



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 2017/2018 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)
劉晉高先生
張元福先生 (財務總監)

非執行董事

張連鵬先生

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
劉晉高先生

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

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)

Non-Executive Director

Mr. Zhang Lianpeng

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

公司資料(續) Corporate Information (Continued)

公司秘書

鄭慧珠女士 ACS, ACIS

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LEGAL ADVISERS

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

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

PRINCIPAL BANKERS

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

股份過戶登記處

總處:

Conyers Corporate Services (Bermuda) Limited
Clarendon House
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Principal:

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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，兼顧牛卡紙强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

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

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 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 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55-140g/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

Uncoated woodfree paper is suitable for printing books, teaching materials, magazines, notebooks and colour pictures. The Group offers high quality uncoated woodfree paper of 55-140g/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

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：

本集團在本期間再寫下業績新紀錄：銷售額及盈利均創新高，核心盈利增幅達117.3%，突顯本集團在行業環境出現急劇波動下，能夠憑藉多年以來建立的龐大產銷平台及規模效益，以靈活的營運策略及不斷強化的內部管控脫穎而出，在中國經濟轉型的大環境下充分掌握市場發展的先機，提升股東回報。

本期間，中國政府繼續推動對經濟及環境發展改革，環保監管更加嚴格，供需關係進一步改善，使得產品價格總體能夠得到有力的支持，本集團可喜地看到包裝紙行業盈利基本穩定在合理水平。同時政府提高對於進口廢紙的減量管控，令進口廢紙供應收緊，國內及進口廢紙的價格於本期間出現大幅波動。在此極具挑戰性的市場環境下，玖龍紙業的龍頭企業優勢更加凸顯，本集團的高效採購及銷售團隊，配合集團自有的大數據資料庫，在原材料採購和產品銷售方面均能夠緊貼市場，把握主動，在產品訂價、銷量及庫存等各方面執行靈活策略，將盈利做到最優。

本期間，雖然總銷售量為約6.3百萬噸，較去年同期減少10.7%；但總銷售額達至約人民幣25,649.4百萬元，較去年同期增加34.1%。盈利表現方面，毛利率由去年同期的18.3%提高至約24.5%；權益持有人應佔盈利約為人民幣4,329.3百萬元，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約為人民幣4,350.5百萬元，同比增長約117.3%。本期間本集團每股基本盈利約為人民幣0.93元。董事會已宣佈及批准派付中期股息每股人民幣10.0分。

Dear Shareholders,

The Group delivered record results again during the Period. Both sales and profit reached a record high and core profit growth amounted to 117.3%, demonstrating the Group's outstanding performance amidst extreme volatility in the industry by adopting flexible operating strategies and continuously strengthening internal management and control measures on the back of its enormous production and sales platform as well as economies of scale established over the past years, which has enabled the Group to fully capitalize on the opportunities of market development arising from China's economic transformation and provide better returns for its shareholders.

During the Period, the Chinese government continued to promote the reform for economic and environmental development. With more stringent regulatory measures on environmental protection, the supply-demand dynamics saw further improvement, which has provided strong support to product prices in general. The Group is pleased to see that the profitability of packaging paper industry has basically been stabilized at a reasonable level. Meanwhile, the government strengthened the management and control for reducing the import of recovered paper, resulting in tightened supply of imported recovered paper and significant price fluctuations in both domestic and imported recovered paper during the Period. Against the backdrop of such an extremely challenging market environment, the leadership advantages of ND Paper became more prominent. With efficient procurement and sales teams as well as its own big data database, the Group kept pace with the market closely in raw material purchasing and product sales, which has enabled it to proactively execute flexible strategies in aspects such as product pricing, sales volume, inventory level, etc. with a view to maximizing its profit.

During the Period, although the total sales volume of approximately 6.3 million tonnes represented a decrease of 10.7% as compared with the corresponding period last year, total sales amounted to approximately RMB25,649.4 million, representing an increase of 34.1% as compared with the corresponding period last year. For profit performance, gross profit margin increased from 18.3% in the corresponding period last year to approximately 24.5%. Profit attributable to equity holders was approximately RMB4,329.3 million. If the exchange losses on operating and financing activities (net of tax) were excluded, profit attributable to equity holders was approximately RMB4,350.5 million for the Period, representing an increase of approximately 117.3% as compared with the corresponding period last year. During the Period, basic earnings per share of the Group was approximately RMB0.93. The Board has declared and approved the distribution of an interim dividend of RMB10.0 cents per share.

董事長報告(續) Chairlady's Report (Continued)

資金管理方面，本集團繼續保持無壞賬記錄，並於本期間內繼續致力優化債務，務求在提供發展資金、降低借貸成本、控制匯率風險及股息回報等各方面保持適當的平衡。總借貸由去年六月底的約人民幣28,949.1百萬元增加至十二月底的約人民幣29,345.2百萬元，但貸款淨額對總權益比率再下降至約62.3%。同時，本集團繼續致力將外幣債務及人民幣債務的比例按市場情況及資金需要而適時調整。於二零一七年十二月末，本集團總借貸中約64%為人民幣貸款，約15%為美元貸款，約18%為歐元貸款。

越南基地的二號紙機已於二零一七年八月投產，本集團總設計年產能現已達到14.08百萬噸。在中國國內市場，按照現時的發展計劃目標，在重慶基地、泉州基地及河北基地共有三台新紙機預計將在二零一八年年底前陸續投產，而在二零一九年六月底前，瀋陽基地、東莞基地及泉州基地將再各有一台新紙機投產。以上六台新紙機的年產能共3.25百萬噸，到時本集團的總設計年產能將達到逾17百萬噸，擴產後各基地的規模效益將可顯著提升，特別是在現時相對產能規模較小的基地。

本集團一直堅持環保造紙的理念，以行業內最全面、最先進的設備和技術，在污水和廢氣處理、以至固體廢物的充分循環再用等均領先同儕，順利通過政府的環保督察檢查。此外，東莞基地更是廣東省內唯一能夠連續十一年獲評為「環保誠信綠牌」的造紙企業。

On funding management, the Group continued to maintain the record of no bad debts, and continuously endeavoured to optimize its debts during the Period with a view to achieving the appropriate balance among such aspects as provision of funds for development, reduction of borrowing costs, control of exchange rate risks and dividend return. Total borrowings increased from approximately RMB28,949.1 million at the end of June last year to approximately RMB29,345.2 million at the end of December, but net borrowings to total equity ratio further declined to approximately 62.3%. Meanwhile, the Group continued to make strenuous efforts in making timely adjustment to the proportion of debts denominated in foreign currencies and debts denominated in RMB based on market conditions and its funding requirements. As at the end of December 2017, borrowings denominated in RMB, USD and Euro accounted for approximately 64%, 15% and 18% of the Group's total borrowings respectively.

PM2(VN) at the Vietnam base has commenced production in August 2017, which has brought the Group's total design production capacity to 14.08 million tpa. As for the markets in Mainland China, based on the target of the current development plan, a total of 3 new paper machines at the Chongqing base, Quanzhou base and Hebei base are expected to commence production successively by the end of 2018. Furthermore, by the end of June 2019, there will be a new paper machine commencing production in each of Shenyang base, Dongguan base and Quanzhou base respectively. The total production capacity of the abovementioned 6 new paper machines is 3.25 million tpa, bringing the Group's total design production capacity to over 17 million tpa by then. Upon such expansion, these production bases will see significant improvements in their economies of scale, in particular those bases where the current capacity scales are relatively small.

The Group upheld the concept of environmental protection in paper production by adopting the most comprehensive and advanced equipment and technologies in the industry, thereby holding a leadership position among its peers in terms of waste water and exhaust gas treatment as well as comprehensive recycling/reuse of solid waste. The Group has passed the environmental inspections carried out by the government. In addition, Dongguan base is the only paper-making enterprise in Guangdong province which has been awarded "Environmental Credible Enterprise (Green Label) (環保誠信綠牌)" for 11 consecutive years.

董事長報告(續) Chairlady's Report (Continued)

展望未來，中國經濟轉型深化、可持續發展、建設美麗中國的宏偉藍圖將可以為管理更加完善、重視環保的企業提供長期穩定的發展空間。不達標產能持續關停為包裝紙行業帶來了潛力，本集團的新增產能所提供的更多高品質產品將可替代市場上的低品質產品，但市場在不同時期內增長新產能及原材料進口收緊也給本集團帶來嚴峻挑戰。本集團有信心也有能力應對，苦練「內功」，調整好市場變化的供需關係，貫穿協同效應，完善上下游產業鏈。未來本集團將繼續砥礪前行，為客戶提供最具性價比的「一張好紙」，並持續不懈為股東創造更高價值。

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，二零一八年二月二十六日

Looking ahead, the magnificent blueprint of China's deepening economic transformation, sustainable development and building a beautiful China will provide the room for long-term and stable development to enterprises emphasizing management enhancements and environmental protection. The continued closure of non-compliant capacities will bring potential to the packaging paper industry, and more high quality products provided by the Group's new production capacities will replace low quality products in the market. Nevertheless, addition of new capacities in the market during certain periods and tightening control over import of raw materials will expose the Group to stern challenges. The Group has confidence in and ability to address such challenges by devoting itself to improving its "inner power" and adjusting to supply-demand dynamics according to market changes, with a view to creating synergies among different industry segments and enhancing the industry chain both upstream and downstream. The Group will continue to forge ahead in the future and provide its customers "a piece of exemplary quality paper" with the best price/value, and uphold its relentless pursuit of creating better values for its 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, 26 February 2018

管理層討論及分析 Management Discussion and Analysis

業務回顧

營運回顧

玖龍紙業作為亞洲最大的箱板原紙生產商，主要從事生產及銷售多樣化及優質的包裝紙板產品，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，同時生產及銷售環保型文化用紙(包括雙膠紙及複印紙等)及特種紙。本集團採用先進及高度自動化的進口生產設備及系統，並擁有一支高效及以服務為本的銷售團隊，以迎合其廣泛客戶網絡的需要。

由於政府更堅定及嚴格地實施環境政策，且執行環境法規變得更加廣泛及嚴謹，中國包裝紙板行業的供需關係得以進一步改善，令市場的盈利能力基本穩定在合理水平，而玖龍紙業在市場上的龍頭優勢亦更為顯著。與此同時，政府收緊對進口廢紙的管控導致進口及國內廢紙的價格出現大幅波動。在此極具挑戰性的市場環境下，本集團的策略是採取主動，以在售價、銷量及存貨水平之間達致適當平衡，實現最佳的盈利能力，令本期間的銷售收入及盈利均創歷史新高。

儘管廢紙進口至中國受到更多限制，本集團仍能維持靈活的採購策略，透過緊貼不同來源的市價走勢，選購最佳性價比的原材料。本期間內，國內廢紙採購額佔本集團廢紙採購總額約57.3%。

本期間內，越南基地的二號紙機已於二零一七年八月投產。該新紙機的設計年產能為350,000噸(卡紙類產品)，投產後使本集團的總設計年產能達到14.1百萬噸。

BUSINESS REVIEW

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 quality packaging paperboard 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 Group employs advanced, highly automated imported equipment and systems for production, and has a highly proficient, service-oriented sales team to address the needs of its extensive network of customers.

