



玖龍紙業(控股)有限公司*

NINE DRAGONS PAPER (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(在百慕達註冊成立的有限公司)

Stock Code 股份代號: 2689

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Interim Report 2016/2017 中期業績報告



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公司資料 CORPORATE INFORMATION

董事會

執行董事

張茵女士 太平紳士 (董事長)
劉名中先生 (副董事長兼行政總裁)
張成飛先生 (副行政總裁)
劉晉嵩先生
張元福先生 (財務總監)

獨立非執行董事

譚惠珠女士 大紫荊勳章, 太平紳士
吳亮星先生 銀紫荊星章, 太平紳士
林耀堅先生

執行委員會

張茵女士 太平紳士 (主席)
劉名中先生
張成飛先生
劉晉嵩先生

審核委員會

林耀堅先生 (主席)
譚惠珠女士 大紫荊勳章, 太平紳士
吳亮星先生 銀紫荊星章, 太平紳士

薪酬委員會

譚惠珠女士 大紫荊勳章, 太平紳士 (主席)
吳亮星先生 銀紫荊星章, 太平紳士
林耀堅先生
劉名中先生
張成飛先生

提名委員會

張茵女士 太平紳士 (主席)
譚惠珠女士 大紫荊勳章, 太平紳士
吳亮星先生 銀紫荊星章, 太平紳士
林耀堅先生
張成飛先生

企業管治委員會

吳亮星先生 銀紫荊星章, 太平紳士 (主席)
譚惠珠女士 大紫荊勳章, 太平紳士
林耀堅先生
張茵女士 太平紳士
張成飛先生

授權代表

張成飛先生
鄭慧珠女士 ACS, ACIS

公司秘書

鄭慧珠女士 ACS, ACIS

BOARD OF DIRECTORS

Executive Directors

Ms. Cheung Yan JP (Chairlady)
Mr. Liu Ming Chung (Deputy Chairman and Chief Executive Officer)
Mr. Zhang Cheng Fei (Deputy Chief Executive Officer)
Mr. Lau Chun Shun
Mr. Zhang Yuanfu (Chief Financial Officer)

Independent Non-Executive Directors

Ms. Tam Wai Chu, Maria GBM, JP
Mr. Ng Leung Sing SBS, JP
Mr. Lam Yiu Kin

EXECUTIVE COMMITTEE

Ms. Cheung Yan JP (Chairlady)
Mr. Liu Ming Chung
Mr. Zhang Cheng Fei
Mr. Lau Chun Shun

AUDIT COMMITTEE

Mr. Lam Yiu Kin (Chairman)
Ms. Tam Wai Chu, Maria GBM, JP
Mr. Ng Leung Sing SBS, JP

REMUNERATION COMMITTEE

Ms. Tam Wai Chu, Maria GBM, JP (Chairlady)
Mr. Ng Leung Sing SBS, JP
Mr. Lam Yiu Kin
Mr. Liu Ming Chung
Mr. Zhang Cheng Fei

NOMINATION COMMITTEE

Ms. Cheung Yan JP (Chairlady)
Ms. Tam Wai Chu, Maria GBM, JP
Mr. Ng Leung Sing SBS, JP
Mr. Lam Yiu Kin
Mr. Zhang Cheng Fei

CORPORATE GOVERNANCE COMMITTEE

Mr. Ng Leung Sing SBS, JP (Chairman)
Ms. Tam Wai Chu, Maria GBM, JP
Mr. Lam Yiu Kin
Ms. Cheung Yan JP
Mr. Zhang Cheng Fei

AUTHORISED REPRESENTATIVES

Mr. Zhang Cheng Fei
Ms. Cheng Wai Chu, Judy ACS, ACIS

COMPANY SECRETARY

Ms. Cheng Wai Chu, Judy ACS, ACIS

公司資料 CORPORATE INFORMATION

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Conyers Dill & Pearman (百慕達)
盛德律師事務所(香港)
中倫律師事務所(中國)

主要往來銀行

中國銀行
中國銀行(香港)
交通銀行
國家開發銀行
中國農業銀行
招商銀行

股份過戶登記處

總處：

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AUDITOR

PricewaterhouseCoopers

LEGAL ADVISERS

Conyers Dill & Pearman (Bermuda)
Sidley Austin (Hong Kong)
Zhong Lun Law Firm (PRC)

PRINCIPAL BANKERS

Bank of China
Bank of China (Hong Kong)
Bank of Communications
China Development Bank
Agricultural Bank of China
China Merchants Bank

SHARE REGISTRAR AND TRANSFER OFFICE

Principal:

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Clarendon House
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Hamilton HM 11
Bermuda

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主要產品 MAIN PRODUCTS

01 卡紙類

1) 牛卡紙

牛卡紙是一種以本色木漿及廢紙製造的本色卡紙。集團分別以玖龍、海龍區分不同檔次產品，以適應客戶不同需求。

2) 環保牛卡紙

環保牛卡紙(「再生牛卡紙」)乃由100%廢紙製造，切合若干客戶低成本及更符合環保的要求。集團分別以地龍牛卡紙、海龍再生紙、地龍再生紙區分不同檔次產品，以適應客戶不同需求。

3) 白面牛卡紙

白面牛卡紙是三層的紙張，其中面層已漂白，以迎合需要白色表面作為外觀或超強印刷適性的客戶。集團分別以玖龍、海龍區分不同檔次產品，以適應客戶不同需求。

4) 塗布牛卡紙

塗布牛卡紙是四層的紙張，其中面層是在漂白漿上進行塗布，兼顧牛卡紙強度高和塗布白板紙適印性好的優點，既可替代傳統的塗布白板紙使用，亦可廣泛應用於預印產品。

02 高強瓦楞芯紙

與標準瓦楞芯紙比較，相同基重及已作表面施膠的高強瓦楞芯紙能達至超強的強度及物理特性，能減輕包裝重量、減小體積及所用材料，節省客戶的運送成本。集團可提供50-180g/m²範圍的高強瓦楞紙，其中50、60、70g/m²低克重高強度瓦楞紙處於行業領先地位，能滿足廣大客戶對紙種檔次及克重需求。集團分別以玖龍、海龍、地龍區分不同檔次產品，以適應客戶不同需求。

01 LINERBOARD CATEGORY

1) Kraftlinerboard (Kraftliner)

Kraftlinerboard is unbleached linerboard manufactured from unbleached kraft pulp and recovered paper. The Group classifies different classes of products into Nine Dragons and Sea Dragon so as to cater to the different needs of the customers.

2) Testlinerboard (Testliner)

Testlinerboard is made of 100% recovered paper. It meets certain customers' requirements for lower cost and environmentally friendly purposes. The Group classifies different classes of products into Land Dragon kraftlinerboard, Sea Dragon testlinerboard and Land Dragon testlinerboard so as to cater to the different needs of the customers.

3) White Top Linerboard (White Top Liner)

White top linerboard is a three-ply sheet of which the surface layer is bleached, and caters to customers that require a white surface for appearance or superior printability. The Group classifies different classes of products into Nine Dragons and Sea Dragon so as to cater to the different needs of the customers.

4) Coated Linerboard (Coated Kraftliner)

Coated linerboard is a four-ply sheet of which the surface layer is coated on bleached kraft pulp. It possesses the characteristics of high performance (as that of kraftlinerboard) and high printability (as that of coated duplex board), which can replace the traditional coated duplex board and are widely used on the pre-printed products.

02 HIGH PERFORMANCE CORRUGATING MEDIUM

Compared to standard corrugating medium, high performance corrugating medium, which undergoes surface sizing, achieves superior strength and physical properties for the same basis weight, which reduces packaging weight, bulk and the amount of material used, allowing customers to save on shipping costs. The Group offers high performance corrugating medium ranging from 50-180g/m², of which light weight high performance corrugating medium of 50, 60 and 70 g/m² are at a leading position in the industry. High performance corrugating medium satisfies the needs of the customers for different classes and weights. The Group classifies different classes of products into Nine Dragons, Sea Dragon and Land Dragon so as to cater to the different needs of the customers.



03 塗布灰底白板紙

塗布灰底白板紙為一種紙板，紙板的一面有光滑的塗布面層，以致具備優越的印刷適性。塗布灰底白板紙一般用作需要高質印刷適性的小型彩盒包裝物料，例如：電子消費品、化妝品或其他消費商品的包裝，亦可連同高強瓦楞芯紙及卡紙用作瓦楞紙板的外層。集團分別以玖龍、海龍、地龍及江龍區分不同檔次產品，以適應客戶不同需求。

03 COATED DUPLEX BOARD

Coated duplex board is a type of boxboard with a glossy coated surface on one side for superior printability. This product is typically used as packaging material for small boxes that require high quality printability, such as consumer electronic products, cosmetics or other consumer merchandise. It can also be used in combination with high performance corrugating medium and linerboard for the outer layer of corrugated board. The Group classifies different classes of products into Nine Dragons, Sea Dragon, Land Dragon and River Dragon so as to cater to the different needs of the customers.

04 文化紙類

1) 雙膠紙

雙膠紙適用於印刷書刊、教材、雜誌、筆記本、彩色圖片，集團可提供53-140g/m²高品質雙膠紙，本產品已通過FSC認證。集團分別以玖龍、海龍、地龍區分不同檔次產品，以適應客戶不同需求。

04 PRINTING AND WRITING PAPER CATEGORY

1) Uncoated Woodfree Paper (Offset Paper)

Uncoated woodfree paper is suitable for printing books, teaching materials, magazines, notebooks and colour pictures. The Group offers high quality uncoated woodfree paper of 53-140g/m². This product has passed FSC certification. The Group classifies different classes of products into Nine Dragons, Sea Dragon and Land Dragon so as to cater to the different needs of the customers.

2) 辦公用紙

辦公用紙適用於彩色打印及複印、彩色噴墨及數碼印刷、辦公用高速黑白打印及複印。本產品經過特殊技術處理紙張表面，使辦公設備磨損降至最低，已通過FSC認證。其中海龍牌再生纖維多功能辦公用紙採用廢紙製造，更符合環保的要求。

2) Office Paper (Copy Paper)

Office paper is suitable for colour printing and copying, colour inkjet and digital printing, highspeed black and white printing and copying for office uses. The surface of this product is processed with special technologies, minimizing the wear of office equipments. It has passed FSC certification. The recycled fiber multi-function office paper under the Sea Dragon brand is made of recovered paper and is more environmentally friendly.

董事長報告 CHAIRLADY'S REPORT

致各位股東：

本集團在本期內外經營狀況良好，取得多方面的優異成績，並進一步突顯未來的發展優勢和潛力。作為包裝紙行業龍頭，本集團已經建立了一個龐大的生產和銷售平台，業務表現更趨穩定的同時，更能及時把握市場商機作穩健發展，在中國經濟轉型及可持續發展道路上穩佔先機。

本期內，政府繼續高壓嚴控環保，落後和低效率的產能加快關停，新增產能的審批更趨嚴格，特別是禁止對燃煤發電廠的審批，影響了造紙項目的增加，令包裝紙的供需關係有序經營，對產品價格提供有力的支持。隨著行業基本面持續改善，雖然本集團兩項主要成本(廢紙及煤炭)價格於本期間顯著上漲，但通過有效上調產品銷售價格轉嫁，盈利仍可穩步增長。同時，本集團雖於本期間內暫無新紙機投產，但得益於各生產基地內部紙機優化改造及銷售團隊的高效策略，本期間的銷售量及銷售額均創出歷史新高，總銷售量達到710萬噸，同比增長6.2%，總銷售額為約人民幣19,125.0百萬元，較去年同期增加約17.3%。盈利表現方面，毛利率由去年同期的17.3%提高至約18.3%；權益持有人應佔盈利約為人民幣1,914.7百萬元，若不包括經營及融資活動的匯兌虧損(扣除稅項)，本期間之權益持有人應佔盈利則為約人民幣2,002.2百萬元，同比增長約51.4%。本期間本集團每股基本盈利約為人民幣0.41元。董事會已建議派付中期股息每股人民幣5.0分。

Dear Shareholders,

With favorable internal and external operating environment, the Group achieved outstanding performance in many aspects during the Period and more prominently exhibited its future development advantages and potential. As the leader in the packaging paper industry, the Group has established an enormous production and sales platform. In light of more stable business performance, the Group could grasp market opportunities for steady and prudent development in a timely manner, and take a leading position in China's economic transformation and sustainable development.

During the Period, the government continued to exercise stringent control over environmental protection with high pressure. The increase in paper-making projects was affected by faster closure of outdated and inefficient capacities and much more stringent approval requirements on new capacities, especially prohibition of approval on coal fired power plants. This resulted in orderly dynamics of supply and demand of packaging paper, which has given strong support to product pricing. With continuously improving industry fundamentals, notwithstanding the prices of the Group's two major cost elements (recovered paper and coal) rose significantly during the Period, the Group was able to steadily elevate its profitability by passing on the cost increases through effective product sales price hikes. Meanwhile, although the Group did not have any new paper machine commencing production during the Period, both sales volume and sales achieved historical high during the Period due to internal optimization and upgrading of paper machines at production bases as well as effective strategies of the sales team. Total sales volume amounted to 7.1 million tonnes, representing an increase of 6.2% as compared with the corresponding period last year; total sales amounted to approximately RMB19,125.0 million, representing an increase of approximately 17.3% as compared with the corresponding period last year. For profitability, gross profit margin increased from 17.3% in the corresponding period last year to approximately 18.3%. Profit attributable to equity holders was approximately RMB1,914.7 million. If the exchange losses on operating and financing activities (net of tax) were excluded, profit attributable to equity holders was approximately RMB2,002.2 million for the Period, representing an increase of approximately 51.4% as compared with the corresponding period last year. During the Period, basic earnings per share of the Group was approximately RMB0.41. The Board has proposed an interim dividend of RMB5.0 cents per share.

董事長報告 CHAIRLADY'S REPORT

配合生產佈局的進一步完善和優化，本集團亦對更多客戶提供具有玖龍特色的快速服務，以方便而可靠的服務模式降低客戶營運成本，提高存貨管理效率，除有助鞏固及擴展客戶網絡之外，同時也反映出本集團逐漸實現內部管理全方位一體化的高效運作。

資金管理方面，本集團繼續保持無壞賬記錄，並於本期間內繼續積極減債及優化債務結構，其中總借貸於本期間內再減少約人民幣7,079.5百萬元至約人民幣25,765.8百萬元，貸款淨額對總權益比率持續下降至約71.2%。本期間內，由於本集團繼續致力於將歐元債務轉為人民幣債務，且歐元相對較美元為弱，本集團的匯兌虧損總額(扣除稅項)顯著減少，由去年同期的約人民幣1,010.0百萬元減至約人民幣87.5百萬元。截至二零一六年十二月末，本集團總借貸中約69.3%為人民幣貸款，後續將繼續關注外匯風險的管控。

本集團根據各區域市場的供需情況來制訂未來的戰略生產佈局。按照現時的发展計劃，越南基地的二號紙機預計將於二零一七年六月底前投產，屆時本集團總設計年產能預計將達到14.08百萬噸。在中國國內市場，瀋陽基地新紙機的設計年產能將增加至0.6百萬噸；同時，面對華北地區加快淘汰落後產能的市場環境，本集團已決定在河北永新基地擴大產能，擴產後瀋陽和河北永新兩個基地的規模效益將可顯著提升，同時增加與天津基地在產品銷售和廢紙採購方面的協同效應，令本集團在華北地區的龍頭優勢更加突顯。此外，本集團也決定在重慶基地和泉州基地各增建一台紙機，以進一步滿足當地市場的需求。以上位於中國的新紙機均已通過政府的審批，計劃在二零一八年第四季度陸續投產。預計到二零一八年年末時，本集團的總設計年產能將達到逾16百萬噸。

With further improvement and optimization of production set-up, the Group provides express services with ND Paper characteristics to even more customers to reduce their operating costs and improve their inventory management efficiency by means of this convenient and reliable service mode. This helps consolidate and expand customer network, and also reflects the Group's gradual realization of efficient operation of comprehensive and integrated internal management.

On capital management, the Group continued to maintain record of no bad debts, and continued to proactively reduce debt and optimize debt structure during the Period. During the Period, total borrowings further decreased by approximately RMB7,079.5 million to approximately RMB25,765.8 million, and net borrowings to total equity ratio continuously declined to approximately 71.2%. During the Period, total exchange losses (net of tax) of the Group decreased significantly from approximately RMB1,010.0 million in the corresponding period last year to approximately RMB87.5 million due to the Group's continuous efforts on conversion of debts denominated in Euro into debts denominated in RMB and that Euro was relatively weaker than the US dollar. RMB debts accounted for approximately 69.3% of the Group's total borrowings as of the end of December 2016. Subsequently, the Group will continue to keep attention on foreign exchange risk control.

The Group develops its future strategic production roadmap according to the supply and demand situation of each regional market. Based on the current development plan, PM2(VN) at the Vietnam base will commence production by the end of June 2017, which will bring the Group's total design production capacity to 14.08 million tpa. As for the markets in Mainland China, the design production capacity of the new paper machine at the Shenyang base will increase to 0.6 million tpa. Meanwhile, the Group has determined to expand production capacity at the Hebei Yongxin base due to faster elimination of outdated production capacities in northern China. Upon expansion, the two production bases of Shenyang and Hebei Yongxin are expected to see significant improvements in their economies of scale, while more synergy with Tianjin base will be created in product sales and recovered paper procurement, thus further strengthening the Group's leadership position in northern China. In addition, the Group has also determined to add a paper machine at each of Chongqing base and Quanzhou base to further meet the demand of the local market. The new paper machines located in China mentioned above have been approved by the government and are planned to commence production successively in the 4th quarter of 2018. It is expected that the Group's total design production capacity will exceed 16 million tpa by the end of 2018.

董事長報告 CHAIRLADY'S REPORT

展望未來，隨著中國經濟轉型深化，供給側去產能繼續發酵，製造業以規模效益和營運效率並重，新的供需關係和市場秩序正在形成。玖龍紙業憑藉二十年來所建成的龐大產銷平台及經營管控實力，獲得了無人可及的龍頭企業優勢。玖龍紙業將以審慎的態度進行產能擴展，同時繼續進行設備升級、效率提升、成本控制等，同時維持淨借貸比率在合適的水平，並積極發展更完善的智能管理數據系統，快速邁向信息化、自動化、智能化，務求產品質量、服務、成本等在不斷蛻變的市場環境中達到「工業4.0」的標準，穩定質量，提高產能，為客戶提供最具性價比的「一張好紙」，並為股東帶來更佳的回報。

借此機會，本人謹代表董事會全體同仁向為玖龍付出努力及信任的管理層和全體員工、各級政府、投資者、銀行以及一直支持本集團的業務夥伴，致以衷心的感謝！

董事長
張茵

香港，二零一七年二月二十三日

Looking ahead, with deepening of China's economic transformation, continuous implementation of supply side capacity elimination as well as emphasis on both economies of scale and operating efficiency by the manufacturing industry, new supply and demand dynamics and market order are taking shape. ND Paper has unrivaled leadership advantages by virtue of its enormous production and distribution platform and strength in operating management and control established over two decades. ND Paper will be prudent in capacity expansion and continue on equipment upgrading, efficiency improvements, cost controls, etc., while maintaining its net debt gearing ratio at an appropriate level. It will proactively develop a more comprehensive information system for intelligent management, progressing towards informatization, automation and intelligentization at a fast pace, enabling its product quality, service and cost to meet "Industry 4.0" standards for stable quality and higher output under the evolving market environment, providing to its customers "a piece of exemplary quality paper" with the best price/value, and bringing better returns to the shareholders.

