PRC subsidiaries for which deferred tax liabilities have not been recognised were approximately HK\$351 million (2016: HK\$401 million).

## 27. 遞延稅項負債

下表為主要已確認遞延稅項負債於本年度及上年度之變動。

附註：

(i) 於2017年12月31日，本集團尚未動用但可用作抵扣未來盈利之稅項虧損約為125,000,000港元(2016年：107,000,000港元)。由於無法預計未來盈利流向，兩個年度並未就該等虧損確認為遞延稅項資產。於2017年12月31日，稅項虧損約25,000,000港元(2016年：21,000,000港元)來自中國附屬公司及約84,000,000港元(2016年：71,000,000港元)來自越南附屬公司，將於直至並包括2022年(2016年：2021年)之多個不同日期到期。於2017年12月31日，稅項虧損約16,000,000港元(2016年：15,000,000港元)來自香港附屬公司，將可無限定期地結轉。

(ii) 根據企業所得稅法，自2008年1月1日起，從於中國註冊成立的實體的盈利中派付股息予海外投資者，須繳交預扣稅10%。香港註冊成立且於中國公司持有最少25%權益的投資者，適用優惠稅率5%。由於董事相信本公司可控制其附屬公司進行派付之時間，且於可見的將來不會繳交預扣稅，故本集團無就其某些中國附屬公司相關未分配盈利確認遞延稅項負債。於報告期末，就中國附屬公司未分配盈利相關而未確認的遞延稅項負債約為3.51億港元(2016年：4.01億港元)。



## 28. RETIREMENT BENEFITS PLANS

### Defined contribution scheme

The Group operates a MPF Scheme for all qualifying employees in Hong Kong. The assets of the MPF scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes monthly the lower of HK\$1,500 or 5% of the relevant monthly payroll costs to the MPF Scheme, which contribution is matched by employees.

The only obligation of the Group with respect of MPF Scheme is to make the required contribution payable on the future years.

The employees employed in the PRC subsidiaries are members of the state-managed retirement benefit scheme operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The total expense recognised in profit or loss of HK\$58,545,000 (2016: HK\$48,718,000) represents contributions payable to these plans by the Group at rates specified in the rules of the schemes. As at 31 December 2017, contributions of HK\$21,000 (2016: HK\$47,000) due in respect of the year ended 31 December 2017 had not been paid to the plans. The amounts were paid subsequently to the end of the reporting period.

## 28. 退休福利計劃

### 界定供款計劃

本集團在香港為所有合資格僱員設立一項強積金計劃。強積金計劃的資產與本集團的資產分開持有，以及撥入信託人管理的基金。本集團按1,500港元或有關月薪成本的5%，以較低者為準，向強積金計劃供款，與僱員之供款一致。

本集團對強積金計劃的唯一責任就是在未來年度作出所需應付供款。

中國附屬公司聘用的僱員均參與中國政府營辦的國家管理退休福利計劃。中國附屬公司須按僱員薪金的若干百分比，向退休福利計劃供款，作為福利之用。本集團對退休福利計劃的唯一責任就是作出指定供款。

於損益中確認之總支出58,545,000港元(2016年：48,718,000港元)為本集團按計劃規定之指定比率就該等計劃之應付供款。於2017年12月31日，就截至2017年12月31日止年度尚有未付計劃供款21,000港元(2016年：47,000港元)。該等款項已在報告期末隨後支付。



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29. SHARE CAPITAL

29. 股本

		Number of ordinary shares 普通股數目	Amount 金額 HK\$'000 千港元
	Note 附註		
Authorised:	法定：		
Ordinary shares of HK\$0.025 each at 1 January 2016, 31 December 2016 and 31 December 2017	於2016年1月1日、 2016年12月31日及 2017年12月31日 每股0.025港元的普通股	<b>8,000,000,000</b>	<b>200,000</b>
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.025 each at 1 January 2016	於2016年1月1日 每股0.025港元的普通股	<b>4,579,000,000</b>	<b>114,475</b>
Shares repurchased and cancelled	股份購回及註銷 (i)	<b>(33,340,000)</b>	<b>(833)</b>
Ordinary shares of HK\$0.025 each at 31 December 2016	於2016年12月31日 每股0.025港元的普通股	<b>4,545,660,000</b>	<b>113,642</b>
Share repurchased and cancelled	股份購回及註銷 (i)	<b>(40,256,000)</b>	<b>(1,007)</b>
Ordinary shares of HK\$0.025 each at 31 December 2017	於2017年12月31日 每股0.025港元的普通股	<b>4,505,404,000</b>	<b>112,635</b>





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

29. SHARE CAPITAL (CONTINUED)

note:

- (i) The Company repurchased its own shares through the Stock Exchange as follows:

2017

Month of repurchases	購回月份	No. of ordinary shares of HK\$0.025 each 每股0.025港元之普通股	Price paid per share 每股支付價格		Aggregate consideration paid (including expenses) 合計已付代價(含使費) HK\$'000 千港元
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
March 2017	2017年3月	11,213,000	6.29	5.87	69,927
April 2017	2017年4月	2,792,000	5.90	5.86	16,525
May 2017	2017年5月	7,955,000	6.10	6.01	48,350
November 2017	2017年11月	7,480,000	8.84	8.57	65,789
December 2017	2017年12月	3,756,000	8.99	8.84	33,626
		33,196,000			234,217

2016

Month of repurchases	購回月份	No. of ordinary shares of HK\$0.025 each 每股0.025港元之普通股	Price paid per share 每股支付價格		Aggregate consideration paid (including expenses) 合計已付代價(含使費) HK\$'000 千港元
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
January 2016	2016年1月	20,951,000	4.20	3.92	85,618
March 2016	2016年3月	680,000	5.00	4.97	3,397
May 2016	2016年5月	770,000	5.00	4.97	3,859
December 2016	2016年12月	17,999,000	5.98	5.79	106,423
		40,400,000			199,297

Out of 40,400,000 ordinary shares repurchased, 33,340,000 shares were cancelled during the year ended 31 December 2016 while the remaining 7,060,000 ordinary shares were cancelled in January 2017.