As government environmental policy becomes more determined and stringent, and environmental enforcement becomes more extensive and rigorous, supply-demand dynamics in the China packaging paperboard industry is further improving, thus making ND Paper's leadership advantages more prominent in a market where profitability is basically stabilizing at reasonable levels. Meanwhile, the government's tightened control on imported recovered paper has resulted in significant volatility in both imported and domestic recovered paper prices. In such a challenging market environment, the Group has adopted a proactive strategy to achieve the appropriate balance between selling prices, sales volume and inventory levels for optimal profitability, and has recorded historical high sales revenue and profits during the Period.

Although the import of recovered paper into China has become more restrictive, the Group is still able to maintain 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. The purchase value of domestic recovered paper accounted for approximately 57.3% of the total value of the Group's purchase of recovered paper in the Period.

During the Period, PM2(VN) at the Vietnam base commenced production in August 2017. With a design production capacity of 350,000 tpa for linerboard products, the commencement of this new paper machine has brought the Group's total design production capacity to 14.1 million tpa.

管理層討論及分析(續) Management Discussion and Analysis (Continued)

除生產效率、採購靈活性、產品質量及優質服務外，本集團在行內的領導地位亦反映在其於造紙及環境管理等各方面的技術差異及創新。迄今，本集團已獲得362項專利，另有129項專利正在申請或審批中。

業務策略及發展計劃

本集團目前正於數個生產基地進行新紙機計劃。該等計劃包括：

生產基地 Production Base	產品 Product	設計年產能 Design Capacity	目標投產日期 Target Commencement Date
泉州(第二期) Quanzhou (Phase II)	卡紙 Linerboard	350,000噸 350,000 tpa	二零一八年底之前 Before end of 2018
重慶(第三期) Chongqing (Phase III)	卡紙 Linerboard	550,000噸 550,000 tpa	二零一八年底之前 Before end of 2018
河北(第二期) Hebei (Phase II)	卡紙 Linerboard	500,000噸 500,000 tpa	二零一八年底之前 Before end of 2018
瀋陽(第二期) Shenyang (Phase II)	卡紙 Linerboard	600,000噸 600,000 tpa	二零一九年六月底之前 Before end of June, 2019
東莞 Dongguan	卡紙 Linerboard	600,000噸 600,000 tpa	二零一九年六月底之前 Before end of June, 2019
泉州(第三期) Quanzhou (Phase III)	卡紙 Linerboard	650,000噸 650,000 tpa	二零一九年六月底之前 Before end of June, 2019

該等項目完成後(目標為二零一九年六月底前)，本集團的總設計年產能將超過17百萬噸，規模效益將可顯著提升，特別是在現時相對較小的生產基地。

在實現上述擴產計劃的同時，本集團也不斷努力加強其現有業務，以維持長遠的競爭優勢及盈利能力，例如升級設備、提升效率及控制成本。本集團亦為了智能管理而積極開發更為全面有效的「大數據」資訊系統，邁向更全面「信息化、自動化及智能化」的目標。

本集團繼續作為環境管治及合規的行業典範，並已成功完成必要的政府環境評估及審批，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。

In addition to production efficiency, flexibility in procurement, product quality and service excellence, the Group's leadership position in the industry is also reflected in its technological differentiation and innovation in various facets of paper production and environmental management. To date, 362 patents have been obtained and another 129 patent applications or approvals are being processed.

Business Strategy and Development Plan

The Group is currently implementing new paper machine plans at a number of production bases. These include:

Upon completion of these projects targeted at before the end of June, 2019, the Group's total design production capacity will exceed 17 million tpa, with significant improvements in economies of scale, in particular at those currently relatively smaller production bases.

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

The Group continued as the industry's role model in environmental governance and compliance, and has successfully completed the necessary government environmental assessment and approval. 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.

管理層討論及分析(續) Management Discussion and Analysis (Continued)

財務回顧

銷售額

於本期間，本集團的銷售收入約為人民幣25,649.4百萬元，較去年同期增加約34.1%。本集團銷售收入之主要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94.3%，其餘約5.7%的銷售收入則來自其環保型文化用紙及高價特種紙產品業務。

本集團於二零一七年十二月三十一日在商業生產中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分別為7.2百萬噸、3.4百萬噸、2.6百萬噸及0.5百萬噸。越南基地二號紙機於二零一八年一月開始商業生產，使卡紙產品的設計年產能額外增加350,000噸，並令本集團在商業生產中的設計年產能增加至14.1百萬噸。

本集團的銷售額增加，乃主要受產品售價上升所帶動，銷售額的部分增幅被本集團銷量減少所抵銷。與去年同期相比，本集團包裝紙板產品、環保型文化用紙及特種紙產品的銷量減少約10.7%至約6.3百萬噸。

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減少約7.4%、13.6%、15.3%及8.0%。

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97.4%，而餘下2.6%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 RMB25,649.4 million for the Period, representing an increase of approximately 34.1% 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 94.3% of the revenue, with the remaining revenue of approximately 5.7% generated from its recycled printing and writing paper and high value specialty paper products business.

The Group's design capacity in commercial production in packaging paperboard and recycled printing and writing paper as at 31 December 2017 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. PM2(VN) at the Vietnam base commenced its commercial production in January 2018, adding an additional design production capacity of 350,000 tpa for linerboard products, and lifting the Group's design capacity in commercial production to 14.1 million tpa.

The increase of Group's sales was mainly driven by the increase in the selling price of the products, which was partially offset by the decrease in the Group's sales volume. The Group's sale volume of packaging paperboard products, recycled printing and writing paper and specialty paper products decreased by approximately 10.7% to approximately 6.3 million tonnes, as compared with the corresponding period last year.

The sales volume of linerboard, high performance corrugating medium, coated duplex board and recycled printing and writing paper for the Period decreased by approximately 7.4%, 13.6%, 15.3% and 8.0% 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 97.4% of the Group's total revenue, while the remaining revenue of 2.6% are sales denominated in foreign currencies which primarily represented sales made to foreign invested processing enterprises.

管理層討論及分析(續) Management Discussion and Analysis (Continued)

於本期間，本集團五大客戶的銷售額合共佔總銷售收入約4.5%(截至二零一六年十二月三十一日止六個月：5.2%)，其中最大單一客戶的銷售額約佔1.1%(截至二零一六年十二月三十一日止六個月：1.5%)。

毛利潤及毛利率

於本期間，毛利潤約為人民幣6,289.7百萬元，較去年同期的人民幣3,490.8百萬元增加約人民幣2,798.9百萬元或80.2%。毛利率則由18.3%增加至約24.5%，乃主要由於本期間的平均售價增加所致，平均售價的部分增幅被原料成本(主要為廢紙及煤炭成本)的增加所抵銷。

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499.6百萬元增加約0.3%至本期間的約人民幣501.3百萬元。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2.6%減少至本期間的約2.0%。

行政開支

行政開支由去年同期的人民幣534.0百萬元增加約4.3%至本期間的約人民幣557.0百萬元。行政開支佔本集團銷售收入的百分比由去年同期的2.8%減少至本期間的約2.2%。

經營盈利

於本期間的經營盈利約為人民幣5,931.4百萬元，較去年同期的人民幣2,736.0百萬元增加約人民幣3,195.4百萬元或116.8%。經營盈利率由去年同期的14.3%增加至本期間的約23.1%。

During the Period, sales to the Group's top five customers in aggregate accounted for approximately 4.5% (six months ended 31 December 2016: 5.2%) of the total revenue, with that to the single largest customer accounted for approximately 1.1% (six months ended 31 December 2016: 1.5%).

Gross profit and Gross profit margin

The gross profit for the Period was approximately RMB6,289.7 million, an increase of approximately RMB2,798.9 million or 80.2% as compared with RMB3,490.8 million in the corresponding period last year. The gross profit margin increased from 18.3% to approximately 24.5%, 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 0.3% from RMB499.6 million in the corresponding period last year to approximately RMB501.3 million in the Period. The total amount of selling and distribution costs as a percentage of the Group's revenue decreased from 2.6% in the corresponding period last year to approximately 2.0% in the Period.

Administrative expenses

Administrative expenses increased by approximately 4.3% from RMB534.0 million in the corresponding period last year to approximately RMB557.0 million in the Period. As a percentage of Group's revenue, the administrative expenses decreased from 2.8% in the corresponding period last year to approximately 2.2% in the Period.

Operating profit

The operating profit for the Period was approximately RMB5,931.4 million, representing an increase of approximately RMB3,195.4 million or 116.8% over the RMB2,736.0 million of the corresponding period last year. The operating profit margin increased to approximately 23.1% in the Period from 14.3% in the corresponding period last year.

管理層討論及分析(續) Management Discussion and Analysis (Continued)

財務費用

於本期間的財務費用由去年同期的人民幣573.2百萬元減少約14.0%至本期間的約人民幣492.7百萬元。財務費用減少乃主要由於與去年同期相比，本期間的(i)附帶貸款成本減少約人民幣21.2百萬元；(ii)票據貼現費用減少約人民幣36.9百萬元；及(iii)已資本化利息增加約人民幣17.1百萬元所致。

經營及融資活動的匯兌虧損

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4.9百萬元(分別指除稅前經營活動匯兌收益約人民幣96.1百萬元及除稅前融資活動的匯兌虧損約人民幣101.0百萬元)，從去年同期的人民幣107.1百萬元大幅減少約人民幣102.2百萬元或95.4%。

於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21.2百萬元，而去年同期則為人民幣87.5百萬元。

所得稅開支

本集團所得稅開支由去年同期的人民幣448.0百萬元增加至約人民幣1,102.1百萬元，乃由於除稅前盈利大幅增加所致。

本集團的實際稅率由去年同期的18.9%增加至本期間的約20.3%。

Finance costs

The finance costs for the Period decreased by approximately 14.0% from RMB573.2 million in the corresponding period last year to approximately RMB492.7 million in the Period. The decrease in finance cost was mainly contributed by (i) the decrease of incidental borrowing costs of approximately RMB21.2 million; (ii) the reduction of bills discount charges of approximately RMB36.9 million; and (iii) the increase of interest capitalised of approximately RMB17.1 million in the Period as compared with the corresponding period last year.