On behalf of all members of the Board, I would like to take this opportunity to express my sincere gratitude to the management and all staff members for their dedication to and trust in ND Paper, as well as to governments at all levels, investors, banks and business partners who have been supporting the Group all along.

Cheung Yan
Chairlady

Hong Kong, 23 February 2017

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

業務分析

營運回顧

玖龍紙業作為亞洲最大的箱板原紙生產商，主要生產及銷售多樣化的包裝紙產品，包括卡紙(牛卡紙、環保牛卡紙及白面牛卡紙)、高強瓦楞芯紙及塗布灰底白板紙，同時從事環保型文化用紙(包括雙膠紙、複印紙等)和特種紙的生產和銷售業務。

本期間內，中國箱板原紙行業錄得顯著改善。龐大人口的日常消費對需求提供有力支持，網購行業的增長更推動需求上升，而由於加快關停落後及低效產能，及新產能須通過更嚴格的審批要求，令供給側秩序好轉，為產品定價帶來強勁支持。因此，儘管本集團的兩大成本元素——廢紙及煤炭價格高企，但本集團透過提高產品價格有效轉嫁增加的成本，盈利仍可穩步提升。同時，雖然本集團於本期間內並無任何新紙機投產，總設計年產能仍維持在13.7百萬噸，但受益於其持續升級設備及有效的銷售策略，銷售量得以再創新高。

由於進一步提升及整合生產平台，本集團將其「快速服務」拓展至覆蓋更多客戶。該便捷、可靠的服務系統可令客戶降低營運成本及提高存貨管理效率，從而增強了客戶的忠誠度。另一方面，該系統順利成功實施，亦反映本集團各內部營運功能的無縫整合。

本集團的靈活採購策略為緊貼不同來源地的市場價格走勢，選購最佳性價比的原料。本期間內，國內廢紙採購金額佔本集團廢紙採購總金額約36.7%。

BUSINESS ANALYSIS

Review of Operations

As the largest containerboard manufacturer in Asia, ND Paper is primarily engaged in the production and sale of a broad variety of packaging paper products, including linerboard (kraftlinerboard, testlinerboard and white top linerboard), high performance corrugating medium and coated duplex board, as well as the production and sale of recycled printing and writing paper (including uncoated woodfree paper, copy paper, etc.) and specialty paper.

The containerboard industry in China demonstrated remarkable improvements during the Period. While demand was well supported by the everyday consumption of a large population and boosted by growth in the online shopping sector, better supply-side discipline, as a result of faster closure of outdated and inefficient capacities and much more stringent approval requirements on new capacities, has given strong support to product pricing. Therefore, notwithstanding the high price levels of the Group's two major cost elements — recovered paper and coal, the Group was able to steadily elevate its profitability by effectively passing on the cost increases through product price hikes. Meanwhile, although the Group did not have any new paper machine commencing production during the Period, with total design production capacity remaining at 13.7 million tpa, it was able to deliver yet another record high sales volume, a positive result of its continuous efforts in equipment upgrading and effective sales strategies.

As its production platform is further enhanced and integrated, the Group has been expanding its "Express Services" to cover more customers. This convenient and reliable service system enables customers to lower their operating costs and manage their inventory more efficiently, thus reinforcing customer loyalty. On the other hand, the successful and smooth implementation of the system also reflects on the seamless integration of the Group's various internal operating functions.

The Group adopts a flexible procurement strategy that is based on the selection and purchase of raw materials offering the most optimal cost-value relationship by closely monitoring the market price trends of different sources. During the Period, the purchase value of domestic recovered paper accounted for approximately 36.7% of the total value of the Group's purchase of recovered paper.

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

本集團繼續作為環境管治及合規的行業典範，其生產基地連續多年被當地環保部門評為「環保誠信企業」，並繼續取得 ISO14001 環境管理體系認證及清潔生產認證。由於中國愈來愈多的箱板原紙生產商因環保問題而被勒令關閉或暫停運營，玖龍紙業在環保及可持續管理方面的嚴謹，為其在政府、客戶、供應商、銀行及其他持份者間樹立信心，使其成為即使在市場波動下仍可信賴的業務夥伴。

本集團繼續在管理、技術和產品等各方面不斷推動創新，目前已獲得專利 297 項，另有 103 項正在申請或審批中。

業務策略及發展計劃

隨著借貸比率逐步降低，本集團可考慮市場所提供的不同潛在發展方向。基於各區域市場各自的供需環境，當市況改善至可以合理地支持進一步發展時，本集團較其競爭對手而言將處於更優越地位，原因是本集團已具備配合未來擴展業務的高效率基礎設施及必要資源（包括充足的土地儲備）。然而，本集團將以穩健的管理判斷及管治，審慎地作出發展決策。

The Group continued as the industry's role model in environmental governance and compliance. Its production bases have been named "Environmental Credible Enterprise" by local environmental authorities for consecutive years, and continued to obtain ISO14001 certification for environmental management systems and certification for clean production. As more and more containerboard manufacturers in China are required to close or suspend their operations due to environmental concern, the discipline demonstrated by IND Paper's environmentally friendly, sustainable management provides confidence to the government, customers, suppliers, banks and other stakeholders, making it a dependable business partner even at times of market fluctuations.

The Group continually drives innovation in the various aspects of management, technology, products, etc. To date, 297 patents have been obtained and another 103 patent applications or approvals are being processed.

Business Strategy and Development Plan

As the Group's debt gearing becomes lower progressively, it may consider various potential development directions available in the market. Based on the respective supply-demand environment in various regional markets, when market conditions improve to justify further growth, the Group will be in an advantageous position against its competitors, as it has already mastered an efficient infrastructure and the necessary resources, including adequate land reserves, to accommodate future business expansion. Nevertheless, development decisions will be made prudently with sound management judgment and governance.

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

按本集團目前的產能計劃，越南基地的二號紙機將於二零一七年六月底前投產。該新紙機的設計年產能為35萬噸(卡紙)，投產後將使本集團的總設計年產能超過1,400萬噸。在中國大陸市場方面，鑒於行業供應的秩序持續改善，本集團於數個造紙基地進行新紙機計劃，該等計劃包括：

生產基地

Production Base

泉州
Quanzhou
重慶
Chongqing
河北永新
Hebei Yongxin
瀋陽
Shenyang

According to the Group's current production capacity plan, PM2(VN) at the Vietnam base will commence production by the end of June, 2017. With a design production capacity of 350,000 tpa (linerboard), the commencement of this new paper machine will bring the Group's total design production capacity to over 14 million tpa. As for the markets in Mainland China, in view of the improving order in industry supply, the Group is implementing new paper machine plans at a number of production bases. These include:

產品

Product

卡紙
Linerboard
卡紙
Linerboard
卡紙
Linerboard
卡紙
Linerboard

設計年產能

Design Capacity

350,000噸
350,000 tpa
550,000噸
550,000 tpa
500,000噸
500,000 tpa
600,000噸
600,000 tpa

該等項目計劃將於二零一八年第四季度相繼完成投產，屆時瀋陽及河北永新兩個相對較小的造紙基地的規模效益預期將有顯著改善，並將在產品銷售及廢紙採購方面與天津基地產生更佳的協同效應，從而進一步鞏固本集團在該區域市場的領導地位。重慶及泉州基地的新紙機可滿足該等地區的額外市場需求，並進一步提升該等造紙基地的規模效益。

在實現上述擴展計劃的同時，本集團不斷努力加強其現有業務，如升級設備、提振效率、控制成本等。本集團亦為了智能管理積極開發更加全面有效的資訊系統，向「信息化、自動化及智能化」的目標邁進。

These projects are planned to be completed and commence production successively in the 4th quarter of 2018. By then, the two relatively smaller production bases of Shenyang and Hebei Yongxin are expected to see significant improvements in their economies of scale, while more synergy with Tianjin base will be created in product sales and recovered paper procurement, thus further strengthening the Group's leadership position in this regional market. The new machines for the Chongqing and Quanzhou bases can meet additional demand in these regional markets, as well as further enhance the economies of scale of these production bases.

In parallel with the abovementioned expansion plans, the Group maintains continuous efforts in enhancing its existing operations, e.g. equipment upgrading, efficiency improvements, cost controls, etc. The Group is also proactively developing a more comprehensive and effective information system for intelligent management, progressing towards the goals of "informatization, automation and intelligentization".

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

財務回顧

銷售額

於本期間，本集團的銷售收入約為人民幣19,125.0百萬元，較去年同期增加約17.3%。本集團之主要銷售收入來源仍為其包裝紙業務(包括卡紙、高強瓦楞芯紙及塗布灰底白板紙)，佔銷售收入約93.9%，其餘銷售收入約6.1%則來自其環保型文化用紙及高價特種紙產品業務。

與去年同期相比，本集團於本期間之銷售額增加主要受銷量增加約6.2%及平均售價增加約10.4%所帶動。

本集團於二零一六年十二月三十一日的包裝紙板及環保型文化用紙設計年產能為13.7百萬噸，其中卡紙、高強瓦楞芯紙、塗布灰底白板紙及環保型文化用紙設計年產能分別為7.2百萬噸、3.4百萬噸、2.6百萬噸及0.5百萬噸。本集團的包裝紙板產品及環保型文化用紙銷量約為7.1百萬噸，較去年同期上升約6.2%，而本期間的設計產能較去年同期維持不變。由於本集團持續設備升級及現有造紙機生產技能提升而引致之生產效率提高，為包裝紙板及環保型文化用紙銷量增加提供支持。

於本期間的卡紙、高強瓦楞芯紙、塗布灰底白板紙及環保型文化用紙銷量較去年同期分別增加約7.1%、5.0%、4.2%及15.9%。

本集團的銷售額繼續主要來自國內市場(尤其是卡紙及高強瓦楞芯紙業務)。於本期間，國內消費相關的銷售收入佔本集團總銷售收入94.6%，而餘下5.4%的銷售收入主要為售予外資加工企業的銷售額，均以外幣列值。

FINANCIAL REVIEW

Sales

The Group achieved a revenue of approximately RMB19,125.0 million for the Period, representing an increase of approximately 17.3% over the corresponding period last year. The major contributor of the Group's revenue was still its packaging paper business, including linerboard, high performance corrugating medium and coated duplex board, which accounted for approximately 93.9% of the revenue, with the remaining revenue of approximately 6.1% generated from its recycled printing and writing paper and high value specialty paper products business.

The increase of Group's sales was mainly driven by approximately 6.2% increase in sales volume and approximately 10.4% increase in average selling price for the Period as compared with the corresponding period last year.

The Group's annual design production capacity in packaging paperboard and recycled printing and writing paper as at 31 December 2016 was 13.7 million tpa, comprising 7.2 million tpa of linerboard, 3.4 million tpa of high performance corrugating medium, 2.6 million tpa of coated duplex board and 0.5 million tpa of recycled printing and writing paper. The Group's sales volume of packaging paperboard products and recycled printing and writing paper reached approximately 7.1 million tonnes, representing an increase of approximately 6.2% as compared with the corresponding period last year, while the design capacity in the Period remained unchanged as compared with the corresponding period last year. The increase of sales volume of packaging paperboard and recycled printing and writing paper was supported by the production efficiency as a result of the Group's continuous equipment upgrade and improvement on production skills of the existing paper machines.

The sales volume of linerboard, high performance corrugating medium, coated duplex board and recycled printing and writing paper for the Period increased by approximately 7.1%, 5.0%, 4.2% and 15.9% respectively, as compared with those in the corresponding period last year.

The majority of the Group's sales continued to be realised from the domestic market, in particular from the linerboard and high performance corrugating medium sectors. For the Period, revenue related to domestic consumption represented 94.6% of the Group's total revenue, while the remaining revenue of 5.4% are sales denominated in foreign currencies which primarily represented sales made to foreign invested processing enterprises.

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

於本期間，本集團五大客戶的銷售額合共佔總銷售收入約5.2% (截至二零一五年十二月三十一日止六個月：5.6%)，其中最大單一客戶的銷售額約佔1.5% (截至二零一五年十二月三十一日止六個月：1.4%)。

毛利潤及毛利率

於本期間，毛利潤約為人民幣3,490.8百萬元，較去年同期的人民幣2,827.9百萬元增加約人民幣662.9百萬元或23.4%。毛利率則由17.3%增加至約18.3%，主要由於本期間的平均售價增加所致，但其中一部份被原料成本(主要為廢紙及煤炭成本)的增加抵銷。

銷售及市場推廣成本

銷售及市場推廣成本由去年同期的人民幣378.7百萬元增加約31.9%至本期間的約人民幣499.6百萬元。銷售及分銷成本總額佔本集團銷售收入的百分比由去年同期的2.3%增加至本期間的約2.6%。銷售及市場推廣成本增加由於本期間的銷量增加以及地域覆蓋擴大所致。

行政開支

於本期間的行政開支約為人民幣534.0百萬元，去年同期則為人民幣538.3百萬元。行政開支佔本集團銷售收入的百分比由去年同期的3.3%減少至本期間的約2.8%。

經營盈利

於本期間的經營盈利約為人民幣2,736.0百萬元，較去年同期的人民幣2,113.3百萬元增加約人民幣622.7百萬元或29.5%。經營盈利率由去年同期的13.0%增加至本期間的約14.3%。

During the Period, sales to the Group's top five customers in aggregate accounted for approximately 5.2% (six months ended 31 December 2015: 5.6%) of the total revenue, with that to the single largest customer accounted for approximately 1.5% (six months ended 31 December 2015: 1.4%).

Gross profit and Gross profit margin

The gross profit for the Period was approximately RMB3,490.8 million, an increase of approximately RMB662.9 million or 23.4% as compared with RMB2,827.9 million in the corresponding period last year. The gross profit margin increased from 17.3% to approximately 18.3%, mainly contributed by the increase in average selling prices which was partially offset by the increase in the cost of raw materials (mainly cost of recovered paper and coal) for the Period.

Selling and marketing costs

Selling and marketing costs increased by approximately 31.9% from RMB378.7 million in the corresponding period last year to approximately RMB499.6 million in the Period. The total amount of selling and distribution costs as a percentage of the Group's revenue increased from 2.3% in the corresponding period last year to approximately 2.6% in the Period. The increase in the selling and marketing costs was due to larger sales volume and more geographical coverage in the Period.

Administrative expenses

Administrative expenses was approximately RMB534.0 million in the Period which was comparable to RMB538.3 million in the corresponding period last year. As a percentage of Group's revenue, the administrative expenses decreased from 3.3% in the corresponding period last year to approximately 2.8% in the Period.

Operating profit

The operating profit for the Period was approximately RMB2,736.0 million, representing an increase of approximately RMB622.7 million or 29.5% over the RMB2,113.3 million of the corresponding period last year. The operating profit margin increased to approximately 14.3% in the Period from 13.0% in the corresponding period last year.

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

財務費用

於本期間的財務費用由去年同期的人民幣652.3百萬元減少約12.1%至本期間的約人民幣573.2百萬元。財務費用減少主要由於本期間平均借貸較去年同期減少所致。本集團的銀行貸款由二零一六年六月三十日的人民幣32,845.3百萬元減少約人民幣7,079.5百萬元至二零一六年十二月三十一日的約人民幣25,765.8百萬元。

經營及融資活動的匯兌虧損／收益

於本期間的除稅前經營及融資活動的匯兌虧損總額約為人民幣107.1百萬元(分別指除稅前經營活動匯兌虧損約人民幣191.8百萬元及除稅前融資活動的匯兌收益約人民幣84.7百萬元)，從去年同期的人民幣1,078.9百萬元大幅減少約人民幣971.8百萬元或90.1%。

本期間的經營及融資活動的匯兌虧損總額(扣除稅項)約為人民幣87.5百萬元，而去年同期則為人民幣1,010.0百萬元。

所得稅開支

本集團所得稅開支由去年同期的人民幣239.2百萬元增加至本期間的約人民幣448.0百萬元。由於本期間不可扣稅匯兌虧損(其中主要為錄得的匯兌虧損離岸部份)較去年同期大幅減少，本集團的實際稅率由去年同期的42.2%減少至本期間的約18.9%。倘不計及匯兌虧損稅務影響，本集團於本期間及去年同期的實際稅率相對穩定。

純利

於本期間本公司權益持有人應佔盈利約為人民幣1,914.7百萬元。尚不包括經營及融資活動的匯兌虧損(扣除稅項)約人民幣87.5百萬元，本公司權益持有人於本期間應佔盈利約為人民幣2,002.2百萬元，較去年同期增加約51.4%，由本集團銷售收入穩定增長導致。

Finance costs

The finance costs for the Period decreased by approximately 12.1% from RMB652.3 million in the corresponding period last year to approximately RMB573.2 million in the Period. The decrease in finance cost was mainly due to the decrease in average borrowings in the Period as compared with the corresponding period last year. The Group's bank borrowings decreased by approximately RMB7,079.5 million from RMB32,845.3 million as at 30 June 2016 to approximately RMB25,765.8 million as at 31 December 2016.

Exchange losses/gains on operating and financing activities

The exchange losses on operating and financing activities before tax for the Period in aggregation amounted to approximately RMB107.1 million (represented by exchange losses on operating activities before tax of approximately RMB191.8 million and exchange gains on financing activities before tax of approximately RMB84.7 million respectively), decreased very substantially by approximately RMB971.8 million or 90.1% from RMB1,078.9 million in the corresponding period last year.

The aggregated exchange losses on operating and financing activities net of tax amounted to approximately RMB87.5 million for the Period as compared to RMB1,010.0 million in the corresponding period last year.

Income tax expense

The Group's income tax expenses increased from RMB239.2 million in the corresponding period last year to approximately RMB448.0 million for the Period. The Group's effective tax rate decreased from 42.2% in the corresponding period last year to approximately 18.9% in the Period due to substantial decrease in foreign exchange losses of which mainly offshore portion of exchange losses recorded were not deductible for tax purpose in the corresponding period last year. The Group's effective tax rate for the Period and the corresponding period last year were remained relatively stable if excluding the tax impact of exchange losses.

Net profit

The profit attributable to equity holders of the Company for the Period was approximately RMB1,914.7 million. If the exchange losses on operating and financing activities net of tax of approximately RMB87.5 million were excluded, the profit attributable to equity holders of the Company for the Period was approximately RMB2,002.2 million, increased by approximately 51.4% as compared to the corresponding period last year due to stable growth of the revenue of the Group.