於截至2016年12月31日止年度40,400,000股購回普通股當中，33,340,000股股份已於年內被註銷，而餘下之7,060,000股普通股隨後在2017年1月被註銷。

29. 股本(續)

附註：

- (i) 本公司於聯交所購回自身之股份如下：

2017年

2016年



### 30. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which include the bank borrowings, and equity attributable to equity holders of the Company, comprising issued share capital and various reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

### 31. FINANCIAL INSTRUMENTS

#### (i) Categories of financial instruments

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
<b>Financial assets</b>	<b>金融資產</b>		
Fair value through profit or loss – derivative financial instruments	按公允值計入損益 – 衍生金融工具	4,127	231
Loans and receivables (including cash and cash equivalents)	貸款及應收賬款 (包括現金及現金等價物)	7,344,342	5,216,434
<b>Financial liabilities</b>	<b>金融負債</b>		
Fair value through profit or loss – derivative financial instruments	按公允值計入損益 – 衍生金融工具	—	11,267
Amortised cost	攤銷成本	19,290,800	16,810,385

### 30. 資本風險管理

本集團管理其資本以確保本集團的實體可持續經營業務，並透過最佳債務及權益比例為權益持有人提供最高回報。本集團的整體政策維持與去年一致。

本集團的資本結構包括債務，當中包括銀行借貸以及本公司權益持有人應佔權益(包括已發行股本及多項儲備)。

本公司董事不時檢討資本結構。作為檢討的一部分，董事考慮資本成本以及與各類資本有關的風險。根據董事的建議，本集團將通過派付股息、發行新股及購回股份以及發行新債或贖回現債平衡其整體資本結構。

### 31. 金融工具

#### (i) 金融工具類別



### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies

The Group's major financial instruments include a loan to a joint venture, trade and other receivables, amounts due from (to) related companies, derivative financial instruments, margin deposits, bank balances and cash, trade and other payables, and bank borrowings. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### Market risk

###### (a) Currency risk

The Group has foreign currency transactions, which expose the Group to market risk arising from changes in foreign exchange rates. In order to mitigate the foreign currency risk, foreign currency forward contracts are entered into by the Group for certain material foreign currency transactions. Management monitors other foreign currency exposure closely and will consider the use of hedging instruments when the need arises.

### 31. 金融工具(續)

#### (ii) 財務風險管理目的及政策

本集團的主要金融工具包括合營企業貸款、應收貿易及其他賬款、應收(付)關連公司款項、衍生金融工具、保證金存款、銀行結餘及現金、應付貿易及其他賬款及銀行借貸。金融工具的詳情於相關附註披露。與該等金融工具有關的風險包括市場風險(貨幣風險、利率風險及商品價格風險)、信貸風險及流動資金風險。如何緩和該等風險的政策載列於下文。管理層管理及監控該等風險，以確保及時有效地採用適當的措施。

##### 市場風險

###### (a) 貨幣風險

本集團存在外幣交易，令本集團須承受外幣匯率變動引起的市場風險。為了降低外幣風險，本集團就若干重大外幣交易訂立外幣遠期合同。管理層將密切監察其他外幣風險，並考慮於必要時運用對沖工具。



### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### (a) Currency risk (Continued)

The carrying amounts of the Group's significant monetary assets and monetary liabilities, excluding intercompany balances and derivative financial instruments, that are denominated in currencies other than the functional currency of the relevant group entities at the reporting dates are as follows:

Monetary assets (note):

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
HK\$	港元	139,831	201,623
US\$	美元	103,271	86,863
EUR	歐元	88	130

Monetary liabilities (note):

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
HK\$	港元	51	—
US\$	美元	2,037,063	1,737,267
EUR	歐元	288,205	318,119

note: The above amounts exclude HK\$/US\$ amounts where the functional currency of the relevant group entities is US\$/HK\$ because HK\$ is pegged to the US\$, as a result of which the exchange exposure is not significant.

### 31. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

##### 市場風險(續)

##### (a) 貨幣風險(續)

本集團於報告日並非以相關集團實體功能貨幣計值之主要貨幣資產及貨幣負債(內部公司往來及衍生金融工具除外)的賬面值如下:

貨幣資產(附註):

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
HK\$	港元	139,831	201,623
US\$	美元	103,271	86,863
EUR	歐元	88	130

貨幣負債(附註):

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
HK\$	港元	51	—
US\$	美元	2,037,063	1,737,267
EUR	歐元	288,205	318,119

附註: 上述金額未包括相關集團實體功能貨幣為美元/港元的港元/美元金額, 由於港元與美元掛鈎, 因此並無重大滙兌風險。



### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

Market risk (Continued)

##### (a) Currency risk (Continued)

In addition, intercompany balances denominated in foreign currencies are as follows:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
<b>Assets</b>	<b>資產</b>		
US\$	美元	715,824	429,473
HK\$	港元	438,514	132,586
RMB	人民幣	349,412	354,777
EUR	歐元	58,166	285,409
<b>Liabilities</b>	<b>負債</b>		
US\$	美元	715,824	429,473
HK\$	港元	589,884	583,952
RMB	人民幣	1,391,529	991,910
EUR	歐元	58,166	285,409

Sensitivity analysis

The Group is primarily exposed to the fluctuation of EUR against HK\$, and HK\$ and US\$ against RMB.

### 31. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

市場風險(續)

##### (a) 貨幣風險(續)

此外，以外幣計值之內部公司往來結餘如下：

敏感度分析

本集團主要面對歐元兌港元、和港元及美元兌人民幣的波動影響。



### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### (a) Currency risk (Continued)

##### Sensitivity analysis (Continued)

The following tables detail the Group's sensitivity to a 5% (2016: 5%) increase and decrease in the functional currency of the relevant group entities against the relevant foreign currencies to the extent that the exposures have not been hedged. 5% (2016: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items (including intercompany balances denominated in foreign currencies) and adjusts their translation at the year end for a 5% change in foreign currency rates. On this basis, there will be an increase/decrease in post-tax profit and equity where the functional currency of the relevant group entities strengthens against the foreign currencies by 5%, and vice versa.