Exchange losses on operating and financing activities

The exchange losses on operating and financing activities before tax for the Period in aggregation amounted to approximately RMB4.9 million (represented by exchange gains on operating activities before tax of approximately RMB96.1 million and exchange losses on financing activities before tax of approximately RMB101.0 million respectively), decreased substantially by approximately RMB102.2 million or 95.4% from RMB107.1 million in the corresponding period last year.

The aggregated exchange losses on operating and financing activities net of tax amounted to approximately RMB21.2 million for the Period as compared to RMB87.5 million in the corresponding period last year.

Income tax expense

The Group's income tax expenses increased from RMB448.0 million in the corresponding period last year to approximately RMB1,102.1 million due to the substantial increase in profit before tax.

The Group's effective tax rate increased from 18.9% in the corresponding period last year to approximately 20.3% in the Period.

管理層討論及分析(續) Management Discussion and Analysis (Continued)

純利

於本期間的本公司權益持有人應佔盈利約為人民幣4,329.3百萬元。倘不計及經營及融資活動的匯兌虧損(扣除稅項)約人民幣21.2百萬元，於本期間的本公司權益持有人應佔盈利約為人民幣4,350.5百萬元，較去年同期增加約117.3%，乃由於產品售價上升及本集團盈利率改善所致。

倘不計及經營及融資活動的匯兌虧損(扣除稅項)人民幣87.5百萬元，去年同期的本公司權益持有人應佔盈利為人民幣2,002.2百萬元。

營運資金

存貨水平由二零一七年六月三十日的人民幣4,679.1百萬元增加約33.1%至二零一七年十二月三十一日的約人民幣6,225.8百萬元。存貨主要包括約人民幣3,344.6百萬元的原料(主要為廢紙、煤及備件)以及約人民幣2,881.2百萬元的成品。

於本期間，原料(不包括備件)及成品的週轉天數分別約為24天及27天，而去年同期則分別為22天及6天。

於二零一七年十二月三十一日，應收貿易賬款及應收票據約為人民幣4,983.5百萬元，較二零一七年六月三十日的人民幣5,399.2百萬元減少約7.7%。應收貿易賬款的週轉天數約為20天，而去年同期則約為24天。於二零一七年十二月三十一日，賬齡少於60天的應收貿易賬款佔應收貿易賬款總額約99.5%。

應付貿易賬款及應付票據由二零一七年六月三十日的人民幣2,291.2百萬元減少約6.0%至二零一七年十二月三十一日的約人民幣2,154.4百萬元。應付貿易賬款及應付票據的週轉天數約為20天，而去年同期則為52天。

Net profit

The profit attributable to the equity holders of the Company for the Period was approximately RMB4,329.3 million. If the exchange losses on operating and financing activities net of tax of approximately RMB21.2 million were excluded, the profit attributable to equity holders of the Company for the Period was approximately RMB4,350.5 million, increased by approximately 117.3% as compared to the corresponding period last year due to an increase in the selling price of the products and a better profit margin of the Group.

The profit attributable to equity holders of the Company for the corresponding period last year was RMB2,002.2 million if the exchange losses on operating and financing activities net of tax amounted to RMB87.5 million were excluded.

Working capital

The level of inventory as at 31 December 2017 increased by approximately 33.1% to approximately RMB6,225.8 million from RMB4,679.1 million as at 30 June 2017. Inventories mainly comprise raw materials (mainly recovered paper, coal and spare parts) of approximately RMB3,344.6 million and finished goods of approximately RMB2,881.2 million.

The turnover days for raw materials (excluding spare parts) and finished products were approximately 24 days and 27 days respectively during the Period, compared with 22 days and 6 days in the same period last year.

The trade and bills receivables as at 31 December 2017 were approximately RMB4,983.5 million, decreased by approximately 7.7% from RMB5,399.2 million as at 30 June 2017. The turnover days of trade receivables were approximately 20 days, compared to 24 days in the same period last year. As at 31 December 2017, the trade receivables with age less than 60 days accounted for approximately 99.5% of the total trade receivables.

The trade and bills payables decreased by approximately 6.0% to approximately RMB2,154.4 million as at 31 December 2017 from RMB2,291.2 million as at 30 June 2017. The turnover days of trade and bills payable were approximately 20 days, compare with 52 days in the same period last year.

管理層討論及分析(續) Management Discussion and Analysis (Continued)

流動資金及財務資源

本集團於本期間所需的營運資金及長期資金主要來自其經營現金流量及銀行貸款，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。

就本集團於二零一七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8,680.1百萬元及未動用銀行融資總額約人民幣35,467.7百萬元。

於二零一七年十二月三十一日，股東資金約為人民幣32,919.4百萬元，較二零一七年六月三十日增加約人民幣3,170.7百萬元。

債務管理

於二零一七年十二月三十一日，本集團的未償還貸款約為人民幣29,345.2百萬元。短期及長期貸款分別約為人民幣14,203.7百萬元及人民幣15,141.5百萬元，分別佔貸款總額約48.4%及51.6%。於本期間末，本集團約99.2%債務為無抵押債項。

本集團的貸款淨額對總權益比率由二零一七年六月三十日的74.6%減至二零一七年十二月三十一日約62.3%。董事會將密切監察本集團的貸款淨額對總權益比率，並逐步減少貸款。

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，其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，本集團將以外幣貸款、貨幣結構工具及其他適當的金融工具對沖重大風險。

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 2017, the Groups had bank and cash balances, short-term bank deposits and restricted cash amounted to approximately RMB8,680.1 million and total undrawn bank facilities of approximately RMB35,467.7 million.

As at 31 December 2017, the shareholders' funds were approximately RMB32,919.4 million, an increase of approximately RMB3,170.7 million from that as at 30 June 2017.

Debts Management

The Group had outstanding borrowings as at 31 December 2017 of approximately RMB29,345.2 million. The short-term and long-term borrowings amounted to approximately RMB14,203.7 million and RMB15,141.5 million respectively, accounting for approximately 48.4% and 51.6% of the total borrowings respectively. As at the end of the Period, about 99.2% of the Group's debts were on unsecured basis.

The net borrowings to total equity ratio of the Group decreased from 74.6% as at 30 June 2017 to approximately 62.3% as at 31 December 2017. The Board will closely monitor the Group's net borrowings to total equity ratio and reduce the 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.

管理層討論及分析(續) Management Discussion and Analysis (Continued)

本集團的政策為不利用任何衍生產品進行投機活動。

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

本集團所採納的庫務政策旨在：

The treasury policies followed by the Group aim to:

(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，及比較其現有協議的貸款利差與現時不同貨幣及銀行新貸款的貸款利率。

(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.

(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。於二零一七年十二月三十一日，外幣貸款總額相當於約人民幣10,609.9百萬元，以人民幣計值的貸款約為人民幣18,735.3百萬元，分別佔本集團貸款約36.2%及63.8%。

(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 2017, total foreign currency borrowings amounted to the equivalent of approximately RMB10,609.9 million and loans denominated in RMB amounted to approximately RMB18,735.3 million, representing approximately 36.2% and 63.8% of the Group's borrowings respectively.

資本開支

於本期間，本集團已支付約人民幣2,179.6百萬元興建工廠大廈、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。

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 RMB2,179.6 million. These capital expenditures were fully financed by internal resources and bank borrowings.

資本承擔

本集團所作出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5,113.5百萬元。該等承擔主要與擴充本集團產能以及改善若干現有生產線以達致更佳的成本控制及提高其盈利能力有關。

Capital commitments

The Group made capital expenditure commitments mainly for machineries and equipments of approximately RMB5,113.5 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.

或然負債

於二零一七年十二月三十一日，本集團並無重大或然負債。

Contingencies

As at 31 December 2017, 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。

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。

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.

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.

企業管治及其他資料(續) Corporate Governance and Other Information (Continued)

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。

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。

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.

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.

企業管治及其他資料(續) Corporate Governance and Other Information (Continued)

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2016/2017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

風險管治架構的最高層為董事會。董事會監督該框架的運作，確保足夠有效。執行委員會成立風險管理委員會實行該框架，成員包括高級及有經驗的管理層。風險管理委員會負責監督風險管理和內部監控的流程，為其實施提供適當的指導和工具，追蹤重大風險和緩解行動，和釐定已獲得識別的重大監控缺失或弱點。風險管理委員會委託業務和功能單位執行風險管理和內部監控的程序。通過與各業務單位主管和功能單位主管討論任何嚴峻和重大的風險和過往或將來應如何管理風險，風險管理委員會從而概括並編製風險評估報告，予董事會商討。

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 2016/2017 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

At the top of the risk governance structure is the Board Level Control. The Board oversees the running and ensures adequacy and effectiveness of the Framework. The Executive Committee set up a Risk Control Committee, which comprises senior and experienced members of management, to implement the Framework. The Risk Control Committee supervises the risk management and internal control process, facilitates its implementation with appropriate guidelines and tools, tracks material risks and mitigating activities, and determines significant control failings or weaknesses that have been identified. The Risk Control Committee entrusts the execution of the risk management and internal control process to the Business and Functional Units. Through discussion with the respective Business and Functional Unit leaders on any critical and significant risks and how the risks have been or will be managed, the Risk Control Committee summarizes and compiles a Risk Assessment Report for discussion with the Board.