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

倘不包括經營及融資活動的匯兌虧損(扣除稅項)人民幣1,010.0百萬元，去年同期本公司權益持有人應佔盈利為人民幣1,322.0百萬元。

營運資金

本集團存貨水平由二零一六年六月三十日的人民幣3,605.5百萬元減少約12.7%至二零一六年十二月三十一日的約人民幣3,147.2百萬元。存貨主要包括約人民幣2,666.3百萬元的原料(主要為廢紙、煤及備件)以及約人民幣480.9百萬元的成品。

於本期間，原料(不包括備件)及成品的週轉天數分別約為22天及6天，而去年同期則分別為18天及13天。

於二零一六年十二月三十一日，應收貿易賬款及應收票據約為人民幣5,317.8百萬元，較二零一六年六月三十日的人民幣4,597.7百萬元增加約15.7%。應收貿易賬款的週轉天數與去年同期比保持穩定，約為24天。於二零一六年十二月三十一日，賬齡少於60天的應收貿易賬款佔應收貿易賬款總額約99.1%。

於二零一六年十二月三十一日，應付貿易賬款及應付票據由二零一六年六月三十日的人民幣4,098.0百萬元增加約9.5%至約人民幣4,485.9百萬元。應付貿易賬款及應付票據的週轉天數約為52天，而去年同期則為55天。

流動資金及財務資源

本集團於本期間所需之營運資金及長期資金主要來自其經營現金流及銀行貸款，而本集團的財務資源則用於其資本開支、經營活動及償還貸款。

就本集團於二零一六年十二月三十一日的備用財務資源而言，本集團有銀行及現金結餘、短期銀行存款及受限制現金約人民幣5,929.8百萬元及未動用銀行融資總額約人民幣30,079.1百萬元。

The profit attributable to equity holders of the Company for the corresponding period last year was RMB1,322.0 million if the exchange losses on operating and financing activities net of tax amounted to RMB1,010.0 million were excluded.

Working capital

The level of inventory as at 31 December 2016 decreased by approximately 12.7% to approximately RMB3,147.2 million from RMB3,605.5 million as at 30 June 2016. Inventories mainly comprise raw materials (mainly recovered paper, coal and spare parts) of approximately RMB2,666.3 million and finished goods of approximately RMB480.9 million.

The turnover days for raw materials (excluding spare parts) and finished products were approximately 22 days and 6 days respectively during the Period, compare with 18 days and 13 days in the same period last year.

The trade and bills receivables as at 31 December 2016 were approximately RMB5,317.8 million, increased by approximately 15.7% from RMB4,597.7 million as at 30 June 2016. The turnover days of trade receivables remained stable at approximately 24 days, as compared to the same period last year. As at 31 December 2016, the trade receivables with age less than 60 days accounted for approximately 99.1% of the total trade receivables.

The trade and bills payables increased by approximately 9.5% to approximately RMB4,485.9 million as at 31 December 2016 from RMB4,098.0 million as at 30 June 2016. The turnover days of trade and bills payable were approximately 52 days, compare with 55 days in the same period last year.

Liquidity and financial resources

The working capital and long-term funding required by the Group during the Period primarily comes from its operating cash flows and bank borrowings, while the Group's financial resources are used in its capital expenditures, operating activities and repayment of borrowings.

In terms of the Group's available financial resources as at 31 December 2016, the Groups had bank and cash balances, short-term bank deposits and restricted cash amounted to approximately RMB5,929.8 million and total undrawn bank facilities of approximately RMB30,079.1 million.

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

於二零一六年十二月三十一日，股東資金約為人民幣27,514.2百萬元，較二零一六年六月三十日增加約人民幣1,440.0百萬元。

本集團於二零一六年十二月三十一日的未償還銀行貸款約為人民幣25,765.8百萬元。短期及長期貸款分別約為人民幣7,705.8百萬元及人民幣18,060.0百萬元，分別佔貸款總額約29.9%及70.1%。於本期末，本集團約98.4%債項為無抵押債項。

本集團的淨銀行貸款對總權益比率由二零一六年六月三十日的81.4%減少至二零一六年十二月三十一日的約71.2%。於本期間本集團致力於償還貸款(淨額)約人民幣7,079.5百萬元。董事會將密切監察本集團的淨銀行貸款對總權益比率，並逐步減少銀行貸款。

庫務政策

本集團制定庫務政策以達到更有效控制庫務運作及降低資金成本的目標。因此，本集團為所有業務及外匯風險提供的資金均在本集團層面統一檢討及監控。為管理個別交易的外幣匯率及利率波動風險，本集團以外匯貸款、外匯結構工具及其他適當的金融工具對沖重大風險。

本集團的政策為不利用任何衍生產品進行投機活動。

庫務政策符合本集團以下目標：

(a) 減低利率風險

此乃以貸款再融資及洽商達成。董事會將繼續密切監察本集團貸款組合，及比較現有協議的貸款利率與現時不同貨幣及銀行新貸款的貸款利率。

As at 31 December 2016, the shareholders' funds were approximately RMB27,514.2 million, an increase of approximately RMB1,440.0 million from that as at 30 June 2016.

The Group had outstanding bank borrowings as at 31 December 2016 of approximately RMB25,765.8 million. The short-term and long-term borrowings amounted to approximately RMB7,705.8 million and RMB18,060.0 million respectively, accounting for approximately 29.9% and 70.1% of the total borrowings respectively. As at the end of the Period, about 98.4% of the Group's debts were on unsecured basis.

The net bank borrowings to total equity ratio of the Group decreased from 81.4% as at 30 June 2016 to approximately 71.2% as at 31 December 2016. The Group had put an effort on repayment of borrowings (net) of approximately RMB7,079.5 million during the Period. The Board will closely monitor the Group's net bank borrowings to total equity ratio and reduce the bank borrowings gradually.

Treasury policies

The Group has established a treasury policy with the objective of achieving better control of treasury operations and lowering cost of funds. Therefore, funding for all its operations and foreign exchange exposure have been centrally reviewed and monitored at the Group level. To manage the Group's exposure to fluctuations in foreign currency exchange rates and interest rates on specific transactions, foreign currency borrowings, currency structured instruments and other appropriate financial instruments will be used to hedge material exposure.

It is the policy of the Group not to enter into any derivative products for speculative activities.

The treasury policies followed by the Group aim to:

(a) Minimise interest risk

This is accomplished by loan re-financing and negotiation. The Board will continue to closely monitor the Group's loan portfolio and compare the loan margin spread under its existing agreements against the current borrowing interest rates under different currencies and new offers from banks.

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

(b) 減低貨幣風險

基於現時貨幣市場波動，董事會密切監控本集團外幣貸款。於二零一六年十二月三十一日，外幣貸款總額相當於約人民幣7,901.5百萬元，以人民幣計值的貸款約為人民幣17,864.3百萬元，分別佔本集團貸款約30.7%及69.3%。

資本開支

於本期間，本集團已支付約人民幣1,741.3百萬元興建廠房、購買廠房及機器、設備以及土地使用權。該等資本開支全部由內部資源及銀行貸款撥付。

資本承擔

本集團的資本開支承擔主要用於機器及設備，在財務報表上已訂約但未撥備的金額約為人民幣1,763.3百萬元。以上承擔主要有關擴充本集團產能，改善若干現有生產線以達致更佳的成本控制及提高盈利能力。

或然負債

於二零一六年十二月三十一日，本集團並無重大或然負債。

(b) *Minimise currency risk*

In view of the current volatile currency market, the Board closely monitors the Group's foreign currency borrowings. As at 31 December 2016, total foreign currency borrowings amounted to the equivalent of approximately RMB7,901.5 million and loans denominated in RMB amounted to approximately RMB17,864.3 million, representing approximately 30.7% and 69.3% of the Group's borrowings respectively.

Capital expenditures

The Group's payments for the construction of factory buildings, purchase of plants and machineries, equipments and land use rights during the Period were approximately RMB1,741.3 million. These capital expenditures were fully financed by internal resources and bank borrowings.

Capital commitments

The Group made capital expenditure commitments mainly for machineries and equipments of approximately RMB1,763.3 million which were contracted but not provided for in the financial statement. These commitments were mainly related to the expansion of the Group's production capacity and improvement of certain existing production lines for a better cost control and enhancement of their profitability.

Contingencies

As at 31 December 2016, the Group had no material contingent liabilities.

企業管治及其他資料 CORPORATE GOVERNANCE AND OTHER INFORMATION

企業管治常規

於本期間，本公司已遵守上市規則附錄十四 — 企業管治守則所載守則條文。

標準守則

本公司已採納有關董事進行證券交易的上市規則附錄十所載標準守則作為其守則。經向全體董事作出具體查詢後，各董事確認於本期間內一直遵守標準守則所訂的標準。

高級管理層因任職於本公司可能擁有內幕消息，已被要求遵守標準守則的條文。

執行委員會

執行委員會負責本公司業務的管理和行政工作以及任何按照公司細則條文在本公司正常業務過程中應由董事會控制和監督的任何事務。

執行委員會由執行董事組成，惟執行委員會成員中的執行董事人數於任何時間一律不得超過四名。除經所有董事書面批准外，執行委員會的組成不可改變。董事會主席將擔任執行委員會主席一職。

目前，執行委員會成員包括張女士(主席)、劉先生、張先生及劉晉嵩先生。

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Appendix 14 – Corporate Governance Code to the Listing Rules during the Period.

MODEL CODE

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specific enquiries have been made to all Directors, who have confirmed that, during the Period, they have complied with provisions of the Model Code.

Senior management who, because of their office in the Company, are likely to be in possession of inside information, have been requested to comply with the provisions of the Model Code.

EXECUTIVE COMMITTEE

The Executive Committee is responsible for the management and administration of the business of the Company and any matters which are within the ordinary course of the Company's business under the control and supervision of the Board and in accordance with the provisions of the Bye-laws.

The members of the Executive Committee shall be executive Directors, but the Executive Committee shall not at any time consist of more than four members. No change shall be made to the composition of the Executive Committee except with the approval of all the Directors in writing. The Chairlady of the Board shall be the Chairlady of the Executive Committee.

Currently, the members of the Executive Committee includes Ms. Cheung (*Chairlady*), Mr. Liu, Mr. Zhang and Mr. Lau Chun Shun.

企業管治及其他資料 CORPORATE GOVERNANCE AND OTHER INFORMATION

薪酬委員會

薪酬委員會工作包括就薪酬政策及常規向董事會提供建議及建立便於聘請人才的相關制度，此可確保本公司能夠招攬、挽留及激勵優秀員工為本公司作出貢獻及為股東增值。

薪酬委員會亦負責檢討及釐定執行董事及高級管理人員的薪酬待遇。管理層就本公司的董事薪酬架構及成本向委員會提出建議，而委員會就該建議作出檢討。沒有董事或其聯繫人參與其薪酬之決定。

此外，薪酬委員會對本公司的二零零六年購股權計劃及二零一六年購股權計劃進行有效的監察及執行。

現時，薪酬委員會成員包括：譚惠珠女士(主席)、吳亮星先生、林耀堅先生、劉先生及張先生。

審核委員會

審核委員會每年至少舉行四次會議，旨在監督本集團財務報表的完整性及考慮內部及外部審核的性質及範圍。審核委員會與本公司管理層以及外部核數師羅兵咸永道會計師事務所審閱本公司採納的會計原則與慣例，並討論及審閱財務事宜，包括對所有重大財務、營運及合規監控情況，並作出檢討。

現時，審核委員會全體成員均為獨立非執行董事，即林耀堅先生(主席)、譚惠珠女士及吳亮星先生。林耀堅先生為合資格會計師，擁有豐富的財務申報及監控經驗。譚女士是香港執業大律師。吳先生於香港擁有豐富銀行、財務及管理經驗。

REMUNERATION COMMITTEE

The functions of the Remuneration Committee include making recommendations to the Board on the remuneration policy and practices and establishing recruitment policies that enable the Company to recruit, retain and motivate high-calibre staff to reinforce the success of the Company and create value for our Shareholders.

The Remuneration Committee also reviews and determines the remuneration packages of the executive Directors and the senior management. Management makes recommendations to the Committee on the Company's framework for, and cost of, Director's remuneration and the Committee then reviews these recommendations. No Directors or any of his associates is involved in deciding his own remuneration.

In addition, the Remuneration Committee supervises and enforces the 2006 Share Option Scheme and 2016 Share Option Scheme of the Company in an effective manner.

Currently, the Remuneration Committee consists of Ms. Tam Wai Chu, Maria (*Chairlady*), Mr. Ng Leung Sing, Mr. Lam Yiu Kin, Mr. Liu and Mr. Zhang.

AUDIT COMMITTEE

The Audit Committee meets at least four times each year with the purpose of monitoring the integrity of the Group's financial statements and to consider the nature and scope of internal and external audit. The Audit Committee, together with the Company's management and its external auditor, PricewaterhouseCoopers, has reviewed the accounting principles and practices adopted by the Company and discussed over and reviewed the financial matters, including all significant aspects involving financial, operational and compliance controls.

Currently, the members of the Audit Committee are appointed from the INEDs, namely, Mr. Lam Yiu Kin (*Chairman*), Ms. Tam Wai Chu, Maria and Mr. Ng Leung Sing. Mr. Lam is a qualified accountant with extensive experience in financial reporting and controls. Ms. Tam is a barrister and practicing in Hong Kong. Mr. Ng possesses extensive banking, financial and management experience in Hong Kong.

企業管治及其他資料 CORPORATE GOVERNANCE AND OTHER INFORMATION

提名委員會

提名委員會負責檢討及建議董事會的架構、物色具備合適資格可擔任董事會成員的人士，並挑選提名有關人士出任董事或就此向董事會提出建議、評核獨立非執行董事的獨立性、檢討董事會成員多樣化政策及就董事委任以及重新委任向董事會提出建議。

現時，提名委員會的成員包括張女士(主席)、張先生、譚惠珠女士、吳亮星先生及林耀堅先生。

企業管治委員會

企業管治委員會負責制定及檢討本公司的企業管治政策及常規，並向董事會提出有關建議、檢討及監察董事及高級管理層的培訓及持續專業發展、檢討及監察本公司在遵守法律及監管規定方面的政策及常規、制定、檢討及監察適用於僱員及董事的操守準則及檢討本公司遵守上市規則企業管治守則及其他有關規則的情況。企業管治常規的詳細信息可在本公司2015/2016年年報及在本公司網站www.ndpaper.com中找到。

現時，企業管治委員會的成員包括吳亮星先生(主席)、張女士、張先生、譚惠珠女士及林耀堅先生。

風險管理委員會

風險管理委員會由本集團屬下之監督部及財務部組成。風險管理委員會的主要職責為強化監控環境；評估有關風險及執行所需的監控活動；確保信息交流暢通無阻；執行適當的監察，確保部門內部及各部門間的監控成效與效率；風險識別及分析影響達致企業目標的風險(包括與監管及營運環境不斷轉變有關的風險)；確定為了減低和消除風險採取的內部監控措施；對內部監控是否有效運行進行檢討，並向董事會匯報；以及與外聘核數師就維持本集團內部監控系統的素質保持聯繫。

NOMINATION COMMITTEE

The Nomination Committee has the responsibility of reviewing and making recommendations on the composition of the Board, identifying and selecting or making recommendations on the selection of individuals nominated for directorships, assessing the independence of INEDs, reviewing the Board Diversity Policy and making recommendations on the appointment or re-appointment of Directors.

Currently, the members of the Nomination Committee are Ms. Cheung (*Chairlady*), Mr. Zhang, Ms. Tam Wai Chu, Maria, Mr. Ng Leung Sing and Mr. Lam Yiu Kin.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee develops and reviews the Company's policy and practices on corporate governance and makes recommendations to the Board, reviews and monitors the training and continuous professional development of Directors and senior management, reviews and monitors the Company's policies and practices in compliance with legal and regulatory requirements, develops, reviews and monitors the code of conduct applicable to employees and Directors, reviews the Company's compliance with the corporate governance code of the Listing Rules and other related rules. Details of our corporate governance practices can be found in the Company's Annual Report 2015/2016 and on the Company's website at www.ndpaper.com.

Currently, the members of the Corporate Governance Committee are Mr. Ng Leung Sing (*Chairman*), Ms. Cheung, Mr. Zhang, Ms. Tam Wai Chu, Maria and Mr. Lam Yiu Kin.

RISK CONTROL COMMITTEE

The Risk Control Committee is formed by the Supervision Department and Finance Department. The primary duties of the Risk Control Committee are strengthening the control environment; assessing relevant risks and carrying out necessary control activities; ensuring seamless information exchange; exercising appropriate supervision to ensure the effectiveness and efficiency of control over activities within and between different departments; identifying risks and analyzing such risks which may impede the achievement of corporate objectives (including such risks associated with constant changes in the regulatory and operating environments); establishing internal control measures for minimizing and eliminating risks; reviewing and reporting to the Board in respect of the effectiveness of internal control; and maintaining contact with external auditors for maintaining the quality of the Group's internal control system.

企業管治及其他資料 CORPORATE GOVERNANCE AND OTHER INFORMATION

審閱中期業績

本期間的中期報告已經本公司之審核委員會審閱。

本期間的未經審核簡明綜合中期財務資料已經本公司之核數師羅兵咸永道會計師事務所按照香港會計師公會頒佈之香港審閱準則第2410號《由實體的獨立核數師執行中期財務資料審閱》審閱。

中期股息

董事會已宣佈及批准派付本期間的中期股息每股人民幣5.0分(相等於約5.65港仙)，預期將於或約二零一七年七月二十一日(星期五)以郵寄方式派付予股東。股息將派付予二零一七年七月七日(星期五)營業時間結束時名列本公司股東名冊之股東。人民幣兌港元乃按二零一七年二月二十三日之匯率1.00港元兌人民幣0.88515元換算，惟僅供參考。以港元所派付股息的實際匯率將以滙款當日的匯率為準。

暫停辦理股東登記

為確認股東可享有中期股息的權利，本公司將由二零一七年七月五日(星期三)至二零一七年七月七日(星期五)(包括首尾兩日)暫停辦理股東登記，於該期間將不會辦理任何股份過戶登記。為符合資格獲派中期股息，所有股份過戶文件連同有關股票最遲須於二零一七年七月四日(星期二)下午四時三十分前送達本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東一百八十三號合和中心二十二樓，辦理登記手續。

REVIEW OF INTERIM RESULTS

The Interim Report for the Period has been reviewed by the Company's Audit Committee.

The unaudited condensed consolidated interim financial information for the Period has been reviewed by the Company's auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

INTERIM DIVIDEND

The Board has declared and approved an interim dividend of RMB5.0 cents (equivalent to approximately HK5.65 cents) per Share for the Period, which is expected to be payable to the Shareholders by post on or about Friday, 21 July 2017. The dividend will be payable to the Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 7 July 2017. The translation of RMB into HKD is made at the exchange rate of HK\$1.00 to RMB0.88515 as at 23 February 2017 for illustration purpose only. The actual translation rate for the purpose of dividend payment in HKD will be subject to exchange rate at the remittance date.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining shareholders' entitlement to the interim dividend, the register of members of the Company will be closed from Wednesday, 5 July 2017 to Friday, 7 July 2017, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Tuesday, 4 July 2017.