		<b>(Decrease) increase in post-tax profit</b>		<b>Increase (decrease) in equity</b>	
		稅後盈利減少(增加)		權益增加(減少)	
		2017	2016	2017	2016
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
HK\$	港元	(19,953)	(10,317)	20,483	20,962
US\$	美元	100,936	79,300	23	31
RMB	人民幣	1,413	44,714	43,508	(14,812)
EUR	歐元	14,240	15,797	48	214

### 31. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

##### 市場風險(續)

##### (a) 貨幣風險(續)

##### 敏感度分析(續)

下表詳述本集團在並無對沖風險的情況下，相關集團實體之功能貨幣兌其相關外幣上升及下降5% (2016年：5%) 的敏感度。5% (2016年：5%) 為對內向主要管理人員匯報外幣風險時採用的敏感度比率，為管理層就外幣匯率的合理可能變動作出的評估。敏感度分析只包括以外幣計值的未償付貨幣項目(包括以外幣定值之內部公司往來)，並於結算日調整其換算，以反映外幣匯率的5%變動。在此基準下，當相關集團實體之功能貨幣兌外幣升值5%，稅後盈利及權益將增加/減少，反之亦然。



### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### (a) Currency risk (Continued)

##### Sensitivity analysis (Continued)

All foreign currency forward contracts in note 23 are to hedge the rise of EUR against HK\$ (2016: the rise of EUR against HK\$ & US\$ and the rise of US\$ against HK\$).

The following tables detail the Group's sensitivity to a 5% (2016: 5%) strengthening or weakening on the foreign currencies and all other variables were held constant. As HK\$ is pegged to the US\$, the Group's currency risk related to the above HK\$/US\$ derivative financial instruments is expected to be minimal.

		2017		2016	
		Strengthening by 5% leading to increase in post-tax profit 升值5%導致稅後盈利增加 HK\$'000 千港元	Weakening by 5% leading to decrease in post-tax profit 貶值5%導致稅後盈利減少 HK\$'000 千港元	Strengthening by 5% leading to increase in post-tax profit 升值5%導致稅後盈利增加 HK\$'000 千港元	Weakening by 5% leading to decrease in post-tax profit 貶值5%導致稅後盈利減少 HK\$'000 千港元
EUR	歐元	13,834	13,834	15,506	(15,510)
RMB	人民幣	—	—	—	—
		13,834	13,834	15,506	(15,510)

### 31. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

##### 市場風險(續)

##### (a) 貨幣風險(續)

##### 敏感度分析(續)

載於附註23之所有外幣遠期合約乃對沖歐元兌港元上升(2016年: 歐元兌港元&美元上升及美元兌港元上升)。

下表詳述本集團對外幣升值及貶值5%(2016年: 5%)的敏感度, 並假設所有其他變數保持不變。由於港元與美元掛鈎, 本集團預期上述港元/美元衍生金融工具有關之貨幣風險極低。





### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### (b) Interest rate risk

The Group's bank balances carry floating-rate of interests and have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rates. However, the Group considers that the bank balances are within short maturity period, and the fluctuation in interest rate and the cash flow interest rate risk arising from bank balances are insignificant.

The Group's fair value and cash flow interest risks mainly relate to fixed and variable rates borrowings respectively. The Group has not entered into any interest rate hedging contracts, but considers that the interest rate of bank borrowings is relatively stable and so no interest rate swap was used to hedge the exposure to interest rate risk in current year. The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

##### Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For variable-rate bank borrowings, to the extent that they were not hedged by effective instruments, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points increase or decrease in interest rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

### 31. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

##### 市場風險(續)

##### (b) 利率風險

本集團銀行結餘乃浮息，由於現行市場利率波動，銀行結餘承受現金流量利率風險。然而，本集團認為該銀行結餘乃短期內到期，且從銀行結餘引伸的利率波動及現金流量利率風險微不足道。

本集團之公允值及現金流量利率風險主要分別與定息及浮息借貸有關。本集團並無訂立任何利率對沖合約，惟認為銀行借貸的利率相對穩定，所以在本年度未有以利率掉期對沖利率風險。管理層監控利率風險程度及當有需時會考慮對沖重大的利率風險。

##### 敏感度分析

下列的敏感度分析根據於報告期末非衍生工具的利率風險釐定。就浮息銀行借貸，當該等借貸並非由有效工具對沖，分析乃假設於報告期末未償付負債於全年均為未償付而編製。利率增加或減少50基點為對內向主要管理人員匯報利率風險時採用的敏感度比率，為管理層就利率的合理可能變動的評估。



### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### (b) Interest rate risk (Continued)

##### Sensitivity analysis (Continued)

For bank borrowings at variable-rate of HK\$15,077,704,000 (2016: HK\$13,412,011,000), if interest rate had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2017 after taking into account the capitalisation of borrowing costs using the capitalisation rate ranging from 2.34% to 2.94% (2016: 3.3%) would decrease/increase by HK\$43,857,000 (2016: decrease/increase by HK\$28,856,000).

##### (c) Commodity price risk

At 31 December 2016, the Group was exposed to commodity price risk through agricultural commodity future contracts.

##### Sensitivity analysis

The Group is exposed to the fluctuation of commodity price risk of agricultural commodity future contracts at the end of reporting period. If the commodity price risk of agricultural commodity future contracts had been 5% higher/lower, the Group's post-tax profit for the year would increase/decrease by HK\$629,000 in 2016.