企業管治及其他資料(續) Corporate Governance and Other Information (Continued)

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10.0分(相等於約12.34港仙)，預期將或約於二零一八年五月十八日(星期五)以郵寄方式派付予股東。股息將派付予於二零一八年五月七日(星期一)營業時間結束時名列本公司股東名冊之股東。人民幣兌港元乃按二零一八年二月二十六日之匯率1.00港元兌人民幣0.81009元換算，惟僅供參考。以港元所派付股息的實際匯率將以匯款當日的匯率為準。

暫停辦理股東登記

為確認股東可享有中期股息的權利，本公司將於二零一八年五月三日(星期四)至二零一八年五月七日(星期一)(包括首尾兩日)暫停辦理股東登記，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二零一八年五月二日(星期三)下午四時三十分前交回本公司之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)登記。

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 RMB10.0 cents (equivalent to approximately HK12.34 cents) per share for the Period, which is expected to be paid to the shareholders by post on or about Friday, 18 May 2018. The dividend will be paid to the shareholders whose names appear on the register of members of the Company at the close of business on Monday, 7 May 2018. The translation of RMB into HKD is made at the exchange rate of HK\$1.00 to RMB0.81009 as at 26 February 2018 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 Thursday, 3 May 2018 to Monday, 7 May 2018, 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 not later than 4:30 p.m. on Wednesday, 2 May 2018.

企業管治及其他資料(續) Corporate Governance and Other Information (Continued)

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

於二零一七年十二月三十一日，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二零一七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。

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 (附註) [Notes]	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	66.62%
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	66.62%
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	9,649,000	—	2,992,120,000	4,500,000	—	3,006,269,000	64.32%
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二零一七年十二月三十一日之已發行股份(即4,674,220,811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 2017 (i.e. 4,674,220,811 ordinary Shares).

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 2017, 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 2017.

企業管治及其他資料(續) Corporate Governance and Other Information (Continued)

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。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(續) Corporate Governance and Other Information (Continued)

(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					於二零一七年 十二月三十一日 的結餘 Balance as at 31 December 2017	概約 持股百分比* Approximate percentage of shareholding*
	於二零一七年 七月一日 的結餘 Balance as at 1 July 2017	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	於二零一七年 十二月三十一日 的結餘 Balance as at 31 December 2017		
董事(附註1及2) 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%	
合計: Total	18,000,000	—	—	—	18,000,000		

* 該百分比以本公司於二零一七年十二月三十一日之已發行股份(即4,674,220,811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 2017 (i.e. 4,674,220,811 ordinary Shares).

企業管治及其他資料(續) Corporate Governance and Other Information (Continued)

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	授出日期	行使價	行使期	購股權數目				於二零一七年十二月三十一日的結餘	於授出日期前之收市價
				於二零一七年七月一日的結餘	於本年度授出	於本年度行使	於本年度註銷/失效		
Name of Director	Grant Date	Exercise Price 港元 HK\$	Exercisable Period	Balance as at 1 Jul 2017	Granted during the Period	Exercised during the Period	Cancelled/ lapsed during the Period	Balance as at 31 Dec 2017	Closing price immediately before Grant Date 港元 HK\$
張女士 Ms. Cheung	二零一六年二月二十九日 29 February 2016	5.19	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
劉先生 Mr. Liu	二零一六年二月二十九日 29 February 2016	5.19	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
張先生 Mr. Zhang	二零一六年二月二十九日 29 February 2016	5.19	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
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	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

- (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二零一九年二月二十八日，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.

除上文所披露者外，於本期間內並無任何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(續) Corporate Governance and Other Information (Continued)

(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及 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 Long Position	信託受益人(註4) Beneficiary of trusts (note 4)	52,927	52.927%
張連鵬先生 Mr. Zhang Lianpeng	好倉 Long Position	信託受益人(註5) Beneficiary of trusts (note 5)	25,874	25.874%

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。

- (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.

企業管治及其他資料(續) Corporate Governance and Other Information (Continued)

- (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。
- (5) 張連鵬先生為The Zhang Family Trust及The Golden Nest Trust之受益人。

- (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.
- (5) Mr. Zhang Lianpeng is a beneficiary of each of The Zhang Family Trust and The Golden Nest Trust.

除上文所披露者外，於二零一七年十二月三十一日，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。

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 2017, 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.

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，於二零一七年十二月三十一日，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：

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 2017, 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	64.01%
張女士 Ms. Cheung	好倉 Long Position	控制法團的權益 Interest of controlled corporation	2,992,120,000	64.01%
Goldnew Limited Goldnew Limited	好倉 Long Position	控制法團的權益 Interest of controlled corporation	2,992,120,000	64.01%
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	64.01%

* 該百分比以本公司於二零一七年十二月三十一日之已發行股份(即4,674,220,811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 2017 (i.e. 4,674,220,811 ordinary Shares).

企業管治及其他資料(續) Corporate Governance and Other Information (Continued)

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%。

除上文所披露者外，於二零一七年十二月三十一日，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。

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。

該模式的主要假設為：

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

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。

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.

Save as disclosed above, as at 31 December 2017, 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.

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.

Key assumptions of the Model are:

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.

企業管治及其他資料(續) Corporate Governance and Other Information (Continued)

根據上市規則第13.51B(1)條作出之董事資料披露

以下是本公司自二零一六／一七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：

林耀堅先生於二零一七年十月十八日獲委任為榮威國際控股有限公司的獨立非執行董事(股份編號：3358)。

譚惠珠女士於二零一七年十一月一日起辭任為廣南(集團)有限公司之獨立非執行董事(股份編號：1203)。

根據上市規則第13.21條作出之持續披露

於二零一七年十二月三十一日，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。

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 2016/17 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 Bestway Global Holding Inc. (Stock Code: 3358) with effect from 18 October 2017.

Ms. Tam Wai Chu, Maria has resigned as an independent non-executive director of Guangnan (Holdings) Limited (Stock Code: 1203) with effect from 1 November 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 2017.

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

		二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000 未經審核 Unaudited	二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000 經審核 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	46,415,144
土地使用權	Land use rights	6	1,520,792
無形資產	Intangible assets	7	230,664
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		119,749
其他應收款項及預付款	Other receivables and prepayments	9	21,305
遞延所得稅資產	Deferred income tax assets		2,425
非流動資產總額	Total non-current assets		48,310,079
流動資產	Current assets		
存貨	Inventories	8	4,679,114
應收貿易賬款及 應收票據	Trade and bills receivables	9	5,399,248
其他應收款項及預付款	Other receivables and prepayments	9	1,220,678
可退回稅項	Tax recoverable		50,103
受限制現金	Restricted cash		24,000
短期銀行存款	Short-term bank deposits		10,833
現金及現金等價物	Cash and cash equivalents		6,472,756
流動資產總額	Total current assets		17,856,732
資產總額	Total assets		66,166,811
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	478,977
股份溢價	Share premium	10	8,765,002
其他儲備	Other reserves	11	1,539,236
保留盈利	Retained earnings		18,965,490
非控制權益	Non-controlling interests		29,748,705
			336,084
權益總額	Total equity		30,084,789

中期綜合資產負債表(續) Interim Consolidated Balance Sheet (Continued)

		附註 Note	二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000 未經審核 Unaudited	二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000 經審核 Audited
負債	LIABILITIES			
非流動負債	Non-current liabilities			
貸款	Borrowings	12	15,141,509	16,832,996
遞延所得稅負債	Deferred income tax liabilities		2,601,490	2,433,172
非流動負債總額	Total non-current liabilities		17,742,999	19,266,168
流動負債	Current liabilities			
應付貿易賬款及 應付票據	Trade and bills payables	13	2,154,371	2,291,195
其他應付款項及 客戶墊款	Other payables and advance from customers	13	2,618,944	1,842,678
即期所得稅負債	Current income tax liabilities		797,802	565,855
貸款	Borrowings	12	14,203,679	12,116,126
流動負債總額	Total current liabilities		19,774,796	16,815,854
負債總額	Total liabilities		37,517,795	36,082,022
權益及負債總額	Total equity and liabilities		70,708,361	66,166,811

第36至67頁的附註為本簡明綜合中期財務資料的一部分。

The notes on pages 36 to 67 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	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
	附註 Note		
銷售額	Sales	14	25,649,442
銷售成本	Cost of goods sold	15	(19,359,777)
毛利潤	Gross profit		6,289,665
其他收入、其他開支及 其他虧損 — 淨額	Other income, other expense and other losses — net	16	604,037
經營活動的匯兌收益/ (虧損) — 淨額	Exchange gain/(loss) on operating activities — net		96,063
銷售及市場推廣成本	Selling and marketing costs	15	(501,344)
行政開支	Administrative expenses	15	(557,049)
經營盈利	Operating profit		5,931,372
財務費用 — 淨額	Finance costs — net		(446,958)
— 財務收入	— Finance income	17	45,763
— 財務費用	— Finance costs	17	(492,721)
融資活動的匯兌 (虧損)/收益 — 淨額	Exchange (loss)/gain on financing activities — net		(101,004)
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		84,732
			48,361
除所得稅前盈利	Profit before income tax		5,431,771
所得稅開支	Income tax expense	18	(1,102,123)
本期間盈利	Profit for the period		4,329,648
以下人士應佔盈利：	Profit attributable to:		
— 本公司權益持有人	— Equity holders of the Company		4,329,268
— 非控制權益	— Non-controlling interests		380
			4,329,648
本公司權益持有人應佔 盈利的每股基本盈利	Basic earnings per share for profit attributable to equity holders of the Company		
(以每股人民幣元計)	(expressed in RMB per share)	19	0.93
本公司權益持有人應佔 盈利的每股攤薄盈利	Diluted earnings per share for profit attributable to equity holders of the Company		
(以每股人民幣元計)	(expressed in RMB per share)	19	0.92

第36至67頁的附註為本簡明綜合中期財務資料的一部分。

The notes on pages 36 to 67 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	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
本期間盈利	Profit for the period	4,329,648	1,919,084
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	(17,938)	29,817
本期間全面收入總額	Total comprehensive income for the period	4,311,710	1,948,901
以下人士應佔本期間 全面收入總額：	Total comprehensive income for the period attributable to:		
— 本公司權益持有人	— Equity holders of the Company	4,318,429	1,937,097
— 非控制權益	— Non-controlling interests	(6,719)	11,804
		4,311,710	1,948,901