企業管治及其他資料 CORPORATE GOVERNANCE AND OTHER INFORMATION

權益披露

董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於二零一六年十二月三十一日，本公司董事及主要行政人員及彼等的聯繫人於本公司及其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券，或根據證券及期貨條例第352條須予存置的登記冊所記錄，或根據上市規則標準守則知會本公司及聯交所的權益及淡倉如下：

(A) 所擁有本公司的權益

(i) 本公司之股份

下表顯示本公司董事及主要行政人員於二零一六年十二月三十一日所持有本公司股份及相關股份之好倉總額。

DISCLOSURE OF INTERESTS

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporation

As at 31 December 2016, the Directors and chief executive of the Company and their associates had the following interests and short positions in the Shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

(A) Interests in the Company

(i) the Shares of the Company

The table below sets out the aggregate long positions in the Shares and underlying shares of the Directors and the chief executive of the Company as at 31 December 2016.

董事姓名 Name of Directors	好倉/淡倉 Long Position/ Short Position	股份數目 Number of Shares			相關股份數目 (就購股權而言) Number of underlying Shares (in respect of share options)		總額 Total	概約持股百分比* Approximate percentage of shareholdings*
		個人權益 Personal Interests	家族權益 Family Interests	公司權益 Corporate Interests	個人權益 Personal Interests	家族權益 Family Interests		
張女士 Ms. Cheung	好倉 Long Position	85,597,758	27,094,184	2,992,120,000	4,500,000	4,500,000	3,113,811,942	66.69%
劉先生 Mr. Liu	好倉 Long Position	27,094,184	85,597,758	2,992,120,000	4,500,000	4,500,000	3,113,811,942	66.69%
張先生 Mr. Zhang	好倉 Long Position	29,899,821	—	—	4,500,000	—	34,399,821	0.74%
劉晉嵩先生 Mr. Lau Chun Shun	好倉 Long Position	1,830,000	—	2,992,120,000	4,500,000	—	2,998,450,000	64.22%
譚惠珠女士 Ms. Tam Wai Chu, Maria	好倉 Long Position	1,216,670	—	—	—	—	1,216,670	0.03%

* 該百分比以本公司於二零一六年十二月三十一日之已發行股份(即4,668,870,811股普通股)計算。

* The percentage has been compiled based on the total number of Shares of the Company in issue as at 31 December 2016 (i.e. 4,668,870,811 ordinary Shares).

企業管治及其他資料 CORPORATE GOVERNANCE AND OTHER INFORMATION

附註：

- (1) Best Result 直接持有 2,992,120,000 股本公司股份。Best Result 已發行股本 (i) 由張女士個人持有約 37.073%，(ii) 由 BNP Paribas Jersey Trust Corporation Limited 通過 Goldnew Limited 以 The Liu Family Trust 的信託人身份持有約 37.053%，(iii) 由 BNP Paribas Jersey Trust Corporation Limited 通過 Acorn Crest Limited 以 The Zhang Family Trust 信託人身份持有約 10.000%，及 (iv) 由 BNP Paribas Jersey Trust Corporation Limited 通過 Winsea Investments Limited 以 The Golden Nest Trust 的信託人身份持有約 15.874%。
- (2) The Zhang Family Trust 為不可撤銷信託而 The Liu Family Trust 及 The Golden Nest Trust 為可撤銷信託。
- (3) 張女士為劉先生的配偶。因此，張女士及劉先生亦根據證券及期貨條例第 XV 部被視為擁有 Best Result 所持有的股份的權益。
- (4) 劉晉嵩先生為 The Liu Family Trust 及 The Golden Nest Trust 之受益人。因此，根據證券及期貨條例第 XV 部，他被視為擁有 Best Result 所持有的股份的權益。

Notes:

- (1) Best Result directly held 2,992,120,000 Shares in the Company. The issued share capital of Best Result is held (i) as to approximately 37.073% by Ms. Cheung personally; (ii) as to approximately 37.053% by Goldnew Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Liu Family Trust, (iii) as to approximately 10.000% by Acorn Crest Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Zhang Family Trust, and (iv) as to approximately 15.874% by Winsea Investments Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Golden Nest Trust.
- (2) The Zhang Family Trust is irrevocable trust. The Liu Family Trust and The Golden Nest Trust are revocable trusts.
- (3) Ms. Cheung is the spouse of Mr. Liu. Each of Ms. Cheung and Mr. Liu is therefore deemed to be interested in the Shares held by Best Result pursuant to Part XV of the SFO.
- (4) Mr. Lau Chun Shun is a beneficiary of each of The Liu Family Trust and The Golden Nest Trust. He is therefore deemed to be interested in the Shares held by Best Result pursuant to Part XV of the SFO.

企業管治及其他資料 CORPORATE GOVERNANCE AND OTHER INFORMATION

(ii) 本公司之相關股份
於本期間內，根據二零零六年
購股權計劃授出及尚未行使
之購股權的詳情如下：

(ii) the underlying shares of the Company
Details of options granted and outstanding under the
2006 Share Option Scheme during the Period:

承授人 Grantees	購股權數目 Number of Share options					於二零一六年 十二月三十一日 的結餘 Balance as at 31 December 2016	概約持股百分比* Approximate percentage of shareholding*
	於二零一六年 七月一日 的結餘 Balance as at 1 July 2016	於本期間授出 Granted during the Period	於本期間行使 Exercised during the Period	於本期間 註銷/失效 Cancelled/ Lapsed during the Period			
i) 董事(附註1及2) i) Directors (Notes 1 & 2)							
張女士 Ms. Cheung	4,500,000	—	—	—	4,500,000	0.10%	
劉先生 Mr. Liu	4,500,000	—	—	—	4,500,000	0.10%	
張先生 Mr. Zhang	4,500,000	—	—	—	4,500,000	0.10%	
劉晉嵩先生 Mr. Lau Chun Shun	4,500,000	—	—	—	4,500,000	0.10%	
ii) 僱員及其他 (附註3, 4及5) ii) Employees and others (Notes 3, 4 and 5)	8,000,000	—	(2,650,000)	—	5,350,000	0.11%	
合計: Total	26,000,000	—	(2,650,000)	—	23,350,000		

* 該百分比以本公司於二零一六年十二月三十一日之已發行股份(即4,668,870,811股普通股)計算。

* The percentage has been compiled based on the total number of Shares of the Company in issue as at 31 December 2016 (i.e. 4,668,870,811 ordinary Shares).

企業管治及其他資料 CORPORATE GOVERNANCE AND OTHER INFORMATION

附註：

(1) 已授予董事的購股權資料如下：

Notes:

(1) Details of the options granted to the directors are as follows:

董事姓名 Name of Director	授出日期 Grant Date	行使價 Exercise Price	行使期 Exercisable Period	購股權數目 Number of Shares options				於二零一六年 十二月三十一日 的結餘 Balance as at 31 Dec 2016	於授出日期前 之收市價 Closing price immediately before Grant Date
				於二零一六年 七月一日的結餘 Balance as at 1 Jul 2016	於本年度 授出 Granted during the Period	於本年度 行使 Exercised during the Period	於本年度 註銷/失效 Cancelled/ lapsed during the Period		
張女士 Ms. Cheung	二零一六年二月二十九日 29 February 2016	5.19 港元 HK\$	二零一六年九月一日至 二零一九年二月二十八日 1 September 2016 to 28 February 2019	4,500,000	—	—	—	4,500,000	5.18 港元 HK\$
劉先生 Mr. Liu	二零一六年二月二十九日 29 February 2016	5.19 港元 HK\$	二零一六年九月一日至 二零一九年二月二十八日 1 September 2016 to 28 February 2019	4,500,000	—	—	—	4,500,000	5.18 港元 HK\$
張先生 Mr. Zhang	二零一六年二月二十九日 29 February 2016	5.19 港元 HK\$	二零一六年九月一日至 二零一九年二月二十八日 1 September 2016 to 28 February 2019	4,500,000	—	—	—	4,500,000	5.18 港元 HK\$
劉晉嵩先生 Mr. Lau Chun Shun	二零一六年二月二十九日 29 February 2016	5.19 港元 HK\$	二零一六年九月一日至 二零一九年二月二十八日 1 September 2016 to 28 February 2019	4,500,000	—	—	—	4,500,000	5.18 港元 HK\$

(2) 所有已授出的購股權之行使期須於授出日期後之六個月，於二零一六年九月一日或之後方可行使。所有已授出的購股權之有效期為由二零一六年二月二十九日起至二零一六年二月二十八日，為期三年。

(2) All options granted have a vesting period of 6 months from the Grant Date and may be exercised on or after 1 September 2016. All options granted have a validity period of 3 years from 29 February 2016 to 28 February 2019.

企業管治及其他資料 CORPORATE GOVERNANCE AND OTHER INFORMATION

(3) 已授予僱員及其他人士的購股權資料如下：

(3) Details of the options granted to Employees and others are as follows:

授出日期 Grant Date	行使價 Exercise Price 港幣 HK\$	行使期 Exercisable Period	購股權數目 Number of Shares options				於二零一六年 十二月三十一日 的結餘 Balance as at 31 Dec 2016	於授出日期前 之收市價 Closing price immediately before Grant Date 港幣 HK\$
			於二零一六年 七月一日的結餘 Balance as at 1 Jul 2016	於本期間 授出 Granted during the Period	於本期間 行使 Exercised during the Period	於本期間 註銷/失效 Cancelled/ lapsed during the Period		
二零一五年九月三十日 30 September 2015	4.134	二零一六年四月一日至 二零一八年九月二十九日 1 April 2016 to 29 September 2018	8,000,000	—	(2,650,000)	—	5,350,000	3.94

(4) 所有已授出的購股權之行使期須於授出日期後之六個月，於二零一六年四月一日或之後方可行使。所有已授出的購股權之有效期為由二零一五年九月三十日起至二零一八年九月二十九日，為期三年。

(4) All options granted have a vesting period of 6 months from the Grant Date and may be exercised on or after 1 April 2016. All options granted have a validity period of 3 years from 30 September 2015 to 29 September 2018.

(5) 合資格僱員乃按《僱傭條例》所指屬於「連續性合約」之僱傭合約下工作的僱員。

(5) Eligible employees are working under employment contracts that are regarded as “continuous contracts” for the purposes of the Employment Ordinance.

除上文所披露者外，於本年度內並無其他購股權根據二零零六年購股權計劃獲授出、遭註銷或失效。

Save as disclosed above, no any other options were granted, cancelled or lapsed under the 2006 Share Option Scheme during the Period.

企業管治及其他資料

CORPORATE GOVERNANCE AND OTHER INFORMATION

(B) 所擁有相聯法團的權益 — Best Result

(B) Interests in Associated Corporation — Best Result

董事姓名 Name of Directors	好倉／淡倉 Long Position/ Short Position	身份 Capacity	持有Best Result 已發行股份數目 No. of issued ordinary shares held in Best Result	概約持股百分比 Approximate percentage of shareholding
張女士 Ms. Cheung	好倉	實益擁有人	37,073	37.073%
	Long Position	Beneficial Owner		
	好倉	配偶權益	37,053	37.053%
	Long Position	Interest of spouse		
劉先生 Mr. Liu	好倉	The Liu Family Trust成立人	37,053	37.053%
	Long Position	Founder of The Liu Family Trust		
	好倉	配偶權益	37,073	37.073%
	Long Position	Interest of spouse		
張先生 Mr. Zhang	好倉	The Zhang Family Trust and The Golden Nest Trust成立人及受益人	25,874	25.874%
	Long Position	Founder and beneficiary of The Zhang Family Trust and The Golden Nest Trust		
劉晉嵩先生 Mr. Lau Chun Shun	好倉	信託受益人(註4)	52,927	52.927%
	Long Position	Beneficiary of trusts (note 4)		

附註：

Notes:

- (1) Best Result直接持有2,992,120,000股本公司股份。Best Result已發行股本(i)由張女士個人持有約37.073%，(ii)由BNP Paribas Jersey Trust Corporation Limited 通過 Goldnew Limited 以The Liu Family Trust的信託人身份持有約37.053%，(iii)由BNP Paribas Jersey Trust Corporation Limited 通過 Acorn Crest Limited 以The Zhang Family Trust信託人身份持有約10.000%，及(iv)由BNP Paribas Jersey Trust Corporation Limited 通過 Winsea Investments Limited 以The Golden Nest Trust的信託人身份持有約15.874%。
- (2) The Zhang Family Trust為不可撤銷信託。The Liu Family Trust及The Golden Nest Trust為可撤銷信託。
- (3) 張女士為劉先生的配偶。因此，張女士及劉先生亦根據證券及期貨條例第XV部被視為擁有Best Result所持有的股份的權益。
- (4) 劉晉嵩先生為The Liu Family Trust及The Golden Nest Trust之受益人。因此，根據證券及期貨條例第XV部，他被視為擁有Best Result所持有的股份的權益。

- (1) Best Result directly held 2,992,120,000 Shares in the Company. The issued share capital of Best Result is held (i) as to approximately 37.073% by Ms. Cheung personally; (ii) as to approximately 37.053% by Goldnew Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Liu Family Trust, (iii) as to approximately 10.000% by Acorn Crest Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Zhang Family Trust, and (iv) as to approximately 15.874% by Winsea Investments Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Golden Nest Trust.
- (2) The Zhang Family Trust is irrevocable trust. The Liu Family Trust and The Golden Nest Trust are revocable trusts.
- (3) Ms. Cheung is the spouse of Mr. Liu. Each of Ms. Cheung and Mr. Liu is therefore deemed to be interested in the Shares held by Best Result pursuant to Part XV of the SFO.
- (4) Mr. Lau Chun Shun is a beneficiary of each of The Liu Family Trust and The Golden Nest Trust. He is therefore deemed to be interested in the Shares held by Best Result pursuant to Part XV of the SFO.

企業管治及其他資料 CORPORATE GOVERNANCE AND OTHER INFORMATION

除上文所披露者外，於二零一六年十二月三十一日，本公司各董事、主要行政人員或彼等的聯繫人士(定義見證券及期貨條例第XV部)概無擁有本公司或其任何相聯法團的股份、相關股份及債券任何權益或淡倉而登記於根據證券及期貨條例第352條須予備存的登記冊內，或根據標準守則須知會本公司及聯交所。

根據證券及期貨條例須予披露的主要股東權益及淡倉

就本公司各董事或最高行政人員所知，於二零一六年十二月三十一日，下列人士於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露，或須於本公司按證券及期貨條例第336條規定備存之登記冊中記錄，或已知會本公司及聯交所之權益或淡倉：

Save as disclosed above, none of the Directors or chief executive of the Company or any of their associates (within the meaning of Part XV of SFO) had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any associated corporation as at 31 December 2016, as recorded in the register required to be kept under 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests and Short Positions of Substantial Shareholders Discloseable under the SFO

So far as is known to any Directors or chief executive of the Company, as at 31 December 2016, the following persons had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

股東名稱 Name of Shareholder	好倉／淡倉 Long Position/ Short Position	身份 Capacity	持有股份數目 No. of Shares held	概約持股百分比* Approximate percentage of total issued Shares*
Best Result (附註) Best Result (Note)	好倉 Long Position	實益擁有人 Beneficial Owner	2,992,120,000	64.09%
張女士 Ms. Cheung	好倉 Long Position	控制法團的權益 Interest of controlled corporation	2,992,120,000	64.09%
Goldnew Limited Goldnew Limited	好倉 Long Position	控制法團的權益 Interest of controlled corporation	2,992,120,000	64.09%
BNP Paribas Jersey Trust Corporation Limited BNP Paribas Jersey Trust Corporation Limited	好倉 Long Position	The Liu Family Trust受託人 Trustee of The Liu Family Trust	2,992,120,000	64.09%

* 該百分比以本公司於二零一六年十二月三十一日之已發行股份(即4,668,870,811股普通股)計算。

* The percentage has been compiled based on the total number of Shares of the Company in issue as at 31 December 2016 (i.e. 4,668,870,811 ordinary Shares).

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附註：

Best Result直接持2,992,120,000股本公司股份。Best Result已發行股本(i)由張女士個人持有約37.073%，(ii)由BNP Paribas Jersey Trust Corporation Limited通過Goldnew Limited以The Liu Family Trust的信託人身份持有約37.053%，(iii)由BNP Paribas Jersey Trust Corporation Limited通過Acorn Crest Limited以The Zhang Family Trust信託人身份持有約10.000%，及(iv)由BNP Paribas Jersey Trust Corporation Limited通過Winsea Investments Limited以The Golden Nest Trust的信託人身份持有約15.874%。

Note:

Best Result directly held 2,992,120,000 Shares in the Company. The issued share capital of Best Result is held (i) as to approximately 37.073% by Ms. Cheung personally; (ii) as to approximately 37.053% by Goldnew Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Liu Family Trust, (iii) as to approximately 10.000% by Acorn Crest Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Zhang Family Trust, and (iv) as to approximately 15.874% by Winsea Investments Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Golden Nest Trust.

除上文所披露者外，於二零一六年十二月三十一日，本公司並無獲悉有任何其他人士(本公司任何董事或主要行政人員除外)擁有本公司股份及相關股份的權益或淡倉而登記於根據證券及期貨條例第336條所需備存的登記冊內。

Save as disclosed above, as at 31 December 2016, as far as the Company is aware of, there was no other person (other than any Director or the chief executive of the Company) who had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

購股權之價值

根據上市規則第17.08條規定，年內／期內授出購股權價值按歸屬期於本集團之收益表內攤銷。本公司已採用二項式定價模式(「該模式」)計算所授出購股權公平值。該模式是評估購股權的公平值其中一種較為普遍使用的一種模式。計算購股權公平值時使用的變數及假設乃按管理層最佳之評估。

VALUE OF SHARE OPTIONS

Pursuant to Rule 17.08 of the Listing Rules, the value of the share options granted during the financial year/period is to be expensed through the Group's income statement over the vesting period of the options. The fair values of share options granted by the Company were determined by using binominal valuation model (the "Model"). The Model is one of the commonly used models to estimate the fair value of an option. The variables and assumptions used in computing the fair value of the share options are based on the management's best estimate.

該模式的主要假設為：

Key assumptions of the Model are:

授出日期 Grant Date	無風險利率 Risk-free rate	預期股息率 Expected dividend yield	預期本公司 股份市價波幅 Expected volatility of the market price of the Shares	公平價值(約) Fair value (approximately) 港元 HK\$
二零一五年九月三十日 30 September 2015	0.637%	每年2.700% per annum 2.700%	42%	7,800,000
二零一六年二月二十九日 29 February 2016	0.745%	每年1.800% per annum 1.800%	46%	26,606,000

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該模式包含股價波幅等主觀假設成份。由於主觀假設的變更會嚴重影響公平價值的估計值，故此董事認為，現行模式毋須為提供購股權公平價值的唯一可靠計值。

根據上市規則第13.51B(1)條作出之董事資料披露

以下是本公司自二零一五/一六年年報刊發日期起董事資料之變動，而該變動須根據上市規則第13.51B(1)條予以披露：

林耀堅先生於二零一六年十二月十六日獲委任為縱橫遊控股有限公司的獨立非執行董事(股份編號：8069)，其於二零一七年一月十二日在香港聯合交易所有限公司創業板成功上市。

根據上市規則第13.21條作出之持續披露

於二零一六年十二月三十一日，根據上市規則第13.21條之披露規定，以下為有關本公司控股股東履行特定責任條件之貸款協議。

於二零一五年，本公司與香港國家開發銀行股份有限公司香港分行有一筆2億5千萬美元之貸款協議，為期三年。根據該貸款協議，倘(i)本公司之控股股東張女士、劉先生及張先生(統稱「控股股東」)任何一位不再擔任本公司董事；或(ii)控股股東不再對本公司擁有共同管理控制權；或(iii)控股股東及張女士之家族成員不再直接或間接實益合共擁有本公司至少51%已發行股本(附有全部投票權者)，則將構成違約事件。倘發生上述任何事件，尚未償還之貸款須即時償還。

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於本期間內概無購買、出售或贖回本公司的股份。

The Model requires the input of subjective assumptions, including the volatility of Share price. As changes in subjective input assumptions can materially affect the fair value estimate, in the Directors' opinion, the existing Model does not necessarily provide a reliable single measure of the fair value of shares options.