### 31. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

##### 市場風險(續)

##### (b) 利率風險(續)

##### 敏感度分析(續)

就為數 15,077,704,000 港元 ( 2016 年 : 13,412,011,000 港元 ) 之浮息銀行借貸而言，倘利率上升/下跌 50 基點，而所有其他變數維持不變，本集團截至 2017 年 12 月 31 日止年度的稅後盈利經計及以資本化利率由 2.34% 至 2.94% ( 2016 年 : 3.3% ) 計算之資本化借貸成本後，將減少/增加 43,857,000 港元 ( 2016 年 : 減少/增加 28,856,000 港元 )。

##### (c) 商品價格風險

於 2016 年 12 月 31 日，本集團透過農業商品期貨合約承受商品價格風險。

##### 敏感度分析

於報告期末，本集團承受農業商品期貨合約之商品價格波動風險。假設農業商品期貨合約之商品價格上升/下跌 5%，本集團於 2016 年度之稅後盈利將增加/減少 629,000 港元。



### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

##### Credit risk

As at 31 December 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In making such assessments, the Group considers the value of collateral held and expected future cash flows from the assets. In this regard, the directors consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with good reputation.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Accordingly, the Group's concentration of credit risk is considered minimal.

### 31. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

##### 信貸風險

於2017年12月31日，本集團因對手方未能履行責任而導致財務損失的最高信貸風險來自綜合財務狀況表載列的各項已確認金融資產的賬面值。

為盡量減低信貸風險，本集團管理層已委任一組人員釐定信貸限額、信貸審批以及其他監控程序，確保就收回逾期債項採取跟進行動。此外，本集團管理層會於報告期末審閱各個別債務之可收回金額，以確保就無法收回金額確認足夠減值虧損。在作出評估時，本集團會考慮所持抵押品之價值及該等資產預期未來現金流量。就此，董事認為本集團之信貸風險已大大減少。

由於交易方均為信譽評級良好之銀行，故流動資金及衍生金融工具之信貸風險有限。

本集團的應收貿易賬款包括大量客戶，涵蓋多個行業及地理區域。因此，本集團集中信貸風險極低。



### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

##### Credit risk (Continued)

In addition to the credit risk on trade debts, the Group is also exposed to concentration on credit risk on its loan to a joint venture. Because the Group's involvement in the management of joint venture, the Group is in a position to monitor their financial performance and would take timely actions to safeguard its assets and/or to minimise its losses. Accordingly, management believes that the Group's exposure to the credit risk associated with loan to joint venture is low.

##### Liquidity risk

In management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as significant source of liquidity. As at 31 December 2017, the Group has available unutilised banking facilities of approximately HK\$9,908,498,000 (2016: HK\$11,094,000,000). Details of bank borrowings are set out in note 26.

### 31. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

##### 信貸風險(續)

除了在貿易債務的信貸風險外，本集團於合營企業貸款上存在集中信貸風險。因為本集團參與合營企業的管理，本集團身處監控其財務表現的位置並可採取及時行動以保護其資產及／或減低虧損。因此，管理層相信本集團在給予合營企業貸款引發的信貸風險屬低。

##### 流動資金風險

就管理流動資金風險而言，本集團監察及保持其視為足以為本集團營運提供資金，以及減輕現金流量波動影響之現金及現金等價物水平。管理層監察銀行借貸之情況並確保遵守貸款契諾。

本集團有賴於銀行借貸為重要流動資金來源，於2017年12月31日，本集團未動用之銀行信貸額度約為9,908,498,000港元(2016年：11,094,000,000港元)，銀行借貸詳情載於附註26。



### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

##### Liquidity risk (Continued)

The following tables detail the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. For non-derivative financial liabilities, the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

In addition, the following tables detail the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash flows on derivative instruments that settle on a net basis. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual maturities as the management consider that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

### 31. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

##### 流動資金風險(續)

下表詳述依據經協定還款條款本集團金融負債的餘下合約到期日。就非衍生金融負債而言，下表乃根據本集團須還款最早日期當日之金融負債未貼現現金流量作出。具體而言，附帶應要求還款條款之銀行借貸，被包括在最早時限之內，不論銀行是否選擇行使其權利。其他非衍生金融負債之到期日根據議定的還款日期計算。下表已包括利息及本金現金流量。在某種程度上，利息流是浮動利率，未貼現金額來自報告期末的利率曲線。

另外，下表詳述本集團衍生金融工具之流動性分析。該表乃根據按淨額結算的衍生工具以未折現合約淨現金流量列示。倘應付款項不固定，則所披露款項乃參照於報告期末現行利率收益曲線所示預測利率釐定。本集團根據合約到期日編製衍生金融工具的流動性分析，因管理層認為合約到期日乃了解衍生工具現金流之時間的重要因素。



### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables

### 31. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

流動資金風險(續)

流動資金表

		Weighted average effective interest rate	Repayable on demand or less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total undiscounted cash flows	Carrying amount at 31 December 2017
		實際利率 加權平均數 %	應要求還款 或少於1個月 HK\$'000 千港元	1至3個月 HK\$'000 千港元	3個月至1年 HK\$'000 千港元	1至5年 HK\$'000 千港元	未折現 現金流量合計 HK\$'000 千港元	2017年 12月31日 之賬面值 HK\$'000 千港元
<b>31 December 2017</b>	<b>2017年12月31日</b>							
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>							
Trade and other payables	應付貿易及其他賬款	—	2,310,061	1,166,180	722,113	—	4,198,354	4,198,354
Amounts due to related companies	應付關連公司款項	—	14,742	—	—	—	14,742	14,742
Bank borrowings – variable-rate	銀行借貸 — 浮息	2.46%	5,756,669	—	278,301	9,586,169	15,621,139	15,077,704
			8,081,472	1,166,180	1,000,414	9,586,169	19,834,235	19,290,800



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

31. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

31. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

流動資金風險(續)

流動資金表(續)