第36至67頁的附註為本簡明綜合中期財務資料的一部分。

The notes on pages 36 to 67 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	權益總額 Total equity
		股本 Share capital	股份溢價 Share premium	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	人民幣千元 RMB'000
於二零一七年七月一日的結餘	Balance at 1 July 2017	478,977	8,765,002	1,539,236	18,965,490	29,748,705	336,084	30,084,789
全面收入	Comprehensive income							
本期間盈利	Profit for the period	-	-	-	4,329,268	4,329,268	380	4,329,648
其他全面收入	Other comprehensive income							
貨幣換算差額	Currency translation differences	-	-	(10,839)	-	(10,839)	(7,099)	(17,938)
全面收入總額	Total comprehensive income	-	-	(10,839)	4,329,268	4,318,429	(6,719)	4,311,710
與擁有人的交易	Transactions with owners							
向本公司權益持有人派付二零一七年末期股息	2017 final dividend to equity holders of the Company	-	-	(1,168,555)	-	(1,168,555)	-	(1,168,555)
收購附屬公司非控制權益	Acquisition of non-controlling interests in subsidiaries	-	-	20,800	-	20,800	(58,178)	(37,378)
削減股份溢價及轉撥至繳納盈餘(附註10(a))	Reduction of share premium and transfer to contributed surplus [Note 10(a)]	-	(5,000,000)	5,000,000	-	-	-	-
與擁有人的交易總額	Total transactions with owners	-	(5,000,000)	3,852,245	-	(1,147,755)	(58,178)	(1,205,933)
法定儲備及企業發展基金的分配	Appropriation to statutory reserve and enterprise expansion fund	-	-	505,192	(505,192)	-	-	-
於二零一七年十二月三十一日的結餘	Balance at 31 December 2017	478,977	3,765,002	5,885,834	22,789,566	32,919,379	271,187	33,190,566
於二零一六年七月一日的結餘	Balance at 1 July 2016	478,272	8,730,315	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	227	11,622	(2,066)	-	9,783	-	9,783
與擁有人的交易總額	Total transactions with owners	227	11,622	(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	478,499	8,741,937	836,531	17,457,206	27,514,173	344,653	27,858,826

第36至67頁的附註為本簡明綜合中期財務資料的一部分。

The notes on pages 36 to 67 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	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 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	5,314,101	4,347,239
已付所得稅	Income tax paid	(650,261)	(188,713)
已付利息	Interest paid	(589,343)	(630,436)
經營活動所得現金淨額	Net cash generated from operating activities	4,074,497	3,528,090
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	(2,257,133)	(1,703,742)
出售物業、廠房及 設備所得款項	Proceeds from disposal of property, plant and equipment	43,494	16,817
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	77,503	38,133
土地使用權付款	Payment for land use rights	—	(37,509)
無形資產付款	Payment for intangible assets	(1,350)	(1,995)
已收利息	Interest received	45,763	74,531
短期銀行存款變動	Changes in short-term bank deposits	(27,185)	256,208
投資活動所用現金淨額	Net cash used in investing activities	(2,118,908)	(1,357,557)

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

		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 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	16,484,411	15,616,006
償還貸款	Repayments of borrowings	(15,982,511)	(22,795,193)
受限制現金變動	Changes in restricted cash	—	21,736
已付本公司權益 持有人股息	Dividends paid to equity holders of the Company	(233,251)	(93,324)
已付非控制權益股息	Dividends paid to non-controlling interests	(7,981)	(21,029)
行使購股權	Exercise of share options	—	9,783
收購附屬公司非控制權益	Acquisition of non-controlling interests in subsidiaries	(37,378)	—
融資活動所得/(所用) 現金淨額	Net cash generated from/(used in) financing activities	223,290	(7,262,021)
現金及現金等價物 增加/(減少)淨額	Net increase/(decrease) in cash and cash equivalents		
本期間開始時之現金及 現金等價物	Cash and cash equivalents at beginning of the period	2,178,879	(5,091,488)
現金及現金等價物的 匯兌虧損	Exchange losses on cash and cash equivalents	6,472,756	11,002,470
		(33,559)	(30,910)
本期間結束時之現金及 現金等價物	Cash and cash equivalents at end of the period	8,618,076	5,880,072

第36至67頁的附註為本簡明綜合中期財務資料的一部分。

The notes on pages 36 to 67 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。本公司的註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

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二零一八年二月二十六日獲批准刊發。

本簡明綜合中期財務資料乃未經審核。

2. 編製基準

截至二零一七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」)編製之截至二零一七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二零一七年六月三十日止年度之綜合財務報表者相同。

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 address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

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 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 26 February 2018.

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 2017 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 2017, 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 consolidated financial statements for the year ended 30 June 2017.

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

除採納於截至二零一八年六月三十日止財政年度生效之香港財務報告準則修訂外，所應用之會計政策與截至二零一七年六月三十日止年度之年度財務報表所應用者(如該等年度財務報表所述)貫徹一致。

(a) 採納與本集團相關之準則修訂之影響

下列準則修訂與本集團二零一七年七月一日開始之財政年度相關並強制應用。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。

香港會計準則第7號(修訂本)	融資活動產生之負債變動
香港會計準則第12號(修訂本)	就未實現虧損確認遞延稅項資產
香港財務報告準則第12號(修訂本)	於其他實體之權益之披露

(b) 與本集團相關且已頒佈惟尚未生效之新訂準則、詮釋及準則修訂

下列新訂準則、詮釋及準則修訂與本集團相關且於二零一七年七月一日開始之財政年度已頒佈惟尚未生效，而本集團並無提早採納：

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 ¹
香港財務報告準則第4號(修訂本)	採用香港財務報告準則第4號保險合同時一併應用香港財務報告準則第9號金融工具 ¹
香港財務報告準則第9號(二零一四年)	金融工具 ¹

3. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2017, as described in those annual financial statements, except for the adoption of amendments to HKFRSs effective for the financial year ending 30 June 2018.

(a) Effect of adopting amendments to standards relevant to the Group

The following amendments to standards are relevant and mandatory for the Group's financial year beginning on 1 July 2017. The adoption of these amended standards does not have any significant impact to the results and financial position of the Group.

HKAS 7 (Amendment)	Changes in Liabilities Arising from Financial Activities
HKAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRS 12 (Amendment)	Disclosure of Interest in Other Entities

(b) New standards, interpretations and amendments to standards relevant to the Group have been issued but are not effective

The following new standards, interpretations and amendments to standards relevant to the Group have been issued but are not effective for the financial year beginning on 1 July 2017 and have not been early adopted by the Group:

HKFRS 2 (Amendment)	Classifications and Measurement of Share-based Payment ¹
HKFRS 4 (Amendment)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
HKFRS 9 (2014)	Financial Instruments ¹

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) 與本集團相關且已頒佈惟尚未生效之新訂準則、詮釋及準則修訂(續)

香港財務報告準則第15號	來自客戶合同的收入 ¹
香港會計準則第28號(修訂本)	於聯營公司及合營企業之投資 ¹
香港(國際財務報告詮釋委員會)第22號	外匯交易及預付代價 ¹
香港財務報告準則第16號	租賃 ²
香港(國際財務報告詮釋委員會)第23號	所得稅處理之不确定性 ²
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 ³

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

香港財務報告準則第15號「來自客戶合同的收入」預期將由本集團於二零一八年七月一日開始的財政年度採納。香港財務報告準則第15號規定於客戶獲得商品或服務控制權時確認收入。當客戶能控制商品或服務用途並從中獲益時，客戶即獲得控制權。相關原則為實體將確認收入以反映按該實體預期就交換該等商品或服務而應得的金額向客戶轉讓商品或服務。此規定與本集團目前根據香港會計準則第18號「收入」採納的風險及回報轉移概念並不相同。本公司董事現正評估香港財務報告準則第15號對本集團收入確認政策的影響。

3. ACCOUNTING POLICIES (CONTINUED)

(b) New standards, interpretations and amendments to standards relevant to the Group have been issued but are not effective (Continued)

HKFRS 15	Revenue from Contracts with Customers ¹
HKAS 28 (Amendment)	Investments in Associates and Joint Ventures ¹
HK(IFRIC) 22	Foreign Currency Transactions and Advance Consideration ¹
HKFRS 16	Leases ²
HK(IFRIC) 23	Uncertainty over Income Tax Treatments ²
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

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

HKFRS 15, "Revenue from Contracts with Customers" is expected to be adopted by the Group for the financial year beginning on 1 July 2018. HKFRS 15 recognised revenue when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The underlying principal is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. This is not the same as transfer of risks and rewards concept as currently adopted by the Group according to HKAS 18, "Revenue". The directors of the Company are now assessing the impact of HKFRS 15 to the Group's revenue recognition policy.

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) 與本集團相關且已頒佈惟尚未生效之新訂準則、詮釋及準則修訂(續)

香港財務報告準則第9號「金融工具」預期將由本集團於二零一八年七月一日開始的財政年度採納。本集團所採納現有政策的主要變動包括：

- 金融資產及負債的分類及計量變動

香港財務報告準則第9號以單一模型取代香港會計準則第39號內金融資產的多重分類及計量模型，該單一模型具有三個分類類別：攤銷成本、計入其他全面收入的公平值及計入損益的公平值。香港財務報告準則第9號項下的金融負債的分類及計量與香港會計準則第39號的相同，惟倘實體選擇按計入損益的公平值計量金融負債則除外。

本公司董事預期香港財務報告準則第9號引入的分類及計量模型變動不會對本集團現有金融資產及負債造成重大影響，乃由於現有金融資產及負債主要包括貸款及應收款項以及根據香港會計準則第39號釐定的按攤銷成本計量的金融負債，其與根據香港財務報告準則第9號按攤銷成本計量的金融資產及負債相若。

3. ACCOUNTING POLICIES (CONTINUED)

(b) New standards, interpretations and amendments to standards relevant to the Group have been issued but are not effective (Continued)

HKFRS 9, "Financial instruments" is expected to be adopted by the Group for the financial year beginning on 1 July 2018. The major changes to the existing policies adopted by the Group includes:

- *Changes on classification and measurement of financial assets and liabilities*

HKFRS 9 replaces the multiple classification and measurement models for financial assets in HKAS 39 with a single model that has three classification categories: amortised cost, fair value through other comprehensive income and fair value through profit and loss. The classification and measurement of financial liabilities under HKFRS 9 remains the same as in HKAS 39 except where an entity has chosen to measure a financial liability at fair value through profit or loss.

The directors of the Company do not expect the changes on the classification and measurement models introduced by HKFRS 9 would have material impact on the Group's existing financial assets and liabilities, as they are mainly comprised of loans and receivables and financial liabilities at amortised costs as determined under HKAS 39, which are similar to the financial assets and liabilities measured at amortised cost under HKFRS 9.