DISCLOSURE OF DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

The following is the change in the information of Directors since the date of the 2015/16 Annual Report of the Company, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

Mr. Lam Yiu Kin has been appointed as an independent non-executive director of the WWPKG Holdings Company Limited (Stock Code:8069) on 16 December 2016, a company listed on the GEM Board of the Hong Kong Stock Exchange, with effect from 12 January 2017.

CONTINUING DISCLOSURE REQUIREMENT UNDER RULE 13.21 OF THE LISTING RULES

In accordance with the disclosure requirements of Rule 13.21 of the Listing Rules, the following disclosure in respect of the Company's loan agreement, which contains covenants requiring performance obligations of the controlling shareholders of the Company as at 31 December 2016.

In 2015, the Company has a facility agreement with China Development Bank Corporation, Hong Kong Branch in an aggregate amount of USD250 million for a term of 3 years. It would constitute an event of default if (i) any one of Ms. Cheung, Mr. Liu and Mr. Zhang (together, the "Controlling Shareholders"), the Controlling Shareholders of the Company, ceases to be a Director of the Company; or (ii) the Controlling Shareholders cease to have joint management control of the Company; or (iii) the Controlling Shareholders and the family members of Ms. Cheung, together, cease to beneficially own in aggregate, directly or indirectly, at least 51% of the issued share capital (which carries full voting rights) of the Company. Upon the occurrence of any of the above events, the outstanding liability under the loan facilities will become immediately repayable.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the Period.

中期綜合資產負債表
INTERIM CONSOLIDATED BALANCE SHEET

			二零一六年 十二月三十一日 31 December 2016 人民幣千元 未經審核 RMB'000 Unaudited	二零一六年 六月三十日 30 June 2016 人民幣千元 經審核 RMB'000 Audited
		附註 Note		
資產	ASSETS			
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	6	45,727,229	44,860,821
土地使用權	Land use rights	6	1,541,393	1,521,765
無形資產	Intangible assets	7	229,365	245,275
於一間聯營公司及 一間合營企業的投資	Investments in an associate and a joint venture		110,479	65,759
其他應收款項	Other receivables	9	23,500	47,500
遞延所得稅資產	Deferred income tax assets		100	15,884
總非流動資產	Total non-current assets		47,632,066	46,757,004
流動資產	Current assets			
存貨	Inventories	8	3,147,241	3,605,520
應收貿易賬款及應收票據	Trade and bills receivables	9	5,317,837	4,597,675
其他應收款項 及預付款	Other receivables and prepayments	9	1,031,390	954,649
可退回稅項	Tax recoverable		44,544	46,665
受限制現金	Restricted cash		31,898	53,634
短期銀行存款	Short-term bank deposits		17,800	274,008
現金及現金等價物	Cash and cash equivalents		5,880,072	11,002,470
總流動資產	Total current assets		15,470,782	20,534,621
總資產	Total assets		63,102,848	67,291,625
權益	EQUITY			
本公司權益	Capital and reserves			
持有人應佔股本	attributable to equity			
及儲備	holders of the Company			
股本	Share capital	10	9,220,436	9,208,587
其他儲備	Other reserves	11	836,531	1,323,109
保留盈利	Retained earnings		17,457,206	15,542,523
			27,514,173	26,074,219
非控制權益	Non-controlling interests		344,653	346,642
總權益	Total equity		27,858,826	26,420,861

中期綜合資產負債表(續) INTERIM CONSOLIDATED BALANCE SHEET (Continued)

		附註 Note	二零一六年 十二月三十一日 31 December 2016 人民幣千元 未經審核 RMB'000 Unaudited	二零一六年 六月三十日 30 June 2016 人民幣千元 經審核 RMB'000 Audited
負債	LIABILITIES			
非流動負債	Non-current liabilities			
貸款	Borrowings	12	18,059,992	20,852,384
遞延所得稅負債	Deferred income tax liabilities		2,327,158	2,176,336
總非流動負債	Total non-current liabilities		20,387,150	23,028,720
流動負債	Current liabilities			
應付貿易賬款及應付票據	Trade and bills payables	13	4,485,881	4,097,964
其他應付款項及已收按金	Other payables and deposits received	13	2,139,656	1,315,229
即期所得稅負債	Current income tax liabilities		525,578	434,853
貸款	Borrowings	12	7,705,757	11,992,892
衍生金融工具	Derivative financial instruments		—	1,106
總流動負債	Total current liabilities		14,856,872	17,842,044
總負債	Total liabilities		35,244,022	40,870,764
總權益及負債	Total equity and liabilities		63,102,848	67,291,625

第39至71頁的附註為本簡明綜合中期財務資料的一部份。

The notes on pages 39 to 71 form an integral part of this condensed consolidated interim financial information.

中期綜合損益表 INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		未經審核 Unaudited 截至十二月三十一日止六個月 Six months ended 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
		附註 Note	
銷售額	Sales	14	16,310,521
銷售成本	Cost of goods sold	15	(13,482,631)
毛利潤	Gross profit		3,490,814
其他收入、其他開支及 其他收益 — 淨額	Other income, other expense and other gains — net	16	470,510
經營活動的 匯兌虧損 — 淨額	Exchange losses on operating activities — net		(191,794)
銷售及市場推廣成本	Selling and marketing costs	15	(499,560)
行政開支	Administrative expenses	15	(534,016)
經營盈利	Operating profit		2,735,954
財務收入	Finance income	17	74,531
財務費用	Finance costs	17	(573,162)
財務費用 — 淨額	Finance costs — net		(498,631)
融資活動的匯兌 收益/(虧損) — 淨額	Exchange gains/(losses) on financing activities — net		84,732
應佔一間聯營公司及 一間合營企業的盈利 — 淨額	Share of profit of an associate and a joint venture — net		45,070
除所得稅前盈利	Profit before income tax		2,367,125
所得稅開支	Income tax expense	18	(448,041)
本期間盈利	Profit for the period		1,919,084

中期綜合損益表(續) INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

		未經審核 Unaudited 截至十二月三十一日止六個月 Six months ended 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
		附註 Note	
以下人士應佔盈利：	Profit attributable to:		
— 本公司權益 持有人	— Equity holders of the Company	1,914,683	312,023
— 非控制權益	— Non-controlling interests	4,401	15,635
		1,919,084	327,658
本公司權益 持有人應佔 盈利的每股 基本盈利 (以每股人民幣元計)	Basic earnings per share for profit attributable to equity holders of the Company (expressed in RMB per share)	0.41	0.07
	19		
本公司權益 持有人應佔 盈利的每股 攤薄盈利 (以每股人民幣元計)	Diluted earnings per share for profit attributable to equity holders of the Company (expressed in RMB per share)	0.41	0.07
	19		

第39至71頁的附註為本簡明綜合中期財務資料的一部份。

The notes on pages 39 to 71 form an integral part of this condensed consolidated interim financial information.

中期綜合全面收入表 INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		未經審核 Unaudited 截至十二月三十一日止六個月 Six months ended 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
本期間盈利	Profit for the period	1,919,084	327,658
其他全面收入 (其後可能重新分類至 損益的項目)	Other comprehensive income (items that may be reclassified subsequently to profit or loss)		
— 貨幣換算差額	— currency translation differences	29,817	17,735
本期間全面 收入總額	Total comprehensive income for the period	1,948,901	345,393
以下人士應佔全面 收入總額：	Total comprehensive income attributable to:		
— 本公司權益持有人	— Equity holders of the Company	1,937,097	325,551
— 非控制權益	— Non-controlling interests	11,804	19,842
		1,948,901	345,393

第39至71頁的附註為本簡明綜合中期財務資料的一部份。

The notes on pages 39 to 71 form an integral part of this condensed consolidated interim financial information.

中期綜合權益變動表 INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		未經審核 Unaudited					
		本公司權益持有人應佔 Attributable to equity holders of the Company				非控制權益 Non-controlling interests	總權益 Total equity
		股本 Share capital	其他儲備 Other reserves	保留盈利 Retained earnings	合計 Total		
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於二零一六年七月一日的結餘	Balance at 1 July 2016	9,208,587	1,323,109	15,542,523	26,074,219	346,642	26,420,861
全面收入	Comprehensive income						
本期間盈利	Profit for the period	—	—	1,914,683	1,914,683	4,401	1,919,084
其他全面收入	Other comprehensive income						
貨幣換算差額	Currency translation differences	—	22,414	—	22,414	7,403	29,817
全面收入總額	Total comprehensive income	—	22,414	1,914,683	1,937,097	11,804	1,948,901
與擁有人的交易	Transactions with owners						
向本公司權益持有人派付 二零一六年末期股息及特別股息	2016 final dividend and special dividend to equity holders of the Company	—	(513,583)	—	(513,583)	—	(513,583)
已付非控制權益股息	Dividends paid to non-controlling interests	—	—	—	—	(14,643)	(14,643)
收購一間附屬公司額外權益	Acquisition of additional interests in a subsidiary	—	(850)	—	(850)	850	—
授予董事及僱員的購股權	Share options granted to directors and employees	—	7,507	—	7,507	—	7,507
行使購股權	Exercise of share options	11,849	(2,066)	—	9,783	—	9,783
與擁有人的交易總額	Total transactions with owners	11,849	(508,992)	—	(497,143)	(13,793)	(510,936)
於二零一六年十二月三十一日的結餘	Balance at 31 December 2016	9,220,436	836,531	17,457,206	27,514,173	344,653	27,858,826
於二零一五年七月一日的結餘	Balance at 1 July 2015	9,208,587	1,240,359	14,777,793	25,226,739	298,790	25,525,529
全面收入	Comprehensive income						
本期間盈利	Profit for the period	—	—	312,023	312,023	15,635	327,658
其他全面收入	Other comprehensive income						
貨幣換算差額	Currency translation differences	—	13,528	—	13,528	4,207	17,735
全面收入總額	Total comprehensive income	—	13,528	312,023	325,551	19,842	345,393
與擁有人的交易	Transactions with owners						
收購一間附屬公司額外權益	Acquisition of additional interests in a subsidiary	—	10,705	—	10,705	(15,832)	(5,127)
向本公司權益持有人派付 二零一五年末期股息	2015 final dividend to equity holders of the Company	—	—	(233,311)	(233,311)	—	(233,311)
已付非控制權益股息	Dividends paid to non-controlling interests	—	—	—	—	(39,539)	(39,539)
非控制權益的注資	Capital injection by a non-controlling interest	—	—	—	—	75,020	75,020
企業發展基金的分配	Appropriation to enterprise expansion fund	—	23,000	(23,000)	—	—	—
授予僱員的購股權	Share options granted to employees	—	3,184	—	3,184	—	3,184
與擁有人的交易總額	Total transactions with owners	—	36,889	(256,311)	(219,422)	19,649	(199,773)
於二零一五年 十二月三十一日的結餘	Balance at 31 December 2015	9,208,587	1,290,776	14,833,505	25,332,868	338,281	25,671,149

第39至71頁的附註為本簡明綜合中期財務資料的一部份。

The notes on pages 39 to 71 form an integral part of this condensed consolidated interim financial information.

中期綜合現金流量表 INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

		未經審核 Unaudited 截至十二月三十一日止六個月 Six months ended 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
來自經營活動的 現金流量	Cash flows from operating activities		
經營業務所得現金	Cash generated from operations	4,347,239	4,031,207
已付所得稅	Income tax paid	(188,713)	(122,236)
已付利息	Interest paid	(630,436)	(798,150)
經營活動所得現金淨額	Net cash generated from operating activities	3,528,090	3,110,821
來自投資活動的 現金流量	Cash flows from investing activities		
物業、廠房及 設備付款	Payment for property, plant and equipment	(1,703,742)	(922,103)
出售物業、廠房及 設備所得款項	Proceeds from disposal of property, plant and equipment	16,817	10,552
購置物業、廠房及 設備的政府補貼金 所得款項	Proceeds from government grants for purchase of property, plant and equipment	38,133	—
土地使用權付款	Payment for land use rights	(37,509)	(37,290)
無形資產付款	Payment for intangible assets	(1,995)	—
已收利息	Interest received	74,531	49,065
短期銀行存款變動	Changes in short-term bank deposits	256,208	42,090
出售一間附屬公司	Disposal of a subsidiary	—	681
投資活動所用現金淨額	Net cash used in investing activities	(1,357,557)	(857,005)

中期綜合現金流量表(續)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

		未經審核 Unaudited 截至十二月三十一日止六個月 Six months ended 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
來自融資活動的 現金流量	Cash flows from financing activities		
貸款所得款項	Proceeds from borrowings	15,616,006	21,024,105
償還貸款	Repayments of borrowings	(22,795,193)	(22,167,237)
受限制現金變動	Changes in restricted cash	21,736	(125,671)
已付本公司權益 持有人股息	Dividends paid to equity holders of the Company	(93,324)	(93,802)
已付非控制權益股息	Dividends paid to non-controlling interests	(21,029)	(39,539)
因行使購股權而發行股份 所得款項	Proceeds from the issuance of shares upon the exercise of share options	9,783	—
收購一間附屬公司 額外權益	Acquisition of additional interest in a subsidiary	—	(5,127)
非控制權益的注資	Capital injection made by a non-controlling interest	—	75,020
融資活動所用現金淨額	Net cash used in financing activities	(7,262,021)	(1,332,251)
現金及現金等價物 (減少)/增加淨額	Net (decrease)/increase in cash and cash equivalents	(5,091,488)	921,565
本期間開始時之現金及 現金等價物	Cash and cash equivalents at beginning of the period	11,002,470	7,310,840
現金及現金等價物的 匯兌(虧損)/收益	Exchange (losses)/gains on cash and cash equivalents	(30,910)	91,680
本期間結束時之現金及 現金等價物	Cash and cash equivalents at end of the period	5,880,072	8,324,085

第39至71頁的附註為本簡明綜合中期財務資料的一部份。

The notes on pages 39 to 71 form an integral part of this condensed consolidated interim financial information.

簡明綜合中期財務資料附註 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. 一般資料

玖龍紙業(控股)有限公司(「本公司」)於二零零五年八月十七日根據一九八一年公司法在百慕達註冊成立為獲豁免有限公司。本公司及其附屬公司(統稱「本集團」)主要於中華人民共和國(「中國」)從事包裝紙、環保型文化用紙及高價特種紙產品的生產和銷售。本公司的註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

本公司之股份在香港聯合交易所有限公司主板上市。

除另有列明者外,本簡明綜合中期財務資料以人民幣(「人民幣」)呈列。本簡明綜合中期財務資料已於二零一七年二月二十三日獲批准刊發。

本簡明綜合中期財務資料乃未經審核。

2. 編製基準

截至二零一六年十二月三十一日止六個月之本簡明綜合中期財務資料乃根據香港會計準則(「香港會計準則」)第34號「中期財務報告」編製。本簡明綜合中期財務資料應與根據香港財務報告準則(「香港財務報告準則」)編製之截至二零一六年六月三十日止年度之年度財務報表一併閱讀。

編製中期財務資料須管理層作出影響會計政策之應用以及資產及負債、收入及開支的呈報金額之判斷、估計及假設。實際結果可能與該等估計有所不同。

於編製本簡明綜合中期財務資料時,管理層就應用本集團會計政策所作之主要判斷及估計之不確定性之主要來源乃與應用於截至二零一六年六月三十日止年度之年度財務報表者相同。

1. GENERAL INFORMATION

Nine Dragons Paper (Holdings) Limited (the "Company") was incorporated in Bermuda on 17 August 2005 under the Companies Act 1981 as an exempt company with limited liability. The Company and its subsidiaries (together the "Group") are principally engaged in the manufacture and sales of packaging paper, recycled printing and writing paper and high value specialty paper products in the Peoples Republic of China (the "PRC"). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

This condensed consolidated interim financial information is presented in Renminbi ("RMB"), unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 23 February 2017.

This condensed consolidated interim financial information has not been audited.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 31 December 2016 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting". This condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 30 June 2016.

簡明綜合中期財務資料附註(續)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

3. 會計政策

除下文所述者外，編製本簡明綜合中期財務資料所採用之會計政策與該等年度財務報表所述之截至二零一六年六月三十日止年度之年度財務報表所採用者貫徹一致。

(a) 採納準則修訂之影響

下列準則修訂於本集團二零一六年七月一日開始之財政年度強制應用。採納該等經修訂準則並無對本集團之業績及財務狀況造成任何重大影響。

香港財務報告準則第11號(修訂本)	收購共同經營權益的會計法
香港會計準則第1號(修訂本)	披露倡議
香港會計準則第27號(修訂本)	獨立財務報表中使用權益法
香港會計準則第16號及香港會計準則第38號(修訂本)	澄清折舊及攤銷的可接受方法
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂本)	投資性主體：應用合併的例外規定
香港財務報告準則(修訂本)	二零一二年至二零一四年週期之年度改進

3. ACCOUNTING POLICIES

Except as described below, the accounting policies used in the preparation of this condensed consolidated interim financial information are consistent with those of the annual financial statements for the year ended 30 June 2016, as described in those annual financial statements.

(a) Effect of adopting amendments to standards

The following amendments to standards are mandatory for the Group's financial year beginning on 1 July 2016. The adoption of these amended standards does not have any significant impact to the results and financial position of the Group.

HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations
HKAS 1 (Amendment)	Disclosure Initiative
HKAS 27 (Amendment)	Equity Method in Separate Financial Statements
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception
HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle

簡明綜合中期財務資料附註(續) NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

3. 會計政策(續)

(b) 已頒佈惟尚未生效之新訂準則及準則修訂

下列新訂準則及準則修訂於二零一六年七月一日開始之財政年度已頒佈但尚未生效，而本集團並無提早採納：

香港會計準則第7號 (修訂本)	融資活動產生之 負債變動 ¹
香港會計準則第12號 (修訂本)	確認未折現虧 損之遞延稅 項資產 ¹
香港財務報告準則 第2號(修訂本)	以股份為基礎支 付之分類及 計量 ²
香港財務報告準 則第9號 (二零一四年)	金融工具 ²
香港財務報告準則 第15號	基於客戶合同的 收入確認 ²
香港財務報告準則 第16號	租賃 ³
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 公司或合營 企業之間的 資產出售或 注資 ⁴

1. 於二零一七年七月一日開始的年度期間生效。
2. 於二零一八年七月一日開始的年度期間生效。
3. 於二零一九年七月一日開始的年度期間生效。
4. 生效日期有待釐定。

上述新訂準則及準則修訂將於所列年度予以採納，而本集團正評估對未來會計期間的影響。

3. ACCOUNTING POLICIES (CONTINUED)

(b) New standards and amendments to standards that have been issued but are not effective

The following new standards and amendments to standards have been issued but are not effective for the financial year beginning on 1 July 2016 and have not been early adopted by the Group:

HKAS 7 (Amendment)	Changes in Liabilities Arising from Financial Activities ¹
HKAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses ¹
HKFRS 2 (Amendment)	Classifications and Measurement of Share-based Payment ²
HKFRS 9 (2014)	Financial Instruments ²
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 16	Leases ³
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

1. Effective for annual period beginning on 1 July 2017.
2. Effective for annual period beginning on 1 July 2018.
3. Effective for annual period beginning on 1 July 2019.
4. Effective date to be determined.