		Weighted average effective interest rate	Repayable on demand or less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total undiscounted cash flows	Carrying amount at 31 December 2016
		實際利率 加權平均數 %	應要求還款 或少於1個月 HK\$'000	1至3個月 HK\$'000	3個月至1年 HK\$'000	1至5年 HK\$'000	未折現 現金流量合計 HK\$'000	2016年 12月31日 之賬面值 HK\$'000
		百分比	千港元	千港元	千港元	千港元	千港元	千港元
<b>31 December 2016</b>	<b>2016年12月31日</b>							
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>							
Trade and other payables	應付貿易及其他賬款	—	1,880,956	636,970	741,329	—	3,259,255	3,259,255
Amounts due to related companies	應付關連公司款項	—	4,288	—	—	—	4,288	4,288
Bank borrowings	銀行借貸							
– variable-rate	– 浮息	2.33	4,039,909	—	69,996	9,945,643	14,055,548	13,412,011
– fixed-rate	– 定息	3.73	—	101,582	34,331	—	135,913	134,831
			5,925,153	738,552	845,656	9,945,643	17,455,004	16,810,385
<b>Derivatives – net settlement</b>	<b>衍生工具 – 淨額交收</b>							
Foreign exchange forward contracts	外幣遠期合約	—	1,350	5,731	4,071	—	11,152	11,152
Agricultural commodity future contracts	農業商品期貨合約	—	—	—	115	—	115	115
			1,350	5,731	4,186	—	11,267	11,267





### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### (ii) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

Bank borrowings with a repayment on demand clause are included in the "repayable on demand or less than 1 month" time band in the above maturity analysis. As at 31 December 2017 and 2016, the aggregate undiscounted principal amounts of these bank loans amounted to HK\$5,250,745,000 and HK\$4,036,081,000 respectively. Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans will be repaid after the reporting date in accordance with the following scheduled repayment dates set out in the loan agreements:

Bank borrowings subject to repayment on demand clause based on scheduled repayments:

		Weighted average effective interest rate 實際利率 加權平均數 %	Less than 1 month 少於1個月 HK\$'000 千港元	1-3 months 1至3個月 HK\$'000 千港元	3 months to 1 year 3個月至1年 HK\$'000 千港元	Total undiscounted cash flows 未折現 現金流量合計 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 31 December 2017	於2017年12月31日	2.46	4,451,710	730,661	83,518	5,265,889	5,250,745
As at 31 December 2016	於2016年12月31日	1.81	3,499,072	477,825	67,753	4,044,650	4,036,081

### 31. 金融工具(續)

#### (ii) 財務風險管理目的及政策(續)

流動資金風險(續)

流動資金表(續)

附帶應要求還款條款之銀行借貸按上述到期日分析計入「應要求還款或少於1個月」之期間。於2017年及2016年12月31日，該等銀行貸款之未折現本金總額分別為5,250,745,000港元及4,036,081,000港元。考慮到本集團之財務狀況，董事相信，銀行不大可能行使酌情權，要求本集團即時還款。董事相信，該等銀行借貸將於本報告日期之後根據貸款協議所載之既定還款日期償還如下：

附帶應要求還款條款之銀行借貸按其既定還款期：



### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### (iii) Fair value

Fair value measurements recognised in the statement of financial position

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities 金融資產／金融負債	Fair value as at 31 December 2017 於2017年12月31日 之公允值	Fair value hierarchy 公允值級別	Valuation techniques and key inputs 估值方式及主要依據
Foreign currency forward contracts classified as derivative financial instruments in the consolidated statement of financial position 外幣遠期合約於綜合財務狀況表分類為衍生金融工具	Assets – HK\$4,127,000 資產 – 4,127,000港元	Level 2 第2級	Future discounted cash flows are estimated based on the applicable forward foreign exchange rates 未來折現現金流量乃基於適用外幣遠期匯價估算

### 31. 金融工具(續)

#### (iii) 公允值

於財務狀況表確認之公允值計量

本附註提供本集團如何釐定不同金融資產及金融負債公允值之資料。

本集團某些金融資產及金融負債於各報告期末按公允值計量。下表提供如何釐定該等金融資產及金融負債公允值的資料(尤其估計方式及所使用之依據)。



### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### (iii) Fair value (Continued)

Fair value measurements recognised in the statement of financial position (Continued)

Financial assets/ financial liabilities 金融資產／金融負債	Fair value as at 31 December 2016 於2016年12月31日 之公允值
Foreign currency forward contracts classified as derivative financial instruments in the consolidated statement of financial position 外幣遠期合約於綜合財務狀況表分類為衍生金融工具	Assets – HK\$231,000 Liabilities – HK\$11,152,000 資產 – 231,000港元 負債 – 11,152,000港元

Agricultural commodity future contracts classified as derivative financial instruments in the consolidated statement of financial position 農業商品期貨合約於綜合財務狀況表分類為衍生金融工具	Liabilities – HK\$115,000 負債 – 115,000港元
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The directors consider the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

### 31. 金融工具(續)

#### (iii) 公允值(續)

於財務狀況表確認之公允值計量(續)

Fair value hierarchy 公允值級別	Valuation techniques and key inputs 估值方式及主要依據
Level 2 第2級	Future discounted cash flows are estimated based on the applicable forward foreign exchange rates 未來折現現金流量乃基於適用外幣遠期匯價估算
Level 1 第1級	Quoted bid commodity future prices on the Dalian Commodity Exchange 於大連商品交易所投標報價之商品期貨價格

董事認為於綜合財務報表金融資產及金融負債按攤銷成本呈報之賬面值相若其公允值。



### 31. FINANCIAL INSTRUMENTS (CONTINUED)

#### (iv) Financial assets and financial liabilities subject to offsetting, enforceable master netting agreements and similar agreements

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the Group's consolidated statement of financial position.