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) 與本集團相關且已頒佈惟尚未生效之新訂準則、詮釋及準則修訂(續)

- 減值模型變動**

香港財務報告準則第9號引入一個新訂、具前瞻性的預期信貸虧損減值模型。新訂規則意指實體將須於初始確認金融資產時記錄相當於12個月預期信貸虧損的單日虧損。香港財務報告準則第9號載有「三階段」法，乃基於自初始確認起金融資產的信貸質量變動。資產隨著信貸質量變動於三個階段之間轉移，且相關階段反映實體計量減值虧損及應用實際利率法的方式。倘信貸風險顯著增加，則採用全期預期信貸虧損(而非12個月預期信貸虧損)計量減值。該模型包括對應收貿易賬款的簡化處理。就並無包含重大融資成分的應收貿易賬款而言，虧損撥備應於初始確認時及應收款項年內按相當於全期預期信貸虧損的金額計量。

本公司董事預期香港財務報告準則第9號引入的新訂減值模型一般將導致較香港會計準則第39號的現時產生虧損模型提早確認虧損。本集團現正評估香港財務報告準則第9號的影響。

上述新訂準則、詮釋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, interpretations and amendments to standards relevant to the Group have been issued but are not effective (Continued)

- Changes on the impairment model**

HKFRS 9 introduce a new, forward looking, expected credit loss impairment model. The new rules mean that entities will have to record a day one loss equal to the 12-month expected credit loss on initial recognition of financial assets. HKFRS 9 contains a “three stages” approach which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest method. Where there has been a significant increase in credit risk, impairment is measured using lifetime expected credit loss rather than 12-month expected credit loss. The model includes operational simplifications for trade receivables. For trade receivables that do not contain a significant financing component, the loss allowance should be measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime expected credit loss.

The directors of the Company expect the new impairment model introduced by HKFRS9 will generally result in earlier recognition of losses compared to the current incurred loss model of HKAS 39. The Group is in the process of assessing the impact of HKFRS 9.

The above new standards, interpretations 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，並應與本集團截至二零一七年六月三十日止年度之年度財務報表一併閱讀。

截至二零一七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、原料採購、廠房及設備購置及貸款以美元(「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幣換算風險。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 2017.

There have been no changes in any risk management policies during the six months ended 31 December 2017.

(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。於二零一七年十二月三十一日，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，則截至二零一七年十二月三十一日止六個月內的除稅後盈利將減少／增加人民幣361,476,000元(截至二零一六年十二月三十一日止六個月：人民幣370,260,000元)，而其他儲備將增加／減少人民幣29,533,000元(截至二零一六年十二月三十一日止六個月：人民幣43,869,000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以及貸款)至集團實體之功能貨幣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未實現外匯虧損／收益所致。

(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銀行存款的滾動預測。

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 2017, 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 2017 would have been RMB 361,476,000 lower/higher (six months ended 31 December 2016: RMB370,260,000) and other reserves would have been RMB29,533,000 higher/lower (six months ended 31 December 2016: RMB43,869,000), respectively, mainly as a result of unrealised 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 and borrowings) into the functional currency of the group entities and the 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, 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 bank 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的金融負債。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 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 人民幣千元 RMB'000	一至二年 Between 1 and 2 years 人民幣千元 RMB'000	二至五年 Between 2 and 5 years 人民幣千元 RMB'000	五年以上 Over 5 years 人民幣千元 RMB'000
於二零一七年十二月三十一日	At 31 December 2017				
貸款(包括利息)(附註)	Borrowings (including interests) (Note)	14,961,382	9,861,639	5,640,641	133,707
應付貿易賬款、應付票據及 其他應付款項	Trade, bills and other payables	4,128,067	-	-	-
向一間合營企業 提供的財務擔保合約	Financial guarantee contracts provided to a joint venture	34,982	-	-	-
於二零一七年六月三十日	At 30 June 2017				
貸款(包括利息)(附註)	Borrowings (including interests) (Note)	12,895,025	9,894,796	7,182,524	256,369
應付貿易賬款、應付票據及 其他應付款項	Trade, bills and other payables	3,506,875	-	-	-
向一間合營企業提供的財務 擔保合約	Financial guarantee contracts provided to a joint venture	37,592	-	-	-

附註：貸款利息分別按二零一七年十二月三十一日及二零一七年六月三十日所持貸款計算。浮動利率利息分別按二零一七年十二月三十一日及二零一七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 2017 and 30 June 2017, respectively. Floating-rate interest is estimated using the current interest rate as at 31 December 2017 and 30 June 2017, 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，並作出資源分配之決定。因此，本公司董事認為，本集團只有一個分部用以作出策略性決定。

本集團以中國為根據地。截至二零一七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24,980,908,000元(截至二零一六年十二月三十一日止六個月：人民幣18,089,992,000元)，而其來自其他國家外部客戶之總收入為人民幣668,534,000元(截至二零一六年十二月三十一日止六個月：人民幣1,035,032,000元)。主要產品之總銷售額明細於附註14披露。

於二零一七年十二月三十一日，位於中國之非流動資產總額(除遞延所得稅資產外)為人民幣47,718,911,000元(二零一七年六月三十日：人民幣46,674,513,000元)，而位於其他國家之該等非流動資產總額為人民幣1,671,500,000元(二零一七年六月三十日：人民幣1,633,141,000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 domiciled in the PRC. The revenue from external customers attributable to the PRC for the six months ended 31 December 2017 is RMB24,980,908,000 (six months ended 31 December 2016: RMB18,089,992,000), and the total of its revenue from external customers from other countries is RMB668,534,000 (six months ended 31 December 2016: RMB1,035,032,000). The breakdown of the major products of the total sales is disclosed in Note 14.

As at 31 December 2017, the total of non-current assets other than deferred income tax assets located in the PRC is RMB47,718,911,000 (30 June 2017: RMB46,674,513,000), and the total of these non-current assets located in other countries is RMB1,671,500,000 (30 June 2017: RMB1,633,141,000).

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
截至二零一七年 十二月三十一日止六個月	Six months ended 31 December 2017		
於二零一七年七月一日的 期初賬面淨值	Opening net book amount as at 1 July 2017	46,415,144	1,520,792
添置	Additions	2,227,901	—
出售	Disposals	(128,942)	—
折舊／攤銷(附註15)	Depreciation/amortisation (Note 15)	(991,903)	(19,579)
匯兌差額	Exchange difference	(50,392)	(348)
於二零一七年十二月三十一日的 期末賬面淨值	Closing net book amount as at 31 December 2017	47,471,808	1,500,865
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

於二零一七年十二月三十一日，本集團若干物業、廠房及設備賬面值約為人民幣469,845,000元(二零一七年六月三十日：人民幣1,074,532,000元)，用作抵押本集團的貸款(附註12)。

Certain property, plant and equipment of the Group with carrying values of approximately RMB469,845,000 as at 31 December 2017 (30 June 2017: RMB1,074,532,000) 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
截至二零一七年 十二月三十一日止六個月	Six months ended 31 December 2017	
於二零一七年七月一日的 期初賬面淨值	Opening net book amount as at 1 July 2017	230,664
添置	Additions	1,350
攤銷(附註15)	Amortisation (Note 15)	(3,986)
於二零一七年十二月三十一日的 期末賬面淨值	Closing net book amount as at 31 December 2017	228,028
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	Impairment	(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

8. 存貨

8. INVENTORIES

		二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000	二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000
原料	Raw materials	3,344,649	2,849,572
成品	Finished goods	2,881,157	1,829,542
		6,225,806	4,679,114

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**

		二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000	二零一七年 六月三十日 30 June 2017 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	2,880,657	3,027,667
— 有關連人士(附註22(d))	— related parties (Note 22(d))	21,469	47,295
		2,902,126	3,074,962
應收票據(附註(d))	Bills receivable (Note (d))		
— 第三方	— third parties	1,979,756	2,230,220
— 有關連人士(附註22(d))	— related parties (Note 22(d))	101,645	94,066
		2,081,401	2,324,286
應收貿易賬款及應收票據	Trade and bills receivables	4,983,527	5,399,248
可退回增值稅	Value-added tax recoverable	368,612	431,413
其他應收款項及按金	Other receivables and deposits		
— 第三方	— third parties	262,972	332,995
— 有關連人士(附註22(d))	— related parties (Note 22(d))	41,915	43,138
		304,887	376,133
預付款	Prepayments		
— 第三方	— third parties	647,217	434,437
— 有關連人士(附註22(d))	— related parties (Note 22(d))	128,027	—
		775,244	434,437
減：計入非流動資產的 其他應收款項	Less: other receivables included in non-current assets	(21,305)	(21,305)
其他應收款項及預付款	Other receivables and prepayments	1,427,438	1,220,678

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) 於二零一七年十二月三十一日，由於應收貿易賬款、應收票據及其他應收款項均於短期內到期，故此其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大部分為30至60日。
- (c) 於二零一七年十二月三十一日，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 2017, 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 2017 is as follows:

		二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000	二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000
0至30日	0-30 days	2,653,895	2,730,132
31至60日	31-60 days	233,507	335,500
61至90日	61-90 days	14,724	8,129
逾90日	Over 90 days	—	1,201
		2,902,126	3,074,962

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) 應收票據的期限大部分為90至180日(二零一七年六月三十日：90至180日)。於二零一七年十二月三十一日的應收票據指銀行承兌匯票及商業票據(二零一七年六月三十日：相同)。

- (d) Bills receivable are mainly with maturity period of 90 to 180 days (30 June 2017: 90 to 180 days). Bills receivable as at 31 December 2017 represents the bank acceptance notes and commercial bills (30 June 2017: same).