The above new standards and amendments to standards will be adopted in the years listed and the Group is in the process of assessing the impact on future accounting periods.

簡明綜合中期財務資料附註(續)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

4. 財務風險管理

本集團業務面對多種財務風險：外匯風險、利率風險、信貸風險及流動資金風險。

本簡明綜合中期財務資料並無載列年度財務報表所須之所有財務風險管理資料及披露事項，並應與本集團截至二零一六年六月三十日止年度之年度財務報表一併閱讀。

截至二零一六年十二月三十一日止六個月，任何風險管理政策概無任何變動。

(a) 外匯風險

本集團之若干銷貨交易、採購原料、購置廠房及設備及貸款以美元(「美元」)、港元(「港元」)、歐元、人民幣、越南盾(「越南盾」)及其他外幣計值。人民幣不可自由兌換成其他外幣，且人民幣兌換為外幣須遵守中國政府頒佈的外匯管制規則及法規。

本集團於海外業務中有若干投資，而該等業務的資產淨額承受外匯換算風險。本集團海外業務資產淨額所產生的貨幣風險主要透過以有關外幣計值的貸款管理。

4. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2016.

There have been no changes in any risk management policies during the six months ended 31 December 2016.

(a) Foreign exchange risk

Certain sales transactions, purchases of raw materials and acquisition of plant and equipment, and borrowings of the Group are denominated in United States Dollars ("US\$"), Hong Kong Dollars ("HK\$"), EURO, RMB, Vietnamese Dong ("VND"), and other foreign currencies. RMB is not freely convertible into other foreign currencies and conversion of RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

簡明綜合中期財務資料附註(續) NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

4. 財務風險管理(續)

(a) 外匯風險(續)

為管理本集團的外匯風險，本集團可能以貨幣結構工具及其他適用的金融工具對沖重大風險。於二零一六年十二月三十一日，倘人民幣兌美元、歐元、港元及越南盾貶值/升值5.0%，而所有其他可變因素維持不變，則截至二零一六年十二月三十一日止六個月內除稅後盈利將減少/增加人民幣370,260,000元(截至二零一五年十二月三十一日止六個月：減少/增加人民幣745,647,000元)，而其他全面收入將增加/減少人民幣43,869,000元(截至二零一五年十二月三十一日止六個月：增加/減少人民幣2,414,000元)，主要由於換算以外幣計值的金融工具(包括現金及現金等價物、應收貿易賬款及其他應收款項、應付貿易賬款及其他應付款項、貸款及衍生金融工具)至本集團實體之各自功能貨幣產生外匯虧損/收益及換算本集團海外業務之財務報表至本集團呈報貨幣產生收益/虧損所致。

(b) 流動資金風險

審慎之流動資金風險管理即維持充裕的現金及現金等價物，以及取得足夠的已承諾信貸融通額以提供資金。由於相關業務性質多變，本集團旨在保持已承諾之可用信貸額以維持資金靈活性。

管理層以預期現金流量為基準，監控本集團流動資金儲備，包括未動用的貸款融通額(附註12)、現金及現金等價物以及短期存款的滾動預測。

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Foreign exchange risk (Continued)

To manage the Group's exposure to foreign exchange risk, currency structured instruments and other appropriate financial instruments may be used to hedge material exposure. At 31 December 2016, if RMB had weakened/strengthened by 5.0% against US\$, EURO, HK\$ and VND, with all other variables held constant, post-tax profit for the six months ended 31 December 2016 would have been RMB 370,260,000 lower/higher (six months ended 31 December 2015: RMB745,647,000 lower/higher) and other comprehensive income would have been RMB43,869,000 higher/lower (six months ended 31 December 2015: RMB2,414,000 higher/lower), respectively, mainly as a result of foreign exchange losses/gains on translation of foreign currency-denominated financial instruments (including cash and cash equivalents, trade and other receivables, trade and other payables, borrowings and derivative financial instruments) into the respective functional currency of the group entities and gains/losses on translation of financial statements of the Group's foreign operations into the Group's presentation currency.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve comprises undrawn borrowing facilities (Note 12), cash and cash equivalents and short-term deposits on the basis of expected cash flow.

簡明綜合中期財務資料附註(續)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

4. 財務風險管理(續)

(b) 流動資金風險(續)

下表載列根據結算日至合約到期日的餘下期間按相關到期組別分析本集團以總額結算之金融負債。下表所披露的金額為合約未折現現金流量(附註)。

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (Continued)

The table below analyses the Group's financial liabilities that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (Note).

		一年內 Less than 1 year	一至二年 Between 1 and 2 years	二至五年 Between 2 and 5 years	總計 Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於二零一六年十二月三十一日	At 31 December 2016				
貸款(包括利息) (附註)	Borrowings (including interests) (Note)	8,451,738	11,963,782	6,570,131	26,985,651
應付貿易賬款、應付票據及 其他應付款項	Trade, bills and other payables	6,016,179	—	—	6,016,179
向一間合營企業 提供財務擔保合約	Financial guarantee contracts provided to a joint venture	40,046	—	—	40,046
於二零一六年六月三十日	At 30 June 2016				
貸款(包括利息) (附註)	Borrowings (including interests) (Note)	12,831,405	8,250,041	13,182,450	34,263,896
應付貿易賬款、應付票據及 其他應付款項	Trade, bills and other payables	4,889,697	—	—	4,889,697
向一間合營企業 提供財務擔保合約	Financial guarantee contracts provided to a joint venture	39,504	—	—	39,504

附註：貸款利息分別按二零一六年十二月三十一日及二零一六年六月三十日所持貸款計算。浮動利率利息分別按二零一六年十二月三十一日及二零一六年六月三十日的現行利率估算。

Note: Interest on borrowings is calculated on borrowings held as at 31 December 2016 and 30 June 2016, respectively. Floating-rate interest is estimated using the current interest rate as at 31 December 2016 and 30 June 2016, respectively.

簡明綜合中期財務資料附註(續) NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

5. 分部資料

管理層根據本公司執行董事所審閱之報告釐定營運分部，以用作分配資源及評估表現。

本集團主要於中國從事包裝紙、環保型文化用紙及高價特種紙產品的生產和銷售。管理層將業務之經營業績統一為一個分部以作審閱，作出資源分配之決定。因此，本公司董事認為，本集團只有一個用以作出策略性決定之分部。

本集團主要以中國為根據地。截至二零一六年十二月三十一日止六個月之來自中國外部客戶之收入為人民幣18,089,992,000元(截至二零一五年十二月三十一日止六個月:人民幣15,160,995,000元)，而來自其他國家外部客戶之總收入為人民幣1,035,032,000元(截至二零一五年十二月三十一日止六個月:人民幣1,149,526,000元)。主要產品之總銷售額明細於附註14披露。

於二零一六年十二月三十一日，位於中國之非流動資產總額(除遞延稅項資產外)為人民幣46,425,116,000元(二零一六年六月三十日:人民幣46,238,133,000元)，而位於其他國家之非流動資產總額為人民幣1,206,850,000元(二零一六年六月三十日:人民幣502,987,000元)。

5. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the executive directors of the Company, which are used to allocate resources and assess performance.

The Group is principally engaged in the manufacture and sales of packaging paper, recycled printing and writing paper and high value specialty paper products in the PRC. Management reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the directors of the Company regard that there is only one segment which is used to make strategic decisions.

The Group is mainly domiciled in the PRC. The revenue from external customers attributable to the PRC for the six months ended 31 December 2016 is RMB18,089,992,000 (six months ended 31 December 2015: RMB15,160,995,000), and the total of its revenue from external customers from other countries is RMB1,035,032,000 (six months ended 31 December 2015: RMB1,149,526,000). The breakdown of the major products of the total sales is disclosed in Note 14.

As at 31 December 2016, the total of non-current assets other than deferred tax assets located in the PRC is RMB46,425,116,000 (30 June 2016: RMB46,238,133,000), and the total of these non-current assets located in other countries is RMB1,206,850,000 (30 June 2016: RMB502,987,000).

簡明綜合中期財務資料附註(續)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

6. 物業、廠房及設備與土地使用權

6. PROPERTY, PLANT AND EQUIPMENT AND LAND USE RIGHTS

		物業、廠房 及設備 Property, plant and equipment 人民幣千元 RMB'000	土地 使用權 Land use rights 人民幣千元 RMB'000
截至二零一六年 十二月三十一日止六個月	Six months ended 31 December 2016		
於二零一六年七月一日的 期初賬面淨值	Opening net book amount as at 1 July 2016	44,860,821	1,521,765
添置	Additions	1,899,752	37,509
出售	Disposals	(42,906)	—
折舊／攤銷(附註15)	Depreciation/amortisation (Note 15)	(991,260)	(18,765)
匯兌差額	Exchange difference	822	884
於二零一六年十二月三十一日的 期末賬面淨值	Closing net book amount as at 31 December 2016	45,727,229	1,541,393
截至二零一五年 十二月三十一日止六個月	Six months ended 31 December 2015		
於二零一五年七月一日的 期初賬面淨值	Opening net book amount as at 1 July 2015	45,010,861	1,472,399
添置	Additions	884,226	37,290
出售	Disposals	(21,515)	—
折舊／攤銷(附註15)	Depreciation/amortisation (Note 15)	(965,650)	(17,472)
匯兌差額	Exchange difference	1,831	425
於二零一五年十二月三十一日的 期末賬面淨值	Closing net book amount as at 31 December 2015	44,909,753	1,492,642

於二零一六年十二月三十一日，本集團若干物業、廠房及設備賬面值約為人民幣1,101,703,000元(二零一六年六月三十日：人民幣1,106,747,000元)，用作抵押本集團所借入的貸款(附註12)。

Certain property, plant and equipment of the Group with carrying values of approximately RMB1,101,703,000 as at 31 December 2016 (30 June 2016: RMB1,106,747,000) had been pledged for the borrowings of the Group (Note 12).

簡明綜合中期財務資料附註(續)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

7. 無形資產

7. INTANGIBLE ASSETS

		無形資產 Intangible assets
		人民幣千元 RMB'000
截至二零一六年 十二月三十一日止六個月	Six months ended 31 December 2016	
於二零一六年七月一日的 期初賬面淨值	Opening net book amount as at 1 July 2016	245,275
添置	Additions	1,995
攤銷(附註15)	Amortisation (Note 15)	(2,905)
減值(附註15)	Impairment (Note 15)	(15,000)
於二零一六年十二月三十一日的 期末賬面淨值	Closing net book amount as at 31 December 2016	229,365
截至二零一五年 十二月三十一日止六個月	Six months ended 31 December 2015	
於二零一五年七月一日的 期初賬面淨值	Opening net book amount as at 1 July 2015	251,528
攤銷(附註15)	Amortisation (Note 15)	(2,999)
於二零一五年十二月三十一日的 期末賬面淨值	Closing net book amount as at 31 December 2015	248,529

8. 存貨

8. INVENTORIES

		二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000	二零一六年 六月三十日 30 June 2016 人民幣千元 RMB'000
原料	Raw materials	2,666,306	2,592,540
成品	Finished goods	480,935	1,012,980
		3,147,241	3,605,520

簡明綜合中期財務資料附註(續)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

9. 應收貿易賬款、應收票據及其他應收款項及預付款

9. TRADE, BILLS AND OTHER RECEIVABLES AND PREPAYMENTS

		二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000	二零一六年 六月三十日 30 June 2016 人民幣千元 RMB'000
應收貿易賬款 (附註(b)及(c))	Trade receivables (Notes (b) and (c))		
— 第三方	— third parties	2,512,466	1,994,747
— 有關連人士(附註22(d))	— related parties (Note 22(d))	45,278	30,499
		2,557,744	2,025,246
應收票據(附註(d))	Bills receivable (Note (d))		
— 第三方	— third parties	2,698,023	2,542,278
— 有關連人士(附註22(d))	— related parties (Note 22(d))	62,070	30,151
		2,760,093	2,572,429
應收貿易賬款及應收票據	Trade and bills receivables	5,317,837	4,597,675
可退回增值稅	Value-added tax recoverable	445,309	412,422
其他應收款項及按金	Other receivables and deposits		
— 第三方	— third parties	200,738	207,899
— 有關連人士(附註22(d))	— related parties (Note 22(d))	48,527	44,656
		249,265	252,555
預付款	Prepayments		
— 第三方	— third parties	360,316	337,172
減：計入非流動資產的 其他應收款項	Less: other receivables included in non-current assets	(23,500)	(47,500)
其他應收款項及預付款	Other receivables and prepayments	1,031,390	954,649

簡明綜合中期財務資料附註(續)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

9. 應收貿易賬款、應收票據及其他應收款項及預付款(續)

- (a) 於二零一六年十二月三十一日，由於到期日較短，應收貿易賬款、應收票據及其他應收款項之公平值與其賬面值相若。
- (b) 本集團向客戶作出信貸銷售所訂立之信貸期主要為30至60日。
- (c) 於二零一六年十二月三十一日，應收貿易賬款根據發票日期之賬齡分析如下：

9. TRADE, BILLS AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

- (a) As at 31 December 2016, the fair value of trade, bills and other receivables approximate their carrying amounts due to their short term maturities.
- (b) The Group's credit sales to customers are mainly entered into on credit terms of 30 to 60 days.
- (c) The ageing analysis of trade receivables based on invoice date as at 31 December 2016 is as follows:

		二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000	二零一六年 六月三十日 30 June 2016 人民幣千元 RMB'000
0至30日	0-30 days	2,275,908	1,669,939
31至60日	31-60 days	258,574	338,020
61至90日	61-90 days	10,916	14,244
逾90日	Over 90 days	12,346	3,043
		2,557,744	2,025,246

鑒於本集團客戶眾多，遍佈全中國，因此應收貿易賬款之信貸風險並不集中。

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers, which are widely dispersed within the PRC.

- (d) 銀行授出之應收票據的期限主要為90至180日(二零一六年六月三十日：90至180日)。

- (d) Bills receivable issued by banks are mainly with maturity period of 90 to 180 days (30 June 2016: 90 to 180 days).

簡明綜合中期財務資料附註(續)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

10. 股本

10. SHARE CAPITAL

		普通股數目 千股計 Number of ordinary shares in thousands	普通股 面值 Nominal value of ordinary shares 千港元 HK\$'000	普通股 面值等值 Equivalent nominal value of ordinary shares 人民幣千元 RMB'000	股份溢價 Share premium 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
截至二零一六年 十二月三十一日止六個月	Six months ended 31 December 2016					
於二零一六年七月一日的結餘	Balance as at 1 July 2016	4,666,221	466,622	478,272	8,730,315	9,208,587
因行使購股權而發行股份	Issuance of shares upon the exercise of share options	2,650	265	227	11,622	11,849
於二零一六年十二月三十一日的 結餘	Balance as at 31 December 2016	4,668,871	466,887	478,499	8,741,937	9,220,436
截至二零一五年 十二月三十一日止六個月	Six months ended 31 December 2015					
於二零一五年七月一日及 二零一五年十二月三十一日 的結餘	Balance as at 1 July 2015 and 31 December 2015	4,666,221	466,622	478,272	8,730,315	9,208,587

簡明綜合中期財務資料附註(續)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

11. 其他儲備

11. OTHER RESERVES

		繳納盈餘 Contributed surplus	資本儲備 Capital reserve	購股權 儲備 Share options reserve	法定儲備 及企業 發展基金 Statutory reserve and enterprise expansion fund	貨幣換算 儲備 Currency translation reserve	合計 Total
		人民幣千元 RMB'000 (附註(a)) (note (a))	人民幣千元 RMB'000	人民幣千元 RMB'000 (附註(b)) (note (b))	人民幣千元 RMB'000 (附註(c)) (note (c))	人民幣千元 RMB'000	人民幣千元 RMB'000
截至二零一六年 十二月三十一日止六個月	Six months ended 31 December 2016						
於二零一六年七月一日的結餘	Balance as at 1 July 2016	660,542	231,456	40,098	438,210	(47,197)	1,323,109
向本公司權益持有人派付 二零一六年末期股息及特別股息 (附註20(a))	2016 final dividend and special dividend to equity holders of the Company (Note 20(a))	(513,583)	—	—	—	—	(513,583)
授予僱員的購股權	Share options granted to employees	—	—	7,507	—	—	7,507
貨幣換算差額	Currency translation differences	—	—	—	—	22,414	22,414
收購一間附屬公司 額外權益	Acquisition of additional interests in a subsidiary	—	(850)	—	—	—	(850)
行使購股權	Exercise of share options	—	—	(2,066)	—	—	(2,066)
於二零一六年十二月三十一日的結餘	Balance as at 31 December 2016	146,959	230,606	45,539	438,210	(24,783)	836,531
截至二零一五年 十二月三十一日止六個月	Six months ended 31 December 2015						
於二零一五年七月一日的結餘	Balance as at 1 July 2015	660,542	220,751	18,968	407,833	(67,735)	1,240,359
收購一間附屬公司 額外權益	Acquisition of additional interests in a subsidiary	—	10,705	—	—	—	10,705
企業發展基金 的分配	Appropriation to enterprise expansion fund	—	—	—	23,000	—	23,000
授予僱員的購股權	Share options granted to employees	—	—	3,184	—	—	3,184
貨幣換算差額	Currency translation differences	—	—	—	—	13,528	13,528
於二零一五年十二月三十一日的結餘	Balance as at 31 December 2015	660,542	231,456	22,152	430,833	(54,207)	1,290,776

(a) 本集團繳納盈餘指根據為本公司首次公開發售而進行的重組所收購附屬公司的股本與本公司作為交換所發行股本面值的差額。

(a) Contributed surplus of the Group represents the difference between the share capital of subsidiaries acquired pursuant to the reorganisation conducted for the IPO of the Company over the nominal value of the share capital of the Company issued in exchange therefor.