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements

As at 31 December 2017

### 31. 金融工具(續)

#### (iv) 待對銷、可執行總淨額結算安排及類似協議項下之金融資產及金融負債

下表披露包括於可執行總淨額結算安排或類似協議項下之金融資產及金融負債，並已涵蓋類似金融工具，不論其是否已於本集團綜合財務狀況表對銷。

待對銷、可執行總淨額結算安排及類似協議項下之金融資產

於2017年12月31日

Description	摘要	Gross amount of recognised financial liabilities set off in the consolidated statement of financial position		Net amounts of financial assets presented in the consolidated statement of financial position		Related amounts not set off in the consolidated statement of financial position		Net amount
		Gross amounts of recognised financial assets	對銷之已確認金融負債總額	呈示之金融資產淨額	Financial instruments	Cash collateral received	並無於綜合財務狀況表對銷之相關金額	
		已確認金融資產總額	金融負債總額	金融資產淨額	衍生金融工具	已收現金抵押品	Financial received	
		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
Bank balances	銀行結餘	407	—	407	—	—	—	407
Margin deposits	保證金存款	—	—	—	—	—	—	—
Derivative financial assets	衍生金融資產							
– Foreign currency forward contracts	– 外幣遠期合約	4,127	—	4,127	—	—	—	4,127



### 31. FINANCIAL INSTRUMENTS (CONTINUED)

(iv) Financial assets and financial liabilities subject to offsetting, enforceable master netting agreements and similar agreements (Continued)

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements

As at 31 December 2016

### 31. 金融工具(續)

(iv) 待對銷、可執行總淨額結算安排及類似協議項下之金融資產及金融負債(續)

待對銷、可執行總淨額結算安排及類似協議項下之金融資產

於2016年12月31日

Description	摘要	Gross amounts of recognised financial assets 已確認金融資產總額 HK\$'000 千港元	Gross amount of recognised financial liabilities set off in the consolidated statement of financial position 對銷之已確認金融負債總額 HK\$'000 千港元	Net amounts of financial assets presented in the consolidated statement of financial position 呈示之金融資產淨額 HK\$'000 千港元	Related amounts not set off in the consolidated statement of financial position 並無於綜合財務狀況表對銷之相關金額		Net amount 淨額 HK\$'000 千港元
					Financial instruments 衍生金融工具 HK\$'000 千港元	Cash collateral received 已收現金抵押品 HK\$'000 千港元	
Bank balances	銀行結餘	11,983	—	11,983	—	—	11,983
Margin deposits	保證金存款	1,450	—	1,450	(115)	—	1,335
Derivative financial assets	衍生金融資產						
- Foreign currency forward contracts	- 外幣遠期合約	231	—	231	—	—	231



### 31. FINANCIAL INSTRUMENTS (CONTINUED)

(iv) Financial assets and financial liabilities subject to offsetting, enforceable master netting agreements and similar agreements (Continued)

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

As at 31 December 2016

### 31. 金融工具(續)

(iv) 待對銷、可執行總淨額結算安排及類似協議項下之金融資產及金融負債(續)

待對銷、可執行總淨額結算安排及類似協議項下之金融負債

於2016年12月31日

Description	摘要	Gross amounts of recognised financial liabilities 已確認金融負債總額 HK\$'000 千港元	Gross amount of recognised financial assets set off in the consolidated statement of financial position 對銷之已確認金融資產總額 HK\$'000 千港元	Net amounts of financial liabilities presented in the consolidated statement of financial position 呈示之金融負債淨額 HK\$'000 千港元	Related amounts not set off in the consolidated statement of financial position 並無於綜合財務狀況表對銷之相關金額		Net amount 淨額 HK\$'000 千港元
					Financial instruments 衍生金融工具 HK\$'000 千港元	Cash collateral received 已收現金抵押品 HK\$'000 千港元	
Derivative financial liabilities	衍生金融負債						
-Foreign currency forward contracts	-外幣遠期合約	11,152	—	11,152	—	—	11,152
-Agricultural commodity future contracts	-農業商品期貨合約	115	—	115	—	(115)	—



## 32. OPERATING LEASES

### The Group as lessee

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

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Within one year	一年內	12,758	9,123
In the second to fifth year inclusive	第二至第五年內	8,545	7,455
Over five years	超過五年	3,907	—
		<b>25,210</b>	<b>16,578</b>

Operating lease payments represent rentals payable by the Group for staff quarters and certain of its office properties. For staff quarters and office properties, leases are negotiated for terms ranged from 1 year to 10 years with fixed rentals.

### The Group as lessor

During the year ended 31 December 2017, rental income in respect of industrial properties, office spaces, certain shops and staff quarters and plant and machinery in the PRC was HK\$26,359,000 (2016: HK\$7,505,000), net of negligible outgoings. Leases are within one to ten years.

## 32. 經營租約

### 集團作為承租人

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

經營租金指本集團就員工宿舍及其若干辦公室物業應付的租金。員工宿舍及辦公室物業經磋商租期由一年至十年，期內租金不變。

### 集團作為出租人

於截至2017年12月31日止年度，有關中國的工業物業、辦公室、若干商舖和員工宿舍及設備及機器的租金收入(經扣除微不足道之開支)為26,359,000港元(2016年：7,505,000港元)，租約為期一至十年內。





### 32. OPERATING LEASES (CONTINUED)

#### The Group as lessor (Continued)

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

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Within one year	一年內	40,209	17,119
In the second to fifth year inclusive	第二至第五年內	166,808	87,449
After five years	超過五年	192,534	118,848
		<b>399,551</b>	223,416

### 32. 經營租約(續)

#### 集團作為出租人(續)

在本報告期末，本集團已與租戶簽訂合約的日後最低租金為：

### 33. CAPITAL COMMITMENTS

### 33. 資本承擔

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Capital expenditures contracted for but not provided in the consolidated financial statements in respect of acquisition of:	就已訂約但未於綜合財務報表中撥備有關下列購置的資本開支：		
- property, plant and equipment	- 物業、廠房及設備	1,704,364	2,164,178
- land use rights	- 土地使用權	32,612	137,858
		<b>1,736,976</b>	2,302,036



### 34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

		Bank borrowings 銀行借貸 HK\$'000 千港元	Dividend payable 應付股息 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2017	於2017年1月1日	13,546,842	—	13,546,842
Financing cash flows	融資現金流量	1,528,226	(1,264,659)	263,567
Foreign exchange translation	外幣兌換	2,636	—	2,636
Declaration of dividend	宣派股息	—	1,264,659	1,264,659
At 31 December 2017	於2017年12月31日	15,077,704	—	15,077,704

### 35. NON-CASH TRANSACTIONS

For the year ended 31 December 2017, the Group's acquisition of property, plant and equipment was settled through transfer of deposits paid in the prior years to the extent of HK\$61,145,000 (2016: HK\$210,175,000).