簡明綜合中期財務資料附註(續)
Notes to the Condensed Consolidated Interim Financial Information (Continued)

10. 股本及股份溢價

10. SHARE CAPITAL AND SHARE PREMIUM

		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
已發行及繳足：		Issued and fully paid:				
截至二零一七年 十二月三十一日止六個月		Six months ended 31 December 2017				
於二零一七年七月一日的 結餘	Balance as at 1 July 2017	4,674,221	467,422	478,977	8,765,002	9,243,979
削減股份溢價及轉撥至 繳納盈餘(附註(a))	Reduction of share premium and transfer to contributed surplus (Note [a])	-	-	-	(5,000,000)	(5,000,000)
於二零一七年 十二月三十一日的結餘	Balance as at 31 December 2017	4,674,221	467,422	478,977	3,765,002	4,243,979
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

(a) 削減本公司股份溢價賬的進賬額人民幣5,000,000,000元，並將有關金額撥入繳納盈餘賬，已於二零一七年十二月十八日在股東週年大會上獲股東批准。

(a) A reduction of RMB5,000,000,000 standing to the credit of the share premium account of the Company and the transfer such amount to the contributed surplus account was approved by the shareholders at the annual general meeting on 18 December 2017.

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
截至二零一七年 十二月三十一日止六個月	Six months ended 31 December 2017						
於二零一七年七月一日的結餘	Balance as at 1 July 2017	146,959	230,606	41,367	1,165,200	(44,896)	1,539,236
削減股份溢價及轉撥至繳納盈餘 (附註10(a))	Reduction of share premium and transfer to contributed surplus (Note 10(a))	5,000,000	—	—	—	—	5,000,000
向本公司權益持有人派付 二零一七年末期股息(附註20(a))	2017 final dividend to equity holders of the Company (Note 20(a))	(1,168,555)	—	—	—	—	(1,168,555)
法定儲備及企業發展基金的分配	Appropriation to statutory reserve and enterprise expansion fund	—	—	—	505,192	—	505,192
貨幣換算差額	Currency translation differences	—	—	—	—	(10,839)	(10,839)
收購附屬公司非控制權益	Acquisition of non-controlling interests in subsidiaries	—	20,800	—	—	—	20,800
於二零一七年 十二月三十一日的結餘	Balance as at 31 December 2017	3,978,404	251,406	41,367	1,670,392	(55,735)	5,885,834
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

(a) 本集團繳納盈餘指根據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 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)後方可作實。購股權可自授出日期起計半年予以行使。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' service (the vesting period). The options are exercisable starting 0.5 year from 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	
			於二零一七年 七月一日 As at 1 July 2017	於二零一七年 十二月三十一日 As at 31 December 2017
二零一六年 二月二十九日 29 February 2016		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	18,000,000	18,000,000
	5.19			

於二零一七年十二月三十一日，18,000,000份購股權(二零一七年六月三十日：18,000,000份購股權)可予行使。

As at 31 December 2017, the outstanding share options of 18,000,000 options (30 June 2017: 18,000,000 options) were exercisable.

(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，僅可用於彌補相關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，僅可用於增加相關公司的股本或擴展生產業務。

(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.

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(續)

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相關公司的董事會釐定。

11. OTHER RESERVES (CONTINUED)

(c) Statutory reserve and enterprise expansion fund (Continued)

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.

12. 貸款

12. BORROWINGS

		二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000	二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000
非流動	Non-current		
— 長期銀行及其他貸款	— Long-term bank and other borrowings	15,141,509	16,832,996
流動	Current		
— 短期銀行貸款	— Short-term bank borrowings	10,572,321	9,843,130
— 長期銀行及其他貸款即期部分	— Current portion of long-term bank and other borrowings	3,631,358	1,873,196
— 中期票據即期部分	— Current portion of medium-term notes	—	399,800
		14,203,679	12,116,126
		29,345,188	28,949,122

(a) 於二零一七年十二月三十一日，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149,023,000元(二零一七年六月三十日：人民幣244,024,000元)；而由本公司提供擔保的貸款為人民幣23,499,058,000元(二零一七年六月三十日：人民幣23,983,279,000元)；及由本公司提供擔保及以受限制現金作抵押的貸款為人民幣79,833,000元(二零一七年六月三十日：人民幣79,633,000元)。

(a) As at 31 December 2017, borrowings of RMB149,023,000 (30 June 2017: RMB244,024,000) are secured by certain property, plant and equipment (Note 6) of the Group; borrowings of RMB23,499,058,000 (30 June 2017: RMB23,983,279,000) are guaranteed by the Company; and borrowings of RMB79,833,000 (30 June 2017: RMB79,633,000) are secured by the Company and secured by 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) 貸款到期情況如下：

12. BORROWINGS (CONTINUED)

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

		二零一七年 十二月三十一日 31 December 2017 銀行及其他貸款 Bank and other borrowings 人民幣千元 RMB'000
一年內	Within 1 year	14,203,679
一年至兩年	Between 1 and 2 years	9,512,818
兩年至五年	Between 2 and 5 years	5,499,502
逾五年	Over 5 years	129,189
		29,345,188

		二零一七年六月三十日 30 June 2017		
		銀行及其他貸款 Bank and other borrowings 人民幣千元 RMB'000	中期票據 Medium-term notes 人民幣千元 RMB'000	合計 Total 人民幣千元 RMB'000
一年內	Within 1 year	11,716,326	399,800	12,116,126
一年至兩年	Between 1 and 2 years	9,530,511	—	9,530,511
兩年至五年	Between 2 and 5 years	7,054,034	—	7,054,034
逾五年	Over 5 years	248,451	—	248,451
		28,549,322	399,800	28,949,122

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) 貸款於二零一七年十二月三十一日之實際利率如下：

12. BORROWINGS (CONTINUED)

(c) The effective interest rates of the borrowings as at 31 December 2017 are as follows:

		二零一七年十二月三十一日 31 December 2017				
		人民幣 RMB	港元 HK\$	美元 US\$	歐元 EURO	越南盾 VND
長期銀行及其他貸款	Long-term bank and other borrowings	4.14%	2.39%	3.73%	1.36%	8.85%
短期銀行貸款	Short-term bank borrowings	4.15%	1.67%	2.46%	0.55%	4.39%

		二零一七年六月三十日 30 June 2017				
		人民幣 RMB	港元 HK\$	美元 US\$	歐元 EURO	越南盾 VND
長期銀行及其他貸款	Long-term bank and other borrowings	4.03%	2.73%	3.94%	1.60%	8.87%
短期銀行貸款	Short-term bank borrowings	4.10%	—	2.17%	1.22%	5.34%
中期票據	Medium-term notes	7.56%	—	—	—	—

(d) 於二零一七年十二月三十一日，本集團所有貸款之賬面值以下列貨幣計值：

(d) The carrying amounts of all the Group's borrowings as at 31 December 2017 are denominated in the following currencies:

		二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000	二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000
人民幣	RMB	18,735,281	18,406,556
歐元	EURO	5,304,368	5,853,473
美元	US\$	4,282,096	4,023,093
港元	HK\$	675,557	493,761
越南盾	VND	347,886	172,239
		29,345,188	28,949,122

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:

		二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000	二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000
按浮動利率：	At floating rates:		
— 一年內到期	— expiring within one year	27,846,098	30,508,535
— 一年後到期	— expiring beyond one year	7,621,595	2,159,847
		35,467,693	32,668,382

13. 應付貿易賬款、應付票據及其他應付款項以及客戶墊款

13. TRADE, BILLS AND OTHER PAYABLES AND ADVANCE FROM CUSTOMERS

		二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000	二零一七年 六月三十日 30 June 2017 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	1,171,923	1,155,946
— 有關連人士(附註22(d))	— related parties (Note 22(d))	186,693	282,451
		1,358,616	1,438,397
應付票據(附註(b))	Bills payable (Note (b))		
— 第三方	— third parties	795,755	852,798
應付貿易賬款及應付票據	Trade and bills payables	2,154,371	2,291,195
客戶墊款	Advance from customers		
— 第三方	— third parties	308,688	337,036
其他應付款項(附註(c))	Other payables (Note (c))		
— 第三方	— third parties	2,202,663	1,391,565
應付員工福利	Staff welfare benefits payable	107,593	114,077
其他應付款項及客戶墊款	Other payables and advance from customers	2,618,944	1,842,678

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以及客戶墊款(續)

- (a) 於二零一七年十二月三十一日，應付貿易賬款根據發票日期之賬齡分析如下：

		二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000	二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000
0至90日	0-90 days	1,305,765	1,404,215
91至180日	91-180 days	21,799	17,693
181至365日	181-365 days	15,737	11,475
逾365日	Over 365 days	15,315	5,014
		1,358,616	1,438,397

- (b) 應付票據的期限大部分為90至180日(二零一七年六月三十日：相同)。
- (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。

13. TRADE, BILLS AND OTHER PAYABLES AND ADVANCE FROM CUSTOMERS (CONTINUED)

- (a) The ageing analysis of trade payables based on invoice date as at 31 December 2017 is as follows:

- (b) Bills payable are mainly with maturity period of 90 to 180 days (30 June 2017: same).
- (c) Other payables mainly represent payables for acquisition of property, plant and equipment, payables for finance costs and other operating expenses.

14. 銷售額

本集團於截至二零一七年十二月三十一日止六個月之營業額及收入如下：

14. SALES

Turnover and revenue of the Group during the six months ended 31 December 2017 are as follows:

		截至十二月三十一日止六個月 Six months ended 31 December	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
銷售包裝紙	Sales of packaging paper	24,192,370	17,954,226
銷售環保型文化用紙	Sales of recycled printing and writing paper	1,294,686	1,042,439
銷售高價特種紙產品	Sales of high value specialty paper products	162,386	128,359
		25,649,442	19,125,024

簡明綜合中期財務資料附註(續)

Notes to the Condensed Consolidated Interim Financial Information (Continued)

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	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
折舊(附註6)	Depreciation (Note 6)	991,903	991,260
減：已於其他開支中 扣除的款項	Less: amount charged to other expenses	(2,037)	(1,981)
		989,866	989,279
土地使用權攤銷(附註6)	Amortisation of land use rights (Note 6)	19,579	18,765
無形資產攤銷(附註7)	Amortisation of intangible assets (Note 7)	3,986	2,905
僱員福利開支	Employee benefit expenses	846,752	780,253
成品變動	Changes in finished goods	(1,051,615)	532,045
已耗用原料及耗用品	Raw materials and consumables used	19,056,222	13,814,480

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
虧損 — 淨額16. OTHER INCOME, OTHER EXPENSES AND
OTHER LOSSES — NET