簡明綜合中期財務資料附註(續)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

11. 其他儲備(續)

(b) 購股權儲備

購股權乃授予董事及經挑選僱員。購股權須待董事及僱員完成半年的服務(歸屬期)方可作實。購股權可自授出日期起計半年至三年予以行使。本集團並無法定或推定責任購回或以現金結算購股權。

11. OTHER RESERVES (CONTINUED)

(b) Share options reserve

Share options are granted to directors and selected employees. Options are conditional on the directors and employees completing 0.5 year's service (the vesting period). The options are exercisable starting from 0.5 to 3 years after the grant date. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

授出日期 Grant date	每股行使價港元 Exercise price in HK\$ per share	行使期 Exercisable period	購股權數目 Number of share options		於二零一六年 十二月三十一日 As at 31 December 2016
			於二零一六年 七月一日 As at 1 July 2016	已行使 Exercised	
二零一五年 九月三十日		二零一六年四月一日至二 零一八年九月二十九日			
30 September 2015	4.134	1 April 2016 to 29 September 2018	8,000,000	(2,650,000)	5,350,000
二零一六年 二月二十九日		二零一六年九月一日至二 零一九年二月二十八日			
29 February 2016	5.19	1 September 2016 to 28 February 2019	18,000,000	—	18,000,000
			26,000,000	(2,650,000)	23,350,000

於二零一六年十二月三十一日，23,500,000份購股權(二零一六年六月三十日：8,000,000份購股權)可予行使。

As at 31 December 2016, share options of 23,500,000 (30 June 2016: 8,000,000 options) were exercisable.

簡明綜合中期財務資料附註(續)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

11. 其他儲備(續)

(c) 法定儲備及企業發展基金

根據中國的相關規則及法規，除中外合資企業外，所有其他中國公司均須將按照中國會計規則及法規計算的除稅後盈利10%轉撥至法定儲備基金，直至該基金的累計總額達註冊股本50%為止。法定儲備基金在相關機構的批准下，僅可用於彌補各自公司過往年度虧損或增加股本。企業發展基金的分配僅由中國公司的董事會釐定。企業發展基金在相關機構的批准下，僅可用於增加各自公司的股本或擴大生產規模。

根據適用於中外合資企業之中國相關規則及法規，法定儲備基金及企業發展基金之分配由各自公司的董事會釐定。

11. OTHER RESERVES (CONTINUED)

(c) Statutory reserve and enterprise expansion fund

In accordance with relevant rules and regulations in the PRC, except for Sino-foreign equity joint venture enterprises, all other PRC companies are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capitals. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset previous years' losses or to increase the capitals of respective companies. The appropriation to the enterprise expansion fund is solely determined by the board of directors of the PRC companies. The enterprise expansion fund can only be used to increase capitals of respective companies or to expand their production operations upon approval by the relevant authority.

In accordance with relevant rules and regulations in the PRC applied on Sino-foreign equity joint venture enterprises, the appropriations to the statutory reserve fund and enterprise expansion fund are determined by the board of directors of respective companies.

簡明綜合中期財務資料附註(續)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

12. 貸款

12. BORROWINGS

		二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000	二零一六年 六月三十日 30 June 2016 人民幣千元 RMB'000
非流動	Non-current		
— 長期銀行貸款及其他貸款	— Long-term bank and other borrowings	18,059,992	20,453,784
— 中期票據	— Medium-term note	—	398,600
		18,059,992	20,852,384
流動	Current		
— 短期銀行貸款	— Short-term bank borrowings	6,362,049	10,674,355
— 長期銀行貸款及其他貸款即期部份	— Current portion of long-term bank and other borrowings	944,508	1,318,537
— 中期票據即期部份	— Current portion of medium-term note	399,200	—
		7,705,757	11,992,892
		25,765,749	32,845,276

(a) 於二零一六年十二月三十一日，以本集團若干物業、廠房及設備(附註6)作抵押的貸款為人民幣336,155,000元(二零一六年六月三十日：人民幣426,018,000元)；而以本公司提供擔保的貸款為人民幣22,037,913,000元(二零一六年六月三十日：人民幣28,914,145,000元)；以若干受限制現金作抵押的貸款為人民幣79,765,000元(二零一六年六月三十日：人民幣359,433,000元)。

(a) As at 31 December 2016, borrowings of RMB336,155,000 (30 June 2016: RMB426,018,000) are secured by certain property, plant and equipment (Note 6) of the Group; borrowings of RMB22,037,913,000 (30 June 2016: RMB28,914,145,000) are guaranteed by the Company; borrowings of RMB79,765,000 (30 June 2016: RMB359,433,000) are secured by certain of the restricted cash.

簡明綜合中期財務資料附註(續)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

12. 貸款(續)

(b) 貸款到期日如下:

12. BORROWINGS (CONTINUED)

(b) The maturity of the borrowings is as follows:

		二零一六年十二月三十一日 31 December 2016		
		銀行貸款 及其他貸款 Bank and other borrowings	中期票據 Medium- term note	合計 Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
一年內	Within 1 year	7,306,557	399,200	7,705,757
一年至兩年	Between 1 and 2 years	11,576,042	—	11,576,042
兩年至五年	Between 2 and 5 years	6,483,950	—	6,483,950
		25,366,549	399,200	25,765,749

		二零一六年六月三十日 30 June 2016		
		銀行貸款 及其他貸款 Bank and other borrowings	中期票據 Medium-term notes	合計 Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
一年內	Within 1 year	11,992,892	—	11,992,892
一年至兩年	Between 1 and 2 years	7,340,269	398,600	7,738,869
兩年至五年	Between 2 and 5 years	13,113,515	—	13,113,515
		32,446,676	398,600	32,845,276

簡明綜合中期財務資料附註(續)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

12. 貸款(續)

(c) 於二零一六年十二月三十一日之實際利率如下：

12. BORROWINGS (CONTINUED)

(c) The effective interest rates as at 31 December 2016 are as follows:

		二零一六年十二月三十一日 31 December 2016			
		人民幣 RMB	美元 US\$	歐元 EURO	越南盾 VND
長期銀行貸款及其他貸款	Long-term bank and other borrowings	4.15%	3.68%	1.78%	8.91%
短期銀行貸款	Short-term bank borrowings	4.02%	2.08%	1.40%	—
中期票據	Medium-term note	7.56%	—	—	—

二零一六年六月三十日
30 June 2016

		人民幣 RMB	美元 US\$	歐元 EURO
長期銀行貸款及其他貸款	Long-term bank and other borrowings	4.28%	3.27%	1.54%
短期銀行貸款	Short-term bank borrowings	4.12%	1.76%	1.21%
中期票據	Medium-term note	7.56%	—	—

(d) 於二零一六年十二月三十一日之貸款之賬面值以下列貨幣計值：

(d) The carrying amounts of the borrowings as at 31 December 2016 are denominated in the following currencies:

		二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000	二零一六年 六月三十日 30 June 2016 人民幣千元 RMB'000
人民幣	RMB	17,864,326	19,300,874
美元	US\$	3,286,710	2,662,707
歐元	EURO	4,558,550	10,881,695
越南盾	VND	56,163	—
		25,765,749	32,845,276

簡明綜合中期財務資料附註(續)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

12. 貸款(續)

(e) 本集團尚未提取之貸款融通額如下：

12. BORROWINGS (CONTINUED)

(e) The Group has the following undrawn borrowing facilities:

		二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000	二零一六年 六月三十日 30 June 2016 人民幣千元 RMB'000
按浮動利率：	At floating rates:		
— 一年內到期	— expiring within one year	28,998,678	29,333,822
— 一年後到期	— expiring beyond one year	1,080,451	2,134,539
		30,079,129	31,468,361

簡明綜合中期財務資料附註(續)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

13. 應付貿易賬款、應付票據及
其他應付款項及已收按金

13. TRADE, BILLS AND OTHER PAYABLES AND
DEPOSITS RECEIVED

		二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000	二零一六年 六月三十日 30 June 2016 人民幣千元 RMB'000
應付貿易賬款(附註(a))	Trade payables (Note (a))		
— 第三方	— third parties	959,026	856,920
— 有關連人士(附註22(d))	— related parties (Note 22(d))	414,035	173,309
		1,373,061	1,030,229
應付票據(附註(b))	Bills payable (Note (b))		
— 第三方	— third parties	2,882,820	2,837,735
— 有關連人士(附註22(d))	— related parties (Note 22(d))	230,000	230,000
		3,112,820	3,067,735
應付貿易賬款及應付票據	Trade and bills payable	4,485,881	4,097,964
向客戶收取的按金	Deposits from customers		
— 第三方	— third parties	367,868	365,928
其他應付款項(附註(c))	Other payables (Note (c))		
— 第三方	— third parties	1,681,537	870,492
— 有關連人士(附註22(d))	— related parties (Note 22(d))	4,969	3,178
		1,686,506	873,670
應付員工福利	Staff welfare benefits payable	85,282	75,631
其他應付款項及 已收按金	Other payables and deposits received	2,139,656	1,315,229

簡明綜合中期財務資料附註(續)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

13. 應付貿易賬款、應付票據及其他應付款項及已收按金(續)

(a) 於二零一六年十二月三十一日，應付貿易賬款根據發票日期之賬齡分析如下：

13. TRADE, BILLS AND OTHER PAYABLES AND DEPOSITS RECEIVED (CONTINUED)

(a) The ageing analysis of trade payables based on invoice date as at 31 December 2016 is as follows:

		二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000	二零一六年 六月三十日 30 June 2016 人民幣千元 RMB'000
0至90日	0-90 days	1,343,340	1,010,871
91至180日	91-180 days	14,543	7,070
181至365日	181-365 days	10,244	7,001
逾365日	Over 365 days	4,934	5,287
		1,373,061	1,030,229

(b) 應付票據主要於90至180日內到期(二零一六年六月三十日：90至180日)。

(b) Bills payable are mainly with maturity period of 90 to 180 days (30 June 2016: 90 to 180 days).

(c) 其他應付款項主要指購買物業、廠房及設備的應付款項、財務費用及其他經營費用的應付款項。

(c) Other payables mainly represent payables for acquisition of property, plant and equipment, payables for finance costs and other operating expenses.

簡明綜合中期財務資料附註(續)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

14. 銷售額

本集團於截至二零一六年十二月三十一日止六個月之收入如下：

14. SALES

Revenue of the Group during the six months ended 31 December 2016 are as follows:

		截至十二月三十一日止六個月 Six months ended 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
銷售包裝紙	Sales of packaging paper	17,954,226	15,261,400
銷售環保型 文化用紙	Sales of recycled printing and writing paper	1,042,439	937,457
銷售高價特 種紙產品	Sales of high value specialty paper products	128,359	111,664
		19,125,024	16,310,521

15. 按性質劃分的開支

計入銷售成本、銷售及市場推廣成本
和行政開支的開支分析如下：

15. EXPENSES BY NATURE

Expenses included in cost of goods sold, selling and marketing costs and administrative expenses are analysed as follows:

		截至十二月三十一日止六個月 Six months ended 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
折舊(附註6)	Depreciation (Note 6)	991,260	965,650
減：已於其他開支中 扣除的款項	Less: amount charged to other expenses	(1,981)	(1,827)
		989,279	963,823
土地使用權攤銷 (附註6)	Amortisation of land use rights (Note 6)	18,765	17,472
無形資產攤銷 (附註7)	Amortisation of intangible assets (Note 7)	2,905	2,999
無形資產減值損失 (附註7)	Impairment loss of intangible assets (Note 7)	15,000	—
僱員福利開支	Employee benefit expenses	780,253	700,653
成品變動	Changes in finished goods	532,045	67,349
已耗用原料及耗用品 (已抵減索賠額)	Raw materials and consumables used (net of claims)	13,814,480	12,159,009

簡明綜合中期財務資料附註(續)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

16. 其他收入、其他開支及其他
收益 — 淨額

16. OTHER INCOME, OTHER EXPENSES AND
OTHER GAINS — NET

		截至十二月三十一日止六個月 Six months ended 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
其他收入	Other income		
— 增值稅退稅	— value added tax refund	379,750	187,126
— 補助金	— subsidy income	95,003	94,746
— 銷售電力	— sales of electricity	25,310	37,135
— 來自運輸服務之 收入	— income from transportation service	15,876	57,674
其他開支	Other expenses		
— 銷售電力成本	— cost of sales of electricity	(16,792)	(17,021)
— 運輸服務 成本	— cost of transportation service	(7,844)	(50,335)
其他(虧損)/收益—淨額	Other (losses)/gains — net	(20,793)	9,813
		470,510	319,138

簡明綜合中期財務資料附註(續)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

17. 財務收入及財務費用

17. FINANCE INCOME AND FINANCE COSTS

		截至十二月三十一日止六個月	
		Six months ended	
		31 December	
		二零一六年	二零一五年
		2016	2015
		人民幣千元	人民幣千元
		RMB'000	RMB'000
財務收入：	Finance income:		
銀行存款	Interest income from bank		
利息收入	deposits	74,531	49,065
財務費用：	Finance costs:		
貸款利息	Interest on borrowings	(491,350)	(497,487)
其他附帶	Other incidental borrowing		
貸款成本	costs	(66,117)	(112,018)
減：已資本化利息及	Less: interest and other		
其他附帶貸款成本	incidental borrowing	21,382	6,205
	costs capitalised		
票據貼現費用	Bills discount charge	(536,085)	(603,300)
利率掉期合約	Gain from interest rate swap	(38,183)	(50,425)
收益	contracts	1,106	1,435
		(573,162)	(652,290)

截至二零一六年十二月三十一日止六個月，一般用作發展在建工程而借入及運用之資金所適用之資本化利率約為3.8% (截至二零一五年十二月三十一日止六個月：3.8%)。

The capitalisation interest rate applied to funds borrowed generally and used for the development of construction in progress is approximately 3.8% for the six months ended 31 December 2016 (six months ended 31 December 2015: 3.8%).

簡明綜合中期財務資料附註(續)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

18. 所得稅開支

18. INCOME TAX EXPENSE

		截至十二月三十一日止六個月 Six months ended 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
即期所得稅	Current income tax		
— 中國企業所得稅及 預扣所得稅 (附註(a)及(b))	— PRC corporate income tax and withholding income tax (Notes (a) and (b))	281,559	122,244
— 香港利得稅 (附註(c))	— Hong Kong profits tax (Note (c))	—	—
		281,559	122,244
遞延所得稅	Deferred income tax	166,482	116,977
		448,041	239,221

(a) 中國企業所得稅

本集團於中國之附屬公司按25%稅率繳納企業所得稅，惟當中若干附屬公司於截至二零一六年十二月三十一日止六個月享有15%的優惠稅率除外(截至二零一五年十二月三十一日止六個月：相同)。

(b) 中國預扣所得稅

於中國成立的公司向其海外投資者宣派自二零零八年一月一日起賺取的盈利的股息應按10%的稅率繳納中國預扣所得稅。倘於香港註冊成立的海外投資者符合中國與香港訂立的雙邊稅務條約安排項下的條件及規定，則相關預扣稅稅率將從10%降至5%。

(a) PRC corporate income tax

The Group's subsidiaries in the PRC are subject to corporate income tax at the rate of 25% except that certain of these subsidiaries are entitled to preferential rate of 15% for the six months ended 31 December 2016 (six months ended 31 December 2015: same).

(b) PRC withholding income tax

PRC withholding income tax of 10% shall be levied on the dividends declared by the companies established in the PRC to their foreign investors out of their profits earned after 1 January 2008. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

簡明綜合中期財務資料附註(續)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

18. 所得稅開支(續)

(b) 中國預扣所得稅(續)

截至二零一六年十二月三十一日止六個月，本公司中國附屬公司的中間控股公司適用預扣所得稅稅率為5% (截至二零一五年十二月三十一日止六個月：10%)。

(c) 香港利得稅

由於本集團於截至二零一六年十二月三十一日止六個月期間並無任何應課稅盈利，故此並未為香港利得稅計提撥備(截至二零一五年十二月三十一日止六個月：無)。

18. INCOME TAX EXPENSE (CONTINUED)

(b) PRC withholding income tax (Continued)

The applicable withholding income tax rate of the intermediate holding company of the Company's PRC subsidiaries for six months ended 31 December 2016 was 5% (six months ended 31 December 2015: 10%).

(c) Hong Kong profits tax

Hong Kong profits tax has not been provided for as the Group did not have any assessable profits during the six months ended 31 December 2016 (six months ended 31 December 2015: nil).

19. 每股盈利

— 基本

19. EARNINGS PER SHARE

— Basic

		截至十二月三十一日止六個月 Six months ended 31 December	
		二零一六年 2016	二零一五年 2015
本公司權益持有人應佔盈利 (人民幣千元)	Profit attributable to equity holders of the Company (RMB'000)	1,914,683	312,023
已發行普通股的 加權平均股數 (千股計)	Weighted average number of ordinary shares in issue (shares in thousands)	4,667,683	4,666,221
每股基本盈利 (每股人民幣元)	Basic earnings per share (RMB per share)	0.41	0.07

簡明綜合中期財務資料附註(續)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

19. 每股盈利(續)

— 攤薄

每股攤薄盈利乃假設兌換所有攤薄潛在普通股後，調整已發行普通股的加權平均股數計算所得。本公司的攤薄潛在普通股為購股權。

於截至二零一六年十二月三十一日止六個月，根據行使發行在外購股權時應收所得款項總額進行計算，以釐定可按公平值(按期內每股平均市價釐定)發行的股份數目。按上述方式計算的股份數目將與假設因行使購股權而須發行的股份數目作比較。差額加入分母，原因是已發行股份數目並無代價。

19. EARNINGS PER SHARE (CONTINUED)

— Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding on an assumption of conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company are share options.

For the six months ended 31 December 2016, a calculation is done to determine the number of shares that could have been issued at fair value (determined as the average market price per share for the period) based on the total proceeds receivable upon exercising the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference is added to the denominator as the number of shares issued for no consideration.

		截至十二月三十一日止六個月 Six months ended 31 December	
		二零一六年 2016	二零一五年 2015
本公司權益持有人應佔盈利 (人民幣千元)	Profit attributable to equity holders of the Company (RMB'000)	1,914,683	312,023
已發行普通股的 加權平均股數 (千股計)	Weighted average number of ordinary shares in issue (shares in thousands)	4,667,683	4,666,221
就購股權作出調整 (千股計)	Adjustment for share options (shares in thousands)	6,146	569
計算每股攤薄 盈利所用的 普通股的加權 平均股數(千股計)	Weighted average number of ordinary shares for diluted earnings per share (shares in thousands)	4,673,829	4,666,790
每股攤薄盈利 (每股人民幣元)	Diluted earnings per share (RMB per share)	0.41	0.07

簡明綜合中期財務資料附註(續)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

20. 股息

20. DIVIDENDS

截至十二月三十一日止六個月
Six months ended
31 December

	二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
中期股息(附註(b))	233,444	93,324

(a) 本公司於二零一六年十二月七日舉行的股東週年大會上批准從本公司其他儲備撥備派付二零一六年末期股息每股普通股人民幣8.0分(二零一五年末期:人民幣5.0分)及特別股息每股普通股人民幣3.0分,合共約人民幣513,583,000元(二零一五年末期:人民幣233,311,000元),該等股息已於二零一七年一月支付。

(b) 董事建議就截至二零一六年十二月三十一日止六個月派發中期股息每股普通股人民幣5.0分(截至二零一五年十二月三十一日止六個月:人民幣2.0分),合共約人民幣233,444,000元(截至二零一五年十二月三十一日止六個月:人民幣93,324,000元)。該中期股息已於二零一七年二月二十三日召開的董事會會議上獲得批准。本中期財務資料並未反映此應付中期股息。

(a) 2016 final dividend of RMB8.0 cents (2015 final: RMB5.0 cents) and special dividend of RMB3.0 cents per ordinary share, totalling approximately RMB513,583,000 (2015 final: RMB233,311,000) has been approved in the Company's Annual General Meeting on 7 December 2016 out of other reserves of the Company and paid in January 2017.