### 34. 核對融資活動產生的負債

下表詳細列出本集團由融資活動產生的負債變動，包括現金及非現金變動。融資活動產生的負債是指現金流量或未來現金流量被分類在本集團之綜合現金流量表內融資活動所得之現金流量。

### 35. 非現金交易

截至2017年12月31日止年度，本集團購置物業、廠房及設備之61,145,000港元(2016年：210,175,000港元)乃從過往年度的已付訂金轉撥。



### 36. INFORMATION OF FINANCIAL POSITION OF THE COMPANY

A summarised statement of financial position of the Company as at 31 December 2017 and 2016 is as follows:

### 36. 本公司財務狀況資料

本公司於2017年及2016年12月31日之財務狀況表概述如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
<b>Non-current asset</b>	<b>非流動資產</b>		
Investments in subsidiaries	附屬公司投資	637,977	637,977
<b>Current assets</b>	<b>流動資產</b>		
Amounts due from subsidiaries	應收附屬公司款項	9,972,863	9,966,720
Bank balances	銀行結餘	204	4,593
		<b>9,973,067</b>	<b>9,971,313</b>
<b>Current liabilities</b>	<b>流動負債</b>		
Other payables	應付其他賬款	4,821	6,737
Amount due to a subsidiary	應付附屬公司款項	7,800,600	5,844,044
Bank borrowings	銀行借貸	—	19,193
		<b>7,805,421</b>	<b>5,869,974</b>
Net current assets	流動資產淨值	<b>2,167,646</b>	4,101,339
Total assets less current liabilities	資產總值減流動負債	<b>2,805,623</b>	4,739,316
<b>Non-current liability</b>	<b>非流動負債</b>		
Bank borrowings	銀行借貸	—	379,166
		<b>2,805,623</b>	<b>4,360,150</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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For the year ended 31 December 2017 截至2017年12月31日止年度

36. INFORMATION OF FINANCIAL POSITION OF  
THE COMPANY (CONTINUED)

36. 本公司財務狀況資料(續)

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Share capital	股本	112,635	113,642
Reserves	儲備	2,692,988	4,246,508
<b>Total equity</b>	<b>總權益</b>	<b>2,805,623</b>	<b>4,360,150</b>

note:

(i) Movements in reserves

附註：

(i) 儲備變動

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Share repurchase reserve 股份購回儲備 HK\$'000 千港元	Retained profits 留存盈利 HK\$'000 千港元	Total reserve 總儲備 HK\$'000 千港元
At 1 January 2016	於2016年1月1日	3,565,525	634,977	—	228,913	4,429,415
Shares repurchased and cancelled	股份購回及註銷	(156,342)	—	—	—	(156,342)
Shares repurchased and yet to be cancelled	股份購回但尚未註銷	—	—	(42,122)	—	(42,122)
Profit for the year	年度盈利	—	—	—	949,733	949,733
Dividends recognised as distributions	確認為分派之股息	—	—	—	(934,176)	(934,176)
At 31 December 2016	於2016年12月31日	3,409,183	634,977	(42,122)	244,470	4,246,508
Shares repurchased and cancelled	股份購回及註銷	(275,332)	—	42,122	—	(233,210)
Profit for the year	年度盈利	—	—	—	(55,651)	(55,651)
Dividends recognised as distributions	確認為分派之股息	(1,264,659)	—	—	—	(1,264,659)
At 31 December 2017	於2017年12月31日	1,869,192	634,977	—	188,819	2,692,988

The contributed surplus of the Company represents the difference between the aggregate net tangible assets of the subsidiaries acquired by the Company pursuant to a group reorganisation in September 2003 and the nominal value of the Company's shares issued for the acquisition.

本公司之實繳盈餘乃本公司透過2003年9月之集團重組所收購之附屬公司之有形資產淨值總額與本公司就該收購而發行之股本面值之差額。



### 37. RELATED AND CONNECTED PARTY DISCLOSURES

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

#### (i) Related and connected party transactions

Name of party 關連人士名稱	Nature of transactions 交易性質	2017 HK\$'000 千港元	2016 HK\$'000 千港元
LMIML (as defined in note 22) 理文實業(定義見附註22)	Finished goods sold by the Group 集團出售製成品	133,560	78,989
	Income from supply of steam and electricity 提供蒸氣及電力之收入	2,575	2,770
	Raw materials purchased by the Group 集團購買原料	2,874	1,914
Lee & Man Paper Products Company Limited (note i) 理文紙品有限公司(附註i)	Licence fee expenses incurred by the Group 集團許可權費支出	1,924	1,964

### 37. 相關及關連人士披露

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

#### (i) 相關及關連人士交易



37. RELATED AND CONNECTED PARTY  
DISCLOSURES (CONTINUED)

37. 相關及關連人士披露(續)

(i) Related and connected party transactions  
(Continued)

(i) 相關及關連人士交易(續)

Name of party 關連人士名稱	Nature of transactions 交易性質	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Jiangsu Lee & Man Chemical Limited (note ii) 江蘇理文化工有限公司(附註ii)	Income from supply of steam and electricity 提供蒸氣及電力之收入	66,341	65,165
	Raw materials purchased by the Group 集團購買原料	54,058	15,806
	Rental income of office spaces 辦公室租金收入	1,734	1,774
Jiangxi Lee & Man Chemical Limited (note ii) 江西理文化工有限公司(附註ii)	Steam and electricity fee paid by the Group 集團已付蒸氣及發電服務費	47,745	34,382
	Rental fee paid by the Group 集團已付租金	2,076	1,367
	Raw materials purchased by the Group 集團購買原料	2,343	—



### 37. RELATED AND CONNECTED PARTY DISCLOSURES (CONTINUED)

#### (i) Related and connected party transactions (Continued)

notes:

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

#### (ii) Related and connected party balances

Details of the Group's outstanding balances with related parties who are also the connected parties are set out in the consolidated statement of financial position and note 22.