		截至十二月三十一日止六個月 Six months ended 31 December	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
其他收入	Other income		
— 增值稅退稅	— value added tax refund	539,492	379,750
— 補助金	— subsidy income	105,440	95,003
— 銷售電力	— sales of electricity	48,584	25,310
— 來自運輸服務之 收入	— income from transportation services	14,387	15,876
其他開支	Other expenses		
— 銷售電力成本	— cost of sales of electricity	(28,674)	(16,792)
— 運輸服務成本	— cost of transportation services	(7,820)	(7,844)
其他虧損—淨額	Other losses — net	(67,372)	(20,793)
		604,037	470,510

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	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
財務收入：	Finance income:		
銀行存款利息收入	Interest income from bank deposits	45,763	74,531
財務費用：	Finance costs:		
貸款利息	Interest on borrowings	(485,012)	(491,350)
其他附帶貸款成本	Other incidental borrowing costs	(44,869)	(66,117)
減：已資本化利息	Less: interest capitalised	38,482	21,382
票據貼現費用	Bills discount charge	(491,399)	(536,085)
利率掉期合約收益	Gain from interest rate swap contracts	(1,322)	(38,183)
		—	1,106
		(492,721)	(573,162)

截至二零一七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之資金所適用之資本化利率約為3.7% (截至二零一六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 3.7% for the six months ended 31 December 2017 (six months ended 31 December 2016: 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	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 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))	931,543	281,559
— 香港利得稅(附註(c))	— Hong Kong profits tax (Note (c))	—	—
		931,543	281,559
遞延所得稅	Deferred income tax	170,580	166,482
		1,102,123	448,041

(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二零一七年十二月三十一日止六個月享有15%(截至二零一六年十二月三十一日止六個月：相同)的優惠稅率除外，乃由於該等附屬公司根據相關規則及規定符合高新技術企業(「高新技術企業」)的要求。高新技術企業地位應根據相關規則及規定每三年重新評估一次。

(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 2017 as those subsidiaries fulfil the requirements of High and New Technology Enterprise ("HNTE") according to relevant rules and regulations (six months ended 31 December 2016: same). The HNTE designation should be reassessed every three years according to relevant rules and regulations.

(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)

截至二零一七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% (截至二零一六年十二月三十一日止六個月：5%)。

(c) 香港利得稅

由於本集團於截至二零一七年十二月三十一日止六個月期間並無任何應課稅盈利(截至二零一六年十二月三十一日止六個月：無)，故此並未為香港利得稅計提撥備。

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 2017 was 5% (six months ended 31 December 2016: 5%).

(c) Hong Kong profits tax

Hong Kong profits tax has not been provided as the Group did not have any assessable profits during the six months ended 31 December 2017 (six months ended 31 December 2016: 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	
		二零一七年 2017	二零一六年 2016
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)	4,329,268	1,914,683
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)	4,674,221	4,667,683
每股基本盈利 (每股人民幣元)	Basic earnings per share (RMB per share)	0.93	0.41

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，調整發行在外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。

於截至二零一七年十二月三十一日止六個月，根據尚未行使購股權所附認購權的貨幣價值進行計算，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。計算所得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。差額計入分母內，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 2017, 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 monetary value of the subscription right attached to the outstanding share options. The number of shares calculated 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

		二零一七年 2017	二零一六年 2016
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)	4,329,268	1,914,683
計算每股基本盈利所用的 普通股的加權平均股數 (千股計)	Weighted average number of ordinary shares for basic earnings per share (shares in thousands)	4,674,221	4,667,683
就購股權作出調整 (千股計)	Adjustment for share options (shares in thousands)	10,961	6,146
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)	4,685,182	4,673,829
每股攤薄盈利 (每股人民幣元)	Diluted earnings per share (RMB per share)	0.92	0.41

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	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
中期股息(附註(b))	Interim dividend (Note (b))	467,422	233,444
<p>(a) 本公司於二零一七年十二月十八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二零一七年末期股息每股普通股人民幣25.0分，合共約為人民幣1,168,555,000元，該等股息已於二零一八年一月支付。</p> <p>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分及特別股息每股普通股人民幣3.0分，合共約為人民幣513,583,000元，該等股息已於二零一七年一月支付。</p>	<p>(a) 2017 final dividend of RMB25.0 cents per ordinary share, totalling approximately RMB1,168,555,000 has been approved in the Company's Annual General Meeting on 18 December 2017 out of other reserves of the Company and paid in January 2018.</p> <p>2016 final dividend of RMB8.0 cents and special dividend of RMB3.0 cents per ordinary share, totalling approximately RMB513,583,000 has been approved in the Company's Annual General Meeting on 7 December 2016 out of other reserve of the Company and paid in January 2017.</p>		
<p>(b) 董事建議就截至二零一七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10.0分(截至二零一六年十二月三十一日止六個月：人民幣5.0分)，合共約為人民幣467,422,000元(截至二零一六年十二月三十一日止六個月：人民幣233,444,000元)。該等中期股息已於二零一八年二月二十六日召開的董事會會議上獲得批准。本簡明綜合中期財務資料並未反映此應付中期股息。</p>	<p>(b) The directors recommend the payment of an interim dividend of RMB10.0 cents (six months ended 31 December 2016: RMB5.0 cents) per ordinary share, totalling approximately RMB467,422,000 for the six months ended 31 December 2017 (six months ended 31 December 2016: RMB233,444,000). Such interim dividend has been approved in the meeting of board of directors of the Company on 26 February 2018. This condensed consolidated interim financial information does not reflect this interim dividend payable.</p>		

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、廠房及設備有已訂約但未撥備的重大資本承擔如下：

		二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000	二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000
一年內	Not later than one year	4,674,433	3,778,224
一年後 但五年內	Later than one year and not later than five years	439,060	516,731
		5,113,493	4,294,955

(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而支付的未來最低租金總額如下：

		二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000	二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000
一年內	Not later than one year	5,300	7,023
一年後 但五年內	Later than one year and not later than five years	2,024	2,055
五年後	Later than five years	14,932	15,409
		22,256	24,487

21. COMMITMENTS

(a) Capital commitments

The Group has material capital commitments contracted but not provided for on property, plant and equipment as follows:

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

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

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 及其附屬公司(「中南天津」) ACN (Tianjin) Resources Co., Ltd. and its subsidiary ("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 interests 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

截至二零一七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 2017, 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	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
銷售產品：	Sales of goods:		
— 太倉包裝	— Taicang Packaging	197,656	159,806
— 東莞弘龍	— Dongguan Honglong	106,499	89,486
		304,155	249,292
採購廢紙：	Purchase of recovered paper:		
— 中南天津	— ACN Tianjin	7,615,466	3,302,370
— 美國中南	— ACN	4,963,213	4,407,707
— 太倉包裝	— Taicang Packaging	13,200	11,175
		12,591,879	7,721,252

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.

(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：

(c) Key management compensation

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

		截至十二月三十一日止六個月 Six months ended 31 December	
		二零一七年 2017 人民幣千元 RMB'000	二零一六年 2016 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	27,609	25,728
購股權	Share options	—	7,507
		27,609	33,235

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)

22. RELATED PARTY TRANSACTIONS
(CONTINUED)

(d) 與有關連人士之結餘

(d) Balances with related parties

		二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000	二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000
應收下列人士之結餘：	Balances due from:		
— 中南天津	— ACN Tianjin	128,027	—
— 太倉包裝	— Taicang Packaging	74,602	84,879
— 東莞弘龍	— Dongguan Honglong	48,512	56,513
— 揚威	— Global Fame	38,243	37,537
— 龍揚國際	— Longen International	3,672	5,570
		293,056	184,499
		二零一七年 十二月三十一日 31 December 2017 人民幣千元 RMB'000	二零一七年 六月三十日 30 June 2017 人民幣千元 RMB'000
應付下列人士之結餘：	Balances due to:		
— 中南天津	— ACN Tianjin	104,277	1,219
— 美國中南	— ACN	82,416	281,232
		186,693	282,451

(e) 向合營企業提供之擔保

於二零一七年十二月三十一日，本集團就揚威有關之貸款向其提供人民幣34,982,000元(二零一七年六月三十日：人民幣37,592,000元)之擔保。

(e) Provision of guarantee to the joint venture

As at 31 December 2017, the Group has provided guarantee of RMB34,982,000 to Global Fame related to its borrowings (30 June 2017: RMB37,592,000).

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生產基地，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二零一七年十二月十八日假座香港九龍觀塘創業街38號如心艾朗酒店3樓宴會廳élan 220舉行。

股東

於二零一七年十二月三十一日，本集團有超過3,100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 Stock Exchange 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 élan 220, 3/F., L'hotel élan, 38 Chong Yip Street, Kwun Tong, Kowloon, Hong Kong on 18 December 2017.

SHAREHOLDERS

As at 31 December 2017, the Group had over 3,100 shareholders.

投資者關係及與股東的溝通(續) Investor Relations and Communications with Shareholders (Continued)

財務紀要

二零一八財政年度
中期業績 二零一八年
二月二十六日刊登公佈

中期股息
除息日期 二零一八年四月三十日

最後辦理股份
過戶時間以符合
有權獲派中期股息 二零一八年
五月二日
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 二零一八年
五月三日至
二零一八年
五月七日
(包括首尾兩天)

派付二零一八財政年度
中期股息 (約於)二零一八年
五月十八日

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: 4,674,220,811
(於二零一七年 股股份
十二月三十一日)

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

二零一六/二零一七 每股人民幣25分
財政年度末期股息:
二零一七/二零一八 每股人民幣10分
財政年度中期股息:

FINANCIAL CALENDAR

FY2018 interim results Announcement published on
26 February 2018

Ex-dividend date for interim dividend 30 April 2018

Latest time to lodge transfer with
the Share Registrar for entitlement
of the interim dividend 4:30 p.m. on 2 May 2018

Closure of register of members
for determining the entitlement
of the interim dividend 3 May 2018 to 7 May 2018
(both dates inclusive)

Distribution of FY2018
interim dividend (on or about) 18 May 2018

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 4,674,220,811 Shares
31 December 2017:

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

Dividend

Dividend per Share

FY2016/2017 Final Dividend: RMB25 cents per Share

FY2017/2018 Interim Dividend: RMB10 cents per Share

投資者關係及與股東的溝通(續) Investor Relations and Communications with Shareholders (Continued)

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

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

股份代號

聯交所： 2689
路透社： 2689.HK
彭博： 2689 HK

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 (續) Definition (Continued)

「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	截至二零一七年十二月三十一日止六個月	Period	for the six months ended 31 December 2017
「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2017/18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 2017/18 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