(b) The directors recommend the payment of an interim dividend of RMB5.0 cents (six months ended 31 December 2015: RMB2.0 cents) per ordinary share, totalling approximately RMB233,444,000 for the six months ended 31 December 2016 (six months ended 31 December 2015: RMB93,324,000). Such interim dividend has been approved in the meeting of board of directors of the Company on 23 February 2017. This interim financial information does not reflect this interim dividend payable.

簡明綜合中期財務資料附註(續)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

21. 承擔

(a) 資本承擔

本集團在物業、廠房及設備有重大資本承擔如下：

21. COMMITMENTS

(a) Capital commitments

The Group has material capital commitments on property, plant and equipment as follows:

		二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000	二零一六年 六月三十日 30 June 2016 人民幣千元 RMB'000
已訂約 但未撥備	Contracted but not provided for		
一年內	Not later than one year	1,287,934	1,871,060
一年後 但五年內	Later than one year and not later than five years	475,381	85,022
		1,763,315	1,956,082

**(b) 經營租賃承擔 —
本集團為承租人**

根據關於土地及樓宇不可撤銷經營租賃支付的未來最低租金總額如下：

**(b) Operating lease commitments — where
the Group is the lessee**

The future aggregate minimum lease payments under non-cancellable operating leases are related to land and buildings as follows:

		二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000	二零一六年 六月三十日 30 June 2016 人民幣千元 RMB'000
一年內	Not later than one year	3,725	3,560
一年後 但五年內	Later than one year and not later than five years	3,742	5,102
五年後	Later than five years	16,434	15,965
		23,901	24,627

簡明綜合中期財務資料附註(續)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

22. 關連人士交易

(a) 有關連人士名稱及關係

22. RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

名稱 Name	關係 Relationship
美國中南有限公司(「美國中南」) America Chung Nam Inc. ("ACN")	本公司執行董事張茵女士及劉名中先生實益擁有的公司 A company beneficially owned by Ms. Cheung Yan and Mr. Liu Ming Chung, executive directors of the Company
玖龍包裝(太倉)有限公司(「太倉包裝」) Nine Dragons Packaging (Taicang) Company Limited ("Taicang Packaging")	本公司執行董事張茵女士、劉名中先生及張成飛先生實益擁有的公司 A company beneficially owned by Ms. Cheung Yan, Mr. Liu Ming Chung and Mr. Zhang Cheng Fei, executive directors of the Company
中南(天津)再生資源有限公司 (「中南天津」) ACN (Tianjin) Resources Co., Ltd. ("ACN Tianjin")	本集團的一間聯營公司 An associate of the Group
揚威發展有限公司(「揚威」) Global Fame Developments Limited ("Global Fame")	本集團的一間合營企業 A joint venture of the Group
東莞弘龍包裝有限公司(「東莞弘龍」) Dongguan Honglong Packaging Co., Ltd ("Dongguan Honglong")	本公司執行董事張茵女士、劉名中先生及張成飛先生實益擁有其中60%股權的公司 A company with 60%'s equity interest beneficially owned by Ms. Cheung Yan, Mr. Liu Ming Chung and Mr. Zhang Cheng Fei, executive directors of the Company
龍揚國際有限公司(「龍揚國際」) Longen International Limited ("Longen International")	本集團一間合營企業擁有的公司 A company owned by a joint venture of the Group

簡明綜合中期財務資料附註(續)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

22. 關連人士交易(續)

- (b) 與有關連人士進行之交易
截至二零一六年十二月三十一日止六個月，本集團曾與有關連人士進行以下重大交易。該等交易於本集團的日常業務過程中進行：

22. RELATED PARTY TRANSACTIONS
(CONTINUED)

- (b) Transactions with related parties

During the six months ended 31 December 2016, the Group had the following significant transactions with related parties. These transactions are conducted in the normal course of the Group's business:

		截至十二月三十一日止六個月 Six months ended 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
銷售產品：	Sales of goods:		
— 太倉包裝	— Taicang Packaging	159,806	105,354
— 東莞弘龍	— Dongguan Honglong	89,486	66,689
		249,292	172,043
採購廢紙 (已抵減索賠額)：	Purchase of recovered paper (net of claims):		
— 美國中南	— ACN	4,407,707	4,339,317
— 中南天津	— ACN Tianjin	3,302,370	2,440,042
— 太倉包裝	— Taicang Packaging	11,175	7,069
		7,721,252	6,786,428

所有上述交易均按相互協定的條款與相關的有關連人士訂立。

All the above transactions are entered into with the relevant related parties at mutually agreed terms.

簡明綜合中期財務資料附註(續)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

22. 關連人士交易(續)

(c) 主要管理層薪酬

主要管理層之薪酬(包括董事之薪酬)如下:

		截至十二月三十一日止六個月 Six months ended 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
薪金及其他	Salaries and other short-term		
短期僱員福利	employee benefits	25,728	28,860
購股權	Share options	7,507	1,990
		33,235	30,850

22. RELATED PARTY TRANSACTIONS
(CONTINUED)

(c) Key management compensation

Compensation for key management including the compensation for directors is as follow:

(d) 與有關連人士之結餘

		二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000	二零一六年 六月三十日 30 June 2016 人民幣千元 RMB'000
應收下列人士之結餘:	Balances due from:		
— 東莞弘龍	— Dongguan Honglong	53,860	41,582
— 太倉包裝	— Taicang Packaging	53,488	19,068
— 揚威	— Global Fame	48,527	44,656
		155,875	105,306

該等金額為無抵押、免息且具有60日的信貸期。

The amounts are unsecured, interest free and have a credit period of 60 days.

簡明綜合中期財務資料附註(續)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

22. 關連人士交易(續)

(d) 與有關連人士之結餘(續)

22. RELATED PARTY TRANSACTIONS
(CONTINUED)

(d) Balances with related parties
(Continued)

		二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000	二零一六年 六月三十日 30 June 2016 人民幣千元 RMB'000
應付下列人士之結餘：	Balances due to:		
— 美國中南	— ACN	339,850	119,734
— 中南天津	— ACN Tianjin	304,185	283,575
— 龍揚國際	— Longen International	4,969	3,178
		649,004	406,487

該等金額為無抵押、免息且須於90日內償還。

The amounts are unsecured, interest free and repayable within 90 days.

(e) 向合營企業提供之擔保

於二零一六年十二月三十一日，本集團就揚威有關之貸款向揚威提供人民幣40,046,000元(二零一六年六月三十日：人民幣39,504,000元)之擔保。

(e) Provision of guarantee to the joint venture

As at 31 December 2016, the Group has provided guarantee of RMB40,046,000 to Global Fame related to its borrowings (30 June 2016: RMB39,504,000).

投資者關係及與股東的溝通 INVESTOR RELATIONS AND COMMUNICATIONS WITH SHAREHOLDERS

玖龍紙業利用多種渠道及方式確保與資本市場上的股東、投資者及金融機構的有效雙向溝通及緊密聯繫，以與各種類別的投資者建立長期可信任的關係，讓他們可定期獲得及有效地了解公司業務發展、營運策略及行業情況的最新信息，以助彼等作出投資決定。投資者及公眾可自公司的企業資訊更新、新聞發佈、年度報告和中期報告及時獲得玖龍紙業現時營運及未來展望的準確消息。

本集團企業網站設三種語言：英語、繁體中文及簡體中文，並設有有關投資者關係全面信息的分欄，收集經香港聯交所網站發佈的所有監管規定公告、報告及通函，方便投資者集中查閱，而企業網站的其他分欄則提供本集團營運各方面的最新信息。

管理層亦與投資者作個別及小組面談，進行電話會議、路演及參與區域及全球投資者論壇，讓投資者對業務理念和財務情況能有更全面的詮釋及分析。為進一步加強彼此的有效溝通，本集團安排基金經理、研究分析員及機構投資者參觀造紙基地，向彼等現場詳盡介紹玖龍紙業的生產及管理能力的對本集團長遠策略優勢的重要性。

所有股東均有權親自或委派代表出席玖龍紙業的股東週年大會及其他股東大會。上一屆股東週年大會於二零一六年十二月七日假座香港新鴻基中心4樓演講廳舉行。

股東

於二零一六年十二月三十一日，本集團有超過3,400名股東。

ND Paper has adopted a variety of channels and methods to ensure effective two-way communications and close contacts with shareholders, investors and financial institutions in the capital market, in order to build a long term trusted relationship with various investor communities. Such protocol allows the company's business development, operating strategies and industry updates to be regularly communicated and interpreted effectively to facilitate investment decisions. Corporate updates, press releases and the annual and interim reports provide the means for investors and the public to receive accurate and timely information about ND Paper's current operations and future outlook.

The Group maintains a tri-lingual corporate website in English, Traditional Chinese and Simplified Chinese which consists of a comprehensive section on investor relations. While this section serves as a convenient centralized collection of all regulatory required announcements, reports and circulars after their dissemination via the HKSE website, other sections of the corporate website provide updated information on various facets of the Group's operations.

Participation by management in one-on-one and group investor meetings, conference calls, roadshows and regional and global investor forums also allows business visions and financials to be well interpreted and analyzed. Effective communications are further enhanced by plant tours conducted for fund managers, research analysts and institutional investors, providing them with an informative on-site orientation on the relevance of ND Paper's manufacturing and management capabilities to the Group's long term strategic strength.

All shareholders are entitled to attend ND Paper's Annual General Meetings and other general meetings either in person or by proxy. The last Annual General Meeting was held at the Auditorium, 4/F., Sun Hung Kai Centre, Hong Kong on 7 December, 2016.

SHAREHOLDERS

As at 31 December 2016, the Group had over 3,400 shareholders.

投資者關係及與股東的溝通 INVESTOR RELATIONS AND COMMUNICATIONS WITH SHAREHOLDERS

財務紀要

二零一七財政年度
中期業績 二零一七年
二月二十三日刊登公佈

中期股息
除息日期 二零一七年七月三日

最後辦理股份
過戶時間以符合
有權獲派中期股息 二零一七年
七月四日下午四時三十分

暫停辦理股份
過戶登記以釐定
有權獲派中期股息 二零一七年
七月五日至
二零一七年
七月七日
(包括首尾兩天)

派付二零一七財政年度
中期股息 二零一七年
七月二十一日

股份資料

股份上市

玖龍紙業的股份於二零零六年三月在聯交所主板上市(股份代號: 2689)。

普通股

已發行股份: 4,668,870,811
(於二零一六年
十二月三十一日) 股股份

面值: 每股0.1港元
每手買賣單位: 1,000股股份

股息

每股股息

二零一五/二零一六 每股人民幣8分
財政年度末期股息:
二零一五/二零一六 每股人民幣3分
財政年度特別股息:
二零一六/二零一七 每股人民幣5分
財政年度中期股息:

FINANCIAL CALENDAR

FY2017 interim results Announcement..... published on
23 February 2017

Ex-dividend date for interim dividend..... 3 July 2017

Latest time to lodge transfer
with the Share Registrar for entitlement
of the interim dividend..... 4:30 p.m. on 4 July 2017

Closure of register of members
for determining the entitlement
of the interim dividend..... 5 July 2017 to 7 July 2017
(both dates inclusive)

Distribution of FY2017
interim dividend 21 July 2017

SHARE INFORMATION

Shares listing

The Shares of ND Paper have been listed on the Main Board of the Stock Exchange (Stock Code: 2689) since March 2006.

Ordinary Shares

Issued shares as at 31 December 2016: 4,668,870,811 Shares

Nominal Value: HK\$0.1 per Share
Board Lot: 1,000 Shares

Dividend

Dividend per Share

FY2015/2016 Final Dividend: RMB8 cents per Share
FY2015/2016 Special Dividend: RMB3 cents per Share
FY2016/2017 Interim Dividend: RMB5 cents per Share

投資者關係及與股東的溝通

INVESTOR RELATIONS AND COMMUNICATIONS WITH SHAREHOLDERS

投資者關係聯絡

玖龍紙業(控股)有限公司
企業傳訊部
香港九龍觀塘海濱道181號
One Harbour Square 22樓1室
電話: (852) 3929 3800
傳真: (852) 3929 3890
電郵: info_hk@ndpaper.com

股份代號

聯交所: 2689
路透社: 2689.HK
彭博: 2689 HK

INVESTOR RELATIONS CONTACT

Nine Dragons Paper (Holdings) Limited
Corporate Communications Department
Unit 1, 22/F., One Harbour Square,
181 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong
Tel: (852) 3929 3800
Fax: (852) 3929 3890
Email: info_hk@ndpaper.com

STOCK CODE

Stock Exchange: 2689
Reuters: 2689.HK
Bloomberg: 2689 HK

釋義 DEFINITION

「二零零六年購股權計劃」	指	本公司於二零零六年二月十二日採納之購股權計劃	2006 Share Option Scheme	the share option scheme adopted by the Company on 12 February 2006
「二零一六年購股權計劃」	指	本公司於二零一五年十二月十一日採納之購股權計劃	2016 Share Option Scheme	the share option scheme adopted by the Company on 11 December 2015
「聯繫人」	指	具有上市規則所賦予的涵義	Associate(s)	has the meaning ascribed to it under the Listing Rules
「Best Result」	指	Best Result Holdings Limited，根據英屬處女群島法律註冊成立的公司，為本公司的主要股東	Best Result	Best Result Holdings Limited, a company incorporated under the laws of BVI, is a substantial shareholder of the Company
「董事會」	指	本公司董事會	Board	The board of directors of the Company
「英屬處女群島」	指	英屬處女群島	BVI	the British Virgin Islands
「公司細則」	指	玖龍紙業的公司細則	Bye-laws	the bye-laws of ND Holdings
「本公司」或「玖龍控股」或「玖龍紙業」	指	玖龍紙業(控股)有限公司*，二零零五年八月十七日於百慕達根據一九八一年公司法註冊成立的獲豁免有限公司	Company or ND Holdings or ND Paper	Nine Dragons Paper (Holdings) Limited, a company which was incorporated in Bermuda on 17 August 2005 under the Companies Act 1981 as an exempt Company with limited liability
「董事」	指	本公司董事或任何其中一名董事	Director(s)	the director(s) of the Company or any one of them
「財政年度」或「財年」	指	截至六月三十日止財政年度	FY	Financial year ended/ending 30 June
「授出日期」	指	本公司授出購股權之日	Grant Date	the date of granting the share options of the Company
「本集團」	指	本公司及其附屬公司	Group	The Company and its subsidiaries
「港元」	指	香港法定貨幣港元	HKD/HK\$	Hong Kong dollars
「香港」或「香港特別行政區」	指	中國香港特別行政區	Hong Kong or Hong Kong SAR	The Hong Kong Special Administrative Region of the PRC
「獨立非執行董事」	指	玖龍控股獨立非執行董事	INED(s)	Independent Non-executive Director(s) of ND Holdings
「上市規則」	指	聯交所證券上市規則	Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange

* 僅供識別

釋義 DEFINITION

「標準守則」	指	上市公司董事進行證券交易的標準守則	Model Code	Model Code for Securities Transactions by Directors of Listed Issuers
「劉先生」	指	劉名中先生，本公司執行董事、副主席兼行政總裁	Mr. Liu	Mr. Liu Ming Chung, an executive Director, the Deputy Chairman and the Chief Executive Officer of the Company
「張先生」	指	張成飛先生，本公司執行董事兼副行政總裁	Mr. Zhang	Mr. Zhang Cheng Fei, an executive Director and the Deputy Chief Executive Officer of the Company
「張女士」	指	張茵女士，本公司執行董事兼主席	Ms. Cheung	Ms. Cheung Yan, an executive Director and the Chairlady of the Company
「本期間」	指	截至二零一六年十二月三十一日止六個月	Period	for the six months ended 31 December 2016
「造紙機」	指	本集團造紙機的代號。例如，一號造紙機指本集團的第一號造紙機	PM	a prefix referring to the Group's paper machines. For example, PM1 refers to the Group's first paper machine
「中國」	指	中華人民共和國	PRC	People's Republic of China
「人民幣」	指	中國法定貨幣人民幣	RMB	Renminbi, the lawful currency of the PRC
「證監會」	指	證券及期貨事務監察委員會	SFC	Securities and Futures Commission
「證券及期貨條例」	指	證券及期貨條例	SFO	Securities and Futures Ordinance
「股份」	指	本公司已發行股本中每股面值0.10港元的普通股	Share(s)	Ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
「股東」	指	本公司股份持有人	Shareholder(s)	holder(s) of Shares of the Company
「聯交所」	指	香港聯合交易所有限公司	Stock Exchange	The Stock Exchange of Hong Kong Limited
「The Liu Family Trust」	指	以劉先生為成立人及BNP Paribas Jersey Trust Corporation Limited為信託人而成立之基金	The Liu Family Trust	a trust set up by Mr. Liu as the settlor and BNP Paribas Jersey Trust Corporation Limited as the trustee
「年產能(噸)」	指	每年以噸計量的產能	tpa	tonnes per annum
「美元」	指	美國法定貨幣美元	USD/US\$	United States dollars
「%」	指	百分比	%	per cent

本2016/17中期報告(「中期報告」)的中、英文本已登載於本公司網站www.ndpaper.com及聯交所披露易網站www.hkexnews.hk。

選擇透過本公司網站收取本公司的公司通訊(其中包括但不限於年報、財務摘要報告(如適用)、中期報告、中期摘要報告(如適用)、會議通告、上市文件、通函及代表委任表格)，及因任何理由以致在接收載於本公司網站的中期報告上出現困難的股東，可即時要求以郵寄方式獲免費發送中期報告的印刷本。

股東可隨時更改收取本公司公司通訊的方式及語言版本的選擇。

股東可在給予本公司合理時間的書面通知，要求索取中期報告的印刷本或更改收取本公司公司通訊的方式及語言版本的選擇，該書面通知應交予本公司之股份過戶登記香港分處——卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓，或將該通知電郵至ndpaper-ecom@hk.tricorglobal.com。

This 2016/17 Interim Report ("Interim Report") (in both English and Chinese versions) has been posted on the Company's website at www.ndpaper.com and on the website of HKExnews at www.hkexnews.hk.

Shareholders who have chosen to receive the Company's Corporate Communications (including but not limited to annual report, summary financial report (where applicable), interim report, summary interim report (where applicable), notice of meeting, listing document, circular and proxy form) via the Company's website and for any reason have difficulty in gaining access to the Interim Report posted on the Company's website will promptly upon request be sent by post the Interim Report in printed form free of charge.

Shareholders may at any time change their choice of means of receipt and language of the Corporate Communications.

Shareholders may request for printed copy of the Interim Report or change of their choice of means of receipt and language of the Corporate Communications by sending reasonable notice in writing to the Company's branch registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong or by sending an email to ndpaper-ecom@hk.tricorglobal.com.



玖龍紙業(控股)有限公司*

NINE DRAGONS PAPER (HOLDINGS) LIMITED