#### (iii) Compensation of key management personnel

The remunerations of the directors and other members of key management during the year were as follows:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Short-term benefits	短期福利	41,117	40,855
Post-employment benefits	退休福利	18	36
		<b>41,135</b>	40,891

### 37. 相關及關連人士披露(續)

#### (i) 相關及關連人士交易(續)

附註：

- (i) 該公司為李經緯先生之配偶彼亦為本公司最終控股股東李運強先生之女兒間接全資擁有。李經緯先生為本公司董事。
- (ii) 該公司為本公司最終控股股東李運強先生實益擁有及控制。

#### (ii) 相關及關連人士結餘

本集團與相關人士同時亦為關連人士之未償還結餘詳情載於綜合財務狀況表及附註22。

#### (iii) 主要管理層成員薪酬

董事及其他主要管理層成員於年內之酬金如下：



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For the year ended 31 December 2017 截至2017年12月31日止年度

### 38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries at 31 December 2017 and 2016 are as follows:

### 38. 本公司主要附屬公司詳情

本公司主要附屬公司於2017年及2016年12月31日的詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/registration and operations 註冊成立/設立/ 登記及營運地點	Nominal value of issued and fully paid share capital/ registered capital 已發行及繳足股本面值/ 註冊資本	Proportion ownership interest held by the Company 本公司所持擁有權比例				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2017	2016	2017	2016	
Able Advance International Limited	British Virgin Islands (note i) 英屬處女群島(附註i)	Ordinary shares – US\$4 普通股 – 4美元	100%	100%	—	—	Investment holding 投資控股
Lee & Man Industries Company Limited	British Virgin Islands (note i) 英屬處女群島(附註i)	Ordinary share – US\$1 普通股 – 1美元	—	—	100%	100%	Investment holding 投資控股
Vantage Dragon Limited 利龍有限公司	Hong Kong 香港	Ordinary shares – HK\$2 普通股 – 2港元	—	—	100%	100%	Investment holding 投資控股
Lee Kwok (Macao Commercial Offshore) Trading Limited 利國(澳門離岸商業服務)貿易有限公司	Macao 澳門	MOP100,000 澳門幣100,000元	—	—	100%	100%	Procurement of raw materials 採購原料
東莞理文造紙廠有限公司 (Dongguan Lee & Man Paper Factory Co. Ltd.)	The PRC (note ii) 中國(附註ii)	Registered capital – US\$156,480,000 註冊資本 – 156,480,000美元	—	—	100%	100%	Manufacturing and trading of paper 原紙生產及貿易
廣東理文造紙有限公司 (Guangdong Lee & Man Paper Manufacturing Limited)	The PRC (note ii) 中國(附註ii)	Registered capital – US\$680,000,000 註冊資本 – 680,000,000美元	—	—	100%	100%	Manufacturing and trading of paper 原紙生產及貿易
江蘇理文造紙有限公司 (Jiangsu Lee & Man Paper Manufacturing Company Limited)	The PRC (note ii) 中國(附註ii)	Registered capital – US\$393,000,000 註冊資本 – 393,000,000美元	—	—	100%	100%	Manufacturing and trading of paper 原紙生產及貿易
重慶理文造紙有限公司 (Chongqing Lee & Man Paper Manufacturing Limited)	The PRC (note ii) 中國(附註ii)	Registered capital – US\$322,430,000 註冊資本 – 322,430,000美元	—	—	100%	100%	Manufacturing and trading of paper 原紙生產及貿易
重慶理文制漿有限公司 (Chongqing Lee & Man Pulp Manufacturing Limited)	The PRC (note ii) 中國(附註ii)	Registered capital – US\$172,830,000 註冊資本 – 172,830,000美元	—	—	100%	100%	Manufacturing and trading of pulp 制漿生產及貿易
江西理文造紙有限公司 (Jiangxi Lee & Man Paper Manufacturing Limited)	The PRC (note ii) 中國(附註ii)	Registered capital – US\$100,000,000 註冊資本 – 100,000,000美元	—	—	100%	100%	Manufacturing and trading of paper 原紙生產及貿易
重慶理文衛生用紙製造有限公司 (Chongqing Lee & Man Tissue Manufacturing Limited)	The PRC (note ii) 中國(附註ii)	Registered capital – US\$425,000,000 註冊資本 – 425,000,000美元	—	—	100%	100%	Manufacturing and trading of tissue products 衛生紙產品生產及貿易
Vietnam Lee & Man Paper Manufacturing Limited	Vietnam 越南	Registered capital – US\$300,000,000 註冊資本 – 300,000,000美元	—	—	100%	100%	Manufacturing and trading of paper 原紙生產及貿易





### 38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

notes:

- (i) These companies operate in Hong Kong.
- (ii) These companies are foreign investment enterprises established in the PRC.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding at the end of the year, or at any time during the year.

### 38. 本公司主要附屬公司詳情(續)

附註：

- (i) 該等公司在香港運作。
- (ii) 該等公司為在中國成立之外商投資企業。

上表列出據董事認為主要影響本集團業績或資產與負債的本公司附屬公司。董事認為，列出其他附屬公司的詳情會使本附註過於冗長。

於年末或年內任何時間，各附屬公司概無任何未償還的債務證券。



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